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Congressional Record.

PROCEEDINGS AND DEBATES OF THE SIXTY-SEVENTH CONGRESS
SECOND SESSION.

SENATE.

TUESDAY, *May 9, 1922.*

(Legislative day of Thursday, April 20, 1922).

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Harreld	McKinley	Smoot
Borah	Harris	McLean	Spencer
Brandegee	Harrison	McNary	Stanley
Bursum	Heflin	Nelson	Sterling
Calder	Hitchcock	Newberry	Sutherland
Capper	Johnson	Nicholson	Swanson
Caraway	Jones, Wash.	Norbeck	Townsend
Colt	Kellogg	Norris	Underwood
Culberson	Kendrick	Oddie	Wadsworth
Cummins	Keyes	Overman	Walsh, Mass.
Curtis	King	Page	Walsh, Mont.
Dial	Ladd	Phipps	Watson, Ga.
Dillingham	La Follette	Poindexter	Watson, Ind.
Fletcher	Lodge	Pomerene	Willis
Frelinghuysen	McCormick	Robinson	
Gooding	McCumber	Sheppard	
Hale	McKellar	Simmons	

Mr. DIAL. Mr. President, I desire to announce that my colleague [Mr. SMITH] is unavoidably detained. I ask that this announcement may continue through the day.

The PRESIDENT pro tempore. Sixty-five Senators have answered to their names. A quorum is present.

NOMINATION OF NAT GOLDSTEIN.

Mr. HARRISON. Mr. President, the morning papers carry an item—and I was just wondering if it is true—that on yesterday the Republican members of the Finance Committee had a meeting behind closed doors and had hearings on the nomination of Nat "Goldstained." Of course, I am not unaware of the fact that the majority members——

Mr. SIMMONS. Mr. President, do I understand the Senator to say the Finance Committee held a meeting?

Mr. HARRISON. I understood the Republican members of the Finance Committee yesterday had a meeting.

Mr. SIMMONS. Oh, that is a different matter.

Mr. HARRISON. They had a meeting with reference to Nat "Goldstain's" nomination, and there were witnesses before them and the matter was presented there behind closed doors. I do not know whether Democratic members of the Finance Committee were invited or not.

Mr. SIMMONS. The suggestion that the Finance Committee held a meeting is what I objected to in the Senator's statement. The Senator said the Republican members held a meeting of the Finance Committee. The Republican members can not hold a meeting of the Finance Committee without notifying the minority members to be present. There was no notice, so far as I have any knowledge, to the minority members of any meeting of the committee to be held on yesterday morning, and it could not have been, therefore, a meeting of the committee, but was just a meeting of the Republican members of the committee.

Mr. HARRISON. I am glad to have the statement of the Senator. I got my information from the Washington Post of this morning, which stated that Senator SPENCER, of Missouri, appeared before the Finance Committee in behalf of Nat "Goldstain's" nomination to be collector of internal revenue in St. Louis.

I am wondering how long this practice will last of the Republican members of the Finance Committee holding secret sessions behind closed doors and in such fashion determining the policy of the Congress. They did it with reference to the bonus legislation. They did it with reference to the tariff. They are now following the same course with reference to Nat "Goldstain's" nomination.

In this connection may I be permitted, before I take my seat, to have read a telegram from St. Louis touching this matter? It speaks the sentiment of the good women of that city, without respect to political alignments.

The PRESIDENT pro tempore. Without objection, the telegram will be read as requested.

The reading clerk read as follows:

ST. LOUIS, MO., *May 6, 1922.*

HON. PAT HARRISON,
Senate Office Building, Washington, D. C.:

The board of presidents of the St. Louis League of Women Voters congratulate you on your stand concerning selection of Nat Goldstein for collector of revenue. We believe public recognition of and placing great responsibility in one nationally notorious through connection with Lowden slush fund must increase growing disrespect for public office. We call your attention to Nat Goldstein's St. Louis activities in and about the courts has constituted organization of a nefarious court-house ring. Also his record in Hank Weeke naturalization case, now in Federal files here, disqualifies him for public office.

Mrs. D. O. IVES, *Independent President.*
Mrs. C. V. BECK, *Republican President.*
Mrs. FRED A. REID, *Democratic President.*

Mr. HARRISON. I am in hopes some one will answer the question which I have propounded as to whether any action has been taken on Nat "Goldstain's" nomination and if the article in the paper to which I have referred is correct. I see several members of the Finance Committee present. I take it some of them were present at the meeting. Can we not be informed if any action was taken, either favorable or unfavorable, with reference to the matter?

Mr. McCUMBER. Mr. President, whenever we can get a little time, so that I can call the committee together as a committee to consider the Goldstein appointment, I shall do so, and every Senator on the committee will be notified. The Republican members of the committee are attempting to meet every morning at 9.30 and to continue until 11 o'clock in the consideration of the tariff measure. At those meetings any Senator is entitled to be present if he has any matter which he wants to present to the Republican members of the committee concerning the tariff. We are meeting for no other purpose, and when we consider any other matters there will be a meeting of the entire committee called for that purpose.

The Senator from Missouri [Mr. SPENCER] came to see us yesterday about some matters pertaining to the tariff and also spoke concerning the Goldstein matter. There was no invitation for him to speak upon the matter and no hearing upon it. I shall not close my ears if the Senator comes before me and wants to talk even on the Goldstein matter, and if there are three or four of us together and he wishes to speak to us about the matter, I shall not close my ears. But when the matter comes up for consideration by the committee there will be a full committee called. There has been no hearing ordered or requested in the matter, nor has any been held.

Mr. HARRISON. May I ask the Senator a question before he takes his seat? Then the majority members of the Finance Committee did hear the Senator from Missouri [Mr. SPENCER] on yesterday touching the Nat "Goldstain" nomination?

Mr. McCUMBER. Not the majority members. I think there were four members present when the Senator from Missouri was speaking, not enough even to go on with the tariff measure.

Mr. HARRISON. May I ask the Senator another question? Has any action been taken touching the Nat "Goldstain" nomination?

Mr. McCUMBER. Certainly not, and there will be no action taken of any character until the committee—and that means the entire committee—is called together for that purpose.

Mr. HARRISON. The reason why I ask the question is that I had understood that when the nomination first came, probably the committee was polled and a favorable report had been made upon the nomination, and that then it was reconsidered, perhaps, or ordered brought back to the committee.

Mr. McCUMBER. Oh, no. Let me state to the Senator what is the usual course in such matters. The moment any nomina-

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tion is sent to the committee, the chairman hands that nomination to some Senator and asks him to consult with both the Senators from the State of the nominee to ascertain whether the nomination is satisfactory to them.

That is the first step to be taken, and it is the step which always has been taken, whether the Democratic Party or the Republican Party has been in control. If the nomination is satisfactory and it is so reported to the committee, the committee act upon it. If, however, any extraneous matters have come to the attention of the committee to indicate that there will be opposition to the nomination, then, of course, the nomination is always held in abeyance until such opposition may be heard.

Mr. HARRISON. Then, I take it that the nomination of Nat "Goldstain" was turned over to some member of the Finance Committee, and he consulted the junior Senator from that State, and reported back to the committee that the nomination was satisfactory, and that the matter now stands in that attitude?

Mr. McCUMBER. No, Mr. President. On the contrary, the Senator who was asked to ascertain the desires of both Senators from the State of Missouri on the subject reported that the senior Senator from Missouri [Mr. REED] was not in the city, and he could not get in communication with him. That is the only report the committee has had. The matter is before the committee, and, of course, charges having been made, they will necessitate a full consideration by the entire committee before any kind of action may be taken.

Mr. HARRISON. Can the Senator from North Dakota indicate about when the hearing will be had or when further consideration will be given to the Nat "Goldstain" nomination?

Mr. McCUMBER. No; I can not now inform the Senator as to that, because the committee is extremely busy on tariff matters.

FISCAL AFFAIRS OF THE DISTRICT OF COLUMBIA.

Mr. POINDEXTER. Mr. President, a few days ago I submitted a petition from the Citizens' Association of Columbia Heights. I think an order was made referring it to the Committee on the District of Columbia. It was a petition for hearings on the proposed change in the fiscal system of the District. I am informed by the chairman of the Committee on the District of Columbia, who is now on the floor, that the petition has never been received by his committee.

I think the reference was inadvertently made. It seems to me it should be referred to the Committee on Appropriations, which has charge of the bill involving the matter to which the petition relates—that of raising revenue in the District of Columbia. I ask unanimous consent that the previous order be vacated and that an order be made referring the petition to the Committee on Appropriations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

DAYLIGHT SAVING.

Mr. DIAL. Mr. President, I hardly ever agree with the Washington Post politically, but I read an editorial in that newspaper on yesterday in reference to "daylight saving" which I most heartily commend.

We are all the time hearing in this city statements in reference to shortening the day or changing the time and interfering with the sun, and all that kind of nonsense. On behalf of the householders and housekeepers of this city I wish to protest against any change in the hours as recorded by the clock at present or any change in the time for going to work. We can not improve upon the time which the Creator gave us, as recorded by the sun. There is no necessity of interfering with it. By setting the clocks ahead an hour one will merely scald himself by trying hastily to drink a little hot coffee; the ladies will be hurried in the effort to get the children to school, and then people will be idle by the middle of the afternoon. Such a change would merely afford more time for "joyriding" and burning up gasoline.

No one ever advanced much by watching a clock. The only way to succeed is to be in love with your position and strive to excel. If you are not satisfied with your place, resign and somebody else will take it who will do the work as efficiently, and perhaps more so, than you. This is no time and the country is in no condition to compromise with impractical and newfangled nonsense.

In my younger days I thought that holidays were nonsense, but as I get a little older I have softened somewhat on that proposition, and lately I have come to believe that everybody ought to have some recreation; but they should wait for recreation until the proper time of the year arrives, say, along about August, after lay-by time, as we farmers say. Then every employer ought to arrange for his employees to have a couple of weeks' holiday in order that they might get off and breathe a little freer. However, to commence now at this time of the year to advance the clock an hour, to provide that everybody shall go to work an hour earlier, to disturb the hours of the post office and the banks and all other lines of business, is absolute nonsense. If a change should be made, it ought to be done universally and be in operation all over the country. Only last week a constituent of mine called to see me and stated that he had an engagement in Baltimore with a physician, but that he got there an hour after the Baltimore physician thought he would have been there, the mistake being occasioned by his watch being an hour later than Baltimore time. Consequently there was a row and perhaps an extra bill.

When one goes to a city which has adopted the so-called "daylight saving" plan he does not know how to set his watch. He does not know whether to get to the depot an hour earlier or an hour later. One is always perplexed and uneasy. We have had enough of perturbation. I want ease and quietude to reign. I most heartily protest against any interference with the time. People should follow the example of the Senate. Senators get up early; they attend to business at their houses; they visit the departments and come here and listen to eloquent speeches all day, and now I understand we are going to work at night. So the Senate is setting a good example for the country.

PETITIONS AND MEMORIALS.

Mr. BALL presented a resolution adopted by the Delaware State Baptist Convention, at Wilmington, Del., favoring the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a resolution adopted by the Delaware State Baptist Convention, at Wilmington, Del., favoring an amendment to the Constitution providing for uniform marriage and divorce laws, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Delaware State Baptist Convention, at Wilmington, Del., favoring an amendment to the Constitution prohibiting polygamy, which was referred to the Committee on the Judiciary.

Mr. WILLIS presented a resolution adopted by the St. Clairsville Presbytery, at Caldwell, Ohio, favoring the enactment of legislation providing for Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a resolution adopted by the St. Clairsville Presbytery, at Caldwell, Ohio, favoring an amendment to the Constitution providing for uniform marriage and divorce laws, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the St. Clairsville Presbytery, at Caldwell, Ohio, favoring an amendment to the Constitution prohibiting polygamy, which was referred to the Committee on the Judiciary.

He also presented petitions of S. B. Barnett and sundry other citizens of Rockford, Andrew Wuppert and sundry other citizens of Sherwood, and W. E. Otis and sundry other citizens of Hicksville, and also sundry other citizens, all in the State of Ohio, praying for the imposition of a tariff duty of $2 per hundred pounds on imported Cuban sugar, which were referred to the Committee on Finance.

Mr. WARREN presented a resolution adopted by the Laramie Presbytery, at Rawlins, Wyo., favoring the enactment of legislation providing for Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a resolution adopted by the Laramie Presbytery, at Rawlins, Wyo., favoring an amendment to the Constitution providing for uniform marriage and divorce laws, which was referred to the Committee on the Judiciary.

Mr. JOHNSON presented memorials of George M. Woodruff, of Calistoga, and 158 other citizens of Calistoga, Santa Rosa, Vineburg, St. Helena, Chula Vista, Palm City, and Imperial Beach, all in the State of California, remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. CAPPER presented a petition of sundry citizens of Humboldt, Kans., favoring the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. TOWNSEND presented petitions of sundry citizens of Detroit, Reese, Carson City, Valley Center, Brown City, Capac, Yale, Tyre, Cass City, Merrill, Owosso, Bad Axe, Wayland,

Hopkins, Bradley, Moline, Zeeland, Decker, Snover, Caro, Middleton, Marion, McBain, Ruth, Palms, Harbor Beach, White Rock, Croswell, Breckenridge, Bannister, Wheeler, Ithaca, Marlette, Mount Pleasant, Saginaw, Auburn, Kawkawlin, Bosebush, Fairgrove, Standish, Pinconning, all in the State of Michigan, and also sundry citizens in the State of Ohio, praying for the imposition of a tariff duty of $2 per 100 pounds on imported Cuban sugar, which were referred to the Committee on Finance.

He also presented the memorial of Mabel Powers and sundry other citizens of Athens, Jackson, Portland, Sunfield, Fowlerville, and Lake Odessa, all in the State of Michigan, remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. PHIPPS presented the following joint resolution of the Legislature of Colorado, which was referred to the Committee on Public Lands and Surveys:

Senate Joint Resolution 6.

Resolved by the senate (the house of representatives concurring):

Whereas we appreciate the need for the establishment of public shooting grounds and game refuges in various parts of the United States for the benefit of the public at large and for the protection of migratory birds; and

Whereas we approve of the purpose and aims of the Federal Government as evidenced by the present migratory bird laws, and are in favor of such additional legislation as may further such purpose; and

Whereas, on the other hand, we are not unmindful of the inherent sovereignty of the several States as recognized in the decision of the Supreme Court of the United States in its determination that the game and fish within the confines of each State are the property of such State, and, therefore, under the jurisdiction and control of State authority; and

Whereas we disapprove of the centralization of control in the Federal Government of the game, birds, animals, and fishes which find their range within the confines of any State; and

Whereas the purport of said Senate bill No. 1452 is not, in our opinion, as indicated in its title, but, on the contrary, is designed to and will result in an unwarranted encroachment by the Federal Government upon the rights of the various States in the protection of their fish and game and in the administration of their fish and game laws; and

Whereas said Senate bill, although in its title "providing for establishing shooting grounds for the public, for establishing game refuges and breeding grounds, for protecting migratory birds, and requiring a Federal license to hunt them," nevertheless, in the body thereof, purports to give authority, in no wise indicated in the title, and delegates power to the Department of Agriculture and a committee consisting of the Secretary of Agriculture, the Attorney General, the Postmaster General, two Members of the Senate, and two Members of the House of Representatives, giving said commission complete legislative powers to make rules and regulations, which will have the force of laws, governing and controlling not only the migratory birds and the game animals but also the fishes that may be found in their natural state or introduced into any of the lands or waters upon any game preserve secured under said act, either by gift, lease, or purchase; and

Whereas under the provisions of this bill the Federal Government assesses a license fee against citizens of a State for the privilege of hunting and fishing within the confines of their own State; and

Whereas 55 per cent of fees are to be spent for administration, and can not be used for anything else by the express terms of the bill, and of the remaining 45 per cent is to go for purchase, rental, and development of grounds and waters, and part for administration; it is apparent that at least 75 per cent will go for administration, and it is not at all likely that any part of the money collected in Colorado will ever be spent in Colorado for lands, waters, improvements or refuges: Now, therefore, be it

Resolved, That we protest against the enactment into law of United States Senate bill No. 1452 for the reasons as set forth in the foregoing preambles; and be it further

Resolved, That this resolution be enrolled and that a copy be sent to each Colorado Member of the United States Senate and House of Representatives.

(House journal, twelfth day, April 29, 1922.)

REPORTS OF COMMITTEES.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (H. R. 2620) for the relief of Welch, Fairchild & Co. (Inc.), reported it without amendment and submitted a report (No. 695) thereon.

Mr. STERLING, from the Committee on Education and Labor, to which was referred the joint resolution (S. J. Res. 178) authorizing the Secretary of Labor to investigate and report on labor conditions in Cuba, reported it with an amendment and submitted a report (No. 697) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. POINDEXTER:

A bill (S. 3569) granting an increase of pension to Annie Van Ogle; to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 3570) for the relief of the United Dredging Co.; to the Committee on Claims.

By Mr. BURSUM:

A bill (S. 3571) granting a pension to Pomucena Benavides; to the Committee on Pensions.

By Mr. WILLIS: A bill (S. 3572) granting an increase of pension to Sallie A. Palmer; to the Committee on Pensions.

By Mr. JONES of Washington:

A bill (S. 3573) to provide for the construction of a vessel for the Coast Guard; to the Committee on Commerce.

By Mr. SPENCER:

A bill (S. 3574) to authorize the sale of lands and plants not longer needed for Indian administrative or allotment purposes; to the Committee on Indian Affairs.

By Mr. FLETCHER:

A bill (S. 3575) to increase the pensions of surviving soldiers of the various Indian wars and their widows; to the Committee on Pensions.

By Mr. STANLEY:

A bill (S. 3576) to amend an act entitled "An act to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers, sailors, and marines"; to the Committee on Public Buildings and Grounds.

By Mr. WALSH of Massachusetts:

A bill (S. 3577) allowing and regulating boxing and sparring matches in the District of Columbia; to the Committee on the District of Columbia.

AGRICULTURAL CREDIT CORPORATION.

Mr. SIMMONS. Mr. President, a few days ago I introduced a bill providing for the establishment of a national agricultural credit corporation. I have decided that that bill needs some amendment, and I wish now to introduce as a substitute for that bill, offered by me a few days ago, the bill which I send to the desk, and ask that it be referred to the Finance Committee, as was the original bill.

The bill (S. 3578) to provide credit facilities for the preservation and development of the agricultural industry, including live stock, in the United States; to extend and stabilize the market for United States bonds and other securities; to create an agency for the liquidation of commercial assets owned by the United States, for acting when required as depository of funds belonging to the United States, and otherwise performing services as fiscal agent of the United States, and for other purposes, was read twice by its title and referred to the Committee on Finance.

TARIFF BILL AMENDMENTS.

Mr. SPENCER submitted seven amendments intended to be proposed by him to House bill 7456, the tariff bill, which were referred to the Committee on Finance and ordered to be printed.

Mr. DIAL submitted five amendments intended to be proposed by him to House bill 7456, the tariff bill, which were ordered to lie on the table and to be printed.

AMENDMENT TO SENATE RIVER AND HARBOR BILL.

Mr. McNARY submitted an amendment providing for improvement of Umpqua River, bar, and entrance, Oregon, in accordance with report submitted in House Document No. 913, Sixty-fifth Congress, second session, $276,500, intended to be proposed by him to the bill (S. 3017) authorizing appropriations for the prosecution and maintenance of public works on canals, rivers, and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

ALASKA FUR-SEAL SKINS.

Mr. HITCHCOCK. Mr. President, I submit a resolution which I ask may be referred to the Committee on the Judiciary.

The resolution (S. Res. 287) was referred to the Committee on the Judiciary, as follows:

Resolved, That the Secretary of Commerce be, and he is hereby, directed to furnish the Senate, for its information and use, a statement showing the total number of Government-owned Alaska fur-seal skins, as annually taken, and showing the total proceeds from said skins, as annually sold or disposed of under authority of act of August 24, 1912, up to April 5, 1922, inclusive; said statement to make a detailed showing of the time, place, and number of skins sold at each of said annual sales, with the classification of all the skins so offered, and prices obtained for each grade at said sales.

And further, that a complete record of the total annual payments made to the Governments of Great Britain and Japan since 1912 to January 1, 1922, inclusive, by the Secretary of Commerce as provided for in said act of August 24, 1912, be furnished the Senate by him, together with copies of the Government contracts made with Funsten Bros. & Co. in 1915, and the Fouike Fur Co. in 1921, for dressing and dyeing fur-seal skins owned by the Government.

THE TARIFF.

The Senate as in Committee of the Whole resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. The Secretary will state the pending amendment.

The ASSISTANT SECRETARY. On page 2, line 25, after the words "formic acid," it is proposed by the Committee on Finance to insert "4 cents per pound."

Mr. KING obtained the floor.

Mr. MCNARY. Mr. President——

Mr. KING. I yield to the Senator from Oregon.

Mr. MCNARY. I simply wish to call the attention of the Senate to an amendment to the committee amendment which I desire to offer on behalf of the Senator from Illinois [Mr. MCCORMICK]. If it is in order at this time, on behalf of the Senator from Illinois, I offer an amendment to the committee amendment, after the words "formic acid" to strike out, on page 2, line 25, "4" and insert "6."

Mr. KING. Let the amendment which is proposed by the Senator from Oregon on behalf of the Senator from Illinois to the committee amendment be stated at the Secretary's desk.

The PRESIDENT pro tempore. The amendment to the committee amendment will be stated.

The ASSISTANT SECRETARY. On page 2, line 25, after the words "formic acid," it is proposed to amend the committee amendment by striking out the numeral "4" and inserting in lieu thereof the numeral "6."

Mr. MCNARY. Mr. President, the senior Senator from Illinois [Mr. MCCORMICK], who has been called from the Chamber on account of various official matters that are demanding his attention, has asked me briefly to present this amendment. On the 3d day of the present month he filed the amendment to the pending committee amendment, asking that the proposed duty of 4 cents be stricken out and 6 cents be inserted in lieu thereof. The increase in the rate is asked on the theory that the competition between this country and Germany in the manufacture of this acid is very keen, and, on account of the low cost of labor in Germany, the German manufacturers are able to produce the acid at a very much less cost than the manufacturers in this country can produce it, using the process employed by them. Unless the duty is increased it will be absolutely beyond their ability to maintain themselves in competition with Germany. A duty of 6 cents is necessary to put the American production of formic acid on an equal footing with the production of Germany. The production of this commodity in this country can not continue under the duty of 4 cents provided by the bill as reported to the Senate. I have not any idea——

Mr. WATSON of Indiana. Mr. President, if the Senator will yield for a moment, I inquire who has the floor?

Mr. KING. I have the floor, and I yielded to the Senator from Oregon. I will not claim the floor for the present.

The PRESIDENT pro tempore. The Senator from Utah has lost the floor. He yielded to the Senator from Oregon for an argument.

Mr. WATSON of Indiana. The Senator from Indiana understands, then, that the Senator from Utah has had the floor once on this question.

Mr. KING. If Senators upon the other side object to a courtesy being extended by a Senator who holds the floor to permit a Republican Senator to offer an amendment, we shall see how far courtesy will be carried in the future. I think it is infamous.

Mr. WATSON of Indiana. I do not care anything about the thought of the Senator from Utah on the subject.

Mr. KING. And the Senator from Utah does not care anything about the views of the Senator from Indiana.

Mr. WATSON of Indiana. The idea of the Senator from Utah and my idea as to what constitutes infamy may not be in exact harmony.

Mr. KING. I have no doubt the Senator from Indiana has been trained in the Indiana school.

Mr. WATSON of Indiana. All we are seeking is the enforcement of the rules, and we intend to enforce them, and the majority will see that they are enforced. Nobody understands the rules better than does the Senator from Utah, and he has no more right to violate the rules than has any other Senator. I should like to extend every consideration to the Senator when it comes to a matter of personal courtesy, but this is not a matter of personal courtesy; it is a question of enforcing the rules of the Senate; it is a question of speeding up legislation, and we intend to speed it up by enforcing all the rules which will tend to accomplish that result. I intend no discourtesy to the Senator from Utah, as he knows.

The PRESIDENT pro tempore. The Chair recognized the Senator from Utah, whereupon the Senator from Oregon rose, and the Senator from Utah yielded to him for the purpose of presenting an amendment to the committee amendment which is now pending. The Chair holds that thereupon the Senator from Utah lost the floor.

Mr. KING. Mr. President, of course if that is the interpretation which the Chair places upon the rule, it means the denial of the right of the Senator from Utah to argue this matter.

The PRESIDENT pro tempore. The Senator from Utah has lost no right.

Mr. KING. I protest against the ruling of the Chair, and affirm that the rule does not apply as it has been held to apply. Of course, if that is interpreted to be the rule, we can not in the future extend courtesies to Senators.

The PRESIDENT pro tempore. The Senator from Utah has still the right to speak twice on this amendment.

Mr. LODGE. No; only once.

Mr. WATSON of Indiana. Only once.

Mr. MCNARY. Mr. President, I have no desire to obtrude myself at this time in the discussion of the amendment I have proposed on behalf of the Senator from Illinois to the amendment reported by the committee unless I am properly in order, nor do I have any desire to take the Senator from Utah off his feet, and I will yield to him.

Mr. KING. I have yielded to the Senator from Oregon, and of course he has the floor properly, and I hope that he will proceed, notwithstanding the views of the Senator from Indiana.

The PRESIDENT pro tempore. The Senator from Oregon has the floor.

Mr. MCNARY. Mr. President, I regret the parliamentary situation which I have brought about. I merely desire on behalf of the Senator from Illinois to present to the Senate the amendment to the amendment, and to call the attention of the Finance Committee and the Members of the Senate to the fact that this industry will be unable to maintain itself and develop under the rate fixed by the Senate Finance Committee. The industry is an important one; it is subject to competition under which it can not survive unless it is protected, as it ought to be. I think beyond question of dispute the data which the Senator from Illinois has collected show that the industry will perish unless the duty is increased from 4 cents a pound to 6 cents a pound. It is with a desire to protect this industry from destructive competition that I have called the amendment at this time to the attention of the Senate, even though in so doing I have caused the Senator from Utah to lose his position on the floor.

Mr. MCCUMBER. Mr. President, I think that we ought not to change the duty on formic acid. It was given a 25 per cent duty by the House; the Senate committee has changed that to a specific duty, which is about the equivalent. There is not a great deal of use for this acid, because it is supplanted by other considerably cheaper substances which may be used for the same purposes. I hope the amendment to the amendment will not be agreed to.

Mr. KING. Mr. President——

The PRESIDENT pro tempore. The Senator from Utah.

Mr. STERLING rose.

Mr. KING. Mr. President, I do not dare to yield to the Senator from South Dakota, although under other circumstances I should be glad to do so.

Mr. STERLING. I wish to ask unanimous consent to present a report from a committee. I do not think that will take the Senator from the floor.

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from South Dakota?

Mr. KING. Not if I lose any rights.

Mr. STERLING. Mr. President, a parliamentary inquiry——

The PRESIDENT pro tempore. The question is, Does the Senator from Utah yield to the Senator from South Dakota?

Mr. KING. Not if I will lose any rights. The Senator from South Dakota desires to present a report, as I understand.

The PRESIDENT pro tempore. The Senator from Utah declines to yield.

Mr. STERLING. Very well. I will forego the request for the present.

Mr. KING. Mr. President, it is quite apparent that the Senator from Indiana [Mr. WATSON] and others of the majority are seeking to apply to the rules an interpretation which, to my knowledge, has not been applied in the past and which has for its object the prevention of a fair and full discussion of the infamies of this bill. Of course, I can not wonder at their objection to an exposition of the infirmities, not to say enormities, of the pending bill.

Addressing myself to the amendment—and I shall speak to that now—which has just been suggested by the Senator from Oregon [Mr. MCNARY], as the spokesman for the senior Senator from Illinois [Mr. MCCORMICK], to the amendment reported by the committee, permit me to say that that is merely an illustration of the character of bill which the reactionaries and stand-

patters desire to have passed by the Senate and imposed upon the country.

Take this item of formic acid now before us. The pre-war price was 4½ cents per pound. It is an acid which is of great importance in the domestic life of the people. Four and one-half cents per pound was the import price into the United States prior to the war. Now the Senator from Illinois, notwithstanding the House bill gives us a 25 per cent ad valorem tariff and the Senate bill gives us a 4 cents per pound specific rate upon formic acid, seeks to increase that extortionate rate, which amounts to practically 100 per cent above the market price, to 150 per cent; that is, to 6 cents per pound, specific.

The senior Senator from Utah [Mr. SMOOT] sotto voce says that the price is 16 cents. On the 24th of last April the price in the United States was 16 to 18 cents per pound, 400 per cent above pre-war prices, and yet the cupidity of the manufacturers in the United States and the vendors of this acid is not satisfied by 400 per cent above the pre-war prices—4½ cents per pound pre-war, 16 to 18 cents now—with a specific duty or rate recommended by the Senate committee of nearly 100 per cent above pre-war prices, and the Senator from Illinois is asking for a rate in excess of that, to wit, 6 cents per pound specific. When, Mr. President, will the greed of the beneficiaries of this tariff bill be satisfied?

I understood the distinguished Senator from North Dakota [Mr. MCCUMBER], the chairman of the committee, to say that the Republican members of the committee met every morning at 9.30 o'clock to consider the tariff bill. What are they meeting for? I think most of us know why they are meeting. I think the beneficiaries of this tariff bill, many of them, are here in Washington to-day. Not satisfied with the enormous rates which have been fixed in the Fordney bill and in the Senate bill, they are here pursuing and hounding the Republican Senators of the Finance Committee, demanding that the rates reported in the bill be further advanced. I have no doubt that last week, when the Republican members of the Finance Committee met, these predatory interests sought to inject themselves into their meetings and to dragoon the Republican members of the Finance Committee into increasing the rates above the already high levels that are found in the Senate bill.

The bill apparently is not finished yet, Mr. President; and I presume that before we get through, unless some of the Republican members of the Finance Committee have the patriotism and the courage to resist these importunate demands of the special interests, we will have applications to increase the rates above the altitudinous heights where they have been placed in the Senate bill.

I ask again, Why are these predatory interests still in Washington? Why do they not go home? The bill has been reported by the committee. The public hearings were closed January 10, months ago; but they linger here for the purpose of bringing all possible influence and pressure to bear upon the Republican members of the Finance Committee and upon the tariff bloc, perhaps, and upon the agricultural bloc, perhaps, for the augmentation of these rates that now are so high that they demand the condemnation of the patriotic people of the United States. This bill is the apotheosis of greed and avarice, and yet it does not satisfy these predatory interests that in the past have fattened upon the people, and that propose in the future to lay their heavy and oppressive hands upon them.

Why raise this duty from a specific rate of 4 cents per pound to 6 cents per pound? Four and one-half cents a pound was the price, as I stated, before the war. Suppose we put a 6 per cent specific rate upon this item, what will it mean? It will mean that the manufacturers in the United States will avail themselves of every mill of tariff benefit granted by this specific rate and increase the price of the product to a level which will be so high as to prevent any foreign competition. Of course, as Mr. Blaine and other men who were honest in the discussion of the tariff admitted, the purpose of a tariff is to increase prices.

It is only the unsophisticated and gullible, or those who seek to deceive, who argue that tariff rates are not for the purpose of enhancing prices. That is the object of higher rates, as was frankly admitted by the distinguished Senator from Oregon, who has just tendered this amendment. It is to raise the price.

I know who has urged the Senator from Illinois to make this suggestion. It was the Victor Chemical Works, which is operating in Chicago, Ill. I want to call attention to the House hearings first. A brief was filed before the Committee on Ways and Means of the House by the Victor Chemical Works, of Chicago, Ill. It is found beginning on page 64 of the House hearings. The modesty of the writer of the brief representing the company, his altruism, his great and extreme generosity for the welfare of the people are exemplified in the demand which he made in this brief:

> The Victor Chemical Works being large producers of sodium formate—

Sodium formate is used in the development of the category of acids which are found in this class, such as oxalic acid and formic acid and pyrogallic acid, the acids which come within this category, manufactured largely by this company; and as to them, some of them the result of sodium formate, which is an intermediate product, it was desired to increase the rates as indicated a little further on in the brief.

Proceeding with the brief:

> Sodium formate, as an intermediate product in its manufacture of oxalic acid, took up the manufacture of formic acid from sodium formate about six months ago, and they have been regularly offering formic acid on the market since that time.

Did they offer it at the pre-war prices? Oh, no! The prices have gone down somewhat. They had reached, on April 24, 1922, 16 to 18 cents per pound, between 300 and 400 per cent above the pre-war prices.

> If the domestic manufacturers of formic acid are afforded the reasonable and adequate protection of a duty of 7½ cents per pound, the industry can be continued in this country, the present manufacturing facilities being ample to supply the domestic requirements.

My good friend from Illinois is a little more modest in his demands than the representative of this corporation. The corporation wanted a specific duty of 7½ cents per pound, which would be nearly 100 per cent above the pre-war prices—nearly 100 per cent protection. Why, Mr. President, what do the manufacturers of the United States want? Obviously, from this bill, they want a clear field to exploit the people without the possibility of competition.

The Senator from Ohio asked me the other day the difference in the general average rate between the Underwood bill and this bill. I called his attention to the fact that I had made some computations, but that I did not wish to give a guess. I called his attention to the fact, and had shown in some observations the preceding day, that many of the items found in this chemical schedule showed an increase of from 150 to 600 per cent above the Underwood law.

I have had a computation made by representatives of the Tariff Commission, and it shows that the average rate in this schedule, including, of course, articles on the free list in the Underwood law and in this bill, is more than 100 per cent higher than the rates in the Payne-Aldrich law and nearly 150 per cent above the rates in the Underwood law; that is to say, the rates found in the schedule which we are now discussing are more than 100 per cent above those of the condemned and damned Payne-Aldrich law.

When this bill passes and is applied in the land the American people will pray upon bended knees for a return to the beneficent (?) rates of the Payne-Aldrich tariff law. They will say that the distinguished Senator from Rhode Island, who has gone to his reward, was an angel in disguise when he gave that law to the American people.

We read in Æsop's fables of the frogs who were dissatisfied with the log for a king, and they got, in response to their prayers, the stork, which devoured them. The American people were dissatisfied with the Payne-Aldrich tariff law, which was an inanimate log compared with the stork, the all-devouring stork, which is now striding throughout the land watching where its victims are, ready to devour them when this bill becomes a law. Let me suggest another kind of a bird, Mr. President, because we are inclined to regard the stork as a welcome visitor into the homes of the land. We will not have a stork; we will have a vulture, which will prey upon the people, devouring and rending them to satisfy the voracious appetite of this monster. These reactionary Republicans are giving us this vulture and this monster at a time when the American people need peace and rest and prosperity, an opportunity to return to normal conditions, in which there will be manufacturing and industrial development and happiness in the homes of the American workingmen.

Mr. WATSON of Georgia. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Georgia?

Mr. KING. I yield.

Mr. WATSON of Georgia. Taking this tariff bill to be what the very able Senator from Utah [Mr. KING] says it is, will it not have the direct effect of compelling every European nation to put up walls against us, and will that not destroy our export trade?

Mr. KING. Mr. President, the inquiry of the learned Senator from Georgia is pertinent. May I say, by way of parenthesis, that the Senator from Georgia, in his study of the life of Napoleon—and he has given us one of the best books upon

Napoleon that was ever written—learned of the effect of the imposition of embargoes and high tariffs by European powers. They provoked then, as they always will provoke, reprisals and hostile or retaliatory legislation.

Already Canada, menaced by the evils of this bill, is talking about increasing her tariff rates, and the Senator knows that Canada has been one of the largest purchasers of our products. Great Britain has been first, Germany, as I recall, second, and Canada third. Our exports to Canada prior to the war reached nearly a billion dollars in some years. If we cut off imports by these high rates, what will other countries do; what may they feel compelled to do, Mr. President, not only for self-preservation, but in a proper spirit of retaliation for a wrong which has been done to them? I call it a wrong; it is not perhaps a technical, legal wrong, because America has the technical, legal right to be isolated from the world, and to deny the right of any foreigner to land upon her shores or to bring any of his products to this Republic.

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Connecticut?

Mr. KING. For a question; but I have not finished replying to the interrogatory of my good friend from Georgia.

Mr. McLEAN. I will not interrupt if the Senator does not care to be interrogated; I merely wish to ask one question.

Mr. KING. I will note the question, and when I complete my answer to the Senator from Georgia I shall be happy to answer it if I can.

Mr. McLEAN. The Senator from Utah, in expressing the view that we should not enact these protective rates——

Mr. KING. The Senator from Utah did not say anything of the sort; not protective rates. If the Senator means the rates under this bill, I assent.

Mr. McLEAN. These exorbitant rates——

Mr. KING. These exorbitant, infamous, extortionate rates.

Mr. McLEAN. I will ask him if it has been called to his attention that England, France, Japan, Spain, Italy, and the Argentine and Chile revised their tariffs upward more than a year ago? I will ask him if he knows that Germany has prohibited the importation of such articles, for instance, as tractors and automobiles into Germany, and that France has already prohibited the importation of certain articles into France?

Mr. KING. Mr. President, I am aware of the fact that a number of the nations of the world have been in the past, and still are, living in the medieval atmosphere of political economy, and that they are obsessed with the same pernicious views which control the political conduct of the distinguished Senator from Connecticut.

The Senator from Connecticut during his entire political life, and before his advent into the Senate of the United States—as I know, because I have taken pleasure in learning something of his political views—has been a devotee of the theory that prosperity comes from exclusion, and of course he approves of the views of medieval nations. He delights in the views which prevailed for centuries and still prevail largely in China. Those views to him are like music to the entranced ears of the man who sighs for celestial strains. He is happy only when he reads of embargoes, when he learns of tariff walls erected so high that they even keep out the sunlight. I am sure the Senator from Connecticut, if he had his way, would prevent a ship landing on our shores with any foreign goods. I am sure he would keep out the sunlight as it streams over the eastern horizon.

I have no doubt that the Senator from Connecticut, upon many occasions when he has stood upon the Atlantic shores, and has seen the effulgent beams of the rising sun, has regretted that he did not have the power to build a wall so high that the rays of the sun coming from the east might not shine upon American shores.

I have no doubt that if the Senator from Connecticut had his way and had the power, and he could reconstruct the cosmogony of the universe, he would have the United States have a little sun of its own, and a little moon of its own, and bright celestial stars to twinkle in the heavens for us alone.

The Senator from Connecticut, Mr. President, rejoices in that conception of greatness, puissance, and national isolation to such a degree that he wants no contact with the peoples of the world.

I am surprised that the Senator from Connecticut permits to be used in our schools a translation of Homer or Dante, or of the great masters of classical history, as well as the immortals of more modern times. I am surprised that the Senator from Connecticut—and I am sure that he did not have his way—put anything on the free list, or permitted any rate to be laid in this bill which would possibly allow any article to enter the United States.

Mr. President, I received a letter some time ago, and I am sure it must have been written by a disciple of the distinguished Senator from Connecticut, in which it was insisted that we should prevent tea from being imported into the United States, because, the writer said, if tea were taxed two or three dollars per pound we could produce it in the United States. He was a disciple of the Senator. He shared the views of the distinguished Senator from Connecticut.

So I say, Mr. President, I am familiar with the fact that there are nations which share the views of the Senator from Connecticut, and they would impose tariff rates so high as to cut off imports. We have not the only disciples of this isolation school in the United States. They exist in China. Some of them are found in the recesses of Hindustan. Some of them are found among the Indian tribes of the United States. Some of them are scattered throughout the length and breadth of the land. May I be guilty of a repetition? Some of them are found now, though only a few of them, away up in the Georgian mountains, the remnants of the race of troglodytes, who want isolation, and who have isolation.

My friend from Connecticut belongs to the paleolithic age, to prehistoric times, when men lived alone, lived in the caves, lived in the forests, sought isolation, and every man's hand was against the world. The Senator from Connecticut would keep out the products of other nations; to be logical and consistent, he should prevent the export of products from the United States. He has assented to a provision in this bill which operates as an embargo upon a large number of products, perhaps hundreds of them, according to the construction placed upon the bill by my distinguished colleague, the senior Senator from Utah [Mr. SMOOT].

Mr. President, the Senator from Connecticut mentions Spain, obviously as an example for us to follow. The fact that Spain has imposed rates so high, or rather has increased her rates, is suggested by the Senator as a reason for the United States pursuing a similar course. Spain is a decadent nation. In the days of Philip and Charles the glories of Spain were known throughout the world. There was a time when the King of Spain was the ruler of Europe. Spain for a time glimpsed the great principles which make for national greatness and international prosperity. Then, when she began religious persecution and espoused the narrow provincial course recommended by the Senator from Connecticut and others who champion the pending bill, her star suffered an eclipse, and from a regnant position in the world she sank to a lowly one, and there are but few to-day who do her reverence.

Yes, Mr. President, I know there are nations that believe in the theories of the Senator from Connecticut, and that is what I am protesting against. I am protesting against the Senator from Connecticut forcing the theories of Spain and China upon the United States. I am protesting against a return to medievalism, a return to the days of Philip IV. I protest these unphilosophical and sophistical views that are being taught with so much eloquence and force by distinguished Republicans upon this floor and throughout the land.

Mr. McLEAN. Mr. President——

Mr. KING. I have not yet answered the Senator from Georgia, but I yield to the Senator from Connecticut for a question.

Mr. McLEAN. I think the Senator from Georgia will be patient.

Mr. KING. I hope he will. I know the Senator from Connecticut will be patient because, believing in the Chinese school of philosophy, he must believe in patience.

Mr. McLEAN. I did not happen to mention China among the nations which had raised tariff rates, but perhaps the Senator from Utah can mention a nation that has not adopted protective tariffs. I do not know of any. Does the Senator know of any such nation to-day?

Mr. KING. I beg the Senator's pardon. I did not know he was asking a question. I thought he was making a statement.

Mr. McLEAN. Does the Senator know of any civilized nation that does not to-day impose protective tariffs?

Mr. KING. It depends upon what is meant by a protective tariff. I have stated a number of times upon the floor of the Senate during the debate, and I apologize for a repetition, that the issue presented in this bill is not protectionism versus free trade. That issue is not thrust into this Chamber by any Democrat——

Mr. McLEAN. Why, Mr. President——

Mr. KING. Let me complete my sentence and then I will yield.

But the Senator from Connecticut, with that shrewdness and that subtlety—and I use the word in a complimentary way—

which manifests itself so often in our Yankee friends from the New England States when they are proponents of a cause, no matter how unworthy it may be, seeks to project some other issue into the discussions to conceal the objective which his party is seeking to obtain. Now I yield to the Senator.

Mr. McLEAN. I call the Senator's attention to the fact that the leader of his party on that side of the Chamber [Mr. UNDERWOOD] stated on Saturday last that his party does not believe in a protective tariff. I do not know whether the Senator from Utah subscribes to that policy or not. I asked him the question the other day, and I did not notice in the RECORD that he had answered it. I do not know whether the Senator from Massachusetts [Mr. WALSH], with whom the Senator has just consulted with regard to this matter, believes in a protective tariff or not.

Mr. KING. Oh, no; the Senator from Connecticut has many virtues, but he is not a mind reader.

Mr. WALSH of Massachusetts. Mr. President, I was complimenting the Senator from Utah on his eloquence. I said I had rarely heard him so eloquent as this morning.

Mr. McLEAN. I do not know whether the Senator from Massachusetts believes in a protective tariff or not. I do not know whether the Senator from Ohio [Mr. POMERENE] believes in a protective tariff or not. I do not know whether the Senator from Rhode Island [Mr. GERRY] believes in a protective tariff or not. But I do know that the leader of the party on the Democratic side of the Chamber announced the other day that his party does not believe in a protective tariff. Therefore, I think that if this is to be the paramount issue in the next campaign, as the Senator from Utah says, the Democratic Party ought to put itself somewhere on the question, either for or against protection.

I know it has been the habit of the Democratic Party in the past to proclaim protection in the North and a tariff for revenue only in the South. That they have done since 1844, when they named Mr. Polk as a free trader for President and Mr. Dallas, a protectionist, for Vice President. They have consistently endeavored to persuade their constituents in the North that they did not believe in a tariff for revenue only, but when they come to Congress, when they have the power to write their views into law, they invariably adhere to the tariff-for-revenue-only theory. If this is to be the paramount issue in the next campaign, I do not want my constituents in the North to be deceived about it. That is all. I would like to have the Democratic Party get somewhere on the question, and so I intend, as I have opportunity, to ask Senators who are opposed to this bill whether they believe in protective tariff or not. I would like to have the Senator from Utah answer the question.

Mr. KING. Mr. President, the Senator from Connecticut has demonstrated exactly what I said a moment ago—that he is a most acute and subtle debater. When he is the protagonist of an unworthy cause he seeks to muddy the waters so as to hide the issue which is presented. Now, may I repeat what I said when the debate was opened?

When the Senator from Illinois [Mr. MCCORMICK] was attempting to project the League of Nations into the coming campaign as the controlling, if not the supreme, issue, I said to him, when he asked my views upon the League of Nations, that my views upon that question were unimportant here or elsewhere; that the issue in the coming campaign was not the League of Nations, in my judgment; that the issue would be the domestic policies of the administration, the failures of the administration, the extravagances of the administration, the incompetency of the Republican administration to deal with the great domestic problems which confront the party and the Nation; and that one of the paramount issues would be this infamous tariff bill, which had been dictated by the trusts and the corporations, and which the Republican majority proposes to force through the Congress of the United States.

Let me say by way of parentheses, so that I may be understood by those who may do me the honor to listen or to read these observations which I am now making when they are reproduced in the RECORD, that I said to the Senator from Illinois, speaking for myself alone, that I do believe in the League of Nations, in an association of the nations of the world, and that there would not be world peace nor could there be that international fellowship until and unless there was an association of the nations of the world.

I further said to him that those who were the disciples of the Christian faith, when they repudiate the concepts lying back of an association of nations, are repudiating their faith in the divinity of the Master, Jesus Christ, and in the great principles of the Christian faith.

Now, Mr. President, coming back to the proposition, the tariff question as it finds expression in the pending bill will be a paramount issue in the coming campaign. If we see a man who has been profiting by taking the property of others for many years and claims a prescriptive right to continue such course, as many of those who believe in the protective tariff do, we get a little reconciled to the misconduct if it goes on to a time beyond which the memory of man runneth not to the contrary; but when the wrongdoer seeks to take more and still more and so oppress the people by his exactions, then we may make that an issue and insist that the trespasser be brought before the bar of public conscience, if not before the bar of the courts of the land.

The Republican Party, under the guise of protection as we find it exemplified in the McKinley bill, in the Dingley bill, in the Payne-Aldrich Tariff Act, were robbing the American people. Republicans themselves protested against the robbery when it got so high that it deprived them of some of the benefits which ought to come to the great consuming and producing masses of the people, and they rebelled against the Payne-Aldrich tariff law.

Let me say to my good friend from Connecticut that I am not saying one-half as bitter things against the pending bill as were said by the Republicans against the Payne-Aldrich tariff bill, to which the Senator from Connecticut subscribes. That bill was drawn by Republicans. Let me modify that. That bill was dictated by the predatory interests of the United States, as was so clearly indicated by Mr. Theodore Roosevelt upon many occasions.

Does anyone deny that Mr. Taft was defeated for any other reason than that the Republican Party enacted the Payne-Aldrich tariff law? Why, even Republicans, wedded to the protection theory, revolted against that infamous bill and hurled the Republican Party from power. Mr. Wilson would not have been elected if the Republican Party had pursued wise and just policies and had not surrendered to the dictates of trusts and combinations and conspiracies in restraint of trade and to the evil and vicious influences which too often have found refuge even in this Capitol and have been sufficiently powerful to force through measures which aggrandized them and increased their swollen and illicit gains.

Now, Mr. President, I do not speak for the Senator from Alabama [Mr. UNDERWOOD], our distinguished leader, or for the Senator from Ohio [Mr. POMERENE], a gentleman of ability and integrity, a man who is sound in the Democratic faith and a true tribune of the people. I do not in this contest speak for my leader, the able Senator from North Carolina [Mr. SIMMONS], whose leadership in fighting against these infamous schedules I gladly accept. I am speaking for myself; and I think in the observation I am about to make I shall speak for the overwhelming majority upon this side when I say the issue presented by this bill does not involve the question of protection or free trade. I said the other day, and I repeat it, if this bill were so modified as to raise a sufficient amount of revenue, if it afforded reasonable protection to infant industries, and took into account other factors that would appeal or might appeal to reasonable and patriotic Americans in view of world conditions, the proponents of the bill could put it through the Senate in a few weeks. Those upon this side of the Chamber who might then vote against it, for various reasons, would not be protesting as they are now protesting and denouncing vehemently these wicked schedules which the Senator from Connecticut [Mr. McLEAN] is defending.

The Senator from Alabama [Mr. UNDERWOOD], whose able speech I was not privileged to hear—and I have been denied because of press of business the opportunity to peruse it, but I venture the assertion without having heard or without having read it—did not say that the issue before us now or in the next campaign would be the issue of free trade or protection, but he may have stated that this bill with its odious provisions will present an issue in the next election.

No Senator on this side of the Chamber is now advocating free trade; no Senator is projecting a free trade bill; no Senator is offering schedules here as amendments to the pending bill that even a man who always looks through a glass darkly could affirm constituted or led to free trade. Republicans on the other side of the Chamber—I beg pardon, some Republicans—are misleading the people, though not intentionally, of course. They are trying to project into this debate an issue that is not raised.

The Senator from Connecticut, in addition to being a student of political economy and a statesman, is a lawyer. Doubtless he has tried many cases, and he knows when he has a bad case, when the evidence tends irresistibly to the establishment of the truthfulness of any fact or of a given status the establishment of which would bring condemnation to his client or to his cause, he seeks to dull the sharp edge of the incriminatory evidence and to distract attention to some other issue, hoping

thereby that the guilty or unworthy client may escape his just deserts.

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Connecticut?

Mr. KING. I yield for a question.

Mr. McLEAN. The Senator from Utah in his discussion the other day said that Connecticut had greatly prospered under the infamous and extortionate tariff laws which Republican Congresses had enacted, but I notice that that statement was not printed in the RECORD the next morning. I had to go to the Official Reporters to get it. Of course, I find no fault with the Senator from Utah for erasing that statement from his remarks; he had a perfect right to do that; but I am wondering whether, upon reconsideration, he concluded that his testimony was not altogether reliable in his discussion of the tariff question, because one would naturally assume that if protection had brought prosperity to Connecticut it might bring like prosperity to every State that had a diversity of industries.

Mr. KING. Has the Senator from Connecticut finished his question?

Mr. McLEAN. I am not asking the Senator to give the reasons why he eliminated from the CONGRESSIONAL RECORD the remarks to which I have alluded unless he so desires.

Mr. KING. If I did eliminate the part referred to, I did it unintentionally, but I affirm now that the Senator's State has prospered greatly, far beyond its deserts, under the system of protection which has been established and promoted by the Republican Party.

Mr. McLEAN rose.

Mr. KING. Let me complete my sentence; the Senator will withhold his cynicism, if he can, for a moment. The Senator seems to have the Harveyized cynicism of our distinguished representative over the seas.

I repeat that the Senator's State has prospered. It is a little State, with few natural resources, but the few shrewd Yankees like the Senator from Connecticut living there have brought in cheap labor from over the seas.

Mr. McLEAN rose.

Mr. KING. Wait until I get through. I affirm that the Senator's State has employed cheap labor; and much of it has been foreign labor.

Mr. McLEAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Connecticut?

Mr. KING. I yield.

Mr. McLEAN. Mr. President, the statistics will show that the wages which have been paid to labor in Connecticut have averaged much higher than those which have been paid by the States whose Senators have voted for a tariff for revenue only.

Mr. KING. Mr. President, I repeat what I said a moment ago, that a large part of the population working in the mills in the State of Connecticut was foreign. There were strikes in the mills and factories because of the injustice which the mill owners perpetrated upon the laborers whom they employed. I repeat, the Senator's State has grown rich. I do not mean the great masses of the people have prospered or become rich, but the predatory interests with which the Senator from Connecticut is allied have grown rich. The Senator, believing in their economic views, speaks for policies which they favor and for this bill, which they indorse. When we come to the textile schedule we shall find the able Senator from Connecticut lifting his voice in protest against fair and reasonable rates. He is willing that the favorites of the Republican Party, those favorites against whom Senator Dolliver inveighed, those favorites against whom Theodore Roosevelt inveighed, those favorites who have played the game in the past and who have prostituted the taxing powers of the Government for their enrichment shall continue their illegal course.

Mr. SPENCER. Mr. President——

Mr. KING. Let me first get through with the Senator from Connecticut, and then I will yield to the Senator from Missouri.

Mr. McLEAN. Mr. President, will the Senator yield?

Mr. KING. Wait until I get through; I will not yield for a moment.

Coming back to the question which I suggested a moment ago, I repeat that the manufacturers and the beneficiaries of the tariff system who reside in the State of the Senator from Connecticut, or who, if they do not reside there, reside in New York or Boston or elsewhere and have their factories in his State, have been willing to get cheap labor and get it from over the seas in order that they might increase their swollen fortunes. The State of Connecticut, small, with but limited agricultural resources, with no mineral wealth, and without having the advantages that are possessed by many other States, has directed its attention largely to manufacturing; and those engaged in manufacturing have perceived that if they could get higher tariff duties and prevent competition from abroad they would be able to exploit the American people by charging them infinitely more for their products than would have to be paid under a legitimate competitive system. Republicans of Connecticut have only done what Republicans—I am speaking now of the brand of Republicans that Roosevelt denounced—have done elsewhere.

Mr. President, soon after the Civil War, when the Republicans—the brand of Republicans of whom I am now speaking—had control of both the executive and legislative branches of the Government, they determined to bring down the price of labor or to prevent the price of labor advancing in order that the laboring man might share a proportionate part of the profits resulting from his toil. What did they do? They brought into Pennsylvania and into many other manufacturing States of the Union hundreds of thousands of the poor people of Europe who constituted in part what was then offensively called "pauper labor" of Europe. Why? In order to force wages down or to prevent wages from rising as they should have risen, keeping pace with the profits which were made by the employers of labor. The statistics show that following the Civil War and for many years thereafter millions of people from Italy, from Hungary, from Slovakia, from Greece, and from Bulgaria came into the United States and found places in the protected industries of the United States. American labor was largely driven out and foreign labor was employed. In the recent steel strike it was found that many of the men employed were foreigners, and that in many of the great protected industries, not only in Connecticut but elsewhere, an inadequate wage was paid to workingmen.

After the Senator called my attention to the statement which he says I made upon a former occasion as to the prosperity of Connecticut, I asked Colonel Halsey to bring me the latest Statistical Abstract of the United States showing the estimated true value of the property and of specified classes of property, and so forth, in the United States. The date is 1912. I regret that I have not the statistics for a later period, but I shall ask permission to put them into the RECORD at the conclusion of my remarks. I find, reading from page 714, that the value of the property of Connecticut, as reported in the Statistical Abstract furnished by the Department of Commerce, is $2,285,454,669. For instance, in the case of Florida, a great State, the value is $1,000,000,000 plus; in Georgia, substantially the same as in Connecticut, $2,382,000,000; in Idaho, $680,000,000; and so on. It is not necessary to put into the RECORD all of these figures.

I repeat that the State of Connecticut is rich. That more than two billions—$2,300,000,000—is not owned by the great mass of the people of the State of the Senator from Connecticut, however. It is owned by the corporations, by the manufacturing plants, by the great industries that have profited by the tariff bills that have been driven through by the Republican Party.

Mr. President, the Senator from Connecticut mentioned the wages paid to the laboring men. I remember reading of the strikes in his State—the Bridgeport strike, the street railway strike, the internecine war that resulted because of the starvation wages paid by the predatory interests to the men and women who worked for them. Many of the men working in these protected industries could not earn sufficient to clothe and feed themselves and their families, and mothers and little children were forced into the factories of the protected manufacturer in order to get enough money to meet the demands for food and clothing.

Ah, Mr. President, I repeat, the State of Connecticut is rich, but the people of Connecticut are not rich. The manufacturing institutions that have been profiting by these infamous tariffs are rich beyond the dreams of Midas and of Croesus. The State of Connecticut, or men who have profited by the great manufacturing and other industries of the Senator's State, have loaned millions and tens of millions of dollars throughout the agricultural districts of the United States.

Your State, my dear Senator—and I pay it and you the compliment—has grown so rich in its liquid assets that it has been able to loan to other States less fortunate, which have not been the beneficiaries of this high protective tariff system to the extent that a few of your States have, millions and hundreds of millions of dollars; and we are paying tribute to you now in interest upon the money which has been borrowed from the plutocrats of the State of Connecticut.

Mr. WATSON of Georgia. Mr. President——

Mr. KING. I yield.

Mr. WATSON of Georgia. When Daniel Webster went down to Columbia, S. C., to try a great law case, he was taken out

to the slave plantation of Gen. Wade Hampton; and after seeing how the slaves lived, their comfortable cottages, their comfortable clothing and shoes, and the mild manner in which they were worked, and were given periodical vacations, and had little gardens and patches of their own, he said to General Hampton: "I wish that the wage earners of New England fared as well as your Negro slaves are faring."

Mr. KING. I thank the Senator for his contribution.

With due courtesy and with deep respect for my friend, I want to say to him, I want to say to the manufacturers of the United States, to the capitalists of the United States, to the beneficiaries of this legislation, using somewhat the language of my friend the Senator from North Dakota [Mr. McCUMBER], who is not now here, that if they do not content themselves with "meager" profits there will be trouble. I have been one of the few in this Chamber who have opposed the consolidating tendencies of the Federal Government. I have perceived the evils that arise from centralized authority. I have rejoiced in the utterances of great men, such as the Governor of New York is, who have protested against the assumption by the Federal Government of the powers which belong to the States, and have insisted upon the deadly and paralyzing hand of the Federal Government being kept off from the States and from their legitimate activities.

Mr. SPENCER. Mr. President, will the Senator yield?

Mr. KING. Let me finish this thought. I believe in individualism. I believe in the competitive theory. I believe that the business men of our country, so long as they keep the law, ought to be left free to make such profits as they can. I have opposed the theory that the Federal Government could run the business of a man better than he could run it himself, and I voted against the socialistic tendencies that have manifested themselves so often in this Chamber; and I want to say now to the great manufacturing plants of the country and to the great producers of wealth—I mean those who are the beneficiaries of these tariff laws—that if they persist——

Mr. SPENCER. Will the Senator yield for a question?

Mr. KING. Let me finish my sentence. The Senator is so delightful that it is hard for me not to pause in the midst of a sentence to listen to him, but will he permit me to finish this?

That if they do not practice temperance and prudence—I do not ask for generosity—justice, fairness in dealing with the wage earner and with the people, discontent will arise and demand be made for material changes in the economics if not the political form of our Government. The future of this Republic is not alone in the hands of the wage earners. It is in the hands of the beneficiaries of class legislation. It is in the hands of those who profit by high tariffs and by legislation of a discriminatory character. If an employee of mine sees that I can come to Congress and get a tariff law that enables me to charge more for the product which he makes than it is worth, and this enables me to grow enormously rich out of his sweat and his tears, in the end he is going to say, "What is all this worth?" He is going to demand——

Mr. SPENCER. Mr. President, will the Senator yield for a question?

Mr. KING. He is going to demand that he share in the profits and proceeds of his labor, and that there shall be such a readjustment of the economic and the industrial system of the land as to establish what he conceives to be justice, equal and exact justice, to all.

I yield to the Senator from Missouri.

Mr. SPENCER. I thank the Senator.

Before the Senator got too far into the centralization of the Federal Government I wanted to ask him one question for my own information regarding his own State, for I have listened to his address with a great deal of interest. It seemed to me the most eloquent part of it was when he described how beneficial a protective tariff had been to the State of Connecticut. I agree with him in that statement. I am sure it has been extremely beneficial to the State of Connecticut. It has been equally beneficial to the State of Missouri, from which I come. What I wanted to ask the Senator, because I am not informed about it, is as to whether a protective tariff has not also been extremely beneficial in the State of Utah?

Mr. KING. The Senator from Missouri is like some Senators upon the other side of the Chamber. They are acute and shrewd, and are always anxious to depart from fundamental principles to consider some little, narrow question which they think will obscure the issue.

Mr. SPENCER. The Senator does not think the prosperity of the State of Utah is a narrow, technical issue, of course.

Mr. KING. No. I will say to the Senator from Missouri that Utah does not have very much prosperity now, with the mines shut down and business paralyzed partly because of some of the policies of the Republican Party.

Mr. WATSON of Georgia. Mr. President——

Mr. SPENCER. Mr. President, is it not true that for the last eight years the policies of the Republican Party could not have contributed to the present condition in Utah?

Mr. KING. Mr. President, the people of Utah and the State of Utah and other States in the United States never were so prosperous in the history of this Republic as they were——

Mr. SMOOT (from his seat). During the war.

Mr. KING. If Senators will not talk so loud, sotto voce, and will speak, one at a time, I shall be glad to answer them as best I can. This country never was so prosperous as during the years when Woodrow Wilson was in the White House, and the Democratic Party controlled both branches of Congress.

Mr. SPENCER. Of course the Senator has not yet answered my question. I wonder if he will.

Mr. KING. Mr. President, I will say to the Senator from Missouri that the prosperity of this country when the Democrats had control brought the wealth of the United States from $185,000,000,000 to more than $300,000,000,000. Now, since the Republicans have been in power, one year and more, they have reduced the wealth of the United States from $300,000,000,000 to perhaps $215,000,000,000 or $225,000,000,000. So Republicans can congratulate themselves upon the fact that they have decreased the wealth of the United States from $50,000,000,000 to $75,000,000,000 in about 15 to 16 months.

Mr. SPENCER. Mr. President, will the Senator let me repeat my question as to whether or not, in his opinion, a protective tariff is beneficial in the State of Utah? Of course, he knows, for his learning is great, as even I know, that the prosperity during the war, when no other nation could make anything and the United States could make everything, is no criterion in normal times. That is its own answer; but the question as to the effect of a protective tariff in Utah, I am free to say, I do not know, and I should very much like to have the judgment of the Senator from Utah.

Mr. KING. Mr. President, the Senators upon the other side of the Chamber have frequently asserted that the Underwood-Simmons law was a free-trade measure. If that was a free trade act, then it must be noted that Utah and the Nation under that so-called free trade act enjoyed the greatest prosperity which ever came to this Nation. I will say to my friend from Missouri, further, speaking about tariff laws, that according to James G. Blaine, at the time he wrote his "Twenty Years of Congress," the people of the United States never had as fair a tariff act as they had in the Walker tariff law, which was enacted in 1846. Walker, as everybody knows, was an eminent Democrat and a political economist who at that time stood in the front ranks of the great thinkers of the world.

Mr. McCUMBER. Mr. President——

Mr. KING. Let me finish the thought I was endeavoring to express. I will never get through if Republicans interrupt me so much. I have not yet answered the Senator from Georgia. I was going to talk only a few minutes on formic acid, and here I am back in 1846.

Mr. McCUMBER. My interruption might possibly be of assistance to the Senator.

Mr. KING. Having seen this bill, which he has brought before us, I am sure that the Senator from North Dakota could not be of very much assistance to me.

Mr. McCUMBER. Will the Senator allow me to ask him a question?

Mr. KING. Oh, yes.

Mr. SPENCER. I hope the Senator from North Dakota will let the Senator from Utah answer my question.

Mr. McCUMBER. My question will probably bring out an answer to the question of the Senator from Missouri as well. Inasmuch as for more than 75 years each side of this Chamber has been trying to convince the other side that it was wrong upon the matter of protection, or upon the matter of a tariff for revenue only, does not the Senator think it is time to drop the discussion for a little while, and come down to formic acid, the question which is immediately before the Senate?

Mr. KING. Mr. President, the only fault I find with my friend from North Dakota is that he does not get rid of some of his Scotch pertinacity, and let his goodness and his better judgment lead him into the ranks of the Democratic Party, where he belongs. Let me say to him that I was talking about the amendment which had been tendered to this bill by the distinguished Senator from Oregon, when my distinguished friend the Senator from Connecticut saw fit, of which I make no complaint, to propound several questions. The Senator from

Georgia [Mr. WATSON] propounded one and the junior Senator from Missouri [Mr. SPENCER] got into the arena, so I will say to my friend that I have not been able to go very far with formic acid, and I am not going back to formic acid until I conclude the observations which have been made necessary, in my view, by the questions which have been submitted by Republicans.

Mr. McKELLAR. Mr. President, will the Senator yield for a question?

Mr. KING. Just for a question.

Mr. McKELLAR. The Senator from Missouri [Mr. SPENCER] and the Senator from Connecticut [Mr. McLEAN] asked the Senator from Utah what he had to say about the great prosperity in Connecticut and Missouri under a high protective tariff. Will the Senator say whether or not such prosperity as has gone to those two States, and to other States, by reason of a protective tariff, has gone to the few who received the benefits of such legislation, or has the prosperity been enjoyed by all the people? Has it not been confined to a few, in a large measure, who were beneficiaries of the tariff system?

Mr. KING. Mr. President, it is difficult to answer that question of the Senator in general terms without perhaps doing an injustice, and I do not want to do any injustice to any person. But let me say in general terms that, in my opinion, the statistics which have been furnished, and which have been quoted upon this floor, not in this debate but in other debates in the past few years, elaborated by the distinguished Senator from Wisconsin a number of years ago, show that the bulk of the property of the United States—I will first limit it to what might be denominated the productive property, the manufacturing property, the mines, the smelters, the banks, the railroads, the mills—is owned by a limited number of people compared with the population of the country. Some writers have stated that 80 per cent of the wealth of the United States was owned by less than 20 per cent of the people. Others give more extreme figures. I have no doubt that in the State of Connecticut the overwhelming part of the wealth of the State is owned by the banks, the trust companies, the railroads, the manufacturing institutions, and the corporations which are engaged in what we frequently call industrial activities.

When we go into the States of Iowa, Illinois, and others of the agricultural class we find that property is more equitably distributed, and a larger number of people are owners. Yet we find in the agricultural States that tenancy is increasing, that manufacturing plants are growing up, that corporations are increasing in wealth, and that the productive property is narrowing into fewer hands and being controlled by fewer individuals and corporations.

Take, for instance, the chemical industry. I have examined the list of corporations which control the greater part of that, and I say that more than 70 per cent of the chemical industry is owned by comparatively few corporations.

So it is impossible to say, in a general statement, just what proportion of the wealth of the United States is owned by the few and what proportion is owned by the great mass of the people; but, generally speaking, I will say that the high protective tariff has ministered to the material aggrandizement of the few and not the many.

Mr. SMOOT. Mr. President, will my colleague yield?

The PRESIDENT pro tempore. Does the junior Senator from Utah yield to his colleague?

Mr. KING. I yield.

Mr. SMOOT. Perhaps, from the statement which the Senator has made in relation to the rates of duty in the Underwood tariff law——

Mr. KING. Does the Senator mean early in my remarks?

Mr. SMOOT. Just a short time ago the Senator referred to those rates of duty as affecting the State of Utah, and in order that his remarks may not be misunderstood so that he may correct me if I understood him wrongly, I want to ask him if we are to understand him to mean that he would want wool on the free list, as it was under the Underwood tariff law?

Mr. KING. I have made no statement at all from which the Senator can make that deduction. This is what I said, and if the Senator listened he must have known what I said——

Mr. SMOOT. I listened.

Mr. KING. I said, in answer to the Senator from Missouri, that the Republicans are constantly denominating the Underwood tariff law a free-trade measure, and I said if it were a free-trade act, then the State of Utah and the Union had prospered more under its operation than they had during any corresponding period in the history of the United States. That is what I said substantially.

Mr. SMOOT. I understood my colleague to say that the State of Utah had prospered more under the Underwood law than at any time in the history of the State of Utah.

Mr. KING. I made the statement which I just repeated, or that in substance.

Mr. SMOOT. I simply wanted to know, because if it had not been for the amendment of the Underwood tariff law by the emergency tariff act passed at this Congress, as far as the sheep industry of Utah is concerned, it would have been dead to-day, and as far as the sugar business is concerned it would have been dead to-day. I think my colleague will agree with me as to those two items. If the rates under the Underwood law had remained in force until to-day, not one-tenth of the sheepmen of the State of Utah could have survived, and the sugar industry would have been dead.

Mr. KING. Mr. President, I do not agree with my colleague at all; and when we come to the wool schedule and the sugar schedule I may have some observations to make upon both of those schedules. I content myself now by repeating in a general way what I intended to say with respect to the Underwood law, that our Republican friends are constantly insisting that the the Underwood law is a free trade act, which I deny; and I said that if it were a free trade act, then it had brought to the United States greater prosperity than the United States had ever enjoyed; and I said that when Mr. Wilson went into the White House the property of the United States was of the value of $187,000,000,000, and that when Mr. Wilson left the White House it was of the value of approximately $300,000,000,000; and that under a Republican administration values had declined. There would be a dispute, of course, as to the levels to which they did decline. I concede—and anybody of any sense must concede—that if you put a tariff wall around our country or if you put a tariff upon any article so high as to keep out competition of any kind you are going to permit the domestic producer of that article to charge whatever he pleases, and if he is greedy and avaricious his profits will be tremendous.

Mr. President, I concede that if I could get a monopoly in the United States for the manufacture of any article—plows or harrows or hats or shoes or anything else of importance—I soon would be rich beyond the dreams of avarice. Monopolies, of course, will make the monopolists rich. That is why they want monopolies.

Of course, a high tariff which destroys competition will make those who are the beneficiaries of the system rich. That is what I am protesting against. Not that I protest against riches. I believe in the development of the resources of our country. I do protest, though, Mr. President, against an economic policy enforced by discriminating statutes which enrich the few at the expense of the many. We denounce slavery and laws which avowedly seek to favor one class at the expense of another. Tariff laws may be so drawn as to give privileges and advantages to a few which are denied to the many. Justice should be the aim of all government. Injustice arises when the laws are framed in the interest of a given class or group or profession.

Governments are not instituted among men for the purpose of granting special privileges to one class. Democracy is a failure, a delusion, a sham, if there is perpetuated under the name of democracy the evils which existed under the feudalistic system. We affirm glibly, with a sort of "bunting patriotism," in the language of H. G. Wells, that we have established liberty in the land. It was M. de Lavalaye, the great writer of Europe, whose untimely death we deplored, who said that the struggle in the past had been for civil, for political, and for religious liberty, but that the struggle of this century would be for industrial liberty and freedom.

We profess religious liberty and political liberty. Ah, Mr. President, both religious liberty and political liberty will perish unless there is industrial liberty. If by unjust and special legislation you put into the hands of a few individuals the power to use the Government for their own enrichment, and they grow enormously wealthy, like the feudal barons of old, and the mass of the people grow poor, or do not keep pace with the industrial and the moral development of the country, in the end you are going to destroy any government, even though you may denominate it a republic or a democracy.

I am for the development of our country. I want to see our fields produce abundantly the food which we need and to supply the hungry in other parts of the world.

I want our factories to be busy, the mills to furnish employment, the mines to operate, and peace and plenty, as God's sunlight is visited upon all, to be visited upon the people of our broad land. I do not want the benefits to come only to the few. I want them for all. I do not want the Government to be a rich man's government or a political party to be a rich man's political party, as the Republican Party is now becoming. The Republican Party is protecting the corporations and trusts. They take shelter and refuge behind Republican politicians and Republican measures and Republican laws. I want the day to

come when there is equality and equal and exact justice for all in this broad land.

Mr. President, when I was diverted by the questions of the Senator from Missouri [Mr. SPENCER] I was calling attention to the Walker tariff law and what Mr. Blaine said about it, as an exemplification of the fact that we may have a tariff measure that gives revenue and affords incidental and indeed "reasonable" protection and brings substantial justice to all classes—manufacturer and consumer.

Mr. Blaine said that the Walker tariff law—I can not repeat the words, but this is the substance—was one of the fairest tariff measures that had ever been drawn. He said, furthermore, that under that law the prosperity of the United States had never been greater. Of course, an examination of the statistics of the States and of the country at that time exemplifies the accuracy of that statement.

Mr. WATSON of Georgia. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Georgia?

Mr. KING. I yield.

Mr. WATSON of Georgia. In this connection I would remind the Senator that under the Walker tariff law three-fourths of our imports and exports were carried in American bottoms. While that tariff law was in effect Charles Dickens visited this country and wrote back home in one of his letters that America had no poor and that a beggar on the streets of Boston would create as much of a sensation as would an angel with a flaming sword in his hand in those streets.

Mr. KING. I thank the Senator for calling attention to the matter.

Mr. President, a just tariff law does not create a vast gulf and chasm in the social organism. Some people think that we are prosperous if a few have limousines and great wealth and the masses are poor. They measure prosperity by the aggregate wealth, though the great majority of it is owned and controlled by the few. Somewhere in the Bible something is said about having neither riches nor poverty. In the ideal state, Mr. President, the state of the future, there will be social justice. The laboring man, by whose bowed back wealth has been created, will not have to be content with the crumbs that fall from the rich table of Dives.

I am pleading for Lazarus now and not Dives, for the poor of the land and not for the rich corporations, whose outstretched hands remind one of the gaunt and grim specters, hideous and affrighting, as portrayed by the genius of men upon canvas and pages of the printed book.

Mr. President, no one can defend the pending bill as in the interest of the people. Some one was kind enough to mail me yesterday a recent issue of the Literary Digest, which contains excerpts from Republican newspapers relating to the Fordney bill. Let me read a few statements about this bill.

The New York Journal of Commerce, a Republican newspaper, says:

> It is something of a shock to learn, if the analysis of the Associated Press is accurate, that the rates of the bill are on the whole higher than those of the Payne-Aldrich law.

I called attention a moment ago to the fact that the average rates of chemical schedules bear this ratio to each other: The act of 1909, the Payne-Aldrich law, would bear a ratio of 13.2 per cent; the act of 1913, 10 per cent; and the Senate committee bill, 28.6 per cent, or nearly three times the rates of the Underwood law, and nearly two and one-third times the rates of the Payne-Aldrich law.

The new York Tribune, a Republican paper, says:

> If President Harding stands for reelection it is scarcely fair to handicap him as was President Taft in 1912 by the Payne-Aldrich Act.

In another editorial in the New York Tribune it is said that the Republicans are "warned that the present is no time to go tariff mad." When I used the expression about midsummer madness in the submission of this bill for our consideration, I was merely echoing the statement of a great Republican newspaper, not as great perhaps as it was in the days of Horace Greeley, but still it is a Republican newspaper.

The St. Louis-Globe Democrat, which is a strong Republican paper, states that this bill—

> seems to have pledged the principle of protection to everything without regard to present world conditions and without regard to our position in relation to world trade.

Mr. SPENCER. Mr. President, will the Senator allow me to correct him? The St. Louis Globe-Democrat is not a Republican newspaper, and has not been for some years.

Mr. KING. I was reading from the Literary Digest, which says that—

> The St. Louis Globe-Democrat, a strong Republican organ, says the bill seems to have pledged the principle of protection—

And so forth.

Mr. SPENCER. That is the correction I desire to make, that it is not a Republican newspaper, and has not been for some years.

Mr. KING. I am sorry the Literary Digest has fallen into that error. That was my understanding, but I supposed the Literary Digest would be more accurate than my recollection.

Mr. SPENCER. I hope its other information is more accurate.

Mr. KING. It quotes Republican newspapers. Does the Senator deny that the New York Tribune is a Republican newspaper?

Mr. SPENCER. Oh, no; I do not.

Mr. KING. Does the Senator deny that the New York Journal of Commerce is a Republican newspaper?

Mr. SPENCER. I do not know anything about it. I do know that the St. Louis Globe-Democrat is not, and does not pretend to be, a Republican newspaper, and the statement which the Senator quoted, therefore, was a mistake. That is the reason why I rose to make the correction.

Mr. KING. I am not complaining of the correction, but the Senator stated that he hoped the other statements which I was quoting were more accurate. I ask the Senator if he thinks the statements which I am reading from the New York Tribune as found in the Literary Digest are inaccurate?

Mr. SPENCER. I do not, and I repeat what I said. I hope its other references are more accurate than its statement about the St. Louis Globe-Democrat.

Mr. KING. It is referring to the tariff. It is simply quoting Republican newspapers. The Senator from Massachusetts [Mr. WALSH] suggests to me, and I propound the question to the Senator from Missouri, Does the Senator from Missouri say that the St. Louis Globe-Democrat is a Democratic newspaper?

Mr. SPENCER. The St. Louis Globe-Democrat boasts that it is neither Republican nor Democratic; that it is an independent paper. I said the other day, and I repeat, that I think so far as the Republicans in Missouri are concerned they regard it as very much inclined toward the Democratic side, though in some respects that statement is not quite fair.

Mr. KING. I suppose the Democrats regard it as a Republican newspaper?

Mr. SPENCER. No; I think they are very much pleased with its attitude and rather regard it as a help to them. I may say for the information of the Senate that some years ago the Globe-Democrat bought out the St. Louis Republic. The St. Louis Republic was a historic Democratic paper, the oldest paper, perhaps, in the State; certainly in the city. When they bought out the Republic and took over their subscription list they changed from the policy of being a Republican newspaper to that of being what they called an independent newspaper, and they never have since called themselves a Republican newspaper. Certainly no one who reads the paper would ever think it was Republican.

Mr. KING. My understanding about the matter comes back to me now. When the newspaper was purchased, it was purchased by individuals who sought to change it from a Democratic newspaper to an independent Republican newspaper.

Mr. SPENCER. No; the Senator is entirely wrong about that.

Mr. KING. I think a perusal of its columns will determine whether or not the Senator from Utah or the Senator from Missouri is right.

The Syracuse Post-Standard, which is a Republican paper according to the Literary Digest, states:

> The Senate must give ear to the changed conditions of world trade, to our change from a debtor to a creditor nation. It must give ear also to a demand that the rates on foodstuffs shall not be the highest ever levied.

Now, the Senator from Massachusetts may correct me if I place the Boston Transcript in the wrong column as an independent Republican paper. I understood it to be strongly Republican, with now and then a glimpse of political light shining through the dark recesses which surrounded it. However, what it says is this:

> Give the American producers all they want on wheat, hides, and wool, and never mind whether the manufacturer gets compensatory protection on his products or not.

Further it says:

> Party guidance is thrown to the winds.

I said that the other day. We read about the tariff bloc holding receptions and receiving Mr. Arnold, who represented an organization. The tariff bloc received the schedules which were tendered, and those schedules, as I have examined the letter of Mr. Arnold and the schedules in the bill, seem to have been reproduced in the bill itself.

> Party guidance is thrown to the winds.

That means Republican Party guidance. I do not think the Senator from Massachusetts [Mr. LODGE] controls in the framing of this bill. The junior Senator from Idaho [Mr. GOODING] submitted a statement a few days ago of the names of the Members in the tariff bloc—I think some 25 or 26 Republican Senators. They constitute what is known as the tariff bloc. None of them were members of the Finance Committee. They had a room and were receiving delegates and men who are pleading for high tariffs, and after listening to them, as we are informed, the tariff bloc submitted its demands to the committee, or collaborated with the committee, or made known to the committee in some way—I mean the Republican members of the Finance Committee—what were the demands of the tariff bloc.

By the way, let me ask right here, digressing for a moment, is there any combination between the tariff bloc and other Republicans and one or two Democrats for the purpose of forcing through this tariff bill? Take the item of lactic acid, take the item upon which we voted yesterday of arsenious acid and arsenic acid, and it appears that the tariff bloc and the agricultural bloc upon the other side, to a man, voted for the duty on arsenious acid. The Senator from Kansas [Mr. CAPPER] who I notice is in the Chamber—and I feel complimented in knowing that he is here while I am making a few observations—on yesterday voted, if he were here—and I have not noticed the vote to ascertain whether or not he was present—for these high tariff rates upon arsenious acid and arsenic acid, though the farmers and the horticulturists of his State will be robbed and compelled to pay more for an article which they need to combat the ravages of insects and rodents and other animal pests which are destructive of plant and vegetable life. I think the Senator from Kansas ought to write to his newspaper and say to the farmers of Kansas, "I voted to tax you farmers in favor of the arsenic trust. Of course, you must forgive me, because I belong to the tariff bloc, and the tariff bloc and the agricultural bloc have just formed a combine with the manufacturing interests of this United States to stand by these schedules from Dan to Beersheba."

Mr. McNARY. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from Utah yield to the Senator from Oregon?

Mr. KING. I yield to the Senator.

Mr. McNARY. I desire to inform the Senator from Utah that he is entirely misinformed when he makes the statement that the tariff bloc and the agricultural bloc are working together toward a common end. The agricultural bloc is a nonpartisan organization of Senators who have come together for the purpose of formulating certain legislation which is calculated to improve the welfare of the farmers without attacking any other industry in the country.

Mr. KING. May I inquire of the Senator—for I do not intend to do the agricultural bloc an injustice—has the agricultural bloc been functioning in the preparation of any of the schedules of the tariff bill?

Mr. McNARY. Not in any manner whatsoever. The tariff bloc, composed entirely of Republicans who are interested in agriculture, meet together and advise one with the other for the purpose of coming to a common understanding with regard to securing sufficient protection for certain agricultural industries.

Mr. KING. May I inquire of the Senator whether the members of the agricultural bloc upon the other side of the Chamber voted for the high rates on arsenious acid and arsenic acid?

Mr. McNARY. I have kept no record of that matter and have not been concerned. If they have done so, it is a coincidence entirely, and based upon their better judgment as to what were proper duties to provide adequate protection.

Mr. KING. May I inquire of the Senator from Oregon whether it is not a fact that every member of the tariff bloc upon the other side of the Chamber has voted for every item in the bill upon which a vote has so far been taken?

Mr. McNARY. Does the Senator from Utah refer to the tariff bloc?

Mr. KING. Yes; the members of the tariff bloc; not as a bloc but as individuals.

Mr. McNARY. I do not think there has been—and I have, I believe, attended all of the meetings—any particular time given to the consideration of the chemical schedule. The tariff bloc has considered those items which are peculiarly agricultural in their nature.

Mr. KING. The Senator from Oregon evidently did not understand me. I beg pardon. I did not make myself clear. The inquiry I last made was this: Is it not a fact that every Republican member of the tariff bloc—not as members of the bloc but as individuals—has voted affirmatively upon every item thus far upon which a vote has been taken?

Mr. McNARY. I will say to the Senator from Utah that there have been so few items voted upon during the four weeks the bill has been under consideration that I am really unable to answer his question; but I can assure the Senator, as a final word, that the tariff bloc is composed entirely of Republicans who are alone interested in the proper protection of agricultural products.

Mr. LODGE. When the Senator from Oregon refers to the tariff bloc does he mean what is called the farmers' bloc?

Mr. McNARY. I will state to the distinguished leader on this side of the Chamber that a moment ago I very briefly stated to the Senator from Utah that the agricultural bloc was nonpartisan, having for its purpose legislation pertaining solely to the welfare of the agricultural interests of the country, while the tariff bloc is composed of western and middle western Republicans who have a desire to see certain basic agricultural products protected from the competition of foreign lands.

Mr. KING. Of course, I did not intend to do an injustice to any bloc, although I confess that I do not believe in blocs, either agricultural blocs, mining blocs, labor blocs, or any other kind of blocs. I believe in parties and in party government. The only way, Mr. President, in which we can preserve our Government is by preserving the integrity of parties. I want the Republican Party to be maintained as a powerful, militant organization, devoted to what it believes to be the fundamental principles of that party. If I had my way and had the power, I would not destroy the Republican Party. I know that my party, unchecked, supreme, without opposition, would in the end degenerate, would become controlled by politicians, by sinister and selfish motives. That is human nature. Our country was born in the midst of party strife. I believe in party battles, in battles royal, in which both political parties contend earnestly, honestly, and fairly for the triumph of the principles for which they stand; but I am against blocs and classes and factions and groups, because in the end they will destroy parties, and when parties are destroyed there is laid the foundation for the destruction of our form of government. In France, when Briand came here filled with high hopes to do something, he was pounded by the blocs and the groups at home, and now when Barthou is in Genoa trying, with Lloyd-George and other statesmen, to do something for Europe and for the world, the blocs and the groups at home are tying his hands and striking into his back and preventing the consummation of his beneficent purposes. I have no sympathy, I will say to my friend from Oregon, with blocs in any party. I denounce them. I am looking to see if any Democrats here—and there are some who belong to the agricultural bloc—intend in any way to cooperate in this matter. I oppose blocs, and I criticize Democrats—I do not care who they are—as I criticize Republicans, who belong to blocs. I do not know blocs, Mr. President, except for the purpose of condemning them. I am a Democrat—and not a tariff-bloc man or an agricultural-bloc man or a manufacturing-bloc man or any other kind of a bloc man. I think the formation of blocs is a mistake.

The agricultural bloc weakens both parties and the tariff bloc weakens both parties, and when they strike at the integrity of party organizations they are indirectly striking at our form of government. If when it is in power the Republican Party, with its statesmanship and the hundreds and thousands of good men in that party, can not carry out the purposes of the Government or of the people, then elect the Democratic Party; and if they fail in their high mission, then elect the Republican Party or some other great party competent to deal with the problems of the hour, but do not weaken your own parties, do not destroy your own political organizations in order to get some particular scheme or some particular legislation through the Congress. I should not like to see the kind of Christianity that believes in little groups and little blocs. A bloc Christian! No, Mr. President, we are Christians, but not bloc Christians, not group Christians. We believe in the great Founder of the faith, and we seek to execute His divine purposes on the earth.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. KING. I yield.

Mr. WALSH of Massachusetts. Of course the Senator will agree that the existence of blocs in a political party is in itself indicative of distrust of the leadership of that party. It is a method taken by a group within the party to exact what they think is justly due them by the use of a club.

Mr. KING. That may be, Mr. President, but I do not justify the use of such clubs.

Mr. WALSH of Massachusetts. Of course the Senator knows that I do not believe in or justify blocs, either, but the very existence of them is indicative of distrust of party leadership and a belief by a certain group in a political party that they can not, through the party organization, obtain that relief or selfish interest to which they think they are entitled without an implied threat of insurrection unless their demands are satisfied.

Mr. KING. I think that is true. So we have a tariff bloc led by the junior Senator from Idaho [Mr. GOODING]. Here is the Senator from North Dakota [Mr. MCCUMBER] and my distinguished colleague [Mr. SMOOT], men of ability, who have given years of thought to the tariff, and other men on the Finance Committee who have studied the question. I would rather follow them if I were a Republican than follow any bloc. I would confer with them, and if I thought they were wrong I would go to them and attempt to convince them of their error. If they refused to admit the error I would vote against them, but I would not form a bloc for the purpose of disrupting and destroying them.

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Georgia?

Mr. KING. I yield to my friend from Georgia.

Mr. WATSON of Georgia. It has been repeatedly stated here in the debate that it was the purpose of this tariff bill to give a reasonable profit to manufacturers. I should like some Senator on the other side to tell me where they get the constitutional authority to legislate a profit into anybody's business. I hope the Senator will address himself to that question. The very first time that statement was put forward was by Mr. Taft in his second race for the Presidency. He said that the tariff was intended to give the American manufacturer a reasonable profit. Since that time it has gone into Republican literature as a fixture, and it has been stated here in the Senate as a matter of fact and a matter of course. I should like to know where we get authority to legislate a profit into the business of the manufacturer any more than we do into the business of the farmer.

Mr. KING. Mr. President, the question asked by my friend from Georgia strikes at the very root of this question and involves, indeed, the very root of government.

Mr. WATSON of Georgia. Mr. President, will the Senator allow me to interrupt him further?

Mr. KING. I yield.

Mr. WATSON of Georgia. I believe that any American taxpayer could get out an injunction and stop the operation of this proposed law, in view of the fact that it has been stated here officially during the debate that the purpose of it is not to raise revenue but to put a profit into private business.

Mr. KING. Mr. President, I wish the Supreme Court would take the view which the Senator from Georgia takes. I remember the oleomargarine law and other legislation the constitutionality of which has been affirmed, as I recall, by the Supreme Court of the United States. The oleomargarine law was clearly an abuse of the taxing power, and much of our tariff legislation is an abuse and prostitution of the taxing power. I can not say that I agree with my friend from Georgia because I think the court will not agree with him, but I think the court ought to agree with him, and I agree with the views which are implied and expressed in the question and statement made by my distinguished friend.

What is the power of taxation? We are all familiar, of course, with the language of Chief Justice Marshall. The power of taxation is the power to destroy. When we formed the Constitution of the United States and committed to the Federal Government certain powers, and gave it the right to tax for certain purposes, was it believed that there was no restriction or limit whatever upon the taxing power? Why, Mr. President, if any man had stood up in the Constitutional Convention and affirmed that, there would have been no Constitution formed, and there would have been none ratified. The fathers of this Republic, the men who lived in the 13 independent nations, never would have joined in the formation of this Government if it had been understood that they were committing to the Government unrestricted power to tax for any and all purposes which imperialists or favorites or predatory interests conceived to be for their good.

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Georgia?

Mr. KING. I yield further for a question.

Mr. WATSON of Georgia. The Senator from Utah well knows that when J. P. Morgan organized the Steel Trust he issued, in addition to the bonds and the preferred stock, an enormous amount—$500,000,000, as I remember—of steel common, which represented no investment whatever. It was mere water, mere paper. During the St. Louis Exposition I remember that a gentleman who owned some of that stock was told that it had sunk to $15 a share. He did not seem to be disturbed by it. He said, "That will all come right." That stock is now selling at par. In other words, these tariffs in favor of the Steel Trust have put dollar for dollar into steel common, where not a cent was ever invested.

Mr. KING. Mr. President, the observation of the Senator from Georgia demonstrates the fact that many of these tariff bills are drawn for the purpose of putting money into the pockets of certain interests. Is it right to use the taxing power of the Federal Government—if I may elaborate very briefly the thought of my good friend from Georgia—when that power was restricted and is restricted in the Constitution for the purpose of enriching any particular class? The power of taxation ought to be as sacredly guarded as we guard our honor or the most treasured things of life. The greatest struggles in the past have been over the exercise of the taxing power. Our liberties, won by our fathers at Lexington and Bunker Hill, and in the South by the gallant soldiers and leaders there, grew out of the abuse of the taxing power by Great Britain. We insisted that there should be no taxation without representation. We insisted that they should not impose a tea tax and other taxes upon the American people; that we were entitled to all the rights of Britishers; that there could be no discrimination against the people living under the British flag upon this continent.

Mr. WATSON of Georgia. Mr. President——

Mr. KING. I yield.

Mr. WATSON of Georgia. Some years ago I spent months studying the statistical reports as to the profits of manufacturers and the profits of farmers; and I found, as a result of that research, that the Steel Trust alone made more profits every year than all the farmers of America had made in any year since the foundation of this Government.

Mr. KING. Mr. President, there are a good many Democrats who forget that our Government is one of enumerated and limited powers, and they ascribe to the Federal Government the same powers that are exercised by the Government of Great Britain or France or some other nation that does not exist in virtue of delegated authority. The States were sovereign, and the United States became their agent, and they delegated what they pleased to the Federal Government and reserved the residue of the powers which belonged to the individuals or to the States to the individuals or to the States, respectively. Our Republican friends now say, however, that when the people formed a corporation, and put a certain amount of their property into the corporation, and limited the powers of the corporation, and defined its authority with the most meticulous care, the corporation—to wit, the Federal Government—became omnipotent, and can drag the people in, and can drag all the rest of their property in, and assert all power and all authority which belongs to the people or to the States; and there are Democrats in various parts of the country who are lending themselves to that heresy and drifting into this latitudinarian construction of the Constitution of the United States, and declaring the Constitution to be a mere rope of sand, and that the Federal Government is supreme in all things, and the States mere lifeless, flaccid organizations.

I am a Democrat. I believe in the rights of the States and the rights of the people, and in putting hooks into the jaws of the Federal Government, so that it may not transgress its authority, impinge upon the rights of the States, and lay its unrestrained and heavy hand upon individuals to destroy their liberties and their rights.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. KING. I yield.

Mr. WALSH of Massachusetts. I hope the Senator from Utah will not allow the question directed to him by the Senator from Connecticut [Mr. MCLEAN] some time ago to go without being very fully answered. He has already very ably answered it in part. The Senator's question was, in substance, to the effect that there are divergent opinions upon the tariff on the Democratic side of this Chamber, and that Senators upon the other side would like to know what the different opinions of different members of the Democratic Party are.

I think it ought to be made clear and stated emphatically to the Senator from Connecticut that it makes no difference what views individuals in either party have on the tariff question, because there is no question of free trade in this bill;

there is no question of tariff for revenue in this bill; there is no question of protecting American industries because of difference in cost of production at home and abroad in this bill; there is involved in this pending bill simply the question of granting protection to certain monopolies that control the production and prices of those commodities that the people consume; and, further, most important of all, this bill raises for the first time in America the bold proposition of protecting profits.

Mr. KING. Mr. President, the Senator from Massachusetts has stated the issue in a very succinct way. In my opening speech a few days ago I tried to state the issue. I adopt the very fine phraseology of my good friend. This is not a question of free trade or protection at all.

Mr. WALSH of Massachusetts. Or of cost of production.

Mr. KING. Or of cost of production, or price of labor, or anything of that nature. The question here is simply this: Shall we let the barons and the robbers and the trusts and the corporations have unrestricted power to continue exploiting and robbing, as many of them did during the war, and to increase their power for exploiting, the American people?

I was diverted from this editorial in the Boston Transcript. Of course the Boston Transcript was not referring to the leader of the Republican Party in the Senate, the Senator from Massachusetts [Mr. LODGE]; but let me read that sentence again, because it is pregnant with meaning. This is a New England paper. The Senator from Massachusetts is a candidate for reelection to the Senate.

Mr. WALSH of Massachusetts. And it is supporting him.

Mr. KING. And this paper is supporting him, the junior Senator from Massachusetts advises me. This paper says:

> Party guidance is thrown to the winds.

Where is the party guidance on the other side? Is it exercised by the junior Senator from Idaho [Mr. GOODING], the head of the tariff bloc? Is it exercised by the Senator from Kansas [Mr. CAPPER], the head of the agricultural bloc? Is it exercised by the Senator from Oregon [Mr. MCNARY], an able lieutenant of the agricultural bloc? Is it exercised by the Senator from North Dakota [Mr. MCCUMBER]? Where is the leadership? Party guidance, I repeat, is thrown to the winds.

But, Mr. President, we do not need, apparently, any party guidance. They interlock together. No matter what these schedules may be, no matter whether one of them is 600 per cent higher than the Payne-Aldrich bill, no matter if it gives a complete monopoly, no matter if it creates embargoes and turns over to the Du Ponts and the dye monopoly the control of the dyestuffs industries that they may exploit and rob the people, no matter what it is, they start in:

The Senator from Delaware [Mr. BALL], "Aye."

The Senator from Kansas [Mr. CAPPER], "Aye."

The Senator from New Mexico [Mr. BURSUM], "Aye."

And so on, down the list:

The Senator from Massachusetts [Mr. LODGE], "Aye."

The Senator from North Dakota [Mr. MCCUMBER], "Aye."

The Senator from Indiana [Mr. WATSON], "Aye."

And so it goes, down the list, all united as a solid phalanx. They do not need any leadership, Mr. President. Why have leaders when you are bound and locked together in chains of steel? Do not spell it wrongly—s-t-e-e-l, not s-t-e-a-l.

Mr. WATSON of Georgia. The terms are synonymous when it comes to a tariff bill.

Mr. KING. I go on with this interesting editorial:

> This is undoubtedly due to the prevalent chaotic condition, not only of conditions and of interests, but of views.

The chaotic conditions of interests and of views are all dissipated; there comes the most perfect and beautiful solidarity when it comes to voting. No matter what the views are, when the votes are counted they are all there in a solid phalanx.

> There may be some consolation in the fact that it will take a long time to straighten out this chaos of views and that the delay will give an opportunity to get rid of some of the injustices involved in the Senate bill.

I commend that statement to the Senator from Indiana [Mr. WATSON], who has been so impatient at any discussion of this bill. Here is a fine Republican newspaper, one of the ablest in the United States, an ardent champion of the distinguished senior Senator from Massachusetts [Mr. LODGE], pleading for delay that we may straighten out our views. I say, straighten out your views, my Republican brethren, but be sure to straighten them out right.

This Republican newspaper says your views are wrong as they find expression in this tariff bill; so straighten them out. We are going to help you. We are going to debate this bill, hoping that reason may reassert itself upon the other side of the Chamber, and that the good conscience, the honest judgment of honest Republicans—and they are honest on the other side, as we are—will assert itself, and that they will vote against these schedules, and say to the trusts who are here in the Capitol now by their representatives, who are in Washington here by their representatives and their attorneys and their agents, "Go home. Cease your importunities. We are going to write a decent, an honest, and a fair tariff bill, not one the schedules of which are dictated by you."

> But in the meantime the manufacturers of the country are carrying all or most of the expenses involved by the war without the market which the war created, and are consequently pretty nearly paralyzed. In this situation they are to some extent prepared to regard strikes as a blessing and are content to let the tariff repose on the switch.

May I inquire of the distinguished Senator from Ohio if the Columbus Ohio State Journal is not a Republican paper?

I will not read from it, then. This is criticism of the Republican Party, and let us have criticisms from Republicans today. I read from the Business Farmer, of Mount Clemens, an agricultural paper, which is not very enthusiastic about this bill.

The Literary Digest says, speaking of the bill:

> The Business Farmer, of Mount Clemens, characterizes it as "a very acceptable gift horse for the farmers, provided they do not look into its mouth."

The Business Farmer said:

> A casual examination and comparison with former tariff measures would lead agriculture to believe that its long-cherished dreams had come true and that it is at last to sit in the front pew of the world's protected markets. But a closer inspection dispels some of these fond illusions. Nearly all the agricultural items are in terms of specific duties. Reduced to an ad valorem basis at current valuations and compared with the ad valorem rates on commodities of which the farmer is a large purchaser, we find that the agricultural schedules are actually among the lowest on the list, amounting in few, if any, cases to more than 30 per cent. Of what benefit to the farmer is a 25 per cent duty on a world grain like wheat, of which we produce a large surplus, when he must turn right around and pay a 40 to 80 per cent duty on the majority of things he buys?

I wonder if the agricultural bloc thinks of that? I continue reading:

> The value to the farmer of a tariff on corn and oats is negligible. The duties on dairy products are badly needed and none too high. The duty on sugar is an affront to every American consumer. Michigan is an important sugar-beet growing State, but only 10,000 of her 200,000 farmers grow beets.

The senior Senator from Michigan [Mr. TOWNSEND], who is a candidate for reelection, should take notice of this observation—

> But three and a half million Michigan people are asked to add several million dollars to their sugar bill for the direct benefit of a few hundred sugar-mill stockholders and the very small indirect benefit of the handful of beet growers.

Let me read a few statements from some independent newspapers, Mr. President. Take the St. Paul Dispatch. It ridicules the idea that it can "work the miracle of protecting industry and agriculture alike—a patent impossibility unless the fundamental laws of economics are repealed at the same time." I read from the Literary Digest:

> But, assuming that both the farmer and the manufacturer are to be protected, adds this Minnesota journal, "what of the great unregarded masses of consumers?" This bill, says the New York Herald, an independent newspaper with marked Republican leanings, "completely shuts America out of foreign markets, except in our raw materials, notably cotton and copper."

If this independent Republican newspaper is correct, if these predictions are to be verified, obviously this bill is a menace to the peace and prosperity of the United States, because our prosperity is dependent very largely upon our exports; and if we are shut off, or shut out, from the markets of the world, as this paper says this bill will shut us out, then, of course, our prosperity will be postponed, and perhaps never arrive.

The New York Evening Post says this bill "will make trouble for the consumer." The New York Globe says "we practically make Europe a present of the $11,000,000,000 she owes us." For—

> She can't pay in gold, and we wouldn't let her if she could, for it would be ruinous to us to receive it. She can only pay in goods, and against those goods we now propose to erect impossible tariff barriers.

The Kansas City Star declares the bill "is a serious economic mistake," the immediate effect of which will be to increase the cost of living. The farmer, it adds, will find that the protection offered his products "is an illusion," while "the protection on what he has to buy will be real."

The Springfield Republican says the bill "is open to severe attack by those who believe that the price of commodities should not be raised." The Senate "should modify it with a

liberal hand, in obedience to the logic of the world situation and of the just claims of the American consuming public."

That is the language of the Chicago Daily News. The Indianapolis News, speaking of the bill, says:

It represents an outrageous abuse of the taxing power.

Mr. President, it is not only an abuse of the taxing power, but, as indicated by the Senator from Georgia, it is a complete prostitution of it. It enacts a law which, measured by the powers of the Federal Government, is unconstitutional, and should be so declared by the Supreme Court of the United States. However, I have no doubt but that the Supreme Court of the United States would probably support any law which taxes the people for any purpose, no matter how illegitimate or how remote the purpose was from the object for which the Federal Government was established.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. KING. I yield.

Mr. LODGE. If the Senator will permit me just a moment to correct, not a statement of his but a statement of my friend, the Senator from Georgia [Mr. WATSON], whom I see on the floor now, I would appreciate it. The Senator from Georgia made a little error, and I may say he is in excellent company in making the error, for I heard it made here in the debate on the McKinley bill, and I have been through the framing of eight tariffs. He spoke of the famous description in Dickens's Notes, often cited, especially the part about the factory girls at Lowell, to which he did not refer. He spoke of it in connection with the Walker tariff.

The American Notes were written in 1842. Mr. Walker came into the Treasury in 1845, and the Walker tariff was made law in 1846, four years after the Notes were written. At the time when Mr. Dickens wrote the American Notes, I am sorry to say, we were under the Whig protective tariff of 1842.

Mr. WATSON of Georgia. Mr. President, perhaps I should have said a low tariff, instead of the Walker tariff. The Walker tariff, the Senator remembers, was very low as compared with this and as compared with the Payne-Aldrich law.

Mr. LODGE. My point is that it was not under the Robert J. Walker tariff.

Mr. WATSON of Georgia. Perhaps I was mistaken as to that. We all make such little mistakes occasionally, and I am glad to have my attention called to this one.

Mr. LODGE. We all make mistakes. That same mistake was made by Mr. Wilson, of West Virginia, in a debate, where I had the pleasure of calling his attention to it.

Mr. WATSON of Georgia. I am glad to be in company with William L. Wilson, because a finer man never came here from the South.

Mr. LODGE. He was a very fine man.

Mr. WATSON of Georgia. The point of my remark was that at that time we had no poor, but that Europe had her poor.

Mr. LODGE. That is quite true.

Mr. WATSON of Georgia. That is the main point.

Mr. LODGE. I do not think that had anything to do with the tariff.

Mr. WATSON of Georgia. As to whether it did or not is a question which we might debate here for the balance of the session.

Mr. LODGE. The tariff of 1828, which was some time before Dickens's Notes were written, was called the "tariff of abomination."

Mr. WATSON of Georgia. Yes, Mr. President; and that tariff does not compare with this tariff, or with the McKinley law or the Payne-Aldrich law.

Mr. LODGE. I think pauperism such as exists comes from very much deeper causes.

Mr. WATSON of Georgia. I remind the Senator, and he will no doubt agree, that Hugh Legaré, of South Carolina, the greatest scholar who ever came here from the other side of the Mason and Dixon line, stated as a truism that this country had no poor and no problem of pauperism.

Mr. LODGE. That is quite true. If the Senator from Utah has concluded, I simply desire to ask to have printed at this point a comparison of the wages and hours in the cotton-goods manufacturing industry of South Carolina and of Massachusetts, which I think have more spindles in that industry than any other two States. I also desire to have printed a table of comparative wages and hours in all the States. I think they deserve consideration when the Senator from Utah makes another speech about wages and hours.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—*Cotton-goods manufacturing wages and hours, by selected occupations, for Massachusetts and South Carolina, 1920.*[1]

Occupation.	Work.[2]	Massachusetts.			South Carolina.		
		Number of employees.	Hours per week.	Wages per hour.	Number of employees.	Hours per week.	Wages per hour.
Picker tenders, male	Time	207	48.0	$0.511	115	55.0	$0.373
Card tenders and strippers, male	do	219	48.6	.588	146	55.0	.412
Card grinders, male	do	87	48.5	.637	50	55.1	.574
Drawing-frame tenders, male	do	94	51.7	.521	123	54.8	.394
Drawing-frame tenders, female	do	271	47.9	.406	4	55.0	.349
Slubber tenders, male	Piece	124	48.0	.663	117	55.0	.500
Speeder tenders, male	do	179	49.5	.678	200	54.9	.501
Speeder tenders, female	do	1,004	48.0	.515	171	54.8	.440
Spinners, frame, male	Time	95	49.9	.605	108	51.5	.313
Spinners, frame, female	do	1,642	47.9	.509	1,004	54.0	.391
Doffers, male	do	361	47.7	.506	573	54.3	.449
Spool tenders, female	Piece	721	48.0	.474	488	54.2	.357
Creelers or tiers-in, female	Time	107	47.8	.372	23	55.0	.343
Warp tenders, female	Piece	111	48.0	.512	32	55.0	.445
Slasher tenders, male	Time	133	48.0	.706	80	55.0	.442
Drawers-in, female	Piece	210	47.9	.530	37	54.5	.438
Warp-tying machine tenders, male	Time	27	48.0	.652	30	55.0	.550
Loom fixers, male	do	611	48.0	.790	380	55.9	.596
Weavers, male	Piece	1,719	48.0	.593	917	55.0	.532
Weavers, female	do	3,022	48.0	.548	500	54.3	.468
Trimmers or inspectors, female	Time	257	47.8	.368	155	54.8	.311

[1] Compiled from Table A—wages and hours of labor in cotton-goods manufacturing, 1920, Bureau of Labor Statistics, September, 1921.
[2] Where both piecework and time-work wages are reported, the one that affords comparison or the more extensive comparison is given.

TABLE II.—*Cotton-goods manufacturing wages and hours for spinners, frame, female, by States, 1920.*[1]

State.	Work.[2]	Number of mills.	Number of employees.	Hours per week.	Wages per hour.	Weekly earnings.
Alabama	Time	6	508	57.5	$0.293	$16.85
Connecticut	do	2	122	48.0	.459	22.03
Georgia	do	9	602	53.9	.354	19.08
Maine	do	3	219	54.0	.475	25.65
Massachusetts	do	16	1,642	47.9	.506	24.24
New Hampshire	do	4	305	48.0	.491	23.57
New York	do	2	210	49.3	.474	23.37
North Carolina	do	19	721	54.2	.420	22.76
Pennsylvania	do	4	112	51.1	.274	14.00
Rhode Island	do	4	260	49.4	.500	24.70
South Carolina	do	19	1,004	54.0	.391	21.11
Virginia	do	2	131	54.8	.318	17.43
All States	do	90	5,837	51.8	.423	21.91

[1] Compiled from Table A—Wages and hours of labor in cotton-goods manufacturing, 1920. Bureau of Labor Statistics, September, 1921.
[2] Where both piecework and time-work wages are reported the one that affords comparison or the more extensive comparison is given.

TABLE III.—*Cotton-goods manufacturing wages and hours for weavers, female, by States, 1920.*[1]

State.	Work.[2]	Number of mills.	Number of employees.	Hours per week.	Wages per hour.	Weekly earnings.
Alabama	Piece	6	265	57.8	$0.391	$22.60
Connecticut	do	4	400	48.9	.543	26.55
Georgia	do	9	370	56.8	.435	24.71
Maine	do	5	424	54.0	.550	30.24
Massachusetts	do	16	3,022	48.0	.548	26.30
New Hampshire	do	5	1,221	48.0	.575	27.60
New York	do	2	197	49.5	.536	26.04
North Carolina	do	17	402	54.8	.519	28.44
Pennsylvania	do	4	180	50.6	.385	19.48
Rhode Island	do	4	482	50.5	.538	27.17
South Carolina	do	18	500	54.3	.468	25.41
Virginia	do	2	42	55.5	.467	25.92
All States	do	92	7,595	50.3	.530	26.66

[1] Compiled from Table A—Wages and hours of labor in cotton-goods manufacturing, 1920. Bureau of Labor Statistics, September, 1921.
[2] Where both piecework and time-work wages are reported the one that affords comparison or the more extensive comparison is given.

Mr. WATSON of Georgia subsequently said: The Senator from Massachusetts [Mr. LODGE] made a statement in reference to what Charles Dickens had written in regard to the general prosperity of our people during the time of his first visit here. The Senator from Massachusetts quoted the remark as coming from the "American Notes" of Dickens. The statement is not in the "American Notes" at all, but the Senator from Massachusetts is generally so accurate that for a moment I thought, perhaps, I had erred instead of himself.

I said, as the Senate will remember, that the statement occurred in one of Mr. Dickens' letters home. It is a letter to John Forster, his friend and subsequently his biographer. This statement was made by Dickens in his private letter to his friend in London, while the Henry Clay tariff, as I remember, was in force. Now, to show what fruit that tree bore, as compared with what it is bearing now, I will, with the permission of the Senate, read that part of Mr. Dickens' letter to his friend.

Mr. SMOOT. Will the Senator give the date of the letter?

Mr. WATSON of Georgia. Yes, Mr. President; it was in 1842.

Mr. SMOOT. That is right.

Mr. WATSON of Georgia. It occurs on page 95, of Gissing's Abridgement of Forster's Life of Dickens: Dickens is writing from Boston.

> There is no man in this town, or in this State of New England, who has not a blazing fire and a meat dinner every day of his life. A flaming sword in the air would not attract so much attention as a beggar in the streets. There are no charity uniforms, no wearisome repetition of the same dull, ugly dress in that blind school. All are attired after their own tastes, and every boy or girl has his or her individuality as distinct and unimpaired as you would find it in their own homes.

The rest of the letter is irrelevant. I merely quote that to show that Charles Dickens was amazed at the contrast between the general welfare of the people of Boston and New England, and that of the people of the Old World.

Mr. SMOOT. When the Senator made that statement I understood that he made it based upon something that was said by my colleague in relation to the Walker tariff.

Mr. WATSON of Georgia. To that extent I was in error, and I corrected it.

Mr. SMOOT. The Walker tariff was not passed until 1846.

Mr. WATSON of Georgia. I am aware of that.

Mr. SMOOT. That was the only object the Senator from Massachusetts had in mentioning what he did.

Mr. WATSON of Georgia. The Henry Clay tariff was a tariff on only a few articles as compared with this, which taxes nearly 4,000, and the general rate of duty was somewhere between 20 and 30 per cent on those few articles.

Mr. SHORTRIDGE. Does not every history and every textbook in the public schools tell us that the panic of 1837 was the result of the low tariff or compromise bill of 1833, and was not Martin Van Buren defeated for reelection because of the panic caused by the Democratic tariff?

Mr. WATSON of Georgia. Mr. President, that is not my understanding of it at all. The panic was precipitated because President Jackson issued what was called the "Specie Circular," requiring that payments for public land be made in gold or silver. He outlawed paper money, just as the present Federal Reserve Board has done. The New York banks called in their loans. This calling in of the loans concentrated the money in New York. The country districts of the South and West were stripped of coin, stripped of currency. It was Andrew Jackson's specie circular demanding gold payment that caused the panic.

Mr. ASHURST. Mr. President, I have no disposition at this time, or at any other time, to enter the lists against the doughty junior Senator from Utah [Mr. KING]. His discussions of the tariff bill have disclosed a sweep of intellect and a wealth of information pleasing to his friends and gratifying to his party associates. I have not had an opportunity to review the stenographic report of his remarks, but he seems to criticize the agricultural bloc.

Mr. WALSH of Massachusetts. Mr. President, I realize that the Senator was absent during the speech of the Senator from Utah; but the gist of his reference to the agricultural bloc was that there were groups in party organizations existing for selfish purposes; that blocs in political parties were productive of distrust of party organization; that the security of our institutions depends upon party organization and not class or bloc groups; that blocs tried to get legislative results through force, the power of numbers, rather than through argumentative persuasion.

Mr. ASHURST. I will briefly relate the manner in which the meetings of the bloc take place: I will select the time, last evening; the place, the committee room of the Committee on Agriculture, in the Senate Office Building. The doors unlocked, the doors were flung wide open—any citizen at liberty to come in and take a seat and hear every word said.

Mr. WALSH of Massachusetts. Were there any outsiders present?

Mr. ASHURST. There were a number of outsiders present; that is, persons not members of the Senate. The bloc meeting was called regularly. Every Member was given a notice of the meeting. The meeting was presided over by the junior Senator from Kansas [Mr. CAPPER]. The Senators present are as capable and as diligent as any other group of Senators of like number that may be made up.

There were present the presiding officer [Mr. CAPPER], the Senator from Wisconsin [Mr. LENROOT], the Senator from Washington [Mr. JONES], the Senator from New Mexico [Mr. JONES], the Senator from Wyoming [Mr. KENDRICK], the Senator from South Dakota [Mr. NORBECK], the Senator from North Carolina [Mr. SIMMONS], the Senator from South Dakota [Mr. STERLING], the Senator from Idaho [Mr. GOODING], the Senator from Oklahoma [Mr. HARRELD], the Senator from Texas [Mr. SHEPPARD], the Senator from Florida [Mr. FLETCHER], the Senator from Georgia [Mr. HARRIS], the Senator from South Carolina [Mr. DIAL], the Senator from Mississippi [Mr. HARRISON], the Senator from North Dakota [Mr. LADD], the Senator from Oregon [Mr. MCNARY], the Senator from Virginia [Mr. SWANSON], the Senator from New Mexico [Mr. BURSUM], and myself. There may have been others—yes, the Senator from Alabama [Mr. HEFLIN].

Mr. HEFLIN. I was not present; but I would have been present except for a previous engagement.

Mr. ASHURST. The Senator's zeal and interest in behalf of agriculture is at all times manifest.

The bills to be discussed were distributed to the Senators present and to those present who were not Senators. There was also present Mr. Eugene Meyer, managing director of the War Finance Corporation, and there were present upward of a dozen representatives of farm organizations. The bill proposed by the Senator from North Carolina [Mr. SIMMONS] was discussed, he outlining the purpose and scope of his bill, which is to extend long-time credits to farmers and live-stock growers.

Then the Senator from Wisconsin [Mr. LENROOT] discussed his bill, giving in a brief manner the purpose and scope of the bill. Then the Senator from South Dakota [Mr. NORBECK] discussed his bill, giving its outlines. A general discussion was then entered upon.

At all times the main subject was kept in view. No one went off on an unreturning parabola. Every man spoke to the point, not a word was wasted. There were no periphrases, no circumlocution; no "house-that-Jack-built" methods of discussion were employed. Concrete, coherent, succinct discussion was had from the time the chairman called the meeting to order until we dispersed. While no particular bill was agreed upon—it was thought that there should be a more complete reading of all the bills—and while all the Senators who spoke said they had no pride of expression, no pride of authorship, they would be glad to meet on common ground and draw a bill that would extend long-time credits to farmers.

The War Finance Corporation is an emergency energy. Surely in the United States we need not be told, because we must know, that agriculture, being the basis of all the industries, must in the very nature of things have a "square deal" and that it is no small task to write a bill which will afford the farmer, the agriculturist, the live-stock man, and especially the tenant farmer, an opportunity to obtain the appropriate credits.

I know of a State where there are 600,000 tenant farmers. The rural credit law performs a necessary and useful function; the War Finance Corporation performs a necessary and useful function, but the tenant farmer must obtain personal credit. Character is the basis of credit. The tenant farmer has character. The tenant farmer has industry.

I shall not enter into any extended eulogy of the farm bloc. I ask that the Senators consider what the agricultural bloc has done. I shall not ask that the agricultural bloc be measured by the greatness of things said or of things written, but I ask that its efficiency and its purposes be measured by the greatness of things done.

Last Saturday the Senate agreed to a conference report presented by the Senator from Oregon [Mr. MCNARY]. In that report there was a provision that lands under Federal irrigation projects shall be eligible for Federal farm loans. I ask Senators to consider what that means. It means that heretofore farmers under Federal irrigation projects could not obtain loans from the Federal Government, whilst those outside of Federal irrigation projects could obtain such loans. This amendment was proposed in the Senate a month ago by the Senator from Idaho [Mr. BORAH]. The conference report was

agreed to by the Senate on Saturday last and was agreed to by the House yesterday.

The agricultural bloc was directly responsible for that amendment in the Senate and for its galvanization into the law of the country. If the agricultural bloc had never done aught else but had simply whipped that legislation through, and then dissolved, it would have justified its existence. Senators who rise here to denounce the agricultural bloc, and the journals which denounce the agricultural bloc, may just as well relieve themselves, because the bloc, in spite of all the flailings of words that are going to come upon it, is continuing its work in trying to secure justice for the farmer.

Mr. WALSH of Massachusetts. Mr. President——

Mr. ASHURST. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. The Senator from Utah [Mr. KING] referred this morning to a tariff bloc, intimating that inside of the agricultural bloc there is a tariff bloc. Can the Senator from Arizona enlighten us as to the existence of such a bloc? It is the first time I had heard a tariff bloc referred to.

Mr. ASHURST. The agricultural bloc is bipartisan, being composed of Democrats and Republicans. Our former colleague, Mr. Kenyon, was chairman and upon his resignation from the Senate the junior Senator from Kansas [Mr. CAPPER] was unanimously chosen for chairman.

I believe I will assume the responsibility of speaking for the Democratic members of the agricultural bloc on the tariff question. That is assuming quite a responsibility, especially as I am an humble Member of the Senate. My State is interested in agriculture, but it does not rise to importance in agriculture like the great agricultural States of Iowa or Texas.

In my judgment the views of the Democratic members of the agricultural bloc respecting the tariff are as follows. Tariffs may be good; they may be bad. As to that we will not discuss. But I do say that if the country is going to have a high tariff, by what reason in morals, by what reason in fair dealing, in law and policy, can you put a tariff upon the products of the factory and refuse to put a tariff upon the products of the field, the farm, and the ranch? The agricultural bloc says that if a tariff upon shoes be proper then a tariff upon the hide which the farmer removes from his bovine is proper.

Mr. STANLEY. Mr. President, will the Senator yield to me?

Mr. ASHURST. I yield.

Mr. STANLEY. Do I understand the Senator from Arizona to say that the agricultural bloc is obligated in some way to vote, for instance, for a duty upon hides without regard to the action of either Republican or Democratic organizations on that subject? For instance, suppose there were a duty upon leather or shoes, and the Democrats should hold a caucus and declare in favor of free hides, what would be the allegiance of a loyal member of that bloc with a caucus of his party acting one way and the bloc acting another way?

Mr. ASHURST. My learned friend must have misunderstood what I said or, following my usual custom, I have been cloudy in my statements. I am volunteering to give what I "guess" or think are the views of the agricultural bloc. I may be doing something improper to assume to give the views of other men, but I think I know the working of their fair minds well enough to say what I think they think. I do not recall that in the meetings of the agricultural bloc the tariff question was ever discussed.

Mr. STANLEY. I am not inferentially criticizing the conduct of the agricultural bloc one way or another. I simply wanted to get the attitude of the bloc on the tariff question.

Mr. ASHURST. I can not give it except to assume to say what I believe they think.

Mr. STANLEY. I understood the Senator to say that they were in favor of duties upon agricultural products.

Mr. ASHURST. I repeat that so far as I know the bipartisan agricultural bloc has never discussed the tariff question; in other words, you can not fool the farmer any more on the tariff question. The representatives of the farmers' organizations would not, in my opinion, listen with any degree of patience if any body began to expatiate about the tariff. Since the beginning of the Government a tariff has been a device to assist and promote the interest of the manufacturers and it has militated against the farmer. So the agricultural bloc has not been very enthusiastic about a tariff according to the old plan.

What I tried to say was that in my judgment the views of the Democratic members of the agricultural bloc on the tariff question were as follows: If it be right, if it be moral and proper, to lay a tariff upon the manufactured article—for instance, shoes—by what right in morals, in politics, or in Government do you refuse to put a tariff on hides, the farmers' product? That is the question I asked. I did not say it was right to do either; but I should like to have some Senator—or, indeed, anybody here or elsewhere—tell me that he believes it is right to lay a tariff on shoes and that it is wrong to put a tariff on hides.

Mr. WALSH of Massachusetts rose.

Mr. ASHURST. Is the Senator from Massachusetts going to attempt to answer the question?

Mr. WALSH of Massachusetts. I am merely going to say to the Senator from Arizona that the boot and shoe manufacturers of this country have petitioned Congress not to put any protective duty on boots and shoes or on hides and leather.

Mr. ASHURST. If I understand the Senator from Massachusetts, he says that the manufacturers of boots and shoes want boots and shoes placed on the free list?

Mr. WALSH of Massachusetts. Absolutely; and they also desire to have hides and leather free of duty.

Mr. ASHURST. Very well. If the manufacturers are in earnest to have boots and shoes placed on the free list you will not hear any farmer complaining when hides are also put on the free list.

Mr. WALSH of Massachusetts. But the Finance Committee have reported a bill providing for a duty upon hides and leather and a compensatory and protective duty upon boots and shoes, notwithstanding the fact that the boot and shoe manufacturers do not want any such protection. In a referendum vote by the boot and shoe manufacturers of this country they requested that no duty be put upon either leather and hides or boots and shoes. The Finance Committee evidently is bound to give protection, even where it is not wanted.

Mr. ASHURST. Very well.

Mr. STANLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Kentucky?

Mr. ASHURST. I do not want to lose the floor.

Mr. STANLEY. I do not presume the Senator will lose the floor merely by yielding for a question. The question I shall ask is a simple question and is asked merely for the purpose of obtaining information—not for the purpose of condemning the attitude of the agricultural bloc one way or the other. I was simply curious to ascertain whether this organization of patriotic and eminent Senators, in the most laudable of endeavors to help a basic industry such as agriculture, are committed to a policy of placing a duty upon agricultural products in the event there is a duty placed upon the finished fabrics of agriculture, without regard to the action of the duly constituted political organizations on either side of the Chamber?

Mr. ASHURST. The agricultural bloc is not going to pay much attention to dictates whether from caucuses or Executives. The agricultural bloc is going to pass by as the idle wind which it regards not any dictation from any source. If the white-collared gentlemen in the cities desire to be fed, they must no longer crush out the farmer, who is trying to feed them. If the gentlemen of the cities desire fresh supplies of milk each morning, they ought to have comprehension enough not to crush the dairyman. If they desire food and clothing, they are not going to be so shortsighted as to continue to have laws operate unjustly against the basic industry of agriculture, in which 40,000,000 people are engaged; indeed, in which the multitudes of the earth are engaged.

I have already mentioned the fact that the agricultural bloc has driven through this Congress a law making lands under Federal irrigation projects eligible for Federal farm loans. How can the injustices that have existed so long be defended? Here is a farm which is owned by A; it is outside of a Federal irrigation project; it is eligible for a loan from the Federal Government. Ten feet across the line is the farm of B; he is within a Federal irrigation project, but the lands of the one in the irrigation project are not eligible for a Federal loan. The farm bloc has secured the passage through both Houses of Congress of a bill which provides that land in Federal irrigation projects shall be eligible for loans.

The ship subsidy bill was to be brought in here providing for loans at 2 per cent interest to those engaged in the shipping industry. Is any farmer going to get money for 2 per cent? The agricultural bloc would have been annihilated had we presumed to bring in a bill proposing to lend to the farmers money at 2 per cent a year. Money at the rate of 2 per cent seems to be for men who are looking for subsidies. Two per cent money does not seem to be for farmers.

Mr. WATSON of Indiana. Will it embarrass my friend from Arizona if I ask him a question?

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Indiana?

Mr. ASHURST. Mr. President, the genial and graceful Senator from Indiana never——

The PRESIDING OFFICER. Does the Senator from Arizona decline to yield?

Mr. WATSON of Indiana. I merely desire to ask the Senator a question.

Mr. ASHURST. Just a moment. The genial and graceful statesman from Indiana never comes athwart the disk of my horizon that I do not immediately yield to anything that he asks.

Mr. WATSON of Indiana. I am very grateful to my good friend, and I assure him that whatever else I may seek to do it will not be to embarrass him by the question I am about to ask.

Mr. ASHURST. The Senator from Indiana, in point of ability, always embarrasses me when I put myself into competition with him.

Mr. WATSON of Indiana. The Senator from Arizona is always complimentary, and I hope in this case equally truthful. The Senator belongs to the agricultural bloc, which is bipartisan, consisting of both Democrats and Republicans. Suppose that the agricultural bloc succeeds in incorporating in this bill all the rates they want to incorporate, will the Democratic members of the agricultural bloc vote for the bill?

Mr. ASHURST. I answer that question readily and say if you bring in an honest bill every Democratic member of the agricultural bloc is going to vote for it without regard to local schedules. If you bring in a dishonest bill, every Democratic member of the agricultural bloc is going to vote against it without regard to local schedules.

Mr. WATSON of Indiana. Of course, Mr. President——

Mr. STANLEY. Mr. President——

Mr. ASHURST. Bring in an honest bill and call the roll and we will all vote for it; bring in a dishonest bill and we will all vote against it without regard to local schedules. Do not make any mistake about that.

The PRESIDING OFFICER. Does the Senator from Arizona yield; and if so, to whom?

Mr. ASHURST. I yield first to the Senator from Indiana.

Mr. WATSON of Indiana. Take it for granted that it is an honest bill——

Mr. ASHURST. I hope so; but I am harassed with doubt.

Mr. WATSON of Indiana. Assume that it is an honest bill, so far as the agricultural portion of it is concerned, if we put in all the agricultural bloc wants put in; then suppose that everything in it is honest, and you get all you want, under your plea of the remainder of it being dishonest, does the Senator from Arizona intend to vote down the bill containing the things he wants? [Laughter.]

Mr. ASHURST. Mr. President, I am glad to see my genial friend from Massachusetts [Mr. LODGE] laugh. He does it so seldom that it is gratifying to see him laugh. [Laughter.]

The PRESIDING OFFICER. The Senate will be in order.

Mr. ASHURST. Senators know how I have stormed around like a bifurcated volcano urging a proper import duty on long-staple cotton. I believe, Mr. President, that a proper duty should be placed on long-staple cotton; all Senators know that I so believe and that I have tried to justify a tariff on long-staple cotton; but, if the bill should be a dishonest one, do you think that by dangling in front of me a tariff on long-staple cotton I would be induced to vote for a dishonest bill? All you have to do is present a fair and square bill, and I think I have in times gone by shown that I have some independence.

Mr. McCUMBER and Mr. STANLEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arizona yield; and if so, to whom?

Mr. ASHURST. I yield first to the Senator from North Dakota, but I desire to conclude.

Mr. McCUMBER. It is because the Senator announced a moment ago that he was about to yield the floor that I want to ask him a question.

Mr. ASHURST. I certainly yield.

Mr. McCUMBER. It is a simple question. I desire to ask the Senator whether he will help me in trying to emulate and to put into force and effect the wonderful example which the Senator has given of the method of doing business employed by the agricultural bloc, namely, of talking directly to the subject and disposing of it? The real subject before the Senate to-day, the subject which has been before the Senate for several hours, is the rate of duty on formic acid. Why, in Heaven's name, can we not talk to that subject and reach a vote on it? If the rate proposed is too high, let us vote to lower it; but at least I wish the Senator would help us to keep attention riveted upon the only question before the Senate, and that is the amendments which come up from time to time. We want to vote on them.

Mr. ASHURST. Mr. President, it is impossible to resist the eagle of the Dakotas. I will conclude, therefore, by referring——

Mr. STANLEY. Mr. President, before the Senator concludes I wish to ask him a categorical question.

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Kentucky?

Mr. ASHURST. I yield.

Mr. STANLEY. Does the Senator mean to imply that the agricultural bloc will be governed in its attitude toward this bill by the schedules in which they are most interested; that if the duties imposed upon agriculture are satisfactory they will vote for the bill, but, if they are not satisfactory they will vote against it without regard to their several political alliances or commitments?

Mr. ASHURST. Mr. President, I have tried to make myself plain. I was asked as to the attitude of the Democratic members of the bloc. I would not presume, I think it would be offensive if I should presume, to speak for the Republican members of that bloc, but I feel that I have a certain liberty to say what would be the attitude of the Democratic members of the agricultural bloc.

Mr. STANLEY. That is the reason I asked the Senator the question.

Mr. ASHURST. I think their attitude is about as follows: That without regard to local schedules, if the tariff bill as a whole were an honest bill, they would be inclined to vote for it, and probably would vote for it, and further, without regard to local schedules, if the bill were dishonest they would be inclined to vote against it.

Mr. STANLEY. Mr. President, let me ask one other question, and then I will not impose further upon the patience of the Senator.

Mr. ASHURST. The Senator from Kentucky is not imposing upon my patience, but upon the patience of the Senator from North Dakota.

Mr. STANLEY. Oh, he can give us pause. Does the Senator from Arizona understand that a fair bill is a bill whose purpose is a tariff for revenue only, whose duties are imposed for the purpose of supplying the needs of a Government economically administered, and so imposed as to secure a maximum of revenue with a minimum of duty, or is it a bill so arranged as to distribute the alleged benefits of protection to agriculture and to the manufacturing industry alike?

Mr. ASHURST. I did not think it was necessary at this time for anybody to ask what is meant by an honest tariff bill. An honest tariff bill is one whose rates are so framed as to make the tariff rates on the imported article equal to the difference between the cost of production at home and abroad, it being assumed, of course, that the tariff-protected commodity can be produced here in sufficient volume to take care of the bulk of consumption in this country and sell the same to the consumer at a fair and reasonable price.

Mr. STANLEY. Mr. President, is not that standard the standard once set and the apology once made for this iniquitous thing by our Republican friends? It is news to me that the Democratic Party has ever committed itself to the policy of imposing a duty upon all articles produced in this country that shall equalize the cost of production at home and abroad. The Senator may know better than I do about it.

Mr. ASHURST. Oh, the Senator knows—he is too astute a statesman, and he is too fair a man to dissemble——

Mr. STANLEY. Never consciously.

Mr. ASHURST. The Senator knows that in every tariff bill, even a high-protective tariff bill, there is a free list—articles that in the very nature of things, for various reasons, are put upon the free list. The Senator knows that there is a free list in every tariff bill, and I believe, although I am not certain, there was a free list even in the tariff bill that James Madison drove through the House. By the way, that was the first protective tariff we ever had, the first bill ever passed by the American Congress, signed on the 4th of July, 1789, by George Washington, driven through the House by James Madison, a Democrat.

I believe, although I have not looked at it for some years, that there was a free list in that bill, and in the Payne-Aldrich bill there is a free list. In the Simmons-Underwood bill there is a free list. In the Dingley bill there is a free list.

Mr. UNDERWOOD. Mr. President, if the Senator will allow me to interrupt him——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Alabama?

Mr. ASHURST. Certainly; I yield.

Mr. UNDERWOOD. The free list is an invention of protection. All bills have free lists now, but the original idea of levying taxes was to levy them on a particular commodity and leave everything else untaxed. When the theory arose that it was better to protect special interests behind a tariff wall, and that it was a greater duty to protect special interests behind a

tariff wall than it was to protect the American people from the burdens of taxation, in order that nothing might escape taxation by inadvertence, an omnium gatherum clause was put in tariff bills to tax everything unmentioned, and then the particular items that they desired to exempt were put on a free list; but that was merely for the purpose of seeing that nothing escaped from the hand of the taxgatherer.

Mr. ASHURST. I have no doubt the Senator speaks correctly. I was only saying that so far as my memory goes—and my researches have been extended—there has been a free list in all tariff bills. I have assumed that the difference between the cost of production at home and abroad was the true basis of a protective tariff, unless indeed it is the open design to give a bounty.

Mr. STANLEY. Mr. President, I fear I did not make myself clear. A duty that imposes a greater impost, a higher duty than sufficient to equal the difference in the cost of production at home and abroad, has hitherto been more or less indefensible from the protectionist standpoint. The maxim of protection was adequate equalization of the difference in the cost of production at home and abroad; but the Democrats, as I understand, have never been committed, directly or impliedly, to any obligation to impose a duty that should equalize the cost of production at home and abroad.

Mr. ASHURST. I am not trying to commit anybody. The Senator asked me a question as to what would be the attitude of the tariff bloc toward this bill. I said if it was an honest bill they would vote for it. Then the Senator asked, "What is an honest bill?" and I gave him my humble view as to what was an honest tariff bill. I hope that no Democrat or anybody else thinks I am trying to commit him.

Mr. WALSH of Massachusetts and Mr. SHORTRIDGE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arizona yield, and, if so, to whom?

Mr. ASHURST. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. The Senator from Utah [Mr. KING] intimated in his address to-day that there was a tariff bloc in the agricultural bloc, and that the business of the tariff bloc in the agricultural bloc was to increase the rates on agricultural products and decrease the rates on manufactured products; and, of course, the conclusion is that this will become an honest bill to the agricultural bloc when the rates on the manufactured products are lowered and the rates on the agricultural products are raised.

Mr. SHORTRIDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from California?

Mr. ASHURST. I yield to the Senator.

Mr. SHORTRIDGE. In order to corroborate the statement made by the Senator from Arizona in a reference he made to the early tariff act, I wish to call attention to the act of July 4, 1789. Section 1 reads:

> Whereas it is necessary for the support of government, for the discharge of the debts of the United States, and the encouragement and protection of manufactures, that duties be laid on goods, wares, and merchandise imported.

Then follows the act specifically laying duties upon certain imports. It is interesting to call attention to the first item:

> On all distilled spirits of Jamaica proof, imported from any kingdom or country whatsoever, per gallon, 10 cents.

The point I wish to have appear in the RECORD is that at the very birth of our Government the statesmen of that hour recognized the doctrine of protection which has been followed by different political organizations, adhered to and enlarged upon, perhaps, from that day until now, in respect to the encouragement of manufactures; and the same principle applies, as clearly and forcibly stated by the Senator from Arizona, as to agricultural products. The same doctrine applies, and ought to be applied, and we purpose to have it applied.

Mr. ASHURST. Mr. President——

Mr. STANLEY. Mr. President, just one minute. I can thoroughly understand, from the point of view of the eminent and accomplished Senator from California, why he would want to spread out this doctrine of protection, like you would butter a biscuit, over every character of industry, and commit every character of industry—agricultural, commercial, financial—to the theory of protection, with the idea that he is giving a part of the usufruct, of the plunder, of the misuse of the taxing power; but I hope that the accomplished Senator from Arizona or his bloc will not go so far along that questionable road from a Democratic standpoint.

Mr. ASHURST. I will ask the Senator this question: If this should prove to be an honest bill, will he vote for it? Now, let the Senator answer that question. He has asked me some pointed questions. If it is finally whipped into an honest bill, will the Senator vote for it?

Mr. STANLEY. Mr. President, when God Almighty makes two hills without a hollow, when He makes night without day, when He makes a sun without heat, the old guard will write a tariff bill that is honest.

Mr. ASHURST. I am asking the Senator if this finally be made into an honest bill, will he vote for it?

Mr. STANLEY. Why, Mr. President, to ask me about "honest protection" is like asking me about a sweet-smelling stench. There is no such thing, whether it is in the case of long-staple cotton or anything else.

Mr. ASHURST. Now, just one moment. I have not asserted that. I asked the Senator a plain question. That is all I asked him.

Mr. STANLEY. Mr. President——

Mr. ASHURST. I withdraw the question and yield now to the Senator from California.

Mr. SHORTRIDGE. Mr. President——

The PRESIDING OFFICER. To whom does the Senator yield?

Mr. STANLEY. I would vote for an honest bill imposing revenues, of course; but it can not be made out of this bill any more than you can make a silk purse out of a sow's ear. I have read the thing.

Mr. ASHURST. That is a fair answer.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator from Kentucky a question?

Mr. ASHURST. Yes; I yield.

Mr. SHORTRIDGE. May I ask the Senator from Kentucky one question?

Mr. STANLEY. Certainly, so far as I am concerned.

Mr. SHORTRIDGE. I will call it one question. You raise tobacco in Kentucky. Why do the people of Kentucky, where my forefathers came from, ask for, and why do the Republican Party and many Democrats favor granting their request, namely, a protective tariff on that important product of Kentucky, namely, tobacco? Why do we grant it? Why do your people ask it? Do you not favor it?

Mr. STANLEY. Mr. President, if the Senator from Arizona will yield——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Kentucky?

Mr. ASHURST. I yield.

Mr. STANLEY. Is the Senator from Arizona about to conclude?

Mr. ASHURST. I want to conclude at the earliest moment, but I yield for this answer.

Mr. STANLEY. I was going to say that if the Senator was about to conclude I would wait until he concluded to answer the question.

Mr. President, the question of the Senator from California assumes a condition that does not exist. In his question he predicates my answer upon an alleged demand of the people of Kentucky for a duty upon tobacco. Kentucky produces more tobacco than any other State in the Union. It produces more tobacco in one year than the Imperial Valley in Arizona would produce of long-staple cotton in the life of any man now living; and Kentucky—that is, Democratic Kentucky, has not asked and never will ask for the mean privilege of a part of the fleshpots of Egypt while she denounces the dishonesty of the Egyptians in filling those pots. The democracy of Kentucky, in so far as it is represented by the senior Senator from that States, comes now as it has come since the days of Clay, when the first Democrat was elected from that great tobacco district, without asking one red cent upon her tobacco. More than that, Mr. President, the great State of Kentucky produces more things, more different commodities, whose price could be enhanced by this thing than perhaps any other State in the Union.

There are barytes mines in my State which could be worked with a duty and an increased burden placed upon every cottage that is painted from Cape May to the Golden Gate, and the honest democracy of Kentucky asks no duty upon barytes.

There are mines which produce fluorspar in my State, a product which is used in fluxing minerals protected to the limit, but the honest democracy of Kentucky asks no duty upon fluorspar.

Kentucky has more coal than Pennsylvania, thousands upon thousands of acres of virgin coal, the finest that was ever dug from the earth. Admiral Rodman told me the other day that the coal from West Virginia and Kentucky had no peer

for steam purposes, either in Cardiff or elsewhere in all the world; but the honest democracy of Kentucky asks no duty upon coal.

We believe that every dollar collected at the port of entry by the strong arm of taxation is impressed with a trust, to be used for the purpose of defraying the expenses of a Government economically administered, and we will never use the power of this Government to tax all the people in order to enrich a few unless the exigencies of the revenue demand it.

Kentucky became Democratic and the Kentuckians of the blue-grass region announced their allegiance to that honest doctrine when all central Kentucky was a great hemp field, and there was not a single stalk of hemp which could not have been enhanced in value by virtue of an unearned increment which would have made every citizen who used that fiber pay two prices for it; and she preferred to see her hemp fields desolated, to abandon that great industry, rather than abandon the truth, for she loves the truth better than she loves the dirty dollars of protectionism.

Is the Senator from California answered?

Mr. SHORTRIDGE. Mr. President, I am very much gratified. If the Senator from Kentucky speaks the doctrine of the Democratic Party, we will submit that to the American people November 2 next.

Mr. ASHURST. Mr. President, I suppose it is entirely appropriate that when I rose to discuss the farm bloc that there should creep in through some of the interstices now and then references to the main question, the tariff bill.

I had no intention of discussing the tariff question, and I was drawn to the subject accidentally. Getting back now to the question propounded to me as to the attitude of the Democratic members of the agricultural bloc on the tariff question, I leave that phase of the question as I began it, with the statement that the agricultural interests of this country are convinced that the protective-tariff system has been employed and exercised for over a hundred years for the benefit of the manufacturer only; that if it be a good thing, as its protagonists and its friends say it is, then by what rule do you exclude agriculture? That is the question I have been propounding.

I have not the capacity, even if I had the inclination, to deliver such a brilliant eulogy upon a theory of government or upon a State as the Senator from Kentucky has done; but, brilliant as his eulogy is and captivating as it was, it had nothing to do with the question. It shed no light upon my inquiry. It did not answer the question I propounded as to what rule of morals or government was invoked when you say a protective tariff is good for the manufacturer and is a good system to employ in our Republic, but that you will never employ it regarding agriculture. That is the subject upon which I desire to be enlightened. What rule do Senators invoke, what principle do they invoke, what statesman do they quote when they say, "Protection to the factory is a good thing, but it must not apply to the farm, field, or ranch"? That is the point upon which I have sought information. That is the distinction I have attempted to draw; and I simply said that if protection be a good thing the farmers of the country are going to demand that they be placed on a parity with the manufacturers.

The farmer, flockmaster, the herdsman, the cowboy, by sun and by rain, tend the cattle and bring them into the market. When the wool is clipped from the sheep and brought to the train, that is the sheep grower's finished product. Indeed, Mr. President, there is no such thing as raw material. It is wrong that in the nomenclature of tariff bills for a century and a half the term "raw materials" should have been used. There is no such thing as raw material. What might be raw material to one might be the finished product to another. Indeed, the air, the earth as it is scooped out, and the sea may be raw material, but I think of no others.

The logger who goes into his forest, cuts down trees, and skids them as logs to the train regards them as his finished product. The manufacturer calls it his raw material. Then it is taken to the mill, and it is put through the sawmill to be made into boards or moldings. The miller calls the logs raw material. It is the logger's finished product.

So it is with hides. You may call them the raw material, and you may say that our manufacturers must have free raw material. You from Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and the other States where the great textiles industries are, say, "We want free raw material." Certainly you want free raw material. You are just like everybody else. You are free traders after you get your own interests protected.

The farmer is not that kind of a man. The farmer is willing that everybody else should have protection if the farmer has protection, but the farmer says that if he is to be on the free list everybody else must be on the free list, and that is the attitude of the farm bloc, in my judgment, certainly of the Democratic members.

Mr. STANLEY. Mr. President——

Mr. ASHURST. Will not the Senator let me finish unless it is a short question?

Mr. STANLEY. It is a very short question. Do I understand the Senator to say that the farmer is for protection if you give it to everybody else—the Democratic farmer of the bloc or elsewhere?

Mr. ASHURST. If he is not for protection when everybody else is for protection, he is a fool. If any farmer in this country says, "I want my machinery highly protected, so that I will pay 200 per cent for my farm machinery; I want my shoes on the protective tariff list, so that I and my wife and my children may pay high prices for shoes, but I demand the sacred right to have my cotton and corn and my hides on the free list, so that I may get just as little as possible for my farm products"—what farmer is going to say that? No farmer. If he has any sense, he will say with Jefferson, "Equal rights to all, special privileges to none." If a protective tariff be a good thing, apply it to the products of the ranch and the farm and the field. If free trade be a good thing, apply it to the factories as you apply it to the farm. That is all the farmer asks.

Mr. President, the farmer may not always pronounce words with the same euphony and the same grace we employ in this forum, but the farmer understands fundamentals as well as we do, if not better. You can not make any farmer in this country, whether he be in Iowa or Maine or in Illinois, any longer believe that it is right and moral and profitable to put the products of the factory on the protective list and the products of the farm and the field and the ranch on the free list.

Mr. President, the learned Senator from California [Mr. SHORTRIDGE] read from the first tariff act, which was signed on the 4th of July, 1789. Very largely the data for that bill was furnished by Alexander Hamilton, the Secretary of the Treasury, supplemented by the superb ability of James Madison. It so happened, however, that it turned out largely to be merely in the interest of the manufacturer.

The great originator of the farm bloc, Mr. Jefferson, had not reached home from France at that time. Three times the Colonies had asked Jefferson to go to France. It was necessary in the early days of the Republic and during the Confederation to have the friendship of France, and the most eligible men we had to hold that friendship were Thomas Jefferson and he of capacious brain, which contained kites and constitutions, Benjamin Franklin. Twice Thomas Jefferson declined to go, so much did he love the comforts of home; but he finally went, at the insistence of the Colonial Government, and spent four years in France; and when the first tariff bill was passed, he, the American father of the farm blocs, was not here, but he had just concluded a trip throughout all France; he had just returned to the French capital, and in his surtout, in his vest pockets, there were the seeds of the rice which you grow in your Piedmont sections. It was an offense punishable with death at that time in France to smuggle out rice seed from France; but this lover of his fellow men, this great patriot, this founder of the Democratic Party, smuggled the rice and sent home the seeds to be planted. He encouraged agriculture.

This founder of farm blocs saw when he reached here that the tariff bill which had been passed had discriminated against agriculture.

So if, sirs, you say that your protective tariff policy has built up manufacture, if you say that your protective policy has been a good thing, all that the farmer asks is that you apply that same plan of government to the farm. We arraign you at the bar of history for your failure in the past to include the products of the farm and the field and the ranch in your tariff bills.

That is my answer to Senators on both sides as to the attitude of the Democratic members of the farm bloc. If you have an honest bill we will vote for it. If it is a dishonest bill we will vote against it.

In conclusion I read from a speech by the Senator from Kansas [Mr. CAPPER] stating what the agricultural bloc has accomplished, what it intends to do, and what it believes it will do. Here are the items:

> Mr. President, I wish to call attention to the fact that this corrective legislation has been sponsored and promoted by the agricultural bloc. Congress has realized the grave importance of doing something constructive to aid agriculture and has passed several valuable acts. The billion-dollar War Finance Corporation to handle agricultural credit more effectively is one. The Capper-Tincher future trading bill to regulate the grain exchanges is another. Then there is the packer control bill, the agricultural emergency tariff bill, the Kenyon bill increasing interest rates on bonds of the farm loan banks from 5 to 5½ per cent, and the Curtis bill authorizing the appropriation of $25,000,-

000 as a revolving fund for the Federal farm loan banks. One of the most important enactments was the passage of the measure permitting farmers to market their products cooperatively. That measure gives the farmer the opportunity to help himself in overcoming and removing many of the evils that have grown up in the marketing of agricultural products. It will tend to reduce the great spread between the prices the producer receives and the price the consumer pays for the products.

The farm bloc favors a liberal but sane appropriation for the Department of Agriculture, so that it may function efficiently and conduct its activities on a scale in conformity with the size and importance of the industry it serves.

The farm bloc believes railway freight rates are too high and must come down.

The farm bloc would restore to State railway commissions much of the power taken away from them by an unwarrantable interpretation of the transportation act by the Interstate Commerce Commission.

Another measure favored by the farm bloc which will contribute to a permanent and prosperous system of agriculture is the development of the Muscle Shoals project. We should resume work immediately on the Government's great fertilizer and power plants on the Tennessee River. The Nation's fertilizer bill is now about $250,000,000 annually. I believe it is possible to reduce this one-half if we carry out the Muscle Shoals program.

The farm bloc is supporting the Capper-French truth in fabric bill to compel makers of clothing to brand their goods so that the buyer will know the amount of pure wool and the amount of shoddy in it.

First in its program, the farm bloc holds credit reform. It realizes that agriculture is at the mercy of those who control credit, and that many who exert that control are not particularly in sympathy with agriculture. The farm bloc knows that farmers have suffered and many have been ruined financially by lack of credit.

The farm bloc is seeking to evolve a credit plan which will give relief to agriculture, which will make more money for financing the slow turnover of the farms, which will give the farmer another opportunity to go ahead with his work with a decent chance to make good. If that is accomplished, it will mean cheaper food, more work, reopened factories and mills, and a return of good times.

Senator McNARY's bill extending the operation of the War Finance Corporation until July 1, 1923, should be promptly passed by this Congress.

Another obvious need in the way of further legislation for the encouragement of agriculture is a law that will make the Federal Reserve Board more responsive to the farmer's credit needs. This is best met, in the judgment of many, by the bill which already has passed this body and is pending in the House, providing for the recognition of agriculture in the appointment of members of the board.

Mr. ASHURST subsequently said: Mr. President, some moments ago I discussed what bills the agricultural bloc considered last evening. I stated in a concrete and succinct manner that the Senator from North Carolina [Mr. SIMMONS], the Senator from Wisconsin [Mr. LENROOT], and the Senator from South Dakota [Mr. NORBECK] presented their views as to the bills proposing to extend long-time loans and personal credits to agricultural interests. I ask unanimous consent as an appendix to my remarks to include in the RECORD a summary of the essential features of each one of those measures, together with a comparative analysis of each bill. This summary has been prepared by a trained expert of the Treasury Department, and I believe it will be illuminating.

The VICE PRESIDENT. Without objection, the request is granted.

Mr. ASHURST. This summary contains statistical matter, and I ask that it be printed in 8-point type, the regular RECORD type.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

Digest of proposed agricultural credits legislation.

ANDERSON BILL.

This bill proposes to amend the Federal farm loan act by establishing a farm credits department in each Federal land bank, said farm credits department to be authorized—

(1) To discount for any national bank, State bank, trust company, incorporated live-stock loan company, or savings institution, with its indorsement, any paper the proceeds of which have been advanced or used in the first instance for an agricultural purpose or for the raising, breeding, fattening, or marketing of live stock;

(2) To make direct loans to any cooperative association organized under the laws of any State and composed of persons engaged in producing staple agricultural products, the instruments evidencing such loans to be secured by warehouse receipts for staple agricultural products;

Said loans or discounts to bear such rate of interest as may be determined by the Federal land bank, with the approval of the Federal Farm Loan Board and to mature not less than six months nor more than three years from the date upon which any such loan or discount shall have been made;

(3) To rediscount with any Federal reserve bank any such paper discounted or loans made having a maturity of not more than six months: *Provided* That no paper shall be so rediscounted which bears the indorsement of a nonmember State bank or trust company eligible for membership in the Federal reserve system;

(4) To sell, with or without recourse, any such loans or discounts made; and

(5) To issue and sell debentures having a maturity not exceeding three years and secured by notes or other obligations representing loans or discounts made by it.

The bill provides that the Federal land bank farm credits departments thereby created shall each have a capital stock of $1,000,000, all of which shall be subscribed, held, and paid by the Government of the United States. (In the light of this provision, it is not clear what the further provision to the effect that "the Government of the United States shall be entitled to one vote for each share of such stock in deciding all questions at meetings of stockholders" means.)

Although the financial operations and responsibilities of these farm credits departments are to be kept separate and distinct from those of the regular Federal land banks, Federal land bank appraisers are required to examine and report upon agricultural products covered by warehouse receipts offered by cooperative associations as security for loans, and Federal land bank examiners are required to investigate and report upon the condition of any such cooperative association to which the farm credits department contemplates making loans.

The Comptroller of the Currency is authorized and directed upon request to furnish for the confidential use of such farm credits departments such reports and information as he may have available with respect to the financial condition of national banks from which applications for discounts may be received, and to make, through his examiners, examinations of State banks, trust companies, live-stock loan companies, and savings institutions upon their consent.

NORBECK BILL.

This is a bill to "provide credit to secure the successful production and profitable and orderly marketing of agricultural products and live stock in the United States" by the creation of a corporation to be known as the "National Farmers' Finance Union," to take over the assets of the War Finance Corporation with full authority to conduct its business as the business of the union.

The provisions of the Norbeck bill are practically identical with the provisions of the amended War Finance Corporation act except in one of two important respects:

(1) The powers conferred by sections 21 and 22 of the War Finance Corporation act with respect to advances to banks, exporters, and dealers to assist in financing domestic products for export are carried into this bill and made applicable to direct loans by the union to any person or association engaged in producing, dealing in, or marketing agricultural products of the United States for the purpose of assisting in carrying such products until they can be manufactured or processed or sold for domestic consumption or otherwise in an orderly manner (sec. 7).

(2) The provision appearing near the end of section 24 of the amended War Finance Corporation act, authorizing the corporation to purchase, sell, or otherwise deal in acceptance issued by banking corporations organized under section 25 (a) of the Federal reserve act in case such purchases of acceptances be made for the purpose of assisting in financing the exportation of domestic products to foreign countries, has likewise been enlarged by the Norbeck bill so as to permit the purchase by the union of Edge law corporation acceptances for the purpose of assisting in financing "the domestic marketing" of staple agricultural products.

In this connection it would be interesting to know whether the above-mentioned provision was intended to repeal section 25 (a) of the Federal reserve act, which provides that "no corporation organized under that section (Edge law corporations) shall carry on any part of its business in the United States except such as shall be incidental to its international or foreign business."

OTHER CHANGES AND ADDITIONS.

(3) Of the four directors of the union provided to be appointed by the President, two are required to be bankers residing in agricultural communities and two agricultural or live-stock producers.

(4) The union is to have succession for a period of 25 years.

(5) The rate of interest which a bank obtaining an agricultural advance from the union is permitted to charge its customers for such funds is limited to 1 per cent in excess of the rate charged to such bank by the union, as against 2 per cent under the War Finance Corporation act.

(6) The union may issue its bonds in the proportion of 5 to 1 of its capital stock, whereas the War Finance Corporation act makes the limit 3 to 1.

(7) The war-time powers conferred by sections 7, 8, and 9 of the War Finance Corporation act are, of course, omitted from the bill under consideration.

(8) The bill contains an added provision that the reserve profits of the union shall be set aside and used to retire the stock of the union, and that when all such stock shall have been retired the union shall be converted into a cooperative financial institution.

THE SIMMONS BILL.

This is a bill "to provide credit facilities for the preservation and development in the United States of the agricultural industry, including live stock, * * * and for other purposes," by the establishment of a complete system of rural credits machinery under the title of "Agricultural credits act of 1922."

The salient provisions of the bill include:

The creation of a corporation to be known as the "National Agricultural Credits Corporation," to be composed of the Secretary of Agriculture and four additional directors to be appointed by the President by and with the consent of the Senate; not more than two of said directors to be of the same political party, and one of which shall be chosen from each of the four geographical districts or regions into which, for that purpose, the country shall be divided; said corporation to have succession for a period of 50 years, to have its principal office in the city of Washington, D, C., with agencies located in such cities or towns within the United States and operated under such rules and regulations as the directors of the National Agricultural Credits Corporation may prescribe.

The original capital stock of the corporation, $500,000,000, is to be subscribed by the United States of America, and paid for and reduced by the retirement of the capital stock of the War Finance Corporation and the transfer and liquidation of the assets of the latter in the following manner:

TRANSFER OF ASSETS OF WAR FINANCE CORPORATION TO NATIONAL AGRICULTURAL CREDITS CORPORATION.

After setting aside with the Treasurer of the United States a sum sufficient to meet all its outstanding liabilities, the War Finance Corporation shall transfer and deliver to the National Agricultural Credits Corporation all its cash, securities, furniture, and fixtures, and other assets, which shall forthwith become the property of the National Agricultural Credits Corporation.

RETIREMENT OF CAPITAL STOCK OF WAR FINANCE CORPORATION BY ISSUE OF LIKE AMOUNT OF CAPITAL STOCK OF NATIONAL AGRICULTURAL CREDITS CORPORATION.

Simultaneously with such transfer and delivery of the assets of the War Finance Corporation to the National Agricultural Credits Corporation, the entire capital stock of the War Finance Corporation held by the United States, amounting to $500,000,000, shall be retired and canceled, and the National Agricultural Credits Corporation shall issue in the name of the United States and deliver to the Secretary of the Treasury its capital stock in an equal aggregate amount, and the Secretary of the Treasury shall thereupon have power on behalf of the United States to assign and transfer the certificates representing such capital stock in the manner and for the purpose provided by the act.

SURPLUS.

The assets of the War Finance Corporation so transferred shall be carried on the books of the National Agricultural Credits Corporation at the value at which such assets were carried on the books of the War Finance Corporation, and the amount by which such assets exceed $500,000,000 shall be carried into the surplus fund of the National Agricultural Credits Corporation.

REDUCTION OF CAPITAL STOCK OF NATIONAL AGRICULTURAL CREDITS CORPORATION.

When the National Agricultural Credits Corporation shall have received in cash or its equivalent the sum of $100,000,000, either from the transfer to it of the cash assets of the War Finance Corporation or from the liquidation of other assets of the War Finance Corporation so transferred, all further sums realized from liquidation of the assets of the War Finance Corporation shall be applied to the retirement of the capital stock of the National Agricultural Credits Corporation held by the United States until the entire outstanding capital stock of said corporation shall be reduced to $100,000,000.

BONDS.

In addition to the $100,000,000 of cash capital above provided, the National Agricultural Credits Corporation will be empowered to raise funds by the issue and sale of its bonds, the aggregate principal amount of which shall not exceed ten times the capital stock of the corporation at the time issued and outstanding, said bonds to constitute a first and paramount floating charge upon all the assets of the corporation, to be exempt from payment of Federal, State, or local taxes, and to mature not less than six months nor more than five years from the respective dates of issue.

MEMBER CORPORATIONS.

In conformity with the general purpose of the bill to meet the present-day need for a distinct credit structure through which the agricultural and live-stock industries of the country can be adequately financed, provision is made for the admission to membership in said agricultural credits system of the following three classes of eligible corporations:

Class A. National banks, State banks, trust companies, or other banking corporations having a paid-in capital of not less than $20,000.

Class B. Incorporated live-stock or agricultural loan companies having a combined paid-in and unimpaired capital and surplus of not less than $100,000, the principal business of which corporations shall consist in making loans for agricultural or live-stock purposes.

Class C. National agricultural credit unions created by Federal charter in the manner and for the purposes prescribed by the agricultural credits act, the capital stock of such credit unions to be not less than $25,000.

The requirements for admission of any of the above-named institutions to membership are that the applicant shall (1) at the time have outstanding or propose to make loans for agricultural purposes as defined by the agricultural credits act; (2) subscribe to an amount of the capital stock of the National Agricultural Credits Corporation equal, in the case of a class A eligible corporation, to 5 per cent, and in the case of a class B or class C eligible corporation to 10 per cent of the paid-in capital and unimpaired surplus of such eligible corporations; and (3) agree to conform to and be bound by such rules, regulations, and requirements as may by the board of directors of the National Agricultural Credits Corporation be prescribed or imposed with respect to member organizations.

Having duly qualified and received a certificate of membership issued by the National Agricultural Credits Corporation—

Any class A member corporation may apply to the National Agricultural Credits Corporation for an advance either (a) by way of discount of notes, drafts, bills of exchange, or other evidences of debt representing an agricultural purpose, or (b) upon its secured promissory note up to the amount of any outstanding agricultural loans made by such class A member corporation to its customers.

Any class B member corporation may apply to the National Agricultural Credits Corporation for an advance either (a) by way of discount of notes, drafts, bills of exchange, or other evidences of debt supported by negotiable warehouse receipts, chattel mortgages, bills of lading, shipping documents, or other instruments, in writing, conveying or securing marketable title to agricultural products, including live stock; or (b) upon its promissory note collaterally secured by such stable agricultural products or live stock.

Any class C member corporation may apply to the National Agricultural Credits Corporation for an advance either (a) by way of discount of notes, drafts, bills of exchange, or other evidences of debt supported by negotiable warehouse receipts, chattel mortgages, bills of lading, shipping documents, or other instruments, in writing, conveying or securing marketable title to agricultural products, including live stock; or (b) upon its secured promissory note up to the aggregate amount of any outstanding agricultural loans made by such class C member corporation to its customers.

DISTRICT BRANCHES.

Upon the application of 10 or more such member corporations a district branch of the National Agricultural Credits Corporation (not more than one of which shall be located in any given State) may be established to operate within such geographical limits as the directors of the National Agricultural Credits Corporation may prescribe: *Provided*, That upon vote taken two-thirds of the member corporations located within the district so to be served are found to be in favor of the establishment of such district branch: *And provided further*, That no such district branch shall be established unless the member corporations located and doing business within the geographical limits of said district shall own stock in the National Agricultural Credits Corporation in an aggregate amount of $250,000 or more. Such district branches shall, subject to such rules and regulations as the board of directors of the National Agricultural Credits Corporation may prescribe, be operated under the supervision of a board of directors consisting of not more than seven nor less than three, of whom a majority of one shall be appointed by the directors of the National Agricultural Credits Corporation. Under the establishment of any such district branch all member corporations located within the territory served thereby shall deal directly therewith.

COOPERATION ASSOCIATIONS.

In addition to the advances above provided for, the National Agricultural Credits Corporation may make loans to any cooperation association organized for the purpose of marketing the agricultural products of its members, such loans to be made upon the promissory note of the association, collaterally secured by a satisfactory margin in commodity paper or receipts representing staple agricultural products pledged or conveyed thereby.

PURCHASE OF COMMODITY PAPER.

The National Agricultural Credits Corporation may also purchase such commodity paper from cooperative associations or in the open market.

REDISCOUNTS.

The National Agricultural Credits Corporation may rediscount with any Federal reserve bank commodity and other agricultural paper owned by it which may be eligible for rediscount under the Federal reserve act.

RATE OF INTEREST.

The rate of interest to be charged upon any such loan or advance shall be left to the determination of the board of directors of the National Agricultural Credits Corporation, but in no event shall the rate so charged exceed the legal rate prevailing in the State in which the applicant is located.

MATURITY.

The maturity of any such loan or advance shall not exceed one year, but the National Agricultural Credits Corporation may, in its discretion, grant extensions or renewals up to three years from the date upon which any such loan or advance was originally made.

COMPARATIVE ANALYSIS OF THE ANDERSON BILL, THE NORBECK BILL, AND SIMMONS BILL.

In examining the respective merits of the three proposed enactments it may be well to attempt a forecast—based upon the general scheme embodied in the provisions of the bills, stripped of all legal verbiage—of the manner and scope of operation of the agricultural credit facilities which each such bill would provide.

I.

THE ANDERSON BILL.

Under the Anderson bill there would be created a farm credit department in each of the 12 Federal land banks located at Springfield, Mass.; Baltimore, Md.; Columbia, S. C.; Louisville, Ky.; New Orleans, La.; St. Louis, Mo.; St. Paul, Minn.; Omaha, Nebr.; Wichita, Kans.; Houston, Tex.; Berkeley, Calif.; Spokane, Wash.; each of which would commence operations with a capital of $1,000,000 provided by Government subscription to stock in that amount.

Discounts are authorized to be made for and through national banks, State banks, trust companies, live-stock loan companies, and savings institutions, and direct loans are authorized to be made to cooperative associations of producers—but where would the funds with which such agricultural loans and discounts are to be made come from? When loans and discounts up to the amount of the $1,000,000 capital subscribed by the Government has been consummated by the farm credits department of a Federal land bank—and a single transaction with a cooperative association or a live-stock loan company might easily absorb that sum—the agricultural credit machinery thus set up would cease to function further until it should be able either to sell or rediscount with a Federal reserve bank the loans and discounts previously made, or to issue and market its debentures secured by the paper upon which such loans and discounts were made. Any such paper having a maturity of more than six months would not be eligible for rediscount, and paper bearing the indorsement of nonmember eligible State banks (to which class more than half of the State banks and trust companies of the country belong) could not, under the act, be handled through a Federal reserve bank.

If an attempt were made to raise new capital through an issue of debentures that process would, at best, entail a great deal of delay. The requisite legal formalities, the appointment of a trustee and depository, the approval of the issue by the Federal land bank and the Federal farm loan board at Washington, the preparation of the form and the issue of the debentures, and finally, the offering for sale and marketing of the debentures, would obviously take time.

The farm credits department could not, of course, begin to consider new applications for loans until the additional funds with which to make new loans had been obtained, because until the sale of the debentures had actually been consummated there would be no assurance that any new loans could be made.

As a matter of fact, it is a question of grave doubt whether debentures of the character proposed, secured by miscellaneous collateral taken for live stock and agricultural loans made by a farm land bank board, could be marketed at all. Even if the debentures could be sold, the difficulties to be encountered in the endless process of substituting and resubstituting new collateral for constantly maturing collateral and subcollateral to be withdrawn would be almost insurmountable.

The Federal land bank appraisers and examiners would not seem to be well qualified to inspect and examine, nor members of Federal land banks to pass upon, security offered in connection with applications for agricultural and live-stock loans.

II.

THE NORBECK BILL.

The Norbeck bill would practically accomplish the reenactment of the War Finance Corporation act under another name, with certain provisions inserted, one of which contemplates the taking over by the National Farmers' Finance Union thereby created of all the assets of the War Finance Corporation and the transfer to the union of all the certificates of capital stock of the War Finance Corporation owned by the United States, in return for which the Secretary of the Treasury shall receive stock of the union in an equal amount. As the proposed capital stock of the union is $200,000,000, while the stock of the War Finance Corporation owned by the Government is two and a half times that amount, the exchange of stock of the union for stock of the War Finance Corporation could not be made as proposed.

There is in the Norbeck bill one rather radical and noteworthy extension of the powers exercised by the War Finance Corporation under the amended War Finance Corporation act, and that is the provision contained in section 7 of the proposed bill, the effect of which would be to empower the National Farmers' Finance Union to make direct loans to farmers, dealers, and cooperative associations, at a rate of interest not more than 1 per cent in excess of the prevailing Federal reserve discount rate, until the agricultural products produced or dealt in by them may be manufactured, processed, or profitably sold for domestic consumption or for export in an orderly manner. With this opening for direct agricultural loans from the Government to the producer and dealer, there would seem to be little necessity for the other provisions of the bill authorizing the union to make advances for agricultural purposes to banks and other financial institutions, as such producers and dealers would much prefer to deal directly with the Government if by that means long-term loans could be obtained at lower rates of interest.

The proposed legislation embodied in the Norbeck bill is open to the same criticism to which the War Finance Corporation has been subjected—that it involves a "centralization" of banking power. All of the capital would be provided by the Government, and all of its credit machinery and facilities would be centered in Washington. The bill, however, contemplates the accumulation of a reserve fund from the surplus earnings of the union, which would be applied to the gradual reduction and retirement of the capital stock of the union and its ultimate conversion into a cooperative financial institution.

The corporation proposed to be created by the Norbeck bill would probably have no difficulty in providing adequate funds for its operations by the issue of bonds authorized up to five times the amount of its capital stock. Such bonds would constitute a first and paramount floating charge on more than $500,000,000 of assets, and would be exempt from Federal, State, and local taxes to the same extent to which bonds issued under the War Finance Corporation act are exempt.

III.

THE SIMMONS BILL.

The enactment of the Simmons bill would provide for the establishment of a distinct and complete system of agricultural credit facilities designed to meet present requirements. Under this bill there would be created at Washington a corporation with a Government-subscribed capital of $500,000,000 to take over and liquidate the assets of the War Finance Corporation and, in addition to the loans and purchases authorized to be made to cooperative associations of producers of agricultural products, to make loans and advances to three classes of applicants which shall have duly qualified and become member corporations by subscribing to the capital stock of the National Agricultural Credits Corporation and otherwise complied with the regulations and requirements thereby prescribed and imposed.

It may discount for class A member corporations—consisting of banks and banking corporations with paid-in capital of not

less than $20,000—paper representing loans made for agricultural purposes, and make loans to such member corporations up to the amount of any agricultural loans made by them to their customers.

It may discount for class B member corporations—consisting of incorporated live stock or agricultural loan companies having a paid-in capital and surplus of not less than $100,000—agricultural commodity or live-stock paper, and make loans to such member corporations collaterally secured by warehouse receipts for agricultural products or chattel mortgage upon live stock.

It may discount for class C member corporations—consisting of National Agricultural Credit Unions created by Federal charter in the manner and for the purpose prescribed by the agricultural credits act, having a capital of not less than $25,000—agricultural commodity or live-stock paper, and make loans to such member corporations up to the amount of any agricultural loans made by them to their customers.

There would thus be provided under the proposed agricultural credits act:

(1) A central corporation (National Agricultural Credits Corporation) with a capital of $500,000,000, with authority to issue bonds up to ten times the amount of its capital, with cash assets of $100,000,000 immediately available for making agricultural loans and discounts to member corporations and loans to cooperative associations, and with authority to rediscount with Federal reserve banks any agricultural or live-stock paper owned by it which may be eligible under the Federal reserve act;

(2) Class A member corporations, with authority to make loans and advances to farmers, cattlemen, and others for agricultural and live-stock purposes, which said loans and advances may by them be discounted with or made the basis of loans from the National Agricultural Credits Corporation;

(3) Class B member corporations, with authority to make loans and advances to farmers or cattlemen upon paper secured by agricultural products or live stock, which said loans may by them be discounted with or borrowed upon from the National Agricultural Credits Corporation;

(4) Class C member corporations, with authority to make loans and advances to farmers, cattlemen, or others for agricultural and live-stock purposes, which may by them be borrowed upon from the National Agricultural Credits Corporation, or if secured by agricultural commodities or live stock, may be discounted with said corporation; and

(5) Cooperative associations of producers, which may make agricultural loans to persons, firms, or corporations having membership therein, with authority to borrow corresponding amounts from the National Agricultural Credits Corporation upon the security of warehouse receipts representing agricultural products transferred to such associations by the members thereof, or at the election of the National Agricultural Credits Corporation, to sell such paper thereto.

Such member corporations, other than national banks, shall, as a condition of membership, agree to submit to examination by examiners appointed or selected by the directors of the National Agricultural Credits Corporation, and all district branches and agencies of the corporation shall be regularly examined and audited at least twice in each calendar year by examiners appointed or selected by said directors. The Comptroller of the Currency will furnish, for the confidential use of the National Agricultural Credits Corporation, any information called for with reference to any national bank member corporation, and will, upon request, make special examinations of any such national bank or of any State bank or loan company which shall have become a member corporation.

This bill contains no features which may be characterized as an encroachment upon, but on the contrary provides for, a much-needed extension of the functions heretofore performed by the banks in the agricultural sections of the country.

While it is true that the agricultural credits system proposed to be established by this bill does, to some extent, represent the centralization of banking power, as must be the case with any financial system dependent at the outset upon Government capital, at the same time effective provision is made for gradual decentralization, both with respect to the capital employed and the exercise of the administrative power, not by the building up of huge surplus reserves from Government profits in a business enterprise but by the virtual relinquishment of ownership and control through the careful distribution of the shares of the National Agricultural Credits Corporation among the several classes of member corporations and the establishment of district branches, upon the directorate of which such member corporations will have representation and with which they will directly deal.

The cost to the Government of the establishment of the agricultural credits machinery provided by the Simmons bill will be really less than nothing, as the National Agricultural Credits Corporation will not only function with the assets to be taken over from the War Finance Corporation, but will be able, as an incident to its business, and without additional cost, to liquidate and pay back into the Treasury the funds representing War Finance Corporation advances heretofore made.

Mr. STANLEY. Mr. President, my devotion to the cause or, more properly, to the great and basic industry of agriculture needs no certificate of good character from any bloc or combination of men in or outside of the Federal Congress. Twenty long years ago, before the Senator from Arizona [Mr. ASHURST] was a member of this body, the first organization of agriculturists ever formed in Kentucky, in my opinion, for the purpose of collective bargaining and selling their produce met in the little town of Guthrie, in the State of Kentucky, on the Tennessee line. I journeyed at my own expense from the city of Washington to this little railroad crossing, and in a little hall above a country store we organized the Planters' Protective Association.

I assisted in drawing up its charter and by-laws. I saw it grow until it comprised 40,000 members. I saw that organization bring to terms the great regie contractors, the monopolists of kings, in defense of their right to sell in the open market. After three years of fight with the American Tobacco Co., I saw the resolution which I had offered on the floor of the Federal Congress incorporated in the decision of Chief Justice White, dissolving that great trust.

I have assisted in the organization of more cooperative associations of farmers than any other Senator upon this floor, or any Member of the House for that matter. I have traveled five times as many miles, I will guarantee, and spent five times as much out of my own pocket in defense of the farmer's right to an open market, in aiding him in his fight against trusts when they were crushing him, as has the Senator from Arizona himself. I have campaigned at my own expense in the States of Tennessee, Ohio, West Virginia, Virginia, and Maryland in defense of this right of the farmer, and I have never accepted one dime of compensation for it. Ten of the best years of my life I have given in a labor of love in aiding and assisting farmers' organizations.

But I did not then, and I do now now, Mr. President, ask for the farmer more than I would ask for any other industry. I was never a member of any combination of men for the purpose of securing an unearned increment or an advantage out of a Republican tariff bill. I do not mean to intimate that the farmers' bloc is doing that sort of thing now, but I do mean to say that Democrats, whether from agricultural districts or not, should keep away from the fleshpots of Egypt when they are writing a tariff bill.

Mr. President, I wish to call the attention of the Senator from Arizona to this statement. He has argued here that if protection is a good thing for the manufacturer it is a good thing for the farmer, and both ought to have it. It is true that protection was a good thing for a few robber barons. Protection was infallibly a good thing for the weavers of woolen and cotton fabrics. It was a good thing for the makers of rails and structural steel. But while it fattened a few hundred multimillionaires it plundered a hundred million voiceless and helpless consumers.

Will it be said that the agriculturists of this country will close their eyes and their ears and deaden their consciences to the iniquity of plundering the great masses of the people and will say, "If it made a manufacturer rich, no matter how many it plunders it will make the farmer rich, too. Will we recant all we have said when years ago we denounced you as pirates upon an industrial sea if you will only make us partners in the piracy?"

The farmers of Kentucky will not be caught on that hook, will not be deluded by that policy, will not be bought by that abominable thing.

Mr. WATSON of Indiana. Mr. President, will my friend the Senator from Kentucky permit a question?

Mr. STANLEY. Certainly.

Mr. WATSON of Indiana. Not a statement, but a question.

Mr. STANLEY. Either one.

Mr. WATSON of Indiana. I can not make a statement without taking the Senator off the floor.

Mr. STANLEY. It would be a pity to do that.

Mr. WATSON of Indiana. In the speech which the Senator made a moment ago he used this language:

> She saw her hemp fields desolated. She practically abandoned that great industry rather than abandon the truth, for she loves the truth better than she loves the dirty dollars of protection.

Mr. STANLEY. Yes, sir.

Mr. WATSON of Indiana. What was it that destroyed the hemp industry of Kentucky? Was it free trade?

Mr. STANLEY. The hemp industry of Kentucky came in sharp competition with the sea grasses and other fabrics imported from abroad for the making of rope and other fabrics, and their exclusion imposed an inordinate burden upon the consumer.

Mr. WATSON of Indiana. In other words, it was either free trade or a tariff for revenue only?

Mr. STANLEY. No; it was not that.

Mr. WATSON of Indiana. It was a matter of protection of Kentucky's hemp industry?

Mr. STANLEY. No.

Mr. WATSON of Indiana. What was it, then?

Mr. STANLEY. The hemp industry could not overcome foreign competition under the circumstances without a duty——

Mr. WATSON of Indiana. A protective-tariff duty?

Mr. STANELY. Wait a moment—without such a duty as would have imposed an inordinate burden upon the consumer. In other words, it would have taken a two or three hundred per cent duty and almost an embargo to have forced the consumer to use hempen rope to the exclusion of all sea grass or cotton rope. The Kentuckian found that he could make a living by cultivating his fertile fields, without imposing an indefensible tax upon all the other people in the United States, and he was too honest a man to ask to have this inequitable duty taken off his plows, off his trace chains, off of his harness, off of everything else, in order that he might raise protected hemp. From that day to this the Democrats of Kentucky have never demanded a duty upon hemp, which, if it had been high enough, might, of course, have maintained the industry to this day.

Mr. WATSON of Indiana. But I return now to the question, "She saw her hemp fields desolated;" that is to say, desolated by the failure of Congress to place a protective tariff rate on hemp.

Mr. STANLEY. Certainly; she would have abandoned profit before principle.

Mr. WATSON of Indiana. "She practically abandoned that industry rather than abandon the truth, for she loves the truth better than she loves the dollars of protection."

Mr. STANLEY. Yes. She never allowed this personal interest to interfere witl. her political principles.

Mr. WATSON of Indiana. That is to say, if Kentucky had maintained a protective duty she would have had her hemp industry?

Mr. STANLEY. Yes. Had the duty been high enough.

Mr. WATSON of Indiana. She abandoned the hemp industry because she wanted to abandon protection?

Mr. STANLEY. Certainly, I would answer. She would have quit raising hemp before she would have accepted the heresy of protection.

Mr. WATSON of Indiana. So that free trade desolated the fields of hemp in Kentucky?

Mr. STANLEY. It made the hemp-raising industry in Kentucky less profitable; yes.

Mr. SMOOT. Mr. President——

Mr. STANLEY. Let me finish with the Senator from Indiana before I take up another. It affected the profit upon hemp, but it did not desolate the fields upon which it grew. It discouraged the growing of hemp, but we found the growing of other things more profitable in Kentucky. We did not destroy the Imperial Valley by ceasing to subsidize Arizona long-staple cotton. We did not destroy Kentucky by ceasing to put a duty upon flax and hemp. We simply refused to subsidize a nonprofitable industry, and the agriculturist availed himself of the opportunity to engage in a profitable industry. I will say that Kentucky is better off to-day than if she had continued to raise hemp, because she has found other industries and other products more profitable, and the raising of those products has not imposed a burden upon the public generally.

Mr. WATSON of Indiana. If I may ask my friend another question, if the fields that were desolated by free trade began to raise other products, were not those other products protected?

Mr. STANLEY. They were not. It was impossible to protect them.

Mr. WATSON of Indiana. What were they?

Mr. STANLEY. Kentucky raises tobacco for export. You can not protect that. She raises cotton and she raises corn, and you can not protect those.

Mr. WATSON of Indiana. What else did Kentucky raise?

Mr. STANLEY. She raised wheat, and you can not protect wheat, as the Senator knows.

Mr. WATSON of Indiana. Did not Kentucky also raise cattle and sheep and hogs?

Mr. STANLEY. Yes.

Mr. WATSON of Indiana. Did Kentucky raise anything else?

Mr. STANLEY. Kentucky can raise almost anything that can be raised on earth or in heaven except Republicans. Kentucky is not very good at raising them in the central part of the State. [Laughter.]

Mr. SMOOT. Mr. President, will the Senator from Kentucky yield to me?

Mr. STANLEY. Certainly.

Mr. SMOOT. Then, I understand that when Senator Bradley, of Kentucky, was here in the year 1909 and asked for a duty upon jute butts and hemp he did not represent the sentiment of the people of Kentucky?

Mr. STANLEY. He did not represent the sentiment of the members of my party. I am a Democrat.

Mr. SMOOT. But he represented the people who sent him to the Senate.

Mr. STANLEY. He represented the party which nominated him.

Mr. SMOOT. And there was nobody who was any more insistent upon having a duty upon jute butts and flax and hemp than was Senator Bradley.

Mr. STANLEY. That is true.

Mr. SMOOT. I remember his standing at that desk [indicating] and pleading almost for a full day for such a duty, and explaining what it meant to the good people of Kentucky. I know he touched my heart.

Mr. STANLEY. Naturally he would do that.

Mr. SMOOT. Perhaps there was in his appeal to me something of what might be denominated the "call of the wild"——

Mr. STANLEY. Perhaps it was "the tie that binds."

Mr. SMOOT. For my father was born in Kentucky. In yielding to his wishes for the imposition of such a duty, I felt that I was not only acting as a protectionist but it gave me a great deal of pleasure to help the good people of Kentucky by protecting an industry which meant so much to them.

Mr. STANLEY. Mr. President, Senator Bradley was a great man in many respects. He was the most gifted orator in his party. He was a sincere and stalwart protectionist, as is the senior Senator from Utah. He demanded protection as a principle; he did not spread it around as a bait. He was not a "bloc" protectionist, but he was a protectionist by conviction. He was not willing to trade his party off in or outside of the organization. He was a stalwart of stalwarts. He was the greatest apostle of error that Kentucky ever produced; but he was unfortunately committed to this benighted doctrine, and in an hour of mental aberration Kentucky forgot herself and sent a great man with a bad policy to the Senate. She will never do it any more. Senator Bradley, however, was not elected by the Democracy of Kentucky, and three-fourths of the white men in Kentucky who once raised hemp voted against him, and would do so again.

Mr. SMOOT. But the Senator from Kentucky has forgotten that Kentucky has already forgotten herself, and that, as the result of the last election, we now have a Republican Senator from Kentucky.

Mr. STANLEY. Yes; and he is one of the best of his kind, but Kentucky will not forget herself in that way any more.

Mr. President, to get back to the discussion, the Senator from Arizona has stated that if protection is a good thing for the manufacturer it is a good thing for the farmer. I deny it. Good, used in that connection, can only mean profitable, I will say to the Senator. It can not mean just; it can not mean fair; it can not mean democratic. If protection is a profitable and a pernicious practice which has made the manufacturers rich, the farmers of Kentucky have no right to ask me to lend my vote to a profitable and pernicious practice in order that it may make them rich.

Mr. ASHURST. Will the Senator from Kentucky yield to me?

Mr. STANLEY. Certainly, and I will not accuse the Senator of being a fool when I do so.

Mr. ASHURST. I did not accuse the Senator from Kentucky or any Senator of being a fool. That would have been most unparliamentary and offensive.

Mr. STANLEY. I hope the Senator did not mean that.

Mr. ASHURST. I did not say it. I did not apply it to the Senator from Kentucky at all. I never asked the Senator about his vote. I never asked any man how he was going to vote. The farm bloc, however, had been asked if rates of duty in conformity with the farmers' views were provided, what would we do? Without a single solitary exception we have said, "If your bill is honest, you need not fear; we shall vote for it; but if your bill is dishonest, we shall vote against it."

Now, why is it necessary to arguc as if I were here urging a protective tariff system? I have not done that. The Sena-

tor, I think, must reflect for a moment. I have never said other than that my people can live under free trade and the farmer can live under free trade, if everything else is under free trade; and also that the country can get along under a protective tariff if all things are protected. All of the sophistry, all of the attempted logic can not get around that. If protection is just and right to the products of the factory, it is just and right to the products of the farm. Let the Senator answer the question as to why protection is good for the factory but bad for the farmer; or why, if we are to have a protective tariff policy, it is all right to have the factory share in the benefits of the policy but that the farm shall not share in them? Do I make myself clear?

Let me say now that the tariff bloc, so far as its Democratic members are concerned, are profoundly indifferent as to what is done with the tariff so long as all men are treated alike. There is one thing which the Democratic members of the tariff bloc resent and to which we object, and that is any suggestion that we are for free trade. Do Senators understand that? We resent, we object to any suggestion that a Democrat is for free trade. Democratic Presidents have been lost; Democratic Senators who ought to have been reelected have lost their seats; Democratic Representatives who ought to have been reelected have lost their seats because they did not make that fact clear. There is no such thing as free trade except in Greenland and Spitzbergen. Free trade exists only in the brain of theorists who hibernate. Do I make myself clear? The Democratic members of the farm bloc are opposed to free trade. That is clear, is it not? Very well.

Then, are we for protection? I have told the Senator—and he will pardon me for referring to him personally—and I have told the Senate that, with billions of dollars of revenue to raise, with the people's backs now bent double from taxation, by what theory of government, by what principle of justice can it be said, "We will take revenue for the Treasury by taxing shoes, but not take it by taxing hides"? How can a Democrat seeking revenue for the Government excuse in the Underwood law putting a duty of 35 cents a pound on one fabricated article and then putting the so-called raw material on the free list? That was inexcusible; it was unjustifiable; it should not be done. All the farm bloc has ever asked, ever fought for, or ever contended for on this side is that, on whatever basis tariff duties are based, they shall apply to all citizens alike.

The Senator says he does not belong to the farm bloc. There are many Senators on both sides who do not belong to that bloc.

Mr. STANLEY. I have not said anything about belonging to the farm bloc.

Mr. ASHURST. The Senator disclaimed any membership in it.

Mr. STANLEY. No; I did not.

Mr. ASHURST. Then, I beg the Senator's pardon. I thought he disclaimed membership in it. May I welcome him to membership?

Mr. STANLEY. I would be delighted to cooperate with the Senator in any Democratic way to help the farmer.

Mr. ASHURST. What more Democratic way can be found to help the farmer than to say that if a tariff law shall be passed it shall apply to him the same as to all other citizens? That is all we ask. Now I am going to bring this debate to a close, so far as I am concerned. In the first place, I want lunch, and, in the second place, I am always at a disadvantage when I debate with so able, astute, and trained a debater as the Senator from Kentucky.

Mr. STANLEY. Mr. President, in the first place, I wish to be distinctly understood as not condemning in any way the farm bloc. I represent an agricultural State. In the next place, I am very anxious to understand to what extent agriculturists are to be committed to a protective policy. There is an insidious fallacy—and I say it most respectfully—in the argument of the able Senator from Arizona. I should deeply regret to see Democrats on this side of the Chamber ready and willing to accept any kind of protection so long as it affected their own individual States, their own individual constituents, and then raising their voices in horror of any kind of protection when it applied to some other industry and to some other section. Of course, if it is right and just to all parties to foster industries by imposing duties and artificially increasing the cost of the article, then the principle should be spread out over the whole country.

Mr. President, the converse of that proposition is that which I wish to impress. If the levying of duties for the purpose of making an unprofitable industry profitable, for the purpose of supplying by law that which is not and can not be produced by labor, is wrong when applied to a factory, it is indefensible when applied to a farm. If, as the Democrats have said for 100 years, it is indefensible to use the taxing power of the Government, not for the purpose of collecting revenue, but for the purpose of enriching its favorites, if that is wrong when applied to the steel mills and to the boot and shoe factories and to the cotton and woolen mills of the country, if it is wrong when applied to its mines, if it is wrong when applied to any other form of industry, then it is equally indefensible when applied to agriculture.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator from Kentucky a question?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from California?

Mr. STANLEY. Certainly.

Mr. SHORTRIDGE. We produce rice in California.

Mr. STANLEY. Yes.

Mr. SHORTRIDGE. Rice is also produced in Arkansas, in Louisiana, and in other States.

Mr. STANLEY. Yes.

Mr. SHORTRIDGE. Now, to reduce this to a concrete illustration, does the Senator think that it is economically wrong to impose a protective tariff on rice? Is it economically wrong or erroneous to impose a tariff for the protection, as we say, of the rice industry in California or Arkansas or Louisiana?

Mr. STANLEY. I should say, Mr. President, that if an essential article of food like rice can be produced in the markets of the world at a reasonable price, and it is necessary to impose a duty of 100 or 200 per cent upon it, to double the cost of an article of food, in order to create an industry in this country such as the raising of rice, it would be economically indefensible.

Mr. SHORTRIDGE. But it is conceded, is it not, that foreign countries, certain oriental and other countries, can produce rice far more cheaply than we?

Mr. STANLEY. That may be true.

Mr. SHORTRIDGE. Does the Senator think that we should go out of the rice business in America and be dependent upon the foreigner for that staple article of food?

Mr. STANLEY. If it is necessary to put a duty of 100 or 200 per cent upon the hungry mouths of a hundred million people in order to make profitable a few thousand acres in California, Louisiana, and the Carolinas, I certainly would take off the duty without one moment's hesitation.

Mr. WATSON of Indiana. Mr. President, will the Senator permit me to ask him a question right there?

Mr. STANLEY. I am not speaking for anybody but STANLEY, of Kentucky, understand.

Mr. WATSON of Indiana. I am asking STANLEY, of Kentucky.

Mr. STANLEY. All right.

Mr. WATSON of Indiana. Does the Senator, then, assume as the basis of his argument the general proposition that we should buy wherever we can buy cheapest, regardless of all other conditions?

Mr. STANLEY. No; I have not assumed that at all. There are many conditions——

Mr. WATSON of Indiana. Is not that the necessary and logical result of the Senator's previous statements? We can not produce rice in the United States as cheaply as it is produced in China; therefore we should abandon the rice fields of the United States and buy in China; because we can get rice cheaper in China than we can raise it in the United States. If that applies to rice, does it not apply equally to everything else?

Mr. STANLEY. Not necessarily.

Mr. WATSON of Indiana. Does it not apply to sugar?

Mr. STANLEY. It might.

Mr. WATSON of Indiana. In other words, does not the Senator go back to the old Democratic doctrine of cheapness—that is to say, that we shall buy wherever in the world we can buy the cheapest, and that the doctrine of protection is a hothousing doctrine?

Mr. STANLEY. The Senator is stating a general principle to which I might or might not give approval. I would rather he would confine himself to specific cases. The condition of the world is such at the present time that hard-and-fast rules can not be applied to all countries, because so many different unknown quantities enter into the equation of international relations. For instance, I would not apply the same rule to Belgium and to Germany at the present time.

Mr. WATSON of Indiana. That is quite true; but, if the Senator will permit me, while I do not like to interrupt him, the Democrats are always stating that the object of a protective tariff is to raise the price, and that they are against protection because it raises the price, and causes the consumer to pay a higher price than he otherwise would. If that be true, does not

that drive the Senator irresistibly to the conclusion that we must buy wherever we can buy cheapest?

Mr. STANLEY. Not universally and necessarily. I am at a loss to understand just what the learned Senator from Indiana means by the word "buy." We, in fact, do not buy in international commerce. There is no such thing as sending over a shipload of money to China for a shipload of rice; there is no such thing as sending a ship full of coin to Belgium for a shipload of linen or cut glass; or sending a shipload of money to Delft for a shipload of pottery; or to Germany for a shipload of razor blades.

International trade is international barter; and when we get rice from the Orient, or linen or silk fabrics from Belgium or France, or steel and electrical instruments from Germany, we send on the boat that brings those back our semifinished steel; we send the products of our field and farm and mine. It is a matter of trade; and it is better to trade the things we can produce cheaply for the things that we will produce at an unjustifiable cost than to destroy this mutually beneficial barter, and buy at a high price in the market everything that we need.

Mr. WATSON of Indiana. But my friend has said that because it costs more to produce rice in the United States than in China we ought to buy it in China, and that we ought not by any system of protection to maintain the rice fields of the United States.

Mr. STANLEY. I do not say that.

Mr. WATSON of Indiana. Did not the Senator answer my friend from California that way?

Mr. STANLEY. Well, let the Senator go ahead, and I will explain.

Mr. WATSON of Indiana. If that be true as to rice, is not that true as to every other product? Germany to-day is manufacturing a very great number of products that we produce in the United States at a very small percentage of what we are producing them for in the United States, owing to conditions there and the rate of exchange. If the Senator's statement be economically sound as to rice, why is it not sound as to everything that Germany produces and that she can send into this country; and why is not the doctrine of protection, therefore, wrong as to all those commodities that come into this country from any other country; and why should we not go abroad to buy wherever we can buy the cheapest, if the Senator's theory is right?

Mr. STANLEY. Mr. President, the Senator from Kentucky never has said that he would oppose any tariff duty upon rice because rice is produced cheaper in China than in the United States. A reasonable revenue duty, a reasonable impost which would go into the revenues of the country and would not result in an enormous and unjustifiable increase in the cost of a necessary of life, is a very different question, a very different condition, from that of which the Senator spoke. The Senator from Kentucky explicitly stated his position, that he is unalterably opposed not to a revenue duty but to a duty imposed for the purpose of protection which inordinately increases the duty in order to hothouse an industry in this country; and whenever the difference in the cost of production abroad and at home is so great that the duty would result in an increase of 100 or 200 per cent in the price of that commodity, and where that commodity is an essential, especially of food, I certainly should be against the duty.

Mr. WATSON of Georgia. Mr. President——

Mr. WATSON of Indiana. But suppose that it cost 100 per cent more to make it in this country than to make it abroad?

Mr. STANLEY. Then let it come in from abroad.

Mr. WATSON of Indiana. At what percentage would the Senator stop? Suppose it cost 50 per cent more to make it here than to make it abroad, and it took a duty of 50 per cent to equalize the cost of production abroad and at home, then would the Senator let the foreign product come in free?

Mr. STANLEY. Without going down to the nickel, I would stop at a reasonable revenue duty.

Mr. WATSON of Indiana. Oh, a revenue duty?

Mr. STANLEY. Certainly.

Mr. WATSON of Indiana. Then is the Senator opposed to all protective duties?

Mr. STANLEY. I am opposed to levying any duty simply for the purpose of increasing the cost of a commodity produced by an industry which is not indigenous and without the duty could not be maintained in this country.

Mr. BROUSSARD. Mr. President——

Mr. WATSON of Indiana. If the Senator from Louisiana will pardon me, I should like to have the learned Senator from Kentucky answer my question. To put a revenue duty on rice would in no wise protect it in the United States. For many decades the Democratic Party in this body believed in a tariff for revenue, with incidental protection——

Mr. STANLEY. Yes.

Mr. WATSON of Indiana. Which, of course, was as incongruous a proposition as the mind of man ever conceived, at the same time denouncing protection as robbery, and all that sort of thing, so that we were to have incidental robbery. They abandoned that along about the time of the Civil War; but it was not until 1884 that any Democratic platform ever boldly declared for a tariff for revenue only.

What I want to point out is this: If, in the case of rice, a revenue duty would not enable it to be raised in the United States, does the Senator say that we must of necessity do what he said free trade did to the hemp fields in Kentucky—desolate those fields—and must we go abroad to buy that rice of China, simply because a protective duty on the rice coming into this country from China would be necessary to enable us to continue to grow it in the United States?

Mr. STANLEY. I thought I answered the Senator sufficiently clearly; but I will answer him again.

Mr. WATSON of Indiana. Let me ask the Senator this final question: Is the Senator, then, opposed to any protective tariff on any imported article?

Mr. STANLEY. That would depend. There might be certain conditions, where the national defense, for instance, required it, where I would not oppose a duty that would enable an absolutely new industry, predicated upon the licensing of a patent, for the time being to be fostered by the Government. There are exceptions to all general rules; but I am certainly unalterably opposed to the pernicious principle of levying a duty upon the whole people to give a bonus, a subsidy, to a few people who are engaged in business, whose prosperity depends upon the operation of the law and not upon its suitability to this country or the skill or capacity of those who are engaged in it.

Mr. President, as I rose to state in the beginning, no man can feel and no man has demonstrated a more devout attachment to the interests of the agriculturists than I. My people have been agriculturists. I have the honor to represent an agricultural community. I believe, with the father of Democracy, that every other industry finds its roots in the soil. Without the prosperity of the tiller of the soil, your factories will be empty, your great arteries of commerce stilled, your mines deserted, and the grass will grow in the streets of your most populous cities. But I believe with Jefferson in cultivating agriculture, and commerce as her handmaiden. I believe that the tilling of the soil, that agriculture, is an integral part of the industrial life of America, and that the statesman can not encourage any business to the detriment or the injustice of any other legitimate business, and defend his course before his conscience, his constitutency, or his God.

I have seen a blacksmith with one arm, that of a Titan, and the other that of a pigmy. That was not development; that was deformity, and as Members of this body you can not approve of a policy for the development of agriculture, commerce, mining, or manufacturing by placing an indefensible burden or an indefensible tax upon any other industry, thus not developing, but deforming, the industrial life of America.

They are as interwoven as the limbs and the head and heart in the physical body. I would encourage agriculture by just legislation, by absolute justice before the law, by justice of taxation, and I would foster with it commerce as its handmaiden, and industries to keep commerce and agriculture both alive.

I will never abandon the principles of my party. I will never abandon what is more and deeper and bigger and broader, the principles of just legislation, of justifiable taxation, to give a bonus to a majority of my people, because they happen to be the recipients of that bonus.

I will not defend an iniquitous duty, an indefensible duty, an inordinate duty, upon any essential of life, because it is produced in my district. I would not put a duty upon the wheat of an American farmer if I believe that it will make bread unjustifiably high to the poor and the hungry of the world. I will not put an indefensible duty upon the wool of the sheep growers of Kentucky if it adds an unjustifiable and an indefensible weight to the toiling masses. I will not make America naked in order to make the sheep grower of Kentucky fat. I will apply the same rules of justice to the agriculturist, though he number as ten to one the manufacturers of Kentucky, that I do to the manufacturers, and when I can not live true to the principles of the fathers, true to the basic principles of a party for which my fathers stood and for which in war they were willing to fight or to fall; when I must turn apostate to the principles of Democracy, and the same principles of legislation, to meet the demands

of a class or bloc, then I will be ready and willing to surrender the high commission I hold in this honorable body.

Mr. SHORTRIDGE. May I ask the Senator a question?

Mr. STANLEY. Certainly.

Mr. SHORTRIDGE. I assume the Senator regards Thomas Jefferson as an original and a great Democrat?

Mr. STANLEY. I do.

Mr. SHORTRIDGE. Though he did not bear that title exactly. The Senator also assumes that Andrew Jackson was a great, valiant Democrat?

Mr. STANLEY. I do.

Mr. SHORTRIDGE. I undertake to say that they were both in favor of a protective tariff, and I shall be able to show it by their writings, their letters, and their acts.

I want to ask the Senator this question, testing the correctness of principles here clashing. In California we have a fairly intelligent people; we have schools; we have colleges and universities; we have many churches and many law-abiding people—the average community of an American State. Those men and women of our race, our blood, and our type and standard of life and living can not compete with oriental labor and live. They can not do it. We are engaged in many industries in California the products of which come into competition with oriental industries and products, the only difference in the competition being the question of freight across the Pacific Ocean.

I stated it somewhat dogmatically, but as an economic fact, that my people and yours in California can not compete with the cheap pauper labor of China. The only way this Government can help California and our people is by imposing tariff duties upon these competing articles. Does the Senator think that we should remove these protective duties and bring about on our part this suicidal competition with the cheap oriental labor? It is a very practical thing with us. It comes home to men's firesides and bosoms, perhaps even more directly than the problem confronting Louisiana yonder in regard to her sugar.

I want to test this matter and in candor ask the question, knowing I will receive a candid answer: Does the Senator think we should remove these protective duties, or not impose protective duties, in respect to the industries immediately and directly engaged in by the people of California? If what the Senator has said with emphasis and earnestness be true economically and for the welfare of our country, then I draw this conclusion, that we should remove these protective duties, the result of which will be certain and fatal to California. Wherefore, to repeat myself, what is the Senator's position with respect to the levying of duties on industries in which we are directly engaged in California and which come directly in competition with the products of the oriental countries? I have mentioned China. I would include also Japan and the farther east.

Mr. STANLEY. Mr. President, it is very difficult to answer a general question, and I would not attempt to answer the Senator from California except candidly. I have expressed my emphatic dissent from the doctrine of protection, my inveterate hostility and abhorrence of the policy of creating industries by the operation of law which, but for the favoring statute, would never have proven profitable in this country.

It is nevertheless true that vast industries have been hothoused by law, and that millions have been invested in those industries. I am not prepared to say that at one fell blow I would smash all those industries, if the removal of all protective duties would do it. The doctor may believe in the evils of excessive alcoholism, and yet he would give alcohol to a patient who is suffering from delirium. It may be necessary, to bring us back to an open and honest revenue basis or system of collecting our import duties, to temporize with these industries which have been unduly and unreasonably fostered. But I would write every tariff bill with the ultimate goal of a duty sufficient to raise the necessary revenue, and where the purpose of the duty should be the securing of a revenue, and not the fostering of an industry.

Where there is an incidental protection that does not amount to extortion upon the consumer, I would not always object to merely incidental protection.

Mr. BROUSSARD. Mr. President, I had not intended to address the Senate, but I do wish to say a few words in connection with what has been suggested with reference to the policy of the Government as applied to industries in our country. I personally have never been able to draw the line where the tariff for revenue stops and the tariff for protection begins. For instance, some 12 or 15 years ago, when the Government needed less than $1,000,000,000 annually to carry on the affairs of the Government, the theory of a tariff for revenue only necessarily would have required much less than would be justified even under that theory to be applied as a tariff when we now need annually $5,000,000,000 of revenue.

But if the object of any definite policy in this country is only to impose such tariff as is considered necessary for the revenue, and if we then take that subject which has been referred to several times, the rice industry, we find that a tariff based upon the Democratic theory may be just a little bit less than what is absolutely essential to maintain that industry in this country when competing with cheap, Asiatic labor. Therefore the Democratic theory would be to destroy that industry by considering only the amount of money which the Government needed under pre-war conditions.

This proved to be the case under the Underwood law, because during the 10 months of its operation previous to the World War in 1914 the statistics inform us that the importations of clean rice increased fourfold over the previous year. The result was that the duty imposed at that time would defeat itself because it would destroy the industry and give the control to foreigners. When they disregard the needs of the particular industry in this country, they forget that the numerous American citizens employed in that industry would be absolutely thrown out of employment and forget that which to me is of primary importance. But, considering it only on the theory upon which they base their argument, that of receiving only such revenue as the Government needs, that very industry just discussed, the rice industry, demonstrates that within a period of two or three years, after the tariff act of 1913, the industry would be absolutely wiped out as a domestic industry and that source of wealth absolutely destroyed. So that argument does not appeal to me at all.

I prefer to consider first and foremost the interests of the American people employed and the interests of those whose entire assets and finances are involved in the industry; therefore when the question arises of fixing a duty for that particular industry—and when I refer to the rice industry I am not referring to it otherwise than as a mere illustration, because my theory has always been that what I desire for my people I am willing to grant to other industries, no matter what section of the country it may benefit—when we come to frame such a tariff as we are now attempting to do my only concern is to fix such a tariff as, applied to an industry which has demonstrated that it is possible of development, will sustain it and maintain it.

When we discuss the rice industry as it has been discussed this afternoon, I remind Senators that the statistics show that in 1895 it was so insignificant that the Agricultural Yearbook for that year did not even mention it; but in 1921 we produced in this country 1,400,000 pounds of rice. That shows that we have progressed to the point in that limited time where we are supplying to the domestic market over two-thirds of its demands, and with proper protection in a few years the industry will meet all the requirements for this market, and when it does then the tariff will not affect it at all and it will need no protection. Thus another industry will be built in the United States which will supply local needs entirely through the efforts of American capital and American labor, who buy entirely everything they need in the domestic market.

Mr. STANLEY. Mr. President, will my good friend from Louisiana yield to me?

Mr. BROUSSARD. With pleasure.

Mr. STANLEY. I hesitate to interrupt the trend of the splendid argument of the Senator from Louisiana, but when he begins to talk about the tariff and the needs of Louisiana for protection as regards this particular industry I feel almost like Agrippa did before old Paul, "Almost thou persuadest me to be a Christian." But I can not quite agree with the Senator.

If what the Senator says is correct, that until 1910 there was no rice worth mentioning raised in this country, what becomes of the horrible sight invoked by the imaginative Senator from California [Mr. SHORTRIDGE], who says that if we do not have a duty on rice the Japanese will reduce all the people in California to penury? What did they do before 1910 if they did not raise rice?

Mr. BROUSSARD. They did raise rice before 1910, I will say to the Senator from Kentucky.

Mr. STANLEY. I am not agreeing with what the Senator said, that it was a negligible quantity.

Mr. BROUSSARD. The rice industry has been a large industry in my State for many years. It was an important industry locally in the State many years before 1895, but about 1894 other States took it up and it has developed wonderfully. For instance, the development in my own State has reached the point where there are 700,000 acres of land in cultivation producing rice. The State of California has taken it up more re-

cently than 1895, but it has made wonderful progress there, and so it has in Arkansas, Texas, and other States. Without adequate protection to counterbalance the difference in the cost of production and labor to maintain the American standard of life as compared with a Chinese who works for $8.60 per year, it could have made no progress at all. The result would be that the Government under the Democratic theory would prevent its development or destroy it. It would destroy through its policy what promises in the very near future to be a self-sustaining industry in this country.

It would have gone nowhere at all except with an adequate protection. Even under the previous Democratic tariff law the duty was inadequate. The Democratic Party has not always been a free-trade party. Its leaders have not advocated free trade.

Mr. ASHURST. Mr. President——

The PRESIDING OFFICER (Mr. ODDIE in the chair). Does the Senator from Louisiana yield to the Senator from Arizona?

Mr. BROUSSARD. I yield.

Mr. ASHURST. The Senator says the Democratic Party has not always been a free-trade party. Let me say to him in brotherly love and candor that it is not now a free-trade party. The Senator's language implies that it might be. That must never be allowed to go out before the country.

Mr. BROUSSARD. But there are many advocates of free trade in the Democratic ranks, too many, according to my own views, so far as that is concerned.

Mr. WATSON of Georgia. Mr. President——

Mr. BROUSSARD. I yield to the Senator from Georgia.

Mr. WATSON of Georgia. I think if my friend from Arizona will examine the Democratic platforms since the Civil War he will find the party does declare for free trade.

Mr. STANLEY. Mr. President——

Mr. BROUSSARD. I yield to the Senator from Kentucky.

Mr. STANLEY. I dislike to see this debate degenerate into what Bacon would call a logomachy. There are no two men who seem to agree about what free trade means. Those who inveigh against free trade erect a man of straw in assuming that free trade is trade unrestricted and untouched by the imposition of revenues. Nobody I ever heard of is in favor of that. The collection of taxes by the imposition of duties upon certain imports is practiced by free-trade countries, so called, just as much as by protective countries.

If the Senator means to say that a free trader is a man who would impose no duties, I know of no free trader. If the Senator means to say that a free trader is a man who would, as far as possible, collect his duties from noncompetitive products in order that a maximum of income might come to the Government from a minimum duty, I know of many who advocate such a theory.

Mr. BROUSSARD. Mr. President, I think I have covered the subject that I wanted to discuss, which was suggested to me by the colloquies in which were involved two of the main staple industries of my State.

I agree with the Senator from Kentucky [Mr. STANLEY] that all Democrats are not free traders. There are a very few, I think, who are free traders; but there are two other classes of Democrats—one the tariff for revenue Democrat and the other the Democrat who goes a little further and is for a tariff for revenue with incidental protection. Surrounding the tariff for revenue only Democrat, the tariff for revenue with incidental protection Democrat, and the man who stands for protection I think there is a twilight zone within which it is very difficult for anybody to draw a line of demarcation between the three classes.

Mr. WATSON of Georgia. Mr. President, returning to my friend the senior Senator from Massachusetts [Mr. LODGE], I call attention to the fact that he stated that the tariff of 1828, which was enacted some time before Dickens's American Notes were written and previous to his reference to pauperism, was called the "tariff of abominations." In his correction of my mistake as to the date of the Walker tariff the Senator from Massachusetts fell into two errors of his own. What Dickens said about there being no pauperism in New England does not occur in his American Notes, but in a private letter to John Forster, and the "tariff of abominations" was not in existence when Mr. Dickens in January, 1842, visited Boston. In Taylor's splendid work "Is Protection a Benefit?" I find the following on page 44:

> Under these circumstances, in 1833, our fifth tariff was passed, called the "compromise tariff." The presidential election was just over. Clay went into the canvass against Jackson as an advocate of high protection. He was beaten in the race. The country seemed to have spoken against protection, and Congress spent the entire winter in wrangles over the tariff. Finally, near the end of the session, Clay proposed a new bill as a substitute for all others. Calhoun's support was secured, and the united influence of the two was sufficient to carry it through against the high protectionists, led by Webster. It went into effect just in time to prevent the hostile collision between South Carolina and the General Government over the nullification troubles. The law provided for a gradual reduction of all duties above 20 per cent until they should reach that figure on the home valuation. This was what is called a "horizontal tariff." Under its operation the duties were slowly lowered. * * * This tariff, as its name implies, was a mere political expedient.

That is to say, it brought about peace between Jackson, Clay, and Webster on one side, and the nullifiers on the other.

That was the tariff that was in operation and had been for nine years when Charles Dickens visited Boston and spoke of the splendid benefits and results which that low tariff had brought about. It was after that time that the tariff of the Whig Party was passed in 1842; of course not in January, but after Mr. Dickens wrote his letter. The "tariff of abominations" was passed in 1828, Mr. President. The compromise tariff of 1833 was in existence for nine years, carrying it beyond the time when Mr. Dickens landed in New England.

Mr. McCUMBER. Mr. President, the Senate of the United States, the greatest deliberative body in the world, as I have often heard, has now deliberated 5 hours and 20 minutes on 4 cents' worth of formic acid, and I wish to know if it is not about time that we voted on it.

SEVERAL SENATORS. Vote!

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Oregon [Mr. McNARY] on behalf of the Senator from Illinois [Mr. McCORMICK] to the amendment of the committee, which will be stated.

The ASSISTANT SECRETARY. On page 2, line 25, after the words "formic acid," it is proposed to amend the amendment of the Committee on Finance by striking out the numeral "4" and inserting the numeral "6," so as to read:

> Formic acid, 6 cents per pound.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Oregon to the amendment of the committee.

Mr. SIMMONS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Harrison	McKinley	Simmons
Ball	Heflin	McLean	Smoot
Borah	Hitchcock	McNary	Spencer
Brandegee	Johnson	Nelson	Stanley
Broussard	Jones, N. Mex.	Newberry	Sterling
Bursum	Jones, Wash.	Nicholson	Sutherland
Capper	Kellogg	Norbeck	Swanson
Caraway	Kendrick	Oddie	Townsend
Curtis	Keyes	Overman	Underwood
Dial	King	Page	Wadsworth
Dillingham	Ladd	Phipps	Walsh, Mass.
Elkins	La Follette	Pittman	Warren
Fletcher	Lenroot	Poindexter	Watson, Ga.
Frelinghuysen	Lodge	Rawson	Watson, Ind.
Gooding	McCormick	Sheppard	Willis
Hale	McCumber	Shields	
Harris	McKellar	Shortridge	

Mr. HEFLIN. Mr. President, I wish to announce that the junior Senator from Nebraska [Mr. NORRIS] is in attendance upon a hearing of the Committee on Agriculture.

The PRESIDING OFFICER. Sixty-six Senators have answered to their names. A quorum of the Senate is present. The question is on the amendment offered by the Senator from Oregon [Mr. McNARY] on behalf of the Senator from Illinois [Mr. McCORMICK] to the amendment reported by the committee on page 2, line 25, the item relative to formic acid.

Mr. HITCHCOCK. Mr. President, I should like to ask the Senator in charge of the bill whether the effect of the change from an ad valorem duty as provided in the House bill to a specific duty is to increase or decrease the rate?

Mr. McCUMBER. The specific rate provided by the Senate bill is about the same as the ad valorem rate of the House bill, which was 25 per cent. The commodity is now worth 16 cents a pound, so that a duty of 4 cents a pound is equivalent to a duty of 25 per cent ad valorem.

Mr. HITCHCOCK. If it is the same in effect, then why is it changed?

Mr. McCUMBER. Because we have endeavored to substitute specific duties for ad valorem duties wherever we could do so.

Mr. HITCHCOCK. Why?

Mr. McCUMBER. Because we regard specific duties as better than ad valorem duties. As I have explained heretofore, it is more desirable to impose a specific duty, where it may be imposed, for the reason that the same article pays the same duty no matter from what country it is imported, whereas if a duty is imposed on the ad valorem basis, then a commodity pays one duty when coming from Germany, another duty when

coming from Japan, another duty when coming from Great Britain, and still another duty when coming from France.

Mr. HITCHCOCK. Then, is it the purpose to shut out chemical imports from Germany? Is that the purpose of the duties proposed in the chemical schedule?

Mr. McCUMBER. No; I do not think the rate of duty will shut out imports at all.

Mr. HITCHCOCK. Does the Senator accept the figures given by the Senator from Utah [Mr. KING] yesterday, which show that at the present time we are selling to Germany more chemicals than we are purchasing from her?

Mr. McCUMBER. No; I do not accept that as a condition that is at all lasting. We know something about the cheap labor and the cheap production of chemicals in Germany, and I believe that a 25 per cent ad valorem duty or an equivalent specific duty will not keep out the German article.

Mr. HITCHCOCK. The Senator realizes the necessity to the American producer of selling certain products to Germany. How are we going to sell products to Germany if we put up a barrier against the importation of her products?

Mr. McCUMBER. I do not expect we are going to sell chemicals to Germany.

Mr. HITCHCOCK. But what does the Senator expect to purchase from Germany if we impose prohibitory tariff duties against her chemicals?

Mr. McCUMBER. If the Senator desires to ask me that question again, I will answer it, although I have answered it a great many times. For 50 years we have sold Great Britain from two to three times as much as we have ever bought from her. The balance of trade has always been immensely in our favor. It did not break Great Britain during all of those years; she was able to trade with some other country and was able to buy our products. She bought our products because she could buy them probably cheaper. Every nation will go to the market which is the best purchasing market for the things it needs to purchase for its people. What we want to take care of is our own market. Let other peoples take care of theirs. I have no doubt that Germany will be able to sell her products in South America in a very short time and that she will probably be able to drive us entirely out of that market. I have no doubt that she will, to a considerable extent, drive us out of the market in the Orient, and she will get enough from those sources to buy the commodities which she needs of us. I am not worrying as to what either the United Kingdom or France or Germany will purchase from the United States as much as I am worrying about holding the market of the United States for the producers of America. That is the one important thing.

Mr. HITCHCOCK. The Senator leaves the subject which I brought up. I am not talking about trade with Great Britain. I am not talking about pre-war trade. Before the war we had a great trade with Germany, and there was a great balance in our favor, and Germany was able to pay that balance. Does the Senator think now that Germany is in any position to pay a balance of trade against her and in our favor?

Mr. McCUMBER. I have stated that I think in a very short time Germany will drive the United States out of the markets of South America and many other countries, and she will produce a sufficient balance of trade in her favor to use the same amount of money for purchasing American products of the things she must purchase from us. I do not think there has to be an exact balancing of trade as between any two nations. Each nation trades with the country with which it can trade to the best advantage. The British may have a trade with the Orient that is much superior to ours, and then we may have a trade with Great Britain which is superior to that which we have with France or with Germany. It is not dependent at all upon any equality or exact balancing of the trade relations between any two countries. Each country undoubtedly will be able to take care of its own trade. I am simply maintaining that the first duty of the American people is to so protect the American market that the American producer may be able to sell his products in his own market in competition with the products of other countries, and that is all that this tariff bill is intended to accomplish.

Mr. HITCHCOCK. I understand the Senator's anxiety that our market is going to be flooded and that our producers are going to be driven out of business; but the Senator knows very well these facts: Before the war the United States had an enormous balance of trade in our favor against all the world. Taking all of the nations together, we had a great balance of trade in our favor.

The Senator knows that that balance of trade continued in our favor all through the war. The Senator knows that that balance of trade has continued all since the war; and now how is the Senator going to explain to the people of the United States how the rest of the world is going to pay us for that balance of trade? How can the Senator convince the people of the United States that we can continue to export our goods to the rest of the world when we build a Chinese wall around the country to keep exports from coming in here?

Germany can not pay us in cash. Great Britain can not pay us in cash. France can not pay us in cash. Italy can not pay us in cash. None of the countries in Europe can pay us in cash. They will have to pay us in goods if they buy our goods; and yet the Senator is deliberately erecting a wall around the United States to keep out imports, in the delusion that we can have prosperity by isolating ourselves from the rest of the world, when the only possible way in which the rest of the world can buy our goods is to sell goods to us.

Mr. McCUMBER. Mr. President, I say candidly that it would be better for us never to get paid than to close our own markets and allow the debtor countries to pay us in goods at a price that would close our own mills and factories.

Mr. HITCHCOCK. Then the Senator from North Dakota must be tickled with the present situation. Our imports are falling off. They have been falling off now for nearly three years; and I suppose he would reach the acme of happiness if the imports into this country should disappear altogether; and yet the Senator knows that as those imports have fallen month by month this country has settled deeper and deeper into a depression which is now afflicting the country from end to end. The Senator knows that it has closed the factories down to 50 per cent of their capacity. The Senator knows that it has closed the copper mines of the West. The Senator knows that it has bankrupted the South with cotton which she has not been able to sell. The Senator knows that it has resulted in forcing down the prices of agricultural products in this country until they have been sold at such prices that the farmer could not be reimbursed for his cost of production. The Senator knows all these things. He knows that to-day imports are on the decline—that they are going down all the time—and yet he deliberately enters upon the policy of erecting a wall which will keep out even the few that are coming in; and he thinks the American people can prosper by having their markets cut off in that way! He is laboring under a delusion which he will pay dearly for, and his party will wake up some day to discover that they have made the mistake of their history.

Mr. WATSON of Indiana. Mr. President, there is one thing that the Senator has neglected to say, if he will permit me.

Mr. HITCHCOCK. I yield to the Senator.

Mr. WATSON of Indiana. He knows about all these depressing facts of which the Senator speaks. The Senator failed to say that he also knows that we are still operating in the United States under the Underwood-Simmons tariff law, under which these things are occurring, and which we now propose to get rid of by proper legislation.

Those of us who are familiar with the tariff have heard, over and over again, these same old complaints. In 1890, when the McKinley law was passed, we heard these same tales of woe. The doleful prophecies of Isaiah and the mournful stanzas and lamentations of Jeremiah were sweet music as compared to the doleful predictions of these gentlemen in 1890 when the McKinley law was passed. The same thing was true when the Dingley law was passed. At that time precisely the same argument was made that the Senator from Nebraska now makes, namely, that we could not sell abroad if we did not buy abroad, and that we could not buy abroad because of the high protective-tariff wall that we were erecting; and yet, notwithstanding that oft-repeated declaration, we continued to sell more and more abroad, and in the second year after the Dingley law became operative—and it was the highest tariff law ever passed in the history of the United States—we sold for the first time more of manufactured products abroad than we bought abroad. Never was there such a degree of prosperity coming to any people as came to our people under the Dingley law, with its high rates, because everybody in the United States was at work.

Mr. HITCHCOCK. I will ask the Senator to make his speech in his own time.

Mr. WATSON of Indiana. All of our money was profitably invested, and all of our labor was profitably employed, and we had the American market for the American producer and the American consumer; and never was there such prosperity coming to any people as came to us under those high rates.

Mr. HITCHCOCK. Wait a moment.

Mr. WATSON of Indiana. Precisely the same conditions prevailed in 1908. We heard these complaints and arguments all over and over again. My friend from North Carolina——

Mr. HITCHCOCK. I ask the Senator not to go into the Senator from North Carolina until I have commented on what he has said. He has revealed, just as I thought he would, the fact that he is still living in pre-war conditions.

Mr. WATSON of Indiana. Not at all.

Mr. HITCHCOCK. He does not know that a great change has occurred in the world, and that since the time that he refers to a great economic as well as a political revolution has occurred. The time that he refers to was when the United States was a debtor Nation. The time that he refers to was when it was possible for the United States to have a great balance of trade in its favor, because the United States had great debts to Europe. Europe owned our railroads. Europe owned the steamships in which we carried our goods. Europe had her insurance companies. Europe had loaned thousands of millions of dollars in the United States, and the balance of trade could be made good by the money shipments that we had to make to Europe; but that has all changed. Instead of the United States now being the debtor Nation, Europe is debtor to the United States to the extent of many thousands of millions of dollars. Europe is stripped of her gold, and to-day we have in the United States more gold than all Europe, all the nations of Europe combined have, and our trade is in collapse because Europe is not able to pay us for our goods, and the reason why Europe is not able to pay us for our goods is because she is not able to sell enough goods to us, and you propose to limit the amount of goods that she can sell to us. You are going to limit our exports. You are going to cut down our exports.

The Senator says the present tariff law is responsible for this. It is not. You propose to make it worse. If I were amending the present tariff law I would encourage imports. I would encourage trade with Germany. I would encourage trade with every nation on the earth, because I know that they are anxious to buy our goods. I know that our farmers are suffering because other nations can not pay for our goods. I know that our cotton raisers in the South are suffering because other nations can not pay for them. I know that the great copper interests of the West are suffering because other nations can not pay for them, and I know that we have four or five million men idle in the United States to-day because we have nothing for them to do. If I were revising the tariff, and if I were representing even the views of the Republican Party of a protective tariff, I would reduce the existing tariffs. I would open trade, I would solicit trade with Germany, and in doing this I would stimulate our exports. I would put our men to work. I would open our mines. I would set our factories going. Europe is anxious for what we have, but by the action you are taking you are trying to make it impossible for her to get the things that we have for sale.

Mr. McCORMICK. Mr. President, will the Senator let me ask him a question?

Mr. HITCHCOCK. Certainly.

Mr. McCORMICK. The British Islands suffer from no oppressive protective tariff. How does the Senator account for the unemployment there, which in proportion to the population is far greater than the unemployment here?

Mr. HITCHCOCK. The British Islands are suffering, France is suffering, Germany is suffering, every country in the world is suffering, because of the practical collapse of international trade, because of the collapse of international exchange, and you are doing nothing to stimulate it. You are trying to put obstacles in the way of its revival, and you are doing it by raising a tariff against the imports from other countries, and you will rue the day.

Mr. McCORMICK. Mr. President, the Senator knows that in proportion to population the unemployment in Great Britain far, far exceeds the unemployment in any other country of western Europe. The Senator knows that the only country in western Europe where there is no protective tariff is Great Britain.

Mr. HITCHCOCK. Mr. President, I know that we have discovered now that the world is one and that America is only a fraction of the world, and that when the rest of the world suffers we suffer with it. We are suffering now, the whole world is suffering, because we have not resumed production, and we have not resumed production because we can not get international exchange, and you are imposing an obstacle in the way of international exchange. We ought to do something to put American men to work upon goods that we can sell to the rest of the world. Those idle Englishmen in the British Isles ought to be set to work, and we ought to buy and sell the things that they can make. We ought to develop production in all countries, and you are doing exactly the opposite in the bill that you are seeking to pass.

Mr. McCORMICK. Mr. President, week after week the Senator told us that the world was one during the debate on the League of Nations, and then followed the political revolution to which he made allusion a few moments ago.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Oregon [Mr. McNARY], on behalf of the Senator from Illinois [Mr. McCORMICK], to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the amendment of the committee.

Mr. KING. I move to amend the committee amendment which is found on page 2, line 25, by striking out the figure "4" and inserting in lieu thereof the figures "2½," so that it will read:

Formic acid, 2½ cents per pound.

I will ask that the Secretary state the amendment, and then I want to submit a few remarks.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment of the committee.

The ASSISTANT SECRETARY. On page 2, line 25, it is proposed to amend the committee amendment by striking out the numeral "4" and inserting in lieu thereof the numerals "2½," so as to read:

Formic acid, 2½ cents per pound.

Mr. KING. Mr. President, a moment ago the Senator from North Dakota, chairman of the Committee on Finance, in reply to a question submitted by the Senator from Nebraska [Mr. HITCHCOCK], stated that the rate fixed in the Senate committee bill was substantially the same as that in the bill as it came from the House. I have no doubt the Senator intended to be accurate in that statement, but I desire to call his attention to the fact that in the operation of the bill, if it should become law, it will be observed that the Senate rate is very much higher than the House rate. Let us see.

The pre-war import price of formic acid was 4½ cents per pound. A 25 per cent ad valorem rate, that which is fixed by the House bill, would be equivalent to 1⅛ cents per pound.

Mr. SMOOT. My colleague must remember that the rates in the bill as it passed the House were based on the American valuation plan, and the lowest price under the American valuation was 16 cents, which was the basis upon which the Senator from North Dakota said it would be substantially the same as the House rate. What my colleague says as to the pre-war price being 4½ cents is true, as applied to one year. That was not what it sold for in this country, however. That was the foreign import price.

Mr. KING. The price in the domestic market was not very much in excess of that.

Mr. McCUMBER. Will the Senator yield to me?

Mr. KING. I yield.

Mr. McCUMBER. If the article goes back to the pre-war price the rate will be much above 25 per cent; but does the Senator expect that either during his life or my life any of these prices will ever go back to the pre-war basis?

Mr. KING. Mr. President, I am unable to tell. I do not know what economic tides will sweep around the world and what changes will occur in the industrial life of this and other nations. I do believe that there will be material changes in existing prices throughout the world. I hope that prices in the United States relating to many articles will reach lower levels than those which are now maintained by the trusts.

If I were to properly characterize this bill, Mr. President, I would say that it is drawn for the purpose of maintaining, and, indeed, increasing domestic prices, and it is calculated to increase the foreign prices, if not to the levels of the domestic market, at least approximately to the extortionate levels which have been maintained by combinations in the United States during and since the war. Of course, this transfer from the ad valorem, as fixed by the House, to the specific, as fixed in the Senate committee bill, is designed to aid the domestic producer. If there is a reduction in prices, as there should be in many commodities, the ad valorem would operate to make the tax less than the specific rate. Of course, if prices are to be maintained, as suggested by the Senator from North Dakota, so that the price would be 16 to 18 cents per pound, it would make little difference whether the specific of 4 cents per pound was adopted or the ad valorem of 25 per cent. But, in my opinion, there will be a reduction from the extortionate prices now charged. Sixteen cents a pound to 18 cents a pound was the wholesale price of formic acid on April 24 in the domestic market, and the import price prior to the war was from 4½ to 5 cents a pound.

Mr. McCUMBER. Mr. President, the Senator, of course, is well aware of the fact that the volume of currency in the United States is about double per capita what it was prior to the war. In other sections of the world, like Germany, it is many, many times the volume of what it was before the war. We can not by any rule suddenly return to the old standards. Deflation must necessarily be a very slow process, and that is the reason why I said that I do not think either the Senator or myself will live to see the day when the present process of deflation will bring us back to a pre-war condition. Therefore, we must presume that all these commodities will be very much higher priced than at any time prior to the war.

If I thought for a single moment that in any reasonable number of years we would get back to a pre-war basis I should not be in favor of a duty that would measure even 25 per cent upon the present value in the United States.

Mr. KING. Mr. President, I shall not digress for the purpose of attempting to show the relation between the volume of money and prices. Of course, everybody who has studied the quantitative theory of money is struck by the fact that there is some sort of a relation between the volume of primary money in a country and the prices of commodities. My opinion is, Mr. President, that Mr. Bryan and some who shared his views attributed too much importance to the quantitative theory and ascribed to it a virtue in increasing prices that was not justified. In other words, there were factors to be considered which affect prices, which were, perhaps, ignored or at least not accurately appraised. But I shall not enter into a discussion of that question nor its ramifications at this time.

But I call attention to the fact, as indicated by the Senator from North Dakota, that in this bill wherever it has been possible a change has been made from ad valorem rates to the specific rates, but not in the interest of the consuming public. The changes have been made in the interest of the manufacturers, the beneficiaries under the bill, those who profit by it, to enable them to charge higher prices for their products than justice and fair dealing would warrant. Here is an illustration: If formic acid goes down to pre-war levels, or approximately to those levels, if it should go to 6 cents a pound, for instance, and the pre-war levels were 4½ to 5 cents per pound, it is obvious that a specific rate of 4 cents per pound would be to the advantage of the manufacturer of formic acid over an ad valorem of 25 per cent. I repeat that one who examines this bill from the beginning to the end will be surprised to see the pertinacity with which its authors have adhered to the policy of removing articles from the ad valorem to the specific list.

There is very much in what my distinguished colleague, the senior Senator from Utah, has said. That view has been expressed by the chairman of the committee, that there are some advantages in placing a specific duty instead of an ad valorem duty; but when they thus have been weighed in the balance and there has been taken into consideration the disadvantages to the public as between the specific and the ad valorem rates the conclusion will be reached that the interest of the masses of the people has been disregarded. The interests profiting by this bill have sought specific rates and their demands have been acceded to in hundreds if not thousands of commodities carried by this bill.

If one reads the testimony relating to the chemical schedule, as well as the testimony dealing with other schedules, he will find the names of representatives of greedy cormorants who went before the committee and urged these high rates and changes from ad valorem to specific rates.

Just a word in regard to the suggestion made by the Senator from Nebraska [Mr. HITCHCOCK]. The Senator from North Dakota stated that we were not shipping many articles to Germany. The Senator from Nebraska asked him whether he accepted the tables which I placed in the RECORD a day or two ago, and which appear in this morning's RECORD, as to the exports for 1921 under the chemical schedule from this country to Germany and the imports from Germany to this country for the same year. The Senator did not answer the question, if I correctly interpreted his reply. I am sure he did not mean to dispute these tables.

Mr. McCUMBER. Mr. President, I did not mean to say that we never exported a dollar's worth to Germany, or anything of that kind. I simply intended to make a general statement, that our export of chemicals to Germany will be practically negligible. There may be a time before she can start her factories again, when she may demand certain chemicals for a short time, but there is no question but that Germany can produce practically all the chemicals we can produce, and she can produce them very much cheaper than it is possible for us to produce them. I make that as a general statement.

Mr. KING. Mr. President, there is always some excuse offered by our Republican friends to meet the evidence and the facts which controverts their heresies. Our Republican friends have been declaring for the past two years that with the inflation of currency in Germany that country could produce much more cheaply than could the United States, as a result of which our products would be driven from the world markets.

Mr. President, we bought from Germany last year products under this schedule to the value of $12,271,733. I asked the Department of Commerce to furnish me a statement, so far as their records would show, of our imports from Germany and our exports to Germany for the year 1921, covering the commodities found within Schedule 1. This table was furnished me and it appears on page 7162 of this morning's RECORD.

The United States imported, of commodities within Schedule 1, $12,000,000 plus, as I have just indicated, and we exported to Germany products from within this schedule of the value of $29,975,549. I would state to my friend from Nebraska that these are not my tables or my figures. They are shown by the records of the Government, which he can find in the Department of Commerce.

We exported to Germany last year, when it was alleged that because of the cheap labor in Germany she could surpass the world in the production of chemicals particularly, chemical products of the value of $30,000,000, we not only competing with her in her domestic market, but we also sold tens of millions of dollars of products in the world's markets, successfully meeting all competition.

Mr. SMOOT. Mr. President, if the Senator will allow me——

Mr. KING. I know what the Senator is going to do. He is going to call attention to petroleum as one of the large items.

Mr. SMOOT. That is one, but it is not all.

Mr. KING. If he had waited a moment, I would have called attention to that.

Mr. SMOOT. That is not what I was going to call to the Senator's attention. I know that the Senator appreciates the weakness of his statement. I am not alarmed, of course, at the statement he was going to make.

Out of this $29,000,000, of course, there was $17,000,000 of mineral oils. But that is not what I had in mind, because there are other items under the schedule. Here is the item of oil cake, $2,939,000. That does not fall under this schedule at all.

Mr. KING. I am not sure that the Senator is right as to that, but I will subtract it, and that still leaves us with over $27,000,000 exported as against $12,000,000 imported.

Mr. SMOOT. That makes over $20,000,000.

Mr. KING. Oh, no; the Senator is wrong.

Mr. SMOOT. Oh, yes; if the Senator takes $17,000,000——

Mr. KING. I am not taking $17,000,000 at this time.

Mr. SMOOT. I was not going to refer to that, except that the Senator said he was going to do so, and was going to use it. Then the balance, of course, would be less than $9,000,000.

Mr. KING. If the Senator eliminates mineral oil, which we export to Germany, amounting to $17,000,000, and oil cakes, nearly $3,000,000, it would still leave substantially $10,000,000 as against $12,000,000.

Mr. SMOOT. Then, of course, there is fertilizer, $2,184,000.

Mr. KING. I grant that. Fertilizers are products coming under this schedule, and that is what I am alluding to.

Mr. SMOOT. They are, provided they are phosphates.

Mr. KING. I may observe that some of the imports from Germany were fertilizers and constituted a part of the $12,000,000.

Mr. SMOOT. I say, if they were phosphates, then they did. I do not know whether they all came in under the head of phosphates or not.

Mr. KING. I notice under the head of "Fertilizers imported," kainite, manure salts, potash, muriate of potash, sulphate of potash, and all other fertilizers, amounting to $2,220,691. These we imported from Germany in 1921. The Senator called attention to the fact that we exported fertilizers of the value of $2,184,000, so that our exports practically balanced the imports.

The fact of the matter is that all this talk about Germany being the great competitor of the United States and the horrible monster that stands in the way of our national progress and development is one of the figments of the diseased brain of some people and is a product of the intriguing propaganda of some of the manufacturing concerns of the United States and their representatives who desire opportunity to further exploit

the American people. It is not an honest claim, nor can it be supported by the record.

The Senator from North Dakota [Mr. McCUMBER] with his predilection to prophecy—and he must have obtained that from the doughty John Knox of old, as the Senator (who is of Scotch ancestry) has the characteristics of John Knox—tells us what Germany is going to do; that Germany is going to drive us out of South America and the Orient and practically from all markets of the world.

My friend is the only one who fears that. The manufacturers do not fear it. Those who know world conditions have no apprehension of such results. Men who know the condition of Germany entertain no such fear. I have had occasion to refer briefly to Germany's condition during the debate and would not again allude to this subject except for the reference to the matter by the Senator from North Dakota. These constant averments by Republicans that our trade in the world is threatened by Germany are without foundation and are designed to deceive the American people and to frighten the Senate and the Congress into granting these indefensible rates that find expression in the bill coming from the House and now before the Senate.

I hold no brief for Germany. I have denounced Germany as bitterly as any Senator has. I have denounced kaiserism and the militaristic policies which dominated Germany for many years. I have condemned the Pan-German spirit which exhibited itself in Germany and which was largely responsible for the imperialistic career upon which Germany entered.

But I have said during the debate, and I repeat, that the war is over, and the hatreds and animosities of the past must end. I would feel ashamed to stand upon the floor of the Senate over the prostrate form of a defeated foe, a foe that is bound by the provisions of the Versailles treaty and by other conditions not necessary to now enumerate, and demand that the Senate pass this tariff bill upon the theory that Germany is a powerful and relentless industrial foe which is now menacing our industrial and economic life. Germany has under the Versailles treaty to assume billions of indemnities aggregating over $33,000,000,000. She has lost her colonial possessions, her ships, and a part of her continental territory. I am not condemning or defending the terms of the Versailles treaty as they relate to Germany. I am simply calling attention to them for the purpose of showing the absurdity of the contention that Germany now constitutes a menace to the industrial rehabilitation and development of the United States. Mr. President, the sooner Germany advances to a state of prosperity the better it will be for the business and for the industries of our country. If Germany were able to purchase more of our products, the better it would be for the United States. When Germany is in a position to buy products to the extent of $1,000,000,000 annually from our country, it can safely be stated that our industrial prosperity will be greatly advanced.

Let me add that Germany is compelled now to buy from abroad a very large part of her raw materials to make chemicals and other commodities for home consumption as well as for export, and she is compelled to buy upon a gold basis, so that in order to compete with the United States or with other nations she is compelled to go into other countries and buy their raw materials and their intermediates, paying therefor upon the basis of value fixed by gold. She must then pay the freight on these raw materials to Germany, convert them into finished products, pay the insurance and other charges and the freight to other countries if she sells beyond her borders. All these impediments must be met by her if she enters the world market.

Moreover, conditions are rapidly changing in that country. Prices are rapidly advancing. The cost of labor is increasing, and the prices of all commodities are responding to these new influences and situations. I learn from a recent cable that in Great Britain prices are advancing. Indeed, the situation in Europe furnishes indicia that the low level of prices—caused by inflation and other causes—have been reached, and that there is an unmistakable forward and upward movement in all industrial activities. Higher wages, higher transportation charges, advancing costs for rent, these and other factors will be reflected in greatly increased costs of all commodities.

I am not going to indulge in prophecy—the Senator from North Dakota has done that—but may I make the suggestion by way of reply to his predictions that we have not lost our markets in South America, and we will not do so if the business men of the United States desire to trade with the countries in South and Central America. But they must pursue the quest with ability and honesty and be prepared to extend credits to purchasers. In my opinion we have not pushed our trade in the Latin-American Republics with that vigor and intelligence that should have characterized the business men of the United States.

The trouble has been that our Republican friends have attempted to establish an industrial system that would permit the manufacturer to exploit the American public and then to dump their goods, to use their expression, upon other nations; that is to say, such enormous profits have been made in the home market that manufacturers have been rather indifferent to some world markets, or they have been able to undersell in many countries all competitors.

Mr. President, we will expand our trade just in proportion to the liberal methods which we adopt in our economic relations with other nations. If we will trade with them they will trade with us. Instead of South America being closed to American goods, the ports of South America will be opened to American commodities, and the people of South America will buy them. We can sell in competition with Germany or with any other country in the world. For years we have outsold, to use the language of the street, in South America, England, and other European countries. We have manufactured and shipped sewing machines to Great Britain and sold them there cheaper than they could be manufactured in Great Britain. We have sold plows and harrows and other agricultural machinery in South America cheaper than any other country in the world could sell in the same markets.

Ah, Mr. President, our Republican friends in tariff debates and in the presentation of tariff bills are always warning the American people about the invasion of the foreigner and the inability of Americans to compete in the markets of the world; they have been telling us for the past two years that because of the fall in exchange and because of the cheap labor of Europe we could not compete with Germany and other European nations, but we are now selling hundreds of millions of dollars of American products in competition with Germany and other European nations in the markets of the world and selling at a profit.

I would not have adverted to these matters, Mr. President, except for the statement made by the Senator from North Dakota [Mr. McCUMBER]. Germany will be a great market for American surplus products if we will trade with Germany. Great Britain will buy, not four hundred or five hundred or six hundred or seven hundred million dollars' worth of American products, but she will buy American products of the value of more than a billion dollars annually within the next two or three years if we pursue a sane and rational policy.

We will get the trade of the world if we want the trade of the world. A man will get the friendship of his fellows if he desires their friendship. A man will get knowledge from the world if he carries knowledge to the world. If we "would bring home the wealth of the Indies," we "must carry the wealth of the Indies" to other peoples; and if we would trade with other peoples we must receive in return their wealth and their products.

Mr. SIMMONS. Mr. President——

Mr. KING. I yield to the Senator from North Carolina.

Mr. SIMMONS. In connection with what the Senator from Utah is saying as to our present trade relations with Germany I desire to direct attention to the fact that during the year 1921 we imported from Germany $88,000,000 worth of her products, while during the same year we exported to Germany something over $300,000,000 worth of our products. If the sale by Germany of $88,000,000 worth of her products in our market is to be ascribed to underselling and to low prices as compared with our prices, then the invasion by us of the German market to the extent of $300,000,000 must be ascribed to our ability to undersell Germany in her markets.

Mr. KING. Mr. President, the observations of my distinguished friend destroy the arguments of the proponents of this bill. His deduction can not be confuted. Let me add to what my good friend from North Carolina has said by putting in juxtaposition the fact that our domestic production last year was approximately $62,500,000,000 while our imports from Germany were but $88,000,000. It is like pouring a pint of water into the Gulf of Mexico and saying that the introduction of such a stupendous volume of water held in the pint cup will drown the people of Louisiana and sections of country contiguous to the Gulf.

But it must not be forgotten that while Germany added the pint of water ($88,000,000) to our mighty gulf of production ($62,500,000,000) we took therefrom several gallons consisting of hundreds of millions of products and poured them into Germany.

Mr. SMOOT. Mr. President, I think the Senator from North Carolina, on reflection, would not say that $62,000,000,000

worth of goods were produced in this country last year. There was a turnover of $62,000,000,000; that is, from the raw material up to the sale of the finished product to the jobber, from the jobber to the wholesaler, from the wholesaler to the retailer, and from the retailer to the consumer the amount aggregated $62,000,000,000.

Mr. SIMMONS. According to the statistics, the total production in this country for the year given was $62,000,000,000. That has nothing to do with the turnover at all.

Mr. SMOOT. I will let my statement stand, Mr. President, as against that of the Senator from North Carolina. I made the statement on the floor of the Senate when the sales tax was under consideration that the value of American products was $62,000,000,000; but I analyzed the figures in every detail and showed precisely from what source the sales tax would be collected. It was upon the basis I have indicated that the collection would be made. So, I repeat, I am perfectly willing to let my statement stand as against that of the Senator from North Carolina.

Mr. SIMMONS. Mr. President, I have simply given the official figures. I know nothing about their correctness.

Mr. POMERENE. Mr. President——

Mr. KING. I yield to the Senator from Ohio.

Mr. POMERENE. As bearing upon the pending question I have a little pamphlet in my hand which has been issued by the National Industrial Conference Board, in which they say:

The United States in the year 1870, with a population of 38,558,371, manufactured goods to the value of $4,232,325,442, or $110 per capita. In 1920, with a population of 105,710,620, the value of manufactured products had increased slightly over $59,500,000,000, or $563 per capita.

That substantiates the figures which the Senator from Utah [Mr. KING] and the Senator from North Carolina [Mr. SIMMONS] have given.

Mr. KING. Mr. President, I did not say, or at least I did not mean to say, that all of these products, aggregating in value $62,500,000,000, were finished products of manufacturing products. Prof. W. I. King, in discussing production in his interesting volume, calls attention to the fact that for the year prior to the writing of the volume—I have forgotten the year, but it was after 1900—the value of American production, which included, of course, ore taken from the mines, all metalliferous products, coal, wool, and all manufactured and agricultural products, was more than $35,000,000,000.

Mr. SMOOT. Mr. President, the Senator is right that $62,000,000,000 represents the value of production, with the modification that the value was computed on every step that the raw material was advanced into the finished product. The figures are correct with that explanation. In other words, the value of the coal is computed at the mouth of the mine, and when it is used in the manufacture of steel or for creating power or for any other purpose then the value of the coal so used is included in the value of the finished product. With that modification I admit that my colleague is right when he said that the value of American production was $62,000,000,000. There is not any doubt of that at all.

Mr. KING. Mr. President, the situation in a nutshell is this: The value of the raw materials of our farms and mines and mills and smelters and factories when added together gives us the gigantic sum of more than $62,000,000,000. In 1921 we imported from Germany, as I have stated, $88,000,000. Yet we are to be drowned by this devastating flood that is to inundate the land. Mr. President, would it hurt if there was a little more inundation, particularly if it would lower some of the high prices charged by American producers for needed commodities. I noticed in the morning papers that the prices of some commodities are rising. I am receiving scores of letters protesting against this bill, not from importers alone but from the people, and the more they learn of its iniquitous features the more letters will be written in protest against it. A letter which I received from New York inclosed a page from the New York Times. The letter contained the inquiry, Is a statement of James McCutcheon & Co. true? The statement referred to is as follows:

NEW YORK.

To the public:

The Senate committee has reported to the Senate the new tariff bill. This bill would raise the duties on linens from 30 and 40 per cent to 50 and 60 per cent, or in other words would almost double them. This will, of course, mean that the prices of those goods will have to be advanced.

By way of illustration, a towel 18 by 32 inches, which now sells at $6 per dozen, would have to sell at $7.25 or $7.50 a dozen under the new tariff. Handkerchiefs, which to-day are selling around $3.85 a dozen, would have to sell for about $4.50 a dozen.

If this change was going to protect the American workingman and American manufacturer, we would have nothing to say. But it does not, for the simple reason that, except for the lower end huck towels and crashes, there is practically no linen manufactured in the United States. More than 98 per cent of the linen you use comes from abroad.

We have been making strenuous efforts in the last year and a half to reduce the prices of all of our goods, and are most distressed at the thought of having to advance them at a time like this. If you agree with us that such a change in the tariff on linens is unwise and that prices should not be forced up, won't you write to your Senators and Representatives in Congress and protest against this uncalled for advance in rates.

Yours very truly, JAMES MCCUTCHEON & Co.

This statement indicates that 98 per cent of the product referred to therein is imported. Assume that 2 per cent, or 10 per cent, or 20 per cent is domestic, shall we impose a tariff on these products to enable the domestic manufacturers to raise the prices to the levels indicated in the statement just read? There are thousands of commodities affected by this bill, and the prices are to be raised in order to satisfy the demands of favored interests. This bill lays the heavy hand of oppressive monopoly upon the people, not alone upon the rich, but upon the poor, upon the working classes, upon the great consuming American public. Yet not a voice, unless it be one, upon the other side of the Chamber will be lifted to defend the American people.

I have every reason to believe that there will be at least one distinguished Republican whose voice has so often been lifted in behalf of labor and the masses of the people who, before this bill shall have finally been disposed of in the Senate, will lift his powerful and eloquent voice against this bill and will point out many of its abhorrent features.

Mr. President, if the Senator from North Dakota had not classed himself as a prophet, I should have been through with formic acid long ago. I shall conclude within a few minutes, if the Senator will permit me to do so.

Let me just briefly read from the survey prepared by the Tariff Commission. In the pamphlet called "A–1," dealing with a number of acids found in paragraph 1 of the bill, there are two or three pages devoted to the formic-acid industry, and it states that the tariff act of 1913 provided for a tariff of 1½ cents per pound. Then it proceeds:

Formic acid is a useful material in the dyeing and tanning industries, but other competing acids have, as a rule, been cheaper, and the use of formic acid has therefore been restricted to a few cases for which it has peculiar advantages. It is chiefly of interest because recent technical advances in its manufacture indicate that when normal industrial conditions are restored it may be put on the market at a lower price, which should greatly broaden its market. These new discoveries will probably indirectly have a marked influence also on the manufacture of oxalic acid.

Of course, upon the theory of my friend from North Dakota, prices are not going to come down. That is the purpose of this bill—to arrest any legitimate downward movement of prices in the commodities and articles which are daily consumed by the people. The manufacturers are determined to prevent competition, to prevent a reduction of prices.

Proceeding, this pamphlet states that this acid is—

a stronger acid than acetic acid, which it resembles most closely, and has antiseptic properties. Formic acid produces a painful sore when brought in contact with the skin—

And so forth.

The textile industry can use formic acid for many purposes. In the dyeing of cotton and wool mixtures in acid bath it is said to be superior to sulphuric acid, because it is less injurious to cotton than sulphuric acid. It is also used as a mordanting assistant in dyeing wool with a chrome mordant, for which purpose it competes with tartaric, oxalic, and lactic acids.

Of course, those who are familiar with dyes and textiles know the importance of the mordant.

It may replace acetic acid for many purposes in the textile mill whenever the price will justify it.

Formic acid has been used to some extent in tanneries as a substitute for the bran drench for removing lime from hides, but unless the price can be greatly reduced it is not likely to prove a serious competitor with lactic acid for the purpose.

In some distilleries small amounts of formic acid are added to the acidified mash. It is said that formic acid stimulates the activity of the yeast and represses the activity of the acid-forming bacteria, thereby increasing the yield and purity of the alcohol.

Formic acid forms salts with all metals, but the most important derivative is sodium formate.

With our enormous deposits of the materials essential in the production of sodium formate, one would suppose that we could compete with the world in its production.

It is the material from which formic acid is made and is also used for the manufacture of oxalic acid. Nickel formate is used as a catalytic agent in the hydrogenation of oils. Many different forms of nickel are used for this process, but it is claimed that the formate has many advantages and a large and growing use is indicated.

Formic acid forms many esters, including methyl formate, ethyl formate, butyl formate, and amyl formate. These are useful as perfumes and solvents—

That is, the esters, the combination with the alcohol. It forms esters in that way, combining with alcohol, for perfumes and those articles for which alcohol is used.

Cellulose formate, although not yet commercially developed, may prove an important rival for cellulose acetate and nitrate in the manufacture of plastics, lacquers, and coatings for airplane wings. A de-

rivative of formic acid known as diphosgene (perchlormethyl formate), was used by the Germans in poison-gas warfare. It can be prepared from formic acid, methyl alcohol, and chlorine, or from phosgene, methyl alcohol, and chlorine.

The earliest method of making formic acid was by the distillation with water of the bodies of certain varieties of ants. The name of the acid is derived from this source (*formica*, Latin for ant). Formic acid was next made by heating together oxalic acid and glycerine, but the acid made in this way was too expensive to find wide use. The development of the Goldschmidt process by the Germans reduced the cost of formic acid considerably and made it possible for the industry to grow rapidly. This process consists in heating carbon monoxide (or a gas rich in carbon monoxide such as producer gas) with caustic soda, under a pressure of about 10 atmospheres and at a temperature of about 200° C. This results in a direct combination, yielding sodium formate of a high degree of purity. The sodium formate may be treated with an acid (sulphuric acid or niter cake) and distilled, yielding formic acid. An even more important development is the conversion of the sodium formate into sodium oxalate and oxalic acid.

The development of this process in Germany gave to Germany a dominant position in the industry throughout the world. The only American manufacturer of formic acid before the outbreak of the European war was the Merrimac Chemical Co., of Boston, who for some time operated under their own and foreign patents. With the changed conditions, however, due to the war, they discontinued making this product and are not now making formic acid.

The imports are shown on page 37.

In the fiscal year 1906, when the rate of duty was 25 per cent ad valorem, 58,305 pounds were imported, the value being $4,036. In the fiscal year 1914 the record shows importations of 74,901 pounds. With the tariff at 1½ cents per pound under the Underwood bill, the imports were 1,044,844 pounds in the remainder of the fiscal year 1914. In the fiscal year 1915 they dropped to 534,895 pounds; in the fiscal year 1916 to 131,719 pounds; in the fiscal year 1917 they were 385,463 pounds. There is no report for the fiscal years 1918 or 1919. The calendar year 1919 shows imports of 132,333 pounds, of the value of $29,604. The unit value of imports, as indicated in that year, was 22⅖ cents.

The Tariff Summary shows the imports for 1920 to have been 173,019 pounds, and for nine months of 1921, 415,617 pounds, with a unit value for the last-named year of 12 cents.

Mr. President, as I have heretofore indicated, the pre-war import price was 4½ cents a pound. The price in the United States on the 24th of April this year was from 16 to 18 cents per pound—an increase of more than 300 per cent. That is what the domestic producers are charging. In addition, as I understand the application of the embargo act, this commodity is embraced within that act. I may be in error, but if I understand the position of my friend, the senior Senator from Utah [Mr. SMOOT], it would come in the category of a synthetic organic chemical, and therefore would be embargoed.

This product is manufactured by the Victor Chemical Works, and the Senator from Illinois [Mr. MCCORMICK] to-day offered an amendment to increase the rate from 4 cents per pound, which is a tariff nearly 100 per cent above pre-war prices, to 6 cents per pound. The Senate defeated that amendment.

I called attention briefly this morning, and just refer to it now, to the fact that in the brief of this corporation it was requested that the rate be laid at 7½ cents a pound. In other words, upon a product that sold before the war—import price—at 4½ cents per pound, they, the domestic producers, asked for a tariff of 7½ cents a pound. Under such a rate the retail price would probably be from 16 cents to 25 cents per pound.

I have suggested an amendment to strike out the provision in the Senate committee bill and insert in lieu thereof 2½ cents per pound. That would be approximately a 60 per cent tariff, based upon pre-war prices. If Senators will not accept that amendment, then it is apparent that no fair rate will be accepted as to any schedule of this bill, and that no amendment which seeks to protect the interests of the people will be adopted.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SMOOT. Mr. President, I just want to say a word for the RECORD. I have just analyzed our exports to Germany and our imports from Germany with a view of finding what effect they would have upon the rates named in this chemical schedule as those rates are set out, and I find that out of $29,975,549 of our exports to Germany there were $24,951,649 that represents articles that are on the free list. All the world buys the same goods from us, because they can buy the goods from us cheaper than anywhere else in the world. That leaves only $5,023,900 out of $29,900,000, and some of those goods are on the free list, but I can not tell just how many, as they are not classified and are grouped as a whole.

Not only that, Mr. President, but when you turn to the other side of the question, to articles we have imported from Germany, we find that most of them are on the free list. So, whatever rates are fixed in this bill, they have no relation whatever to the figures named here, outside of the little amount I have already suggested, because the large proportion of them are on the free list, both imported and exported.

Mr. JONES of New Mexico. I did not get from the Senator the classes of goods which we export to Germany.

Mr. SMOOT. I can tell them.

Mr. JONES of New Mexico. I thought the Senator was commenting on that.

Mr. SMOOT. I was. I said that out of $29,000,000 worth, referred to by my colleague as being the exports to Germany, $24,951,649 worth of them were goods on the free list.

Mr. JONES of New Mexico. On whose free list?

Mr. SMOOT. On our free list. There is no duty upon them, and we sell them to all the balance of the world, and the reason Germany buys them from us is because she can not buy them anywhere else as cheaply.

Mr. JONES of New Mexico. Is not the Senator interested in our continuing to sell those goods?

Mr. SMOOT. Yes; and they are on the free list to-day, and they are on the free list in this bill. Not one of them is taken from the free list.

Mr. JONES of New Mexico. Does that make any difference when we must find a market for what we do export to Germany?

Mr. SMOOT. That is a question I am not going to discuss at this late hour, but I am perfectly willing to discuss it with the Senator. As far as that is concerned, neither England nor any other country of Europe buys any more wheat from us than they have to, and they do not buy any more of other goods than they have to, and if they have to have them, they are going to buy them from this country.

Mr. JONES of New Mexico. The position which the Senator from Utah now takes has already been taken, and frankly stated at different times by the Senator from North Dakota, that simply because we are exporting products to Germany, in competition with the world, that does not make any difference, and he is not concerned about that.

Mr. SMOOT. They are a class of goods which Germany can not buy anywhere else as cheaply as she can here. If these were on the dutiable list it would be an entirely different proposition, but we are not putting them on the dutiable list. They are on the free list.

Mr. JONES of New Mexico. I can not see what difference it makes, and I do not care to go into a discussion of these questions at this time, but I do want to express the thought that we are just as much interested in getting a market for those things which we ship abroad, and which are not on the dutiable list, as we are for those which are on the dutiable list.

Mr. SMOOT. My colleague gave us a reason why there should not be imposed the rates found in this schedule, because of the fact that we export to Germany more than we import from Germany. That was the basis of his argument, and I do not want to go into a discussion of the other question, but I rose only to make this statement for the RECORD.

Mr. JONES of New Mexico. I just want to make this statement for the RECORD, too.

Mr. SIMMONS. The statement the Senator from Utah made a little while ago which struck me with most force was that these things which we ship to Germany are on the free list, and we can undersell the world in the products which are on the free list. If we can undersell the world in the products which are on the free list, why not in the products that are not on the free list?

Mr. SMOOT. That would be very easy to answer, but at this late hour I can not answer it. We can take up each item as we come to it and explain the matter. The Senator knows enough about the production of goods in this country to know the reason why. He should not have asked the question, as I know that he knows so much about the tariff that he knows the reason why that is true.

Mr. SIMMONS. I would like to have the Senator give the reason. If he thinks I know it, he is badly mistaken. I can not understand the force of the statement of the Senator that we can not compete with the outside world on any product that is on the dutiable list, but we can undersell all the world in an American product that happens to be on the free list.

Mr. SMOOT. If the conditions as to all the articles were the same as the conditions as to turpentine, and these other goods on the free list which have been exported to Germany, we would not want any tariff; there would be no need of a tariff law in the United States. But every one of the items mentioned is an item which we produce in this country cheaper than most any other country in the world can produce it, and all the balance of the world draws from us.

Mr. JONES of New Mexico. Mr. President, I have been interested in finding a market for these other products. I am not quite willing to say to the people of the country what the Senator from North Dakota said in his speech presenting this bill to the Senate. He advised the people to quit raising wheat until there should not be produced a surplus in this country, and go to raising flax.

I am not willing to indorse that sort of a doctrine, because, if that is the principle which the Senators had in mind in preparing this bill, that would mean that the copper producers of the country should quit producing copper and go to raising flax, and the laborers and men working in the steel factories of the country should stop that business and go to raising flax, and the cotton raisers and others likewise. I am not willing to subscribe to any such doctrine as that as promising the welfare of this country of ours, but that is precisely the basis on which this bill is founded. As stated by the Senator from North Dakota this afternoon, what is proposed is simply to hold this American market at all hazards, and regardless of all consequences. That is the doctrine he announced this afternoon, and whenever you look into any one of the items in this bill you will find that they have combed the commerce of all the world with a fine-tooth comb, and wherever they could find that any of these things were coming into the United States they have tried to put up a barrier to prevent them from coming in. As to every schedule and every item which I have examined that is almost invariably the result of this bill. If there is just a little of it coming in here they will build up a wall so high that none can come in.

Mr. POMERENE. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Ohio?

Mr. JONES of New Mexico. I yield.

Mr. POMERENE. Do I understand that as a result of that doctrine the farmers would be advised to stop raising wheat, and corn, and oats, and cattle, and hogs, and sheep, because they could not sell them abroad?

Mr. JONES of New Mexico. That is precisely what the Senator from North Dakota announced in his first speech, or the effect of it.

Mr. POMERENE. If that is so, I am quite sure that when this bill passes there will be no market for these surplus products.

Mr. JONES of New Mexico. The Senator's statement was, and he quoted the President of the United States, that it was unfortunate that when we had a surplus of products in this country we often got less for the crop than when we had a shortage; and so he advised that we produce just enough wheat, and if we would restrict our production of wheat so that we would not produce enough by about 1 per cent, we would be able then to increase the price of what we did raise. He specifically advised his people to quit raising wheat and go to raising flax. That was a very candid statement of the position taken by those who are advocating this bill. They simply want to prevent anything from coming into this country and to shut off any exports from this country. If we are producing a surplus of anything, we are advised to stop producing that and go to raising flax or something else of which we are not producing enough to satisfy the home market.

Mr. STANLEY. Mr. President, in other words, we should discontinue those industries which have been profitable, more or less, without the adventitious aid of protective duties, and go into those industries which have not been able to exist except by virtue of the same.

Mr. JONES of New Mexico. That is the logical result of this bill, not only to stop us from producing the things which we have found to be profitable but to force the people to engage in other occupations, something which they know nothing about. That is the effect of the bill.

Take this particular commodity which we are considering now—formic acid. There is only one concern—not over two, I believe—producing this article in the United States; and if you take the testimony of the man who appeared representing the industry, you will find that he said the duty which this bill proposes is not nearly high enough to keep that industry from dying. The only testimony as to this article is from the man representing that one concern, and he insists that the duty shall be about twice as high as proposed in this bill. How the committee ever arrived at these figures from any testimony in the hearings is more than I can say. The interested party who appeared wanted a tariff about twice what this bill gives him, and said his business could not live unless he did get a duty about twice as high as they have fixed it. His testimony upon this subject, however, is quite conflicting. I do not care to take up the time of the Senate in doing it, but I just want to call the attention of the Senate to the character of the testimony there is in the record in regard to this item.

We find in the hearings before the Ways and Means Committee the testimony in a brief by the Victor Chemical Works, of Chicago. According to that testimony the labor cost in formic acid is 7.84 cents a pound, the raw material cost is 7.85 cents per pound, the other expense is 2.31 cents a pound, making a total of 18 cents a pound. That was the statement in the hearings before the Ways and Means Committee, but the president of the same concern appeared before the Finance Committee of the Senate and put his labor cost at 5.07 cents, the material cost at 9.44 cents, the factory expense at 2.27 cents, sales and transportation, warehousing, and so forth, 1.5 cents, making a total of 18.28 cents.

It will be observed that the labor cost as shown by the testimony from the same concern on two different occasions had been reduced from 7.84 to 5.07 cents per pound and the raw material cost had been increased from 7.85 cents to 9.44 cents per pound. I wonder how they reached that, because this chemical concern is the one which manufactures the sodium formate, which is the raw material out of which the formic acid is made. So a witness of that sort can give any kind of testimony on the subject that he pleases and it will be true, because he manufactures his own sodium formate and he can put any price on that that he chooses and then use it as his basic material for the manufacture of the formic acid. That is the testimony in the case, and here we have, as between the hearings before the Ways and Means Committee of the House and the Finance Committee of the Senate a variation of practically 50 per cent in the cost of this basic material, increasing from 7 cents a pound to about 9½ cents a pound, and all of it manufactured by the same concern. That is the kind of evidence we have.

What does that mean to the consumers of formic acid? These are the prices before the war; prices, by the way, of the imports when none of it was imported to this country; when there was a German monopoly; when there was nobody in the United States competing. The export price in 1908 was 7 cents a pound; in 1910, 7 cents a pound; in 1912, 4½ cents; in 1914, 5 cents; 1916, 15 cents; 1920, 24 cents; and in 1921, 12 cents. The New York price of formic acid is now from 16 to 18 cents a pound. The latest price that we have was in 1921, 12 cents a pound, more than twice the price in Germany before the war. The German product is selling for more than twice what it was before the war.

Now, upon what theory shall you say that you are scared? Is there not something wrong with this American price? Is not this one concern which manufactures its own formate wanting to build up a monopoly in this case, to keep up the prices to two or three times what they were before the war? The question of price, according to the members of the Finance Committee, is all that has been considered in framing the bill. Shall we build up a tariff here which will permit these commodities to remain at such high prices?

The Senator from North Dakota this afternoon announced a new doctrine. He said in response to the Senator from Utah [Mr. KING] that the volume of money in the world had increased. We have had everything interjected into the discussion heretofore except that, and that is something new. The Senator brings in the quantitative theory of money, and he does that to explain just such things as this, that the price of these commodities shall be kept up higher than it was before the war because there is more money in this country than there was before the war.

I would like to have the chairman of the Finance Committee tell us what percentage he wants to allow on these prices to account for that theory. The great Finance Committee in its wisdom, when it was considering the question of the quantitative theory of money, has justified an increase in prices. I would like to have some one of them rise and tell us how much of a factor that was in the framing of the bill.

They say they are going to try to equalize the difference in trade conditions; that they have done it by considering the prices which prevail in this country now and those which prevail in other countries, and then want to keep up these prices because of the quantitive theory of money, because we have more money than we had before. I would like to know how much of a controlling factor that was with the committee in framing the bill.

Mr. President, it is another illustration of the very confused and uncertain foundation underlying the whole bill. We were first told that the bill was framed for the purpose of equalizing the difference in the cost of production here and abroad. We asked where they got it. Then they said they got it from prices and wanted to equalize that condition. Now they want to justify the high prices, and so they talk to us about the quantitive theory of money.

Mr. President, it is getting late. I wonder if the Senator from North Dakota intends to move an executive session or to adjourn?

Mr. McCUMBER. Mr. President, I intend to get a vote on this item if I can.

Mr. JONES of New Mexico. I hope also that we may get a vote on the item.

Mr. HEFLIN. Mr. President, I was very much interested in the able speech made by the Senator from New Mexico. He touched upon a suggestion made by the Senator from North Dakota about the money supply in the United States. If I understood him correctly, the Senator from North Dakota asserts that there is more money per capita in circulation now than we have ever had.

I dispute that proposition. I grant that there is more money in the United States now than there ever has been in its history, but that money is being hoarded, that money is being kept out of circulation. The common man, the average business man, can not get in touch with that money. It is not serving the needs of the people.

The fact that there is money hoarded in Wall Street by the millions and the billions does not help the man in the West, in the North, in the East, or in the South, who needs money to carry on his business. While the distinguished Senator from North Dakota and those who support his measure are trying to legislate money into the pockets of the monopolies of the country I suggest that they do something to loose the purse-strings so that the common man can get money to carry on his business, so that the man who has something that he wants to do can get the necessary money to do it, so that those who are unemployed can have employment.

The farmer who has his cotton prices driven down far below the cost of production would like very much to have something done that would enable him to get at least the cost of production. I saw the Republican side on yesterday vote to increase the tariff tax on arsenic, I believe it was, 3 cents a pound—2 cents a pound, the Senator from Utah [Mr. SMOOT] indicates to me by holding up two fingers—increasing the price of the material that the farmer needs in so many ways, taxing it and increasing the burden of the farmer. Yet now we are told that he ought to smile and be thankful because there is more money—not in circulation, but somewhere in the United States.

Well, Mr. President, it is not in circulation. What value is it to me when I am hungry and there is a mountain of food piled up in my sight if I can not get to it? Of what value is it to me that gold be stored in the vaults of the country if I need money to carry on my business and can not get it? Former Senator Dolliver, able and brilliant Senator from Iowa, illustrated the situation in speaking in this Chamber many years ago when he said, "I might be standing on the street corner talking to two other men. I may have had three square meals that day. Upon your theory," he said, "it would be claimed we have had an average of one meal apiece, when as a matter of fact I had all three of the meals and the other two men had no meal at all."

That is the situation we have in this country with the money that is being hoarded, and then Senators talk about so much money being in circulation. It is not true. It has been retired from circulation. The Republicans have contracted the currency, deflated credits, not by the millions but by the hundreds of millions. That is what they have done. This money is not out serving the needs of the people, and I do not want the impression to get out that all of us agree to the suggestion that there is more money in circulation now than we have ever had at any time. There is not now in circulation anything like the amount that we had in 1919. I grant that we have more money in the country, but not in circulation. The money supply of the United States was intended to serve the needs of the people of the United States. It is not doing it. It is being handled and manipulated so as to make some people exceedingly rich and some exceedingly poor.

Mr. WATSON of Indiana. Mr. President, if we are ready to vote, I shall make no remarks.

Mr. KING. I am ready for a vote.

SEVERAL SENATORS. Vote!

Mr. WATSON of Indiana. I am entirely willing that a vote may be now taken.

The VICE PRESIDENT. The yeas and nays having been ordered, the Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. SMOOT. A parliamentary inquiry.

The VICE PRESIDENT. Without objection the Senator will state his inquiry.

Mr. SMOOT. Is the vote now being taken on the amendment offered by the Senator from Utah [Mr. KING] to the committee amendment?

The VICE PRESIDENT. It is.

The reading clerk resumed the calling of the roll.

Mr. DILLINGHAM (when his name was called). I have a general pair with the Senator from Virginia [Mr. GLASS], which I transfer to the Senator from Maryland [Mr. FRANCE], and vote "nay."

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD]. I transfer that pair to the Senator from Pennsylvania [Mr. PEPPER], and vote "nay."

Mr. McKELLAR (when his name was called). I have a general pair with the junior Senator from Indiana [Mr. NEW], which I transfer to the junior Senator from Rhode Island [Mr. GERRY], and vote "yea."

Mr. STANLEY (when his name was called). I transfer my general pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Texas [Mr. CULBERSON], and vote "yea."

Mr. STERLING (when his name was called). Transferring my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Oregon [Mr. STANFIELD], I vote "nay."

Mr. HEFLIN (when Mr. UNDERWOOD's name was called). My colleague [Mr. UNDERWOOD] is paired with the senior Senator from Massachusetts [Mr. LODGE]. If my colleague were present he would vote "yea."

Mr. WATSON of Indiana (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS]. In his absence I transfer that pair to the junior Senator from Delaware [Mr. DU PONT] and vote "nay."

The roll call was concluded.

Mr. JONES of Washington. The Senator from Virginia [Mr. SWANSON] is necessarily absent. I promised to take care of him by pair during the day. I find I can transfer my pair with the Senator from Virginia to the junior Senator from Maryland [Mr. WELLER]. I do so, and shall vote. I vote "nay."

Mr. McKINLEY. I transfer my pair with the junior Senator from Arkansas [Mr. CARAWAY] to the senior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. SIMMONS. I wish to announce that the senior Senator from Missouri [Mr. REED] is absent. If he were present, he would vote "yea" on the pending amendment.

I also desire to state that had the Senator from Missouri been present during the last few days he would have voted "yea" upon the several amendments which have been offered by the minority to the amendments reported by the Committee on Finance.

Mr. JONES of New Mexico (after having voted in the affirmative). I desire to announce the transfer of my pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED], and will allow my vote to stand.

Mr. SUTHERLAND. I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON]. I transfer that pair to the senior Senator from Pennsylvania [Mr. CROW], and will vote. I vote "nay."

Mr. FRELINGHUYSEN. I transfer my general pair with the Senator from Montana [Mr. WALSH] to the Senator from New Hampshire [Mr. MOSES] and vote "nay."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Connecticut [Mr. McLEAN] with the Senator from Montana [Mr. MYERS].

The result was announced—yeas 17, nays 38, as follows:

YEAS—17.

Ashurst	Heflin	Overman	Stanley
Dial	Hitchcock	Pomerene	Walsh, Mass.
Fletcher	Jones, N. Mex.	Sheppard	
Harris	King	Shields	
Harrison	McKellar	Simmons	

NAYS—38.

Ball	Harreld	McKinley	Spencer
Brandegee	Jones, Wash.	McNary	Sterling
Broussard	Kellogg	Newberry	Sutherland
Bursum	Kendrick	Norbeck	Townsend
Calder	Keyes	Oddie	Wadsworth
Capper	Ladd	Phipps	Warren
Curtis	Lenroot	Poindexter	Watson, Ind.
Dillingham	Lodge	Rawson	Willis
Frelinghuysen	McCormick	Shortridge	
Hale	McCumber	Smoot	

NOT VOTING—41.

Borah	Fernald	New	Stanfield
Cameron	France	Nicholson	Swanson
Caraway	Gerry	Norris	Trammell
Colt	Glass	Owen	Underwood
Crow	Gooding	Page	Walsh, Mont.
Culberson	Johnson	Pepper	Watson, Ga.
Cummins	La Follette	Pittman	Weller
du Pont	McLean	Ransdell	Williams
Edge	Moses	Reed	
Elkins	Myers	Robinson	
Ernst	Nelson	Smith	

So Mr. KING'S amendment to the committee amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

ORDER FOR RECESS.

Mr. McCUMBER. I ask unanimous consent that when the Senate concludes its session this calendar day it shall take a recess until to-morrow at 11 o'clock a. m.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

LANDS IN WIND RIVER RESERVATION, WYO.

Mr. SPENCER. From the Committee on Indian Affairs I report back favorably without amendment the bill (H. R. 4069) authorizing the Secretary of the Interior to sell certain lands on the Wind River Reservation, Wyo., and I submit a report (No. 696) thereon.

The bill relates to a 40-acre tract of land in Wyoming. Both Senators from that State are anxious that authority should be given for the sale of the land; the committee are unanimous in their report, and the department likewise is in favor of the bill. I ask unanimous consent for the immediate consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized, in his discretion, to sell to the Arapahoe Trading Co., Yellowstone Sheep Co., and Patrick A. McGovern, bishop of the Catholic Church for Wyoming, for an adequate consideration, not to exceed 40 acres of land on which is located valuable improvements at the Arapahoe subagency, on the Wind River Reservation, Wyo., being the southeast quarter of the northwest quarter, section 23, township 1 south, range 3 east, Wind River meridian, and to convey the same by patents in fee to the interests herein named, the said patents to include the lands on which the improvements are located: *Provided*, That the cost of any special survey required for issuing the patents shall be paid by the purchaser.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

FOREIGN POLICY OF THE UNITED STATES.

Mr. McCORMICK. I send to the desk and ask to have printed in the RECORD the report of a special committee of the Chicago Association of Commerce on "Present day world problems as they affect the United States."

There being no objection, the report was ordered printed in the RECORD, as follows:

WHAT SHALL OUR FOREIGN POLICY BE?—A STUDY OF PRESENT-DAY PROBLEMS AS THEY AFFECT THE UNITED STATES—FOR THE CHICAGO ASSOCIATION OF COMMERCE.

(By Wyllys W. Baird, chairman, Baird & Warner, real estate and mortgages; W. Rufus Abbott, president Illinois Bell Telephone Co.; Edgar A. Bancroft, Scott, Bancroft, Martin & Stephens, attorneys; John F. Bass, author and war correspondent; Abel Davis, vice president Chicago Title & Trust Co.; H. G. P. Deans, vice president Merchants Loan & Trust Co.; Robert P. Lamont, president American Steel Foundries; Harold G. Moulton, department of political economy, University of Chicago; C. H. MacDowell, president Armour Fertilizer Works; John W. Scott, vice president Carson Pirie Scott & Co.; Edward M. Skinner, general manager Wilson Bros.; James Simpson, vice president Marshall Field & Co.; Silas H. Strawn Winston, Strawn & Shaw, attorneys; Thomas E. Wilson, president Wilson & Co., special committee.)

FOREWORD.

The time for the American people to determine the basic elements of our foreign policy is now. The European economic situation is critical; if the United States is ultimately to cooperate with Europe in any far-reaching program of reconstruction, we have got to make up our minds soon what we stand for, what we think Europe must do, and what we are willing to contribute to the process of settlement. American delegates can not function at any international conference unless they go there, if not with power to act, at least with something in the way of a formulated and expressed public opinion back of them. In a democracy public opinion is supreme. What is American public opinion with reference to the issues raised in this memorandum—a memorandum only, submitted to the public without recommendations and solely for the purpose of provoking thought and discussion?

CHICAGO, *April 15, 1922.*

I.—THE DEPENDENCE OF AMERICAN PROSPERITY ON EUROPEAN PROSPERITY.

Widespread misapprehension exists concerning the causes of the business depression in the United States. Each section of the Nation's producers, confused by the economic crisis, have sought to lay the blame of their misfortunes on the shoulders of some other section of the productive community. The farmer, deeply in debt and unable to obtain adequate prices for his products, accuses the bankers of withholding adequate credit, accuses the manufacturer of profiteering, and accuses the middlemen and boards of trade of exploitation and the ruination of the country's basic industry. The manufacturer, on his side, asserts that it is labor, with its inefficiency and its unreasonable wage demands, that stands in the way of the revival of production and of general prosperity. Labor, in its turn, is convinced that there is something radically wrong in the system of production, by which the workers are robbed of their just proportion of wealth. The workers demand the right to a higher standard of life from a Nation whose power to satisfy that demand has been greatly impaired.

Nearly all groups, moreover, contend that high freight rates stand as a bar to industrial prosperity. Reduce railway charges and all things else will follow. But to this the carriers reply that rates can not be reduced until the wages of the railway employees are correspondingly reduced. Again, there is the complaint that taxation—Federal, State, and local—is ruinous; taxes must certainly be reduced. But taxes, others urge, must be increased because of the demands for a bonus and other appropriations.

Unable to understand the interdependence of the different parts of the world economic organization, the farmers, capitalists, and laborers alike are led to seek fictitious remedies, remedies which, like quack medicines, only tend to weaken the system. The fact that the United States is an economic unit, each group and each section of which in the end must stand or fall with the whole, has not yet sunk into the consciousness of the Nation. Much less do we realize that the entire world is now an economic unit.

While there are no doubt grave defects in the modern economic system, no remedy will be found in the present crisis by weakening or wrecking that system. Yet such will be the result if ignorance leads large groups of the country to emphasize our antagonism of interest instead of our common needs. Such results will also inevitably follow if nations, ignoring the needs of their neighbors, refuse to cooperate in the solution of international problems and stand apart in the fancied security of their supposed isolation.

The truth is that the United States is fundamentally dependent upon European prosperity. Specific data are required to reveal how closely interrelated is the economic life of modern nations. The following statement taken from a publication of a leading financial institution of New York, based upon practical trade information coming into the bank, indicates in some detail the nature of the interdependence of trade between the United States and foreign lands since the war:

"Danville, Va., is interested in sending tobacco to Venezuela; Laporte, Ind., wants to send farm tractors to Brazil; St. Joseph, Mich., desires an agent for automobile accessories in India; Durgettstown, Pa., sends an inquiry regarding industrial enterprises in Yugoslavia; Parkersburg, W. Va., wants to sell oil-well supplies to Mexico; Keokuk, Iowa, is interested in developing a market for rolled oats in South America; Coshocton, Ohio, wants to appoint an agent in Spain for its glass bottles; Cadillac, Mich., desires to ship veneer to New Zealand; Monessen, Pa., is interested in steel wire in South Africa; Charlotte, N. C., wants to send cotton to Finland; Norfolk Downs, Mass., has a customer for weighing machinery in Formosa; Mount Pleasant, Mich., has a customer for trucks in Guatemala; and Valdosta, Ga., wants to export cotton linters to Czechoslovakia."

"A recent analysis of the cargo carried by a United Fruit liner sailing from New Orleans to South American ports showed that practically every community in the United States, manufacturing or agricultural, had some part in the production of the cargo sent out in this steamer."

Nor is the United States interested merely in exports. The statement goes on to say:

"We must have a regular and increasing supply of many commodities which are not produced in the United States, or which are produced in such small volume as to be entirely inadequate for our requirements. We must obtain manganese for our steel mills from Russia and South America.

"Our tanneries must have quebracho from Argentina; our automobile-tire industry must obtain crude rubber from Brazil; our machine shops, rail mills, armored-plate works, and wire-rope factories must have nickel from Canada and New Caledonia; our tinplate manufacturers must import their tin from the Malay Straits and from Bolivia; our silk factories must get their raw product from China and Japan; our clothing wools must be imported from Australia and Argentina; our manufacturers of twines, canvas, linens, and laces must get their flax from Russia and Belgium; our burlap makers must get their jute from India; the sisal which is used to make our binder twine must come from Yucatan. We must also import large quantities of coconut oil and other vegetable oils from the Dutch East Indies and from Pacific isles; coffee from Brazil, tea from China, India, Japan, and Java; cocoa from Venezuela; sugar from Cuba; rice from the Far East; spices from the East Indies; platinum from Colombia; and vanadium from Peru."

Notwithstanding such facts as these and in spite of all the emphasis that has been placed by bankers and others upon the necessity of maintaining our export trade if the country is to prosper, one still hears men say on every hand that whatever happens in Europe this great country of ours will not be seriously affected. Let our foreign markets go, if need be. It is urged that they are relatively unimportant anyhow; for our foreign trade is only 8 or 10 per cent of our total trade. Rather than grieve over the loss of foreign markets, let us confidently devote our attention to developing our home markets. Is not the consuming capacity of the American people limitless in extent? Think of the enormous numbers of people who still have no automobiles; think of the number whose homes are not elegantly furnished; think of the number, if one must, who are still scarcely above the minimum of subsistence. Why worry about foreign markets when such vast potential demands are to be found within our own borders?

These are brave words, no doubt, but they are based upon fundamental misconceptions of the working of economic forces. Large and thriving domestic markets, unfortunately, depend upon foreign markets; they can not readily be stimulated when foreign markets are waning. Moreover, it is altogether misleading to argue that since our export trade as a whole constitutes only 8 or 10 per cent of our total trade, it is relatively unimportant. The truth of the matter is that practically 50 per cent of our total cotton supply is normally exported, and from 25 to 30 per cent of our wheat crop. In many lines of industry our exports are altogether negligible; while in certain other important industries the export trade is of paramount significance. While one might argue with a show of plausibility that a 10 per cent loss of trade is not significant, he can not argue with equal cogency

when the percentage that is involved is 20 or 30 or even 50 per cent, as in the case of cotton and copper.

There is no escape from the conclusion that if American exports of cotton and wheat should be very greatly reduced as a result of European decadence, the cotton belt and the wheat belt would be seriously depressed for years to come. As a consequence the industrial activity of this country, as we shall see, would be seriously curtailed.

The effects of reduced European purchasing power are already clearly manifest. Exports of manufactured goods of practically every kind have been tremendously reduced during the past year. Although the physical volume of exports of grain has been very large, nevertheless the price of wheat fell during the year 1921 nearly 50 per cent. According to the closest observers, the European demand was always sluggish; purchases would be made only if the price were low. It may be pointed out, moreover, that the British export price to the continent fell much more than the American export price, thus indicating that continental Europe is the economic sore spot of the world. The recovery in the price of cotton in the late summer was due to the small supply rather than to the large demand. It remains to be seen, moreover, whether the recent rise in wheat will be sustained through the harvesting season.

It is idle to hope that our manufacturing industries—if shorn of their foreign markets—could, under the conditions prevailing, immediately devote their attention to the manufacture of goods for sale to the people of the cotton districts and to the wheat farmers of the West. Cotton and grain growers can purchase the products of domestic manufacture only when a strong foreign demand affords them a paying price for their products. And under a profit-making system manufacturers will produce goods for sale to farmers, or to anyone else, only when it pays to do so.

During the war period, in consequence of the inordinate foreign demands for American raw materials and foodstuffs, producers of cotton and food enjoyed unprecedented prosperity; whereupon they proceeded to purchase, with an abandon never before equaled, the products of American manufacture. The expanded domestic demand was definitely a result of the large foreign demand. The tide has now been reversed, and we shall not be able to expand materially our domestic sales in the agricultural regions of the South and West so long as the foreign demand for the produce of these regions continues to decline.

The point of this analysis is that since a decline in foreign demand may cause economic prostration in certain basic industries in the United States and since the effects of this are felt throughout the entire industrial system of the country, the loss of our foreign trade is of vital importance. A decline of foreign trade carries with it, for at least a considerable period of time, a decline in domestic trade.

The qualification, "for at least a considerable period of time," will be noted. The North American Continent is undoubtedly economically self-sufficient; and it is large enough and diversified enough to permit an extensive geographical specialization in production. In the long run we might, therefore, effect a vast reorganization of the channels of trade and of financial relations and get on well enough without Europe. The trouble is that we are just now faced with the short run, which must be completed before we shall have an opportunity to engage in the longer jaunt. Our economic organization is adjusted, as a result of the trade and industrial evolution of the last hundred years, to trade with Europe. The process of reorganizing the industrial system on wholly independent lines would involve the gravest industrial consequences and require many years to accomplish.

Again we must come back to the question of imports. If the power of other nations to produce commodities required by the United States is seriously impaired, it will in many cases seriously hamper American industries. Run back over the list of commodities mentioned in the quotation above that must be imported by the United States, and you will find that the maintenance of imports is quite as essential to American prosperity as the maintenance of exports.

The maintenance of American imports is, moreover, directly indispensable to the maintenance of American exports. Other nations can purchase our goods only if we purchase theirs in substantially like amounts. International commerce at bottom means swapping goods.

All nations, then—even the United States—will have to bear the industrial consequences if the process of economic and social disintegration in Europe, particularly central and eastern Europe, is allowed to run its fatal course.

II.—The Nature of the European Sickness.

While the persistence of European prostration and gradual decadence is conceded without argument by most close students of international economic conditions, it is perhaps well to point out here the principal sources of difficulty at the present time, and the chief evidences of continued economic deterioration.

In some important respects the situation is better now than it was two years or even a year ago. Industrial and political unrest has, temporarily at least, been allayed; food production has increased somewhat; and there is a growing disposition in many countries toward renewed international cooperation in economic affairs. But in other fundamental respects the situation has shown no improvement. The principal evidences lie in: (1) Statistics of monetary inflation; (2) government budgets and debts; and (3) foreign trade.

In the allied and neutral nations the total of outstanding currency has been reduced somewhat during the past year, and in some quarters this has been pointed to as indisputable evidence of general improvement. The truth is, however, that it is merely a result of business depression. Just as bank loans and outstanding notes and deposits in American banks have declined during the past year because of declining prices and curtailed business operations, they have also been reduced in Europe. In all of the countries of central and eastern Europe, however, there has been an enormous expansion of currency, largely to meet government deficits.

In nearly every continental country government deficits were larger in 1921 than in 1920—with England the only belligerent nation in Europe that could by any stretch of the imagination be regarded as in a sound fiscal condition. To take a horrible example, Poland's revenue from taxation in 1920 was estimated at 3,000,000,000 paper marks and expenditures at 15,000,000,000. In 1921 the figures have been computed by a leading American banker at 10,000,000,000 paper marks taxation revenue and 110,000,000,000 paper marks expenditures. The proportion raised by taxation decreased from 21 to 9 per cent.

Even France is still in a very grave financial condition, as the following figures of mounting indebtedness show:

Total debt (in francs).

1914, July 31	34, 188, 000, 000
1918, December 31	151, 122, 000, 000
1919, December 31	240, 242, 000, 000
1920, September 30	285, 836, 000, 000
1921, February 28	302, 743, 000, 000
1921, September 30	320, 000, 000, 000
1921, December 31	328, 000, 000, 000

These official figures of the increase in the French debt are sufficient answer to those who contend that France has now practically balanced her budget. In the 12 months ending September 30, 1921, the deficit was obviously nearly 35,000,000,000 francs, making no allowance for interest on the Government debt to other allied nations. It should be added that reparation claims, if paid in full, would reduce this deficit to about 20,000,000,000. But does anyone now believe that they will ever be paid in full?

Germany's debt increase has been even more stupendous since the armistice. In order to balance her budget at the present time Germany would have to double her revenues and halve her expenses. It may well be questioned whether any continental European Government could remain in power if it attempted to make fiscal ends meet. It is the huge fiscal deficit in Germany that in the main explains the stupendous increase in mark circulation from 70,000,000,000 last May to over 120,000,000,000 at the present time.

With reference to foreign trade, most European nations have reduced somewhat the excess of imports over exports—the unfavorable balance. But this is mainly the result of the fact that while exports have declined, imports have declined still more heavily, all of which is in no small degree again merely a reflection of the world-wide business depression. Only to the extent that the reduced imports are in foodstuffs and nonessential commodities can they be regarded as evidences of improvement. Unfortunately, the progress in this connection has been far from satisfactory in most European countries. On the whole, European trade is still very greatly depressed, evidencing, as in the United States, decreased industrial activity and diminished output at a time when the crying need of the world is for increased wealth production.

The unity of the problem.

Even if it were true that a few particular nations of Europe had shown improvements during the past year, there could be no assurance of permanency in such improvement so long as other important sections of Europe are in decadence. If the prosperity of the United States is dependent upon stable European conditions, the prosperity of France and England and other western European nations is even more dependent upon the restoration of the shattered economic organization of central and eastern Europe. All nations of Europe will in the end progress or retrogress together.

III. The Fundamental Requirements.

The purpose of this memorandum is, first, to direct the attention of American business men to conditions in Europe and the relation thereof to American prosperity, and then to promote discussion of ways and means of remedying the existing situation. To this end there is drawn up below a statement of the principles involved, together with the arguments, pro and con, on highly controversial issues.

There are two elemental principles which, if kept steadfastly in mind, will contribute greatly to a sound solution of the present world problem. They are as follows:

1. There can be no permanent improvement in any country unless there is an increase in production. It is self-evident that we can not consume what has not been produced.

2. There can be no great increase in production in any nation so long as international commerce is languishing. The existing economic system is international in scope; for good or for ill, each nation depends for its material well-being upon thriving trade with other nations.

The crux of the problem therefore lies in the reestablishment of normal trade relations between nations, to the end that through specialized production and exchange the wealth of the world may be increased and the welfare of all classes promoted.

Means of restoring international trade.

A consideration of the means of reestablishing trade naturally leads to certain controversial issues. The following are the fundamental problems involved:

(1) Fluctuating exchange rates.
(2) Trade barriers and restrictions.
(3) The payment of reparations and interallied debts.

The exchange problem.

The elimination of fluctuating exchange rates requires: (a) The restoration of the gold standard in Europe, (b) the balancing of European budgets, and (c) the balancing of exports and imports in the several countries. Let us see what each of these steps involves.

(a) The gold standard can not be restored in many European countries without increasing the amount of the gold reserve. The United States and the European neutral nations now have huge supplies of gold—supplies far in excess of trade or bank reserve requirements. It has been suggested that the restoration of the gold standard would be facilitated if the excess gold of certain countries were loaned to the nations with depleted gold reserves. (It goes without saying, however, that this should be done only as part of a many-sided program of reconstruction.)

In many European countries it will be found impossible under any circumstances to redeem the huge volume of outstanding paper currency in gold at par. The redemption should be made at some fixed ratio, as a hundred to one, a thousand to one, or a million to one, depending upon the degree of inflation in the various countries.

(b) The balancing of budgets is necessary to a restoration of the gold standard, and thus to a restoration of stable exchange rates. Government deficits require additional Government borrowing—and this additional borrowing in many countries necessarily takes the form of legal tender irredeemable paper promises to pay. This increase of paper currency is accompanied by persistent depreciation in terms of gold. The gold standard, if reestablished, can not be maintained unless budgets are balanced and all further issues of paper currency consequently avoided.

A balancing of budgets in continental European countries can, as a practical matter, be accomplished only by a great reduction in expenditures. In most countries the tax burden is already very heavy in proportion to per capita income. Higher taxes would tend to impede rather than encourage enterprise. Expenses can be officially reduced only in the following ways, all other means being of minor significance: (1) By decreasing military expenditures; (2) by refunding Government securities at lower interest rates.

When it is known, for example, that the interest on the French debt now equals about 65 per cent of the total French revenues from taxa-

tion, and that the two items of interest (exclusive of that on the foreign debt) and military expenses alone now exceed the total revenue from taxation, it will be readily recognized that drastic curtailment of expenditures for these purposes is necessary.

TRADE BARRIERS AND RESTRICTIONS.

Since the war there has been a return to a régime of trade control and tariff regulation comparable only to the situation during the so-called mercantilist era of the seventeenth and eighteenth centuries. Then the guiding principle of nations was to develop national power through a series of trade regulations and restrictions designed to promote manufacturing and to make the exports of every nation exceed the imports. While the utter futility of this has been repeatedly demonstrated, it has come to the front again since the war. Each of the new States of central and eastern Europe has been trying to render itself economically self-sufficient through trade embargoes, restrictions, and tariffs; each has, however, merely succeeded in rendering itself economically impotent. Says the British commercial commissioner to Hungary of the States arising out of the former Austro-Hungarian Empire, "It would seem that each State has determined to prevent the others from existing, even if it ruins itself in the endeavor."

Happily there has been some change of sentiment in central and eastern Europe during the past few months, and trade treaties are now being negotiated. There is still much to be accomplished, however, and the necessity of permitting unrestricted trade is still to be fully recognized by the nations of western Europe as well as by the United States.

This is not an argument for the establishment of free trade throughout the world. On the contrary, it is recognized that such a policy would be likely to produce a new chain of maladjustments and transition difficulties. But it is an argument against the artificial and destructive trade restrictions and barriers that have followed in the wake of the war.

THE REPARATION AND DEBT PROBLEM.

From the economic standpoint the payment of reparations and allied debts involve almost identical principles. But since their origin is different they must be treated separately.

The arguments in favor of requiring Germany to pay the reparations stipulated in the Versailles treaty are as follows:

(1) Germany not only was responsible for the war, but her armies devastated a large area in France and Belgium. She should therefore pay for the damages wrought to property and furnish pension money for allied soldiers.

(2) Germany should be placed under the reparation handicap in order to prevent her from beginning immediate preparation for a future renewal of the attack on civilization.

(3) France, particularly, can not balance her budget and recover her financial equilibrium unless Germany pays. Without reparations France is bankrupt. Italy and Belgium are in a similar position.

(4) Germany is able to pay, as is evidenced by her industrial activity and huge profits.

The following are the arguments for a very great reduction of the reparation payments:

(1) Germany will collapse financially if forced to meet the strain of reparation payments in addition to meeting her ordinary financial requirements. The collapse of German exchange since the settlement of last May is pointed to as evidence in point. The apparent prosperity is not built on solid foundations; business is feverish, not healthy, and the profits are largely paper profits. A collapse of Germany would seal the industrial fate of Europe for at least a generation.

(2) Germany has less than $250,000,000 in gold. It is agreed, therefore, by allied statesmen as well as by financiers and economists everywhere that Germany can pay only with goods. The fundamental principle is that foreign debts can be paid only through an excess of exports over imports. The allied nations are not willing to receive huge quantities of German goods nor are they willing to see German trade thus stimulated. They have already erected tariff barriers against German goods. The reparations issue reveals the truth of the old saying, "It is more blessed to give than to receive."

(3) The payment of reparations would reduce the exports of the allied nations.

If Germany is compelled to export, say, $1,000,000,000 of goods annually for reparation payments she can not use that $1,000,000,000 in purchasing allied goods. Allied exports will accordingly be $1,000,000,000 less than would otherwise be the case. Great Britain, France, Belgium, Italy, Serbia, and Rumania need to have Germany buy from them quite as much as they need to have German materials furnished free of charge. The recognition of the importance to every nation of German markets and of the necessity of allowing Germany to use her own exports as a means of purchasing imports, if German markets are to be restored, leads inevitably to the conclusion that the reparation payments must be reduced to very small quantities for the good of the allied nations themselves. It is this recognition of the necessity of restoring German demand for the exports of other countries that is responsible for the almost complete shift of opinion in Great Britain on the whole subject of reparations.

These considerations lead to the conclusion that reparation payments should be confined to shipments of such materials of reconstruction as allied nations specify they wish to receive.

The arguments in favor of requiring the payment of the allied debts to the United States are as follows (the arguments as to the debts between England, France, etc., are the same in most respects):

(1) Europe has a moral obligation to pay, and it is highly important in these days of unsettlement that moral obligations be recognized and kept.

(2) We asked for no reparations or cessions of territory.

(3) We need the money in order to reduce our oppressive tax burdens.

(4) We are in a strong strategic position as a creditor nation; debtors always listen to those to whom they owe money. Why part with this weapon of diplomacy? Hold it as a club over Europe, as a means of enforcing our demands for internal European reforms.

(5) The cancellation of these debts would prejudice future international credit operations.

The arguments in favor of substantial cancellation of the debts of European nations to the United States Government are as follows:

(1) Some six or seven billions of the ten billions of government loans were made for war purposes at a time when that was the only way in which we could cooperate effectively in the struggle. That much of it, at least, should be regarded as a war cost—incurred at a time when the allied armies alone were holding the enemy at bay. It may be recalled in this connection that this money was largely spent in the United States in payment for war supplies purchased here.

(2) The remission of these debts would gain for us the good will of the world, a good will which in the long run would prove of incalculable practical benefit.

(3) The allied nations can pay us only by shipping goods here. The interest alone on the total of government debts now amounts to about $500,000,000 annually. To pay the interest would therefore require an excess of American imports over exports of $500,000,000 a year. Private debts now owing us add about $200,000,000 more to this amount.

The United States desires to increase exports. But as a practical matter if we require Europe to ship us $700,000,000 annually in payment of interest on past debts and another $300,000,000 annually, say, for reduction of principal, Europe's ability to purchase our current production will be reduced by a billion dollars annually, and our exports will decline accordingly. All who want to see exports maintained and increased should, therefore, stand for debt cancellation. So, also, with all those who believe in high protection for American industry.

(4) We can not reduce the burden of taxes by requiring Europe to pay. The inevitable resulting curtailment of exports would intensify the business depression and thereby make a less total of taxes more difficult to meet than the present total. We were prosperous while the process of shipping Europe $10,000,000,000 of goods on credit was under way; we would be unprosperous if Europe were to pay us. The very fact that we have been seeking to devise means of continuing foreign credits "for the benefit of American business" suggests that prosperity here is not to be found in declining exports and expanding imports. With good business in this country our present taxes would prove less onerous than would taxes $500,000,000 less under conditions of serious business depression.

(5) The answer to argument No. (3) in favor of making Europe pay is that we would make a more effective use of our power if we agreed to cancel the debt on condition that the Allies undertake to do now what is regarded as necessary for the restoration of world prosperity. These debts will prove a valuable weapon of diplomacy only if they are actually used for bargaining purposes—thrown into the pot as a part of the general settlement. It would be impossible, for example, for us to induce France to let up on reparation demands if we were unwilling to reduce or cancel our debt claims.

(6) There is a final argument for cancellation. When a private debtor becomes so seriously embarrassed that it is apparent he can not meet his obligations within any reasonable length of time he is permitted to go through bankruptcy proceedings and start anew. It is recognized that this is sound policy, even from the point of view of the creditor, for the bankrupt may in time become once more a good customer. Why should not the same policy be adopted between nations? Should it not be recognized that the nations of continental Europe can not pay within any reasonable length of time, and that our interests, as well as theirs, would be promoted if we let bygones be bygones?

Such are the arguments for and against reparation and debt reduction or cancellation. Since the purpose of this memorandum is only to provoke thought and discussion, we express here no opinion on the merits of the controversy. It is deemed important, however, to emphasize one matter of policy. Granted that it may in the end be wise to cancel or reduce the war debt to the United States, it would certainly not be sound policy to do so at the present moment and unconditionally. We should await the proper time, and then agree to cancellation, reduction, or a general reorganization agreement, with equitable adjustments of monetary obligations and trade restrictions, only on condition that the European nations resolutely undertake to perform their part in the general settlement. Meanwhile we should be studying the problem involved so that there may be no unnecessary delay when the psychological moment arrives.

IV.—WHAT SHOULD THE FOREIGN POLICY OF THE UNITED STATES BE?

The Conference for the Reduction of Armament recently held in Washington constituted an important step toward the sort of international cooperation that is needed if the economic rehabilitation of the world is to be effected. It points the way to further constructive achievement. Although the conference was called to consider the reduction of armaments both on sea and on land, it was found inexpedient to consider at the moment the question of European land armaments, vital as that question was known to be. In spite of this failure to secure any alleviation of the burden of land armaments, the action taken in Washington gives greater promise of world peace and consequently of economic rehabilitation than any other international action since the armistice. The definite results obtained constitute a saving of many millions of dollars annually for each of the great powers and renders naval competition and naval warfare in the near future a practical impossibility. Major questions of dispute in the Far East have been settled amicably. China and Siberia have been protected from political and military aggression so far as conditions in these countries now make possible. A greater degree of international trade and financial cooperation in relation to China is assured.

Furthermore, the moral effect of the Washington settlements, reached in a spirit of cooperation in which each nation has conceded something for the common good, must in the end exert a tremendous pressure for similar action in Europe. Peoples now staggering under the burden of military armaments will demand of their governments substantial relief from that burden. Moreover, the permanent administrative agencies, established to carry out the terms of the Washington agreement, will constitute in themselves the basis of a practicable association of nations to promote international peace and cooperation.

Relieved of naval militarism, the nations of the world may now seek to bring about permanent peace conditions and a substantial reduction of land armaments on the Continent of Europe. Since the economic stability of Governments everywhere in Europe requires the cooperation of the United States and Great Britain with the nations of continental Europe, in the end the influence which our Nation can exert for the rehabilitation of Europe must be decisive. If the great Anglo-Saxon nations use their combined influence to secure international cooperation for a reduction of European armaments and a restoration of international commerce, they will have made the economic recovery of Europe possible.

The United States Government has recently seen fit to refuse the invitation to attend the "economic and financial" conference called to meet in Genoa early in April. This refusal, however, in no sense indicates a determination on our part to withdraw from all participation in European affairs—to adhere to a policy of narrow isolation. The refusal is apparently based on the conviction that the Genoa conference may be involved in political controversies that will hinder rather than promote constructive economic settlements.

The administration stated in reply to the invitation that the conference did not appear to be primarily economic and that certain funda-

mentally important issues are excluded from the agenda. Mr. Hughes's note concludes: "While this Government does not believe that it should participate in the proposed conference, it sincerely hopes that progress may be made in preparing the way for the eventual discussion and settlement of the fundamental economic and financial questions relating to European recuperation which press for solution."

The time for the American people to determine the basic elements of our foreign policy is now. The European economic situation is critical; if the United States is ultimately to cooperate with Europe in any far-reaching program of reconstruction, we have got to make up our minds soon what we stand for, what we think Europe must do, and what we are willing to contribute to the process of settlement. American delegates can not function at any international conference unless they go there, if not with power to act, at least with something in the way of a formulated and expressed public opinion back of them. In a democracy public opinion is supreme. What is American public opinion with reference to the issues raised in this memorandum?

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock and 30 minutes p. m.) the Senate took a recess under the order previously made until to-morrow, Wednesday, May 10, 1922, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 9 (legislative day of April 20), 1922.

COLLECTOR OF INTERNAL REVENUE.

John F. Jones to be collector of internal revenue, South Carolina.

REGISTERS OF THE LAND OFFICE.

Hugh E. O'Donnell to be register of land office, Lewiston, Idaho.

Jaffa Miller to be register of land office, Roswell, N. Mex.

PROMOTIONS IN THE ARMY.

James Henry McRae to be major general.

Harry Alexander Smith to be brigadier general.

POSTMASTERS.

GEORGIA.

Forrest L. Dyar, Calhoun.

KENTUCKY.

Allie H. Gibson, Ghent.

James H. Branstetter, Glasgow.

OHIO.

Elizabeth P. CarSkaden, Castalia.

Jennie Fickes, Empire.

William E. Davidson, Kensington.

OKLAHOMA.

Lester A. Presson, Sulphur.

SOUTH CAROLINA.

Caleb F. Pendleton, Cheraw.

Pierce M. Huff, Piedmont.

Clifton O. Crosby, Walterboro.

WISCONSIN.

Charles L. Bingham, College Camp.

HOUSE OF REPRESENTATIVES.

TUESDAY, *May 9, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father of all goodness and God of all grace, we thank Thee that the Divine Nature broods over our world and cares for the countless needs of earth's imperfect creatures. Thy voices are manifold. Thou art speaking to us out of the sky, out of the earth, and out of human experience. O make the truth to dwell in us. Always may it appeal to our understanding, to our moral sense, to our affections, and to our deepest sympathies. Let its influence and might direct our public and private conduct. Throughout our land bless and consecrate the centers of power, that our civilization may not be material, but that it may rise to the highest form of life through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

PAY OF THE ARMY, NAVY, ETC.

Mr. McKENZIE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

The question was taken.

Mr. RANKIN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Mississippi makes the point of order that there is no quorum present. Evidently there is not. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question is on the motion of the gentleman from Illinois that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the Army pay bill.

The question was taken; and there were—yeas 294, nays 0, not voting 136, as follows:

YEAS—294.

Ackerman	Fitzgerald	Lee, Ga.	Roach
Almon	Fordney	Lee, N. Y.	Robertson
Andrew, Mass.	Frear	Lehlbach	Robsion
Andrews, Nebr.	Free	Lineberger	Rodenberg
Appleby	Freeman	Linthicum	Rogers
Arentz	French	Little	Rose
Aswell	Frothingham	Logan	Rosenbloom
Bacharach	Fuller	London	Rossdale
Barbour	Fulmer	Longworth	Rouse
Barkley	Funk	Lowrey	Rucker
Begg	Gallivan	Luce	Sabath
Bell	Garner	Luhring	Sanders, N. Y.
Bird	Garrett, Tenn.	Lyon	Sanders, Tex.
Black	Garrett, Tex.	McClintic	Sandlin
Blakeney	Gensman	McCormick	Schall
Bland, Ind.	Gernerd	McDuffie	Scott, Tenn.
Bond	Glynn	McKenzie	Shaw
Bowers	Goldsborough	McLaughlin, Mich.	Shelton
Bowling	Goodykoontz	McLaughlin, Nebr.	Sinclair
Box	Graham, Ill.	McSwain	Sinnott
Brennan	Graham, Pa.	Madden	Sisson
Briggs	Green, Iowa	Magee	Smith, Idaho
Brooks, Ill.	Greene, Vt.	Mansfield	Snell
Brown, Tenn.	Griest	Mapes	Speaks
Browne, Wis.	Griffin	Merritt	Sproul
Buchanan	Hadley	Michener	Stafford
Bulwinkle	Hammer	Miller	Steagall
Burroughs	Hardy, Colo.	Millspaugh	Stedman
Burtness	Harrison	Mondell	Steenerson
Burton	Haugen	Montoya	Stephens
Byrnes, S. C.	Hawes	Moore, Ill.	Stevenson
Byrns, Tenn.	Hawley	Moore, Ohio	Stoll
Cable	Hayden	Moore, Va.	Strong, Kans.
Campbell, Kans.	Hays	Moores, Ind.	Summers, Wash.
Cannon	Henry	Morgan	Sumners, Tex.
Cantrill	Herrick	Morin	Swank
Carew	Hersey	Mott	Swing
Chalmers	Hickey	Murphy	Tague
Chandler, N. Y.	Himes	Nelson, A. P.	Temple
Chandler, Okla.	Hoch	Nelson, J. M.	Ten Eyck
Chindblom	Hogan	Newton, Minn.	Thomas
Christopherson	Hooker	Newton, Mo.	Thompson
Clague	Huddleston	Norton	Tillman
Clarke, N. Y.	Hukriede	O'Brien	Timberlake
Cole, Iowa	Hull	Ogden	Tincher
Cole, Ohio	Husted	Oldfield	Towner
Colton	Hutchinson	Oliver	Tucker
Connally, Tex.	James	Olpp	Tyson
Connolly, Pa.	Jefferis, Nebr.	Overstreet	Underhill
Cooper, Ohio	Johnson, Ky.	Padgett	Vaile
Cooper, Wis.	Johnson, Miss.	Paige	Vare
Cramton	Jones, Tex.	Park, Ga.	Vestal
Crisp	Keller	Parker, N. J.	Vinson
Crowther	Kennedy	Parker, N. Y.	Voigt
Cullen	Ketcham	Parks, Ark.	Volstead
Curry	Kincheloe	Patterson, Mo.	Walsh
Dale	King	Perkins	Wason
Davis, Tenn.	Kinkaid	Perlman	Watson
Deal	Kissel	Petersen	Weaver
Denison	Kline, N. Y.	Pou	Wheeler
Doughton	Kline, Pa.	Purnell	White, Kans.
Dowell	Knight	Quin	White, Me.
Driver	Knutson	Radcliffe	Williams
Dunbar	Kraus	Rainey, Ill.	Williamson
Dunn	Lampert	Ramseyer	Wilson
Dupré	Lanham	Rankin	Wise
Echols	Lankford	Rayburn	Woodruff
Elliott	Larsen, Ga.	Reece	Wright
Evans	Larson, Minn.	Reed, N. Y.	Wyant
Fairfield	Lawrence	Reed, W. Va.	Yates
Faust	Layton	Rhodes	Young
Fenn	Lazaro	Ricketts	Zihlman
Fish	Lea, Calif.	Riddick	
Fisher	Leatherwood	Riordan	

NAYS—None.

NOT VOTING—136.

Anderson	Bixler	Burke	Codd
Ansorge	Bland, Va.	Butler	Collier
Anthony	Blanton	Campbell, Pa.	Collins
Atkeson	Boies	Carter	Connell
Bankhead	Brand	Clark, Fla.	Copley
Beck	Britten	Classon	Coughlin
Beedy	Brooks, Pa.	Clouse	Crago
Benham	Burdick	Cockran	Dallinger

Darrow	Ireland	Mann	Smith, Mich.
Davis, Minn.	Jacoway	Martin	Smithwick
Dempsey	Jeffers, Ala.	Mead	Snyder
Dickinson	Johnson, S. Dak.	Michaelson	Stiness
Dominick	Johnson, Wash.	Mills	Strong, Pa.
Drane	Jones, Pa.	Montague	Sullivan
Drewry	Kahn	Mudd	Sweet
Dyer	Kearns	Nelson, Me.	Taylor, Ark.
Edmonds	Kelley, Mich.	Nolan	Taylor, Colo.
Ellis	Kelly, Pa.	O'Connor	Taylor, N. J.
Fairchild	Kendall	Osborne	Taylor, Tenn.
Favrot	Kiess	Patterson, N. J.	Tilson
Fess	Kindred	Porter	Tinkham
Fields	Kirkpatrick	Pringey	Treadway
Focht	Kitchin	Rainey, Ala.	Upshaw
Foster	Kleczka	Raker	Volk
Gahn	Kopp	Ransley	Walters
Gilbert	Kreider	Reavis	Ward, N. Y.
Gorman	Kunz	Reber	Ward, N. C.
Gould	Langley	Ryan	Webster
Greene, Mass.	McArthur	Sanders, Ind.	Wingo
Hardy, Tex.	McFadden	Scott, Mich.	Winslow
Hicks	McLaughlin, Pa.	Sears	Wood, Ind.
Hill	McPherson	Shreve	Woods, Va.
Hudspeth	MacGregor	Siegel	Woodyard
Humphreys	Maloney	Slemp	Wurzbach

So the motion was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Treadway with Mr. Cockran.

Mr. Davis of Minnesota with Mr. Montague.

Mr. Winslow with Mr. Bankhead.

Mr. Kahn with Mr. Campbell of Pennsylvania.

Mr. Greene of Massachusetts with Mr. Drewry.

Mr. Shreve with Mr. Woods of Virginia.

Mr. Beedy with Mr. Mead.

Mr. Kies with Mr. Hardy of Texas.

Mr. Wood of Indiana with Mr. Favrot.

Mr. Taylor of New Jersey with Mr. Collier.

Mr. McArthur with Mr. Raker.

Mr. Gorman with Mr. Brand.

Mr. Johnson of South Dakota with Mr. Smithwick.

Mr. Butler with Mr. Jacoway.

Mr. Michaelson with Mr. Martin.

Mr. Dickinson with Mr. Humphreys.

Mr. Sanders of Indiana with Mr. Fields.

Mr. Atkeson with Mr. Drane.

Mr. Bixler with Mr. Clark of Florida.

Mr. Connell with Mr. Dominick.

Mr. Kendall with Mr. Sears.

Mr. Snyder with Mr. Ward of North Carolina.

Mr. Scott of Michigan with Mr. Gilbert.

Mr. Hogan with Mr. Upshaw.

Mr. Patterson of New Jersey with Mr. Taylor of Colorado.

Mr. McPherson with Mr. Collins.

Mr. Osborne with Mr. Bland of Virginia.

Mr. Coughlin with Mr. Carter.

Mr. Strong of Pennsylvania with Mr. Sullivan.

Mr. Ellis with Mr. Hudspeth.

Mr. Burke with Mr. Kindred.

Mr. Kearns with Mr. Wingo.

Mr. Reece with Mr. Kitchin.

Mr. Wurzbach with Mr. O'Connor.

Mr. Stiness with Mr. Kunz.

Mr. Maloney with Mr. Taylor of Arkansas.

Mr. Volk with Mr. Blanton.

Mr. Boies with Mr. Rainey of Alabama.

Mr. Darrow with Mr. Jeffers of Alabama.

The result of the vote was announced as above recorded.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the Army pay bill, with Mr. TOWNER in the chair.

The Clerk reported the title of the bill.

Mr. OLIVER. Mr. Chairman, may I be pardoned for a moment's digression to say that it is not pleasant to be in disagreement with one's colleagues, especially when that disagreement relates to the compensation of worth-while and essential public services. When Members of the House, however, are honored with an appointment on an important committee, and the recommendations of the majority can not be approved by the minority, then a high duty is owing by the minority to the Members of the House to give the reasons and facts on which their objections to the recommendations of the majority are based. Especially is that duty emphasized when the subject is technical and involved, because we know that the Members of the House, engrossed as they are with a multitude of duties, can not find the time to read extended hearings on all proposed legislation, and I know that has happened in reference to the pending bill. The minority have endeavored to discharge that duty by writing a report which they think is an accurate statement of well-founded objections, and in that report they have indulged in no recriminations, nor any unkind thrusts, but have endeavored to lay before you the bare facts on which these objections are based. We respectfully ask for the report your thoughtful consideration. My friend, the gentleman from Illinois [Mr. MCKENZIE], has given to the minority report but a superficial examination, if he has interpreted it as depreciating or disparaging in the least the services to our country of its Army and Navy.

I value and appreciate the loyalty, the splendid record, the glorious achievements of the Army and the Navy in the past, and they supply protection and security for our country now and in the future. However, Mr. Chairman, we must not forget that, like ourselves, these services are but the servants of a great people who, without intending offense or lack of appreciation, may, should—yea, do—demand that these arms of the Government be maintained on a sane, just, and economic basis.

I feel that before a permanent pay schedule for these services is written into law Congress should first see that the readjustment which it now has in mind and also the readjustment which the President has announced he will recommend should be made so that the permanent strength of the Navy, Army, and Marine Corps can then be definitely fixed. Unless this course is pursued, the passing of a permanent pay bill will of necessity entail needless and large expense. It will provide an increase in both the active and retired pay of a large number of officers, who under readjustments or reductions in officer personnel will be separated from the service within the next few years.

The House has passed a bill reducing the officer personnel of the Army 2,000, and the House Naval Affairs Committee has reported out a bill seeking to make reduction in the commissioned personnel of the Navy, and we should at least wait until final action is taken on these two matters before providing a permanent pay schedule, involving large increased officer pay for many now in the service and who in all probability will be retired on increased pay.

In the minority report you will find a statement showing that we now have in the commissioned grades of the Army and the corresponding grades of the other services 12,769 more commissioned officers than we had in these same services in July of 1916. This comparison was based on tables giving the commissioned personnel as of January last. Since that date the number of commissioned officers in these services, from reports submitted within the last 10 days to the chairman of the Appropriations Committee, show an increase over July, 1916, of 13,716 commissioned officers instead of 12,769.

Mr. RANKIN. Will the gentleman yield?

Mr. OLIVER. Yes.

Mr. RANKIN. The gentleman says the number of officers has rapidly increased. Does he mean the officers of the higher rank?

Mr. OLIVER. Yes.

Mr. RANKIN. And not lieutenants?

Mr. OLIVER. No. In 1916 in the grade of major and corresponding grades in the other service we had 19; we now have 70. We had 39 brigadier generals, and we now have 100. We had 310 colonels, and we now have 981. We had 414 lieutenant colonels, and we now have 1,415. We had 115 majors, and we now have 4,660. We had 2,686 captains, and now we have 8,946. We had 2,956 first lieutenants, and we now have 5,012. We had 1,236 second lieutenants, and now, with this large increase in the upper grades, we have only 1,351 second lieutenants, and 1,142 of these are ensigns, leaving 77 second lieutenants now in the Army.

The gentleman from Illinois in his speech on yesterday stated that there were a few exceptional cases of colonels who would be entitled to the maximum pay of that grade by reason of service. Now, the facts are that there are 434 colonels who have over 30 years' service, and who, if the pending bill is passed, would be entitled to a maximum compensation of $7,200, and who if retired would receive an increased retirement pay of $750 each. There would also be an additional 366 colonels who would enjoy under the pending bill the same increase in retired pay within the next four or five years—some of this additional number within a very short time.

Some one has asked how under the pending bill is this possible? It happens in this way, that section 1 increases the longevity pay from 40 to 50 per cent of the base pay and repeals the limitation of $1,000 on the maximum base and longevity pay as now applied to colonels, lieutenant colonels, and majors, and those in the corresponding grades of the other services. In other words, the base and longevity pay of colonels is now $5,000, lieutenant colonels $4,500, and majors

$4,000, but under the pending bill this limitation of $1,000 is removed and the maximum base and longevity pay of a colonel will hereafter be $6,000, that of lieutenant colonel $5,750, and that of major $5,250. This constitutes the basis for computing retired pay; that is to say, the officer retires on three-fourths of his base and longevity pay. Examine Table 1, attached to the minority report, and you will see how a large number of colonels, also lieutenant colonels and majors, who, if retired now, will receive increased retired pay. In the case of colonels $750; in the case of lieutenant colonels and majors $937.50.

This Table 1 will also disclose the large additional number that will soon be entitled to the maximum base and longevity pay, thus increasing their retired pay as indicated above. This liberal increase in the retired pay of colonels, lieutenant colonels, and majors, under the terms of the bill, is extended to those now on the retired list, and where the officers in these grades at the time of retirement had normal service to their credit they will be given the increased retired pay provided in the pending bill.

Certainly, when the House appointed the committee to make recommendations relative to a permanent pay bill, they had little idea of having this large increase in retired pay provided for. The increase for the grades mentioned is made possible by the removal of the $1,000 limitation on base and longevity pay.

Mr. BLACK. Will the gentleman yield?

Mr. OLIVER. Yes.

Mr. BLACK. I understand the gentleman to say that the retired officers would have their retired pay increased provided they had normal service. Will the gentleman give a little explanation of what he means by normal service?

Mr. OLIVER. For a colonel, 26 years; for a lieutenant colonel, 20 years; for a major, 14 years. There are retired officers in these grades with sufficient service to entitle them to the maximum increase in retired pay which I have hereinbefore stated this bill provides.

In this connection Congress passed a bill some years ago permitting retired officers to be called into active service, and information before the committee showed that this statute had been abused, and it was the unanimous belief of the committee that it should be repealed. Many retired officers have been called into active service, so that they could be advanced to a higher grade and retired at increased pay. Now, the pending bill will, by reason of increasing the retired pay on account of service and the removal of the $1,000 limitation, give to many officers who have been advanced by reason of this statute substantial increases in retirement pay.

Mr. BYRNES of South Carolina. Will the gentleman yield?

Mr. OLIVER. Yes.

Mr. BYRNES of South Carolina. It is a fact that the retired maximum could be received for 30 years' service. If they have served 20 years or less the longevity will be less than the present list?

Mr. OLIVER. No. Section 16 of the pending bill saves the present base and longevity pay of all officers.

Mr. McKENZIE. Is it not true, however, the question asked by the gentleman from South Carolina is a fact as to all officers coming in hereafter?

Mr. OLIVER. Yes. I will discuss that in a few moments. That is accomplished in this way, that the pending bill, while increasing the longevity pay from 40 to 50 per cent, makes a change in the periods when the longevity pay accrues. Under existing law commissioned officers are entitled to 40 per cent longevity, subject to the $1,000 limitation which I have hereinbefore alluded to—10 per cent of this 40 per cent accrued in 5 years and 10 per cent every 5 years thereafter until the 40 per cent had finally accrued at the end of 20 years. Now, under the pending bill the longevity percentage is increased from 40 to 50 and the officer is entitled to 50 per cent longevity pay increase at the expiration of 3-year periods, thus giving him the 50 per cent in 30 years, whereas under existing law he was limited to 40 per cent, which accrued in 20 years.

Under existing law service can only count on longevity pay, and this service is not confined to commissioned service. It includes, for those officers who graduated from the academy prior to 1916, the years they spent in school, also any enlisted service they may have had, and for a large number of the officers who were commissioned prior to March, 1913, constructive or gift service. As stated above, this service now only counts for longevity pay, and the longevity percentage is limited to 40 per cent, with the further limitation that in the grades corresponding to those of colonel, lieutenant colonel, and major in the Army the total longevity pay can not exceed $1,000. Now, this bill has not only increased the longevity percentage from 40 to 50 and removed the $1,000 limitation but it proposes to allow officers now in the service to count all service, heretofore only counted for longevity pay, for the purpose of advancing such officers to the next high base pay period, thereby giving a $500 increase in base pay, on which longevity pay will be computed. In other words, a major under this bill, with 23 years' service, not limited to commissioned service, will immediately pass to the pay grade of a lieutenant colonel, the base pay of which is $500 in excess of the base pay of a major. An examination of Table 1 will show there are at least 265 majors with 23 years' service who, under the pending bill, will be advanced to the pay period of a lieutenant colonel while still holding a major's commission, and each will thus receive an increase of $500 in base pay, and on which their longevity pay will hereafter be computed.

When you recall that we now have 4,650 majors, 265 of which will immediately pass to the pay period of a lieutenant colonel, and others will rapidly follow, you can well understand just how favorable the proposed bill is to the officers now in the service.

We now have some majors with only about 6 years' service, when it formerly required from 17 to 20 or longer service to advance one to that grade. Some of the majors now have 30 years' service, and these will be advanced, under the pending bill, to the pay period of a lieutenant colonel, which will entitle them to the maximum compensation of a colonel, to wit, $7,200. Hereafter the bill provides that no officer coming into the service can ever count for longevity pay or for advancing an officer to the next high pay period any but commissioned service. Certainly no explanation can be offered why this discrimination should be made in favor of the officers now in the service and why the officer now in the service should be able to count every character of service for the purpose of advancing him to the next pay period, whereas only commissioned service can be so counted by officers commissioned after the passage of the bill.

Mr. BYRNES of South Carolina. Will the gentleman yield?

Mr. OLIVER. I will.

Mr. BYRNES of South Carolina. The gentleman has referred to a major of 30 years' service.

Mr. OLIVER. Yes. That is, where I stated that he would be entitled to receive the maximum pay of a colonel.

Mr. BYRNES of South Carolina. The gentleman does not contend that a major with six years' service will not receive a reduction as a result of this bill.

Mr. OLIVER. A major with six years' service receives no reduction in his base and longevity pay, because that is saved to him by section 16 of the bill.

Mr. BYRNES of South Carolina. But the gentleman does not contend that a six-year major under this bill will not receive a reduction in compensation below what he is receiving to-day under present law?

Mr. OLIVER. You, of course, refer to the March 18, 1920, act, which expires on June 30. Now, this act gave indiscriminately to all majors a bonus of $840, and certainly Congress would not have made this generous provision for all majors had they known on May 18, 1920, that there would be promoted to that grade a large number of young officers who ordinarily would have been compelled to wait from 14 to 20 years to reach the grade. While I favor the continuance of a temporary bill, yet it should be so written as to take into account the rapid promotions that have carried officers to high grades. Officers thus rapidly advanced to the grade of a major have received not only large increased pay and compensation by reason of such promotions but have been paid in addition thereto a bonus of $840.

Mr. SISSON. Will the gentleman yield?

Mr. OLIVER. Yes.

Mr. SISSON. Under the law the gentleman speaks of these rapid promotions that have depleted the second lieutenants' places until there are less than 100.

Mr. OLIVER. Now 77 in the Army.

Mr. SISSON. Now 77. Now, in this new bill—this bill that is now asked to be enacted into law—it does not affect in any way the promotion which, I think, was illegally and unjustly had under an erroneous construction of that very law?

Mr. STAFFORD. If the gentleman will permit, the practice of the War Department being to promote and fill every vacancy in the higher grades to the full complement of the increased officer personnel, what percentage of officers in the service have not received an increased rank, and thereby increase of pay, during the past 18 months?

Mr. OLIVER. I do not think you will find any.

Mr. STAFFORD. They have all received promotion or increase of pay of several hundred dollars?

Mr. OLIVER. Yes.

Mr. McKENZIE. I want to ask the gentleman if it should not be stated in all fairness that when this bill becomes a law a

major would have to serve 14 years before he gets that place—that is, for any six-year majors?

Mr. OLIVER. Section 16 saves to him his base and longevity pay, and until he has been in the service 14 years his allowances are those of the captain's pay period.

Mr. HUDDLESTON. What has been said about these promotions implies that they were deliberately made, not for the good of the service, but to enable the beneficiaries to get a large advance in their compensation? Is that a conclusion warranted by the facts in the case?

Mr. OLIVER. I would prefer not to discuss the motives that may have prompted these. Everyone can draw his own conclusions.

Mr. SISSON. It is well enough for us to consider the former law which fixed their grade and pay prior to the war. Then the act the gentleman referred to gives all these rapid promotions, eliminating the second lieutenants. As to this law, I do not think it would be contended; that is, that this law that is proposed to be enacted carries anything like the pay prior to the war.

Mr. OLIVER. Not at all. May I read a very interesting statement made by the gentleman from Illinois [Mr. MCKENZIE] during a colloquy with Secretary Denby. This is what Mr. MCKENZIE said, speaking of promotions:

> I want to be very frank with you. You are aware of the fact that since we got into this Great War with Germany there are hundreds and hundreds of young officers who have received very rapid promotion, and some of these older officers, in both the Army and Navy, that I see sitting around in the room, probably served 10 or 15 or 20 or 25 years before they reached the point where they were drawing the pay that some of these younger men are drawing after two or three years' service.

And yet my friend, perhaps forgetting that statement, is now supporting a bill that saves this grade and longevity pay to these young men, and in addition thereto proposes to give them a ration allowance and increase commutation for quarters. I am wondering if that is a just, fair, and sane economy? [Applause.]

Mr. MCKENZIE. Will not my colleague concede, however, that if this bill is enacted into law this abuse he complains of will never occur again?

Mr. OLIVER. Let us inquire into the matter which the question of the gentleman raises. The minority report states that this bill is overgenerous to the officers who assisted in its preparation; I might go so far as to say, to the officers who actually wrote it, and in prepared form submitted it to the committee for their consideration.

Mr. JOHNSON of Mississippi. Will the gentleman yield?

Mr. OLIVER. In a moment. I quote from section 1, as follows:

> For officers hereafter appointed, no service shall be counted for the purpose of pay except effective commission service under Federal appointment. For officers now in the service all service which is counted in computing longevity pay shall be included in the computation.

Service now counted in computing longevity pay and which this provision seeks to make available to officers now in the service so as to advance them to the next pay period, thereby increasing their base pay, is not limited to commission service, but includes for all graduates from the academies at West Point and Annapolis prior to July, 1916, the time spent at these academies in school, and constructive or gift service credited to many officers appointed from civil life prior to March 3, 1913, also enlisted service. After the passage of the bill, however, for officers hereafter commissioned, only commissioned service can be counted either for longevity pay or for the purpose of advancing an officer to another pay period higher than that corresponding to the grade in which he is commissioned.

Now, in all fairness, would it not be more equitable to favor the incoming officer rather than the one now enjoying high rank by reason of unusual and rapid promotions?

This but illustrates how the bill discriminates in favor of the officers now in the service, and against those that may come into the service hereafter. It is just another evidence that men are human, just a little selfish when they come to write something applying to themselves and which may bring to their pockets some additional dollars; but how quickly is the fellow who has no one to speak for him lost sight of. In other words, the section which I have quoted, and which the gentleman from Illinois seems now to favor, provides that all service can be counted by the officer now in, but only commissioned service by those hereafter coming in; thus a young man serving to-day in the Army, in the Navy, in the Marine Corps, who has aspirations for a commission, will never be able to count, if this bill is passed as drawn; the service which he has rendered while a private, where he undergoes hardship, should he hereafter receive a commission, because, forsooth, that the officers now in have said, "We will claim all that we had as a private, and even the time spent at school; but we will deny to you the right to count anything but commissioned service, either for longevity or to advance you to another pay grade."

Mr. EVANS. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. Let me finish the thought. May I ask the gentleman from Illinois whether he knows of any sound reason why this discrimination should be made in favor of the officers now in? The officers who undertook the preparation of this bill state that they were told by some one that it was necessary to show a saving under the 1923 Budget in order to secure any legislation at this session. In this connection it is interesting to note that if there be substantial saving under the 1923 Budget, based on the May 18, 1920, act, which expires on June 30, 1922, it is accomplished largely at the expense of the private in the Army and the apprentice seaman in the Navy.

The House will be interested in a statement appearing in the hearings by Senator WADSWORTH, chairman of the Joint Pay Committee, touching on this subject, as follows:

> It is well to remember, if we are thinking about the condition of the Federal Treasury and the upkeep of the Army and Navy, that where the great cost is is in the lowest grades of both services. Two or three dollars decrease in the pay of privates in the Army and of apprentice seamen in the Navy amounts to something like two and a half million dollars.

Since the pay in the pending bill has been reduced for the private in the Army $9 and the apprentice seaman $12, you will understand how, if the chairman of the committee was correct in this statement, millions may appear to have been saved.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. Just in a moment. Now, in the fall of 1919 officers appeared before the Committee on Naval Affairs and also before the Committee on Military Affairs of the House and expressed solicitude for the enlisted man and urged that his pay be increased. They even seemed more solicitous about the pay of the enlisted man than they were about their own at that time. Congress very wisely increased the pay of the enlisted man, and thus the officers by the same bill secured for themselves increased pay; but, lo and behold, when they now learn that it is necessary to show a substantial saving under the 1923 Budget, based on the increases granted by the May, 1920, act, they accomplish all of the substantial reduction by reducing the pay of the enlisted man in the low grades.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. Yes.

Mr. STAFFORD. It was stated yesterday by the gentleman from Illinois [Mr. MCKENZIE] that there would be only about $1,000,000 difference in the pay next year under the law that is expiring on June 30 of this year. The gentleman is just calling attention to the fact that the pay of the enlisted man by the proposed bill is reduced from $30 to $21, so far as the Army is concerned.

Mr. OLIVER. Yes; from $30 to $21 in the Army, and from $33 to $21 in the Navy.

Mr. STAFFORD. Has the gentleman any estimate of the gross amount of reduction that will be necessary to make up the high increased pay of the officers as provided in this bill?

Mr. OLIVER. Many tables have been submitted showing this result, and I am unable to give the gentleman an answer and be assured of its correctness. You will find, however, that the gentleman from Illinois [Mr. MCKENZIE], according to all the tables, was in error if you understood him to say that next year this difference would appear. I call your attention to Table 2, appearing in the minority report, and which was submitted by the Army, with accompanying tables, analyzing the results there shown. You will note from this table that it is stated that the amount under the Budget for 1923 will be $59,376,759 for officer pay and under the proposed bill the officer pay will be $59,548,877. All of the tables show that any substantial savings result from a reduction in the pay of the low grades in the enlisted personnel of the Army and Navy. This Table 2, attached to the minority report, shows that under the 1923 Budget the enlisted men will receive $139,421,530 and under the proposed bill only $131,602,593.

Mr. STAFFORD. Will the gentleman yield?

Mr. OLIVER. Yes.

Mr. STAFFORD. What assurance has the committee that the enlisted men, when times are normal, will get the reduced pay of from $33 to $21?

Mr. OLIVER. I am not prepared to state further than this, that you will recall how difficult it was to secure enlistments under the old pay prior to the war. You will find a statement as to this matter in the hearings from some of the naval officers.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. OLIVER. Yes.

Mr. COOPER of Wisconsin. I want to ask the gentleman, if the pending bill were enacted into law, how will it affect the compensation of the rank and file of enlisted men in the Coast Guard? I have a Coast Guard station in my district, and that is the reason I make the inquiry.

Mr. OLIVER. The enlisted personnel in all the services are to be put substantially on the same basis and I think the enlisted men in all services are well provided for, except in the lowest grades. I will be very glad when this section is reached to make further explanation.

Mr. COOPER of Wisconsin. One of the lowest grades would be the man entering the service. Is that reduced?

Mr. OLIVER. Yes; that is reduced in the Army and Navy. The Coast Guard takes the pay of the schedule of the Navy, and the Marine Corps takes the schedule of the Army. There is one rating in the Coast Guard which is not carried in the Navy, and my understanding is that a satisfactory pay is provided for this rating.

Mr. JOHNSON of Mississippi. Will the gentleman yield?

Mr. OLIVER. Yes.

Mr. JOHNSON of Mississippi. I want to ask the gentleman to whom he referred awhile ago when he said that "they who drafted the bill submitted to us," and so forth; and in addition to that I want to ask the gentleman if it contains a provision that the enlisted men's pay should be reduced and the officers' pay should be increased. I think the country is very much interested to know who drafted the bill.

Mr. OLIVER. The gentlemen who drafted the bill are officers in the different services, who enjoyed the respect and confidence of the members of the committee.

Mr. JOHNSON of Mississippi. I am not talking about that.

Mr. OLIVER. They rendered to the committee helpful service. The committee had the right to reject what was prepared and so far as I know there was no effort on the part of any of the officers to conceal from the committee the meaning of any provision in the bill which they prepared. I wish to say that in justice to the officers. The reason that I mentioned that officers prepared the bill was to show that it is perfectly human, if one is preparing something for his own profession, to look at it through the glasses of that profession. That is a human weakness.

Mr. BYRNES of South Carolina. Will the gentleman yield?

Mr. OLIVER. Yes.

Mr. BYRNES of South Carolina. The gentleman does not mean to say that this bill was originally drafted by the officers; he knows that the original proposition upon which this was based was prepared by the gentleman from Illinois [Mr. McKENZIE] and submitted to the committee.

Mr. OLIVER. Yes; I appreciate the valuable services that the gentleman from Illinois rendered in that connection. I have in my report called attention to the fact that the bill which the gentleman from Illinois submitted as a tentative draft was in many respects a decided improvement over the bill which later he consented for the officers to amend and change. [Applause.] In other words, let me call attention to some of the changes.

My friend from Illinois in his statement when he first suggested that he had in mind a tentative bill said he wanted to do away with all longevity pay. He wanted to simplify things, and he desired to draft it on a simplified basis. While contending that service should mainly control in the pay of officers, yet he insisted that only commissioned service could be counted, thus avoiding all discrimination in favor of those officers now in the service. Likewise he said to the officers commissioned from civil life under the 1920 bill, "I propose to give you some constructive service, since you have been trained on the outside at your own expense and have shown by examination that you are qualified for the duties of the grade in which you are commissioned; I will give you such constructive service as will equal the normal service accredited to your grade." Strange to say, the officers at first approved of that suggestion in reference to constructive service, but later rejected it. That is the bill my friend speaks of, and it did have some good features, some, I think, that were a decided improvement over the bill as now presented.

Mr. McKENZIE. Will the gentleman yield?

Mr. OLIVER. Certainly.

Mr. McKENZIE. My colleague will not have the Members of the House believe that in my proposition to give them constructive service I put them in the pay period and also gave them longevity pay?

Mr. OLIVER. The gentleman from Illinois has changed his mind so often in reference to the pay bill that I may have confused the House in undertaking to give an outline of his tentative bills. I was quite familiar with the general idea underlying the tentative bill which he discussed with General Pershing and other officers appearing before the joint committee, and probably in the first tentative bill he did not offer to give constructive service to the officers taken in under the June 4, 1920, act, but he favored abolishing all longevity pay and having commissioned service alone to determine base pay.

Early in January of this year the gentleman submitted another bill, in which it was proposed to give constructive service to the officers commissioned under the June 4, 1920, act, the extent of the constructive service being determined by the normal service of the grades in which commissioned.

The officers approved this suggestion of constructive service for officers commissioned from civil life at first and concluded their approving comments with this statement:

> It is believed that the section as now written—
>
> Referring to the constructive-service section—
>
> will tend to eliminate from the Army the dissatisfaction which has existed among different groups of officers on account of the arrangement of the initial promotion list.

You will find a copy of the tentative bill, together with the officers' comments thereon, in the hearings.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. Yes.

Mr. NEWTON of Minnesota. As I understand from the bill as reported out, it is possible, then, for a major with periods of constructive service to his credit to draw more pay than some man who is taken from civil life under the 1920 act and who now holds the rank of colonel?

Mr. OLIVER. Absolutely. In other words, there are colonels who came into the service by reason of the June 4, 1920, act who will get about $6,200, and there will be majors advanced to the pay period of lieutenant colonel who will receive $7,200 while still holding a commission in the major's grade. They would get more than $7,200 if it was not for the limitation fixing a colonel's maximum compensation at $7,200.

Mr. NEWTON of Minnesota. Is it not possible for a captain under this bill to get more money than a lieutenant colonel who is an emergency officer?

Mr. OLIVER. Yes; and since the gentlemen has asked the question, it will be interesting to note that we now have 8,946 captains, which exceeds the number of the entire office personnel of all the services in 1916. There are also 139 captains under the 1908 bill who would receive as maximum compensation $4,160.50, and who, under the pending bill, if passed, will receive $6,357, which represents an increase of $2,197 to each of these captains over the 1908 schedule, and an increase to each of $1,477 over the May 18, 1920, temporary pay, to which act the gentleman from South Carolina [Mr. BYRNES] has several times called attention.

Mr. NEWTON of Minnesota. So, that quite a number of officers, running up in the several hundred, will draw more pay under this bill than they would under the 1920 emergency pay bill?

Mr. OLIVER. Yes. If the gentleman wishes some interesting mathematical problem to work out, which will disclose how rapidly officers of the Army and Navy in the years to follow will be advanced to higher pay periods by reason of service if the pending bill passes, I suggest that he examine Table 1, attached to the minority report, and take the 8,946 captains, with their service records as there shown, and see how rapidly many of them will be advanced to the next pay period, thereby receiving an increase in compensation of $1,477 over the May 18, 1920, act, and $2,197 over the 1908 act. The results will prove a very comforting message, no doubt, to the taxpayers, who now are told that they must be taxed to meet a half billion deficit. The gentleman will also find an interesting statement by Colonel Munson, in which, while giving percentage increases in the pay of the officer personnel in foreign services, on being asked to explain an item in the table which he submitted showing 99 per cent increase in the pay of British captains, he answered that in American dollars the British captain, with these increases, would receive $1,938. Yet you are providing in the pending bill for captains to receive $6,300 as a maximum compensation.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. Yes.

Mr. MONDELL. I judge from what the gentleman says that under this bill there will be some very rare cases in which the increase of pay provided for by the bill will be almost as great as the general increases which we provided in the Patent Office a short time ago by a bill which was passed through the House by a very large majority.

Mr. STAFFORD. Still harping on the old question?

Mr. OLIVER. I prefer that the gentleman should elaborate that idea himself.

Mr. MONDELL. I merely wanted to call attention to that fact. Those were very popular increases.

Mr. OLIVER. I am glad always to have the gentleman interrupt me, and may I remind him of another thing that happened in reference to the May 18, 1920, bill? The Naval Affairs Committee, as well as the House Military Affairs Committee, was sympathetic with the idea of granting a reasonable temporary increase to the officers as well as the enlisted personnel, especially to the enlisted personnel, but the gentleman will recall that we could not have the bill considered if we included officers in it. Therefore we brought out a bill providing only for the enlisted personnel, and the officer increase was added by the Senate. This May 18, 1920, increase, as it applied to officers, was never really considered by the House.

No roll call was had on the conference report which included the May 18, 1920, pay provision for officers in the service, and that is one reason why such generous provision was made for the officer personnel in certain grades. It illustrates the danger of hasty legislation. This May 18, 1920, act gave to a large number of young majors and young captains and young first lieutenants a bonus, when, in fact, their rapid promotions to these grades brought to them an increase in pay and allowance which equaled in many cases the amount of the bonus.

Mr. SNELL. Will the gentleman yield?

Mr. OLIVER. I will.

Mr. SNELL. The gentleman made reference to the number of officer personnel in 1916?

Mr. OLIVER. Yes.

Mr. SNELL. As compared with the number authorized under this bill. Does the gentleman——

Mr. OLIVER. Not authorized under this bill, but the number we now have in the service.

Mr. SNELL. I accept the correction. Does the gentleman think that we have enough to maintain to an ample degree preparedness under the 1916 proposition?

Mr. OLIVER. I do not think so.

Mr. SNELL. The gentleman does not object to the number?

Mr. OLIVER. I think we have too large a number now and have called attention to the recent action of the House to reduce the commissioned officers in the Army to 11,000. I do not know whether the gentleman voted for the decrease, but I do not think the gentleman from Illinois did. The House thus is on record as voting for a substantial reduction, and the President himself has indicated he would like to have a coalition of certain services, so as to bring about a further reduction of commissioned officers.

Pending these adjustments and the fixing of the permanent strength of the Army and Navy, I feel that it would be wise to provide for any needed increase in the pay of the officer or enlisted personnel of the services by a temporary rather than by a permanent bill. By referring to page 157 of the joint hearings you will find a strong indorsement by Secretary Denby for temporary legislation; on pages 161 and 162 Admiral Coontz favored temporary legislation; also Admiral Elerbe on page 168. The reason stated by Admiral Coontz certainly applies with the same force that it did in November last, when he made the statement.

Mr. MONDELL. Will the gentleman yield?

Mr. OLIVER. Certainly.

Mr. MONDELL. These suggestions were in regard to the extension of the present temporary law, and, as I understand, a large amount of the total cost under the present law would be considerably more than under the bill now before the House.

Mr. OLIVER. The Congress could by a temporary bill provide a just increase for the officer and enlisted personnel where needed, and certainly no one would favor a continuance of the May 18, 1920, act, with the facts now disclosed. In the preparation of a temporary bill account should be taken of the rapid promotions that occurred in the service shortly after the passage of the May 18, 1920, act.

Mr. MONDELL. What I desire to call attention to is the fact that those gentlemen desired an extension of the present law to new legislation, and the gentleman from Alabama, I think, would be in favor of the extension of the present law.

Mr. OLIVER. No; but a satisfactory temporary bill can be drawn that will adequately provide for needed increase in the enlisted and commissioned personnel, and at the same time show a substantial saving under the May 18, 1920, act than is shown by the proposed bill, and no injustice will be done to the enlisted personnel. [Applause.]

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. OLIVER. Certainly.

Mr. GREENE of Vermont. That statement has been made several times that on account of the increase we gave the commissioned personnel we took from the enlisted men, and there is an impression given some way or other we are robbing Peter to pay Paul. Is it not true the pay of the enlisted man is increased?

Mr. OLIVER. To be accurate—and the gentleman is always so accurate I hesitate to correct him—we now have in the Army a $30 permanent pay for the enlisted private.

Mr. GREENE of Vermont. Yes.

Mr. OLIVER. In the Navy we have a $33 pay for the apprentice seamen. We have likewise in the Army a certain special rating for the sixth-grade private. Under this bill you make a reduction of the special rating for the sixth grade and in the pay of the seventh-grade private. The same reduction is proposed for the Navy. They take $12 from the apprentice seamen and $12 from one nonrated class.

Mr. GREENE of Vermont. But the point is that the term "enlisted men"—and I think the House, with all due respect to it, might well be reminded what the term "enlisted men" comprehends—comprehends not only the private but all the grades of the noncommissioned personnel.

Mr. OLIVER. I have not time for the gentleman to make a statement. You will find when we come to discuss it that there is legislation in reference to the enlisted personnel of the Army that does not apply to the enlisted personnel of the Navy. In other words, the gentleman's committee has very wisely fixed a limit on the number in the different grades of the enlisted personnel of the Army, and you have fixed a limit which can not be exceeded in the higher grades; 76 per cent or more of your enlisted men are, by these limitations, placed in the sixth and seventh grades. When you come to examine more critically this matter of what a reduction of $9 in the pay of the enlisted Army private means and $12 on the apprentice seaman, you will find how rapidly it runs into high figures, especially in the Army, because so many of your enlisted men are held in the lowest grade by limitations under existing law. There is also a limitation as to special ratings. The Navy must sooner or later, as the gentleman from Illinois [Mr. MCKENZIE] and the chairman of the committee pointed out, accept like limitations as to their enlisted grades also.

Mr. GREENE of Vermont. The gentleman will not contend that the gross figures are any argument as to what is the proper pay to be given to an individual?

Mr. OLIVER. I would like to have you examine a very interesting statement made by Commander Porterfield, of the Navy. It was a splendid presentation of the enlisted man's case. Also a statement of Chief Yeoman White, now retired. You will find that neither of them favor a cut in the pay of the enlisted personnel. Let me read you what Commander Porterfield says about that.

Mr. GREENE of Vermont. I am not talking about the Navy.

Mr. OLIVER. The same applies to the Army with greater force. Under the bill which was passed fixing the Navy personnel at 86,000 men for 1923 you only gave them 80,000 men and 6,000 apprentice seamen. They now have about 93,000 men, with not exceeding 400 apprentice seamen, so they must discharge 12,000 or 13,000 men in order to comply with the law giving 6,000 apprentice seamen.

Let me call your attention to what Commander Porterfield says. It is an interesting statement. I call it to your attention, because the Navy has given careful thought to this subject and made a most splendid presentment of it, one well to be kept in your library, because it is full of helpful and useful information as to Navy personnel. Commander Porterfield, speaking of the pay of enlisted men and how opportunity to rise was offered them after they had remained four months as apprentice seamen, said:

> That holds good for practically every rating in the Navy to-day, with the exception of radio men and torpedo men, where we have a shortage and can rate them right up. If the number of men in the Navy is made below 100,000, promotion in the Navy would be stopped indefinitely for the enlisted men.

What do you think of that? Indefinitely for the enlisted men. And he was serving notice that until you have adjusted conditions now existing in the enlisted personnel of the Navy, where we are top-heavy with petty officers and other high ratings, there is slight chance for the enlisted man to advance.

Mr. MONDELL. Will the gentleman yield at that point?

Mr. OLIVER. Yes.

Mr. MONDELL. I think that the gentleman unintentionally left an erroneous impression with the House with regard to the pay of the enlisted men. We must take into consideration not only the present pay of the enlisted men but what the pay of the enlisted man would be after the 1st of July unless we legis-

late. Assuming now the condition that would exist after the 1st of July, then the enlisted man in the Navy in his first enlistment would receive $17.60. The enlisted man in the Army would receive $30 on his first enlistment.

Mr. OLIVER. That is permanent.

Mr. MONDELL. What the bill does is to equalize the two and place them both at the rate of $21, raising the enlisted man of the Navy and reducing the enlisted man of the Army.

Mr. OLIVER. Yes. But I do not think the House would for a moment, in the light of the hearings which the gentleman himself so heartily approved in 1919, reduce the pay of enlisted men in the Navy. All of this can be cared for by temporary legislation, as now.

Mr. MONDELL. I was not expressing an opinion of the subject, but simply calling attention to what the bill does. It raises, taking the situation as to the 1st of July, the pay of the enlisted man of the Navy and lowers that of the enlisted man of the Army.

Mr. OLIVER. For instance, you have passed a reclassification bill. That reclassification bill promised advances to a large number of civil employees of the Government. There is strong probability that the bill may not pass the Senate before July. The gentleman from Illinois [Mr. MADDEN], the chairman of the Appropriation Committee, has given assurance that in the event this occurs he will offer a resolution providing a bonus for the year 1923.

Temporary legislation can care for all the needed increases that should be made for those now in the service.

Mr. MADDEN. The decrease in the pay of the enlisted men of the Army and the Navy only applies to apprenticed men when they first go in.

Mr. OLIVER. The gentleman is inaccurate. There is a small decrease.

Mr. MADDEN. I mean decrease.

Mr. OLIVER. There is also a decrease in one of the nonrated grades, and there is a decrease in special ratings for the sixth grade of the Army.

Mr. MONDELL. We have not increased the Navy in its present pay, but as to the pay after the 1st of July, unless we legislate there will be an increase?

Mr. BYRNES of South Carolina. The gentleman from Alabama says that this will not mean an increase at first, but after the first three months does he not get an increase then?

Mr. OLIVER. That may occur, but it is not absolutely sure to occur. I read you what Commander Porterfield said about it.

Mr. BYRNES of South Carolina. And Commander Porterfield is enthusiastically in favor of the bill?

Mr. OLIVER. He was very strongly opposed to reducing the pay of the enlisted men when he was before the committee, and I do not understand that he recommends that now.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. OLIVER. May I have five minutes more?

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BYRNES of South Carolina. He enthusiastically recommended it in the hearings and to members of the committee at all times. He was objecting to any reduction in the higher grades of the enlisted men.

Mr. OLIVER. I will discuss that more at length when reached.

Mr. HOCH. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. Yes.

Mr. HOCH. Does the gentleman have a comparative table showing the pay of enlisted men and each rank of the commissioned personnel under the act of May 18, 1920, and under the proposed bill?

Mr. OLIVER. I will include that in an extension of my remarks for the gentleman.

Mr. HOCH. I think it would be much more illuminating than these tables.

Mr. OLIVER. I shall be glad to do that when I extend my remarks.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. Yes.

Mr. HUDDLESTON. The committee heard, in advocacy of the pay scale of the commissioned officers, representatives of the commissioned officers. Did the committee hear anyone to represent the $21-a-month class—the private soldiers? Who spoke for them?

Mr. OLIVER. My recollection is that officers were there speaking for the enlisted personnel. We also had a number of warrant officers and chief petty officers and representatives from other ratings, but their statements were largely devoted to showing how they needed increase in pay.

Mr. HUDDLESTON. Did you hear a single individual of the classes whose pay is to be reduced?

Mr. OLIVER. I do not think any of those were heard. I will ask the gentleman from South Carolina, was an apprentice seaman heard?

Mr. BYRNES of South Carolina. I do not think so.

Mr. HUDDLESTON. Were the private soldiers considered?

Mr. OLIVER. They were not considering that subject at the time. No reductions were proposed for them then.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. Yes.

Mr. KINCHELOE. I am trying to get information on the cost of this bill if it is enacted. I have tried to get information from some of the gentlemen who ought to know, who claim that if this bill is enacted it will not cost the Government as much as if it is not enacted. I understand the gentleman's argument is that it will increase the pay and increase the amount paid by the Federal Government.

Mr. OLIVER. I put the information in the RECORD which came from the Army and the Navy. My good friend from South Carolina [Mr. BYRNES] is very good in handling figures, and sometimes he finds serious differences with gentlemen on the other side as to what figures mean; so does my other good friend from Tennessee [Mr. BYRNS]. I am going to let them settle any differences that appear in the tables submitted from time to time by the services. I will say that I believe you will find in all of these tables that the substantial reductions come from reductions in enlisted low grades.

Mr. KINCHELOE. I want to ask the gentleman this question: What, in your judgment, will be the total amount of increased pay under this bill, with the present number of enlisted men and the present number of officers, per annum?

Mr. OLIVER. I can only refer the gentleman to the tables numbered 2, 3, and 4. He will get it there.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman permit a question?

Mr. OLIVER. Yes.

Mr. MOORE of Virginia. Going back to the point that the gentleman made at the outset, suppose that we assume that the Army and Navy appropriation bills as passed by the House will finally be enacted into law, and suppose we assume further that the President may recommend the consolidation of the War Department and the Navy Department, and that that recommendation may be approved by Congress. Do you consider, in view of all that, that the enactment of this bill would be premature and produce complications?

Mr. OLIVER. I think unquestionably so.

Mr. MOORE of Virginia. I would like to ask the gentleman, if he can, to explain a little bit more fully what would be the practical difficulty of applying this legislation, should it be enacted, to the new situation thus created?

Mr. OLIVER. If we should have a temporary bill?

Mr. MOORE of Virginia. Yes.

Mr. OLIVER. If we should have a temporary bill, it could be easily applied, and in view of the fact that we are in a readjustment period you will find that officers, including Admiral Coontz, advocated temporary legislation, and I think the House will see that it is better to provide for the situation by temporary rather than by permanent legislation.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. OLIVER. May I have two minutes more?

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER. I have no feeling about this matter. I felt, however, that I owed it as a duty to the House to give some study to this rather technical and involved matter, in order that I might be able to answer questions asked for information. You are the final judges of this matter. You must pass on it. There is the best of feeling between all members of the subcommittee, and while holding different opinions as to the pending bill, we are desirous of giving to the House full information about it, so that you may intelligently pass on the matter. For the reasons appearing in the minority report I feel that it is far better to provide any needed increase in the pay of either the enlisted or the commissioned personnel by temporary rather than by permanent legislation as now proposed. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. McKENZIE. Mr. Chairman, I yield one minute to the gentleman from Vermont [Mr. GREENE].

The CHAIRMAN. The gentleman from Vermont is recognized for one minute.

Mr. GREENE of Vermont. Mr. Chairman, in view of the fact that there has been manifest at different times the more or less common idea that in addition to the base pay which is given to the officers of the Regular Army as a compensation they all have various perquisites and emoluments and the means of obtaining increase of compensation "on the side" which are not generally understood by the public, I have asked The Adjutant General's office to prepare for me a concise, accurate, and authoritative statement of all the sources of revenue of any commissioned officer of the Regular Army, which I shall ask to have inserted in the RECORD.

The CHAIRMAN. The gentleman from Vermont asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. GREENE of Vermont. The following is a brief statement of the principal items of pay and allowances provided by law for officers of the Army in addition to base pay:

Subject.	Substance of law and comment.	Where found.
Temporary increase	A temporary increase of $420 per annum for a second lieutenant, $600 for a first lieutenant, lieutenant colonel, and colonel; $720 for a captain, and $840 for a major is authorized for the period Jan. 1, 1920, to June 30, 1922.	Act May 18, 1920 (41 Stat. 601).
Additional pay for length of service.	A 10 per cent increase in the pay of officers for each term of five years, not to exceed 40 per cent, and limited to $1,000 in any one case is authorized.	Sections 1262 and 1263, Revised Statutes, and act May 11, 1908 (35 Stat. 108).
	All service in Army, Navy, Marine Corps, Coast Guard, Public Health Service, and Coast and Geodetic Survey is counted in computing this pay.	Act May 18, 1920 (37 Stat. 594).
	Cadets who entered the academy subsequent to Aug. 24, 1912, are not entitled to credit for such service.	Act Aug. 24, 1912 (37 Stat. 594).
Foreign service increase.	The pay of officers is increased by 10 per cent for service beyond the limits of the United States, except for service in the Canal Zone, Panama, Hawaii, or Porto Rico.	Acts June 30, 1902 (31 Stat. 246), and Aug. 24, 1912 (37 Stat. 756).
Additional pay for aids.	Additional pay for aids is authorized at $200 per annum for an aid to a major general and $150 for an aid to a brigadier general.	Section 1261, Revised Statutes.
Increase for exercising higher command.	In time of war an officer serving with troops operating against an enemy who exercises, under assignment in orders issued by competent authority, a command above that pertaining to his grade, receives the pay and allowances of the grade appropriate to the command so exercised, no rate of pay greater than that of a brigadier general to be paid.	Act Apr. 26, 1898 (30 Stat. 365).
Increase for aviation.	An increase of 50 per cent of their pay is authorized to officers and men of the Army while on duty requiring them to make regular and frequent aerial flights. Under decision of the Comptroller of the Treasury this increase is limited to officers of the Air Service.	41 Statutes, 769.
Quarters	An officer is allowed the following number of rooms as quarters: Second lieutenant 2 First lieutenant 3 Captain 4 Major 5 Lieutenant colonel 6 Colonel 7 Brigadier general 8 Major general 9 General 10	Act Mar. 2, 1907 (34 Stat. 1178).
Commutation of quarters.	At places where no public quarters are available, commutation is paid to officers at the rate of $12 per room per month.	Act Mar. 4, 1915 (38 Stat. 1099).
Quarters, or commutation thereof, for dependents.	An officer on duty in the field, or on active duty without the territorial jurisdiction of the United States, is furnished quarters for wife, child, or dependent parents at the place of abode maintained by him for them, or if such quarters are not available he is paid commutation of quarters, heat, and light. This authority ceases on June 30, 1922.	Act Apr. 16, 1918 (40 Stat. 530); act May 18, 1920 (41 Stat. 602).
Heat and light	Heat and light necessary for the authorized allowances of quarters is furnished at the expense of the United States. Pursuant to this law, commutation rates are published in Army Regulations fixing allowances in accordance with zones of equal temperature and seasons of the year.	Act Mar. 2, 1907 (34 Stat. 1167).
Forage	Forage in kind may be furnished officers for the following allowance of horses owned and actually kept by them in the performance of their duties, viz: General 5 Lieutenant general 4 Major general 3 Brigadier general 3 Each other officer 2	Act June 18, 1918 (20 Stat. 150).
Forage	When forage in kind can not be furnished it may be commuted.	Act Feb. 27, 1877 (19 Stat. 243).
Care of mounts	An officer is furnished bedding, shoeing, and shelter for his authorized mounts.	Act Mar. 2, 1907 (34 Stat. 1166).
Transportation of mounts.	An officer is on change of station entitled to transportation of his authorized mounts from his old to his new station, or elsewhere as directed by competent authority, or if ordered overseas or to Alaska, to remount depots or elsewhere in the United States for safe-keeping during his absence.	Act Mar. 2, 1907 (34 Stat. 1166); act July 9, 1918 (40 Stat. 859).
Mounts and horse equipment for officers below grade of major.	An officer below the grade of major required to be mounted may be furnished mounts and horse equipment at the expense of the United States, but he is paid $150 a year if he provides one suitable mount at his own expense and $200 a year if he provides two mounts.	Act May 11, 1908 (35 Stat. 108).
Mileage other than sea travel.	Officers traveling under orders without troops are, for other than sea travel, entitled to 7 cents per mile, the distance to be commuted over the shortest usually traveled route; reduction of 3 cents per mile is made from the officer's accounts for that part of the journey which is over land-grant or bond-aided railroad, or that part over which transportation is furnished by the Government.	Act June 12, 1906 (34 Stat. 246).
Expenses for sea travel.	Actual expenses only paid for sea travel	Do.
Packing, crating, and transportation of baggage.	Upon change of station an officer is entitled to have a limited amount of baggage, including household goods, packed, crated, and transported, ordinarily by freight, from his old to his new station, or in certain cases, when the cost is not greater, from his old station to other points, or from other points to his new station. Allowances are prescribed in Army Regulations.	Annual appropriation acts.
Transportation of dependents.	An officer ordered to make a permanent change of station is entitled to transportation to his new station for his wife and dependent child or children.	Act May 18, 1920 (41 Stat. 604).
Expenses of burial and shipment of remains.	The remains of a deceased officer are buried, or shipped to the home or a designated national cemetery, at Government expense, provided the cost does not exceed a maximum prescribed in regulations.	
Gratuity upon death.	A payment of six months' pay to the widow, child, or children, or other dependent relative of any officer or enlisted man who dies in active service and whose death is not the result of his own misconduct is authorized.	Act Dec. 17, 1919 (41 Stat. 367).

I want to call attention to the fact, if you will do me the honor to study this when it appears in the RECORD—that it is shown plainly enough in that statement that it is a mistaken and fallacious idea that all officers have something in the way of so-called emolument or perquisites on the side. You will see that the statutes plainly provide when and in what case an officer may get commutation for this, that, and the other thing to which he is put to expense. As a matter of fact, as you will see, he gets no more than his pay and statutory allowances.

No one officer gets all these allowances unless, through some most remarkable combination of circumstances, he is put at one and the same time into all the various situations contemplated by all these statutes hereinafter cited—an impossibility on the face of it. On the other hand many officers do not come in for any commutation at all, except upon rare occasions.

Generally speaking, aside from longevity pay or something of the kind, these allowances are not in the form of net income to the officer, but are commutations designed to cover his own actual expense. The officer clothes and equips himself, and furnishes his own subsistence. The enlisted man, it should be remembered, has these things furnished him by the Government.

Both officers and enlisted men are housed in barracks in the post, of course, because they must live at their duty station as, for instance, firemen do, and be instantly available to call, night or day, unless otherwise relieved. When an officer or enlisted man is sent to duty at a place where there are no Government barracks, however, then he is allowed the commutation for quarters hereinafter shown.

And so on throughout the list. As I have said, it is only when the peculiar situation of the officer brings him within the provisions of any of the statutes that are cited that he is entitled to any of the compensation or commutation therein provided.

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having taken the chair, a message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had agreed to the report of

the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 132) to provide for the continuance of certain Government publications.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9859) making appropriations for the Post Office Department for the fiscal year ending June 30, 1923, and for other purposes, had further insisted upon its amendments numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 17, 32, 40, 52, 54, 55, 58, 59, 60, and 61, disagreed to by the House of Representatives, had asked a further conference with the House, and had appointed Mr. TOWNSEND, Mr. STERLING, Mr. MOSES, Mr. WALSH of Massachusetts, and Mr. BROUSSARD as the conferees on the part of the Senate.

READJUSTMENT OF PAY OF THE ARMY, NAVY, ETC.

The committee resumed its session.

Mr. McKENZIE. Mr. Chairman, I yield 15 minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. SNELL. Mr. Chairman, I make the point that there is no quorum present.

The CHAIRMAN. The gentleman from New York makes the point that no quorum is present. The Chair will count. [After counting.] Sixty-five Members present; not a quorum. The Clerk will call the roll.

The Clerk called the roll, when the following Members failed to answer to their names:

Anderson	Dyer	Knight	Sanders, Ind.
Atkeson	Edmonds	Kreider	Sears
Bankhead	Elliott	Kunz	Shreve
Beck	Ellis	Lampert	Siegel
Beedy	Fairchild	Langley	Smith, Mich.
Benham	Fairfield	Linthicum	Smithwick
Bixler	Fenn	Little	Snyder
Black	Fess	Luhring	Sproul
Blakeney	Fields	McArthur	Steagall
Blanton	Focht	McCormick	Stiness
Boies	Foster	McFadden	Strong, Pa.
Brand	Frear	McLaughlin, Pa.	Sullivan
Britten	Free	MacGregor	Sumners, Tex.
Brooks, Pa.	French	Maloney	Sweet
Bulwinkle	Frothingham	Mann	Taylor, Ark.
Burdick	Gilbert	Martin	Taylor, Colo.
Burke	Gorman	Mead	Taylor, Tenn.
Burroughs	Gould	Michaelson	Tilson
Butler	Green, Iowa	Mills	Treadway
Campbell, Pa.	Griest	Montague	Underhill
Clark, Fla.	Hawley	Mott	Upshaw
Clarke, N. Y.	Hicks	Mudd	Vinson
Classon	Hill	Murphy	Voigt
Cockran	Hoch	O'Connor	Volstead
Codd	Hudspeth	Osborne	Walters
Collins	Humphreys	Parker, N. Y.	Ward, N. Y.
Connell	Husted	Patterson, Mo.	Ward, N. C.
Connolly, Pa.	Ireland	Patterson, N. J.	Webster
Copley	Jeffers, Ala.	Porter	Wheeler
Coughlin	Johnson, Wash.	Pou	White, Me.
Crago	Jones, Pa.	Rainey, Ala.	Williams
Dallinger	Jones, Tex.	Raker	Wingo
Darrow	Kahn	Ransley	Winslow
Davis, Minn.	Kearns	Reavis	Wood, Ind.
Davis, Tenn.	Kelley, Mich.	Reber	Woods, Va.
Dempsey	Kelly, Pa.	Reed, W. Va.	Woodyard
Dickinson	Kiess	Rhodes	Wurzbach
Dominick	Kindred	Riddick	Wyant
Drane	Kirkpatrick	Riordan	Yates
Drewry	Kitchin	Rosenbloom	Zihlman
Dunn	Kleczka	Ryan	

The committee rose; and the Speaker having resumed the chair, Mr. TOWNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having under consideration the bill H. R. 10972 had found itself without a quorum, that he had caused the roll to be called, and that 267 Members answered to their names.

The committee resumed its session.

Mr. MONDELL. Mr. Chairman, on several occasions in the recent past some impatience has been voiced on the floor of the House as to the progress that is being made in the Department of Justice in the preparation and prosecution of cases, particularly those growing out of war contracts. This morning the Attorney General addressed a letter to the President referring to these expressions and giving the President a brief statement of the situation with regard to the cases before the department. The President has forwarded the letter of the Attorney General to me with a brief letter of transmittal, and I ask unanimous consent for the reading in my time of the President's letter and the letter of the Attorney General.

The CHAIRMAN. The gentleman from Wyoming asks unanimous consent for the reading of the letters referred to in his time. Is there objection?

There was no objection.

The Clerk read as follows:

THE WHITE HOUSE,
Washington, May 9, 1922.

Hon. FRANK W. MONDELL,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN MONDELL: In view of the fact that the House has under consideration the matter of entering upon an investigation of the handling of war contract adjustments by the War Department and the prosecution of claims by the Department of Justice, I am sending you herewith a recital of the situation which I have just received from the Attorney General in response to an inquiry from me concerning this work. I have thought the information contained in the letter of the Attorney General would be helpful to the House in deciding upon its course in this matter.

Very truly yours,

WARREN G. HARDING.

MAY 9, 1922.

MY DEAR MR. PRESIDENT: In view of the interest manifested in Congress and the press in the matter of the investigation and prosecution of the so-called war contract cases, I feel that I should advise you of the nature and extent of these cases, and of the very substantial progress which has been made by the Department of Justice notwithstanding the lack of adequate facilities in funds and men.

All patriotic citizens are agreed that the persons and corporations who took advantage of the extraordinary opportunities afforded by the war to defraud and despoil the Government should be vigorously prosecuted to the full extent of the law, and should be made to disgorge the unholy profits of their treasonable conduct. These crimes and offenses are all the more reprehensible when committed or connived at by sworn officers and employees of the Government.

The transactions out of which these cases grow in a vast majority of instances took place during the preceding administration. Naturally little or nothing was done during that administration to bring these matters to light. As the country will soon have reason to know, influential personages in the Government who had knowledge of these transactions and were in a position to make disclosure were personally interested in concealing them. It is not to be wondered, therefore, that upon coming into office I found not only that practically nothing had been done in the way of investigating and prosecuting these offenses but that no machinery had been set up for handling the cases in an orderly and systematic way.

The task of creating an organization for this work came coincidently with the well-founded popular demand for retrenchment in governmental expenditures. The Department of Justice, in common with the other Government establishments, has felt the effect of the laudable efforts of Congress to meet this demand. Because of this I have not been able to realize the ideal I have had in mind of an adequately equipped separate division for the handling of all cases of this general class. A number of the more important ones have been centered in the office of the assistant to the Attorney General, but the remainder have of necessity been distributed among the other regularly established divisions.

Before taking up the department's accomplishments in this work I feel that I should state a few of the outstanding facts which emphasize the need of increased appropriations. While the war-time activities of many of the departments and bureaus have been completed or are nearing completion, the work of this department in connection with those activities is at its peak. The department now is handling, in one stage or another, upward of 200 cases coming under the general head of war-contract cases. This includes only investigations and proceedings looking to the punishment of individuals for defrauding the Government and to the recovery of moneys due the Government. It does not take into account the almost equal number of cases brought against the Government on claims growing out of war-time operations and in which the Government's interest must be protected.

Notwithstanding the serious handicap of lack of funds, the Department of Justice has made gratifying progress in these war-contract cases. The work thus far has been largely in the way of organization and investigation. The hearings before the several subcommittees of the select committee on expenditures in the War Department, of which Hon. WILLIAM J. GRAHAM, of Illinois, was chairman, have been examined and the testimony relating to the more important cases digested and analyzed. While these hearings in numerous instances developed some valuable evidence and pointed to irregularities, it has been found necessary to supplement them by audits of accounts and further investigation in the way of interviews with prospective witnesses and other interested persons. The work of auditing these transactions is being carried on by the War Department, and, of course, the Department of Justice can not institute legal proceedings until those audits are completed and furnished. As these audits are received from time to time they are promptly taken up and studied by this department and the work of preparing for appropriate legal proceedings is begun. You, of course, understand that these audits are in form a mere claim, and that the work of collecting the evidence and personally interviewing the witnesses in many parts of the country devolves upon this department.

It is a terrible thing to charge a citizen with robbing his own Government, and I have insisted upon the most painstaking investigation of all cases involving charges of criminality. The investigations in a number of the more important cases have been completed or are rapidly nearing completion. In each instance they disclose a sufficient indication that a crime has been committed to warrant submitting them to a grand jury. It is regrettable that public attention should have been so strongly focused on these cases upon the eve of their prosecution. Those who may be indicted will lustily proclaim that they are the innocent victims of a stimulated activity for political effect. Such, however, will not be the case and the Department of Justice will not be swerved from its carefully laid plans by any such consideration.

The transactions involved in these cases for the most part took place in the District of Columbia, and venue can be more definitely established in this district than in any other. Under existing law there is provision for only one grand jury for both Federal and local cases. During the last several months the time of this grand jury has been entirely taken up with the consideration of the Knickerbocker Theater disaster, the Morse case, and local business of a most pressing nature. There is now pending in Congress a bill which I prepared and recommended, and which it is hoped will become a law within a few days, providing for an additional grand jury in the District of Columbia.

It is planned to convene this second grand jury immediately upon the passage of the bill and to employ it as long as may be necessary for the consideration of war contract cases, the venue of which falls within this District.

Two cases of the first magnitude are ready for prompt submission. One of these is nation-wide in scope and the investigation has covered a wide range. If this case had been presented without such preliminary investigation, the principals might possibly have been indicted, and their liability to the Government in large amounts established. However, this investigation, conducted in the most confidential way, has developed that a great many others who have been lurking in the shadows are also involved in the unlawful transaction. The result is that not only will the principals and several others in all probability be indicted here, but other indictments against the principals and different groups of individuals may be expected to follow in other parts of the country. When these two cases have been fully presented, a third case, which has been under investigation for many months and which has received considerable publicity, will be ready for presentation. Others now in course of preparation will follow, and it is expected that the work of preparing and presenting these cases will continue throughout the entire summer.

To avoid aggravating the already congested condition in the local courts cases will be presented in other districts wherever possible.

Of the 200 and odd cases of this general description which I have mentioned, a great majority represent claims for civil recovery without the element of fraud. In the matter of amounts involved they range all the way from claims for a few hundred dollars to claims reaching into the millions. The aggregate possible recoveries in these cases if the Government should be completely successful in each would probably equal $100,000,000. The War Department, with the assistance of this department, has already recovered millions of dollars from those who were overpaid or who knowingly overcharged their Government. These claims come to this department mainly in the form of statements and audits from other departments. I have reason to believe that as the work of auditing accounts and settlements progresses in the several departments, this department will continue to receive such claims in increasing numbers. Cases of outstanding importance are being studied and prepared for suit in the department, and to the extent that the funds placed at my disposal will permit, will be prosecuted by skilled special counsel.

The remainder have been referred to the United States attorneys in the districts in which the debtors are located for appropriate action. Included among these are many cases involving large sums of money and complicated statements of fact. As is well known, the United States attorneys and the Federal courts are literally swamped with the increased business which has developed in recent years, and notwithstanding their ability and devotion to the Government's interest, they have neither the time nor the facilities adequately to handle these important and difficult cases. It was because of this congestion that I recommended to be introduced in Congress the bill providing for 23 additional Federal judges, and which it is hoped will soon become a law.

In view of the criticism which has been directed at the Department of Justice in connection with its handling of the claim against the Lincoln Motor Co., I deem it my duty to lay the facts before you. This case involves alleged irregularities in connection with the adjustment of a contract with that company for the manufacture of Liberty motors. Before the completion of the War Department's audit, the assets and properties of the company had been sold at receiver's sale, and the proceeds were being held for the benefit of creditors. The audit when completed disclosed a maximum claim against the company of $9,188,561.98, and possible grounds for criminal proceedings. By letter dated February 14, 1922, the War Department advised the Department of Justice of the result of the audit and requested that claim be filed with the receiver, and that the usual priority rights be asserted. On February 15, 1922, this department instructed the United States attorney at Detroit, Mich., to prepare the claim for filing, and at the same time arranged with the War Department that persons familiar with the facts should be sent to Detroit to assist him. The receiver, the Detroit Trust Co.—the officer of the court—requested a hearing by the Department of Justice on the ground that at the time of its appointment it was generally understood that the Government had no claim against the assets in its hands, due to the settlement made by the War Department during the former administration with the Lincoln Motor Co. Under the circumstances the department properly granted the request, and the United States attorney at Detroit, with the consent of the receiver, obtained an extension of the time in which the Government might file and prosecute its claim. After hearing counsel for the receiver and other interested parties, I concluded that the matter should be submitted to judicial determination, and accordingly the Government's claim was filed within the time allowed.

I am in receipt of a letter from Hon. Arthur J. Tuttle, United States district judge for the Eastern District of Michigan, written on April 21, 1922, after the Government's claim against the receiver of the Lincoln Motor Co. had been filed, in which he makes the following reference to handling of this claim:

"While writing you this letter, which is official and yet tinged with a degree of personality, I believe I can with propriety refer to the recent newspaper notoriety relative to the claim of the Government against the Lincoln Motor Co. I, of course, have no reference whatever to the merits of the Government's claim or any other matter which is now and may hereafter be pending before me for my decision or judgment. Congressman WOODRUFF, of Bay City, Mich., is one of my old friends, and good friends; undoubtedly he believes what he stated in regard to the matter; on the other hand I know that he is entirely mistaken in making criticism of you and your department in anything which has happened up to this time or failed to happen up to this time in protecting the Government's interest. Because of the activity of your department through the local United States attorney not one dollar of the fund has ever been paid out to creditors, and it is being held here intact by the court pending a disposition of the Government's claim. The few days' delay during which time the Government investigated the matter and heard what other interested parties had to say has not and could not jeopardise the rights of the Government or anyone else. I had thought of writing my friend WOODRUFF about the matter; but this case is pending before me and a discussion of the matter might later prove embarrassing to me some way. I had also thought of writing you relative to the matter; but I knew you must understand the situation fully and also know that I understood it fully, so I could see no reason for doing that. In writing you about the other matter, however, I could not resist the temptation of visiting with you about this phase of the matter which surely has nothing whatever to do with the merits of the case. I am sure you will understand fully that the feeling on my part and the knowledge on my part that the criticism was unjust prompted this reference."

The record of the Department of Justice in connection with these war contract cases calls for no apology and none is intended. The work has been pressed to the fullest extent that the funds at my disposal would permit. It has been carried on under my direction by a few able and conscientious officers and attorneys who have devoted themselves to the task with untiring energy. Because of the need for the utmost confidence and secrecy information as to the progress in the preparation of the cases and the plans for their prosecution has been restricted to the officers in charge, and, of course, has not been divulged to minor employees. This accounts for much of the misinformation which has been circulated in reference to these cases; but as I have sufficiently indicated, the plans are laid and the work is under way, and all cases will be energetically prosecuted. The work can be greatly accelerated by the granting of the request for a special appropriation for $500,000 which you recently submitted to Congress, and by the prompt passage of the bill for an additional grand jury in the District of Columbia.

Faithfully yours,

H. M. DAUGHERTY, *Attorney General.*

Mr. MONDELL. Mr. Chairman, the letter of the Attorney General certainly evidences diligence in the investigation and preparation of cases before his department and satisfactory assurance of prompt and effective action. We join with the Attorney General in the hope that the additional judges required may be provided at a very early date. The bill providing for an additional grand jury for the District of Columbia now on the calendar we hope may be accorded consideration in a very few days, not later than Monday next. The appropriation to which the Attorney General refers is now under consideration by the Appropriations Committee and will be reported to the House and taken up for consideration in the very near future. With this action on the part of Congress I have no doubt the Attorney General will continue the work of examination and the prosecution of these cases, to the end that all those who have defrauded the Government shall be brought to the bar of justice and punished. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. OLIVER. Mr. Chairman, I yield five minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Chairman, I have been much interested in the contents of the letter of Attorney General Daugherty just read to the House. I am sure that everyone here and everyone in the country will give me credit for having only one thing in mind, and that is the prosecution of these war fraud cases. I am not as optimistic, however, about the way these matters will move as some Members of the House apparently are, judging by the applause given at the conclusion of the reading of the letter.

I want to call the attention of the House to several things in connection with this question. In my speech on the floor of this House on the 11th day of last month I made certain definite charges, and I take it the Attorney General's letter is supposed to answer those charges. The only thing mentioned in my speech on that day referred to specifically in the letter of the Attorney General is the Lincoln Motor Co. case. I would like to touch on that just a bit. The Lincoln Motor Co. case was audited by the proper auditing section of the Government. It was transmitted to the Department of Justice, together with a brief which was very comprehensive, and which I am printing at the conclusion of these remarks. That brief and the audit transmitted to the Department of Justice were deemed sufficient by the Department of Justice upon which to base action. That brief and audit were examined by certain Assistant Attorneys General down in the Department of Justice, and at the insistence of Assistant Attorney General Crim the case was forwarded to the district attorney at Detroit. So far, so good. That case was very promptly filed with the district court in Detroit, but after the case was filed, and at the request of the two United States Senators from Michigan, it was taken out of the hands of the district attorney at Detroit and brought back to Washington for further rehearing, notwithstanding the fact that they had already held a number of hearings on the case here, and the thing that prompted me on the 11th to say what I did say regarding the Lincoln Motor case and to serve notice on the Attorney General that if he did not allow the courts of the United States to decide the merits of this case I should move his impeachment, was the fact that the attorneys who were here in Washington representing the Lincoln Motor Co., or the receivers of that company, had whispered it about that they had the thing "all fixed up." They were very free in their remarks the day following when they stated that "WOODRUFF has spilled the beans." It was not difficult to believe, Mr. Chairman, that this case had been tentatively "fixed up" when one considers what happened in the Wright-Martin case, an almost identical case, and apparently in other cases.

It is true, as stated in the letter of Judge Tuttle to the Attorney General, that the steps taken by the Department of Justice to protect the interests of the Government had been all that they should have been up to the time the case was recalled to Washington for further hearings. It is true in this

case, as it was true in the Wright-Martin case, that had the Attorney General or the Department of Justice decided after these further hearings in Washington to take the case from the hands of the district attorney in Detroit, that case would very promptly have been withdrawn and the suit in the United States circuit court in Detroit dropped. The district attorney at Detroit would hardly dare disobey instructions of the Attorney General and refuse to return this case and drop proceedings. That the Lincoln Motor case had been handled by subordinates of Attorney General Daugherty and that he was satisfied to allow these same subordinates to handle this case is clearly shown by the fact that notwithstanding the hearings were to be held on the day following my speech, the Attorney General was in Ohio. According to newspaper accounts, which have not been contradicted, the Attorney General, immediately upon reading the press reports of my speech, wired his subordinates in Washington to postpone the hearings in the Lincoln Motor case until such time as he could return and give it his personal attention. Whether my threat of impeachment hastened his return to Washington only the Attorney General himself knows.

The case of the Lincoln Motor Co. and that of the Wright-Martin Co. are similar in many respects. The audit of the latter's contracts discloses their indebtedness to the Government in the sum of $5,267,476.75. This case was sent to the Department of Justice more than six months ago. Accompanying the report of the auditors was a brief prepared by the attorneys for the audit section, setting forth the facts upon which to base recovery. This brief was most voluminous, consisting of 100 typewritten pages. After a careful review of the audit and the brief by the Department of Justice this case was very promptly referred to the district attorney at New York for action, clearly setting forth that the audit and brief together supplied sufficient facts upon which the Department of Justice could base action for the recovery of these moneys. Apparently the department was to take necessary action in this case. But at the request of the Secretary of War, who has acknowledged this to me and to other Members of the House, this case was returned to the Department of Justice for further hearings. That the hearings were satisfactory to the Wright-Martin Co. and entirely unsatisfactory to the taxpayers of this country is evidenced by the fact that the Wright-Martin case still reposes in the archives of the Department of Justice and no action has been taken. The Attorney General in his letter to the President very carefully refrains from mentioning the Wright-Martin case.

Months ago the Department of Justice was notified by the contract audit section that the Standard Air Craft Corporation and the Standard Aero Co., two companies financed by the Mitsui Co., Japanese bankers, had been overpaid more than $6,500,000. The Department of Justice was also notified that these two companies were undergoing liquidation and that the assets of the same were being rapidly dissipated. Notwithstanding the fact that it was exceedingly necessary, if the Government's interests were to be protected, that the Department of Justice should take some action looking to this protection, no action has as yet been taken in either of these cases. Unquestionably, as a result of the inactivity of the Department of Justice or the evasion of duty on the part of the Attorney General, the opportunity for recovering these overpayments has been taken from the people of the United States. Mr. Daugherty in his letter to the President very carefully refrains from mentioning either of these two cases.

The Attorney General also carefully refrains from mentioning the American Electro Products Co. This company is a Canadian concern, and its contract provided for the erection of a plant at Shawinigan Falls, Canada, for the production of glacial acetic acid. It also provided for the loan of $1,750,000 from the United States Government, the plant to remain the property of the contractors at all times. On December 22, 1920, the Hon. Newton D. Baker, Secretary of War at that time, requested an opinion of the Attorney General as to the validity of the contract, and stated among other things:

> In the opinion of the Judge Advocate General, the foregoing provisions as to obligations upon the part of the Government were so wasteful and extravagant, and, in view of the location of the plant in a foreign country, so inimical to the interests of the Government, as to be beyond the power of any agent of the Government to incorporate them in a binding contract. Herewith is transmitted a copy of such opinion, together with all pertinent papers.

On April 20, 1921, Hon. J. M. Wainwright, Assistant Secretary of War, communicated with the Attorney General, requesting that such litigation be instituted as deemed necessary to protect the Government's interests. Among other things, the communication stated:

> I consider the terms of the contract as unconscionable, and that suit should be instituted to recover from the company the sum of $1,750,000 loaned by the Government plus unpaid interest from February 28, 1918.

It will be seen that this case has been in the Department of Justice for about a year, but so far no action has been taken looking toward the recovery of this money. It is exceedingly strange, Mr. Chairman, that the Attorney General neglected to mention this specific case in his letter to the President.

In the Sixty-sixth Congress the House, after receiving the Graham report, by a vote of 299 to 4 requested the Attorney General to take necessary action in the cantonment cases. This is one of the cases unheeded by the present incumbent. Notwithstanding that no further serious attempt to secure information relative to these cases was made by the Department of Justice, Mr. Myers some months ago announced to the men working on these cases that they had been closed. It is exceedingly strange that only within the past few days the Attorney General has announced that he has retained a former Member of this body to prosecute these cantonment cases, when to all intents and purposes they had been closed for months. The Attorney General carefully refrains from mentioning the cantonment cases in his letter to the President.

It is also exceedingly strange that no notice has been taken by the Department of Justice of repeated attempts by the contract audit section of the office of Chief of Finance to have the case of Phillips & Stephens prosecuted. In a memorandum dated September 8, 1921, the attention of the Attorney General was called to the conditions existing in this case and prosecution was requested. In a later memorandum dated March 11, 1922, Mr. E. C. Steward, in charge of the contract audit section of the office of the Chief of Finance, submitted another memorandum again calling attention to the conditions, and strongly suggesting both civil and criminal action. In this memorandum he states, although over 15,000 contracts had been investigated and audited by that office, it could be stated beyond argument that the contract in question was one which for criminal ingenuity was surpassed by none. Over 14 months of painstaking and diligent labor were consumed in making this audit and all of the facts contained therein had been explained in detail to representatives of the Department of Justice, and great pains had been taken to follow every development that might show the criminal intent of the contractor, and that it was to be regretted that up to that time there had been no tangible action taken. Mr. Steward stands ready at any and all times to assist in every way the prosecution of this case with a view to recovering the money wrongfully withheld from the Government, and if possible to punish those who are guilty in this connection, and it was respectfully and earnestly urged that such action be taken by the Department of Justice as would attain this end.

Mr. Chairman, the records in this case show that Phillips & Stephens have swindled the Government out of $1,854,076.04. That the Department of Justice has long had information relative to the criminal character of this case I propose to show by inserting an extract from the memorandum submitted to Mr. William J. Burns, Chief of the Bureau of Investigation of the Department of Justice by Maj. W. O. Watts, recently discharged by the Attorney General for giving to the gentleman from South Dakota [Mr. JOHNSON] and myself information relative to the public business, but who was at that time in the Department of Justice and working on this case. The extract is as follows:

> FEBRUARY 18, 1922.
>
> (Memorandum for W. J. Burns, Chief of the Bureau of Investigation, Department of Justice. Subject: Reference to the conduct of war-graft cases.)
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> * * * * * * * * *
>
> 6. About the middle of September, 1921, the Secretary of War referred to the Department of Justice the War Department's report on lumber contract with Phillips & Stephens, showing alleged irregularities exceeding $1,800,000. This contract had been under investigation by the department for some time, by Agents Borchardt and Ward, under the jurisdiction of Attorney Ramsay, so Mr. Lenihan informed me. Mr. Lenihan manipulated matters so as to get this case assigned to him, together with Agents Borchardt and Ward. Within a few days after the lumber case had been assigned to Mr. Lenihan, Mr. Phillips, of Phillips & Stephens, the contractors, called on Mr. Lenihan. Mr. Phillips introduced himself to Mr. Lenihan as of Phillips & Stephens, lumber contractors. He then proceeded to state that he had just come from the Attorney General, with whom he said he was arranging appointment of Federal judges in his district. He said he was the leader of the Republican Party in his district, and that the negro attorney (Anderson) claiming local leadership had no status as a political leader. He went on to state that President Harding had sent for him as the accredited party leader and discussed with him the local political situation and patronage.
>
> After an animated discussion of politics and public policies, Mr. Phillips impressed upon Mr. Lenihan his virtues and importance as a party leader. He said to Mr. Lenihan, in effect: "You are in charge of the lumber case concerning Phillips & Stephens. I want to say that there is nothing to this case and to get permission to destroy a lot of old records which are in the way; that Mr. Borchart has been going over these papers for some time, and I want to close up the case." Mr. Lenihan said that he did have charge of the case; that he had not had time to analyze it, but would go into it at once, and would see Mr. Phillips at a later date.

When this case was assigned to Mr. Lenihan I informed him that I could give him some information of value and put him in touch with a certain party (naming the man) who claimed to have extremely important information or access to such, pertaining to the lumber contract. Mr. Lenihan ignored this proffer of assistance and has never indicated to me a desire to obtain this information, although I subsequently repeated my previous offer and called his attention to the fact that the statute of limitation would soon expire, as the contract was dated February 26, 1919. On January 11 a representative of the War Department made inquiry relative to the status of the lumber case and as to when the War Department may expect formal action against the principals involved.

It is suggested that this case be inquired into.

7. At the time of Mr. Phillips's visit Mr. Lenihan expressed his views very freely to me regarding the inadvisability of the administration proceeding against the war contractors generally, as to do so, he contended, would upset business conditions, and was contrary to good policy.

He held the view that these alleged frauds had been committed during the stress of war, and were a matter of past history which should be generally left alone. From my observation of Mr. Lenihan's work this attitude has been found to almost inherently characterize his action on all War Department matters. In my opinion Mr. Lenihan lacks that sympathetic and faithful loyalty to the Government's interests which is always accorded as a fundamental duty by officials of integrity and ability, and is so necessary to the successful prosecution of these fraud cases.

8. He has stated to me that he was not interested in keeping his job in the Department of Justice for any great length of time, but would play the game for all it was worth while here, with Frank Hogan and other men of influence and power, who would be of use to him in the future.

9. Mr. Hogan was and has been unquestionably oversolicitous in cultivating the friendship and association of Mr. Lenihan, almost from the beginning of the latter attorney's association with the Harness case. Mr. Hogan is undoubtedly a very clever and cunning attorney, who is not averse to resorting to unethical and unscrupulous methods to gain the ends sought.

Mr. Hogan arranged an early luncheon at the "Round Table" for Mr. Lenihan, at which the latter attorney informed me some men of prominence were present. Mr. Lenihan stated that drinks were served in Mr. Hogan's office before going to luncheon.

These luncheons subsequently became common affairs. I can conceive of nothing but ulterior motives in Mr. Hogan's design. Certainly it is improbable that a man of Mr. Hogan's accredited standing as a jurist was in the least interested in Mr. Lenihan, a young and comparatively inexperienced attorney, for purely platonic reasons.

Mr. Lenihan is a man of free conversation, little versed in worldly affairs, of mediocre ability, and in no sense equipped to contend with this masterful opponent.

I propose to show further, Mr. Chairman, that long before this audit the Department of Justice was fully conversant with the criminal character of Mr. Phillips and the men associated with him in the sale of surplus lumber by inserting in the RECORD the following affidavit of Mr. B. G. Reamy, given to me on April 19, 1922. The affidavit very clearly sets forth who Mr. Reamy is and indicates that the Department of Justice has not wished to proceed in this case:

APRIL 19, 1922.

DISTRICT OF COLUMBIA,
City of Washington, ss:

Personally appeared before me R. T. Reamy, of Heflin, Va., who, being duly sworn, deposes and says as follows:

"That from March 3, 1920, to October 4, 1920, he was assistant to the commanding officer of the Detroit district ordnance office and vice chairman of the Detroit district ordnance salvage board, and that from October 5, 1920, to March 11, 1921, he was commanding officer of the Detroit district ordnance office and chairman of the Detroit district ordnance salvage board; that in these capacities he had charge of the sale of surplus Government war supplies pertaining to the Ordnance Department, and that among other supplies to be disposed of in the Detroit district was approximately 1,500,000 feet of lumber; that during the month of May, 1920, he was advised by the Ordnance Salvage Board at Washington that this lumber was to be turned over to Phillips & Stephens for sale in accordance with the contract the Government had with that firm for the sale of surplus Government lumber.

"That on receipt of this information, deponent objected to this method of disposing of said lumber on the grounds that the lumber market at that time in Detroit was very good, and the lumber could have been disposed of very readily by the Detroit district salvage board direct, thereby saving the Government any commissions that might accrue to Phillips & Stephens for the sale of it; but particularly for the reason that the Detroit salvage board could obtain a higher price for it than would be obtained by Phillips & Stephens. A reply was received from the Ordnance Salvage Board, Washington, that instructions from the office of the Director of Sales had been received, ordering said lumber to be sold only through Phillips & Stephens in accordance with their contract.

"A short time after this, the exact date in May, 1920, deponent does not remember, he was informed by Victor J. Mollere, whose place of business at that time was Grand Rapids, Mich. that he, Mollere, had just received a telegram from Mr. J. L. Phillips that he, Phillips, had sold to Mollere the lumber above referred to. Deponent asked Mr. Mollere what price he was to pay the Government through Phillips & Stephens for it, and Mollere replied that he did not know, as Mr. Phillips's telegram had simply said that the lumber had been sold to him without mentioning any price. Mollere further stated that he expected Mr. Phillips in Detroit within a few days to inspect the lumber. On Saturday, May 29, 1920, deponent was called at his office by telephone by Mr. Mollere, stating that Mr. Phillips was in town and that it would be impossible for himself and Phillips to inspect the lumber and come to my office before closing time, and asked deponent if he could meet Mollere and Phillips at the Statler Hotel that afternoon. This was agreed to, and on the afternoon of May 29, 1920, deponent went to the room occupied by Victor J. Mollere at the Statler Hotel, at which time Mr. J. L. Phillips was present. During the conversation regarding the lumber J. L. Phillips told deponent he would like to speak to him privately, and therefore deponent and Mr. Phillips went into the bathroom of that room, at which time Mr. Phillips stated that he was making lots of money in the sale of Government-owned lumber; that he had various agents or associates in different districts of the United States to whom he sold the lumber at a low price, and that later this agent or associate would sell the lumber at a good profit, which profits were always split 50–50 between Mr. Phillips and the agent or associate. Phillips further stated that some of the agents seemed to think that he, Phillips, was taking the lion's share of the profits on the 50 per cent basis, but that this was not true, because it was necessary for him out of his 50 per cent of the profits to "look after the boys in Washington." He further stated that he considered deponent, in a way, as one of his "partners," and that after the Government lumber was all disposed of that he, Phillips, expected to give deponent a certain amount of money as a partner; further stating that it might be six months or perhaps a year before this could be done, as he did not intend to do this until after the Government lumber had all been disposed of. Mr. Phillips did not mention the amount that he would pay deponent, but said that the matter would be adjusted to everybody's satisfaction.

Within two or three days after this conversation with Mr. Phillips deponent went to Washington, D. C., and reported this matter in detail to Lieutenant Colonel Buchanan, who at that time was in charge of the fraud section of the Military Intelligence. About three weeks after the date on which the report was made to the Military Intelligence deponent had occasion to visit Washington again on other matters, and while there went in to see Colonel Buchanan to find out whether anything further had developed regarding this case, and Lieutenant Colonel Buchanan stated to deponent that the Military Intelligence section of the Army was about to be abolished because of lack of appropriation by Congress to continue the work, and that all matters pending investigation were to be turned over to the Department of Justice for completion. He further stated that it had come to his knowledge that there was an understanding between Mr. Burke, who was at that time Chief of the Bureau of Investigation of the Department of Justice, and Mr. E. C. Morse, who at that time was director of sales, to the effect that Mr. Burke would not investigate any sales contracts made by the office of the director of sales. Deponent was somewhat disturbed and concerned at this information, and then visited the office of the Attorney General and reported this information to Mr. Fisher, who was at that time one of the assistants to Mr. Stewart. Mr. Fisher informed deponent that this phase of the question would be investigated, and if such an arrangement had been made by Mr. Burke that it would not be countenanced by the Attorney General. Deponent heard nothing further regarding this matter until during the first part of April, 1921. In the meantime, however, about September or October, 1921, deponent reported this whole matter to Mr. John E. Kinnane, who at that time was United States district attorney at Detroit, Mich., Mr. Kinnane stating to deponent that he would take the matter up with the Department of Justice at Washington.

In the early part of April, 1921, deponent, who was at that time temporarily located in Chicago, was called on the telephone by Mr. Borchart, of the Department of Justice, and asked to come to the Federal building at Chicago to see him—Borchart. On arrival at the Federal building Mr. Borchart stated that he was from the Department of Justice at Washington and had been investigating since the previous November the Phillips & Stephens contract with the Government and their manner of complying with that contract and wished a statement from deponent as to his knowledge of Phillips & Stephens' actions at Detroit. Deponent then stated to Mr. Borchart practically the information that has been stated in this affidavit. Deponent has heard nothing more from the Department of Justice or any other Government source regarding this matter since that time.

Further deponent sayeth not.

B. T. REAMY.

Subscribed and sworn to before me this 25th day of April, 1922.

[SEAL.] HOWARD F. BRESEE,
Notary Public.

Perhaps, Mr. Chairman, the fact that Mr. J. L. Phillips is now the Republican State chairman of Georgia has something to do with the reluctance with which the Department of Justice is moving in this case. It is to be noted further that he is the man who has the distribution of patronage in Georgia under this administration. The Attorney General carefully refrains from mentioning the Phillips-Stephens case in his letter to the President.

In my address before this House on April 11 last, I referred at some length to the case of the Chemical Foundation Co. All of the essential facts were there summarized and reference made to the criminal statutes of the United States applicable to those facts. I again refer to this matter because without question and to the knowledge of the Attorney General ever since he took office and to the knowledge of his predecessor a most outrageous fraud, amounting to many millions of dollars, was perpetrated upon the United States Government. The Attorney General would have us suppose that he has not yet had time or opportunity to make a sufficient examination of the important cases, including, no doubt, that of the Chemical Foundation Co., on which to base civil or criminal proceedings. Such a contention, in so far as it relates to this matter, is so unfounded as to be frivolous. Every essential fact is and has been a matter of public record for upward of two years. The names of the various persons concerned in the transactions by which the fraud was consummated have been known to the public since 1919. They were the subject of widespread newspaper discussions in the campaign of 1920; they are contained in the reports of congressional investigations which have been in the hands of or at least available to the Department of Justice prior to the time when the present Attorney General took office. Any man of ordinary intelligence, whether lawyer or layman, could in a very short time extract all of the material facts from official documents. The matter has been repeatedly called to the attention of the Attorney General by Members of Congress. There is not a single phase of this matter that at

this time or at any time since the present incumbent took the office of Attorney General that required any extensive investigation or study.

While the amount involved is large and the fraud is palpable, the facts are very simple. No action has been taken. It has not yet been intimated or stated by the Department of Justice that any action was to be taken looking to the criminal prosecution of those involved or the cancellation of the sale by any civil proceeding. True, powerful interests are involved. True, these interests are represented by persons belonging to both the dominant political parties. It has been suggested to me that this explains why it was possible to perpetrate the fraud under the former administration and possible to secure immunity from prosecution under the present administration. I am not yet ready to accept this explanation. But I warn you now that it will be accepted as the true one by the American people if, through further delay or nonaction, the persons and interests concerned in this prodigious fraud are not brought to justice and the wrong undone.

Notwithstanding that the Attorney General has had before him for many months a great number of cases against these war grafters, which have been all this time as carefully prepared as was the Lincoln Motor case when it was sent to the courts, yet neither he nor any of his subordinates have taken, in any of these cases, the action which is demanded by the American people. But instead, Mr. Chairman, in recounting the accomplishments of his administration of the Department of Justice for the past 14 months, he can point with pride only to the fact that 1 case of this character out of the 200 he has in his department has only just been presented to the courts, and it has not as yet been tried. Truly a staggering accomplishment.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. OLIVER. Mr. Chairman, I yield the gentleman three minutes more.

Mr. WOODRUFF. Mr. Chairman, I might mention other specific cases, but I shall not do so at this time. However, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. WOODRUFF. Mr. Chairman, the Attorney General, after 14 months in office, asks the Congress for $500,000 with which to prosecute war frauds. The chairman of the investigating committee [Mr. GRAHAM of Illinois] more than six months ago wrote the Attorney General and urged him to ask of Congress sufficient funds for this purpose. I want now to read something from an afternoon newspaper printed here in the city of Washington to prove to the Members of this House that the Attorney General is to-day doing exactly what many other heads of departments under this Government have done in the past, viz, passing the buck to Congress. In quoting an interview at the Department of Justice the newspaper says:

> Much of the delay in the prosecution of war-graft cases is charged by officials to inadequate appropriations by Congress.

There is not a Member of the House who does not know that no demand was ever made of Congress for funds for this purpose. Nor was any specific request ever made of the House for funds with which to audit these war contracts, and when the appropriation bill for the Army was before the House I was one of two men here who attempted to secure an appropriation for auditing these war contracts.

No point was made by the War Department at that time setting forth the importance of this work, and yet we learn that the Secretary of War now is laying great stress upon the fact that they need in that department $300,000, the exact amount I asked for, with which to audit these contracts. I say to you, Mr. Chairman, that I am satisfied, and every other man who knows the circumstances ought to be satisfied, that there has not been the activity there should have been in either the War Department or the Department of Justice in regard to these war fraud cases. I do not believe the Republican Party can face the people of the country in the coming election if we do not do something to clean up this thing. It smells to high heaven.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. OLIVER. Mr. Chairman, I yield three minutes more to the gentleman from Michigan.

Mr. JOHNSON of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. WOODRUFF. Yes.

Mr. JOHNSON of Mississippi. Yesterday evening a newspaper stated that ex-Attorney General Wickersham had caused to be appointed in the Attorney General's office an office boy to handle these matters. Does the gentleman know anything about that?

Mr. WOODRUFF. I am reliably informed that it is true, but I am not stating so of my own knowledge. I understand that Mr. Myers did not begin the study of law until after he was an employee in the Department of Justice, and that his only experience as a lawyer has been acquired at the expense of the Government.

The Attorney General, in his letter to the President, sets forth the fact that the Department of Justice now has before it 200 of these war-fraud cases. He also states he hopes to recover as a result of the prosecution of these cases the sum of $100,000,000. The audit of the aircraft contracts to date has developed the fact that every contract audited shows overpayments or fraud. According to the Secretary of War there are 150,000 war contracts to be audited. If the Attorney General is correct in his statement to the effect that $100,000,000 can be recovered from 200 of these cases, will anyone dare prophesy the staggering sums which can be recovered if all the 150,000 accounts are properly and equitably adjusted?

The Attorney General states in his letter that as the audits proceed he anticipates these cases will come to the Department of Justice in ever-increasing numbers. It has taken him more than one year to present one case to the courts. Just how many centuries, Mr. Chairman, would it take that department to clean up these cases if he were to continue as its administrator?

My only complaint with the Attorney General is that he has been 14 months in office, and he has not brought to the bar of justice one single war grafter in this country, not one. Oh, some one might say he has brought Morse to the bar of justice, but I tell you he has not done that. He was very careful to refer that case to the Shipping Board. There has not been a man prosecuted for conspiracy to defraud. The only case before the courts to-day for the recovery of money fraudulently paid under these contracts is that of Lincoln Motor Co., and that is the very last of many cases which have been referred to the Department of Justice by the contract audit sections of this Government.

Mr. Chairman, it is well for every one of us to constantly keep in mind the fact that many hundreds of millions have been wrongfully and fraudulently taken from the Public Treasury. Every cent of that money was raised by taxing the people of the country. The taxpayers, big and little, have each contributed to these millions. The question before the House is: Are these hundreds millions to be returned to the Treasury and the taxpayers of the country to be relieved in the exact amount of these returns? Frankly, I am convinced that, unless the Attorney General displays more enthusiasm for this work than he has shown in the past 14 months no material results will be accomplished notwithstanding his much belated and evidently reluctant request for funds for this purpose put forward at this time.

Mr. JOHNSON of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. WOODRUFF. Yes.

Mr. JOHNSON of South Dakota. The gentleman recalls the fact, does he not, that no request was ever made by the legal department for any appropriation whatever until I offered an amendment to the Department of Justice bill on April 7 last.

Mr. WOODRUFF. Yes; and it is a notable fact that the Attorney General comes along now and asks for an appropriation in the exact amount. [Applause.]

BRIEF FILED WITH THE DEPARTMENT OF JUSTICE BY THE CONTRACT AUDIT SECTION OF THE AIR SERVICE IN THE LINCOLN MOTOR CASE.

THE EXECUTIVE FINANCE SECTION,
LIQUIDATION BRANCH,
March 21, 1922.

Memorandum for War Department.
Subject: Report of special examination of the accounts and contracts with the Lincoln Motor Co., 1647 series.

1. On February 13, 1922, there was a letter forwarded by the Secretary of War to the Attorney General, briefly calling attention to certain conditions that arose under the settlement made of the war contracts with the Lincoln Motor Co., Detroit, Mich. To further explain the situation it may be stated that a certain number of Air Service war contracts and settlements had been selected for reexamination and reaudit on account of the fact that the Air Service was not satisfied with the settlements. The Lincoln Motor Co. was one of these contracts. The occasion for writing the letter to the Department of Justice was brought about by the failure of the Lincoln Motor Co. in the fall of 1921. It would have been only a short time until a detailed audit would have been commenced on the books and records of the Lincoln Motor Co., and the letter above referred to was written in order to advise the law department of the Government of the imme-

diate necessity of taking some action in order to protect the Government's interests in funds and property of the Lincoln Motor Co. in the hands of the receiver. The two items referred to in the letter, to-wit, $4,794,135.15, paid as special depreciation, and the sum of $1,000,000, paid as anticipated profits under the settlement, were obviously paid contrary to the terms of the original contracts. The War Department did not undertake to set out in this letter any other items, for the reason that at the time no investigation nor audit had been made. A receiver was appointed upon the petition of Jos. N. Smith & Co., a corporation of Detroit, Mich. This petition was filed in the District Court of the United States for the Eastern District of Michigan on the 8th of November, 1921. It is thought well to call attention to the fourth paragraph of this petition, which reads as follows:

"The defendant is indebted to the plaintiff in the sum of upward of $5,000, with interest thereon, for materials and supplies heretofore sold and delivered by the plaintiff to the defendant at its request. Said sum is wholly unpaid, and there are no offsets or counterclaims thereto."

2. The bill is filed on the equity side of the court and sets up in another paragraph the diversity of citizenship of the plaintiff and defendant in order to give the court jurisdiction.

3. Another paragraph in the petition alleges that on information and belief "the defendant is indebted to various persons, firms, and corporations in the sum upward of $2,000,000 for materials and supplies furnished," etc., and further that the "indebtedness to other firms amounts to upward of $4,000,000, making in all, including the commitments in respect of executory contracts, in the sum upward of $6,000,000."

4. In the prayer for relief the plaintiff asks that "a receiver be appointed for the purpose of protecting the rights and interests of the claimant and other creditors, and for the purpose of taking charge of and managing the property and assets of the defendant company, and to collect, receive, and take into possession all the goods, chattels, rights, and property, etc., of the defendant, and asks that at the proper time the property be sold. In other words, the object of the petition was to wind up the affairs, sell the property, and distribute the assets. This petition is signed by Jos. N. Smith & Co., by E. L. Ackerman, president, and Bernard M. Weadock, solicitor for plaintiff, and is filed November 8, 1921. On the same day an answer was filed by the Lincoln Motor Co., signed by W. A. C. Miller and Harold H. Emmons, solicitor for defendant, which reads as follows:

"In answer to bill of complaint in the above-entitled case, the Lincoln Motor Co., a corporation organized and existing under the laws of Detroit, and qualified to do business and actually transact its said business within the State of Michigan, admits the truth of the allegations therein contained and joins in the prayers thereof."

5. On the same day a decree was entered by the court which recites the substance of the allegations of the petition, and appoints the Detroit Trust Co. of Detroit, Mich., receiver, and authorizes said receiver to take possession of all the property, business assets, and effects of the Lincoln Motor Co. The property was taken under control of the receiver without disturbing the operations of the plant, which continued to produce motor cars without interruption, and after proper order of the court a sale was made on February 8, 1922, of the entire physical assets of the property of the Lincoln Motor Co., excluding, as I understand it, cash, bills, and notes receivable, and accounts receivable, etc.

6. The above recitals are made with reference to the failure of the Lincoln Motor Co., so that the Department of Justice may understand to some extent the real situation. It is apparent from the reading of the bill of complaint and the answer, together with the fact that the decree appointing a receiver was all done on the same day simultaneously that the proceeding was, so far as the Lincoln Motor Co. was concerned, a friendly action. Just why the other creditors were not uneasy and did not proceed prior to this time to file proceedings in bankruptcy against the Lincoln Motor Co. is not known.

7. The Lincoln Motor Co., of Michigan, which received the war contracts, was organized on August 29, 1917, with an authorized capital stock of $1,500,000, and there was issued, according to the balance sheet of December 31, 1918, of the Lincoln Motor Co. stock to the value of $850,100. On January 13, 1920, the Lelands organized a new corporation, called the Lincoln Motor Co., and took out a charter under the laws of the State of Delaware. At that time, it appears from the stock ledger that there were 22 stockholders, mostly officers and employees of the corporation and members of the Leland family. The authorized capital stock was 160,000 shares of class A stock, par value $50 per share, and 160,000 shares of class B stock, no value. This company succeeded the Lincoln Motor Co., a Michigan corporation, and acquired all its assets and assumed its liabilities, and paying as consideration therefor 24,200 shares of class A stock and 160,000 shares of class B stock. The financing of the new corporation was carried out by an underwriting arrangement with Kissel, Kinnecut & Co., who were acting in behalf of the Bankers' Trust Co., of New York, Cassatt & Co., of Chicago, and themselves. Twenty-four thousand two hundred shares of class A stock was turned over to the underwriters as a compensation for their services in financing and the balance of the 135,800 shares were sold at $50 per share, realizing $6,970,000, out of which a cash commission of $250,000 was paid to the underwriters. Therefore, the corporation realized a net sum of $6,540,000, or an average of $40,875 a share.

8. On November 6, 1921, the report of the receiver shows the following persons as class B stockholders, no par value, and the number of shares of stock owned:

Name issued:	Number of shares.
Ida Ayers	214
James Boyer, (director)	9,099
Mary E. Forrester Brown	854
Emery W. Clark	534
Day	14,399
J. M. Eaton	534
John H. Emmert (director)	1,067
C. W. Gooch	350
William Guy (employee)	2,400
Frank Johnston (employee)	27,652
H. M. Leland	37,652
William C. Leland	40,156
Blanch D. Leland	2,400
Conrad Martin	235
William H. Murphy (director)	12,803
Fred T. Murphy	5,333
William T. Nash, secretary-treasurer	6,400
D. T. Randall (employee)	726
E. E. Sweet (employee)	2,400
Adele P. Shaw	1,067
John Trix (director)	6,934
Leroy J. Williams (counsel for the company)	5,973
L. Gertrude Williams	214
John B. Winfree, jr	150
Gertrude L. Woodbridge (daughter of Henry M. Leland)	8,000

9. On page 10 of the receiver's report of examination as at November 8, 1921, is contained an analysis of the corporation assets:

Value of class "B" stock at Jan. 17, 1920	$4,036,977.14
Reserve for treasury stock	94,228.00
Deficit accumulating from Jan. 17, 1920, to November, 1921	8,647,496.79

The deficit as of that date shows $4,516,291.65.

10. With reference to the transfer of the assets of the old corporation to the new corporation, the minutes of the first board meeting of the directors of the Delaware corporation, dated January 26, 1920, contain the following:

"(1) The Lincoln Motor Co., a Michigan corporation, will sell, transfer, and convey to this company all its property, business, and assets subject to its outstanding indebtedness, all as shown by its balance sheet dated December 31, 1919, and having a net valuation, after deductions for normal depreciation, amortization of war facilities, of $5,237,033.33 as of December 31, 1919, with adjustment to the date of transfer, and will accept as full payment therefor the following shares of capital stock of this company, namely, 160,000 shares of class B and 24,200 shares of class A, full paid and nonassessable, it being understood and agreed that while in the opinion of company's counsel reserves of the Michigan company for Federal income and profits taxes and war tax of 1919 and prior years are ample, this company will assume and pay any levies, assessments, or payments now or hereafter due in respect thereof, as well as all debts and liabilities of the Lincoln Motor Co., of Michigan."

11. An analysis of the balance sheet of the Lincoln Motor Co., dated December 31, 1918, shows a net profit of $3,036,409.28 for a period slightly over one year and on a capital investment of $850,100. This profit, as stated above, is after setting aside reserves amounting to $8,537,624.83, covering Federal taxes and amortization of plant.

12. Attention is invited to the balance sheet of April 30, 1919, prepared by the Lincoln Motor Co. after the settlement was made with the Government. This shows that on a capital investment of $980,000 and setting up reserves for plant facilities, taxes, claims, and inventory shrinkage, totaling $9,186,966.86, a profit of $4,405,461.77.

13. Attention is here called to the fact that on July 11, 1921, the new corporation authorized a bond issue of $2,500,000 at 7 per cent—three-year first-mortgage gold bonds. The Detroit Trust Co. became the registrar of the bonds and trustee under the mortgage. The amount of bonds actually certified and issued to the Detroit Trust Co. is stated in their report to be $1,950,000, there being $1,250,000 sold, $632,000 registered as collateral to bank loans, and $68,000 held in the treasury of the Lincoln Motor Co.

14. The mortgage covered all the land and real property of every description and all interest in real property owned at the time or thereafter acquired by the company, as well as plants, buildings, structures, fixtures, and erections attached thereto, and also all machinery, jigs, fixtures, and apparatus of the company wherever located, or whether owned at the date of the mortgage or thereafter acquired. According to the statement of the receiver in the report on page 6, it appears that the Lincoln Motor Co. borrowed $3,250,000 from banks; $500,000 was secured on the indorsement of William Nash, John Trix, H. M. Leland, W. C. Leland, W. H. Murphy, and Joseph Boyer, all being directors of the company. The balance of the notes of the $3,250,000 are guaranteed by bonds signed by Joseph Boyer, W. H. Murphy, John Trix, H. M. Leland, William Nash, W. C. Leland, and John W. Emmert, with the exception that the signature of John W. Emmert was not affixed to the bond given to the Union Trust Co., of Pittsburgh, Pa.

15. Another item is described as "bank loans" aggregating $632,000, which is in addition to the $3,250,000. The report of the receiver states that this represents a series of notes given to the Union Trust Co., of Cleveland, and to the Cleveland Trust Co., and secured by first mortgage bonds of the company in the amount of $632,000, as stated previously in this note. The notes given to the Union Trust Co., of Cleveland, aggregating $450,000, were indorsed by the Anderson Electric Car Co. Those to the Cleveland Trust Co., aggregating $182,000, are indorsed by the Timken Detroit Axle Co. The assets as shown by the books of the Lincoln Motor Co. on November 8, 1921, amounts to $15,061,391.54. The assets as found by the receivers total $11,968,325.54, and the same assets appraised as a going concern by the receiver, totaling $9,490,811.13, and were afterwards sold under order of the court to Henry Ford, of the Ford Motor Co., for $8,000,000.

16. For further information it may be stated that the list of claims filed is shown on a printed schedule issued by the receiver, approximating the following:

(A) Preferred claims, about	$1,000,000
(B) General claims, about	3,000,000

Schedule (C), being a list of claims approved by the receiver, stated to be $3,878,521.76, and Schedule (D), general claims that are filed that do not agree with the records of the Lincoln Motor Co., which are not totaled, and the amount can not be stated.

Schedule (E) is a list of claims not approved, amount not totaled, and a short list of claims filed after February 1, 1922, have not been passed upon, and the amount is not totaled. This statement of the list of claims printed by the Detroit Trust Co. is dated February 10, 1922.

The notes held by the banks are amply secured, and they can collect their money from the indorsers on the notes. They do not stand to lose any money, and are not dependent on the assets of the Lincoln Co.

SPECIAL INVESTIGATION AND REPORT.

17. On March 1, 1922, I was directed to proceed to Detroit, Mich., and supervise the investigation and checking of the accounts of the Lincoln Motor Co., under the series of contracts No. 1647. On account of the fact that the Lincoln Motor Co. is now in the hands of a receiver we were requested by the War Department to make a test check between the accounts of the Air Service and the Lincoln Motor Co., and report within as limited a time as was possible, in order that the results of this investigation might be made known to the Department of Justice so that it could properly determine what action was necessary for the Government to take in the premises, if any. The report of the Government accountants, Mr. William R.

Reece and Mr. W. J. Barry, is dated March 9, 1922, and a copy of the same is attached. These two gentlemen who signed this report are both senior accountants of many years' standing and have been connected with the work and investigation, and making audits and reports in connection with the liquidation and settlement of war contracts for the past three years.

THE CONTRACTS.

18. The limited time allotted in which to prepare this report made it impossible to analyze in detail and argue all conclusions that can properly be drawn from the various contracts and the settlement attempted to be made thereunder by the Air Service.

19. In order for this report to be as beneficial as it may be to the War Department and the Department of Justice, I have prepared a schedule which will be marked "A" and attached hereto, showing the salient or pertinent paragraphs of the various contracts involved, in parallel columns, with various comments and conclusions as to the effect of the changes made from the text of the original contracts.

20. Attention is also called to the fact that under the system of accounting that was adopted by the War Department with reference to cost-plus contracts, a force of accountants was established at the plant of each contractor. Vouchers were prepared by the contractor and checked and certified to by what was called a "plant accounting officer." The vouchers were then forwarded to Washington and cursorily inspected for apparent mathematical errors and passed for payment.

21. There is a clause in all the contracts that provides that these payments for labor, material, and overhead expenses may be based upon estimated figures, and they so were based most of the time. It was never intended to be a final transaction. There is a clause in the contracts that reads substantially as follows:

"Every determination of actual cost and the other factors under this article 6 necessary to the determination of the amount due or payable under any part thereof shall be subject to correction and adjustment at each successive computation, provided that this shall not be deemed to compel the Government to make such corrections and readjustments before the final adjustment hereunder, and a final adjustment shall be made upon the completion or termination of the contract, and any and all amounts due by either of the parties hereto to the other shall be immediately paid, provided that if an amount shall be found due to the contractor the same shall be paid only upon presentation of a proper voucher as hereinafter provided."

22. The above clause has been interpreted by the War Department from the commencement of the liquidation of war contracts to mean that on the final completion of the contract or upon the cancellation or termination of the contract, that necessarily a final audit must be made and a final determination of the liabilities of the Government must be determined, both from the standpoint of auditing and accounting, as well as a recasting of the entire obligations of the Government with reference to a correct interpretation of the principles of law involved under the contract.

23. The situation in the particular case under consideration with reference to the contracts are extremely complex and highly involved from a technical and legal standpoint, even if we had to consider only the original contract, but the situation is further twisted and involved by the numerous supplemental contracts and their voluminousness and the complex and contradictory language used therein.

24. In connection with the consideration of the nature of the final settlement which was made in this case, attention is called to the statement of the Lincoln Motor Co., which is dated the 24th day of April, 1919, signed and sworn to by Mr. W. C. Leland, vice president and general manager. In this connection, it should be kept in mind that the major portion of the $45,000,000 which was paid to the contractor by the Government had already been received by the contractor previous to the time any negotiation or settlement was entered into. I think I am safe in saying that if an audit and redetermination had been made before the contract of January 6, 1919, was entered into, which provided for the payment to the contractor of 55 per cent of the total cost of its entire plant, machinery, and equipment as special depreciation, and $1,000,000 for anticipated profits, this contract would not have been made nor the money paid out thereunder. Certain features of these vouchers which were presented will be commented upon later. The point I desire to make now is that there was no adjustment or redetermination and no audit made of the money paid, amounting to approximately $40,000,000, prior to January 1, nor no adjustment and no redetermination and no audit made of any moneys paid after January 1, 1919, in accordance with the paragraph of the contract quoted above.

25. If this had been done in January, 1919, at the time they signed the contract of January 6, No. 1647–8, there would have been no necessity to provide for any further payments to the Lincoln Motor Co., as they had already received more money at that time than they were entitled to under the contracts. There is a statement made by Mr. Leland in the claim filed April 24, 1919, that I desire to notice now, which reads as follows:

"When the plans for the organization of the Lincoln Motor Co. were determined upon it was understood that the Government expected it to provide facilities for the production of fourteen 12-cylinder motors per day. A survey of the situation disclosed that operating under a contract providing for liberal payments on the labor, material, and overhead items, promptly on disbursement, a company capitalized on a million and a half dollars, with borrowed credit to the amount of $2,000,000 could finance the undertaking."

26. I take it there can be only one purpose for this voluntary statement of the vice president and general manager of the company; that it is a sort of an excuse or justification for the enormous amount of money that was spent on the plant and equipment.

27. My answer in refutation to his statement is that the first contract, dated August 31, that the Lincoln Motor Co. received from the Government was for 6,000 Liberty motors, and the schedule of deliveries under article 3 of that contract are as follows:

1917.	Engines.
November	5
December	80
1918.	
January	160
February	275
March	700
April	1,400
May	1,900
June	1,480
July	6,000

28. The statement of Mr. Leland, which is quoted above in his claim, was repeated in the presence of the writer two or three times while in Detroit making this investigation. I can not find any authority for any such statements. It is not supported by any file, paper, letter, or statement that can be discovered in Government records, and the same is true, as far as I have been able to discover, from the files and records of the contractor. The above schedule of the deliveries under the first contract received calls for the delivery of 6,000 motors in eight months' time, which would require the contractor to deliver 208 motors per day if he would spread it out equally, counting 30 days to the month.

29. There is another statement contained in final claim of the Lincoln Motor Co. that I desire to notice, which is to my mind a curiosity and reads as follows:

"There were a number of provisions which the Government wished to insert in the contract it made that brought about the necessity of considerable negotiation. This contract for 6,000 engines was finally agreed upon and executed August 31, 1917. Included in it was a stringent provision giving to the Government the right to terminate the contract on 30 days' notice to the Lincoln Motor Co. This provision injected an element of risk of cancellation that put the enterprise on a most precarious footing, and it was only the patriotism of the men who laid their money and their services in the lap of their country that justified the venture."

30. In the opinion of the writer this is the most glaring sort of unjustified self-praise. In the first place, it was a cost-plus contract in which the Government agreed to pay a fixed profit of $913.05 per article, together with a like proportion of profit on whatever number of spare parts was produced, and such profit was outrageous and unconscionable, because if they had manufactured the 6,000 motors according to the schedule they would have made on the motors alone $5,478,300 and probably $3,000,000 on spares, which would have made $8,500,000 profit in eight months on an investment of about $800,000.

31. I want to make another statement in reference to the cancellation of the contract. On July 31, 1918, a new supplemental contract was entered into between the parties, and in its claim of April 24 the Lincoln Co. uses the subtitle in reference to that contract as follows:

"Change to noncancelable fixed-price contract, dated July 31, 1918."

32. The contractor in his final claim in reference to this last-above contract, which is dated July 31, 1918, No. 1647–6, among other things states:

"The erection of a new plant costing upward of $8,500,000, built and equipped under high pressure for the sole purpose of a war contract, with the attendant extra cost and increased prices which the situation demanded, placed the Lincoln Motor Co. in a peculiar position. The adequacy of returns from the venture depended entirely on whether the company was allowed to produce enough motors under its contract to charge off the extraordinary expenses and take care of the awkward position the company would find itself in at the end of the war. The company had had no established business prior to its creation for war purposes, and without the resources of a going concern in an established line of manufacture it would not be able to absorb the facilities provided at even their normal value without a loss attendant to readjustment. It was therefore recognized that if the profits should be reduced a certain production should be guaranteed to the contractor.

"A new noncancelable fixed price contract was therefore made on July 31, 1918, providing for the delivery of 9,000 engines altogether, dating back to the first engine produced, and specifying that an order might be placed for 8,000 additional engines at the same fixed price of $4,000 each. It was provided, however, that if the contractor should not be allowed to produce 17,000 engines there should be an additional depreciation and amortization on its entire plant and equipment after the depreciation and amortization already provided for had been deducted. The prices of spare-parts orders were also adjusted to meet the new price of $4,000 per engine and the initial rate of depreciation on the heat-treating building was fixed at 40 per cent."

33. It is the opinion of the writer that under the law no Government agent can make a noncancelable war contract; for that matter, it is extremely doubtful whether it could make such a contract for ordinary Government supplies in peace times; but certainly it can not be questioned but that the Government would have to consider a cancellation clause in a contract for war supplies. Without regard to ordinary principles of law, public policy and common fairness would make it impossible for a Government agent to bind the Government for an excessive or unnecessary quantity of war supplies. I might just as well, though, take the opportunity now to dispute the fact that contract 1647–6, dated July 31, 1918, is a "noncancelable contract" according to its provisions. This is a mistake made by the contractor. This point is therefore ruled against the contractor both on the question of fact and the law.

34. Contract 1647–6 referred to above, dated July 31, 1918, which is called by the contractor a "noncancelable contract for 17,000 motors," is a contract for 9,000 motors, reserving to the Government the option to order within 60 days 8,000 additional motors. So the contractor has been laboring under a delusion on the proposition that he had a contract for 17,000 motors.

35. Article 8 of this contract reads as follows:

"The contractor agrees that, at the termination or the completion of the contract, it will make an inventory of such stores of materials and supplies as shall be used in connection with this contract, and the accounting officer or his designees may supervise the same and determine the methods and check the correctness thereof."

There are other provisions in article 8, with reference to the procedure, in winding up and terminating the contract between the accounting officer and the contractor. We think the quotation above tends to dissipate the statement of the contractor that there is nothing in the contract which indicated that it might be canceled.

36. Then, again, article 11 provides that in the event of the failure of the contractor to comply substantially with the terms of this contract, this contract may be terminated by 60 days' notice in writing to the contractor, without prejudice to any claim the Government may have against the contractor, provided that after receipt of said notice the contractor shall not order any additional material, except by permission previously obtained from the accounting officer. Sections 2 and 3 of this article provide that upon cancellation notice being served, the Director of Aircraft Production may proceed to complete the making and delivery of the articles or any part thereof, etc.

37. Section 4 of this article provides that in the event of the cancellation of this contract on account of the default of the contractor the Government shall pay to the contractor all sums due at that date, less any damage sustained by the Government.

38. Our comment on this section is that as a matter of fact the contractor was on January 6, the date of this contract, in default under the July 31, 1918, contract, because he was about 2,000 engines behind in his schedule of delivery.

39. Special attention is now directed to section 5 of article 11 of this contract, which reads as follows:

"In the event that the continued performance by the contractor of this contract is finally prevented for any reason other than specified in section 6 hereof, the Government shall pay to the contractor all expenditures incurred in connection with the production of unfinished or undelivered articles and parts thereof, not previously paid to the contractor, and particularly including payment for all materials purchased, all costs of production (including an allowance for overhead, general administrative expenses, etc., properly apportionable thereto), and in addition all expenses incurred by the contractor and approved of by the Government in disposing of said materials.

"In addition thereto the Government shall pay to the contractor for each finished article accepted a sum provided as a fixed price by article 4."

40. Our comment on this section of article 11 of this contract is that it authorizes a cancellation—because a cancellation could effect no other purpose than to prevent the contractor from completing the contract, or, in other words, bring about a termination of the contract—before completion. It provides practically the same rules and methods and principles of payment to the contractor as is contained in article 11 of the original contract dated August 31, 1918. This same article goes on and provides:

(a) That on each finished article accepted shall be paid the sum of $4,000; and

(b) That on unfinished articles and parts thereof a sum to be determined as follows:

"An inventory shall be made of all materials and all unfinished articles or parts thereof on hand at the cost of such materials and at the cost of manufacture of such unfinished articles or parts thereof as hereinbefore defined."

(c) The contractor shall in the event of such cancellation or termination be relieved by the Government of all obligations incurred for the performance of this contract and not theretofore paid by the Government.

41. Our comment on the last above quotation is that it is a self-evident fact that the parties agreed on a method of cancellation, because it shows the intention and provides a method and means of a settlement between the Government and the contractor in the event that the contract is terminated or canceled, and uses the words "cancellation or termination." Then the next paragraph in this article reads as follows:

"It is understood and agreed by the parties hereto that the provisions contained in this article 11 are not intended by the parties to interfere with any payments due or to become due to the contractor under the provisions of article 5."

Section 10 of this article reads:

"In the event of the termination of this contract as aforesaid any and all obligations of the Government to make any payments to the contractor hereunder, other than those specified in this contract, shall at once cease and determine."

Comment.—This is the final proof that cancellation was provided for.

42. Article 12 of this contract is another statement from which no other conclusion can be drawn than it was in contemplation between the parties that the contract might be terminated, which reads as follows, to wit:

"Upon the completion of this contract, or the termination of the contract without further performance thereof, or from time to time during the performance of this contract, the contractor agrees to make such disposition of the unused materials, rejected articles, and any additional property which shall have been paid for by the Government except as herein otherwise provided, as the contracting officer shall in writing direct."

43. This same article goes on and provides other methods of making a settlement between the Government and the contractor with reference to other matters arising under the contract in case the contract is terminated.

44. So that the conclusion is inescapable from the reading of Articles XI and XII that the Government and the contractor both had in mind the fact that this was war equipment, and that if for any reason or especially if the war was concluded, naturally the Government would be compelled, in the interest of the public, to cancel the contract. It should also be noted that the methods of payment set out in the termination clause of Article XI of this contract are very clear and follow closely the same terms as is contained in the original terminating clause of the first contract, with the exception that the Government does not undertake nor promise to pay the contractor 10 per cent on the closing inventory of unfinished and partly completed parts in process; nevertheless, the Government did do that very thing in the settlement made with the contractor.

45. We think that the only tenable position that the Government can take is that this particular contract did provide for a cancellation, in the event the necessities of the Government required it, and that any attempted agreement on the part of the agents of the Government to the contrary was unauthorized and void, especially in view of the fact that such an agreement would be contrary to the terms of the original contract.

46. We think that an examination of the contracts, copies of which will accompany this memorandum, will convince a close student of the situation that there never was in fact any change from the cost-plus system throughout the entire proceedings between the Government and the contractor, and this method only should be considered in arriving at the true obligations of the Government.

47. To divert for the present, from a consideration of the contracts, attention is called to some of the payments made. Voucher No. 68, dated October 3, 1918, presented by the contractor, was for the sum of $740,643.39, being 40 per cent of $1,851,609.48, which was claimed by the contractor as being due under the terms of article 6, section 4, of contract 1647-6 for special depreciation or amortization of the machinery purchased by the contractor. Attention is called now to the fact that the rate of depreciation was changed arbitrarily in the contract dated January 6, 1919, practically at the end of production and long after the armistice, to 55 per cent of the total of the cost, according to the Lincoln books, of the land, plant, buildings, machinery, equipment, and accessories, and the whole account between the Government and the Lincoln Motor Co. as to this investment was recast, and the contractor was paid by virtue of this change in the contract 55 per cent depreciation on the above-enumerated items, which resulted, as a single glance will show, in paying to the Lincoln Motor Co. on this voucher, which had been settled back in October, 1918, the sum of $277,741.42 more than the Government had paid previously. Attention is invited to voucher No. 109, dated December 23, 1918, which is another 40 per cent depreciation voucher on machinery charged up to article 6 of this contract 1647-6 for $106,166.48, being 40 per cent of $265,416.20. At the rate of 55 per cent under the January 6, 1919, contract, the contractor was paid an additional sum of $39,812.53, making the total amount of these two additional payments by reason of the change in the contracts of $317,553.95. As a matter of fact this voucher for $106,166.48 last mentioned, while it is dated December 23, 1918, was not passed for payment until after the January 6 contract was signed, yet the entire account of the contractor was recast, and he received the additional 15 per cent on a settled transaction so far as the voucher was concerned between the Government and the contractor.

48. I have not the time to go through all the vouchers and see how many more payments were made, but this I know to be true, that fixed-profit vouchers under the December 10, 1917, contract were passed, approved, and paid for $625 fixed profit under the December 10 contract after the July 31 so-called fixed-price contract came into existence.

49. Referring for a moment to the provisions of the January 6, 1919, contract which provided for the 55 per cent flat amortization on the entire investment of the contractor, which the books show was in round numbers $8,700,000, attention is called to the fact that that contract calls for an audit, etc., to show the cost, and that no audit was in fact ever made.

50. Attention is called in this connection to a letter dated New York, February 8, 1919, addressed to Col. H. S. Brown, Four-and-a-half Street and Missouri Avenue, Washington, D. C., signed by Leroy J. Williams, who at that time and during production under the contracts was assistant to the vice president and general manager, and also counsel for the Lincoln Motor Co., and also a stockholder in the concern. A copy of the letter is attached which bears out the statement of the Government in this case as to the requirements of the contract for an audit, and that payments could be and were made under the contracts on an estimated basis, and that the contract required a redetermination and adjustment of all previous payments. This letter quotes a certain provision from contract 1647-8, as follows:

"He should be paid a sum equal to 55 per cent of the actual cost of our entire plant as soon as the amount thereof shall be determined by a proper audit."

Mr. Williams then states that the insertion of this provision in the latter contract really means that it is inserted in the contract as a substitution for the previous amortization and special depreciation provisions, and he proceeds to argue that there is nothing on the contract that prevents the application of the doctrine that payments can be made upon an estimated figure. He goes on and states, "Contract 1647-8 recites that the audits thereof made by the Government now disclose that the allowance for special depreciation or amortization will amount to 55 per cent of the aforementioned investment of approximately $8,500,000, i. e., approximately $4,675,000."

51. The situation was, at the time Mr. Williams wrote this letter, that a voucher for a very large sum of money, in my recollection in the neighborhood of $3,000,000, for amortization was pending and unpaid, but which was afterwards paid without any reinvestigation or redetermination or audit. We think that out of their own mouths they are now estopped to say that the Government has no right to reconsider and redetermine the rights of the Government under these contracts. This letter, written after this contract was signed, shows clearly that the counsel of the contractor interprets the "audit and redetermination" clause of the contract in the same way we do.

THE QUESTION OF AMORTIZATION AND PLANT DEPRECIATION.

52. Upon our arrival at Detroit, Mich., we immediately called upon the officers of the Lincoln Motor Co. at its offices at the plant on Warren Avenue. Mr. Neece, Mr. Barry, and I met in conference with Mr. Henry M. Leland and his son, W. C. Leland; Mr. W. T. Nash, secretary and treasurer; and Mr. Jackson, comptroller, the officers of the Lincoln Motor Co., and Mr. Lawrence W. Scudder, public accountant, of New York, representing the Detroit Trust Co., receiver of the Lincoln Motor Co.

53. I briefly informed the gentleman the purpose of the visit to the plant of the Lincoln Motor Co. and outlined what we desired to do. I called attention at the beginning of the conference to the fact that my investigation of the records and files at Washington did not disclose that the Government had been advised in any way as to the extent or cost of the buildings, plant, and equipment to be furnished in order to carry out this contract, and that I would be glad to know whether or not this was correct. Whereupon Mr. Henry M. Leland made the simple statement that they had intended to build the best plant of its kind and character in existence, and that the Government was not concerned in the matter, and he defied anybody to prove to the contrary. This incident, we think, is very enlightening, for the reason that the Government always has questioned the propriety of this huge investment made by the Lincoln Motor Co. Reference to this matter has been very succinctly made in the report of the auditors which accompanies my memorandum, and very little more need be said. I simply desire to confirm the fact that in my opinion the investment made by the Lincoln Motor Co. was not made for the purpose of manufacturing Liberty motors; that the matter of Liberty motors under the war contract, so far as the land, buildings, and general equipment is concerned, was a mere incident; that they had in view ultimately the manufacture of automobiles.

54. First, they bought 24 acres of ground. Then, later on—I don't know exactly the date after the first purchase—they bought another tract adjoining of about 28 acres, for which they paid practically double the price of their first purchase. This brought their holdings up to 52 acres, at a cost of about $660,972.17, which was included in the amortization. This land is now appraised, or held to be worth, by competent real estate men in the city of Detroit, not less than $1,000,000 approximately.

55. It is very pertinent to state at this point that the entire buildings and plant of the Lincoln Motor Co. occupy not exceeding 18 acres of the first purchase. All of the other land remains vacant and unoccupied except for tennis courts.

56. There was also included in the amortization what is known in the records of the Lincoln Motor Co. as the Holden Avenue plant, which was owned by the Lelands long prior to the time that they entered into any Government contract. The real estate is valued on the books at $125,000 and the buildings at $343,000, or a total of $468,000.

57. The buildings of the Warren Avenue plant are carried at $2,515,268.51, or a total for land and buildings of $5,951,935.20.

58. The balance sheet gotten out on November 8 by the receiver shows the land valued at $1,562,743.62; buildings, $4,389,191.56; machinery, $2,361,392.69; plant equipment, $1,227,643; long lived tools,

$494,423.83; diamonds, $9,706; office furniture, $117,929; motor vehicles, $53,778, or a total of a little over $10,000,000, called book assets.

59. It is evident that under any sort of a fair amortization proposition, the War Department would eliminate from consideration the total value of the Holden Avenue plant, would eliminate the total cost of the land of the Holden Avenue plant of $468,000, and would eliminate the cost of the office building of $500,000, and at least $2,000,000 in addition on other items of buildings and equipment, or $3,000,000 in round numbers. The reports of the various appraisers who have passed on the question of value show that there was absolutely no occasion to erect this wonderful 4-story office building, and they show that the plant was too large, and that the power house was entirely too large for any necessity then or in the near future, so that the whole matter can be explained only in the light of the statement made to the writer by Mr. Henry M. Leland, that it was their purpose and desire to build the best automobile plant in existence. The first estimate of the cost made by them to the War Department was $3,000,000. A few weeks later they said it would probably run to $4,000,000. A few weeks after that they said it would probably be $4,500,000, and they kept on making those guesses a few weeks apart until they finally said, along in the late fall or early winter of 1918, that the plant would probably cost around $7,000,000 or $8,000,000. We think, so far as the Government is concerned, that it is inexcusable to ask the Government to amortize a plant that they built according to their notions, and for their own future purposes, and not solely for the purpose of manufacturing Liberty motors.

60. Incidentally I desire to call the attention of the War Department to the fact that the board of directors of the Lincoln Motor Co., on October 10, 1919, fixed the salaries and compensation of four of the officers of the company as follows:

	Annual salary.	Special 1918 compensation.
Henry M. Leland	$50,000	$50,000
Wilford C. Leland	50,000	50,000
Wm. T. Nash	12,000	15,000
Leroy J. Williams	12,000	15,000

which makes a total of $254,000 paid to these four gentlemen annually.

61. At this time we do not know whether all of this was charged into these contracts and paid by the Government, as a detailed audit would be necessary to disclose this fact, but I have no doubt in my own mind that the Government paid the salaries, in view of the situation of their general accounts as we found them. I would be glad if time permitted to file a law brief; but it may be that would be a duplication of work, because the same kind of contracts and the same character of settlements have been fully discussed in two other cases, to wit, the Dayton Wright Co. and the Wright-Martin Co., both of which memoranda and briefs are now in possession of the Department of Justice, and copies can be furnished later on, if desired, by the War Department for the discussion of the contracts contained in these two memoranda.

62. A solution of the difficulties of this case is hard to arrive at, being complicated by the recent failure of the Lincoln Motor Co., which is one of the most disastrous that has ever come under my observation. It seems that they have lost since the 1st of January, 1920, down to November 8, 1921, a period of about 21 months, in the neighborhood of about $20,000,000, which includes $8,000,000, approximately, of capital stock and about $8,000,000 or $9,000,000 in borrowed money and more than $10,000,000 of general claims. The writer has received no explanation from any officer of the Lincoln Motor Co. as to the causes of this failure.

CONCLUSION AND RECOMMENDATION.

63. If the Lincoln Motor Co. was a going concern, we would recommend to the War Department that a detailed audit be made, but under the circumstances we do not believe that would be advisable, because the assets of the Lincoln Motor Co. are limited to the funds in the hands of the receiver, unless the Government should seek to reach the property and set aside the sale made by the receiver. The amounts due the Government that can now be established will absorb all available funds in the hands of the receiver.

64. There is no escape from the conclusion that the contracts, with the exception of the original contract and the contract dated December 10, 1918, reducing the fixed profit from $913 to $625, where they increase the obligations of the Government are void and unenforceable against the Government, and all payments made in excess of the obligations of the Government under those two original contracts are unenforceable and void, and all sums paid by virtue of the January 6, 1919, and April 29, 1919, contracts in excess of their provisions as shown on Schedule "B" can be recovered back.

65. Under the procedure outlined by the General Staff Supply Circular 111, and under the terms of the contracts where termination was made before completion, it is provided that the completed portion of the contract should bear its proper proportion of the cost of all facilities, and that only the remainder which represents the uncompleted portion of the contract should be amortized. On that basis (which is the only one the Government recognized through the War Department or the Treasury Department), taking as a basis of cost of plant and equipment of $8,700,000, which is the book value shown by the contractor, and the contract calling for the delivery of 9,000 motors, of which 6,500 were completed, we have this result:

66. Seventy-two per cent of the contract was completed; 28 per cent of the contract uncompleted. On the above value of the plant, 28 per cent representing the uncompleted portion of the contract, gives a figure of $2,436,000, which according to the rules and practice of the War Department, as well as nearly all contracts, would be the total amount which should be taken into consideration in this case for the purpose of amortization. Fifty-five per cent of this amount, if we accept the flat rate agreed upon in the January 6 contract, which is excessive, in our opinion, would produce $1,339,800, which the contractor would be entitled to receive. After deducting this figure from what was actually paid of $4,565,000, it would leave a balance that ought to be returned to the Government of $3,225,200, to which should be added the $1,000,000 paid without any authority, making a total of $4,225,200 on these two items.

67. Schedule B is a set-up of the payments made by the Government, which shows the profits on motors and spares under the original contract as modified by the contract of December 10, 1917, and overpayments which may be summarized as follows:

Summary from Schedule "B."

Due under contract 1647 and 2.		Amount overpaid 1647.
Profit on motors and spares	$4,491,208.17	$4,963,361.98
Amortization or depreciation	1,339,800.00	3,225,200.00
Anticipated profit		1,000,000.00
Total	5,831,008.17	9,188,561.98

68. In addition to the fixed profit and special depreciation shown above, amounting to $5,831,008.17, we reimbursed the contractor 100 cents on the dollar for so-called "special tools" in the sum of $1,838,868.59, which brings the total amount to $7,669,876.76 received by the contractor, which in fact represents a gross profit received of nearly eight times the total invested capital.

69. The three items shown above, aggregating $9,188,561.98, are payments erroneously made under supplements 1647–6 and 1647–8, which should be returned to the Government.

70. The cost of the motors is shown to be about $2,730, and therefore, when the change from a fixed profit of $625 per motor to a flat price of $4,000 per motor was attempted July 31, 1918, the contractor's profit jumped from $625 to $1,276 per motor, approximately. This is sustained by the records of the Lincoln Motor Co. Certainly it can never be sustained that the agents of the Government were authorized to consent to thus change the contracts and bind the Government to pay double and more in the form of manufacturing profit.

71. The argument applies to the amortization arrangements contained in contract 1647–8, dated January 6, 1919; production was at an end, and the obligations of the Government were fixed by the original contract, and the Secretary of War nor any of his subordinates had the slightest authority to increase the obligations of the Government. The principles of law supporting this position are elementary and can not be disputed.

72. In addition to the items mentioned in the above summary paid the contractor, the Government paid approximately seven and a half millions additional for commitments and inventory for materials and other items of about $375,000, or a total of cost, profit, amortization shown on Schedule B, of $35,877,131.21, which, under a most liberal interpretation of the contracts, is all the contractor should have been paid. But by manipulations, unauthorized changes in contracts, erroneous construction, and wrongful interpretation of the contracts and the failure and neglect to compel the contractor to comply with the original terms of the contract, as well as a failure to audit the previous payments and make a final adjustment in accordance therewith, resulted in erroneous and unlawful payments in the total amount of $9,188,561.98, which should be recovered from the contractor. The total payments received by the contractor were $45,065,693.19. These figures as to costs, profits, etc., check with the contractor's books and therefore can not be challenged as to correctness.

73. It should be borne in mind that these various items are in agreement with the general books of the corporation, as shown by their balance sheets, which have been checked and substantiated by the Government accountants.

74. In the set-up as shown by Schedule B, showing costs, profits, commitments, charges for cancellation, special tools, etc., we are giving the contractor the benefit of his own figures, which would, according to the experience of the War Department, be reduced 10 or 15 per cent by a detailed audit. It should also be kept in mind that the amortization is figured on excess allowance of at least $3,000,000, which, under the facts in this case, should not be considered by the Government, for the reasons stated heretofore and which are pointed out in the auditor's report.

75. The appraisal report of Smith, Hynchman & Grylls shows excess of labor and material purchased; also that the office building was not necessary, and that the power house cost 14 per cent of total installation, when 6 per cent was all it ought to have cost; approximately $700,000 spent for land, etc. Such a layout was a pure speculative investment incurred for their own future benefit, and can not by any stretch of the imagination be made to apply as a temporary war necessity under the contracts.

76. And, finally, it should be remembered that there is a clause in the original contract that protects the Government against liability for special or increased facilities purchased by the contractor, unless the Government shall by separate agreement undertake to do so, and no such contract was made, and no claim was ever made by the contractor that any such agreement was ever made.

77. The fact should not be overlooked in this case that the Government from the beginning not only reimbursed the contractor dollar for dollar for labor, material, and all overhead expense weekly or every 10 days, and also came to the rescue of the contractor and advanced from time to time a total of $10,800,000. The contractor under these cost-plus contracts assumed no commercial risk whatever and was assured absolutely of a profit, and he was assured of a nonimpairment of his capital investment. Therefore, the profit made under this contract, under any view, still leaves the profit received by the contractor, in my opinion, indefensible and unconscionable.

78. It is recommended that the Government file a claim for the overpayments shown on Schedule B attached hereto, in the sum of $9,188,561.98.

Respectfully,

THOMAS F. LANE,
Legal assistant, Air Service, War Department.

DETROIT, MICH., *March 9, 1922.*

WAR DEPARTMENT,
United States Government,
Washington, D. C.:

1. In accordance with instructions there has been made an examination of the books, records, papers, and supporting data in connection with contract No. 1647 and supplements of the Lincoln Motor Co., Detroit, Mich., for the purpose of showing the cost to produce the 6,500 Liberty motors and spares and the profits paid thereon, together with the costs of land, buildings, machinery, and equipment, etc., which were used by the contractor in connection with the production of the foregoing.

2. The time allowed for this investigation being limited, it is, of course, understood that a detail audit was not made of all expenditures in connection with this cost of motors, but an examination was made which is substantially correct to the extent that the total figures of cost and profit agree substantially with the figures admitted by the contractor, and as is shown on their general ledger accounts and their profit and loss statements, which are on file at the main plant in the city of Detroit.

3. Attached hereto will be found Schedules A and B. Schedule A is an analysis made by your department of all payments which the Government made to the contractor on account of the cost to produce 6,500 Liberty motors with profits and the amortization allowed the contractor in connection with the land, buildings, machinery, and equipment. This schedule shows a total payment to the contractor of $45,065,693.19.

4. Schedule B is the result of the investigation which has been made in connection with the total expenditures shown in Schedule A. Schedule B shows a total cost of labor, material, overhead, commitments, and closing inventory of $28,031,193.11, and the cost of liquidated claims at the termination of the contract amounting to $1,079,744.58, and the cost of changes and specifications amounting to $128,445.60; also the cost of all special tools, amounting to $1,838,868.59. Such items as have been enumerated in the foregoing represent a total of $31,078,251.88, and this amount is the total actual cost to the contractor in connection with the production of 6,500 Liberty motors and spare parts, not taking into consideration any salvage value for special tools.

5. The result of our investigation shows that the Government paid the contractor the sum of $13,987,441.31, this amount being the difference between the total cost above referred to and the total amount paid to the contractor of $45,065,693.19. The item of $13,987,441.31 is composed of the following elements of profit to the contractor:

Items.	
A—Amount paid contractor as amortization on plant, machinery, equipment, and land	$4,565,000.00
B—Amount paid contractor as unearned profits on uncompleted portion of the contract	1,000,000.00
C—Amount paid contractor as his manufacturing profit on 6,500 Liberty motors and spares	8,422,441.31
Total of Items A, B, and C	13,987,441.31

6. Item A is clearly shown on the records as an amount paid by the Government to the contractor for so-called amortization on the basis of 55 per cent of approximately a total cost to the contractor on the above item of $8,500,000, as provided in the contract of January 6, 1919, which percentage was for the first time agreed upon, and being contrary to the previous contracts, and this item will carry further comments under a report which Mr. Thomas F. Lane will provide.

7. Item B represents a payment of $1,000,000 for so-called profits on the uncompleted portion of the contract. The contractor estimated that his profit per engine aggregated $1,100, and inasmuch as there were 2,500 motors which were never completed, due to cancellation, some arrangement was made whereby a contract was entered into in which this payment was provided for in the January 6, 1919, contract.

8. Item C is the amount of actual profits which the contractor received from the Government for the 6,500 completed motors and spares. Due to the limited time and the confused condition of the contractor's records it was impossible to accurately segregate the profits on the motors from the spares; therefore this figure represents the profits paid on both. Special attention is called to this particular item of profit for the reason that the amount substantially agrees with the profits admitted by the contractor on their profit and loss statements and on their general ledger accounts, and there can be no question as to the accuracy of the same. The profit paid the contractor per motor with spares is $1,295.76, against an estimated profit per motor without spares, which the contractor submitted in reports to the Government of $1,100 per motor. This estimate of profit per motor which the contractor made to the Government is substantiated in a memorandum submitted to the Government by the contractor under date of April 24, 1919, known as "Statement of claim of Lincoln Motor Co. against the War Department, United States Government, in final settlement of contract No. 1647 and amendments thereto, for the manufacture of Liberty engines," under the heading of "Curtailment, supplemental contract," dated January 6, 1919. To be more specific, it is thought best to quote that part of the document above referred to: "Although it was agreed between the Government and the Lincoln Motor Co. that the profits that would have resulted from the completion of the contract for 9,000 motors would have amounted to an additional sum of not less than $2,700,000, it was agreed that the Lincoln Motor Co. should accept $1,000,000 and profits on certain inventory items in consideration of the cancellation of all engines over 6,500 and incorporated in contract No. 1647-8."

GENERAL.

9. In the final analysis of Schedules A and B it is shown that the contractor expended for production only $31,078,251.88, and that he was reimbursed 100 per cent by the Government for this amount, and, furthermore, the contractor received the sum of $13,987,441.31 in the form of profits on account of the above cost. To more clearly illustrate this matter, it is thought best to state that the contractor's entire cost of his building, land, equipment, and machinery was approximately $8,700,000, and the total profits which the Government paid him on account of production was $9,422,441.31, which will show that the contractor received the buildings without one dollar's cost to himself from the Government and in addition thereto the sum of $700,000 on the above calculation. In addition to this the contractor received in the form of amortization $4,565,000, which, when added to the aforementioned $700,000, would give him a net profit over and above a clear title to the plant the sum of $5,265,000, but out of this amount, of course, income and excess-profits taxes were paid.

10. While, of course, we do not understand why a Government agent would permit a contractor to receive such an excessive and fabulous profit per motor for the production of the Liberty motors, we are astounded with the findings in connection with the cost of the land, buildings, machinery, and equipment which was used for the purpose of manufacturing these motors. We have been unable to find among the files and records at this plant that the Government had at any time anything to do with the erection or the cost of this gigantic plant, and it appears that the entire cost was incurred upon the sole judgment of the Messrs. Leland and that the Government appears not to have been consulted nor advised with in any manner as to the character of the buildings and the extent of the cost of the same. Ordinarily for the production of Liberty motors or any other article required for the Air Service a building of temporary or perhaps semitemporary nature would only be required, but in this case it is very clear that the contractors did not have the Government's interest at heart when they erected this building, nor did they have in mind that the building was necessary for the production of Liberty motors. On the other hand, they seemed to have the idea that they wanted the greatest automobile factory in the United States and used the Government contract for the purpose of securing the same. This is substantially the statement made to us by Mr. Henry L. Leland.

11. Further attention should be directed to the apparent disregard for the Government's funds in that the contractor caused the Government to pay amortization at the rate of 55 per cent on approximately 52 acres of land in the city of Detroit. And on the other hand it is shown by appraisal reports dated December 15, 1921, of James S. Holden & Co., real estate dealers, Detroit, Mich., that this land had appreciated to the extent that the appraiser placed the value as of November 8, 1921, at $910,000. The Government paid the Lincoln Motor Co. 55 per cent of the original cost value as amortization, while on the other hand there had been an increase in the actual value of the property according to the aforementioned report. It appears that the original purchase of land was for 24 acres, of which 18 acres were used for the erection of buildings and equipment, 6 acres being of no immediate use, and later on the company purchased an additional adjacent plot, aggregating 28 acres, which has never been utilized for any purpose up to the present time, yet the cost of this last purchase of 28 acres was amortized by the Government on the basis of 55 per cent, when, as aforementioned, it had actually increased in value.

12. In connection with the consideration of the utility of the plant which was amortized by the Government on the basis of 55 per cent of the cost, we have examined an appraisal report made to the Detroit Trust Co., receiver, by Smith, Hinchman & Grylls, and find the report to contain certain comments which tend to show a further lack of disregard for Government funds when this building was being constructed, as well as bad judgment from a commercial and business standpoint.

13. It is found on the second page following item 6 that the appraisal as above referred to calls attention to certain matters which is quoted: "In the allocation of the total expenditure of $4,016,168.05 it was found that there was a surplus of material purchased, which was not apparent in the buildings after they were constructed. An examination of the amount of labor also indicated that a large amount of labor had been lost in the process of building. This statement applies to the work which was done on a cost-plus basis and not to the subcontracts for the trades. In allocating the whole cost to the several buildings the surplus materials and the surplus labor were charged to the several buildings in proportion to the amount of material and labor normally required for them."

14. Quoting further: "The life of 30 years was adopted after considering the character of the plants. With the exception of a very minor part of the work, all of these buildings are of an inflammable character—that is, they have wooden floors and wooden sash in addition to many wood partitions. The supporting structure is of brick with exposed steel columns and beams. This type of construction might have been considered the highest class about 15 years ago, but since that time has been entirely displaced in popular favor by the concrete building. In addition to the fact that this style of construction is well on its way to obsolescence at this time, it is also subject to a greater physical depreciation than a concrete building built at the same time. The exposed steel is subject to rust, the unventilated floor construction is subject to dry rot, and the window frames to shrinking, so that the buildings as units will not last as long as concrete buildings, nor have they as great a value in the eyes of a purchaser as concrete buildings. In the opinion of the writer, this type of building construction will not outlast the present generation and has not a value to-day comparable with the value of equal floor space in concrete construction, even at the same cost. The depreciated reproduction values as of December 31, 1918, are shown in columns "B" and "C," and, together, amount to $3,379,063."

15. Quoting further: "It seems to be beyond argument that a much smaller building would suffice for an office for this plant, and, as a matter of fact, the best policy, as far as the construction of an office was concerned, would be to incorporate the office in one of the factory buildings, as is frequently the case, citing the Hupp Motor Co., the present Cadillac plant, the old Studebaker plant, the present Maxwell plant, and many others. In a few words, an office building is a luxury, and an office building of this character would certainly find few buyers willing to invest a very large sum of money in it. However, as long as the building exists we have included it in the property and deducted the space which it is plainly apparent will not be used for many years for office purposes. Other deductions have been made as shown in the schedule. Many of these have been already discussed and agreed to in principle and some of them in amounts."

16. Quoting further: "One deduction which we feel it necessary to call attention to at this time is the power plant. This power plant, costing nearly 14 per cent of the original installation, is far too large for the development of the manufacturing plant. A comparison of the costs may be made with Dodge Bros.' ordnance plant, where the power plant was installed for only 6 per cent of the total expenditure. The size of the Lincoln power plant is liberal, due to its character. A plant of three-quarters the size would have been sufficient."

17. It is thought best to call special attention to the cost of restaurant building and the equipment, which together amount to a total cost of approximately $107,000. During the period of the war, when thousands of people were employed on Liberty motors, it is possible that a building of the size of the one in use was necessary, but certainly it was not necessary to have built it of such a permanent nature and of such a cost as was incurred. A much cheaper building with far less cost to the Government would certainly have been the proper thing for the contractor to have considered.

18. The above are but a few concrete illustrations, and we feel that a detailed audit would disclose similar conditions in the other units of the plant.

19. Under date of July 31, 1918, a certain contract was entered into—No. 1647-6—apparently for the purpose of changing the entire procedure of manufacturing motors from a cost-plus basis to a fixed price, but the new contract of July 31 carried a provision fixing the maximum cost per motor of $4,000, and a modification that in the event labor or material exceeded certain figures the Government would reimburse them for such excessive increased costs. Therefore it does not appear that the contract was ever changed from a cost-plus to a fixed-price contract, it being our opinion that the contract started on a cost-plus basis and remained so throughout the entire production, in so far as practical results are concerned. Furthermore, under the terms of

the supplemental contract dated December 10, 1917, a bogie price was reduced from $6,087 to $5,000, and the total profit was reduced from $1,013.05 to $625, so that when the contract of July 31 was entered into fixing a price of $4,000 per motor, results now show that this caused the Government to pay to the contractor practically double the amount of profit provided for under the contract of December 10, 1917.

CONCLUSION.

20. It appears from contract dated January 6, 1919, that final payments thereunder for amortization on real estate, plant, equipment, machinery, etc., could not be paid without a complete audit by the Government. It further appears that no audit was made and, therefore, the terms of the contract were not complied with in this respect. We are strongly of the opinion that sums were paid to the contractor under the heading of overhead which were not proper under the existing contracts, but, due to the limited time of this investigation, the overhead accounts, amounting to several million dollars, were not analyzed and it is, therefore, recommended that authority be secured for a complete audit of the overhead accounts as well as a detail audit of the cost of the plant and equipment, to determine the exact overpayment made to the contractor.

Respectfully submitted.

W. R REECE,
Principal Accountant, Air Service, War Department.
W. J. BERRY,
Senior Cost Accountant, Air Service, War Department.

Summary.

Other overhead		$257,379.55
Special depreciation		4,565,000.00
Cost of cancellation		1,000,000.00
Special tools		1,838,868.59
Completed articles delivered, 6,500 engines		26,000,000.00
Completed articles delivered, spare parts		3,737,564.60
Commitment claims		6,458,690.27
Changes in specification		128,445.60
Liquidation of claims		1,079,744.58
Total		45,065,693.19
To balance all payments made to contractor by Government		$45,065,693.19
Less:		
Total cost, labor, material, overhead, commitments, and inventory cost for manufacturing purposes only	$28,031,193.11	
Cost of liquidated claims	1,079,744.58	
Changes for specifications	128,445.60	
Cost of special tools	1,838,868.59	
Total manufacturing cost 6,500 Liberty engines and spares		31,078,251.88
Amount paid Lincoln Motor Co. over and above actual manufacturing cost of 6,500 Liberty engines and spares as per summary		13,987,441.31

SUMMARY AS ABOVE.

Amount paid Lincoln Motor Co. on amortization on plant, equipment, etc	$4,565,000.00
Amount paid Lincoln Motor Co. on unearned profits on uncompleted contract	1,000,000.00
Amount paid Lincoln Motor Co. on manufacturing profit on 6,500 Liberty motors and spares	8,422,441.31
Total profits to Lincoln Motor Co	13,987,441.31

NEW YORK, N. Y., *February 8, 1919.*

Col. H. S. BROWN,
Four-and-a-half Street and Missouri Avenue,
Washington, D. C.

SIR: With your permission there is presented herein some references which may be helpful in determining the propriety of using estimated figures as a basis of payment for special depreciation or amortization under section 23 of Article VI of contract No. 1647-6, and section 1 of Article IV of contract No. 1647-8.

Referring now more particularly to contract 1647-6, which is the main fixed price contract for the production of Liberty motors, it will be found that Articles V and VI relate to the matter of payments. Article V is confined to defining the manner and method of payment by the Government to the contractor for special depreciation and/or amortization.

Section 2 of this article requires the payment to our company of 100 per cent "of the actual cost" of certain testing and inspection facilities.

Section 3 of the same article requires the payment to us of 40 per cent "of the actual cost" of certain heat-treating buildings and equipment.

Section 4 of the same article requires the payment to us of 40 per cent "of the actual cost" of certain machinery, tools, and other equipment.

In the event that our company were not permitted to manufacture 17,000 motors, section 5 of the same article requires the Government to make an additional payment for special depreciation or amortization, based upon 40 per cent of certain "actual cost" of the contractor's plant.

It is to be noted, upon further reference to sections 2, 3, and 4 of this article, that the amounts for special depreciation or amortization "shall be paid by the Government to the contractor as soon as the amounts thereof shall be determined by proper audit."

The first portion of Article VI of the contract under discussion, namely, sections 1, 2, 3, and 4, requires payment by the Government to the contractor on account of motors to be thereafter delivered. It will be noted particularly from section 2 of this article that payments are to be made on direct materials and supplies "definitely ascertainable," as having been used or expended in the production of the articles contracted for. Likewise section 3 of this article provides for payments on account of labor "definitely ascertainable," as used in the production of the articles contracted for.

Section 5 of the same article requires the payment to the contractor of all amounts which "shall be determined" as paid for special tools.

Section 14 of the same article requires the Government to pay to the contractor certain increases in expense which the latter is put to, due to increase in the prices of materials, the Government being required to pay such amounts only "after proper audit."

Attention is called to the fact that the provisions above referred to define when the Government shall be required to make payments. However, recognizing the fact that some of these determinations and audits might involve considerable delay, with the result that the contractor might be embarrassed financially during the interim, it was understood and agreed that the contractor might be paid against these various accounts on an estimate basis. Section 23 of article 6 therefore provides that "in the discretion of the accounting officer estimated figures may be used as the basis for payments made under this contract." This section, it will be seen, permits payments to be made to the contractor in advance of the audits and determinations which are necessary for a final determination.

In other words, estimated figures are to be used only as a basis for preliminary payments. As a matter of fact, the Government has so interpreted this provision and has made payments thereunder.

Section 19 of article 6 of this contract provides that "every determination of the amounts due or payable under any part hereof shall be subject to correction and adjustment at each successive computation, provided that this shall not be deemed to compel the Government to make such corrections and readjustments before the final adjustment hereunder, and a final adjustment shall be made upon the completion or termination of the contract."

I would again here emphasize the fact that one group of provisions previously discussed requires certain payments to be made only after certain audits and determinations have been made, and another section permits payments to be made prior to such determinations and audits.

Now, taking up contract 1647-8, it will be noted that article 4, section 1A, in reality cancels and supersedes article 5 of contract 1647-6 and provides that in lieu of the amortization or special depreciation payments based upon different percentages of cost of different units of our plant, we should be paid "a sum equal to 55 per cent of the actual cost" of our entire plant "as soon as the amount thereof shall be determined by proper audit." The insertion of this provision in the later contract really means that it is inserted in the previous contract as a substitution for the previous amortization and special depreciation provisions. If the later amortization provision had been inserted in the previous contract it would not have been questioned that advance payments could be made to us for amortization on an estimate basis in the same manner as material, labor, and overhead payments have been made to us repeatedly on an estimate basis.

Therefore it is submitted that whether the 55 per cent special depreciation provision is embodied in the previous or in the later contract does not alter or change its purport and legal intent. That is to say, there is nothing in this provision which in any way "contradicts or contravenes" the provisions of section 23 of article 6 of the earlier contract. On the other hand, one provision is a complement of the other.

Section 1A of article 4 of contract 1647-8 requires payment after the amount "shall be determined by proper audit," and section 23 of article 6 of the previous contract permits the accounting officer to use estimated figures as the basis for payments. The accounting officer, in the exercise of the discretion given to him by section 23, just referred to, has approved of the use of estimated figures as a basis for special depreciation or amortization payments, and it is believed that all of the requirements of the contracts have been complied with.

It will be found by reference to the voucher that very liberal deductions have been made to prevent overpayment to the contractor for special depreciation or amortization.

Contract 1647-8 recites that "the audits thereof made by the Government now disclose" that the allowance for special depreciation or amortization "will amount to 55 per cent of the aforementioned investment of approximately $8,500,000, i. e., approximately $4,675,000." A comparison of the voucher with this provision shows that it leaves no question as to the protection which has been afforded the Government.

It is submitted that it will appear from the above that there is no question as to the right of the Bureau of Aircraft Production to make payment in accordance with the voucher which has been presented. However, we would here again emphasize the fact that the estimated figures are being now used as a basis for preliminary payment and not as a basis for final settlement.

If your engagements permit of a consideration and determination of this question next Monday, will you be so kind as to advise us by wire at Detroit of your decision?

Yours very truly,

LE ROI WILLIAMS,
Counsel, Lincoln Motor Co.

Mr. OLIVER. I yield five minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Chairman, I served for eight years in the Congress of the United States under a Democratic administration. That administration served through the most crucial times in the history of the world. On every side it was criticized and complained of, but its head, nor any of the heads of the departments, although first and last criticized from every partisan angle and standpoint, thank God, never, directly or indirectly, requested to be excused from a congressional investigation. [Applause.]

The Woodruff resolution, which was favorably reported from the Committee on Rules, was not of Democratic origin. It came from known, respectable, and responsible Republicans.

In answer to that resolution what does the Attorney General of the United States say?

Please get well in mind that Democrats have not asked for this investigation. Democratic members of the Committee on Rules voted for a favorable report, just as they voted for resolutions placed before them by Republicans throughout the Democratic administration to investigate the activities of that Democratic administration.

In answer to the resolution introduced by the gentleman from Michigan [Mr. WOODRUFF], who has just spoken, and adopted by the Committee on Rules, what does the Attorney General say? "Do not investigate my department; give me $500,000. Do not investigate my department; give me a special grand jury in

the District of Columbia. Do not investigate my department; give me 23 new Federal judges." The gentleman from Wyoming [Mr. MONDELL] says all these will be given him just as quickly as possible.

Mr. WOODRUFF. Will the gentleman yield?

Mr. GARRETT of Tennessee. I will yield.

Mr. WOODRUFF. Will the gentleman point out where the Attorney General has cluttered up the courts to any extent with any of these war-fraud cases which might indicate a need of additional circuit court judges? [Laughter.]

Mr. GARRETT of Tennessee. Well, I will yield to the gentleman from Wyoming to answer that. [Applause.]

Mr. Chairman, I wish to reiterate again that Democrats have not asked for this investigation. They——

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. Can the gentleman give me additional time?

Mr. OLIVER. How much time does the gentleman want?

Mr. GARRETT of Tennessee. Three minutes.

Mr. OLIVER. I will yield the gentleman three additional minutes.

Mr. GARRETT of Tennessee. But Democrats are willing to stand now as they did throughout the Democratic administration and support a resolution for investigation. [Applause.] The Democratic administration never did anything they objected to having investigated.

If there is objection upon the Republican side to an investigation, well and good; but I should like for the gentleman from Wyoming [Mr. MONDELL] to tell us—and he can confer with the gentleman from Kansas concerning it—whether or not the reading of that letter of the Attorney General means that the Woodruff resolution adopted by the Committee on Rules is now dead and will not be further considered? Is it the intention by having that letter of the Attorney General read in the House to indicate to the House that this is the end of the chapter? If so, we would appreciate the information. We Democrats did not initiate the resolution. [Laughter.] But we are ready to support it. No Democratic administration ever backed away from an investigation or attempted to avoid it. Will yours? [Applause.]

Mr. Chairman, I yield back my time which may remain.

The CHAIRMAN. The gentleman from Tennessee yields back one minute.

Mr. McKENZIE. I yield five minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Chairman, we thought we had realized—the country long since believed it had fully realized—the magnitude of the ills that grew out of the Democratic administration and the Democratic conduct of the war. But as time passes our realization of the breadth and depth, the wider variety and the harmful character of those ills grows and increases. What is the question at issue? Just how much thievery was there under the Democratic administration during the war; just how many malefactors were there in that time; who robbed the Government when it was engaged in war? We have had an idea, so far as one can grasp it, of the unfathomable extravagances of that time, but we have not yet fully developed the extent to which these extravagances were accompanied by criminal negligence in the settlement of claims and in making overpayments. We all of us have heard from time to time complaints of the law's delay. It is no new thing that responsible officials, charged with responsibility of making investigations and, if justfied, of charging men with serious crimes, officials charged with the responsibility of delving into the records to determine to what extent men were overpaid, to what extent they had defrauded the Government, should consume considerable time. All this requires time and patience. I am not quarreling with gentlemen who grow impatient because the work is not all done in a day; but I wonder if they realize, if they had their way about it, and the widest publicity was given to all that has been done in the way of investigation, and to all that the department hopes to prove, the effect it will have in putting those charged with crime on guard and in granting them immunity——

Mr. WOODRUFF. Will the gentleman yield?

Mr. MONDELL. Just a moment; my time is very brief. Up to this time——

The CHAIRMAN. The time of the gentleman has expired.

Mr. MONDELL. Can the gentleman yield me five minutes?

Mr. McKENZIE. I have not the time, but I will yield the gentleman three minutes additional.

Mr. GARNER. Will the gentleman yield for a question?

Mr. MONDELL. I only have three minutes.

Mr. GARNER. Just a question.

Mr. MONDELL. I can not answer a question——

Mr. GARNER. I will get the gentleman an additional minute if he will yield.

Mr. MONDELL. I will yield.

Mr. GARNER. Do you intend to pass the Woodruff resolution?

Mr. MONDELL. At the proper time and in the proper way that question will be answered. Mr. Chairman—well there is a good deal of hilarity on the Democratic side; there may not be so much when by reason of the steady grinding of the mills of justice the amount of the extravagance and the fraud under their administration has been more fully developed. Let gentlemen who become impatient restrain themselves. No one believed to be guilty has so far been given immunity. The Government has not lost any cases; it has not allowed any guilty individual to escape. The net is being drawn.

Mr. WOODRUFF. Will the gentleman yield?

Mr. MONDELL. The investigations are proceeding in an orderly way and in due time these cases will be brought to trial. It is true that the Congress has in a way been derelict in its duty in providing additional judges. You gentlemen on that side have done everything you could to prevent the passage of the legislation providing for those judges. [Applause.]

It is true that we have been sparing in our appropriations for different purposes and have scaled them down and it is true that the Attorney General having consideration for our desire to economize has not asked for as much as he has been inclined to do. Of that I have personal knowledge. But, Mr. Chairman, the period of investigation in these cases has largely passed. The necessary and essential details have largely been attended to. The cases are approaching trial, and in due time those who have defrauded the Governnrent under the Democratic administration during the war and those that have been scandalously overpaid by the Democratic administration during the war will in the one case be punished and in the other compelled to disgorge. [Applause.]

Mr. JEFFERIS of Nebraska. Mr. Chairman, I ask unanimous consent to proceed for 15 minutes on this subject.

The CHAIRMAN. The gentleman from Illinois [Mr. McKENZIE] has control of the time.

Mr. McKENZIE. Mr. Chairman, I yield 45 minutes to the gentleman from South Carolina [Mr. BYRNES].

Mr. BYRNES of South Carolina. Mr. Chairman and gentlemen of the committee, I am not going to continue the very interesting discussing that has been proceeding for the last half hour, but I am going to speak of the pending pay bill, which is certainly of great importance, because it affects the morale of the military services of this Government.

No man will accuse me of being a militarist. No man will accuse me, I think, of being extravagant in voting for appropriations in this Congress. But I am for the pending bill because, first, it provides for a decrease in the appropriations for the military services for the next fiscal year of $14,154,359 below the amount estimated for by the Budget and below the amount appropriated this year for those services. Further, because as certain saving clauses provided in this bill, which I will afterwards explain, expire there will be additional savings, until four years from now the saving to taxpayers by reason of this bill, below the appropriations for the current year and below the amount estimated for the next year, will amount to $27,585,862. And, in addition, by the inclusion of a provision fixing a variable element in the pay of officers providing that allowances for subsistence and for quarters shall be reduced as there is a reduction in the cost of living, should there be a reduction of the cost of living to the rate of 1913, the first year for which statistics were prepared by the Department of Labor, there will be an additional saving of $10,000,000. If the cost of living is not reduced to that extent, but is reduced to a lesser extent, there will be a reduction in proportion to whatever reduction there is. Further, I favor it because this bill for the first time in the history of the Government puts the pay of all the military services on an equal parity, so that when you look at the law you can know that the compensation of a man in the Army is the same as the compensation of a man in the Navy and all other services of the same rank. Heretofore it has been almost impossible to secure this parity in the various services, and, as a result, year after year one service or the other has come to Congress seeking an increase, some additional compensation, on the ground that some other service has it.

No longer could that be done. Again, the amount that is appropriated is distributed among the officers and men in the service in such a way as to offer to the young man who is commissioned and to the young man who enters the enlisted personnel the hope of a career in the military service of the Government.

Now, I know that some of you gentlemen who have listened to the speeches opposed to the bill may wonder how that is possible. My good friend from Alabama [Mr. OLIVER], for whom I entertain an affection that I entertain for but few men, disagrees somewhat with the position that I take on this bill. So does my friend from Indiana [Mr. KRAUS].

The Speaker last year, in pursuance with the provisions of the act of 1920, directing the appointment of a joint committee, appointed five Members of the House, the President of the Senate appointing five, to consider this matter of the readjustment of pay. I was one of the five House Members appointed. When he wished that appointment on me, he did me no favor. Last fall when the Congress adjourned I remained here during the recess and for two weeks attended the hearings upon this bill. My two good friends, the gentleman from Indiana [Mr. KRAUS] and the gentleman from Alabama [Mr. OLIVER], were unable to be present, through no fault of theirs, because Congress was not in session, and I thought it an inopportune time to hold the hearings, but the chairman of the joint committee having summoned the committee at that time, I remained. I closely followed the hearings upon this question. I reached the conclusion that you will reach if you attempt to study the question, namely, that in justice to the Government and in justice to the men in the military service, we can not allow the law under which the services are now paid to expire on June 30, enact no legislation, and go back to the law of 1908 without absolutely demoralizing every branch of the military service in this country.

Why, my friends, think of the condition that prevailed in 1908. Who will say that the compensation given to a man in 1908 in these services is sufficient to meet the needs he must confront to-day in order to provide a decent living for himself and family and maintain himself as the American people want the officers and enlisted men to maintain themselves? The gentlemen who came before us represented all branches of the service—the Coast Guard, the Public Health, the Marine Corps, the Navy, and the Army—and presented carefully prepared statements as to the cost of living; presented also a statement from the Secretary of Labor—challenge them, if you will, but certainly they are in accord with my own experience in life—that it will take about $1.70 to-day to buy what you could buy in 1908 for $1. If you say that is not true of food, I wish to say that there are other things entering into the cost of living besides food. It is true, and more than true, of rentals to-day throughout the United States, and certainly here in the city of Washington. It is true as to clothing, as to fuel, and every other thing that the officer or man must buy. Could we consider enacting no legislation and having these representatives of the Government lead a normal life, a married life, with dependents, under the compensation of 1908? In addition to the vastly increased cost of living, since the ending of the war, all officers now have to pay the income tax, an item that did not exist in 1908.

Another thing, my friends: If you enact no legislation, you leave the military services in this fix, where, under the reorganization act, a man entering the Army is paid $30 and a man entering the Navy under the law of 1908 is paid $17.60. Would you leave them with this discrimination against one service and the many other discriminations as between the services? You and I know it should not be done. We know, further, that the situation last hinted at by the gentleman from Alabama is sure to occur. The Army and Navy bills are now held up in the Senate pending the solution of this question. One of two things will happen—either this bill will pass, readjusting the pay, or else in the Senate the amount estimated for by the Budget Bureau for this year, based on the current appropriations for this fiscal year, will be added to those bills.

They will come here to the House, and the House having to choose between that and the demoralization and disorganization certain to result from the law of 1908, with its inadequate pay and with its discriminations, will vote for the present law. Even my friends in the minority on this particular question will continue to vote for that bonus rather than have no legislation, and in doing so we will force upon the taxpayers next year an expenditure of $14,000,000 more than if this bill is enacted into law.

Mr. OLIVER. Will the gentleman yield?

Mr. BYRNES of South Carolina. If the gentleman will allow me to proceed for a few minutes, I will yield to him and to any gentleman in the House. I want to proceed for a few minutes.

If that is done, let us see the situation under the continuance of the bonus. Is that desirable? Suppose you continue this bonus—they call it a bonus—this increase of pay provided for in 1920.

Much complaint has been made about these boy majors who have been promoted after six years of service to majorities.

If you do not enact this legislation and the existing pay scale is enacted into law for another year, it gives them $840 bonus, while your lieutenant colonel and your colonel get only $600, and your first lieutenant gets $600 bonus under the existing law—as much as the bonus paid the colonel, with greater responsibilities and demands. There is no sense of proportion in it. The boy major of six years' service gets $840, the same as the major who has served 30 years and has gone through the fire of military service and is worth infinitely more to the Government. Is that fair? Will we continue it? Under the bonus the enlisted man in the Navy starts in a training school at $33 a month. In the Army he enlists at $30 a month. That is the minimum pay. In the Navy the enlisted man who enters at $33 can go to $157, while in the highest grade in the Army, a comparative service, he can get only $118.40.

Gentlemen can take this pending bill and point out here and there, by reason of some peculiar legislation that has passed in years gone by, some inequity which may result from the application of a general principle, but has there ever been a law regulating the pay of either the civilian or the military services that has not shown some inequities, some provision which appeared to be too liberal to some individual or group by reason of prior legislation?

If we pass this bill my good friend from Alabama fears many terrible things will happen. The truth is, the attitude of the gentleman from Alabama is the product of imaginary fears about this bill which I do not believe are justified by the facts. For instance, as to the table to which he called attention to-day, which appears in the report filed by the minority and which is published in the RECORD this morning, the gentleman from Alabama published it this morning in order to correct the figures, but, as corrected, the table still remains inaccurate. I took the trouble to have the finance officers of the Army and Navy check them up to see if they are correct, and I hold in my hand the corrected statement. Every one under which there is a red figure is, according to the finance officers of the Army and Navy, inaccurate. You see the large number of figures in this table that are still inaccurate, some of the mistakes really against their own position.

Now, even if all these figures were accurate, it all depends, as some gentleman has said, on how you state the figures. For instance, in the table you find second lieutenant, "total compensation, proposed bill, with dependents, $4,158." That is for a second lieutenant; but the table does not state that that would be possible only in case a man remained a second lieutenant for 30 years and received the maximum of all allowances. It is entirely theoretical. There never was and never will be a second lieutenant with 30 years' service, and if there is one to-day in either the Army or the Navy I will pay part of his salary if you point him out. I have inquired, and in the Coast Guard we have a second lieutenant whose service in that grade is 19 years. That is the nearest approach. In the Navy there is an ensign with nine years' service. As to second lieutenants in the Army, the trouble is you have no second lieutenants with any length of service at all. It is absolutely absurd to imagine a second lieutenant in the Army or ensign in the Navy with 30 years' service in that grade. There is none to-day, and will be none.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of South Carolina. Yes.

Mr. NEWTON of Minnesota. That may be true as to the second lieutenant, but the statement with reference to captains can be true, and is true, is it not?

Mr. BYRNES of South Carolina. Yes; as to 25 in the Medical Administrative Corps who by law can not be promoted. I will go into that presently. I was calling attention to the tables simply to emphasize the difficulties we can get into if we simply consider these extreme figures as indicative of what may happen instead of considering the average and what actually does occur.

Now, the next thing stressed by the gentleman from Alabama throughout his entire argument is the size of commissioned personnel of the Army and the Navy. He called attention to the fact that we are proposing to reduce the number of officers and should not, therefore, enact pay legislation at this time. I am in favor of reducing them. I voted in favor of the proposition in the House and will vote for any other reasonable proposition to reduce the commissioned personnel of the Army and of the Navy; but it has little relevancy to the question as to what you are going to pay these men who remain. This question is not one of reducing the number of officers or the number

of men, but as to what you are going to pay to those who remain.

I favored the reduction of the Army to 115,000, as you gentlemen know. I did the best I could to support the gentleman from Michigan [Mr. KELLEY] and reduce the personnel of the Navy also. But my position is this, that what Army and Navy we do have I want to be a good Army and Navy. And that you can not have if you fail to enact any legislation and thus return to the pay scale of 1908. The gentleman from Alabama says there are too many men in the higher grades of the enlisted men of the Navy—the chief petty officers. This bill could not affect that. But in the appropriation bill this year there is a provision correcting that, a provision which will solve most of the difficulties the gentleman complains of. He was in favor of it, as I was, and I know he will be glad to learn that the Secretary of the Navy, without awaiting the enactment of the bill, sent broadcast to the fleet the information that there had to be a reduction in this top-heavy grade and that the provision in the bill now pending before the Senate committee and agreed to by that committee should be taken advantage of, and so many men have filed application for transfer to the fleet reserve that by July 1 the condition of which the gentleman complains will be remedied and the number of chief petty officers will be reduced, in accordance with the provisions of the appropriation bill, to the required number for a total personnel of 86,000 men.

Now, another question before us is the disposition as between officers and men of this amount of money in such manner as to secure the greatest efficiency. My good friend says there is a discrimination in this distribution in favor of the commissioned officer and against the enlisted man. I am not sure that that is a good statement to make, because the enlisted man is dear to our hearts. My only regret is that neither one of the good gentlemen ever made that statement in the committee. It is new to me. But I realize that it is fair, because all things are fair in love and war, and if it can get you, and make you shy from this bill, as a mule will shy at the sound of a steam piano, well and good. [Laughter.] But it is not justified, and if I can not prove it I do not want you to vote for it.

Now, here is a chart showing the base pay and allowances of the commissioned personnel under the 1908 law and the increase by percentage in each grade of this bill as compared with the 1908 law without the bonus. The chart shows also the increase of the enlisted men, all grades, over the 1908 law, and you can see how vastly greater is the percentage of increase for enlisted men as compared with officers.

WHAT H. R. 10972 DOES TO THE 1908 PAY SCHEDULE FOR THE OFFICERS AND ENLISTED MEN OF THE ARMY.

Increase in proposed 1922 pay over 1908 pay, by grades.

	Per cent.
Commissioned grades (based on the average annual compensation (including base pay, longevity pay, subsistence and rental allowances, commutation of quarters, heat, and light in 1908 schedule) of the average officer in the several grades):	
Second lieutenant	2
First lieutenant	14
Captain	15
Major	9
Lieutenant colonel	24
Colonel	16
Enlisted grades (based on the base pay only of the various grades, allowances and longevity not included. The allowances under the 1908 schedule and under H. R. 10972 are practically the same. The longevity in H. R. 10972 is practically the same as the reenlistment pay in the 1908 schedule which it replaces):	
Private (seventh grade)	40
Private, first class (sixth grade)	67
Corporal (fifth grade)	100
Sergeant (fourth grade)	80
Staff sergeant (third grade)	80
Technical sergeant, first sergeant (second grade)	87
Master sergeant (first grade)	68

I have had it prepared to show the average of what the officers get in each grade, including base pay, longevity, subsistence, and rental allowance, as compared with 1908. A second lieutenant by this bill gets 2 per cent increase, a first lieutenant 14, captain 15, major 9, lieutenant colonel 24, and colonel 16. Now, how about the enlisted men? The enlisted private in 1908 got $15; by this bill when he enlists he gets $21, an increase of 41 per cent. The next rank, private, first class, gets 67 per cent, increasing from $18 to $30; the corporal, 100 per cent, from $21 to $42; the sergeant, 80 per cent, from $30 to $50; the staff sergeant, 80 per cent, from $40 to $72; technical sergeant, first sergeant, 87 per cent, from $45 to $84; and master sergeant, 68 per cent, from $75 to $126.

Gentlemen say, nevertheless, that is a discrimination against the enlisted man. When was the compensation of the enlisted man increased? As we entered the war, for the duration of the war. How does it work to-day? First, as to the Navy. I asked my good friend a few moments ago, as to the Navy, if it is not a fact that only these boys who are in training for four months as apprentice seamen will receive $21. That is the fact, and in the Navy no apprentice seamen are sent to sea. They spend four months in school and then they are sent to sea, and the day they go to sea they will receive $36. Is that a discrimination against the enlisted man? As a matter of fact it is the enlisted boy, not man.

The boy who goes in at 18 years of age is inspired by the spirit of adventure, not money, ninety-nine times out of every hundred. You and I know and the recruiting officer knows that it is the beautiful pictures—seeing the world, going to sea—which looks attractive, and they are off. The only complaint I have ever heard about it is not that they were not offering sufficient inducement to these young boys to leave the farms to enlist but that they were making it too attractive. If you raise it to $50, you would, of course, get still more boys to go in; but the question is, Can we under the increase of 40 per cent over 1908 get enough recruits? It interested us; we had it investigated, submitted to all the recruiting officers of the country. I know that you have confidence in these men whose business it is to secure these enlisted men. They have no motive to make their work harder, and they say they have not the slightest doubt in the world that they can get them, and especially under this plan, which holds out to them a chance for advancement in the service.

Now, take the Army and what happens there. In the vast majority of cases it is the boy between 18 and 20 who enlists. The Army does not want to keep him down. If he shows any aptitude for the service he quickly gets an increase. If they give him a rating as a specialist he will get an increase.

Commander Porterfield, representing the enlisted men of the Navy, says—and I have his statement here—that these young boys during their training having $21 to spend, have ample for their needs; that giving them more money to spend at that time is not advocated by him or the enlisted men who are in charge of these recruits. The boy of 18 can go in training and he does not have to buy even a toothbrush; he gets everything furnished him and he has $21 to spend. Here is a book of letters from enlisted men in the Coast Guard; here is a batch from men in the Marine Corps, all advocating this plan. The boy who is worth anything says if you are going to apportion the money for the enlisted men apportion it so that it will offer us a career in the future. While we can spend only $21 for the four months give us the knowledge that if we stay in the service and look to the future that there is an inducement for us to stay, that we can make it a career, that if we remain, and when 23 or 24 have advanced, we can marry with some hope of being able to support a family.

Now, gentlemen, think of it fairly. If you had a boy who went into the Navy at 18, would not you rather have him get $21 for four months while he is in the training school and then when he is 18 and 4 months and goes to sea get $36, and if he remains in the service have the knowledge that as the years go by he can work for promotion to these higher grades in the enlisted personnel, where the increase is 100 per cent, 87, or 68 per cent?

That would give him the greatest increase during that period of life when his necessities are the greatest and when he may have dependents. When the boy of 18 enters the Naval Training School he has no dependents, is furnished everything, and under this bill will get $21 spending money.

We have attempted to readjust this pay of enlisted men in a reasonable manner, seventh grade $21, sixth grade $30, fifth grade $42, fourth grade $54, third grade $72, second grade $84, first grade $126. Compare this scale with the law of 1908. The private under the 1908 schedule gets $15. When you get to a private of the first class it is $18. Under this bill it will be $30. To-day the corporal gets $21, and he will get $42 under this bill. Under the ridiculous schedule which now exists, and it evokes no complaint at all from the minority, the man who is a private of the first class gets $18, and if he is promoted and becomes a corporal he gets only $21. If a private of the first class gets a specialist rating, he gets more money than the corporal, who has additional responsibility. When he gets to be a sergeant he gets $30 now, and under this bill he will get $50. When he gets to be a staff sergeant he will get $72, where under existing law he now gets only $40. Then, when he gets to first sergeant where he now gets $45, under this bill he would get $84. Under the 1908 law the master sergeant gets $75, while under this law he will get $126. Is that discrimination against the enlisted man? Rather does it not hold out to him the hope of a career?

Mr. OLIVER. Is the gentleman discussing the enlisted man of the Army?

Mr. BYRNES of South Carolina. Yes.

Mr. OLIVER. Does the gentleman think he has told the whole story to the House in what he has said?

Mr. BYRNES of South Carolina. Oh, not the whole story, because that would take all afternoon. I am telling as much as I can.

Mr. OLIVER. Does the gentleman not think it would be well to tell what percentage of enlisted men, assuming we have an Army of 150,000, will reach the grades he holds out in the different pay periods? In other words, what percentage is in the first two periods and what percentage in the other period, and, likewise, what are the limitations under the law as to the special ratings in the different periods, which can be added to these percentages? I think the gentleman ought to give us that.

Mr. BYRNES of South Carolina. I can not do that, because I have not got them.

Mr. OLIVER. Does the gentleman know them?

Mr. BYRNES of South Carolina. But everybody knows that down here in the enlisted men in the lower grades there is bound to be the largest percentage. You can not have an army of corporals and sergeants and specialists. It is fundamental that the largest percentage must be here in the lower grades. The story is that even in the lowest grade there is an increase of 40 per cent over the 1908 law, and in the higher grade the increase to the enlisted man is greater, and the lowest increase of 40 per cent is almost twice as much as the highest increase given to the officers over the 1908 pay schedule for them.

Mr. MAPES. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of South Carolina. Yes.

Mr. MAPES. Is the gentleman able to tell us how much additional they can get for longevity pay?

Mr. BYRNES of South Carolina. The enlisted man?

Mr. MAPES. Yes.

Mr. BYRNES of South Carolina. I am glad the gentleman asked about that. I ascertained that the longevity allowance under the 1908 law is approximately equal to the longevity pay under the proposed bill, that the one offsets the other, and I did not have it inserted in this chart, because I did not want to confuse anyone. I am glad, however, the gentleman called my attention to it, because I wanted to call that to the attention of the House. That, of course, is only a small element in the pay of the enlisted man.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of South Carolina. Yes.

Mr. OLIVER. The percentage in the first grade is six-tenths of 1 per cent, and the percentages in the sixth and seventh grades are over 76 per cent. Does the gentleman recognize the fact that when you reduce the Army you must of necessity, in order to comply with the law, reduce the men now in those low grades, and it is really a demotion? The result of it is that there is no opportunity, so long as you leave the limitations in the law, to rise rapidly to these percentages where you hold out such inducements.

Mr. BYRNES of South Carolina. I can not agree with the gentleman about that. To-day in the Army, as in the Navy, they are top-heavy, but orders have been issued in both services to reduce to normal by July 1, and when normal conditions prevail the chance of promotion will be better than the present. I have no objection to his inserting his percentages, because I accept them without question. My friend talks about saving. I assert this right now: If we want to save some money, you can not save any large amount of money on generals, because we have but one. If there is any way in which this saving can be effected, it has got to be in the lower grades, and with some of the boy major officers and some of the bachelor officers and some of these boys in the enlisted personnel, when they first enter and go to training school, and also in another way.

We furnish one saving here that I know my friend from Indiana [Mr. KRAUS] and my friend from Alabama [Mr. OLIVER] will concur in, because we reduce the enlistment gratuities that have been growing up for years. I have heard every gentleman on the Naval Affairs Committee complain of that. We reduce them and effect a saving of $2,000,000, and yet my friends do not call attention to this.

Mr. CHALMERS. The reenlistment gratuity?

Mr. BYRNES of South Carolina. Yes. We are reducing them, and also repealed some other small allowances. My good friend from Illinois [Mr. MCKENZIE] had a list here yesterday. In order to ascertain what a man's pay was, you would have to look through a list about 2 yards long. Our hope is that we can simplify it by repealing some of these gratuities, and we reduce the enlistment gratuities at a saving of about $2,000,000. These allowances have been added at various times, and have grown and grown until it is very difficult to get rid of them. The enlistment gratuity we allow to remain just about equals the cost of recruiting a new man.

Mr. GRIFFIN. Would the gentleman explain the inequality in percentages of increase which cover this advance of pay? I note from the chart that the inequality is quite apparent among the officers as well as among the enlisted men. For instance, the second lieutenant gets an increase of only 2 per cent, whereas the first lieutenant lets one of 14 per cent. A lieutenant gets an increase of 24 per cent, while the colonel gets an increase of only 16 per cent.

Mr. BYRNES of South Carolina. I shall do that right now. I call attention to this table:

Pay schedules, United States Army.

Schedule.	Second lieutenant at time of appointment.	First lieutenant of 7 years' service.	Captain of 8 years' service.	Major of 14 years' service.	Lieutenant colonel of 24 years' service.	Colonel of 29 years' service.
What the schedule would be in 1922 if the 1908 schedule were changed to accord with the increase in the cost of living since 1908 [1]	$3,521	$4,528	$5,495	$7,059	$8,691	$10,375
Schedule under the act of May 18, 1920 (bonus)	2,340	3,069	3,716	5,016	5,339	6,257
Proposed schedule in the pending bill H. R. 10972	1,959	2,813	3,429	4,555	5,869	6,561
1908 schedule	1,920	2,469	2,996	4,176	4,739	5,657

[1] In 1908, $1 purchased as much as $1.83 purchases now.

These amounts represent the average amount required to pay officers now in the grades indicated. Thus, for the proposed schedule, the amount indicated for majors ($4,555) was obtained by adding the total base pay, longevity pay, allowance for rental, and allowance for subsistence required to pay all the majors now in the Army and dividing this sum by the number of majors now in the Army.

The committee in taking this bill into consideration believed that the correct solution was to take the total appropriation and distribute it in such a way as to provide reasonable promotion and to hold out to the young officer, when he comes into the service in the Army or the Marine Corps as a career, that there he can work; and even though it might look hard to reduce his entrance pay beneath this bonus provision, it is 2 per cent more than the 1908 law, and then the chances are that he has no dependents in 90 per cent of the cases, and on the other hand he knows that as he remains in the service he will have an increased compensation and that increase will come at a period of his life when he will have greater need for it. It is readjusted so as to be more equitable as between the grades and as proposed meets the approval of 90 per cent of the officers as well as the men.

Mr. EVANS. Will the gentleman yield?

Mr. BYRNES of South Carolina. I will.

Mr. EVANS. Under Table No. 2 it shows that there is an excess under your 1922 schedule over your 1920 schedule, and yet if your marks on that chart clearly indicate the condition it would seem that the 1920 schedule ought to be higher in expenditure than what it is for the 1922 schedule for this reason: You have but few officers in the higher grades as compared with those in the lower and you only take it where it crosses the line—about nine years to run.

Mr. BYRNES of South Carolina. I should explain this situation that the gentleman has in mind, or rather which I think he has. In framing this bill the committee had this thought in mind, that we ought to take the position that Congress has always taken in the past. We wanted to protect both the commissioned officer or the enlisted man as to the compensation which the law authorized and which they expected to receive at the time they entered the service.

Congress followed that back in 1912 when they prohibited the counting of constructive service for the time spent at Annapolis and West Point, saying that it should not be counted in the future, but that the new law would not apply to the 1913, 1914, and 1915 classes because they entered Annapolis and West Point with the understanding they would receive that constructive service.

And right here let me say with reference to the enlisted man, that under this law the pay of the enlisted man now in the service is not reduced to $21. What is called the saving clause provides that the men shall during their present term of enlistment receive the pay they now receive.

We are providing for the future. But we thought that in justice, in fair dealing, we could not reduce the amount that a boy expected under the law to receive when he enlisted and break contract with him. Therefore we provide the saving clause, and no boy's compensation will be reduced in this enlisted personnel during his term of enlistment. But a boy goes out, and as he goes out a boy comes in at the new rate of pay. Officers go out, and as they go out those who come in will come at the new rate of pay. Consequently, there is, year by year, a continued decrease in the total appropriation. And that explains this Table No. 2, which was doubtless confusing to my good friend from Nebraska [Mr. EVANS]. But the table is accurate and shows an ultimate saving in four years of $28,000,000.

Mr. WILLIAMSON. Will the gentleman yield for one question?

Mr. BYRNES of South Carolina. I will.

Mr. WILLIAMSON. A moment ago you said you had tried to eliminate all the present gratuities.

Mr. BYRNES of South Carolina. I did not mean all. I mean certain gratuities. They had so many special allowances that my friend would really be surprised to know. I did not know there were so many until I went into it. The fact is, there is an enlistment gratuity under this pay bill, but it is much less than the gratuity offered for reenlistment under the existing law. And yet it certainly is sufficient.

Mr. WILLIAMSON. Have you any idea as to how much of a saving will be made under the law that you propose now, over the law which has been existing with reference to gratuities?

Mr. BYRNES of South Carolina. Two million dollars is the estimate.

Mr. WILLIAMSON. On gratuities?

Mr. BYRNES of South Carolina. On reenlistment gratuities.

Mr. MAPES. Will the gentleman yield?

Mr. BYRNES of South Carolina. Yes.

Mr. MAPES. The gentleman says that he did not know how many gratuities were allowed under the existing law until he got to investigating it. One of the criticisms I have heard of this bill is that it is difficult for laymen to figure out what the real pay is of the men in the services. I would like the gentleman's opinion as to which is the most difficult to figure out, the existing law or the proposed law.

Mr. BYRNES of South Carolina. I know the gentleman would approach the consideration of that subject as I do. I wish it could be made simpler. I frankly admit that the system of pay in the Army and Navy, which has grown up in all of the Governments of the world, seems to be unable to escape these complications. Try as you will, it is impossible to devise any system by which you can fix it so that a man can look at it and read as he runs.

If the gentleman from Michigan could see the ratings that exist to-day, he would reach the conclusion that while this bill is not perfection it is perfection compared to the existing system. And it is the same as to all services. One improvement. I have heard that in London a sailor goes to an office in one part of London and collects part of his pay, and then goes over to another section of the city and visits five or six offices before he collects all of his various allowances in pay. This has grown up through the years, and they seem unable to remedy it. We are in this bill making a great advance.

Mr. STAFFORD. Will the gentleman yield?

Mr. BYRNES of South Carolina. I will.

Mr. STAFFORD. Do the hearings disclose the number of officer personnel in the Army that have been promoted to higher grades and how many grades within the past 18 months and the proportionate increase of officers by promotion to higher grades?

Mr. BYRNES of South Carolina. The hearings contain information along that line. I have not got it, because I really did not think that it would develop the line of argument I am making. If the gentleman will look at the hearings he will find reference to it. By reason of the reorganization act there were such rapid promotions that there were many undesirable situations created.

Mr. STAFFORD. But which we have attempted to correct in the War Department appropriation bill by compelling the War Department to reduce the grades of men so that there will be a well-balanced Army of officers.

Mr. BYRNES of South Carolina. And my friend will approve the principle in the bill, which seeks to correct this situation. You can take the officers that the gentleman has in mind, who have been appointed majors after only six years' service. Everybody complains about it; but while everybody complains about it, we are making an honest effort to remedy it in the only way we can in a pay bill by requiring them to mark time so far as pay is concerned for eight years to come.

Mr. STAFFORD. We attempted to remedy it in the War Department appropriation bill. Now, you are adding additional increases of salaries to those which have already been granted.

The CHAIRMAN. The time of the gentleman has expired.

Mr. OLIVER. Mr. Chairman, I yield five minutes more to the gentleman.

Mr. BYRNES of South Carolina. With respect to that, the gentleman is in error. Instead of adding increased salaries, these officers suffer a reduction in compensation. My good friend talked of some men who were going to receive, by reason of this principle of longevity, an enormous increase of $2,000 over 1908 or about $1,000 over present law. It is true as to a few, and here is the reason for it: Under the reorganization act there were 25 officers who served 30 years, and who by law are limited in promotion to that of captain, and if they stay in that grade for 30 years they get this increase. It is one of the situations created by a prior law that we found in applying the general principle.

Mr. McKENZIE. Will the gentleman yield? In the medical administrative corps promotion is limited to the grade of captain, by law.

Mr. BYRNES of South Carolina. Yes; but there are only 25 of those men who have this 30 years' service, and they are going out. Now, the other men are in the Navy—112 of them, out of a total of 2,704 lieutenants in the Navy. The Naval Committee two years ago put through a proposition by which warrant officers who had served 30 years were commissioned, many without examination, because of their good service, and they are going to receive compensation larger than that which they ought to receive. But the normal lieutenant will receive less than he does at present. During the war these warrant officers served on the mine planters in the North Sea, and they rendered distinguished services. When they came back the gentleman from Pennsylvania [Mr. BUTLER], according to my information, in his desire to do justice to these old sailor men, advocated commissions for them, and the Secretary joined him, and those are the officers about whom the gentleman from Alabama has complained. There are only 114 of them in all. They will receive more than they should by the application of the general principles to their peculiar situation, but they are old and will soon go out.

On the other hand, let us see what this same principle does. Where are the great body of officers here? Down in the larger grades. Take a captain of six years' service who hereafter is promoted to major. He will receive $1,077 less than he does at present. At the end of seven years you will have 1,050 of these captains drawing $1,077 less than the bonus, as against the 25 Army captains drawing $1,456 more. An Army major to-day is drawing $5,115. By this principle he will draw only $4,038, a difference of $1,077. He has a right to stir up a fight against this bill, and I do not blame him. The men in the commissioned service who are bachelors have a good right to do so, because we have not given them the same allowances as married men. We took your emergency officer, who is a major, and by an arbitrary provision we placed him in the fourth period, and thus in effect give him 14 years constructive service by putting him in this period. The major, who is a young man, jumped up after only six years' service, will receive less than the major who was an emergency officer.

It is a discrimination in favor of the emergency officer, but is justified, because he comes in older in years and in experience, possibly, having seen prior service in the National Guard of this country, and we thought he was entitled to it, and therefore we gave it to him. The complaint that gentlemen make about rapid promotions we try to remedy by this proposition. It is the only proposition that is offered to remedy it. What remedy is suggested by the minority here? I am a minority Member, but I appreciated this duty as seriously as I have appreciated anything in my service here. I knew that I could get out and criticize this bill—pick flaws in it. That is easy as to any pay bill. But I knew if I did that I would not be doing my duty to the Congress or my duty to the people, because our duty required us to offer something constructive or else say nothing at all.

What are you going to do? I am not going to shift the responsibility. Do nothing and demoralize the services. Adopt a negative policy. I believe it is my Navy and my Army just as much as it is the Navy and the Army of the Members on this side [Republican], and believing that, have tried to frame a bill that would be fair to them and to the taxpayers. I know that it effects a reduction of $14,000,000 in the first year and promises an ultimate saving in four years of $28,000,000, and if the cost of living is reduced a still further saving in allow-

ances, and I am going to vote for it, and I am in hopes that my friends on the Democratic side will not be carried away by appeals to prejudice on the subject of the enlisted man, because that appeal has no foundation in fact, this bill providing a great increase over 1908 and offering to the enlisted man an opportunity to increase his compenstion if he remains in the service. [Applause.]

The CHAIRMAN. The time of the gentleman from South Carolina has again expired.

Mr. OLIVER. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. KRAUS].

The CHAIRMAN. The gentleman from Indiana is recognized for 10 minutes.

Mr. KRAUS. Mr. Chairman and gentlemen, I approach this problem, and especially the duty of talking on the subject, with a good deal of diffidence. It is an involved and complicated question. But, as a member of the committee, I feel that I have gained some information and that it is my duty to impart it to you. And in talking to you concerning it I am going to speak of the financial results of this legislation as a whole, and not as to its effect in detail on officers of the various classes in the pay periods, which was so ably and earnestly presented to you by our good friend, the gentleman from Alabama [Mr. OLIVER].

In presenting to you this phase of the subject we can only make proper deductions and reach correct conclusions if at all times we use the same number of men in these services, in precisely the same ratings or grades, except that we must take into consideration the promotions they will receive in due course and increase of pay because of length of service. The hearings proceeded on the basis that an effort should be made—or at least it was stated at the late hearings before the joint committee the bill should be so formulated as to bring the total expenditure for these services and for each of them under the amounts set forth in the Budget estimate for the year 1923.

In that estimate the Budget estimate for 1923 contemplated for the Army 150,000 men and 13,000 officers. Therefore, all figures used should be on that basis. Suppose, as a matter of fact, that under new legislation you increased the number of officers and men, or doubled them next year, by legislation. You could not charge the expenditure as the result of that legislation to this bill. Or if, as a matter of fact, you cut the number of men and officers in two, and thereby saved a large amount of money under the Budget estimate, that is immaterial here at this time.

As a matter of fact, we want to know what will be the cost of this service, say, of the Army in the year 1923 under this bill and under the Budget. And by the way, in passing, as has already been detailed to you here, although the bonus provisions for officers under what is known as the bonus act of May 18, 1920, expires by limitation on the 30th day of June next, nevertheless the Budget estimates submitted by the Army and the one prepared by the Navy, as well as by every other organization included in this bill, assumed that the bonus would be continued; and therefore we have the anomalous spectacle of having a budget that, so far as this phase of the budget is concerned, has no justification in law. But that is not a matter with which I am now concerned. As a matter of fact, I say to you, my friends, frankly, that I am taking the figures as supplied by the several services. The tables disclose the Army will save slightly over $6,000,000 as compared with the Budget estimate of 1923.

Mr. JOHNSON of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. KRAUS. Yes.

Mr. JOHNSON of Mississippi. In a statement issued by Mr. Mellon, the Secretary of the Treasury, to-day he stated that in the budget for 1923 there will be half a billion indebtedness.

Mr. KRAUS. It might therefore be encouraging to try to save a large amount by this legislation.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield right there?

Mr. KRAUS. Yes.

Mr. GRIFFIN. I want to ask the gentleman if the Army appropriation bill, which we passed and which is now pending in the Senate, provides for the bonus in the coming year?

Mr. KRAUS. No. I know that neither the Army bill nor the Navy bill provides for the bonus. I think the House proceeded on the theory that if the bonus was granted it would require a deficiency. However, you have just had word on that subject in the last 30 minutes or the last hour, and it has been indicated that if you do not pass this bill another body will just embody the old bonus, and it has been asserted you will be compelled to vote for it.

Now, my friends, the minority of this committee submitted a number of tables. All the tables were supplied by the officers representing these various organizations. I am frank with you when I say they are rather disappointing to me because of lack of uniformity. But they are the figures and the exact figures that have been supplied by the Army officers to the joint committee. If you will refer to Table 2 in the minority report you will find it clearly demonstrates that the commissioned personnel of the Army will in the year 1923 obtain some $200,000 more than they would have received under the bonus law, clearly demonstrating that if there is to be a saving of approximately $6,000,000, more than $6,400,000 in some way comes from other elements in the service of the Army, and a very cursory investigation of this table will show as a matter of fact that it does come, according to that statement, from the enlisted personnel. If you will note under subject "enlisted men," third item, under the Budget $71,000,000 in round numbers, and under the proposed plan $62,000,000. I would also call your attention to Table No. 3. Under this last-mentioned table the figures clearly show that the saving is made by reduced expenditures for the enlisted personnel, although this last table shows a substantial saving under the proposed law on the commissioned personnel of approximately a million dollars. My reason for calling your attention to the discrepancies is because frankly, my friends, it is my opinion that neither the Army nor the Navy, nor any other organization, nor any man on this committee who has given the subject any consideration, can with any degree of reasonable certainty assure you what this law will cost.

I am calling your attention to the discrepancies for that sole purpose. There are elements that enter into it under this measure on which the departments have no information. They have guessed, and if you will examine the figures you will find that they have guessed different amounts at various times. Neither Army nor Navy has statistics showing number of officers with and without, or the numbers in Government quarters, and without this information every estimate given as to the cost of this phase of the legislation is a mere guess. On that subject I will give you some of the various estimates at a later point.

I might take the time in calling your attention to these same discrepancies in the information supplied by the Navy, but a very brief review of Table 4 will disclose that, as a matter of fact, essentially all the saving comes from the enlisted personnel. It is true that it does not come off of what is regarded as the wages or salary, but a large part of the saving comes from the discontinuance of the reenlistment gratuity. Under this table we shall save $4,000,000 annually on this item alone, a matter of legislation entirely independent of pay. As the gentleman who just preceded me has stated, every member of this committee and the joint committee were unanimously in favor of this provision of the bill. In order to bolster up the economy claim for this bill you would be led to believe it is an item of pay. The serious thing about this matter, when I know as a matter of fact that no man can tell what the measure will cost, is that we are putting a millstone around our necks that will be there for all time. It is the experience of every man in public and private life that when salaries are once fixed by legislation they never come down.

Now, I want to call attention to some very interesting tables that will disclose in my judgment that, as a matter of fact, the anticipated future lessened cost of the commissioned personnel of the Army is a mere myth. By that I mean as long as you have in the commissioned personnel any considerable element now in the services that is protected by the extremely advantageous provisions of this measure for the men who are now in the commissioned service, then for many years in the future we will have increased expenditures rather than lessened for the officer personnel. These tables were procured and supplied in response to questions propounded by the chairman of the Committee on Appropriations. So that we may understand what the tables mean I want to read the questions propounded by the gentleman from Illinois [Mr. MADDEN].

The questions were as follows:

2. What will be the total amount of the pay and allowances of the commissioned officers of the Army included under the provisions of H. R. 10972 for the fiscal year 1923, based upon the number of officers contemplated in the 1923 Budget, for each of the several grades provided in H. R. 10972 as distributed and classified in the several grades, pay periods, and subdivisions thereof?

In answering this question consult table on page 57 of the hearings on the bill H. R. 10972, which gives in each pay period certain groups, namely:

One hundred and twenty-one colonels with less than 26 years' service.
Seven hundred and nineteen lieutenant colonels with more than 20 and less than 30 years' service.
Twenty-one lieutenant colonels appointed under section 24 of the act of June 4, 1920.

And so forth.

And in replying to this inquiry give the total amount of the pay and allowances of each of the various groups shown in the table on page 57, and in addition thereto the grand total for the commissioned personnel of each of the various groups.

3. The information requested in paragraph 2 for the fiscal year 1923 is requested for each of the following fiscal years: 1926, 1929, 1932, 1935, 1938, and 1941.

By referring to the pay periods provided for in H. R. 10972, the pertinency of the information called for in the fiscal years above set out will clearly appear.

In order to answer this question, the report was made and it was assumed that there would be 13,000 officers in the Army, that all of the men in the service at the time the Budget estimate was made would be retained, except those that go out by death, retirement under the law, or resignation, and that the number was kept up by putting men in at the foot of the list; in other words, putting in men who would go in as second lieutenants in order to keep the same number of officers. The cost for the fiscal year 1923 for commissioned personnel was reported as $49,894,000. That you may have the details I am going to incorporate this in the RECORD:

Estimated cost of the officers of the Army for the fiscal year 1923 under H. R. 10972 (includes base pay, service pay, subsistence, and rental allowances).

Grade and service.	Number of officers in each group.	Subtotals.	Total.
General officers	94	$812,908.20	$812,908.20
Sixth pay period:			
Colonel over 26 years' service	504	3,468,231.20	
Colonel, first appointment above captain	2	13,240.60	
Colonel appointed under section 24	6	33,121.80	
Lieutenant colonel over 30 years' service	10	27,703.00	
			3,582,296.60
Fifth pay period:			
Colonel, less than 26 years' service	121	734,905.60	
Lieutenant colonel, over 20 less than 30 years	719	4,278,718.40	
Lieutenant colonel, appointment under section 24	21	102,870.60	
Major, over 23 years' service	200	1,204,220.00	
			6,320,714.60
Fourth pay period:			
Lieutenant colonel, less than 20 years	50	247,680.00	
Major, over 14 and less than 23 years	1,205	5,869,638.00	
Major, first appointed above second lieutenant	450	1,994,820.00	
Major, appointed under section 24	391	1,726,557.60	
Captain, over 17 years' service	200	1,027,470.00	
			10,866,165.60
Third pay period:			
Major, less than 14 years' service	550	1,631,925.00	
Captain, over 7 and less than 17 years	500	1,801,950.00	
Captain, with rank from July 1, 1920	4,159	14,121,815.40	
First lieutenant, over 10 years' service	394	1,457,062.20	
			19,012,752.60
Second pay period:			
Captain, less than 7 years' service	409	1,143,686.70	
First lieutenant, over 3 years, less than 10 years	2,424	6,910,631.20	
First lieutenant, first appointment above second lieutenant; second lieutenant, over 5 years	77	241,715.10	
			8,296,033.00
First pay period:			
First lieutenant, less than 3 years	515	1,008,885.00	1,008,885.00
Second lieutenant, less than 5 years			
Total	13,000		49,899,755.60

The cost for the fiscal year 1923 will be $49,899,000.

Mr. JOHNSON of Mississippi. How much increase will this bill make over the pay of the commissioned personnel as it is now?

Mr. KRAUS. I just went over that a few minutes ago. Under one table that has been supplied there is to be an additional cost of $200,000, and then under another table there is a decrease of a million dollars. I am giving the gentleman both tables.

Mr. JOHNSON of Mississippi. And the gentleman will put those in the RECORD?

Mr. KRAUS. Not the tables, because I do not want to encumber the RECORD. They are already in the report. I am going to give one table and give the total figures in the other tables.

Mr. McKENZIE. Mr. Chairman, will the gentleman yield?

Mr. KRAUS. Yes.

Mr. McKENZIE. One of the tables to which the gentleman now refers, the first table, was furnished the joint committee when we were considering an entirely different bill from the one now before us, was it not?

Mr. KRAUS. I do not know whether it was the first table. I know it was one furnished to the joint committee.

Mr. McKENZIE. There are two tables published, and, while there is a discrepancy in them, the discrepancy can be easily explained away.

Mr. KRAUS. I hope the gentleman will undertake to explain it away in his own time.

Mr. McKENZIE. They are both correct.

Mr. KRAUS. Remember the cost of the fiscal year 1923 is to be approximately $49,000,000. In the fiscal year 1926 the cost will be $48,900,000, approximately. I want gentlemen to have all of the figures. According to the Army estimates the commissioned personnel of the Army will cost practically $1,100,000 less in 1923 than in the year 1926. In 1929 the cost will be $50,034,000. This is the same personnel of 13,000 men, with men going out at the top, retiring, or otherwise leaving the service, and with new men coming in at the bottom. We have been told it will cost less under this bill and produce a saving of approximately $27,000,000, and yet with this same personnel here we have gone higher now in 1929 than in 1923. In 1932 the cost will be $50,341,000; in 1933 it will be $51,182,000; in 1938, $52,885,000; and in 1941, $54,000,000.

Statement showing the estimated cost of the officers of the Army under H. R. 10972 in 1941, based on the assumption that at that time there will be 13,000 officers distributed in grades as now authorized by the Army reorganization act of June 4, 1920, viz., 17,000 officers, no provision being made in this estimate for the decrease in the number of officers in the higher grades as contemplated in the pending Army appropriation bill.

	Number.	Subtotals.	Total.
Sixth pay period:			
Colonel over 26 years	566	$3,810,578.00	
Colonel, first appointment above captain			
Colonel, appointed under section 24	53	345,979.00	
Lieutenant colonel, over 30 years	24	158,892.00	
			$4,315,449.00
Fifth pay period:			
Colonel, less than 26 years	54	324,124.40	
Lieutenant colonel, over 20, less than 30	493	2,896,634.80	
Lieutenant colonel, appointed under section 24	654	3,928,559.40	
Major, over 23 years	1,596	9,574,847.10	
			16,724,165.70
Fourth pay period:			
Lieutenant colonel, less than 20 years			
Major, over 14, less than 23	678	3,382,840.80	
Major, first appointment above second lieutenant	96	454,095.00	
Major appointed under section 24			
Captain, over 17 years	899	4,345,586.40	
			8,182,522.80
Third pay period:			
Major, less than 14 years	58	210,785.40	
Captain, over 7, less than 17	3,669	13,214,084.70	
Captain, first appointment above second lieutenant	416	1,428,940.80	
Captain, present rank July 1, 1920			
First lieutenant, over 10 years	16	58,180.80	
			14,911,991.70
Second pay period:			
Captain, less than 7 years			
First lieutenant, over 3, less than 10	2,073	5,821,829.90	
First lieutenant, first appointment above second lieutenant	232	627,041.60	
Second lieutenant over 5 years	24	68,511.20	
			6,517,382.70
First pay period:			
First lieutenant, less than 3 years	1,279	2,505,561.00	
Second lieutenant, less than 5 years	26	50,934.00	
			2,556,495.00
Total	12,906		53,208,006.90
General officers	94		812,908.20
Grand total	13,000		54,020,915.10

In other words, as long as we have the favored class, the commissioned personnel now in the Army, with the protection they have been given, with the abnormal advance in pay periods, this dream, this alleged hope of the proponents of this bill—that the commissioned personnel in the future will cost less—I am confident will vanish like mist before the sun. I am depending upon the figures supplied by the Army itself. I have similar figures supplied by the Navy. I do not desire to encumber the RECORD. Frankly, it shows practically the same result; but with equal frankness I must say that in 1941 the Navy figures would seem to indicate a reduction below the figures that it would cost in 1938, the figure, however, being an increase over what it will cost in 1923.

I believe this is the only fair test to determine probabilities and costs under this measure, as it refers to the commissioned personnel, and clearly on these figures supplied by these various services there is no doubt that there can be no possible reduction until the entire commissioned personnel is composed of individuals who start service after July 1, 1922. The fact of it is that this bill preserves the alleged rights, under the bonus

act of 1920, of the men now in the commissioned service, and it must necessarily prevent any reduction in cost.

Mr. ARENTZ. Mr. Chairman, will the gentleman yield?

Mr. KRAUS. Yes.

Mr. ARENTZ. There seems to be quite a discussion in respect to the status of the men who have been commissioned from civil life. You can not change their status, can you?

Mr. KRAUS. Very easily. All you have to do is to put them in a higher pay period. That is what has been done in many instances, and I will be frank to say that in a couple of instances men of a certain rank have been put into lower pay periods, but the putting of the men in the lower period in the instance last described does not take anything away from these men so far as the base pay and the longevity pay is concerned. This is true for the obvious reason that they are cared for by the "saving" or "protecting" clause.

Mr. ARENTZ. Some bill must pass between now and the 1st of July relative to the pay of the commissioned personnel and enlisted men. Can not amendments be made to this bill so that it will cover the points the gentleman complains of?

The Congress is looking for facts, and if the facts are presented, that is all that will be necessary. I must admit that I can not get any facts out of the debate except the one thing that you are objecting to—the commissions in civil life that have been given, that they have been advanced in grades away beyond reason.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. OLIVER. I yield the gentleman two minutes more.

Mr. KRAUS. I want to be frank with my friend from Nevada. I am inclined to believe that it is practically impossible to amend this bill so as to accomplish what the gentleman has in mind. The bill is so interwoven that you can not amend it on the floor of the House. I believe that can not be done and have a workable measure. There are some provisions that can be amended, but this entire system is so new, it is so interwoven, that I do not think it can be done intelligently from the floor. Undoubtedly certain provisions can be taken out or they can be amended without destroying the theories of the bill and at the same time either increase or decrease costs.

Mr. ARENTZ. Does the gentleman think the curves are wrong that were presented to us? Surely the rates given in the bill are between the low rate of 1908 and the rate of 1922.

Mr. KRAUS. Why indulge in rates or percentages when the department gives you actual figures and costs and tells you what it claims will be the actual cost with this personnel in the years to come? It is not necessary to complicate the matter by talking percentages, and particularly when it was obvious the percentages were based on alleged averages.

Mr. BYRNES of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. KRAUS. Yes.

Mr. BYRNES of South Carolina. With reference to the figures in the letter to Mr. MADDEN, the 1941 figures are compared with the cost this year; but if the 1920 law went on it would be entirely different, and it is not fair to compare the difference in 1941 with what it is now. Under any rate I think the gentleman will agree, because of the unusual condition of the Army, there would be an increase in 1941. The gentleman would agree to that?

Mr. KRAUS. No.

The CHAIRMAN. The time of the gentleman has expired.

Mr. KRAUS. The figures presented for 1941 are not a comparison, I will say to my friend from South Carolina, with any other figures. They are merely a statement of the actual cost supplied by the Army, and, by the way, incorrect, because every one of them leaves out the cost of the saving clause—a misnomer which even led the chairman of the committee astray in the statement he made yesterday, and which the gentleman from South Carolina gracefully assisted him in correcting.

Mr. BYRNES of South Carolina. And the gentleman gracefully desires to assist the gentleman in correcting this statement that in 1941 there will be an increase under this system because of the abnormal situation in the Army, where there are so many young officers now.

Mr. KRAUS. The very thing we are complaining of is you have taken care of this abnormal situation and preserved the abnormal rating of every man now in the commissioned service. [Applause.]

Mr. McKENZIE. Mr. Chairman, our good colleague, the gentleman from Connecticut [Mr. TILSON], who served with us on this joint committee, is unavoidably absent from Washington. He prepared a short speech which he requested me to ask unanimous consent of the committee to be included in this discussion in the CONGRESSIONAL RECORD.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the remarks of the gentleman from Connecticut [Mr. TILSON] may be inserted in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. TILSON. Mr. Chairman, I desire to bring to the attention of the Members of the House a few words on the bill now pending dealing with the subject of pay adjustment for the Army, Navy, and other services. It is my purpose first to state very briefly the problem which the special committee for the adjustment of pay of the Army, Navy, and other services were set to solve, then some of the principles applied in the effort to solve the problem, and finally something as to the relative cost of making the proposed change.

The last general legislation before the war fixing the pay of the Army and Navy was in 1908. Until the recent war came, bringing in its train high living costs, the scale of pay fixed by this legislation was accepted as reasonably satisfactory. True there were certain inequalities and apparent discriminations, especially in reference to commutation of quarters, heat, light, and so forth, which caused in individual instances hardship and dissatisfaction. There were also differences between the different services that were not entirely fair and which were not conducive to general satisfaction. It was one of the objectives of the special committee to present a bill that would do away with these differences and produce substantial equality in all of the services.

When we entered the war the pay of enlisted men of the Army was doubled. To the officers in the Regular Establishment promotion in the emergency Army came almost universally during the progress of the war and in this way took care of the soaring cost of living. Substantially the same situation existed in the Navy and Marine Corps. When the war ended and officers who had held advanced emergency rank had to return to their pre-war grades and pay, a crisis in their affairs resulted. The act of May 18, 1920, was passed to save the situation. A so-called bonus, arbitrarily fixed in each grade, was added to the pay provided by the 1908 legislation. By the terms of the 1920 act the bonus was to be paid only to June 30, 1922, on which date the authority to pay it will expire by limitation. If no legislation is enacted prior to June 30 next the enlisted personnel in the Navy and the officers of the Army and Navy will revert to their pre-war pay status. Such an occurrence, under present living conditions, would produce a most demoralizing condition in all the services.

It has been proposed by some that the bonus provision be extended for a year or two years in the hope that meanwhile conditions will change for the better. Realizing that this, or something else, was necessary to prevent a return to the 1908 basis, the Budget estimated for the necessary amount to pay the bonus for the next fiscal year. A majority of the special committee, however, believed that the time had come to deal with the situation through permanent legislation.

In formulating this bill the committee took into account, first, the status quo. The enlisted men have a contract of enlistment, which, of course, is to be fulfilled to the letter. A saving clause is carried in the bill having this effect. The officers have been receiving a substantial increase over the 1908 pay scale in the form of a bonus. While living conditions remain as they are it would be disastrous to suddenly reduce their pay to the 1908 basis. A saving clause prevents this and provides for a gradual working out of the problem as to them.

Another fact taken into account in fixing pay for the future is the family relationship. This is new, so far as recent pay legislation is concerned, although it was used early in the history of our Army and the principle was thoroughly recognized in the allotments and allowances to dependents during the last war. It is assumed and taken for granted that most officers of the Army, Navy, and other services will marry and live the family life. We believe that they should be encouraged rather than discouraged in so doing. When quarters in kind are furnished a distinction in effect is now made between married and single men. In this bill the same principle is carried out in regard to commutation, subsistence, and allowances. In other words, an officer with a family or dependents receives additional compensation to a certain limited extent on this account.

Length of service and rank are also taken into account in fixing the rate of pay. Heretofore length of service has affected pay only by a percentage of increase on the base pay, known as "fogies." In this bill the base pay is affected directly by length of service by dividing the normal period of service into pay periods, which correspond quite roughly, of course, to average promotion through the several grades in normal times.

In general, the officer with long service and a family to his credit is favored by the bill, while the inexperienced officer

without a family or dependents receives correspondingly less pay. The committee believe that in view of the fact that the strictest economy must now be practiced in the military and other services this is as it should be. The young officer without dependents should be able to maintain himself creditably on the pay provided in this bill. The exercise of a fair measure of thrift and frugality at this period of a young man's life ought to be helpful rather than otherwise. On the other hand, the older officer, with longer service and a family, will continue to receive substantially what he now receives, including the bonus. It is believed that this arrangement will work out for the best interests of the several services, holding out, as it does, the assurance of higher pay for age, experience, and responsibilities, to compensate for the lower pay during the earlier years of service. It provides something worth while to which the young officer may look forward.

The following excerpts from a statement filed with the committee by representatives of the Army set forth in somewhat greater detail the principles upon which this bill is predicated:

COMPENSATION OF OFFICERS.

The total compensation of officers is made up of two parts: One, pay proper with longevity; and the other, subsistence and rental allowances, which will fluctuate from year to year as subsistence and rental costs fluctuate. The pay proper was built upon the base pay as established in the 1908 pay schedule, except that that of a second lieutenant is reduced from $1,700 to $1,500 and the longevity is changed from the existing 10 per cent increase for every five years' service, with its limitations, to a 5 per cent increase for each three years' service up to and including 30 years of service. For the purpose of computing pay all service which has heretofore been counted for that purpose is continued as counting with the proviso that officers who hereafter enter the service can count for pay purposes commissioned service only.

In order to make length of service a controlling factor in determining the pay of officers, and at the same time to recognize grade as an essential feature, it was decided to recommend a sliding scale in regard to pay, which would protect the interests of the Government in case of abnormally rapid promotion in any particular service, and which would protect the interests of the individual in case of any abnormally slow promotion. The effect of this sliding scale is to give to an officer of any particular grade the pay and allowances of the next higher period when promotion is abnormally slow. The contrary effect is obtained by providing that an officer should continue to receive the pay and allowances of his old period when promotion is abnormally rapid.

SUBSISTENCE AND RENTAL ALLOWANCES.

In establishing the subsistence and rental allowances to be given under the proposed law three conditions were considered. The first was that the allowance should be one which would fluctuate as living costs fluctuate; the second, that the allowances should be those that would fit as near as possible the average family life at the different periods of an officer's career; and the third, that a junior officer requires somewhat less in the matter of living conditions than older officers.

This principle is apparently a new one, but as a matter of fact examples of it in the history of the Army are numerous and characteristic. During the entire history of our Army up to the year 1871 a ration allowance was part of the emoluments of the service. They were based upon the grades of officers and prior to the Civil War amounted to as many as 40 rations. The present subsistence allowance is merely a return in principle after a lapse of more than 50 years to a system of procedure which was in operation for the first 80 years of the Republic.

The recognition of dependents exists in the act of May 18, 1920, which furnished transportation at Government expense for certain classes of dependents. The same act provided for the payment of commutation of quarters, heat, and light to officers on field service who had dependents at home. Quarters for Army officers at Army posts have always been built so as to provide accommodations for officers' families. Dependency was recognized during the war by exempting certain classes of men with dependents from the draft, by granting family allowances to men serving in the military service, and by providing the compensation feature of the war-risk insurance. The Government now allows a gratuity of six months' pay to certain specified dependents in the case of an officer or enlisted man dying in the service.

This principle is also recognized in the exemption granted under the income tax law for a wife or minor children. It is also recognized by various industrial and commercial organizations in civil life. For example, railroads give free transportation to the families of their railroad employees after the latter have been with them a year or more, thus recognizing in a dual way the principle of dependency and of length of service, both of which are recognized in this bill. Many other cases could be cited. It is thus apparent that this proposition partially to base the allowances of an officer on the fact of dependency is by no means new in principle; it is merely a variation of the application of old and recognized principles of law.

In applying this principle to establish subsistence allowances, it was assumed that the young man in the first few years of his service would have no dependents; that the requirements because of dependents would increase during the life of the officer up to about 25 years' service, after which time they would begin to decrease.

In applying this principle in establishing rental allowances the same conditions were considered to exist as in the case of subsistence allowances with the additional element that an older officer requires somewhat better living conditions than a younger one.

These two allowances constitute the variable part of an officer's total compensation.

Compared with the Budget estimate for the fiscal year of 1923, which means the 1908 scale of pay plus the so-called bonus, the bill under consideration would effect a considerable immediate saving and eventually, after time has eliminated the effect of the saving clauses, will closely approximate, if it does not go below, what the cost would be under the 1908 scale of pay.

The pay of the Army fairly illustrates the effect of the entire bill, and as I am more familiar with the Army pay than any other I shall use it for the purpose of illustration. A table is here inserted showing the total cost for the pay of the Army under the Budget estimate, under the proposed bill, and under the 1908 scale of pay:

Table showing total cost for pay of the Army under Budget estimate, proposed bill, and 1908 scale of pay.

	Budget, 1923.	Proposed bill.	1908 pay.
Base and service pay of officers	$39,906,190	$38,816,705	$39,906,190
Temporary increase, act of May 18, 1920	9,032,820		
Foreign-service pay	380,644		380,644
Saving clause, officers, active list		2,004,645	
Commutation of quarters, heat, and light	4,925,050	6,007,280	4,925,050
Subsistence allowances		5,680,422	
Pay of retired officers	5,132,055	5,107,350	5,132,055
Saving clause, retired officers		461,865	
Pay and allowances, warrant officers	2,479,846	3,153,120	2,455,846
Pay and allowances of nurses	1,092,455	1,257,985	882,535
Pay of enlisted men	73,015,586	65,529,857	72,054,276
Saving clause, enlisted men		5,000,000	
Temporary increase, act of May 18, 1920	3,623,705		
Total	139,588,351	133,019,229	125,736,596

It is estimated that the $5,000,000, which is the cost of the "saving clause for enlisted men," will be reduced by one-half within a year, and will disappear entirely within three years, making the decrease below the Budget estimate at the end of three years $11,569,122. The $2,004,645, which is the cost of the "saving clause for officers of the active list," will disappear entirely as officers pass into higher pay periods, while the $461,865, which is the cost of the "saving clause for retired officers," will disappear gradually as those now on the retired list die, making the total ultimate decrease below the Budget estimate $14,035,632. Summarizing, the account would stand as follows:

Total cost of the "saving clauses" is $5,000,000 plus $2,004,645 plus $461,865, which equals $7,466,510.

When this amount has disappeared from the cost of the present bill its ultimate cost will be as follows:

One hundred and thirty-three million nineteen thousand two hundred and twenty-two dollars less $7,466,510, which leaves a total cost, after the act has taken full effect, of $125,552,719, which is $183,877 less than the total cost under the 1908 scale of pay.

In making the foregoing computations it is all the while assumed as a basis that the Army remains of the same size and that the cost of living remains at the same level. If living costs should be reduced, then there will be an additional saving. It will thus be seen that beginning at once the cost for pay of the Army will be continuously reduced until it reaches the 1908 level and goes below it. An attempt to make further or more radical reductions at the present time would be, in my judgment, a very great mistake and would have a most unfortunate effect on the several services.

I believe that the present bill is the best and most scientific solution of the pay problem that has been proposed, and that it will give satisfaction throughout all the services concerned, which of itself is a very great accomplishment. The bill should be enacted into law at the earliest date practicable in order that there may be time to provide the necessary funds in the several appropriation bills now pending.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none. The Clerk will read the bill.

The Clerk began the reading of the bill.

Mr. GARNER. Mr. Chairman, I want to ask the gentleman if he does not think, as there is nobody here and the bill is being read for amendment, that we had better read this to-morrow or the next day?

The CHAIRMAN. The Clerk has not concluded the reading of the first paragraph.

Mr. GARNER. I know; but it occurs to me that it would be better to have a larger attendance in the committee when this bill is being read for amendment. If you read this entire paragraph at this time it will not be read day after to-morrow. There may be nobody here who desires to make an amendment to it to-day, and it appears to me it would be well to adjourn and give an opportunity for gentlemen to offer amendments.

Mr. McKENZIE. Mr. Chairman, I wish to say to my good friend from Texas that it was my only desire to continue for a short time longer, in order to carry out the wishes of the majority leader, who said he hoped we would run until 5 o'clock, that he was called away and would be back by that time and make a statement in regard to the program.

Mr. GARNER. If that is the case, I have no monkey wrench to drop into the machinery.

Mr. McKENZIE. I suggest the Clerk complete the reading of the first section, and then I shall move that the committee rise and go into the House, with the understanding that the section will be taken up for amendment when the bill is again taken up for consideration.

Mr. OLIVER. In other words, nobody will be prejudiced by its reading?

Mr. McKENZIE. Absolutely not.

Mr. OLIVER. The rights of everyone will be absolutely preserved?

Mr. McKENZIE. We shoot right in the open; there will be no advantage taken of anybody.

The Clerk read as follows:

Be it enacted, etc., That, beginning July 1, 1922, for the purpose of computing the annual pay of the commissioned officers of the Regular Army and Marine Corps below the grade of brigadier general, of the Navy below the grade of rear admiral, of the Coast Guard, of the Coast and Geodetic Survey, and of the Public Health Service below the grade of surgeon general, pay periods are prescribed, and the base pay for each is fixed as follows:

The first period, $1,500; the second period, $2,000; the third period, $2,400; the fourth period, $3,000; the fifth period, $3,500; and the sixth period, $4,000.

The pay of the sixth period shall be paid to colonels of the Army, captains of the Navy, and officers of corresponding grade who have completed twenty-six years' service, or whose first appointment in the permanent service was in a grade above that corresponding to captain in the Army, or who were appointed to the Regular Army under the provisions of the first sentence of section 24, act of June 3, 1916, as amended by the act of June 4, 1920; to officers of the Staff Corps of the Navy advanced by selection under existing laws to the rank or pay of captain; to lieutenant colonels of the Army, commanders of the Navy, and officers of corresponding grade, and lieutenant commanders of the line and Engineer Corps of the Coast Guard who have completed 30 years' service; and to the Chief of Chaplains of the Army.

The pay of the fifth period shall be paid to colonels of the Army, captains of the Navy, and officers of corresponding grade who are not entitled to the pay of the sixth period; to lieutenant colonels of the Army, commanders of the Navy, and officers of corresponding grade who have completed 20 years' service, or whose first appointment in the permanent service was in a grade above that corresponding to captain in the Army, or who were appointed to the Regular Army under the provisions of the first sentence of said section 24; to officers of the Staff Corps of the Navy advanced by selection under existing laws to the rank or pay of commander; and to majors of the Army, lieutenant commanders of the Navy, and officers of corresponding grade who have completed 23 years' service: *Provided*, That lieutenant commanders of the Staff Corps of the Navy who were appointed between the dates of March 4, 1913, and June 7, 1916, in a grade above that of ensign shall receive the pay of this pay period after completing 20 years' service.

The pay of the fourth period shall be paid to lieutenant colonels of the Army, commanders of the Navy, and officers of corresponding grade who are not entitled to the pay of the fifth or sixth period; to majors of the Army, lieutenant commanders of the Navy, and officers of corresponding grade who have completed 14 years' service, or whose first appointment in the permanent service was in a grade above that corresponding to second lieutenant in the Army, or who were appointed to the Regular Army under the provisions of the first sentence of said section 24; to captains of the Army, lieutenants of the Navy, and officers of corresponding grade who have completed 17 years' service; and to lieutenants of the Staff Corps of the Navy, and lieutenants and lieutenants (junior grade) of the line and Engineer Corps of the Coast Guard whose total commissioned service equals that of lieutenant commanders of the line of the Navy drawing the pay of this period.

The pay of the third period shall be paid to majors of the Army, lieutenant commanders of the Navy, and officers of corresponding grade who are not entitled to the pay of the fourth, fifth, or sixth period; to captains of the Army, lieutenants of the Navy, and officers of corresponding grade who have completed seven years' service, or whose first appointment in the permanent service was in a grade above that corresponding to second lieutenant in the Army or whose present rank dates from July 1, 1920, or earlier; to first lieutenants of the Army, lieutenants (junior grade) of the Navy, and officers of corresponding grade who have completed 10 years' service; and to lieutenants (junior grade) of the line and Engineer Corps of the Coast Guard whose total commissioned service equals that of lieutenants of the line of the Navy drawing the pay of this period.

The pay of the second period shall be paid to captains of the Army, lieutenants of the Navy, and officers of corresponding grade who are not entitled to the pay of the third or fourth period; to first lieutenants of the Army, lieutenants (junior grade) of the Navy, and officers of corresponding grade who have completed three years' service, or whose first appointment in the permanent service was in a grade above that corresponding to second lieutenant in the Army; and to second lieutenants of the Army, ensigns of the Navy, and officers of corresponding grade who have completed five years' service.

The pay of the first period shall be paid to all other officers whose pay is provided for in this section.

During the existence of a state of war formally recognized by Congress, officers of grades corresponding to those of colonel, lieutenant colonel, major, captain, and first lieutenants of the Army, holding either permanent or temporary commissions as such, shall receive the pay of the sixth, fifth, fourth, third, and second periods, respectively, unless entitled under the foregoing provisions of this section to the pay of a higher period.

Every officer paid under the provisions of this section shall receive an increase of 5 per cent of the base pay of his period for each 3 years of service up to 30 years: *Provided*, That the base pay plus pay for length of service of no officer below the grade of colonel of the Army, captain of the Navy, or corresponding grade, shall exceed $5,750.

For officers hereafter appointed no service shall be counted for purposes of pay except active commissioned service under a Federal appointment and commissioned service in the National Guard when called out by order of the President. For officers now in the service all service which is now counted in computing longevity pay, and service as a contract surgeon serving full time, shall be included in the computation.

The provisions of this act shall apply equally to those persons serving, not as commissioned officers in the Army, or in the other services mentioned in the title of this act, but whose pay under existing law is an amount equivalent to that of a commissioned officer of one of the above grades, those receiving the pay of colonel, lieutenant colonel, major, captain, first lieutenant, and second lieutenant being classified as in the sixth, fifth, fourth, third, second, and first periods, respectively. Pay clerks of the Marine Corps shall receive the pay of second lieutenants of the Army of the same length of service. Contract surgeons serving full time shall have the pay and allowances for subsistence and rental authorized for officers serving in their second pay period. Commissioned warrant officers on the active list with creditable records shall, after 6 years' commissioned service, receive the pay of the second period, and after 12 years' commissioned service receive the pay of the third period: *Provided*, That a commissioned warrant officer promoted from the grade of warrant officer shall suffer no reduction of pay by reason of such promotion. Army field clerks and field clerks, Quartermaster Corps, shall have the allowances for subsistence and rental authorized for officers receiving the pay of the first period.

Mr. McKENZIE. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TOWNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 10972, had come to no resolution thereon.

HOUR OF MEETING TO-MORROW.

Mr. FORDNEY. Mr. Speaker, I ask unanimous consent that when the House meets to-morrow it meet at 11 o'clock and that we have five hours' general debate on the so-called Liberian bill, House Joint Resolution 270, one-half the time to be controlled by myself and one-half by the gentleman from Texas [Mr. GARNER], and at the end of the five hours' debate the joint resolution be read under the five-minute rule.

The SPEAKER. The gentleman from Michigan asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow for the consideration of the Liberian bill, upon which there shall be general debate of not exceeding five hours.

Mr. FORDNEY. Not to run later than 4 o'clock.

Mr. GARNER. I would suggest to the gentleman that this side of the House expected in good faith to assist in getting a vote on the bill to-morrow; that was the subject of the conference had between Mr. MONDELL, the gentleman from Michigan, and myself, and I think if anyone should make a point of no quorum and we have a number of roll calls it will knock us out of a good deal of time, and we would not get through by 4.30. The bill only occupies one page and consists of one paragraph, and all amendments could be offered and discussed in 15 or 20 minutes, and five hours would put us to 4 o'clock.

The SPEAKER. It would go beyond that if there was a point of no quorum.

Mr. GARNER. If we get into the Committee of the Whole House on the state of the Union there will be probably a quorum here, and if we get the membership over here at 11 o'clock we can avoid the roll call and we can certainly get through the five hours by 4 o'clock; and if we do have a roll call, we will get through by 4.30.

Mr. FORDNEY. What limit of time would the gentleman suggest?

Mr. GARNER. Half past 4.

Mr. FORDNEY. I will amend that and ask that the general debate close at not later than 4.30.

The SPEAKER. The gentleman from Michigan asks unanimous consent for the agreement as stated by the Chair, except that general debate shall be closed at not later than 4.30. Is there objection to the request? [After a pause.] The Chair hears none. The Chair has an engagement to-morrow morning and he may be late, and in that event he designates Mr. WALSH to act as Speaker pro tempore until he arrives.

Mr. FORDNEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FORDNEY. When the House adjourned on Wednesday last the Committee on Ways and Means was on call. Is that committee automatically on call to-morrow morning?

The SPEAKER. Certainly. The Chair has the understanding it is agreed to have the consideration of this bill on the call of the Committee on Ways and Means. Is that correct?

Mr. GARNER. That is correct—that this joint resolution be considered to-morrow.

The SPEAKER. The Chair thought it wise to have that understood.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to—

Mr. DAVIS of Minnesota, indefinitely, on account of important business.

Mr. STEVENSON, for the rest of the week, on account of going home on business.

Mr. FOCHT, for one week, on account of important business.

ENROLLED BILLS SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 4382. An act to provide for the application of the reclamation law to irrigation districts;

H. R. 10941. An act authorizing the Postmaster General to grant permission to use special canceling stamps or postmarking dies; and

H. R. 11547. An act making an appropriation for additional hospital facilities for patients of the United States Veterans' Bureau.

The SPEAKER announced his signature to enrolled joint resolution of the following title:

S. J. Res. 132. Joint resolution to authorize the printing of journals, magazines, periodicals, and similar publications, and for other purposes.

ADJOURNMENT.

Mr. MCKENZIE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 47 minutes p. m.) the House adjourned to meet to-morrow, Wednesday, May 10, 1922, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

608. Under clause 2 of Rule XXIV, a communication from the President of the United States transmitting supplemental estimate of appropriation for the United States Veterans' Bureau for the fiscal year ending June 30, 1922, for the settlement of claims under act of March 8, 1918, Article IV, $25,000 (H. Doc. 308), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. HAUGEN: Committee on Agriculture. H. R. 11396. A bill to regulate foreign commerce in the importation into the United States of the adult honeybee (Apis mellifica); with an amendment (Rept No. 994). Referred to the House Calendar.

Mr. LUCE: Committee on the Library. H. R. 11393. A bill to abolish the office of Superintendent of the Library Building and Grounds and to transfer the duties thereof to the Architect of the Capitol and the Librarian of Congress; without amendment (Rept. No. 995). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. KINCHELOE: A bill (H. R. 11588) to amend an act entitled "An act to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers, sailors, and marines"; to the Committee on Public Buildings and Grounds.

By Mr. BALDWIN: A bill (H. R. 11589) to provide for the transfer of the land and buildings of the Federal leprosy investigation station at Kalawao, on the island of Molokai, in the Territory of Hawaii, to the Territory of Hawaii, and for other purposes; to the Committee on the Territories.

By Mr. BALDWIN: A bill (H. R. 11590) to amend sections 34 and 40 of the organic act of the Territory of Hawaii; to the Committee on the Territories.

By Mr. MANSFIELD: A bill (H. R. 11591) authorizing and directing the Secretary of War to cause survey to be made of the Colorado River in Texas, with a view to the removal of the raft in said stream, in the counties of Wharton and Matagorda, and to controlling the flood waters of said stream, and for other purposes; to the Committee on Flood Control.

By Mr. GALLIVAN: A bill (H. R. 11592) to authorize an appropriation to enable the Director of the United States Veterans' Bureau to provide for the acquiring of sites and the building of rest camps as he may deem advisable in the several regional districts; to the Committee on Public Buildings and Grounds.

By Mr. ASWELL: Joint resolution (H. J. Res. 323) to appropriate $500,000, or so much thereof as may be necessary, for the purchase of suitable planting seeds to be supplied to farmers in overflowed areas of the United States, said amount to be expended under rules and regulations prescribed by the Secretary of Agriculture; to the Committee on Appropriations.

By the SPEAKER (by request): Memorial of the Legislature of the State of Rhode Island, relative to recognizing Palestine as the homeland of the Jewish people; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. APPLEBY: A bill (H. R. 11593) granting an increase of pension to Philip Hawk; to the Committee on Invalid Pensions.

By Mr. HUKRIEDE: A bill (H. R. 11594) granting a pension to George W. Morgan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11595) granting a pension to William J. Kinion; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11596) granting a pension to David Gibson; to the Committee on Invalid Pensions.

By Mr. HUTCHINSON: A bill (H. R. 11597) granting a pension to Annie H. Sines; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 11598) granting a pension to Sarah S. Bradfield; to the Committee on Invalid Pensions.

By Mr. RIORDAN: A bill (H. R. 11599) granting a pension to James Farley; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 11600) granting an increase of pension to James O. Wilkerson; to the Committee on Pensions.

Also, a bill (H. R. 11601) granting a pension to Swepson Sutton; to the Committee on Invalid Pensions.

By Mr. VESTAL: A bill (H. R. 11602) granting a pension to Parthine Curtis; to the Committee on Invalid Pensions.

By Mr. WHITE of Maine: A bill (H. R. 11603) to validate for certain purposes the revocation of discharge orders of Lieut. Col. James M. Palmer and the orders restoring such officer to his former rank and command; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5521. By Mr. ANSORGE: Petition of Appomattox Republican Club, New York City, recommending care of disabled soldiers and their families, employment of soldiers, and the granting of a bonus with deferred payments; to the Committee on Ways and Means.

5522. By Mr. APPLEBY: Evidence to accompany House bill 9139, granting a pension to Amelia M. Hetherington; to the Committee on Invalid Pensions.

5523. By Mr. CULLEN: Resolution adopted by the board of estimate and apportionment of the city of New York, urging Federal and State officials to immediately begin all improvements contemplated or proposed and to make available for such improvements any appropriations that have already been granted or authorized in connection therewith; to the Committee on Appropriations.

5524. By Mr. FROTHINGHAM: Resolution adopted by the Massachusetts Commandery of the Naval and Military Order of the Spanish-American War, protesting against the reduction of the Army below an enlisted strength of 150,000 with 13,000 officers; to the Committee on Appropriations.

5525. Also, resolution adopted by the Massachusetts Commandery of the Naval and Military Order of the Spanish-American War, protesting against the reduction of the Navy below 96,000 men; to the Committee on Appropriations.

5526. By Mr. HAWLEY: Petition of E. B. Leonard and other residents of Oregon, opposing the passage of House bill 9753 and other Sunday bills; to the Committee on the District of Columbia.

5527. Also, petition of Harold Olson and other residents of Oregon, opposing the passage of House bill 9753 and other Sunday bills; to the Committee on the District of Columbia.

5528. By Mr. JOHNSON of Mississippi: Resolution adopted by the board of supervisors of Forrest County, Miss., urging the Congress to accept the Henry Ford offer for Muscle Shoals; to the Committee on Military Affairs.

5529. By Mr. KENNEDY: Resolution of the General Assembly of the State of Rhode Island urging recognition of Palestine as the homeland of the Jewish people; to the Committee on Foreign Affairs.

5530. By Mr. KISSEL: Petition of William F. Deegan, Esq., State commander, American Legion, New York City, N. Y., on

the Army appropriation bill; to the Committee on Appropriations.

5531. Also, petition of Shoe Manufacturers Board of Trade of New York (Inc.), Brooklyn, N. Y., relative to the tariff bill; to the Committee on Ways and Means.

5532. By Mr. KUNZ: Petition of Mary E. O'Neill and others of Chicago opposing the passage of House bill 9753 and other Sunday bills; to the Committee on the District of Columbia.

5533. By Mr. LINTHICUM: Petitions of Maass & Kemper, Baltimore, Md., protesting against proposed rates on linens; W. E. Robinson & Co., Bel Air, Md., protesting against lack of sufficient protection to American industries and farmers; Booth Packing Co., Baltimore, Md., proposing certain tariff on canned goods; and Crown Cork & Seal Co., Baltimore, Md., protesting against proposed customs duty on imported casein; to the Committee on Ways and Means.

5534. Also, petition of Westport Paving Brick Co., Baltimore, Md., and Graham Gunby, Salisbury, Md., urging proper legislation for Coast Guard Service; to the Committee on Interstate and Foreign Commerce.

5535. Also, petition of H. E. Houck & Co., Baltimore, urging passage of Volstead bill (H. R. 10159); to the Committee on the Judiciary.

5536. By Mr. SINCLAIR: Petition of Kiwanis Club, of Minot, N. Dak., protesting against the repeal or amendment of the transportation act of 1920; to the Committee on Interstate and Foreign Commerce.

5537. Also, petition of William Polansky and 36 others of New Hradec, N. Dak., and vicinity, urging the revival of the United States Grain Corporation and a stabilized price on farm products; to the Committee on Agriculture.

5538. By Mr. SMITH of Michigan: Petition of the International Arbitration Association of the State of Michigan, calling for an international peace conference of all the nations of the world; to the Committee on Foreign Affairs.

5539. By Mr. SNYDER: Petition of Arthur Morse, Clinton B. Griffin, Charles H. Knapka, Charles H. Burrill, E. J. Beckingham, Mary C. Miller, and Mrs. P. Devenbeck, of Herkimer, N. Y., favoring the passage of the Chandler pension bill (H. R. 9198) increasing the pensions of volunteers serving in the War with Spain or China or Philippine expeditions; to the Committee on Pensions.

5540. By Mr. STEENERSON: Petition of Richard Ormiston, Gust Nelson, and other residents of Marshall County, Minn., favoring duty on linseed oil; to the Committee on Ways and Means.

5541. By Mr. TOWNER: Petition of Presbytery of Corning at Nodaway, Iowa, urging passage of Senate Joint Resolution 31, proposing a constitutional amendment authorizing Congress to enact uniform laws on the subject of marriage and divorce; to the Committee on the Judiciary.

5542. Also, petition of Presbytery of Corning at Nodaway, Iowa, urging passage of House Joint Resolution 131, proposing a constitutional amendment prohibiting polygamy and polygamous cohabitation in the United States; to the Committee on the Judiciary.

5543. Also, petition of Presbytery of Corning at Nodaway, Iowa, urging passage of House bill 9753, to secure Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia.

SENATE.

WEDNESDAY, *May 10, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. HARRISON. Does the Senator from Kansas [Mr. CURTIS] desire to suggest the absence of a quorum?

Mr. CURTIS. I have a conference report to submit. Does the Senator from Mississippi wish to call for a quorum?

Mr. HARRISON. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Dial	Jones, Wash.	McLean
Ball	Dillingham	Kellogg	McNary
Borah	Frelinghuysen	Kendrick	Nelson
Brandegee	Gooding	King	Newberry
Bursum	Hale	Ladd	Nicholson
Calder	Harreld	La Follette	Oddie
Capper	Harris	Lenroot	Overman
Caraway	Harrison	Lodge	Page
Colt	Heflin	McCumber	Phipps
Culberson	Johnson	McKellar	Poindexter
Curtis	Jones, N. Mex.	McKinley	Pomerene
Rawson	Smoot	Swanson	Walsh, Mass.
Robinson	Spencer	Townsend	Watson, Ga.
Sheppard	Stanley	Underwood	Watson, Ind.
Simmons	Sutherland	Wadsworth	Willis

Mr. DIAL. My colleague [Mr. SMITH] is unavoidably detained. I ask that this announcement may continue through the day.

Mr. SHEPPARD. The Senator from Montana [Mr. WALSH] is detained on official business.

Mr. WILLIS. I was requested to announce the absence of the senior Senator from Florida [Mr. FLETCHER] on business of the Senate.

Mr. HEFLIN. The Senator from Nebraska [Mr. NORRIS], the Senator from New Hampshire [Mr. KEYES], and the Senator from South Dakota [Mr. NORBECK] are engaged in a hearing on the Muscle Shoals project before the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Sixty Senators have answered to their names. A quorum is present.

DEPARTMENTS OF STATE AND JUSTICE APPROPRIATIONS—CONFERENCE REPORT.

Mr. CURTIS. I submit a conference report on House bill 11065, making appropriations for the Department of State and the Department of Justice, and ask for its present consideration.

There being no objection, the Senate proceeded to consider the report, which was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11065) making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1923, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 21, 27, 34, 35, 37, 38, 51, 52, 59, 63, 64, 68, 69, 74, 75, 77, 78, 85, 87, 88, 93, and 94.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 9, 10, 11, 18, 20, 23, 26, 29, 31, 32, 33, 39, 41, 42, 46, 50, 54, 55, 56, 57, 58, 60, 65, 66, 67, 76, 80, 81, 82, 83, 84, 86, and 97; and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$260,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$350,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: Transpose the matter inserted by said amendment to page 8, line 5 of the bill, to follow the word "of," amended to read as follows: "and rent for"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$750,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,900,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,935,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,150,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$290,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and

agree to the same with an amendment as follows: In lieu of the sum proposed insert "$49,400"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "For the expenses of the arbitration of outstanding pecuniary claims between the United States and Great Britain, in accordance with the special agreement concluded for that purpose August 18, 1910, and the schedules of claims thereunder, including salary and expenses of the tribunal, and of the agent, to be appointed by the President, by and with the advice and consent of the Senate, counsel, joint secretary and other assistants, contingent expenses, and personal services and rent in the District of Columbia, and elsewhere, to be expended under the direction of the Secretary of State, $60,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$479,010"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows: "the investigation of the official acts, records, and accounts of marshals, attorneys, and clerks of the United States courts and the Territorial courts, and United States commissioners, for which purpose all the official papers, records, and dockets of said officers, without exception, shall be examined by the agents of the Attorney General at any time"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,275,000"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$90,000"; and the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$578,500"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$37,500"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$23,000"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,000"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$149,300"; and the Senate agree to the same.

Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,050,000"; and the Senate agree to the same.

The committee of conference have not agreed on Senate amendments numbered 5, 6, 7, 8, 13, 24, 25, 28, 40, 43, 44, 45, 47, 48, 49, 61, 70, 71, and 73.

CHARLES CURTIS,
F. E. WARREN,
H. C. LODGE,
LEE S. OVERMAN,
G. M. HITCHCOCK,
Managers on the part of the Senate.
JAMES W. HUSTED,
GEO. HOLDEN TINKHAM,
Managers on the part of the House.

Mr. UNDERWOOD. Mr. President, will the Senator in charge of the conference report give us a short statement as to what the substance of it is, and especially what the items are which have not been agreed to in conference?

Mr. CURTIS. The items not agreed to in conference are the new matters added in the Senate by reason of the action of the conference to reduce armament. It being new legislation, the House conferees thought that the amendments should go back to the House for action by that body. The House conferees thought it doubtful whether they had a right to agree to the amendments without presenting them to the House. I may state to the Senator that we have substantially reached an agreement on all these items, but they are going back to the House for the purpose which I have stated in order to avoid any question as to a violation of the rule.

Mr. JONES of Washington. Do I understand the Senator from Kansas to say that the items which are reported as in disagreement have, as a matter of fact, been agreed to by the conferees among themselves?

Mr. CURTIS. The conferees have substantially agreed to them, but we did not finally agree because the House conferees thought, as they constituted new matter inserted by the Senate, they had a right, and furthermore that it was their duty under the rule, to present them to the House before final action was taken.

Mr. JONES of Washington. But is it understood that they are going to present them to the House of Representatives with the recommendation that the House agree to them?

Mr. CURTIS. Yes.

Mr. JONES of Washington. Then, as a matter of fact, the conferees have substantially agreed to the amendments which are reported as in disagreement?

Mr. CURTIS. Yes; that is correct.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

The VICE PRESIDENT. Does the Senator from Kansas desire to ask for a further conference with the House?

Mr. CURTIS. No; I do not think that is necessary at this time.

LINCOLN MEMORIAL DEDICATION.

The VICE PRESIDENT. The Chair lays before the Senate a communication which the Secretary will read.

The reading clerk read as follows:

LINCOLN MEMORIAL COMMISSION,
Washington, D. C., May 9, 1922.

Hon. CALVIN COOLIDGE,
Vice President of the United States,
The Capitol, Washington, D. C.

MY DEAR MR. VICE PRESIDENT: It has been suggested that it would be a most impressive feature of the Lincoln memorial dedication if the Senate and House of Representatives would arrange to approach the memorial in a body and sit together in a group during the ceremonies.

Will you kindly inform me if it would be agreeable to the Members of the Senate if seats are reserved for them on this supposition? If this plan meets with the approval of the Senators, such additional seats as they may desire for their families will be reserved in a different section. I am writing a similar letter to the Speaker of the House.

Yours very sincerely,

WM. H. TAFT, *Chairman.*

The VICE PRESIDENT. The Chair will refer the communication to the Committee on Rules.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the Vice President:

S. 1813. An act for the relief of the owner of the steamer *Mayflower;*

S. 1814. An act for the relief of the owner of the steam lighter *Cornelia;*

S. 1817. An act for the relief of the owners of the schooner *Horatio G. Foss;*

H. R. 4382. An act to provide for the application of the reclamation law to irrigation districts;

H. R. 10941. An act authorizing the Postmaster General to grant permission to use special canceling stamps or postmarking dies;

H. R. 11547. An act making an appropriation for additional hospital facilities for patients of the United States Veterans' Bureau; and

S. J. Res. 132. Joint resolution to authorize the printing of journals, magazines, periodicals, and similar publications, and for other purposes.

SENATOR HARRY S. NEW.

Mr. HARRIS. Mr. President, I ask permission to have printed in the RECORD, in the regular RECORD type, part of an editorial from the Indianapolis News, one of the leading papers

in the country, which is published in the home city of the junior Senator from Indiana [Mr. NEW]. It shows that the people among whom he has lived, who know him best, esteem him highest. It would be difficult to find two men who differ more widely in their political views than the Senator from Indiana and myself; but I have served with him on the Committee on Territories and Insular Possessions, of which he is chairman, and I know how conscientious and able he has been in the discharge of his duties. No Member of this body has given more attention to the many difficult questions coming before the Senate.

Although I and my Democratic colleagues may have differed with him on many public questions, he has the respect and confidence of us all, regardless of party.

The VICE PRESIDENT. Without objection, the article presented by the Senator from Georgia will be printed in the RECORD as requested.

The article is as follows:

[From the Indianapolis News.]

HARRY S. NEW.

The defeat of Senator NEW in Tuesday's primary will occasion sorrow to many people, for few men have been blessed with as many true friends. Unlike Senators Beveridge and WATSON, Senator NEW is not a showy man, yet he won men to intimacy as neither of them could do. Whether at home in Indiana or among his colleagues in Washington, he made friends and held them. A new man in the Senate, he was called to the two very important committees of Foreign Relations and Military Affairs. The President made him his close friend and his colleagues valued him for his sturdy honesty, good sense, and devotion to the public service. Nor did he ever forget his duty to his constituents. He will leave Washington regretted by a host of friends, but he will return to his home with a welcome that few men could call forth.

PETITIONS AND MEMORIALS.

Mr. DILLINGHAM presented a memorial of sundry citizens of Rutland, Vt., remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a memorial of sundry citizens of Strafford, South Strafford, Norwich, Thetford, and Thetford Center, all in the State of Vermont, remonstrating against the enactment of Senate bill 2747, the so-called McNary cooperative reclamation bill, which was referred to the Committee on Irrigation and Reclamation.

Mr. MYERS presented a memorial of sundry citizens of Hamilton, Mont., remonstrating against the enactment of legislation providing for Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented petitions of sundry citizens of Fairfield, Power, and of the Little Bitter Root Valley, all in the State of Montana, praying for the enactment of legislation reviving the United States Grain Corporation so as to stabilize prices of certain farm products, which were referred to the Committee on Agriculture and Forestry.

Mr. WILLIS presented petitions of George A. Hoffman and sundry other citizens of Haskins, Ira E. Shook and sundry other citizens of Stony Ridge, and W. B. Mowrey and sundry other citizens of Delphos, and also sundry other citizens, all in the State of Ohio, praying for the imposition of a tariff duty of $2 per hundred pounds on imported Cuban sugar, which were referred to the Committee on Finance.

Mr. LODGE presented the following concurrent resolution of the Legislature of Massachusetts, which was referred to the Committee on the Judiciary:

THE COMMONWEALTH OF MASSACHUSETTS,
In the year one thousand nine hundred and twenty-two.

Resolutions urging the United States Senate to pass legislation to make mob murder and lynching a crime against the Federal Government.

Whereas the public record shows that approximately 4,000 persons have been lynched by lawless mobs in our Republic in the last 40 years; and

Whereas national repute among the nations of the world requires that an end be put to this practice of mob murder and lynching in the United States; and

Whereas local and State laws and administration have failed to end these mob murders and lynchings; and

Whereas this practice ruthlessly deprives citizens of life and property without due process of law and unchecked tends to undermine respect for law and the very foundations of government: Therefore be it

Resolved, That the general court of Massachusetts respectfully urges upon the United States Senate and its Judiciary Committee the speedy enactment of the Dyer antilynching bill, so called, already passed by the House of Representatives by an overwhelming majority, and designed to end lynching by making mob murder a crime against the Federal Government: And be it further

Resolved, That copies of these resolutions be sent by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of the United States Senate, to the Members of the Senate from this Commonwealth, and to the chairman of the Judiciary Committee of the United States Senate.

In house of representatives adopted May 1, 1922.
In senate adopted in concurrence May 3, 1922.
A true copy. Attest:

F. W. COOK,
Secretary of the Commonwealth.

REPORT OF COMMITTEE ON PUBLIC LANDS AND SURVEYS.

Mr. NORBECK, from the Committee on Public Lands and Surveys, to which was refered the bill (S. 3425) to continue the land offices at Belle Fourche, Timber Lake, and Lemmon, in the State of South Dakota, and for other purposes, reported it with amendments and submitted a report (No. 698) thereon.

BILL INTRODUCED.

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BURSUM:

A bill (S. 3579) granting a pension to Maria L. de Baca; to the Committee on Pensions.

FINANCIAL AFFAIRS IN HAITI.

Mr. KING. I ask unanimous consent to submit a resolution, which is quite important, dealing with the Haitian situation and the question of a loan. I ask that it be printed and lie upon the table.

The resolution (S. Res. 288) was ordered to lie on the table and to be printed, as follows:

Whereas the Senate on July 27, 1921, by Senate Resolution 112 authorized and directed a special committee to investigate the affairs of the Haitian Government and all questions affecting the relations between the United States and Haiti; and

Whereas an investigation of the aforesaid matters has been made by said committee; and

Whereas the report of said committee is now in process of preparation, which report will undoubtedly make recommendations as to the future policy of the United States in the premises; and

Whereas it is inadvisable that any further commitments of a financial character be made by the Haitian Government under the direction or advice and approval of the United States until the Senate shall receive and consider the report of said committee and shall determine, in conjunction with the House of Representatives and the President, the future policy of the United States in the premises: Now, therefore, be it

Resolved, That it is the sense of the Senate that pending the receipt and consideration of the report of said committee no loan or issue of bonds be made by the Haitian Government under the direction and advice of representatives of the United States, and the President of the United States is hereby respectfully requested to direct the financial adviser of the Haitian Government and the receiver of customs to withhold taking any action for the consummation of a new loan to the Haitian Government, or the issue of Haitian bonds, until such time as the report of said committee shall have been received and considered by the Senate and the executive department of the Government.

THE TARIFF.

The VICE PRESIDENT. The unfinished business, House bill 7456, will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. The Secretary will state the pending amendment.

The ASSISTANT SECRETARY. The pending amendment reported by the Committee on Finance is, on page 3, line 1, after the words "gallic acid," to insert "8 cents per pound."

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

Mr. SIMMONS obtained the floor.

Mr. SPENCER. Mr. President, will the Senator from North Carolina be kind enough to allow me to send to the desk an amendment which I desire to offer to the pending amendment of the committee with reference to gallic acid?

Mr. SIMMONS. I yield to the Senator from Missouri for that purpose.

Mr. SPENCER. I offer the amendment which I send to the desk, so that it may be before the Senate for consideration.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. In lieu of the amendment of the committee on page 3, line 1, to insert "8 cents a pound," it is proposed to insert "25 per cent ad valorem," so as to read:

Gallic acid, 25 per cent ad valorem.

Mr. SIMMONS. Mr. President, I am in receipt of a letter from the Senator from Missouri [Mr. REED], who is now in Missouri, inclosing a petition with reference to certain items in the tariff bill. I understand he desires me to present the petition and to call it to the attention of the Senate, as well as of the Finance Committee. The petition, as I shall show, is signed by practically all the producers in this country of the article to which it refers, namely, harvest hats. On har-

vest hats valued at less than $3 per dozen the duty has been raised by the Senate committee from the House rate of 20 per cent to 30 per cent ad valorem. I am not making any statement myself about the matter, because I have not investigated this item, but the petition states:

These hats are used by the farmers and the poorer classes of people exclusively, and do not compete with any hats manufactured in the United States.

The members of the Ways and Means Committee were besought to rewrite the hat paragraph, giving these cheap hats a lower rate than felts, fine straws, and Panama. The present rating is 25 per cent, and on account of these harvest hats being hats for the farmers and the poorer class the paragraph was divided and these were rated at 20 per cent. The Senate now raises the rate to 30 per cent.

That petition, Mr. President, is not signed by the farmers who use these hats and the poorer classes of people, but it is signed by the following manufacturing concerns: Caradine Harvest Hat Co., by its president; International Harvest Hat Co., by its treasurer; Mexican American Hat Co., by its vice president; Black Harvest Hat Co., by its president; Langenberg Hat Co.; Superior Hat Co.; Commonwealth Harvest Hat Co., by Fred Foley; White-Branch Shelton Hat Co., by L. O. Branch, president; Harris-Polk Hat Co., by its president; Shelton Panama Hat Co., by Richard T. Shelton; and Rothschild Bros. Hat Co., by one of its officers.

Mr. President, I have not investigated this item, but I am glad to comply with what I understand to be the wish of the Senator from Missouri. I desire not only to incorporate, without further reading, this petition in the RECORD as a part of my remarks, but I wish especially to call the attention of the Finance Committee to it.

There being no objection, the petition was ordered to be inserted in the RECORD, as follows:

ST. LOUIS, MO., *May 5, 1922.*

Senator JAMES A. REED,
Washington, D. C.

DEAR SIR: Paragraph 1405 (H. R. 7456), lines 13 and 14, rewritten by the Senate. Paragraph 1406, lines 10 and 11.

Harvest hats, valued at $3 per dozen or less, have been raised by the Senate to 30 per cent, against 20 per cent, as rated by the House.

These hats are used by the farming and poor class exclusively and do not compare with any hats manufactured in the United States.

These hats are manufactured from body hats, which are handmade by the natives of foreign countries.

We requested the Ways and Means Committee to rewrite the hat paragraph, giving these cheap hats a lower rating than felts, fine straws, and Panamas. The present rating is 25 per cent, and on account of their being hats for the poorer and farm class, the paragraph was divided and these were rated at 20 per cent. The Senate now raises it to 30 per cent.

We believe that 75 per cent of these hats are blocked and trimmed and marketed from St. Louis and can conceive of no opposition from any direction to this rate being restored, especially since it is a very direct benefit to the farmer and poor class of our land.

Also in order to clarify the real meaning of the sentence in the paragraph as rewritten, please have inserted between the words "Harvest hats" and "valued," on line 14 in the House bill, these words: "Composed wholly or in chief value of any of the foregoing materials." Eliminating the word "straw," in line 13. This correction likewise should be made in Senate paragraph 1406, in lines 10 and 11, and the word "straw" eliminated in the tenth line. Copy of paragraph as we would like it attached.

Will you please be kind enough to get in touch with the committee and, if possible, secure the restoration of the 20 per cent, as allowed by the Ways and Means Committee?

There appears no reason why the farm hand should be penalized, when the manufacturers ask for no tariff protection.

Respectfully submitted for your earnest consideration.

CARADINE HARVEST HAT CO.,
Per J. T. CARADINE, *President.*
MEXICAN-AMERICAN HAT CO.,
———— ————, *Vice President and Treasurer.*
LANGENBERG HAT CO.,
R. LANGENBERG, *President.*
SUPERIOR HAT CO.,
By ———— ————.
COMMONWEALTH HARVEST HAT CO.,
By FRED FOLEY.
WHITE-BRANCH-SHELTON HAT CO.,
L. O. BRANCH, *President.*
HARRIS-POLK HAT CO.,
J. W. HARRIS, *President.*
SHELTON PANAMA HAT CO.,
By RICHARD T. SHELTON.
INTERNATIONAL HARVEST HAT CO.,
By ———— ————, *Treasurer.*
BLACK HARVEST HAT CO.,
J. H. LIEDERMAN, *President.*
ROTHSCHILD BROS. HAT CO.,
———— ————, *President.*

Mr. SMOOT. Mr. President, if the Senator from North Carolina contemplates answering the letter of the Senator from Missouri [Mr. REED], I suggest that he advise the Senator from Missouri that the rate provided by the Senate committee is lower than the House rate.

Mr. SIMMONS. That is, upon the idea that the Senate committee rate is based upon the foreign valuation, while the House rate is based on American valuation?

Mr. SMOOT. Yes.

Mr. SIMMONS. I expected that answer from the Senator. This petition, however, Mr. President, suggests that the hats referred to ought to be on the free list. They are not manufactured in this country, and are used only by farmers in harvest time and by the poorer classes of people when they are at work in the fields. As the duty has not been asked for by any of the manufacturers of straw hats in this country, it is more than likely that the duty is asked by those who produce other kinds of hats and do not want any cheap hats to come into this market to displace their products.

There are many similar instances in this bill where the duty is asked not by those who manufacture the article but by those who manufacture some other article of like kind but higher in price, and they ask for a duty for the purpose of excluding another product which might be purchased by some class of our population, so as to make it possible for the manufacturers to force that class of people, whether they are able to buy their product or not, to buy it anyhow, because they can not get something cheaper in price. That is particularly true, Mr. President, with reference to silks. The pongee silks of China and the Habutai silks of Japan are the products of wild silk. They are not manufactured in this country; they are rather cheap silks, not produced in this country at all; but the silk manufacturers in this country, finding that these cheaper articles which are purchased by the poorer classes of people displace their own goods, have an idea that if they can exclude pongee and Habutai silks it will make more customers for their silks—higher-priced silks—and that they can force the poorer people, although they prefer the cheaper article and are absolutely content with it, to buy the more expensive products.

Mr. President, in order that it may be made clear that the protests against this proposed tariff legislation do not come altogether from the consumers, do not come altogether from those who differ with the other side in politics, that the protests are not made for partisan purposes, but that they are based upon the honest conviction of the people of the United States, who are to-day in revolt against this measure, regardless of whether they belong to the Democratic Party or the Republican Party, and regardless of whether they are consumers or producers of protected products, I wish to read an editorial from the Chicago Tribune. I ask any Republican Senator here from the West whether there is any question about the Chicago Tribune being an orthodox Republican paper of large circulation throughout the entire Middle West? I am not a reader of that paper, but my information is that it is a Republican newspaper of unquestioned loyalty to the Republican Party, and that it always takes Republican medicine willingly so long as that party does not insist on making the dose altogether too nauseating to be swallowed. Even the Tribune's stomach is in revolt against the tariff dose that is now offered. I am going to read the Tribune editorial myself. It was printed in the Chicago Sunday Tribune of May 7. It is short, and reads as follows:

ADVICE TO TARIFF FILIBUSTERS.

The news from Washington that a Democratic filibuster is planned to delay passage of the permanent tariff bill until the next session of Congress leaves us more calm than filibusters usually do. The filibuster is bad in principle. It is a technical evasion of an issue, a refusal to allow a decision to be made upon its merits. It is subterfuge.

But the complications in the tariff bill now before the Senate are such that a long debate would be certain at best, and if the filibustering Senators really study the issues and say something in their speeches to clarify the measure an extended debate will not be an unmixed evil. Every hour's study of the bill, even by a layman, reveals some point of such remarkable possibilities for evil and injustice as to cast doubt upon the value of the bill as a whole.

The potash tariff, the wool schedule, and the sugar schedule have in them such potential backlashes. Aluminum provides a startling illustration. The bill provides a specific duty of 5 cents a pound on aluminum and 15 cents a pound on sheets, bars, plates, etc.

Other clauses would add a duty of 60 per cent to this specific rate, making a total duty of about 70 per cent on aluminum products. This protection is provided despite the fact that under the existing rates of 20.4 per cent aluminum manufacturers have built up a tremendous and profitable business in this country with raw materials which can be produced here probably more cheaply than any place in the world. With the 20.4 per cent duty our aluminum manufacturers have held foreign competition down to imports estimated at about three one-hundredths of home production. That should make it clear that an added duty of 50 per cent is not needed for protection, but can be used to enable the aluminum men to charge almost any price they wish for their products here.

Mr. President, I call attention to this statement:

It is a magnificent gift to the industry—

This is a Republican paper talking now—

which will be taken out of the pockets of American consumers.

Such features illustrate the log-rolling methods used in the preparation of this bill.

I have heretofore elaborated upon those methods.

They should be ferreted out and exposed.

That is what we are trying to do. We are trying to do it in an intelligent way, too.

They make the bill dangerous.

That is what we have said.

They illustrate the need of formulating a tariff on broad nonpartisan lines, with scientific exactness which will differentiate between exploitation of American consumers and protection of American industries.

Mr. President, the question that we are discussing now is not an issue between low tariff and protection. This is an issue between a just, fair, and honest effort at real protection—and we all recognize that this bill is going to be framed upon protective lines—and an exploitation of the American people by means of the pending bill. That is the issue we are discussing here to-day, stated splendidly by this paper, this great Republican organ, the Chicago Tribune.

Let the filibuster take up the subject from this viewpoint and it will have popular support, even though it will have the opposition of aluminum makers, and potash makers, and beet-sugar growers, and others who have obtained high protective duties regardless of their effect upon consumers and upon American commerce.

Mr. President, that sounds very much like some of the speeches we have been making here on this side of the Chamber. Upon every essential point that we have made here in our attacks upon this bill this great Republican organ of the West, in this editorial that I have read, expresses itself in hearty accord with our position.

But, Mr. President, I want to read from another great newspaper. I think nobody will say that it is an organ of the free traders. Nobody will say that it usually speaks for the poor consumers in this country who are to be the victims of this bill as it is now written. On the other hand, nobody will doubt that this paper not only represents but that it speaks for big business in this country. It speaks for the great moneyed interests of this country. It speaks for the great protected manufacturing interests of this country, and it not only does this but it stands out as the most conspicuous organ representing those great monopolized financial and industrial interests of our country. I have reference to the New York Journal of Commerce. This is taken from its issue of May 6:

Senator P. J. McCUMBER, in a fit of despondency, told his colleagues, according to report, that at the present rate of progress it might be 1946 before the new tariff bill would be adopted. The estimate may or may not be an accurate one. Doubtless, with the present majority in the Senate methods of "speeding up" can and will be resorted to, but the slowness of the advance that is being made (boric acid being the item under consideration at last account) has a meaning. This is that the country as a whole has been hopelessly hostile to the tariff bill as now framed.

Not the Democratic part of the country, not the poor farmer and laboring man who does not produce these protected products, but the people of the whole country, including everybody except these special interests that came up here and asked for these duties, including many of these special interests that did not have the hardihood or the effrontery to demand more of "protection" than they have now. It is certainly high time for the plain people of the United States to be alarmed and to make their protests felt when the Republican majority write a "protective" tariff that is so bad as to be severely condemned by the New York Journal of Commerce.

Let me proceed. I quote:

It would be mere conjecture to say whether Senators are in the habit of reading the newspaper press of the country—

I want right here and now to commend this editorial to our friends on the other side, who are driving with whip and spur, with such indecent haste, to secure the passage of this bill before it can be adequately explained and discussed.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from North Carolina yield to the Senator from Minnesota?

Mr. SIMMONS. I do not wish to be interrupted in reading from this splendid organ of the protected and the money interests of the country. It would be impious to interrupt the reading of this condemnation by this great organ of the big business interests of the country with anything of less importance than the matter it is discussing.

I repeat:

It would be mere conjecture to say whether Senators are in the habit of reading the newspaper press of the country or whether they are influenced by it when they have read it. Some of them are often great readers of the "home town" sheets and not of much else.

What I started to suggest a little while ago to our friends on the other side was that if they would read the great metropolitan papers upon this bill their eyes would be opened.

Mr. SMOOT. Mr. President——

Mr. SIMMONS. I said I did not want to be interrupted in this reading.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. SIMMONS. When I get through I shall be glad to yield. This is too good to be marred by any digression.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. The Senator declines to yield.

Mr. SIMMONS. I can not yield. This is too sacred a thing, or ought to be, to the Republican side of the Chamber.

Mr. SMOOT. I simply want the Senator to remember that he is quoting from this paper.

Mr. SIMMONS (reading):

But even this limited form of reading must have convinced them that the tariff is anything but satisfactory to the different localities affected by it. A casual perusal of representative examples of the press of the United States shows, in fact, that there has never been a tariff bill that excited so much and such general condemnation and received so little praise. To those legislators who read more widely, either in the "home-town papers" of other Senators or in publications of a more general circulation, it must be clear that the whole project is a failure.

Yet there are plenty of legislators who refuse to accept newspaper opinion—except, of course, when it chimes with their own ideas or prejudices. To all such may be commended the fact that manufacturers in large numbers, and among them many influential names, are opposed to the tariff bill. This is true of the woolen, cotton, and other textiles, of boots and shoes and leather, of steel and iron, of chemicals and drugs, and of multitudinous other products.

The manufacturers of these basic products, cotton and woolen textiles, boots and shoes and leather, iron and steel, and chemicals—do not they constitute the basic industries of this country? The manufacturers of these things, says this great organ of Wall Street, are opposed to this bill, and those manufacturers are headed, it says, by men of great name and fame in this country.

Naturally, not all are in this position of hostility. But there are influential factors in each of these trades, and in some a considerable number of them, who regard this tariff as absolutely destructive to industry.

Not only these great basic industries but many others, says this great organ of the money power and the protected tariff barons of this country, regard this bill as absolutely destructive to industry. They could not use a broader term than that. What industry do they refer to? Why, they are speaking of their industries, to their own industries, as well as the general industry of the country. I quote again:

It is obviously not because of their own private interests—

Listen to that, Senators—

that they thus testify but because of the fact that experience has shown them about what must be expected from certain types of duty. The tariff is a poor job from its own point of view.

Meaning the tariff bill, of course.

It is unworkmanlike, unskillful, apparently made by neophytes and amateurs.

There were some amateurs on that committee, some gentlemen who had just got there, and who got there late. But after they got there they compelled a rewriting of the schedules as they affected the industries of their States, so I am told, and in some instances no industry in their States was allowed to pass without receiving with it a big, unconscionable duty. The neophytes and amateurs on that committee seem to have overpowered the old guard on the committee. I have no doubt from what I have heard that they exerted a vastly greater influence in the fixing of these rates than such veterans as my good friend from Utah [Mr. SMOOT]. I have no doubt that there are many, many duties carried in this bill which do not receive and did not receive the approval of his judgment.

Let me repeat that last quotation; it is good. I quote:

It is unworkmanlike, unskillful, apparently made by neophytes and amateurs, and will cause corresponding trouble. It is out of harmony with itself.

That is what we have been saying. The bill is absolutely out of harmony with itself and out of harmony with every principle of justice and equity. It is even out of harmony with the declared protection policy of the Republican Party.

Mr. McCUMBER. Mr. President, does the article give the name of the expert who writes on that subject?

Mr. SIMMONS. I suppose the writer on this subject is the editor of that paper. This is an editorial. I suppose it was written by the editor, and if there is an expert with reference to what affects the big interests of this country, injuriously or for good, from the standpoint of the protected interests in this country, it is the editor of this journal, the New York Journal of Commerce. I wish there were more editors in this country who would read this tariff and understand this tariff and discuss it as the editor of the Chicago Tribune, another great Republican paper, has studied it and understands it and discusses it.

Mr. McCUMBER. Will the Senator tell us what this expert's name is?

Mr. SIMMONS. I am not a reader of the New York Journal of Commerce. It does not usually reflect my sentiments, either politically or economically. It does not represent the class of people I represent. I represent the mass of the people of my State, and the bulk of them are farmers and laborers. I represent as well the honest industries of my State, which, while

growing large in many instances, have nevertheless remained honest. I think this paper represents chiefly the great moneyed interests of the United States and the great monopolized industrial interests of the country.

Mr. KING. If my colleague will yield, Mr. Brown is the editor of the paper, and is a very able political economist.

Mr. SMOOT. Will the Senator from North Carolina yield?

Mr. SIMMONS. I do not yield. The Senator from North Dakota, who interrupted me, did it without my consent, because this is also a very solemn matter I am reading now. It is a very solemn utterance. It comes from one whom you thought you had the right to expect would be standing with you and praising you.

Mr. SMOOT. I hope the Senator will follow his advice in some of the other matters, too.

Mr. SIMMONS. But you shock and terrify even Mr. Brown, and instead of standing with you and praising you in this instance he says, "That is impossible; I can not do it. What you are attempting to do will be absolutely destructive to the industries of this country, and I can not follow you in your course, much as I would like to." That is substantially what this editorial says. I read again:

One does not have to be a free trader or low-tariff man—

Few manufacturers are—

to find out that the proposed bill is a botch and a menace to industry.

How do you like that, Senators? I am sure the majority members of the Finance Committee will not believe that I would talk about them in that way. I have not said that their bill was a botch. I have not said it was the work of neophytes and amateurs. I do not think I have ever said in this Chamber that it would absolutely destroy industry, but this editorial says:

The bill is a botch and a menace to industry. This is why business opinion is so antagonistic to it.

You Senators sitting over on the other side, having your private meetings every morning in the Finance Committee, absorbing all of your time in the consideration of these little schedules and these high rates you have here prepared for the American people, do not have time to read these newspapers. I am sure you do not read these papers. If you read them you would bring in another bill not quite so destructive, perhaps, of the interests of the people of the United States. If you would only do that there might still be some hope for the people of the United States, not the farmers and the laboring people alone, but the industries of America, which this great paper says are about to be destroyed. I read again:

This is why business opinion is so antagonistic to it.

"It" in this editorial means this bill as you have amended and brought it to the Senate.

Senators know that such is the case.

Of course, those of us who do not spend all of our time fooling with these duties, trying to patch them up, know. I excuse you gentlemen on the other side for these morning sessions, which the Senator from North Dakota spoke about yesterday, sessions of the committee from 9 o'clock until 11 o'clock, studying this bill. I think it requires study, Senators. I think you have brought it in here without due study, and I think you are right to study it. You ought to take it up every morning and you ought to work upon it, because it is a botch, it is a makeshift, and it needs work, it needs constant, unremitting work in repairment in trying to whip it into some sort of workable form.

I read on:

Senators know that such is the case, and they are, perforce, voicing the objection of their constituents.

He is referring now to Senators on this side and to Senators on the other side who are opposing it. He is referring to us. We have been studying it. Its terms forced us to study it. He continues—

and they are, perforce, voicing the objection of their constituents, while others have adopted a Fabian policy and are waiting for something to help in modifying the rates.

If it were left to a plebiscite either of manufacturers, exporters, importers, consumers, or of any and all of these classes combined, the tariff would not merely be deferred to 1946, but it would never pass.

This newspaper evidently thinks that this bill, if not changed materially, should not be passed before 1946, and, indeed, ought never to be passed, now or at any other time.

Listen to this, Senators:

It represents simply the combined political jobbery that hangs over from the presidential campaign. This is why so little enthusiasm is felt for it. But the trouble is that as the tariff is studied more and more, it becomes plainer that to pass the bill will be a terribly costly experiment for the ruling party.

This is growing more evident as the days pass, and naturally causes anxiety among politicians. They had reconciled themselves to the thought of a considerable loss of votes—

Oh, yes; I think everybody concedes that that is inevitable. I read on—

which was to be charged off to election-cost account. It now looks as if their action might involve an impairment of the capital assets of the party, with possible bankruptcy as a result. It is rather late to make a change of policy, but if the party managers are wise they will "pigeonhole" this tariff until they can revise it and eliminate the oppression—

Listen to this—

the oppression, wrong, and thievery with which it is now crammed to repletion.

I have not used that language. I have not said that it was thievery. I have said nothing about this bill as bad as this editor has said about it in this great organ, which generally is solidly behind the Republican Party, especially solidly behind its tariff policies and its tariff legislation.

Under the guise of writing a bill for protection, this paper realizes, as this side realizes, that the majority members of the committee have written a bill not for protection but for exploitation. That is the issue we make with you here. We know you are going to enact a protective tariff bill. If your duties were laid upon a protective basis, measuring the difference in the cost of production here and abroad, we would recognize your right, inasmuch as you constitute the majority here, to pass this bill and pass it speedily. We would disapprove of your policy but would for the present perforce be resigned to it. But that is not the kind of bill you have brought here. You have brought us a monstrosity—an outrage—a bill based on the principle of the exploitation of the consuming masses of this country and of the maintenance of the present high prices of the profiteers; and we serve notice on you that we will fight it and discuss it until we shall have made clear these provisions which this great organ of protection declares are thievery as well as wrong and oppressive.

Mr. President, we are to have night sessions. I shall make no objection. We need time to discuss this bill. We want it passed in good time before the election, if it is to be enacted at all, because if it must become a law we want it to go into effect a reasonable time before the election so that it may, as it undoubtedly will, demonstrate the truth of every charge we have made against it. And yet our duty to the American people demands that we discuss it fully and expose its iniquities; and we are glad, if you gentlemen desire it, to have an opportunity for fuller discussion by means of night sessions.

Mr. McCUMBER obtained the floor.

Mr. SMOOT. Mr. President——

Mr. McCUMBER. I yield to the Senator from Utah.

Mr. SMOOT. May I ask the Senator from North Carolina a question before he leaves the Chamber? The Senator quoted from the Journal of Commerce, of New York, on rates, but no specific rates. Does the Senator take the same position in the matter of criticism that that paper has taken upon the schedules in this bill with reference to farmers' products?

Mr. SIMMONS. I do not know whether the paper I have just read gives the rate correctly. I have not made the necessary investigation to speak as to that.

Mr. SMOOT. But does the Senator believe that the criticism offered by the Journal of Commerce as to the rates of which he has spoken this morning should apply to all of the rates on farm products in the bill?

Mr. SIMMONS. I will say to the Senator that there are a great many, and they include most of the rates on farm products, that are mere frauds and will not yield a dollar of revenue. There are some of them that will. Many of those that will, I will say to the Senator, are outrageously high and ought to be reduced. I will stand for your passing a bill that carries reasonable rates, but some of your duties on agricultural products are just as obnoxious to me from the standpoint of excessiveness as are the rates here mentioned.

Mr. SMOOT. But the Senator has not yet answered my question. The Senator relies upon the editor of the Journal of Commerce for criticism of the bill generally as being a vicious bill.

Mr. SIMMONS. I read his criticism. I will make and have made my own.

Mr. SMOOT. The Senator read it for the information of the Senate?

Mr. SIMMONS. Yes; it is one of your papers.

Mr. SMOOT. The Senator would not have read it unless he approved of it. He wanted the country to understand that that was the position this paper takes, and he also wanted the Senate to understand that it was a matter of which he approved.

Mr. SIMMONS. No; there are some of these things so harsh that I would not have said them.

Mr. SMOOT. The Senator would not have said them, but he approved of them by reading them, and several times during

his speech he said it was so wonderfully true and so wonderfully fine that he could not be interrupted.

This same Journal of Commerce has criticized the rates in the bill on farm products for which I know the Senator will eventually vote.

Mr. SIMMONS. The Senator does not know what I am going to vote for, I will say to the Senator.

Mr. SMOOT. We will see that he has a chance to vote for them.

Mr. SIMMONS. The Senator should understand positively that I will vote for no duty on farm products or anything else in the world that I believe is excessive. I want the Senator to understand that. I do not care whether it is a farm product produced in my own State or some other State, I will not vote for any duty contained in this bill which I think is excessive, from the standpoint of the doctrine of my party. Now, the Senator has my position on the matter.

Mr. SMOOT. We will find before we get through the bill that the Senator will be voting for rates which this same Journal of Commerce has condemned. I say it now, and I believe the RECORD will show it before we get through. The Senator from North Carolina will vote for rates in the bill which this same Journal of Commerce has condemned and yet he now quotes it as a wonderful exhibition of criticism that should be offered against the bill.

Mr. SIMMONS. I should have expected the editor of the Journal of Commerce to object to tariff rates that would be in the interest of the farmer. I should have expected that from him, but I did not expect, in view of the fact that he is such an orthodox Republican, such an orthodox protectionist, that he would talk this way about the duties upon the manufactured products and about the tariff bill that the Republican Party proposes for enactment.

Mr. SMOOT. There are very few papers in New York that are orthodox protectionists. New York is an importing city. Business there is largely built upon the importation of goods from foreign countries, and these papers are kept up largely by the advertisements of the great importers, who through their advertisements distribute these goods throughout the country.

Mr. McCUMBER. Mr. President, I yield the floor to the Senator from Utah and the Senator from North Carolina.

Mr. SIMMONS. I simply wish to state that I recognize that New York is a great importing point and there are a great many importers there, but in the great city of New York there reside the heads, the managers, and the owners of practically every big industry in the country. There is not a trust in America that has not its head office in the city of New York. There is scarcely a great manufacturing industry in the country that is not owned chiefly or in part by men who live in New York and who have that as their place of business.

Mr. McCUMBER. Mr. President, the Senator from North Carolina has thrown down the gage of battle with the practical intimation that Senators upon that side of the Chamber propose to filibuster this bill to death if it is possible to do so.

Mr. SIMMONS. Mr. President——

Mr. McCUMBER. I do not yield to the Senator.

Mr. SIMMONS. I have said——

Mr. McCUMBER. I do not yield.

Mr. SIMMONS. Mr. President——

Mr. McCUMBER. Mr. President, I do not yield. The Senator from North Carolina declined to yield to me upon this question.

Mr. SIMMONS. Mr. President——

Mr. McCUMBER. I do not yield to the Senator.

Mr. SIMMONS. I do not object——

Mr. McCUMBER. No; the Senator will not make me yield. We will accept that gage of battle. We will accept it calmly. We will not shriek to the top of our voices in announcing that we will accept it, but we will accept it with a calm and determined effort to prevent it if possible.

I regret that the Senate of the United States has failed in all these years to adopt such rules as will allow it to do the business of the country. I have been in the minority in the belief that we should have a cloture rule and that we should have a rule that would compel Senators to speak to the subject under consideration. We have neither of those rules, and there is nothing left to do but to labor during the long hours of the day and the long hours of the night until Senators will agree to vote upon the measures that are presented for the consideration of the Senate.

Now, Mr. President, I have little to say upon the subject of the papers from which the Senator from North Carolina has quoted. The policies of practically all of the great metropolitan papers of the country are governed by the counting rooms. If the great department stores do not own stock in the great metropolitan press of the country, they are their customers, and, through the advertising medium, control the policy of those papers. From the time of the introduction of the great department stores of the country until the present time these papers have gradually become their mouthpieces in favor of practically free trade, or at least a very low tariff.

Every one of these great department establishments is an importer. I would to heaven that the American consumer could compare the price which these stores pay for the things which they import with the price they charge the consumer. Any little profit that may be made by the producer in this country would sink into insignificance compared with the enormous profit that is measured between the importer's purchase price and the selling price of the same commodities in these great stores whose representatives are damning every effort to keep alive the American producer.

Ninety per cent of the products consumed in the United States are produced in the United States. We want to continue to produce them in this country. We believe that by this bill we will assist in keeping the industries of the United States of America in operation, and, Mr. President, I do not believe, no matter how vicious the assaults may be, that we are going to surrender the interests of the producing nine-tenths of the American people for the interests of the importing one-tenth.

Mr. President, to give an illustration of the condemnation that was heard by this portion of the American press, let me say that the committee had before it only a little while ago some razors imported from a foreign country to be sold to the consumer in the United States. Each razor was in its own case and on the cover of the case was marked "Three dollars." That meant that the razor was retailed for $3, or $36 a dozen. What was the cost of it, according to the invoice? Fifty-nine cents a dozen, or 5 cents apiece, and sold for $36 a dozen, or $3 apiece.

I had exhibited to me the other day a watch with a Swiss movement, manufactured in a foreign country, gold filled, warranted for 20 years, with 10 jewels, so it stated. What could it be bought for in one of the stores here? Perhaps $15 to $25. What was the invoice price of that watch? Sixty cents! Do you wonder that they want to continue this opportunity to buy a watch for 60 cents and sell it for $25?

I can pick up article after article that is being imported and that will show 100 per cent profit to 1,000 per cent. The Senator from New York [Mr. WADSWORTH] just now shows me the very watch of which I have been speaking—a fine watch, 10 jewels. I do not know whether it is worth 10 cents or $10, but I imagine it is not a very valuable watch if it will sell for 60 cents, if that was the honest price.

Now, I know that the metropolitan press of the country represent the importers. They speak the sentiments of the importers. I know their power throughout the country. But, Mr. President, I know that we went before the country in 1920 upon the issue whether we should give protection to the American producer, and a sufficient protection to enable him to pay the wages which would enable the American laborer to pay the rent that he must pay and maintain an American standard of living. We have tried to draw the bill along those lines.

We have had to draw the bill under difficulties. The difficulties grow out of the rapid changes in values all over the world. We have presented the best bill that could be drafted, in my opinion, to meet the present conditions. We know that there will be changes in values, and as those changes shall occur we have provided a means by which the tariff may be lowered or raised upon any commodity, with but one purpose in view, and that is honest competition between the foreign importer and the American producer. That is all we have done. We will take the consequences, if the Republican Party is to be punished for doing that which the people asked it to do. I expect to hear condemnation from the other side; I expect to have them kill all the time they possibly can. We must meet the situation; but some day there will arise such a protest from the country against filibustering that both the Republicans and the Democrats will join together to adopt rules that will enable the Senate of the United States to do business.

The adoption of such rules will not be a party measure, but it will be a measure that will come from the heart of the people and will be reflected in the votes on both sides of the Chamber.

Mr. President, I do not desire to discuss that subject any further than to say that we accept the issue; we shall do the best we can to put the bill through; and if Senators on the other side want to talk against time, day and night, we shall have to do the best we can to allow them to do that.

Mr. President, in order to avoid any delay in the vote on one of the pending items on yesterday I did forego my purpose to reply briefly to one of the suggestions made by the junior Sena-

tor from Utah [Mr. KING]. Sometimes in a running debate Senators are very likely to misunderstand each other. On yesterday we were discussing chemicals. I insisted that we were not exporting any great amount of chemicals from this country to Germany. The Senator from Nebraska [Mr. HITCHCOCK] then said:

Mr. HITCHCOCK. Then, is it the purpose to shut out chemical imports from Germany? Is that the purpose of the duties proposed in the chemical schedule?

Mr. MCCUMBER. No; I do not think the rate of duty will shut out imports at all.

Mr. HITCHCOCK. Does the Senator accept the figures given by the Senator from Utah [Mr. KING] yesterday, which show that at the present time we are selling to Germany more chemicals than we are purchasing from her?

Mr. MCCUMBER. No; I do not accept that as a condition that is at all lasting. We know something about the cheap labor and the cheap production of chemicals in Germany, and I believe that a 25 per cent ad valorem duty or an equivalent specific duty will not keep out the German article.

Again, the junior Senator from Utah [Mr. KING] said:

Just a word in regard to the suggestion made by the Senator from Nebraska [Mr. HITCHCOCK]. The Senator from North Dakota stated that we were not shipping many articles to Germany.

The Senator from Utah made a mistake there. I did not state that we were not shipping "many articles," but I said that we were not shipping very many chemicals into Germany, or words to that effect.

Again, the junior Senator from Utah [Mr. KING] said:

The Senator from Nebraska asked him whether he accepted the tables which I placed in the RECORD a day or two ago, and which appear in this morning's RECORD, as to the exports for 1921 under the chemical schedule from this country to Germany and the imports from Germany to this country for the same year. The Senator did not answer the question, if I correctly interpreted his reply. I am sure he did not mean to dispute these tables.

I answered:

Mr. President, I did not mean to say that we never exported a dollar's worth to Germany, or anything of that kind. I simply intended to make a general statement that our export of chemicals to Germany will be practically negligible. There may be a time before she can start her factories again, when she may demand certain chemicals for a short time, but there is no question but that Germany can produce practically all the chemicals we can produce, and she can produce them very much cheaper than it is possible for us to produce them. I make that as a general statement.

Mr. President, the senior Senator from Utah [Mr. SMOOT] has already called attention to the fact of the $29,000,000, nearly $30,000,000, worth of exports sold to Germany in 1921, of which nearly $18,000,000 worth was mineral oil, which Germany does not produce, and which, as the Senator stated, is on the free list. I think that is really more a mineral than a chemical, although the junior Senator from Utah may, because it is in this list, regard it as being a chemical. Oil cake may also be classified as a chemical, although we do not generally regard such things as coal oil and oil cake as "chemicals," nor do we understand the word "chemical" to include starch, which is also in the chemical schedule. When we go through the entire list we find that there are only from $6,000,000 to $7,000,000 worth of articles which may properly be called chemicals at all.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. MCCUMBER. I yield.

Mr. SMOOT. The Senator from North Dakota will note the statement put in the RECORD that the total value of chemicals exported to Germany was only $1,464,357, but most of the commodities included in that amount were on the free list.

Mr. MCCUMBER. Yes; and I wish simply to explain that when I use the word "chemical" I use it in the ordinary sense. As to these exports to Germany, the great bulk of them consisted of coal oil, of which Germany produces but very little.

In this connection I wish to say that the Senator from Utah made a remark to which I most heartily agree. We should not at this time, Mr. President, attempt in any possible way to make Germany the scapegoat for any duty that may be imposed. It so happens that Germany probably produces cheaper than any other country in Europe those commodities of which she has the raw material, and with her wages representing from one-tenth to one-fifth American wages, of course, she will be able to produce any commodities coming within that category much cheaper than they can be produced in the United States.

Mr. President, I have never changed my views in favor of an association of the great nations of the world for the perpetuation and the peaceful settlement of international difficulties. The four-power treaty and the other treaties which we have recently ratified were exactly along that line. I stated in an argument in favor of those treaties at the time, and I reiterate the principle now, that such treaties ought not to stop with four powers or five powers, but that any association for the peace of the world should take within itself the more enlightened nations of the world, and such an association would certainly include Germany and Austria and Russia, as soon as Russia once again establishes a stable government.

We should extend the hand of good fellowship and friendliness toward every one of the great nations of the world. We asked nothing as a result of the World War. Therefore let us extend our friendly relations with every government, whether it was a friend or a foe during the late conflict. Mr. President, the only provision that was ever presented to the committee as a basis for tariff rates which in any way would seem to be aimed at Germany and Austria was the provision that such rates should be measured to some extent by the depreciation in the currencies of the nations dealing with us; in other words, that the nation suffering the greatest depreciation of currency should pay the largest duty partly to compensate for that depreciation. I opposed that suggestion in the committee, I am free to say. I opposed it on the ground that it seemed to strike at the distress of a nation, and I did not think it was proper for the United States by its tariff law to seem to take advantage of the distress of a nation which forced the value of its currency down until it became almost worthless.

But, Mr. President, while we are treating these nations with exact fairness all the time we must keep in view the welfare of the people of the United States. I have stated that the wonderful success of Germany prior to the war in 1914 was due to her protective policy, whereby she protected her home industries with extremely high tariffs, and then put the entire force of her Government back of her export trade, in order to force her goods into every market of the world; and under that policy she was gradually driving British trade out of practically every country in the world. There are no people in the whole world who are more industrious than the German people. They have no great navies now to support; they have no great armies to support; and all that man energy and woman energy—yes, and little child energy—is utilized in production. There is practically no idleness in Germany to-day; and with that industry and with her wonderful organization, I say most emphatically that I do expect to see her go forward as she did in the years prior to 1914 until she regains her old place in the commerce of the world, and in doing that she will necessarily take very much from the export trade of the United States. She will be entitled to it, because the industrious people of the world, the economic people of the world, are entitled to the fruits of their industry and of their economy.

Mr. President, I have taken up more time than I ought to when we are considering a specific item in the bill; but this matter having been discussed so thoroughly yesterday, and not having had an opportunity to reply at that time, I have taken this opportunity to-day to explain what my friend from Utah so eloquently referred to in his discussion of our relations with Germany.

Mr. POMERENE. Mr. President, the distinguished chairman of the Finance Committee has made a charge against the minority of filibustering on this bill. If that charge is well founded, I would sympathize with his position. I am one of those who do not believe in filibustering, whether it is by a majority or by a minority. I do not feel there has been any filibustering on this bill thus far. Speaking as a Democrat, I hope this bill will pass. Speaking as an American, I hope it will be overwhelmingly defeated.

This bill was presented to the Senate by the Finance Committee on April 11. It has been before the Senate perhaps about three weeks. This legislation has been occupying the attention of the majority for a very long time. I remember very distinctly that after the election in November, 1918, when it was discovered that the Republicans had gained the majority both in the Senate and in the House, it was announced through the public prints by Mr. FORDNEY that the Republicans in the House would at once take up the framing of revenue and tariff legislation. That was in 1918. The Congress which was elected in November, 1918, went into power on March 4, 1919. That Congress was called in extraordinary session, I think, in May, 1919, and the Congress which was elected in 1918, and whose term began March 4, 1919, was Republican, and lived and moved and died without having granted the relief which they had promised. So that if there has been any filibustering or delay on tariff or revenue legislation, it has been by the Republicans and not by the Democrats.

Then came the election of 1920, and the Republicans won the House by an overwhelming majority, and they won the Senate by an overwhelming majority; and that Congress began its active work after it had been called together April 4, 1921. So the Republicans have had constant control of both branches of Congress since March 4, 1919, and they have had control of the legislative and the executive branches since March 4, 1921,

and the hearings on this particular bill began a long time ago in the House. According to the report presented by Mr. FORDNEY, the chairman of the Ways and Means Committee—

On December 8, 1920, general tariff hearings were announced. These hearings opened January 6, 1921, and continued daily until February 16, 1921.

Mr. WALSH of Massachusetts. Was that a whole year?

Mr. POMERENE. No; the hearings on this particular bill began January 6, 1921, and they continued daily until February 16, 1921. This report further states that the majority members of the committee took up the work of framing a bill on March 21, and the work has continued without interruption until June 29, 1921; and the pending bill came over to the Senate on July 21, 1921, and was referred to the committee on July 22, 1921, and it was before the committee from that time until April 11, 1922.

Mr. WALSH of Massachusetts. The Finance Committee was considering the bill eight months, then?

Mr. POMERENE. Yes; eight months and longer.

Mr. WALSH of Massachusetts. And we have had it only a month.

Mr. POMERENE. The Committee on Finance began hearings July 25, 1921, and continued to and including August 31, 1921. Then they laid aside the tariff bill and took up the revenue bill, and the hearings on the tariff bill were resumed on November 3, 1921, and completed January 9, 1922; and after they had concluded their hearings the majority took up the work of framing this bill in private session. I am not complaining particularly of that; but, as I am advised, the minority were not kept fully informed as to the progress that was made in that bill, and of this I do complain.

I am also told by those who have made examination that when the Ways and Means Committee reported this bill to the House the House added 200 amendments to the bill, and the Finance Committee, taking up the consideration of this bill, thus amended, have added over 2,000 amendments to the bill. They have changed the administrative features of the bill; and is it strange that the Democrats, who did not have access to this bill until the date I have indicated, should want a little time to consider the 200 amendments which were added to the legislation by the House and the 2,000 and more amendments which were added to the House bill by the Senate?

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Utah?

Mr. POMERENE. I yield.

Mr. KING. I should like to suggest to the Senate that in many of those basket clauses numerous items are found. In the Underwood-Simmons bill most of the basket clauses provided 15 per cent ad valorem. Most of the basket clauses here provide 25 per cent ad valorem, so that when you remove a basket clause from one ad valorem rate to a higher ad valorem rate you carry hundreds of items. As a matter of fact, in this chemical schedule there are hundreds of items not specifically named; so that when the schedules are taken into account, instead of there being 2,000 amendments, there would be a great many thousand amendments.

Mr. POMERENE. Yes; I think the Senator has correctly stated the condition; but I have called attention to these different steps which have been taken by the House of Representatives and the Ways and Means Committee and the majority of the Senate Finance Committee to demonstrate, if I can, the necessity for careful work here in the Senate; and the chairman of the Finance Committee must not deceive himself by saying that the public at large is not interested in the consideration of this bill. We are all very much interested in keeping control of our foreign market as best we can. Our production is exceeding our consumption all the while. The surplus of our exports over our imports amounts to from two to four billions of dollars annually; I have not the exact figures before me at this time; and if we are going to put up a wall here which is going to shut out imports completely, or at least very materially reduce them, it is going to have an effect upon the market for our exports. The large part of our exports consists of wheat and oats and corn and meat products and cotton.

Are we to frame legislation here which is going to ignore the necessities of our producers for a market? I am satisfied that if this bill passes in the form in which it is now, we are going to quickly diminish, if we do not largely destroy, our foreign market for these farm products, and you will not be able to deceive the farmer by saying, "We have given you a 35-cent duty per bushel on wheat and a 15-cent duty per bushel on corn." The public is not losing sight of this situation. The distinguished Senator from North Carolina [Mr. SIMMONS] has been justified in reading the editorial comments from many papers adverse to him, politically speaking. It is charged that one of these editorials comes from a Wall Street journal. Maybe that is so, and maybe that should be taken into consideration when we come to determine the weight which is to be given to these editorial utterances.

But Wall Street papers and other New York papers do not stand alone in their view of this bill.

In Columbus, Ohio, there is one morning paper. It is a very ably edited paper. It is the Ohio State Journal. It is a Republican paper. On May 6, 1922, it published this editorial:

A WELCOME DELAY.

Senator MCCUMBER announces in great alarm that, at the present rate of progress, the pending tariff bill will not be passed until September 29, 1946. We do not believe the public will worry much about that. The public in general, the part that thinks about it at all, is more intelligent on this subject than the standpatters, who seem to think that a higher tariff will help the country's business at any time and under any conditions whatsoever. They are obstinately blind to the fact that America's relative position in the world of traders is fundamentally changed from what it was in former years when our infant industries needed protection or thought they did and our party leaders always felt that there was one more election in the tariff.

What our farmers and our manufacturers need now is the least restricted market for their products it is possible to have. What our great mass of consumers need is work, together with a lowered cost of living. What Europe is in desperate need of is a chance to resume industry, sell goods, recuperate her strength, and pay her debts. These ends, infinitely more important than the advancement of the supposed interests of some comparatively small favor-seeking American group, would not be enhanced by a high tariff but rather defeated by it. Thus Senator MCCUMBER does not frighten or depress us a bit by his gloomy forebodings. And, glancing again at the returns from the Indiana primary, we do not believe that a standpat tariff would help any more in a political way than it would help in industry and commerce and the general joy of living.

Mr. President, no one can question the Republicanism of this paper or of Mr. Robert J. Wolfe, who manages and dictates its policies. He has been one of the leading Republicans of the State. His counsel is frequently sought. This editorial expresses the view of that paper.

I join with the chairman of the Finance Committee in the hope that there will be no undue discussion of this bill, no filibustering; but I do not hesitate to say that Democrats and Republicans alike will prove derelict in their duty to the public if they do not discuss it to the extent that the people will be fully advised as to the nature of the bill.

Mr. President, I was one of those who was anxious to renew the activities of the War Finance Corporation, because I felt that through this instrumentality we could enable the farmers of this country to market their products abroad; but this bill does not point the way to any new market for the farm products of this country.

When the McKinley tariff bill was before the Congress of the United States, it was no less a personage than James G. Blaine who said that if that bill in its then form should become a law, it would not furnish a market for a pound of pork or a barrel of flour, and neither will this bill in its present form furnish a market for a pound of pork or a barrel of flour.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from New Mexico?

Mr. POMERENE. I yield.

Mr. JONES of New Mexico. I think it would do no harm at this time to call attention to the fact that our exports of manufactured products have just about equaled our exports of foodstuffs, and that has been the case for the past two years. I put in the RECORD a few days ago a table showing that the exports of the three great classes of commodities involved in our export trade, foodstuffs, materials for manufacturing purposes, and manufactured commodities are just about equal, so that not only the farmers of the country are interested but the great manufacturing interests of the country are likewise and almost equally interested in this export trade.

Mr. POMERENE. Yes, Mr. President; and I am obliged to the Senator from New Mexico for his contribution to the statement I have been making; but I have been so impressed with the attempt to make the public believe this bill was framed for the benefit of the farming classes that I called especial attention to the present conditions in that behalf so that the farmers might understand the bill as it is.

Mr. President, our productive capacity has been constantly increasing. I put into the RECORD yesterday a few figures indicating how much our production per capita had increased within the last few years as compared with what it was some 25 or 30 years ago. But can we continue to produce if we can not sell? President McKinley, great protectionist as he was, in his final speech just before the assassin's bullet laid him low, said to the people of Buffalo:

You can not always expect to sell and never to buy.

But it seems that the theory of the framers of this bill is that the higher we build the wall the more we are going to be able to sell abroad. There are none so blind as those who will not see.

I do not care to occupy the attention of the Senate further at this time, but I am not ready yet to yield my approval to the statement that under these circumstances full and complete discussion shall not be given to the measure before us.

NOMINATION OF NAT GOLDSTEIN.

Mr. SPENCER. Mr. President, I crave the attention of the Senate for a moment in regard to the nomination of Mr. Nat Goldstein to be collector of internal revenue at St. Louis, Mo. I presented to the President this morning a letter from Mr. Goldstein, which I will now read:

MAY 10, 1922.

DEAR MR. PRESIDENT: I earnestly request you to withdraw my nomination as collector of internal revenue at St. Louis, Mo. The many condemnatory notices which have appeared in the public press concerning my nomination, though I know in my own heart how unfounded and cruelly unfair they are, can not be overlooked, and certainly anything I can prevent shall in no way cause the slightest embarrassment to you.

I can not shut my eyes either to the partisan efforts of Democratic leaders to make political capital, regardless of facts, at Republican expense over my nomination nor to the adverse opinion which has been expressed by many Republicans who, unfamiliar with the real facts, accept as true the distorted and unfounded statements of the press nor can I fail to realize the harm which may thus result to the Republican Party, which I love, or to your administration, in which I, in unison with the general public, have the greatest pride and confidence, and, therefore, I want to remove myself as the ostensible cause of it.

Would to God I could in some way confront every man and woman who is now brutally assailing me and clamoring for my political death—though this, I assure you, they are entirely unable to accomplish—with the plain and simple record of the truth as it is and of my life and public service in the city in which I live.

I shall never forget the trust and confidence of Senator SPENCER, who vouched for me to you, nor your own entire fairness and courtesy.

I am, Mr. President, gratefully,

Your humble servant,

NAT GOLDSTEIN.

Mr. President, in one sense I presume this closes the incident, and yet I can not refrain from putting into the RECORD some expressions concerning Mr. Goldstein, first, from those men who belong to the Democratic Party in the city of St. Louis, and who are among our outstanding men in the great metropolis, for with all the emphasis I can put into it, I want to say that this act of Mr. Goldstein, which is characteristic of the man, willing to sacrifice himself if he thinks the occasion requires, is indicative of the high character of the man himself.

No Democrat in St. Louis would disagree with the statement that Mr. Murray Carleton is one of the high standing men of that city. He is president of a great dry goods corporation, vice president of one of the great banks, a man of integrity and influence. He wired me this morning through no solicitation of mine. The wire came to me as an entire surprise. Said he:

[Western Union Telegram.]

SHOEMAKER, N. MEX., *May 9, 1922.*

Hon. SELDEN P. SPENCER,
United States Senate, Washington, D. C.:

Indorse and heartily approve your stand in respect to the appointment of Nat Goldstein for collector port of St. Louis and sincerely hope neither political or racial prejudice will outweigh his undenied fitness to worthily and impartially discharge the duties of the office.

MURRAY CARLETON.

A few months ago Mr. Goldstein's name was mentioned in connection with the post office at St. Louis, a position which he declined to consider. When his name was mentioned for that office I received from a number of men expressions of opinion regarding him, and two or three of them I bring before the Senate because it is the opinion of outstanding Democrats.

Mr. Festus J. Wade, who is the president of the Mercantile Trust Co. of St. Louis, wrote me and said:

MY DEAR SENATOR: I am told you are advocating the appointment of Mr. Nat Goldstein as postmaster for St. Louis.

As a loyal partisan and stanch citizen I feel quite confident Goldstein's appointment would be no mistake. His record as circuit clerk is quite satisfactory, and I hope you will be successful in securing for him the appointment as postmaster.

Very truly yours,

FESTUS J. WADE.

I read a letter from Mr. W. F. Carter, who was at the time the president of the Chamber of Commerce of St. Louis, a Democrat, a man of the highest character and standing:

MY DEAR SENATOR: I understand that Mr. Nat Goldstein, of this city, is being favorably considered for the position of postmaster.

I have known Mr. Goldstein, or as I have always known him as "Nat" for many years, and I have had occasion to come in contact with him at the courthouse on many occasions.

I have always known Mr. Goldstein as an efficient, industrious, competent, and polite official, and it affords me great pleasure to commend him to you and the Postmaster General as a man who, in my humble opinion, is abundantly able to discharge the duties of postmaster.

Yours very truly,

W. F. CARTER.

Judge Jesse McDonald was not only a judge of the circuit court with distinction to himself, but he is and always has been a power in the Democratic organization of the city of St. Louis and State of Missouri. Judge McDonald wrote me as follows:

DEAR SENATOR SPENCER: Mr. Nat Goldstein has conducted the office of clerk of the circuit court of this city for a number of years with entire satisfaction to those having contact with that office. He has unusual capacity and great industry. I think him highly qualified for the discharge of the duties of the office of postmaster of St. Louis, and this judgment is based on years of acquaintance, and I therefore take pleasure in adding to his many others my recommendation of him for favorable consideration for that position. With personal regards, I am,

Very sincerely yours,

JESSE MCDONALD.

Benjamin F. Bush, who is president of the Missouri Pacific Railway Co., wrote me as follows:

MY DEAR SENATOR: There is a general demand in St. Louis among the business men, regardless of politics, for the appointment of Mr. Nat Goldstein, present circuit clerk, as postmaster of this city.

His uniform courtesy and efficiency in the handling of the duties of the office of circuit clerk and his broad-minded citizenship are sufficient guaranty that if appointed postmaster at St. Louis his appointment will reflect credit on the administration.

I take pleasure in recommending Mr. Goldstein for this appointment.

With sincere regards, I am,

Yours very truly,

B. F. BUSH.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Massachusetts?

Mr. SPENCER. I will yield in just a moment.

I have one other letter which I will read. It is from the president of the Real Estate Exchange of St. Louis, and is as follows:

DEAR SENATOR: It is my extreme pleasure to note the mention in the daily press of Mr. Nat Goldstein for appointment as postmaster of the city of St. Louis.

The privilege of indorsing Mr. Goldstein is personally very pleasing. I have known him intimately for many years and have been a close observer of the competent and faithful manner in which he has executed every duty intrusted to his care. Mr. Goldstein's record as circuit clerk is one any man might be proud of, and I am equally certain his stewardship of the office of postmaster of St. Louis would be such as to reflect honor and credit upon the city.

With this conviction I recommend Mr. Goldstein to your most earnest and favorable indorsement, and trust that you may find it consistent to use your great influence to the end that he may be appointed, and thereby assure to the city of St. Louis the same competent service in the post office which he has rendered as circuit clerk.

With personal esteem, I am,

Very cordially,

J. W. HANNAUER, *President.*

Mr. President, so far as I know nearly every one of those letters is from a leading, prominent Democrat. I have numbers of others, and, of course, those coming from Republicans far exceed in number those which I have just read. I only insert them in the RECORD because the things which have been said about Mr. Goldstein are not warranted by the facts. He is, as I said to the Senate when his name was first presented, a man of the highest character and standing, and a man who as collector of internal revenue would have made a record in that office of which as Americans we would have been proud. So far as I am concerned, if it had not been for the voluntary withdrawal of Mr. Goldstein I should have remained with him constantly. I believe in him, and it is only fair to him that these letters should be presented to the Senate.

I now yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. I desired to ask the Senator the dates of the letters which he read.

Mr. SPENCER. Let me say to the Senator from Massachusetts that they vary in dates, but they are all within the last four or five months. I think the question regarding the postmastership arose some time in September, October, November, or December of last year, and all the letters were written within that period.

Mr. WALSH of Massachusetts. Am I to understand that Mr. Goldstein was an applicant for the postmastership at St. Louis?

Mr. SPENCER. No; he was not an applicant.

Mr. WALSH of Massachusetts. Of course these letters were not sent to the Senator unsolicited by some one?

Mr. SPENCER. Very many of them. They were all unsolicited.

Mr. WALSH of Massachusetts. Unsolicited by the Senator, but not by some one in St. Louis. Men do not write to Senators recommending men for a postmastership unless that man or some friend of his makes a canvass for him.

Mr. SPENCER. The Senator is entirely right. There was a general feeling in the city of St. Louis among a great many of the friends of Mr. Goldstein that he ought to be made postmaster, and there was a real effort to secure him for that office.

Mr. WALSH of Massachusetts. Did the Senator recommend him for the postmastership?

Mr. SPENCER. I did not; but I would have recommended him had he wanted to take the office.

Mr. WALSH of Massachusetts. Has a postmaster been named in St. Louis?

Mr. SPENCER. He has been named. He was named a couple of months after that time; in the early part of this year I think.

Mr. WALSH of Massachusetts. Failing to get the Senator's recommendation for the postmastership at St. Louis, Mr. Goldstein became a candidate for collector of customs there?

Mr. SPENCER. No; the Senator is entirely mistaken. He would have had my recommendation for postmaster, and he knows very well he could have had it.

Mr. WALSH of Massachusetts. But he withdrew his candidacy for that office, and is now withdrawing his application for the office to which he had been nominated?

Mr. SPENCER. No; the Senator again is mistaken. He did not withdraw as to that office, because he never was an applicant for that office. So he had nothing to withdraw from. His name was presented by many of his friends for that office and he undoubtedly had the matter under consideration, but he made up his mind that he could not accept it, and therefore there was no recommendation made.

Mr. WALSH of Massachusetts. Did he file an application with the Civil Service Commission for the postmastership? That is a matter of record. Of course, the Senator knows about it.

Mr. SPENCER. It is a matter of record. I do not think he did. My recollection is——

Mr. WALSH of Massachusetts. Was that all he did?

Mr. SPENCER. I am clear about the matter. He did not file any application with the Civil Service Commission.

Mr. WALSH of Massachusetts. When was the examination held for the postmastership in St. Louis?

Mr. SPENCER. Some time in January of this year.

Mr. WALSH of Massachusetts. And when was the appointment made?

Mr. SPENCER. Some time in January or February of this year.

Mr. WALSH of Massachusetts. The appointment was made in the same month the examinations were held?

Mr. SPENCER. It was made the following month, my recollection is. I may be mistaken about it by a week or two.

Mr. WALSH of Massachusetts. Does it not really take six months to get a certification of a candidate after the examination is held?

Mr. SPENCER. Not six months. The term of office of the incumbent in the city of St. Louis, if I recollect aright, expired on the 17th day of January, 1921. The examinations were held——

Mr. WALSH of Massachusetts. Months before that time?

Mr. SPENCER. No; the examinations were held very shortly before the expiration of the term. The eligibles were made public and the appointment was made some time within the last two or three months, some time in February or March. I have not the date accurately, but that is about the time.

Mr. WALSH of Massachusetts. Even in small communities it takes from three to six months to get the results of examinations after applications have been filed, and I am surprised that St. Louis should have its applications filed, examinations held, and the result of the examinations determined in such a brief time.

Mr. SPENCER. I should say the present postmaster has been in office certainly since the 1st of April. I know the tenure of the former postmaster expired on the 17th of January. So the time was not as long as the Senator thinks.

Mr. WALSH of Massachusetts. In any event, no situation arose which required the Senator to recommend him for postmaster at St. Louis?

Mr. SPENCER. No; I do not think there did.

Mr. WALSH of Massachusetts. But if one had arisen the Senator would have recommended him?

Mr. SPENCER. I certainly would have done so.

Mr. HARRISON. Mr. President, may I ask the Senator a question before he takes his seat?

Mr. SPENCER. Certainly.

Mr. HARRISON. I do not know now from the colloquy whether Mr. "Goldstain" was an applicant for the postmastership in St. Louis.

Mr. SPENCER. He was not.

Mr. HARRISON. He did not file his application?

Mr. SPENCER. He did not.

Mr. HARRISON. It was suggested to him, however, that he would be a good postmaster for St. Louis?

Mr. SPENCER. By a number of his friends. I am clear in my recollection, I will say to the Senator from Mississippi, that when the time came to file application with the Civil Service Commission, which, as the Senator from Massachusetts has rightly said, is a condition precedent to appointment, Mr. Goldstein made no application. I am very clear about that.

Mr. HARRISON. Is not the reason why he did not make application because some of his friends got together and thought that this matter of the Lowden campaign fund would be aired, and that it was the best thing for him not to do it because of that fact?

Mr. SPENCER. The Senator is very much mistaken. His friends got together and were very insistent that he should make application.

Mr. HARRISON. In spite of that?

Mr. SPENCER. In spite of it, if the Senator will, but notwithstanding it.

Mr. HARRISON. Mr. President, I congratulate the junior Senator from Missouri on partially extricating himself and his party at the eleventh hour from a very bad situation. I thought I could see the adroit hand of the distinguished junior Senator from Missouri when he pulled out his bundle of letters and read this letter at such a late hour from Mr. "Goldstain," asking the President to withdraw his name. It is not the first time in this body that the distinguished junior Senator from Missouri has led the host right up to the precipice and at the end turned a somersault that got his party into a worse fix than if he had not toppled over; so I congratulate him.

Mr. POMERENE. Mr. President——

Mr. HARRISON. I yield to the Senator from Ohio.

Mr. POMERENE. In the light of the statement made by the chairman of the Committee on Finance [Mr. McCUMBER] that there was filibustering going on, am I to understand that the Goldstein case is of more importance than the tariff bill?

Mr. HARRISON. Evidently it is to the Republican Party at this time.

Mr. SPENCER. Is this the first interruption the Senator from Mississippi has made with reference to the Goldstein case?

Mr. HARRISON. No; but I think after hearing the Senator this morning that our interruptions have brought about good results, so I am very glad we interrupted.

Mr. "Goldstain," according to the junior Senator from Missouri, "has sacrificed himself because the occasion required it." No one will take issue with that proposition. The occasion did require it and he sacrificed himself. Whether reluctantly or under lash I do not know.

The Senator from Missouri says great injustice has been done to this good man. I do not know Mr. "Goldstain." I never heard of him until the committee, of which the distinguished junior Senator from Missouri is a member, investigated contributions and expenditures in the last presidential campaign, and when it was represented that two delegates from Missouri had been bought or had been paid $2,500 each out of the Lowden campaign fund. Then we all heard of Mr. "Goldstain" and Mr. Moore. If anybody has done Mr. "Goldstain" an injustice it is because the record reveals an injustice to him. The facts made the brand and applied the mark. There has not been a speech made touching the matter where those speeches were not confined to the facts as revealed by the record.

Mr. SPENCER. Mr. President, will the Senator allow me to make a brief statement?

Mr. HARRISON. Certainly.

Mr. SPENCER. Here is where the injustice comes, and there is no better illustration than what the Senator from Mississippi has just said. The Senator said, "When we read from the record that he had been bought or paid a certain sum of money from the Lowden campaign fund." The Senator knows well enough that when that flashes out to the country every man, woman, and child reads "bought" and nothing else, and yet there is not a word in the record that indicates a single intention, either with the Lowden managers or with Mr. Goldstein, to purchase or to be sold. There was a transaction as familiar in politics as any other transaction, a legitimate expenditure of money for publicity and for legitimate campaign purposes, and yet the one thing that will go out to the country is that "Goldstein was bought," or, as the Senator said the other day, "the corrupt slush fund of Lowden." Those are the terms that go out, and there lies the injustice of the thing. Any man who will read the record from beginning to end of what Mr. Goldstein stated will come to the same conclusion which I doubt not members of the committee came to.

Mr. HARRISON. That is not the first time it has gone out to the country. It went out to the country two years ago when the committee of which the Senator from Missouri was

a member disclosed the facts to the country. It was the revelation of the $2,500 checks that were given to Mr. Moore and to Mr. "Goldstain" by "Liv" Morse and the emissaries of Mr. Lowden in Missouri that defeated Mr. Lowden's nomination at Chicago; and the defeat of Mr. Lowden's nomination at Chicago prevented him from now occupying the White House.

Mr. SPENCER. That may be; but the statements which went out were not the facts. The statements that went out were the words which the Senator from Mississippi has used here—"bought," "corrupt," "slush fund." It never went out that the $2,500 was tendered and accepted and returned; that it was tendered for a legitimate and definite purpose, and that when the occasion for its expenditure did not arise the money was returned. No one knows those facts. All that the country knows has been derived from such statements as the Senator from Mississippi has now repeated. Therein lies the injustice.

Mr. McKELLAR. Mr. President——

Mr. HARRISON. I yield for a question.

Mr. McKELLAR. I want to ask the Senator from Missouri a question. Does not Governor Lowden say that Mr. Goldstein was corrupt? Has he not so stated?

Mr. SPENCER. I understand the Senator from Mississippi had rather not have me answer that question now?

Mr. HARRISON. I will treat of that matter in a moment.

Mr. SPENCER. Very well; I will let the Senator from Mississippi have his own way.

Mr. HARRISON. The fact is—and the Senator knows it, because he was a member of the committee—that the emissaries of Mr. Lowden gave to Mr. Moore and Mr. "Goldstain" $2,500 each, and Mr. "Goldstain" became a Lowden advocate; he placed the money to his credit in the bank and checked on it just as he did on his other funds; but before the Senator's committee he afterwards admitted "that he had made a mistake" and that he was sorry for it. Now, the Senator says that we have done Mr. "Goldstain" an injustice. The Senator asked me why I called him "Goldstain." I suppose that Mr. Lowden would now change the name and call him "Goldstung." If gold was ever "stained" and a presidential candidate ever "stung," it was in this instance.

The Senator from Missouri says that some of us have done Mr. "Goldstain" an injustice. Of all the men who would come to the defense of Mr. "Goldstain," if he has been treated as badly as the Senator from Missouri thinks, would be Mr. Lowden, because it was Mr. Lowden's money that Mr. Babler and Mr. Morse gave to "Goldstain"—$2,500 of it—and it was Mr. Lowden's nomination that Mr. "Goldstain," as a prospective delegate to the Chicago convention was going to advocate. Mr. Lowden has been away; he has been in Europe; but he returned on yesterday, and in the New York Times of this morning, in big headlines, we read:

Lowden denounces Goldstein as unfit.

The Senator from Missouri does not agree with Mr. Lowden; evidently he thinks that Mr. Lowden has done Mr. "Goldstain" a great injustice. I wonder if the Senator from Missouri thinks that I have done Mr. "Goldstain" a greater injustice than Mr. Lowden has done by the statement which he gave to the press over radio on yesterday. But what I have read is not all that Mr. Lowden said. The headline continues:

Lowden denounces Goldstein as unfit—Gave false testimony on campaign fund, says ex-governor, nearing here on *Olympic*.

The headline further says:

Senator SPENCER blamed.

Well, I think that is wrong, because I am going to defend the Senator from Missouri. I do not accept the things that Mr. Lowden has said about the Senator from Missouri in this statement.

Mr. SPENCER. Do not take any unnecessary burden upon yourself in the matter.

Mr. HARRISON. I would take an unnecessary burden; I would go out of my way to defend the Senator from Missouri at any time.

Mr. SPENCER. Especially if you did not think he needed it.

Mr. HARRISON. The New York Times further says—and evidently the Senator from Missouri when he said I was doing Mr. "Goldstain" an injustice had not seen this article in this newspaper:

Ex-Gov. Frank O. Lowden, of Illinois, returning home from Europe on the *Olympic*, sent a wireless message to the St. Louis Globe-Democrat last night, condemning the nomination of Nat Goldstein to be internal-revenue collector of the St. Louis district, and declaring to be "absolutely false" the testimony which Goldstein gave before the Senate investigating committee in 1920 in connection with the $2,500 check given him by a Lowden agent while he was seeking to be elected a delegate to the Republican National Convention.

The former governor and former presidential candidate says he was told at the time that Senator SPENCER, of Missouri, had Goldstein give his testimony before the committee.

Of course, we do not believe that statement. It is an awful charge to make that the Senator from Missouri had Goldstein to give this testimony to the committee. The chairman of the committee, who was Senator Kenyon, and the other members of the committee had Goldstein to appear; but I can not believe that the Senator from Missouri, as revealed in this message, forced him to give his testimony before the committee.

Mr. SPENCER. Mr. President——

Mr. HARRISON. I yield to the Senator from Missouri.

Mr. SPENCER. I do not wonder that the Senator from Mississippi has difficulty in keeping from smiling.

Mr. HARRISON. I am smiling at the Senator from Missouri. I can not look at him without smiling.

Mr. SPENCER. That is delightful. I hope the Senator from Mississippi will keep his eyes fixed upon me.

Of course, the committee summoned Mr. Goldstein. I wanted him summoned, as did the other members of the committee. Whenever a man's name was mentioned in connection with the investigation of the campaign fund they wanted him before the committee in order to obtain his testimony and secure the facts. If there is any "awfulness" in that charge, the charge is perfectly true, and I admit my full share in it. I wanted Mr. Goldstein there; I wanted him to face the committee; I wanted the committee to see him; and I wanted to hear his testimony.

Mr. HARRISON. Of course.

Mr. SPENCER. And Mr. Goldstein came. I may say to the Senator now that Governor Lowden is mistaken as to the impression which the testimony of Mr. Goldstein made. The testimony is before the Senator from Mississippi, and it may be read. It was not false testimony, and I do not believe it made the impression upon any member of the committee as being false. Two members of the committee, one a Democrat, the senior Senator from Missouri [Mr. REED], and one a Republican, Senator Kenyon, if I remember the record aright, when the testimony was ended did a thing that so far as I know had no parallel in those hearings, and that was they gave an expression to Mr. Goldstein of commendation for the frankness of his testimony. There was not a word to indicate that there was any lack of confidence in what he said, and what he said was the truth.

Mr. HARRISON. Mr. President, it may be that Mr. Lowden thought that he was falsely testifying by not telling everything he knew, but what he did testify to evidently was true. However, Mr. Goldstein and Mr. Moore and Mr. Babler and the others who were present at that conference all understood that $2,500 of Lowden money was given over to Goldstein. Mr. Goldstein said, and they all said, it was to be used for Lowden, and afterwards Goldstein said that he had made a mistake in accepting it. I do not think there was any false testimony in that respect. From reading the testimony it seems to me that Goldstein was frank and candid about it. He may not have told everything that happened, but he told some of the things that happened truthfully.

Mr. BURSUM. Mr. President, will the Senator yield?

Mr. HARRISON. Yes; I yield.

Mr. BURSUM. Is the Senator from Mississippi speaking in opposition to or in behalf of the pending question, the amendment to the tariff bill?

Mr. HARRISON. I am speaking in behalf of the Republican Party and congratulating the Senator from Missouri on partially extricating it from a bad predicament for which he and the President are responsible and in which they had placed it.

Mr. SPENCER. Mr. President, may I say to the Senator that it is quite true Governor Lowden at Chicago repudiated Mr. Goldstein? Undoubtedly there existed in Chicago, as there exists now, a general feeling created by the public press that there was something corrupt. Here I do not speak by the card——

Mr. HARRISON. The Senator will agree with me that that defeated Lowden's nomination at Chicago?

Mr. SPENCER. I think it had a great deal to do with defeating it. Here I do not speak by the card, but I know that when the public press was placing before the public these occurrences under great headlines, unfair and unfounded, undoubtedly it created an impression at Chicago of corruption in the use of Lowden money, so that when the situation was brought to the attention of the Lowden managers they said, "We have got to say something or do something to counteract this impression." I have always thought—and here I speak only from my own conviction in the matter—and I thought at the time that they picked out Mr. Goldstein and Mr. Moore as the channels through which they would make that declaration.

Mr. HARRISON. The Senator thinks they were the worst cases, does he not, and that that may have also been a reason for the action to which he referred?

Mr. SPENCER. From the testimony I should not think they were by any manner of means.

Mr. HARRISON. What other cases in Missouri were worse than those of "Goldstain" and Moore?

Mr. SPENCER. I was not thinking of Missouri; the worst things do not occur there, but entirely in other States.

Mr. HARRISON. The condition was bad enough, however, in Missouri.

Mr. SPENCER. When the necessity for some scapegoat, if I may use the expression, arose, the Senate will remember that Mr. Lowden came out in Chicago and denounced Mr. Goldstein and denounced Mr. Moore, and said in public, "I do not want their support; they are not entitled to be delegates." I thought then, as I think now, that it was the political strategy of the hour and not by any manner of means a judicial decision. I do not believe the Senator from Mississippi, sitting as a judge, on the evidence presented would ever come to any such conclusion; and yet I can quite understand the political strategy which might necessitate the making of a sacrifice of a man in order to obtain some, perhaps, more important goal.

Mr. HARRISON. Does not the Senator think that the statement which was given out yesterday by Mr. Lowden was political strategy upon his part?

Mr. SPENCER. I think the statement that was given out yesterday, which the Senator was good enough to show me an hour or two ago——

Mr. HARRISON. And which I am going to read.

Mr. SPENCER. Simply reiterates on his part what he had previously said. Of course he did not want to go back upon what he had said at Chicago, and he reiterates it now. I say he is mistaken about what he said concerning me; and I hazard the guess that he has not seen the testimony of Mr. Goldstein nor refreshed his memory about it, but is reiterating what he said at Chicago, as, of course, he has a perfect right to do.

Mr. HARRISON. Does not the Senator think that Mr. Lowden has interpreted the feeling of this country against corruption in elections and in the choosing of delegates to conventions; that he believes the action of the Senate in seating a Senator here who had expended a very large sum of money has aroused the people all over the country, and, coming on top of that the nomination of a man to high position in Missouri who had admitted taking $2,500 as a delegate from Missouri and had given it back, would still further arouse the people and might destroy the Republican Party?

Mr. SPENCER. No one can think any more highly of the necessity of absolute purity in politics than do I or does the Senator from Mississippi, but there was not any great amount of money tendered to Mr. Goldstein as a delegate for Mr. Lowden. There is again the insinuation which the Senator throws in that creates the false impression. When those negotiations occurred and when that money was paid Mr. Goldstein was not a delegate for Lowden and Mr. Goldstein never did, as the record shows, pledge his support to Mr. Lowden. The sentiment of his district was for Mr. Lowden and, in his own opinion, he was for him; but the money was for a perfectly legitimate campaign political purpose.

Mr. HARRISON. Does the Senator indorse it?

Mr. SPENCER. Indorse the giving of the money?

Mr. HARRISON. The giving of the $2,500?

Mr. SPENCER. I see no objection to it. I do not think there was the taint of corruption with either the offer or the receipt of it; and, as the Senator knows, when the occasion for its use did not arise, it was returned, precisely as was indicated when it was received.

Mr. HARRISON. The Senator gives me a thought when he says that Mr. Goldstein was not for Lowden.

Mr. SPENCER. No; I did not say that.

Mr. HARRISON. Well, at that time he did not know whether he was for Lowden or not.

Mr. SPENCER. I did not say that. What I said was that there had not been on the part of Mr. Goldstein any announcement or pledge for Mr. Lowden. The sentiment of his district——

Mr. HARRISON. Was this $2,500 for the purpose of getting him to announce himself for Lowden?

Mr. SPENCER. It certainly was not. If it was, it failed, because he never did announce for him.

Mr. HARRISON. He afterwards did announce himself for Lowden.

Mr. SPENCER. He never did announce himself to be for Lowden.

Mr. HARRISON. Did he not tell the parties in that conference that he thought he could corral the boys together, and that they would be for Lowden all right?

Mr. SPENCER. He did not. He told the exact opposite of the inference which comes from the Senator's remark. When they offered that money to Mr. Goldstein, he said, "I do not want a dollar of the money. My district is for Mr. Lowden. There is no necessity for a dollar of expenditure in my district, and I do not want any money," and then he left it.

Mr. HARRISON. Why did he take the money?

Mr. SPENCER. I can tell the Senator. After he left it, within two weeks he was gotten over to Springfield to meet Mr. Lowden personally. Mr. Goldstein thought the whole financial arrangement had ended. When he went over to Springfield he met Mr. Lowden. There was a conversation, pleasant, personal, not a word about money. Two weeks after that, when he came back to Missouri, what happened? In the original conversation Mr. Goldstein had said: "I can not use any money for the Lowden campaign. My district is in favor of him. He is our neighbor across the river. The only time I could ever use any money would be at the time of registration, in order to get out the registration of voters. That is the only time that money is needed in my district," and that was a mere passing remark.

Mr. HARRISON. May I ask the Senator, did not Goldstein first deny getting the money?

Mr. SPENCER. Let me get to that in a minute. I will answer that fully. When the time came for the second interview, Mr. Goldstein was handed a check for $2,500, with the remark: "Here, you want money for registration. Well, there is $2,500, with the compliments of Mr. Lowden's managers, for registration." Mr. Goldstein said then: "I do not like to take that money now. I could use it for registration when registration time comes," because, mark you, this conversation was in January and registration time was not until summer. He said: "I can use that at registration time. Now, if Mr. Lowden is nominated, and the necessity for registration arises in his interest, I will use that money for that purpose. If he is not nominated, I will return the money." He was not nominated and the money was promptly returned, and there is the incident.

On the statement regarding the denial of the use of the money there is foundation for it. Mr. Goldstein did make a statement which was not true, and here is the way it happened:

At midnight he was called up by a representative of the press to find out whether he had received any money as a Lowden delegate. Now, mark you, some of the men who had had to do with the Lowden money had denied having received any of it, and wrongfully so, for it was not the truth; and at midnight the first impression that came to Mr. Goldstein was: "What is the object of all this query?" And half sleepily, but quite wrongfully, he said to whoever was interrogating him, "Oh, don't joke me about the Lowden money; I don't know anything about it," when, as a matter of fact, he did know about it, and to that extent he was wrong. The next day he told the fact, and when he came before the Senate committee he told the fact. There was the temporary equivocation of a fact which was subsequently stated in full. Now, make the most of it. I admit that that was wrong, and I do not think he ought to have done it.

Mr. HARRISON. I want to read, just in this connection, part of the testimony. It is very brief. This was when they had the conference:

Mr. GOLDSTEIN. They talked along those lines. They never did question as to whether I would vote for Lowden or not. I never told them I was for Lowden. The impression, of course, was that I was or would be, and they spoke about money. I laughed at that—

He laughed at that.

I laughed at that—

He says—

and told them that there would not be a dollar required.

He did not think there would be.

Well, Babler—

He is the national committeeman, I think.

Mr. SPENCER. He was then, and is now.

Mr. HARRISON (reading):

Well, Babler—

The Republican national committeeman—

seemed to carry on most of the conversation, and he said, "We will get some money, even if you do not need it."

The Senator may not have caught that. Mr. Babler, of the Republican National Committee, said this, says Mr. Goldstein:

We will get some money, even if you do not need it.

Mr. SPENCER. There are 16 congressional districts in Missouri. Mr. Goldstein comes from one.

Mr. HARRISON. Probably that is what Mr. Babler had in mind. Anyway, I reckon he thought the pickings were good, and he had better pick some, so he said:

"We will get some money, even if you do not need it." I said, "There is but one time that money can be used. We have a new registration——"

And then he talks about the new registration, as the Senator says.

Further, the chairman asked Mr. Goldstein this question:

When this matter was first presented to you by the reporter of the St. Louis Globe-Democrat, did you not deny receiving any money?
Mr. GOLDSTEIN. I did.
The CHAIRMAN. Why?

The Senator from Missouri was present when these questions were put, evidently.

Mr. GOLDSTEIN. Just because I knew I had made a mistake.

And yet the Senator was willing to right that mistake, even though Goldstein said it was a mistake, and recommend him as postmaster at St. Louis, or make him collector of internal revenue over Missouri.

Mr. GLASS. But the Senator from Missouri thinks he was talking in his sleep.

Mr. HARRISON. Well, I presume he does.

Those are the facts about the matter, and so Mr. Lowden was asked this question just before he landed in New York. Mr. Lowden's message was in answer to the following inquiry from the Globe-Democrat:

Governor LOWDEN:
Steamship Olympic:

Harding nominated Nat Goldstein revenue collector St. Louis district. In view of scandal handling your campaign funds, would appreciate your opinion appointment. Nomination now in Senate committee, with big opposition both sides. Please radio our expense to-night.
ST. LOUIS GLOBE-DEMOCRAT.

What is the answer of Mr. Lowden, who ought to know more about it than anyone else, who should be more interested in Goldstein than even the Senator from Missouri, because Goldstein got $2,500 of the Lowden money? Goldstein was going to support Mr. Lowden at the Chicago convention if the country had not become aroused and Lowden had not become frightened out of his boots and said he did not want his vote at the Chicago convention. Now, here is the reply that came from Mr. Lowden:

STEAMSHIP "OLYMPIC."

GLOBE-DEMOCRAT:

Testimony of Goldstein before Senate investigating committee was absolutely false—

The Senator disagrees with Mr. Lowden on that—

But whether true or false, it showed him equally unfit to sit as a delegate in any convention.
I therefore declined to accept his vote.
I was afterwards informed, in explanation of his conduct, that his testimony was given by suggestion of Senator SPENCER, member of the Senate investigating committee.

Of course, Mr. Lowden does the Senator an injustice, because first he says that this testimony that Mr. "Goldstain" gave "was absolutely false," and then he says that it was given "at the suggestion of the Senator from Missouri."

Mr. SPENCER. Of course, if the Senator from Mississippi reads in that any inference that false testimony was given at my instance—which I do not for a moment believe Governor Lowden meant——

Mr. HARRISON. I can not believe that he would mean anything like that, and I most assuredly hope not.

Mr. SPENCER. But if he meant anything like that, it is absolutely and unqualifiedly false. I do not believe for a moment, however, that Governor Lowden meant any such thing.

Mr. HARRISON. I hope he did not mean it, and I can not believe that he meant anything like that, and yet the telegram says:

Testimony of Goldstein before Senate investigating committee was absolutely false.

And then he says:

I was afterwards informed, in explanation of his conduct, that his testimony was given by suggestion of Senator SPENCER, member of the Senate investigating committee.

He is just unfortunate in the language that he uses.

It was difficult for me to believe this at the time—

He says—he had heard it once before, and he did not believe it then, but he says:

It was difficult for me to believe this at the time.

I do not know what he means by that, unless he has changed his mind about it and believes it now—

His nomination now, presumably at the instance of Spencer, would seem to give color to this charge.

Mr. Lowden has done the Senator from Missouri an injustice in this and owes him an apology. I am not elaborating on it. I am only reading the telegram and allowing it to speak for itself—

If he was unfit to sit as a delegate in convention, as I insisted at the time, it is hard to see how he can be regarded as a fit candidate for revenue collector.

FRANK O. LOWDEN.

I am glad that Goldstein has come to the conclusion that he is—well, not unfit, but in the interest of the good of the party, as a good soldier, he is willing even though reluctantly to have his name withdrawn; but the Senator from Missouri is so enamored of his splendid qualities that he would have stood firm for Mr. Goldstein and would have had him stand out to the end for this job.

Mr. CARAWAY. Mr. President, may I ask the Senator from Mississippi a question?

Mr. HARRISON. Yes.

Mr. CARAWAY. How much of the Lowden money was sent to Missouri?

Mr. HARRISON. I think sixty-odd thousand dollars, was it not, may I ask the Senator from Missouri? Liv. Morse spent $32,000.

Mr. SPENCER. The Senator has just about doubled it. I think the testimony shows somewhere between thirty and thirty-five thousand dollars; but that exaggeration is very small.

Mr. HARRISON. Now, before the Senator leaves the floor, there has just come to my attention the news that the ministers in St. Louis had a meeting, and they passed a resolution there about this matter. This is from the St. Louis Star:

Ministers assail Nat Goldstein—

I will not read the balance of that. I will leave out part of it. Those who are interested may read it in the papers.

Mr. SPENCER. Mr. President, is not the part which the Senator is leaving out of the report the fact that the only ministers who met were the so-called Disciples of Christ, or those who belonged to the Christian Church, and that it was not a meeting of the ministers of the city?

Mr. HARRISON. Out of courtesy to the Senator, I did not read the other part. If the Senator wants me to read it all I shall proceed.

Mr. SPENCER. No; I do not.

Mr. HARRISON. All right; I will not, then.

Mr. SPENCER. I will not make any suggestions. I do not care to.

Mr. HARRISON (reading):

Disapproval of the appointment of Nat Goldstein as United States collector of internal revenue in St. Louis—

It is a little hard to eliminate part of this—

are embodied in a resolution passed to-day at a meeting of ministers of the Christian churches (Disciples of Christ) at the offices of the Christian Board of Publications, 2712 Pine Street.
The resolution follows:
"*Resolved*, We most emphatically disapprove of Mr. Nat Goldstein for any political appointment whatsoever, and suggest to Senator SPENCER"—

Well, I will leave out part and just read——

Mr. KING. Read it all.

Mr. HARRISON. Does the Senator want me to read all this? I will not put this in the RECORD, Mr. President.

Mr. SPENCER. I do not care.

Mr. HARRISON. I will not read it all. Those who are interested may read it in the papers. There are too many personal allusions in it.

Now, Mr. President, it looks as though, while Mr. Lowden, the man who ought to be more interested in Goldstein than any other, is repudiating him, President Harding and Senator SPENCER praise and attempt to elevate him.

So the matter is now a closed book. The Senator has helped his party by having the name of Goldstein withdrawn as collector of internal revenue of Missouri, and while the stain will remain we will try to forget the unpleasant incident.

GOVERNOR OF PORTO RICO.

Mr. KING. Mr. President, while we are discussing Missouri appointments, I challenge the attention of the Senate to the fact that another man from Missouri was named for a high position, to wit, Governor of Porto Rico. I refer to Mr. E. Mont Reily, who at one time was assistant postmaster of Kansas City, and whose record persons who are interested in the matter can discover.

He was supported by a wing of the Republican Party, and President Harding named him for the important position of Governor of Porto Rico. He was wholly unfitted for the discharge of the duties of that important office. He has antagonized the people and produced a feeling of irritation and resentment that has made his further sojourn in Porto Rico injurious to that friendly relation which should exist between the United States and the inhabitants of Porto Rico. He has disregarded their wishes and ignored their cultural aspirations. His conduct has tended to alienate them from their devotion to the United States. He refuses to comprehend their racial and traditional characteristics. He ought to resign or, failing that, he should be removed. If he still is held in this position, an investigation should be had by the Senate. A resolution of investigation has been offered in the

House which, as I understand, seeks to determine the question of his fitness for the position he now holds.

When persons are selected for positions of this character the President should choose those who have sympathy with the people whom they are to serve, who know something of their traditions, of their cultural aspirations, and who will seek to unite them in every possible way with this Republic instead of producing discontent and irritation.

The present Governor of Porto Rico is not, I repeat, suited for the position, and the protests of the people of that island ought to be heeded by the President. He was no more fit to be Governor of Porto Rico than Mr. Goldstein was fit to be postmaster in St. Louis or collector of internal revenue of the district of Missouri. Perhaps the same influences which were back of Mr. Goldstein were back of Mr. Reily.

I have introduced a bill the object of which is to grant larger autonomy to the people of Porto Rico. They should have greater liberty in the determination of their domestic affairs.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McKELLAR. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Hale	McKellar	Simmons
Ball	Harreld	McKinley	Smoot
Borah	Harris	McLean	Spencer
Brandegee	Harrison	McNary	Stanley
Bursum	Heflin	Nelson	Sterling
Calder	Hitchcock	Newberry	Sutherland
Capper	Johnson	Nicholson	Swanson
Caraway	Jones, Wash.	Norbeck	Townsend
Colt	Kellogg	Norris	Wadsworth
Culberson	Kendrick	Oddie	Walsh, Mass.
Cummins	Keyes	Overman	Walsh, Mont.
Curtis	King	Page	Warren
Dial	Ladd	Pittman	Watson, Ga.
Dillingham	La Follette	Poindexter	Watson, Ind.
Fletcher	Lodge	Pomerene	Weller
Glass	McCormick	Sheppard	Willis
Gooding	McCumber	Shortridge	

The VICE PRESIDENT. Sixty-seven Senators having answered to their names, a quorum is present.

Mr. SPENCER. Mr. President, I want to say a word on the pending item, which I understand is gallic acid. It is used in the manufacture of medicines and dyes, and very largely manufactured by a St. Louis company, the Mallinckrodt Chemical Co.

I shall ask the chairman of the Finance Committee to correct me if I am wrong, but it is my information that the rate which is proposed in the bill, 8 cents a pound, is the rate which was carried in the Payne-Aldrich law, but at that time 8 cents a pound was the equivalent of a 25 per cent ad valorem duty, which the House put on, and which my amendment calls for. I know well enough that the Finance Committee are very much better qualified to speak upon these items than I can possibly be, but if it is true that the Payne-Aldrich law calls for an 8 cents per pound duty, which is the same as is put on here, and that that was the equivalent of a 25 per cent ad valorem duty at that time, I say to the Senator from Utah, whom I see standing, that now is equivalent to only 16 per cent ad valorem, and that is the basis of my amendment to the amendment of the committee.

Mr. SMOOT. Mr. President, it is true that the pre-war price of gallic acid was lower than it is to-day, and 25 per cent at that time was equivalent to about 8 cents per pound. But we do not expect that acids or anything else will go down to pre-war prices again. I may say to the Senator that I consider the 25 per cent rate an excessive rate, and that a rate of 8 cents a pound, which the committee reported, is ample to protect the industry.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. SPENCER] to the committee amendment.

The amendment to the amendment was rejected.

Mr. KING. Mr. President, I propose an amendment to the committee amendment, on page 3, line 1, to strike out the numeral "8" and insert in lieu thereof the numeral "4," so that it will read:

Gallic acid, 4 cents per pound.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Utah to the amendment of the committee.

Mr. KING. Mr. President, the bill as it passed the House provided an ad valorem duty of 25 per cent, as has been stated by my colleague, as I understood his statement, though I was called from the Chamber and did not hear all that was said by him or by the Senator from Missouri. The Senate committee bill fixes a specific rate of 8 cents per pound. The Payne-Aldrich law provided a specific duty of 8 cents per pound, and the Underwood-Simmons law fixes a specific duty of 6 cents per pound.

The survey which has been provided by the Tariff Commission contains some information which is valuable as to this acid and the uses to which it is put. May I say very briefly, Mr. President, paraphrasing some of the statements of the Tariff Commission, it is an acid which is the product of nutgalls, and Senators are aware of the fact that nutgalls consist of growths upon tropical trees. Insects perhaps are caught in the exudates upon the vegetation and in some form contribute to the development of what are denominated nutgalls.

We do not produce nutgalls in the United States, but they are imported, and from these nutgalls are produced gallic acid, tannic acid, and perhaps others not necessary to consider at this time.

It seems as though we should encourage the importation of nutgalls as a basis for the development of the production of acids which are the result of the various processes which must be followed to produce what might be called the finished product.

My colleague suggests that they are on the free list—as they should be. I have no doubt that if some American had suggested that perhaps we might induce insects to become the basis of a nutgall industry in the United States we would have had a high tariff fixed on nutgalls. We will have to teach some of these insects a little more about the necessity of home industry and have them collaborate with some of these great domestic producers, in order to develop another domestic industry, to wit, the production of nutgalls, upon which we may impose another high tariff.

Mr. President, gallic acid appears in commerce in two grades—the refined, conforming to the United States Pharmacopœia, and the less pure, or technical. The latter is an intermediate for making dyes, including gallocyanide blue. That is employed in dying the wool for Navy uniforms, and, as the Senator from Missouri said, it is also employed in the making of medicine and the production of inks, and as a raw material for pyrogallic acid.

The imports before the war averaged, as I recall, about 50,000 pounds per year, but in 1918 they were only 2,242 pounds. In 1919 we imported the stupendous quantity of 22 pounds. Mr. President, that is such a fearful menace to the American industry that, of course, we must have a high tariff. In 1920, according to the figures furnished by the Tariff Commission, there were no imports whatever. During the first nine months of 1921 the imports were 20 pounds. There has been some increase during the final three months of that year.

The exports are not available. I have been unable to ascertain the quantity of exports. An examination of the last issue of the Drug Reporter, which is issued once a week, shows that the prices are as follows: For the medicinal, 70 to 75 cents per pound; for the technical, 45 to 50 cents a pound. The pre-war price for this acid was 33 cents.

This acid is made quite extensively by the great manufacturing house of Powers, Weightman & Rosengarten Co., of Pennsylvania; by the Mallinckrodt Chemical Works, a very large corporation, which has its headquarters in St. Louis, Mo. It is also made by the Eastman Kodak Co. and by the Zinssner Co., of Hastings, N. Y., and by the National Aniline & Chemical Co., which is a branch of the great national chemical trust, with a capital stock of approximately $300,000,000.

Mr. Zinssner, whose company makes this acid, testified in the hearings before the House committee—page 67. He desired a tariff duty of 25 cents per pound as a specific rate. So far as I can learn, that is the only testimony which was taken before the House committee, and there is none, as I recall, before the Senate committee. The House committee, for reasons which to me are incomprehensible, fixed this, as I conceive, indefensibly high rate.

When there are no imports, or practically none—20 pounds for 1920 and 22 pounds for the first nine months of 1921—I can not comprehend the theory upon which a tariff of 8 cents per pound is laid. When we take into account the fact that this product is used in the manufacture of ink, is one of the basic ingredients in the production of some medicines, and that medicines are so indispensable to the health and the lives of the people, I am unable to understand the mental ratiocinations of the Senators who drew this schedule. Why should we have a tariff of 8 cents a pound upon a product where there is no competition or competition so inconsequential as that it may be said it constitutes no competition?

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Utah yield to the Senator from North Dakota?

Mr. KING. I yield.

Mr. McCUMBER. Might not the Senator ask the same question, why we should give a rate of 6 cents, which is the present rate in the Underwood law? My answer would be that both were for revenue purposes.

Mr. KING. I would say that is true if there were any imports, I was about to respond to my friend.

Mr. McCUMBER. There have been imports, of course, even when the rate was 8 cents, of some 78,000 or 79,000 pounds. There seem to be a great many different influences that bear upon the importation of these articles. I admit that the importations have been very light compared with the entire product used in the United States. The proposed rate is a very slight increase over the present law and amounts on the present valuation to only 11 per cent ad valorem on the higher-priced product and to only 16 per cent ad valorem upon the lower-priced product, which is a very low ad valorem rate.

Mr. KING. I concede what my good friend has stated with respect to its being a rather low ad valorem rate. But if tariff duties are to be justified they must be either for revenue purposes or for the protection of some home industry, the domestic manufacturer. I think the Senator from North Dakota will agree with me, and I feel sure my able colleague will, that it is not wise even if one believes in protection per se to fix the rates so high as to practically prohibit importation, because no matter how just the domestic manufacturers may desire to be there is a disposition in human nature to avail one's self of the opportunities to enlarge profits. If there is no foreign competition there is a disposition—and we find it in our industrial life—to form domestic combinations or associations or organizations for the purpose of maintaining prices or of preventing a reasonable reduction in domestic prices.

Therefore I say, returning to the point I had in mind, that even if one believes in protection per se, he ought not to support duties where there are no importations unless it is for revenue—and of course this brings no revenue—or if the importations are of so inconsequential a character as to afford no revenue or to constitute no competition with the domestic manufacturer.

So we have here an instance where there is no revenue that can be obtained from a duty upon the product, nor is there a sufficient amount imported to develop competition in the United States. It would be far better for the welfare of the American people if there were greater competition in this article as well as in many other articles placed upon the dutiable list, because, as I said, the temptation to charge exorbitant prices for the domestic products may not be resisted if we are to judge human nature in the future as we may judge it by the past, when the opportunities for swelling one's profits are so freely accorded as they are under the provisions of this bill.

There is another fact, too, that I should call to the attention of the Senator from North Dakota. Under the broad construction placed upon the embargo act this would be denominated a synthetic chemical compound or product, and it is now absolutely interdicted unless one obtains a license, and he may not get a license unless it can be shown that the product is not obtainable in the United States. So now we have an embargo upon the product.

Mr. SMOOT. Mr. President, may I suggest to my colleague that that is the embargo, one reason why we have not any imports.

Mr. KING. But I will say to my colleague that the embargo was not in existence in 1918, 1919, and 1920.

Mr. SMOOT. That was because of the war; and, of course, we could not get anything in then; but from May, 1921, the embargo has been in force and we could not get any in at all.

Mr. KING. In 1910 the imports were 1,002 pounds—that is, of the 10 cents per pound grade.

Mr. SMOOT. No; the rate was 10 cents a pound.

Mr. KING. Of the 8-cent grade, there were 78,000 pounds.

Mr. SMOOT. That was only during the small part of the year after the bill passed.

Mr. KING. In 1911 the imports were 45,000 pounds plus; in 1912, 28,000 pounds plus; in 1913, 51,000 pounds plus; in 1914, 4,000 pounds plus. Of the 6 cents per pound grade, in 1914 the imports were 57,046 pounds and in 1915 were 41,558 pounds.

Mr. SMOOT. Then we entered the war.

Mr. KING. Yes. In 1917 there was none imported and in 1918 there were 8,643 pounds imported. I have given the imports for the other years.

Now, Mr. President, in view of the fact that this product is manufactured by these great—I will not use the word "trusts"—organizations, with their colossal capital, well established as they are, engaged in the production of many chemicals and allied chemical products; in view of the fact that so small a part of the consumption is imported; in view of the fact that the revenue obtained by the imposition of a duty would be negligible, it does seem to me that this is not an item upon which we should lay this heavy duty, and that the amendment which I have offered should be unanimously agreed to.

Mr. SMOOT. Mr. President, I wish to say only a word. The House provided a 25 per cent ad valorem rate. The rate on the technical product is 8 cents, which is about 18 per cent, and on the medicinal it is 11 per cent, as the Senator from North Dakota has stated.

The pre-war rate, or the rate under the Underwood law, was 8 cents, and the highest importations were made under that rate. If we want to continue the embargo, if the embargo is to be the policy here for synthetic chemicals, we might as well place this item on the free list, so far as that is concerned, because it is embargoed from coming into the country. I am in hopes that proposition will die out at the earliest possible date. I do think, with the 8-cent rate which we have here, that 11 per cent is not out of the way for this particular item if we want to manufacture it in this country.

Mr. President, I am ready for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. KING] to the amendment of the committee.

Mr. KING. On that I demand the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

The PRESIDING OFFICER (when Mr. STERLING's name was called). The present occupant of the chair transfers his pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Oregon [Mr. STANFIELD] and votes "nay."

Mr. WALSH of Montana (when his name was called). I inquire if the Senator from New Jersey [Mr. FRELINGHUYSEN] has voted?

The PRESIDING OFFICER. The Senator from New Jersey has not voted.

Mr. WALSH of Montana. I have a general pair with that Senator, which I transfer to the Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. WATSON of Georgia. I have a general pair with the junior Senator from Arizona [Mr. CAMERON]. I transfer that pair to the senior Senator from Tennessee [Mr. SHIELDS] and vote "yea."

The roll call was concluded.

Mr. SUTHERLAND (after having voted in the negative). I transfer my general pair with the Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Delaware [Mr. DU PONT] and allow my vote to stand.

Mr. COLT. I have a general pair with the junior Senator from Florida [Mr. TRAMMELL]. I transfer that pair to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. STANLEY. I inquire if the junior Senator from Kentucky [Mr. ERNST] has voted?

The PRESIDING OFFICER. The junior Senator from Kentucky has not voted.

Mr. STANLEY. I have a pair with that Senator, and being unable to secure a transfer I withhold my vote. If permitted to vote, I should vote "yea."

Mr. HARRISON. I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and vote "yea."

Mr. WATSON of Indiana (after having voted in the negative). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Pennsylvania [Mr. CROW] and permit my vote to stand.

Mr. DILLINGHAM. I inquire whether the Senator from Virginia [Mr. GLASS] has voted?

The PRESIDING OFFICER. The Senator from Virginia has not voted.

Mr. DILLINGHAM. I have a general pair with that Senator, and therefore withhold my vote.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR].

The result was announced—yeas 22, nays 43, as follows:

YEAS—22.

Ashurst	Harrison	Myers	Underwood
Caraway	Heflin	Overman	Walsh, Mass.
Culberson	Hitchcock	Pomerene	Walsh, Mont.
Dial	Jones, N. Mex.	Sheppard	Watson, Ga.
Fletcher	King	Simmons	
Harris	La Follette	Swanson	

NAYS—43.

Ball	Hale	McLean	Smoot
Borah	Harreld	McNary	Spencer
Brandegee	Johnson	Nelson	Sterling
Bursum	Jones, Wash.	Newberry	Sutherland
Calder	Kellogg	Nicholson	Townsend
Capper	Keyes	Norbeck	Wadsworth
Colt	Ladd	Norris	Warren
Cummins	Lodge	Oddie	Watson, Ind.
Curtis	McCormick	Page	Weller
France	McCumber	Phipps	Willis
Gooding	McKinley	Shortridge	

NOT VOTING—31.

Broussard	Fernald	New	Robinson
Cameron	Frelinghuysen	Owen	Shields
Crow	Gerry	Pepper	Smith
Dillingham	Glass	Pittman	Stanfield
du Pont.	Kendrick	Poindexter	Stanley
Edge	Lenroot	Ransdell	Trammell
Elkins	McKellar	Rawson	Williams
Ernst	Moses	Reed	

So Mr. KING's amendment to the amendment of the committee was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment reported by the committee.

Mr. KING. I move to strike out the numeral "8" in line 1, page 3, after the word "acid," and insert the numeral "2," so as to read:

Gallic acid, 2 cents per pound.

In view of the limited importations, the great production, and the enormous capital of those engaged in the production of this item, and in view of its importance in medicine and in products which enter into the lives of the people, it ought to be on the free list, but as an evidence of my high protectionism I have moved the amendment suggesting that the duty should be 2 cents a pound instead of the rate proposed by the committee.

Mr. LA FOLLETTE. Mr. President, I wish to ask the Senator if he is able to do so that he state the present price of gallic acid.

Mr. KING. On the 24th of last month the prices were 45 to 50 cents a pound for the technical and 70 to 75 cents a pound for the United States Pharmacopœia; but, as I indicated a few moments ago, the importations for the first nine months of 1921 were 20 pounds—of course, it is embargoed—and for 1920, 22 pounds; and from the period beginning back in 1910 and 1911 the importations have been very limited. I think, however, the Senator from New Mexico [Mr. JONES] desires to submit some observations.

Mr. LA FOLLETTE. Even when there was no embargo the imports were very limited, were they not?

Mr. KING. They were very limited.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah to the amendment reported by the committee.

Mr. JONES of New Mexico. Mr. President, I just want to take a moment.

In further reply to the query of the Senator from Wisconsin [Mr. LA FOLLETTE] I will state that I have before me a comparison of these prices.

In 1908 the price on which the duty was levied on importations was 32 cents per pound; in 1910 it was 30 cents; in 1912 it was 33 cents; in 1914 it was 34 cents; in 1916 it was 38 cents; in 1918 it was $1.22. The price is not given for 1920. For 1921, as stated by the Senator from Utah, it was 45 cents. In other words, the price at which the article is imported now is about 50 per cent higher than it was before the war.

Mr. LA FOLLETTE. May I inquire whether the Senator is stating the foreign price?

Mr. JONES of New Mexico. This is the foreign price.

Mr. LA FOLLETTE. The price upon which the duty is levied?

Mr. JONES of New Mexico. Yes.

Mr. SIMMONS. Mr. President, may I ask the Senator a question? There is no importer's profit in that?

Mr. JONES of New Mexico. No; that is the foreign price on which the duty is levied. The importer's profit, of course, is added to that price.

Mr. SIMMONS. Has the Senator the American wholesale selling price?

Mr. JONES of New Mexico. Unfortunately the last issue of the Journal which gives these prices does not state the price on technical gallic acid. The one which I have here states it only on the medicinal product. That is given at 75 cents, but that is the grade that is used for medicinal purposes.

Mr. SMOOT. The price of the technical acid is 45 to 50 cents.

Mr. SIMMONS. The point to which I want to call the attention of the Senator from New Mexico is this: The foreign price he has read there is the price upon which the duty is laid. There is no importer's profit in that. The importer is the jobber in that case, but there is no importer's profit in that. In the price which the Senator has just read, the American wholesale price, there is a profit—the profit of the wholesaler of this product in this country.

Mr. JONES of New Mexico. The Senator from North Carolina is quite right about that.

Mr. SIMMONS. So that you are comparing the foreign price upon which the duty is laid, and there is no profit allowed the importer for his commission, and so forth, in selling it, with the American price, which has in it the profits of the jobber or of the wholesaler, together with any expense that may be incident to transportation or that may be incident to insurance and other items. The point I wanted to suggest was this: If they want to compare these importers' prices—I mean the price upon which the duty is paid—with the American selling price, they ought to give us what that selling price is without any profit at all, and not give us for comparison the selling price with these profits inserted in it, sometimes running as high as two or three hundred per cent.

Mr. JONES of New Mexico. The Senator from North Carolina is quite right about that. The foreign price mentioned here as the price on which the duty is levied is the cost of the article in the foreign country and does not include any cost of transportation or profits of the importer, whereas the American selling price includes the profits and all other costs which are necessary in putting the article upon the market.

Mr. KING. Mr. President, may I inquire of the Senator whether there was any testimony before the committee indicating the cost of brokerage, insurance, freight, the construction of casks—because this would have to be a heavy wooden cask as a receptacle—or iron casks or barrels where required for articles that are brought to the United States? In other words, is there any testimony showing the proportion of cost, generally speaking, of these factors which must be added to the purchase price? I am speaking of the acids now, particularly.

Mr. JONES of New Mexico. Mr. President, so far as I have been able to find, there is no evidence of a definite character regarding costs on these articles at all. There was one manufacturer who appeared before the Committee on Ways and Means in the House and undertook to say how much duty he wanted upon these articles. It developed that his factory was manufacturing about 1,700 different chemical articles, and he made some rather broad statements regarding the costs—usually the question of the daily wage in this country and the wage in Germany; he referred to that—but there was no definite information on the subject of costs, certainly nothing from which one could draw a conclusion.

Now I want to call the attention of the chairman of the committee—I observe that he is engaged in private conversation at the present time—to the question of the duty on these items, gallic acid and tannic acid.

The bill puts the duty on tannic acid at 4 cents per pound, and the duty on gallic acid in the Senate bill is put at 8 cents per pound. One is just twice as much as the other; and in the testimony of the manufacturer who was interested in this item he said that on gallic acid he asked the same rates as on tannic acid, stating that the cost of the preparation of that is practically the same as the cost of preparing tannic acid. I should be glad if we could get some information here as to why there should be a duty of 4 cents a pound on tannic acid and 8 cents a pound on gallic acid, when, according to the testimony before the committee from the manufacturer, the cost is practically the same. I am at a loss to understand why there should be this difference of 100 per cent in the duty.

Mr. SIMMONS. Mr. President, I call the attention of the Senator to the fact that there seems to be no member of the Finance Committee here except the Senator from Wisconsin [Mr. LA FOLLETTE] to answer his very pertinent inquiry.

Mr. JONES of New Mexico. I observe two members of the committee over in one corner of the Chamber, probably discussing some other item. I hope they will give attention to this bill, so that we may progress. I am very anxious that the passage of this bill shall not be delayed, and yet I think the Senate is entitled to some information on this subject.

Mr. McCUMBER. Mr. President, do I understand the Senator to say that there is only one member of the Finance Committee present?

Mr. JONES of New Mexico. I said there were two members of the Finance Committee present, but they were off discussing, probably, some other item of the bill.

Mr. SIMMONS. Mr. President, I think I made that statement, but I did not look over in the corner of the Chamber and did not see the two Senators.

Mr. JONES of New Mexico. Mr. President, I wanted to make an inquiry of some member of the majority of the Finance Committee on a point which I observe in the testimony.

The principal witness who appeared before the committee testifying regarding tannic acid and gallic acid said that the duty should be the same on each of those two items, and that the cost of production was practically the same; but I observe that the duty upon tannic acid is 4 cents per pound and the duty on gallic acid is 8 cents per pound. There may be some very good reason for that which I have not been able to gather from the evidence before the committee or from the Tariff Commission or any other source; and I should like to get some information as to why there is that difference in these duties.

Mr. McCUMBER. Mr. President, on account of a good many persons speaking to me at the same time and the confusion in the Senate Chamber, I can not always tell just exactly what the question is that is asked by the Senator, and I am under the necessity of asking him to state his question in question form. If I am unable to answer it, I will say so.

Mr. JONES of New Mexico. My question, I thought, was rather plain, but I shall be glad to state it again.

I observe that this bill puts upon tannic acid a duty of 4 cents a pound and upon gallic acid a duty of 8 cents a pound. I should like to know why that difference was made—why the duty on gallic acid was made twice the duty on tannic acid.

Mr. McCUMBER. Mr. President, I can not just at the moment say why we placed one at 4 cents a pound and the other at 8 cents, except to say that it was a matter of difference of importations, uses, and many other things. We are trying to keep, as nearly as we can, what is equivalent to an ad valorem duty ordinarily of about 25 per cent upon the value of the product. I have already stated that on tannic acid the higher price gives us a duty of 28 per cent; the lower price gives us a duty of 22 per cent; the average would be about 25 per cent ad valorem, and the other is on about the same basis of 25 per cent.

Mr. JONES of New Mexico. Mr. President, that gives us some additional information. I observe in this paragraph a number of different items which in the bill as it passed the House were taxes at the uniform rate of 25 per cent ad valorem. It appears now from the statement of the chairman of the Finance Committee that the only reason for changing from the ad valorem rate of 25 per cent to a specific duty was simply to avoid the ad valorem rate fixed by the House, which they accepted, and simply fixed these per pound specific duties at a rate which would be equivalent to the House rate. So it is evident that there is no foundation for these changes or for the levy of these duties, so far as the Finance Committee is concerned, other than just a desire to make a sweeping change in several items from the ad valorem rate to a specific duty.

What does that mean? It appears that the prices of these different articles vary, so that there would be a specific duty in the one case of 4 cents a pound and in the other of 8 cents a pound. I can not understand how that is consistent with any theory of legislation which has been announced as the basis of this bill. The cost of the two items is the same, according to the testimony of this witness.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. OLIVER in the chair). Does the Senator from New Mexico yield to the Senator from Utah?

Mr. JONES of New Mexico. I gladly yield.

Mr. SMOOT. If the Senator will read carefully, he will find that the 4 cents a pound duty is on tannic acid of 50 per cent or less purity, and tannic acid of over 50 per cent purity is taxed 10 cents. All the gallic acid is the same as the full strength tannic acid. So, if there was any mistake made at all, it was made in the imposition of the 10-cent duty on tannic acid and not in the imposition of the 8 cents on gallic acid. In other words, if the Senator's argument is correct, and that is the same as tannic acid, then we ought to increase the rate from 8 cents to 10 cents.

Mr. JONES of New Mexico. If the Senator from Utah is correct, there could be no argument for this specific duty. If there are different grades of gallic acid, and you levy a uniform rate of 8 cents per pound——

Mr. SMOOT. The Senator from Utah did not say there were different grades. The Senator said there were two degrees of tannic acid, not of gallic acid. There are two qualities of gallic acid; one is the technical gallic acid and the other is the medicinal gallic acid, but as to the percentages, it is not as it is in the case of tannic acid.

Mr. JONES of New Mexico. There is only one duty on gallic acid.

Mr. SMOOT. That is true; there is one duty on gallic acid.

Mr. JONES of New Mexico. And the Senator intimated, at least, awhile ago, if I understood him correctly, that there was a difference in grade; that one is cheaper than the other.

Mr. SMOOT. That is true.

Mr. JONES of New Mexico. And the duty is the same on the whole?

Mr. SMOOT. That is true.

Mr. JONES of New Mexico. I would like to know how the Senator can defend that.

Mr. SMOOT. Mr. President, the only way it can be defended is to say that, as far as the making of it is concerned, and as far as the same grade in a foreign country coming in competition with the two grades is concerned, there is just the same difference in the cost in the case of the one as in the case of the other. The ad valorem duty would present an entirely different situation. The equivalent ad valorem duty is 18 per cent on the one and 11 per cent on the other.

Mr. JONES of New Mexico. The Senator must admit, then, that no attempt was made by the committee to equalize or make uniform the duties on the different grades of gallic acid, either as to the cost of production or as to price.

Mr. SMOOT. I would not say that, Mr. President. I do not think the statement made by the witness is correct that tannic acid is the same as gallic acid, or that the same process is used. I do not agree with him; nor do I agree with him, nor does the market price bear him out, as to the value. Does the Senator want the 25 per cent, which the House fixed on this item, reinserted in the bill?

Mr. JONES of New Mexico. I am not discussing what I want.

Mr. SMOOT. I was asking the Senator. I did not know what he wanted.

Mr. JONES of New Mexico. What I wanted was to get information as to how these duties were laid and why they were laid. The only testimony before the committee as to the comparative cost of production is the statement of the manufacturer that the cost is the same.

Mr. SMOOT. The Senator knows that we did not take the statement of the manufacturers into consideration, because the manufacturers asked 25 cents on gallic acid, and we gave them 8. The Senator knows that the 25 per cent ad valorem rate is very much higher, and on the medicinal it is over 100 per cent higher than the rates fixed by the Senate committee. In other words, the Senate Finance Committee has cut the amount of duty upon gallic acid over 50 per cent from the House provision.

Mr. JONES of New Mexico. I understood from the statement of the Senator from North Dakota that they attempted to fix these rates at such a point that they would just about equal the 25 per cent. I should like to know who is right about it, the Senator from Utah or the Senator from North Dakota?

Mr. SMOOT. I do not think the Senator from North Dakota had reference to this one particular item. I think he had reference to all the items in this paragraph. The Senator from New Mexico knows that we have not always taken into consideration just what the House put in and fixed an equivalent ad valorem for their specific duty. The Senator will find that the duties fixed by the House were based on the American valuation plan, and he will find rates in the bill as reported to the Senate by the Senate Finance Committee which are lower than the rates fixed by the House on the American valuation plan.

Mr. JONES of New Mexico. There is no doubt about that, but I was trying to reconcile the statement of the Senator from Utah with that of the Senator from North Dakota, two leading members of the Finance Committee, and I wanted to develop some basis for the justification of these duties, if they could be justified at all.

Mr. SMOOT. Mr. President, I will simply mention one, and then I am not going to take any further time.

If the Senator will turn back to the statistics of 1910, 1911, and 1912, before the war, he will notice the importations of gallic acid into this country from Germany. During that time there was a duty of 8 cents. I do not remember just the figures, but a great percentage of the consumption of gallic acid in this country was imported into the country under the 8-cent rate.

We have not even gone above that, notwithstanding the conditions existing in Germany to-day, notwithstanding the ability of Germany to manufacture goods to-day at even less than it cost her to manufacture them during the pre-war period, as measured in gold dollars.

Mr. JONES of New Mexico. Mr. President, that calls for the consideration of a subject which has been very much discussed in the Chamber. The Senator again refers to importations of this article from Germany. The truth is that the raw product, the gallnut, from which these acids are made, must come from China, and Germany must pay for the crude product on a gold basis, and with her depreciated currency she is absolutely shut out from the market where the raw material must be procured. You will not find that any of this acid has been imported into this country from Germany; but every time something of this sort comes up somebody calls attention to the difference in exchange in Germany and the low cost of labor in Germany, and that is one reason why I called up this specific item. I wanted to find out if that same old excuse would be offered for this greatly increased tariff upon gallic acid.

It is true that prior to the war Germany did buy her raw material from China, and she did export some of it to the United States, but it is so no longer, and the people of the United States and of Germany, and everywhere else where this acid is made, get their raw material from China. Then Senators talk to me about the difference in the cost of labor and the difference in exchange in Germany in connection with this item. Whenever nothing else can be suggested as a justification for what has been done, apparently relying upon the lack of information on the other side, they get up and talk about Germany.

Mr. HITCHCOCK. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from Nebraska.

Mr. HITCHCOCK. Is it not a fact also that instead of talking about what Germany has done in the way of exporting goods to this country, Senators talk in a vague way about what they think Germany will do at some time in the future? There is no basis of fact now, judging from the present imports from Germany, for such an absurd fear as is used as a basis for these excessive tariff rates.

Mr. SMOOT. The Senator must know that the embargo absolutely prevents the importation of gallic acid into this country. That is why the importation was only 22 pounds. The Senator from New Mexico I know has examined the statistics, and if he will turn back to the pre-war period, no matter what the price was at that time, the rate averaged from 23 to 25 per cent, and now, under this bill, we are reducing it to 11 per cent, much lower than it was in the Payne-Aldrich law, and lower than the rate adopted by the House on the same item.

Mr. HITCHCOCK. It is true that the embargo was put upon the importation of many chemicals from Germany under the utterly false assumption that this country was going to be deluged by such importations, but this whole chemical schedule, whether covered by embargo heretofore or not, is directed against Germany, apparently with the purpose of preventing all imports from Germany, when everyone knows that we must have imports from Germany if we are going to export goods to Germany and give Germany an opportunity to particulate in the commerce of the world.

Mr. SMOOT. As far as the embargo is concerned, I am not a believer in the embargo at all.

Mr. HITCHCOCK. The Senator is not a believer in it, but he voted for it, and it was fastened upon the country.

Mr. SMOOT. The Senator from Nebraska is mistaken.

Mr. HITCHCOCK. I know the Senator personally disclaimed favoring it at the time. I think he is too intelligent a public servant to favor it.

Mr. SMOOT. The Senator from Nebraska did not stop there. He said the Senator from Utah voted for it. The Senator from Nebraska is mistaken.

Mr. HITCHCOCK. I understood that the Senator voted for it in the emergency tariff bill.

Mr. SMOOT. Not at all. The Senator is mistaken.

Mr. HITCHCOCK. The Senator voted for the emergency tariff bill which contained it.

Mr. SMOOT. Certainly; I was not going to vote against everything in the emergency tariff bill because of the fact that that embargo was contained in the emergency tariff bill.

Mr. HITCHCOCK. The Senator voted for the emergency tariff bill when we were trying to defeat it, and when he voted for that bill he voted for everything there was in it, and he voted for it knowing that the emergency tariff was not right.

Mr. SMOOT. Mr. President, there were provisions in the emergency tariff bill which meant the absolute preservation of industries in the United States, and I had to decide between the embargo and the destruction of those great industries in the United States. The Senator from Nebraska knows that. The Senator from Nebraska would have done the same that I did if he had been in favor of the emergency tariff bill.

Mr. JONES of New Mexico. Mr. President, as I said, I brought up this matter just at this time in order to emphasize the fact that the majority members of the Finance Committee are trying to frighten the people of the country with the ghost of Germany. This morning I clipped from the Washington Post an article on foreign-trade facts, commenting upon the statement of the Department of Commerce, and here is what I find: The ratios of the total foreign trade of England, France, and Germany are, respectively, 107, 114, and 39 per cent of the foreign trade for pre-war years. England and France have gotten back to a little above their pre-war export trade, but Germany, this great ghost which is built up and flaunted in our faces in the shadow of every day, has but 39 per cent of her pre-war foreign trade.

It is with reference to the item of gallic acid. It is claimed the reason why these conditions exist is that Germany must buy her raw products with gold and she can not get the gold. That is the reason why, in her leather and textile commodities, her prices to-day in gold are higher than the American prices, because she must buy her raw material and pay for it in gold, which she is unable to do and compete with the rest of the world.

I say that the time has come when this ghost should be put back in the dark closet. Let the members of the Finance Committee no longer attempt to scare the people of the country with it, and that in the face of the fact that our exports to Germany are several times our imports from Germany. Do we want to keep up this invisible thing here, using it as a mere pretext to impose upon the people of the country for monopolistic prices for these commodities?

There are only one or two large chemical concerns in the United States that make gallic acid, and by such duties these people are given an absolute monopoly. They can raise their prices where they will. It appears that on this very item the prices are now at least 50 per cent higher than they were prior to the war. You are not only willing to impose a tax upon this importation for the purpose of equalizing so-called costs of production but you are deliberately imposing a tax for the purpose not only of maintaining the existing high prices but in a manner to enable these concerns to raise their prices still higher.

I do not understand any justification for the high tax upon this article when the United States can compete with Germany or any other country in the world. We get the raw material for this product from China, and the other nations must get it from there. The cost of production, as stated by one witness, is no greater in the case of gallic acid than it is in the case of tannic acid, yet we find in the one case a duty of only 4 cents a pound and in the other case a duty of 8 cents a pound.

The Senator from North Dakota [Mr. McCUMBER] said a while ago that the only reason for the rate is that he wanted to make an average of 25 per cent ad valorem. The Senator from Utah disclaims any such purpose. That is the dilemma in which the people of the country find themselves when they undertake to understand the bill and get any basis for it. Here we have the two leaders on the majority side of the Finance Committee giving different reasons for the imposition of a duty upon the same item. How are we to understand it? When we undertake to ask questions, the Senator from Indiana [Mr. WATSON] rises and says that any answer to a question will be considered as a speech by the person making the answer.

Mr. SMOOT. Mr. President, perhaps the Senator from North Dakota had reference to the statement made by the Senator from New Mexico that tannic acid was only 4 cents a pound. The Senator from Utah called attention to the fact that gallic acid and tannic acid are not the same as that on which 4 cents a pound was imposed. The tannic acid that is equal to the gallic acid is 10 cents instead of 8 cents a pound.

Mr. JONES of New Mexico. I have here the prices of tannic acid before the war, and I find that the prices of tannic acid before the war were higher than the prices of gallic acid.

Mr. SMOOT. Yes; and now they are less than gallic acid. If the Senator will take his paper and examine it, he will find they are less than gallic acid now.

Mr. JONES of New Mexico. Yes; but I should like to know——

Mr. SMOOT. That is why we cut the rate provided by the House. The rate provided by the House was 25 per cent ad valorem, and that meant 18¾ cents in the one case and 11½ cents in the other case. Now we take both of them and make

the rate 8 cents a pound. So it is virtually a cut of 50 per cent in the House provision. The whole question of the raw material, as we may term it, from which the gallic acid is made, was changed. We tried to bring the matter up to date and that is why the change was made.

Mr. JONES of New Mexico. The Senator from Utah said something a while ago about the embargo. I ask if the embargo applies to tannic acid?

Mr. SMOOT. No; it does not; because that is not a synthetic chemical.

Mr. JONES of New Mexico. Does it apply to gallic acid?

Mr. SMOOT. It does; because that is a synthetic chemical made from tannic acid.

Mr. JONES of New Mexico. If that is true, why did we have any gallic acid imported in 1921?

Mr. SMOOT. It came in before May, 1921. The small amount that came in during 1921 came before the embargo was put upon it under the emergency tariff law.

Mr. JONES of New Mexico. Does not the Senator recall that the embargo act was passed in 1919?

Mr. SMOOT. The embargo provision of the emergency tariff law, when it ran out, was changed and the Senator from Utah called attention to that the other day. It takes in now all synthetic chemicals. That was discussed on the floor of the Senate the other day.

Mr. JONES of New Mexico. Was not the same language used in the act of 1919 that was used in the act of 1921?

Mr. SMOOT. No. I told the Senator that the other day and read it to him and called his particular attention to the changes. We occupied a good deal of the time of the Senate on this very proposition, and I thought the Senator understood the change which was made in the emergency tariff act. If the Senator will remember, that is one of the things to which I objected on the floor of the Senate when the emergency tariff bill was under consideration. I know that the Senate did not understand how broad it was when it was put in there.

Mr. JONES of New Mexico. Then we have this situation: In 1908 the price of tannic acid was 55 cents a pound; in 1910, 48 cents a pound; in 1912, 48 cents; in 1914, 43 cents; in 1916, 31 cents; in 1918, 44 cents; in 1920, 54 cents. In 1921 there is given a price of 22 cents. Does the Senator believe that to be a representative price of the article, taking into consideration also that prior to the war the price of gallic acid was at least one-third more than the price of tannic acid?

Mr. SMOOT. It would only be a guess if I made the statement, because the Senator from Utah does not know what strength of tannic acid was shipped in 1921. It may have been an entirely different strength of tannic acid that was shipped in the years before. I can not say, and, therefore, I can not answer the Senator.

Mr. JONES of New Mexico. I am glad the Senator has so stated. His present statement destroys the argument which he made a while ago when he said the price of tannic acid was lower than the price of gallic acid.

Mr. SMOOT. It does not destroy the argument at all. I am speaking now of the present value of the two articles. All the Senator has to do is to take the prices that were given in 1912 and then come down to 1915 and then right down to date. I refer to the quotations in this country. He will learn that the values are quite different. The quotations in this country show the strength of tannic acid, and therefore we can compare them. I do not know whether the tannic acid which was imported was less than 50 per cent strength or more than 50 per cent strength, but we do know what the prices were in this country and the strength of the article.

Mr. JONES of New Mexico. Then how can the Senator say that the price of gallic acid to-day is higher than the price of similar tannic acid?

Mr. SMOOT. I can say it because we have here the quotations of April 10, 1922, and the prices are as follows: Technical tannic acid, 37 cents; medicinal, 65 cents. On the same identical day the price of gallic acid, technical, was 45 cents and medicinal 70 cents. Therefore the Senator knows there is a difference between the prices as stated.

Mr. JONES of New Mexico. That is on the present quotations.

Mr. SMOOT. That is what the Senator from Utah said in the beginning, and that is what the Senator from New Mexico asked.

Mr. JONES of New Mexico. The Senator is quite right, and I thank him for the information, because I did not happen to have the prices just now. I thank the Senator for the information. The Senator also gave me the information a while ago that tannic acid was not under an embargo at the present time, while gallic acid is.

Mr. SMOOT. Yes.

Mr. JONES of New Mexico. For that reason they put a duty on gallic acid at least twice the duty on tannic acid.

Mr. SMOOT. No; the Senator is mistaken again.

Mr. JONES of New Mexico. Then I ask to be corrected.

Mr. SMOOT. The duty on tannic acid over 50 per cent strength is 10 cents a pound under the provision that has been voted on. The rate now asked on gallic acid is 8 cents a pound.

Mr. JONES of New Mexico. Will the Senator tell me the strength of the acid for which he has just given the prices?

Mr. SMOOT. The technical, I should judge, is 70 per cent pure and the medicinal is over 80 per cent pure. That is the case with tannic acid.

Mr. JONES of New Mexico. Can the Senator quote the price?

Mr. SMOOT. I repeat the technical has a strength of 70 per cent, while the medicinal, of course, is a purer article, and, from its price, I should judge must be over 80 per cent pure.

Mr. JONES of New Mexico. I beg the Senator's pardon; there was some confusion, and I did not catch the figures he gave as to the different grades of tannic acid.

Mr. SMOOT. Technical tannic acid runs as high as 70 per cent, and the price of 70 per cent tannic acid is 37 cents. The medicinal runs over 80 per cent pure; sometimes it runs higher, as high as 98 per cent, or almost pure, which is perhaps the highest possible grade, and the price of that is 65 cents.

Mr. KING. Will the Senator from New Mexico yield to me?

Mr. JONES of New Mexico. I yield to the Senator from Utah.

Mr. KING. For information I should like to inquire where the senior Senator from Utah finds medicinal as exceeding 80 per cent? It is not in paragraph 1.

Mr. SMOOT. No; but the Senator from New Mexico is speaking of tannic acid. Perhaps I can answer the question better by saying that the lower grade, the strength of which is not 50 per cent, is only a liquid extract of nutgalls, and in that form it can not be over 50 per cent; but when it becomes a manufactured article—in other words, when the extraneous matter is taken out of it—it runs up to the point where it becomes a medicinal article.

Mr. KING. I understood the senior Senator from Utah to contend that under the provision of the bill upon which we have voted if it were denominated medicinal tannic acid it must be 80 per cent or more pure; and I do not find that in the bill, because the item says 50 per cent.

Mr. SMOOT. I said it runs generally about 80 per cent; and I will say to my colleague that the manufacturers would not think of manufacturing it of a less percentage than that. I do not say that they may not take the lower grade and manufacture it into medicinal, and I do not say that it could not be classed as medicinal, but no one who was manufacturing medicine for the people of the United States would ever think of using this article unless it were 80 per cent pure.

Mr. KING. I am not controverting that; the only point I am making is that it is denominated medicinal at a lower rate than 80 per cent, and I understood the senior Senator from Utah so to contend.

Mr. SMOOT. No; I simply said that on tannic acid containing less than 50 per cent the proposed duty is 4 cents and on all above 50 per cent it is 10 cents a pound.

Mr. KING. The senior Senator from Utah is right there.

Mr. SMOOT. Then I followed that statement with the further statement that medicinal tannic acid generally runs 80 per cent and sometimes as high as 98 per cent pure.

Mr. KING. That may be; I do not affirm as to the strength of the acid when it is denominated medicinal; but the grade as fixed in this schedule upon which we have voted does not say that in order to be medicinal it must be at least 80 per cent pure.

Mr. JONES of New Mexico. Mr. President, there has at least been developed one thing which I wanted to develop, and that is that prior to the World War tannic acid was selling for about 50 per cent higher than gallic acid. Now gallic acid is selling very much higher than is tannic acid. Tannic acid is not barred by the embargo law, while gallic acid is barred. Gallic acid is 50 per cent above the pre-war price, while tannic acid is about the same or less than the pre-war price. That means that the embargo has resulted in raising the price of gallic acid 50 per cent; and, in order to enable the manufacturers of this country to maintain that price or to increase that price, the Finance Committee propose to levy a duty of 8 cents per pound upon gallic acid, which has been barred by the embargo. They put only 4 cents a pound upon the article which has been reduced in price, while they put twice the amount on the article as to which there is an absolute monopoly in this country. Evidently, Mr. President, the members of the Finance Committee who suggested such rates did not understand what they were doing. I

ask the two leaders of the Finance Committee on the floor here if they will not reconsider their own action? I ask if they are willing for it to be said to the country that by means of an embargo they have raised the price of this commodity 50 per cent and that by means of this tariff they propose to maintain the price or to increase it because one and perhaps two concerns in this country make the product. Evidently it must have been done without any consideration of the facts and as a result of the lack of information; I can not believe that the very astute and intelligent and able members of the Finance Committee who brought in this bill would have done such a thing as this with their eyes open to the situation.

Mr. SMOOT. Mr. President, the committee is not making this bill for one year, at which time we hope the embargo will cease. The committee made this bill to be on the statute books for a number of years. The Senator must understand that his own party brought into being the embargo; it was started by the Senator's own party, and I think the Senator voted for it.

Mr. JONES of New Mexico. The Senator is quite right about that, but I gave notice when we last extended the period of its operations that I would never do so again.

Mr. SMOOT. I am glad to hear that.

Mr. JONES of New Mexico. I know the Senator from Utah was opposed to it, as was I.

Mr. SMOOT. I will say to the Senator that if we were making this bill to operate only while the embargo lasted, or, if the embargo were to last as long as this bill, there would be no need for any rates to speak of, because the embargo provides that wherever an item can be made in this country in a sufficient quantity to meet the needs of the country, then permission can not be obtained to import it into the country.

Mr. JONES of New Mexico. Yes.

Mr. SMOOT. I want the Senator to understand that this bill is not being made for one year during which the embargo is extended, but we are making a bill to last we hope indefinitely.

Mr. JONES of New Mexico. Yes. I will call attention to a previous statement of the Senator in regard to that.

Mr. SIMMONS. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from North Carolina?

Mr. JONES of New Mexico. I yield.

Mr. SIMMONS. I understand with reference to this and a number of other commodities that are connected with the dye industry, the bill authorizes the continuance of the embargo.

Mr. SMOOT. For one year after the passage of the bill.

Mr. SIMMONS. It is also provided that the embargo may be extended for another year by action of the President.

Mr. SMOOT. In case the President sees fit to extend it, he is given that authority.

Mr. SIMMONS. I wish to ask the Senator if anticipating the termination of the embargo by the lapse of one year, or its termination at the end of two years by the action of the President in extending it, duties are not imposed to become effective as soon as an embargo is removed, and if those duties are not excessively high, so high that they will operate almost as a prohibition against the importation of these articles after the embargo shall have been removed?

Mr. SMOOT. Mr. President, there are some of the duties that I consider high and others which are not sufficient, in my opinion—and I am only expressing my opinion. I can not understand, however, why we should consume a whole day on an item like this when the present Underwood-Simmons Act provides a duty of 6 cents a pound and the House provided a duty of 20 per cent ad valorem, which the Senate committee has cut into, not to be effective while the embargo is on, but to be effective after the embargo is off.

Mr. JONES of New Mexico. Mr. President, of course the duties will be effective after the embargo is off, otherwise there is not justification for a duty on any of the items embraced within the embargo. That is quite true, but nevertheless the committee has fixed these rates in the manner I have stated. On tannic acid, which prior to the war, in normal times, sold for 50 per cent more than the gallic acid, the committee have levied a duty of only 4 cents a pound. Gallic acid is selling for about 50 per cent more than tannic acid——

Mr. SMOOT. Oh, no; it is only about 5 cents a pound. The Senator is wrong in that respect.

Mr. JONES of New Mexico. I was using the figures for the purpose of illustration. I withdraw the statement in regard to 50 per cent and will say 5 cents a pound more.

Mr. SMOOT. Five cents a pound.

Mr. JONES of New Mexico. But the fact remains that tannic acid now is selling for less than gallic acid, and gallic acid is under the embargo. That explains why the price is so high—50 per cent higher than it was prior to the war.

Mr. SMOOT. I have the prices here now for the years 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, and 1922.

Mr. JONES of New Mexico. I have them also and I have put them in the RECORD.

Mr. SMOOT. Has the Senator the invoice prices? Is he comparing invoice prices with selling prices of gallic acid?

Mr. JONES of New Mexico. That is what we are talking about.

Mr. SMOOT. But the Senator can not as to one item take the invoice price of the importation, and then as to the other item take the selling price quoted from a paper in this country as to what it sold for generally throughout the country. That is not a fair comparison.

Mr. JONES of New Mexico. I agree with the Senator that it is not, and for that very reason there is no proper basis for the rates in this bill.

Mr. SMOOT. I do not agree with the Senator as to that.

Mr. JONES of New Mexico. What I am attempting to show is that under normal conditions, ranging over a period of years when there was no war, tannic acid was about 50 per cent higher in price than gallic acid, while now the price of gallic acid has increased until it is above the price of tannic acid, and it is now proposed to put a duty on gallic acid of 8 cents a pound and on tannic acid of only 4 cents a pound. The one is under the embargo and the other is not. The necessary result will be that they will protect the producers in this country in their high price for gallic acid much beyond the price of the tannic acid, which before the war was selling about 50 per cent higher than the gallic acid. It shows the utter lack of any information or scientific basis for the framing of this bill. It is mere guesswork.

Summing it all up, I am inclined to agree with the Senator from North Dakota that they just accepted the 25 per cent ad valorem blanket which the House had spread over the whole basket clause of this paragraph. They got prices from somewhere, and then figured out that the prices at so much per pound would result in about 25 per cent ad valorem. That is the pitiable spectacle which we have here—that they attempt by a specific rate, based upon uncertain and in this case practically regulated prices, to levy a blanket ad valorem tax. My belief is that when they came to this paragraph they probably turned it over to some clerk, some assistant who was helping to figure out this thing, and told him to change that from an ad valorem to a specific duty, without ever giving any consideration to the effect of such procedure; but it has been demonstrated here by the statements of the Senator from Utah and by the facts in the case that they are levying a tax 100 per cent higher upon one article than upon the other, with the evident and inevitable result that they build up a monopoly in this country. It is a monopoly under this embargo. They want it a monopoly when the embargo ceases.

Mr. SMOOT. Mr. President, the Senator must not misquote me again. The duty on tannic acid the strength of which is less than 50 per cent is 4 cents a pound. Above 50 per cent it is 10 cents a pound. The Senator now is comparing the tannic acid above 50 per cent, the duty on which is 10 cents, with gallic acid, and that is the only thing he can compare it with. He can not compare it with the other, because the other is just simply a liquid extract of nutgalls when it is less than 50 per cent, and that is not tannic acid. If the Senator is going to make any comparison, he ought to be absolutely fair and make it between two items that are comparable; and therefore it is 10 cents as against 8 cents.

Mr. JONES of New Mexico. Then I will ask the Senator what is the strength of these acids here? These are official figures which I have.

Mr. SMOOT. I know from the price of them what strength they are, and I think the Senator will agree with me. The prices of the technical acid and the medicinal acid are given here for every year from 1914 down.

The price of tannic acid in 1914 was 70 cents for technical acid and 75 cents for medicinal acid.

In 1915 the prices were 70 and 75 cents, respectively.

In 1916 the prices were 45 and 80 cents; that is, when the war began.

In 1917 the prices were 65 and 95 cents.

In 1918 the prices were 55 cents and $1.30.

In 1919 the prices were 65 cents and $1.40.

In 1920, 60 cents and $1.35.

In 1921 the medicinal acid—that is the only quotation we have—was $1.

In 1922 it fell to 75 cents.

In the case of gallic acid, the price of the medicinal acid in 1915 was 75 cents, as against 75 cents for tannic acid at the same time.

In 1916 the price of gallic acid was 85 cents, as against 80 cents for tannic acid.

In 1917 it was $1.28, as against 95 cents.

In 1918 it was $1.55, as against $1.30 for tannic acid.

In 1919 it was $1.60, as against $1.40.

In 1920 it was $1.40, as against $1.35.

In 1921 it was $1.15, as against $1.

In 1922, which is the first time it fell under the price of tannic acid, it was 70 cents, as against 75 cents.

Mr. JONES of New Mexico. Mr. President, I was going according to these official figures of importations.

Mr. SMOOT. I know where the figures come from, and I want to say that to be absolutely fair between man and man, and fair to the Senate itself, the Senator ought to quote comparable figures. The Senator is quoting the foreign invoice price and comparing it with the price at which the commodities are quoted in the United States. That is hardly a fair comparison, and I think the Senator will admit it. There is not anything in this whole matter that I want to cover up at all—not in the least—but I do think it is fair, when you are comparing two items here, that they should be two items that are comparable. The Senator ought not to take something that is not comparable with one article and then say that it is a 100 per cent increase, whereas the gallic acid is just 20 per cent less than the same quality of tannic acid.

Mr. JONES of New Mexico. Let me ask the Senator from Utah whether he did not say that the reason why they had a lower duty on the tannic acid of that grade was because it was lower?

Mr. SMOOT. No; the gallic acid is lower than the tannic acid of the same character. The tannic acid is 10 cents and the gallic acid is 8 cents. Then I said to the Senator that the price of gallic acid to-day of the medicinal grade is lower than the price of tannic acid, and before the war it was higher. The Senator is correct in that; but we found that the more pure tannic acid required in this country a little more protection than did gallic acid. The House did not agree with us, but we think we are right.

Mr. JONES of New Mexico. Mr. President, then there is an absolute difference in view between the Senator from Utah and the Senator from North Dakota that this was to be made on the basis of 25 per cent ad valorem. Would not the price of the tannic acid have to be twice as high as the price of the gallic acid in order to make each of them 25 per cent, when you have a duty of 4 cents a pound on one and 8 cents a pound on the other? Is there any such difference in those prices?

Mr. SMOOT. As I told the Senator, the whole difference is in strength. The rate of 4 cents a pound that the Senator speaks of is not on the same tannic acid that is quoted in the prices that the Senator has just read, or that I have just read. It is the higher grade of tannic acid that carries a rate of 10 cents a pound.

Mr. JONES of New Mexico. I will ask the Senator now whether the present prices which he is reading from are the prices which were considered by the committee when the bill was prepared?

Mr. SMOOT. They were the only prices that the committee had, and the prices that I have quoted are for the medicinal acid in both cases.

Mr. JONES of New Mexico. What is the date of those prices?

Mr. SMOOT. They are right up to date—April 10, 1922.

Mr. JONES of New Mexico. What time in 1922?

Mr. SMOOT. April, 1922.

Mr. JONES of New Mexico. These items were prepared before that.

Mr. SMOOT. No; I do not think so, Mr. President. I think this is almost one of the last amendments that was put in this bill.

Mr. JONES of New Mexico. And is that the only information that the Senator had when this bill was prepared?

Mr. SMOOT. We had all the prices from 1913 clear down to date. We had everything laid before us there as collected by the Tariff Commission, and we noted exactly what the prices were each year, and that is the information that we acted upon, given us by the Tariff Commission.

Mr. McCUMBER. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. McCUMBER. If the Senator will allow me, because he has stated several times that there was some difference in statement between the Senator from Utah [Mr. SMOOT] and myself, I will say that the pre-war price of gallic acid was about 30 cents a pound. We put a duty of 8 cents a pound upon it. That is equivalent to about 21 per cent ad valorem. The price of tannic acid before the war—the figures I have here are for 1911—was 39 or 40 cents, and we put a duty of 10 cents a pound upon it. That would be just about 25 per cent. On one it would be about 21 per cent on the pre-war figures, and on the other it would be about 25 per cent; but on the whole, taking the prices throughout, it would range about 25 per cent on the pre-war prices, and we thought that was about fair.

Mr. WALSH of Montana. Mr. President, will the Senator pardon an interruption?

Mr. JONES of New Mexico. I yield.

Mr. WALSH of Montana. The information now given by the Senator from North Dakota is interesting, because I have understood heretofore that these duties were levied upon some basis of the difference in cost of production, or difference in the price in the foreign market and the price in the American market; but I gather that that was not the rule here, because here, I gather from what the Senator has said, the committee conceived that 25 per cent was about the right rate of duty, and that that rule was observed in this instance.

Mr. McCUMBER. I have stated that we thought that 25 per cent was a sufficient duty in this instance, and we levied that per cent.

Mr. WALSH of Montana. Then, so far as this item was concerned, the rule——

Mr. McCUMBER. There is no rule to go upon in regard to the present cost of an article which is not being imported at all; and I think we were safe in relying practically upon the pre-war prices of these two articles, inasmuch as the importations were practically negligible. This tariff bill is not alone for protection. It is for both protection and revenue. The Underwood rates were 6 cents. On one of these articles we raised those rates to 8 cents. Eight cents represents an equivalent of about 25 per cent ad valorem on the basis of the pre-war price of the foreign importations at that time. To get down to every instance and show just what the cost of production at home and abroad was is impossible. The Senator understands as well as I do the impossibility of ascertaining that in all cases. If we could ascertain it, it would be a pretty fair rule to follow.

Mr. WALSH of Montana. Of course, I was simply quoting the Senator from North Dakota, who told us some days ago that that was the rule that was observed.

Mr. McCUMBER. Oh, no, Mr. President.

Mr. WALSH of Montana. Oh, yes.

Mr. McCUMBER. I do not want to be misquoted. I gave that rule as well as half a dozen other ones, all of which had to be taken into consideration, and I never stated at any time that we held to one specific rule.

Mr. WALSH of Montana. No; the Senator did not say that.

Mr. McCUMBER. That has been quoted so many times, and so inaccurately, that it seems to me there ought to be a time when it will cease to be reiterated.

Mr. WALSH of Montana. I do not want to be inaccurate at all, if the Senator will pardon me. I have before me his very language in answer to an inquiry addressed to him by the Senator from New Mexico.

Mr. McCUMBER. But the Senator has not all of my statements.

Mr. WALSH of Montana. No; I have not all of them.

Mr. McCUMBER. I do not pretend, in a little colloquy that may relate only to one question, to bind myself to state everything that was taken into consideration in fixing a rate. I did that in the first instance. I have reiterated it several times over since.

Mr. WALSH of Montana. I do not undertake to say that the Senator did not say something else at some other time; but, being interrogated by the Senator from New Mexico as to the principle upon which the rates were fixed, the Senator stated without any equivocation and without any qualification that the rule was the difference in cost of production, with the cost of transportation to this country added to the foreign cost.

Mr. McCUMBER. Mr. President, I did not state that without any qualifications, and if the Senator will read further along he will find that I did give other bases of ascertaining what would be a fair test.

Mr. WALSH of Montana. I will not quarrel with the Senator about that, but I want to inquire of him now whether this other rule—that is to say, the 25 per cent rule—was applied only to those commodities falling under the embargo act, or whether it was pursued further in levying the rate?

Mr. McCUMBER. There is a general basket clause in the chemical schedule which carries a duty of 25 per cent ad valorem. We thought there should be a specific duty on many of these articles. We placed a specific duty that would be about the equivalent of 25 per cent as nearly as we could ascertain it, so that it would be in about the same ratio as the many items on which we could not put a specific duty on account of lack of

description, and so forth, and which would fall under the basket clause and pay 25 per cent ad valorem.

Mr. WALSH of Montana. Are we to understand that the 25 per cent ad valorem represents the difference between the cost of production here and abroad?

Mr. McCUMBER. There are articles the importations of which are comparatively small, and I have stated time and again that there are only very few instances in which we could get the figures as to the actual cost of production of an article at home and the cost of production of the same article abroad. There are some American manufacturers who also have factories in foreign countries, and they have been good enough to give us in many instances just what it costs them in the United States to produce an article, giving all the items which make up the cost and the equivalent items which make up the cost in a foreign country. We are unable to get that in very many instances. But, as I have stated time and again, there has always been a very close relation between the selling price of an article produced abroad in the markets abroad and the selling price of an article produced in the United States in the markets of the United States, and without a better basis we have adopted that, both in Republican tariffs and in Democratic tariffs, as the basis of making our duties, rather than fixing them upon the basis of the cost of production abroad.

Mr. WALSH of Montana. I am not quite sure that I understand the Senator's reply to my inquiry; but, as I understand him now, the 25 per cent, or the other ad valorem rate, whatever the rate may be, on these articles in the basket clause, to which he refers, does not represent the difference in the cost of production here and abroad, or at least the committee does not know whether it does or does not.

Mr. SMOOT. No; and no one who ever voted for a basket clause in a tariff bill would know whether every item should be given that rate or not. The basket clause is to include everything that is not specifically mentioned. Nobody can tell what will fall in it. There may be new items developed between the enactment of one tariff law and the passage of the next which would fall in the basket clause.

Mr. WALSH of Montana. I should think so. We will understand, then, that with respect to all items in the basket clause the rule that the rate is fixed by taking the difference in the cost of production here and abroad does not apply at all.

Mr. SMOOT. It may apply.

Mr. WALSH of Montana. It might possibly apply.

Mr. JONES of New Mexico. Mr. President, I thank the Senator from North Dakota for his endeavor to straighten out this difficulty, but I am afraid we are in a worse dilemma than ever. The Senator from Utah just stated that these rates were fixed on the prices in the Drug Journal of this year. The Senator from North Dakota has just stated that they were fixed on the basis of the prices prior to the war, so I am afraid that instead of helping out the situation they have made the situation worse. One Senator takes one time, the other another, and I am at a loss to understand how one could take prices of one period and another prices at another period, with the war occurring in between, and thus furnish any scientific basis for the preparation of this bill.

I realize that the Senator from Utah had one expert at his side conferring with him while he was attempting to answer, and the Senator from North Dakota had another at his side.

Mr. SMOOT. Mr. President, I want to say, as far as the expert at my side is concerned, that I have him here to hand me the prices to be quoted when I tell him what I want. I have a knowledge as to the items, but do not carry the figures in my mind as to all the items.

Mr. JONES of New Mexico. Did not the Senator from Utah state that the duties were arrived at by taking the prices quoted for April?

Mr. SMOOT. I said the prices I gave were quoted in April.

Mr. JONES of New Mexico. I asked the specific question, if those were the prices on which this bill was framed, and the Senator from Utah said they were, that they got as recent prices as they could.

Mr. SMOOT. The Senator never said anything of the kind. The Senator said we took the difference in the prices of the two articles; that is, the pre-war price compared with the price to-day. We took the prices of to-day to show the difference between tannic acid and gallic acid.

Mr. JONES of New Mexico. I ask the Reporter to give me a copy of just what the Senator from Utah did say.

Mr. SMOOT. The Reporter can read it if the Senator desires, if he can find it; but if the Senator expects me to stand here and help him kill time by answering, when he asks the same question every day, as the Senator from New Mexico has been doing in the last five or six days, as to how we arrived at every single rate in the bill, I am not going to take the time to answer.

Mr. JONES of New Mexico. I think the Senator is probably wise in not trying to answer.

Mr. SMOOT. I may be wise, but I am not going to do it; I am not going to be a party to this delay.

Mr. JONES of New Mexico. Never yet has any Senator on the other side undertaken to give a scientific basis for the framing of this bill, so far as the great majority of its items are concerned.

Mr. SMOOT. No Senator on this side could make any kind of an answer that would be satisfactory to the Senator from New Mexico. Nobody could answer him. If we answered him one way, then the Senator from New Mexico would take just the opposite view, and what is the use of wasting the time?

Mr. JONES of New Mexico. The trouble is, as the Senator from North Dakota stated a while ago, that they had one basis for a part of these items and another for another, and so on. It is all jumbled up, and nobody can tell about it, and I do not blame the Senator for not wanting to even give the facts as to the basis on which the duties on these items were fixed. I think the country ought to know just precisely how the situation has developed; that this bill is nothing but a hopper full of different ideas and different guesses, and by turning the machine they grind out these rates.

Mr. President, I just read in connection with the hearings on this particular item, or on the one just preceding, a statement of the Senator from Utah that he did not expect this bill to last many years.

Mr. SMOOT. The Senator from Utah did not say any such thing. The Senator from Utah said they were making this bill to last more than a year, and therefore we were not making the rates to take effect as long as the embargo lasted.

Mr. JONES of New Mexico. I just read what I stated. I read it to-day, but I do not think I will be able to put my hand on it without too much delay. I do not want to retard the passage of this bill when we can do it in an intelligent way, but I quoted the exact language of the Senator as used in these hearings.

Mr. SMOOT. The Secretary can read just what I said.

Mr. JONES of New Mexico. I referred to what the Senator said in the hearings before the committee.

Mr. SMOOT. I do not know what the Senator has reference to. I may have asked a witness whether he wanted it to remain on the statute books more than a year.

Mr. JONES of New Mexico. What the Senator said was that this bill would not last many years.

Mr. SMOOT. That is what I expect and that is what I hope, but the Senator said I made the statement that it would not last many years, or else I misunderstood him.

Mr. JONES of New Mexico. The Senator now says that he made such a statement, but that it was not on the floor of the Senate that he made it.

Mr. SMOOT. The Senator is mistaken again. The Senator from Utah stated that this rate upon gallic acid was not made to take effect while the embargo was to be in force, and that is only for a year. But we made the rates apply to gallic acid on account of the fact that we expected this bill to remain on the statute books for some time.

Mr. JONES of New Mexico. I wanted to compliment the Senator on having made what I believed would be a correct prophecy, that this bill will not remain on the statute books many years. I can not turn to it just now, but I will be glad to read it to the Senator.

Mr. SMOOT. To what rate did it apply, and in what hearing was it?

Mr. JONES of New Mexico. I will not take up the time in trying to find it now, but I will find it for the Senator.

Mr. SMOOT. I never looked over any of the reports made of those hearings, but if a stenographer ever reported me as saying that I did not expect this bill to remain on the statute books more than a year——

Mr. JONES of New Mexico. I said not many years.

Mr. SMOOT. Or not many years, then he reported me incorrectly. There may be lots of mistakes in the report, because I did not have the time to look over a single statement made before the committee.

Mr. JONES of New Mexico. I am quite sure that that was the case; nevertheless, it appears in the printed report of the hearings before the committee. I shall endeavor to find the passage, and I shall also get the notes from the reporter as to what the Senator said this afternoon.

I want to disclaim any thought of unnecessarily delaying the passage of this bill, as the Senator from Utah has just inti-

mated I am doing. I have no such intention as that in my mind, but I do insist that the people of this country shall understand, before it is passed, what a monstrosity this bill is, and I hope that there will be such an uprising of sentiment in this country that the committee will be forced to ask to have this bill recommitted.

Mr. SMOOT. Mr. President——

Mr. JONES of New Mexico. Mr. President, I do not care to yield any further. I want to get a vote on this item.

Mr. SMOOT. That is what I want. I want to say that so far as I am concerned I will frankly admit to the whole American people that the Senator from New Mexico is disgusted with the bill and will remain in that frame of mind. Not only today, but up until the minute it is passed he will say that it is a monstrosity.

Mr. JONES of New Mexico. Of course, the Senator from Utah would not apply adjectives of that sort to a product of his own brain. I presume he must view this measure with great admiration, but the people of the country are going to understand what it is. I do not want them to accept my views on the bill. I do want to develop what the items mean, and then let the people of the country judge for themselves. I do not ask my people to accept my judgment about the bill, but I do think they are entitled to know just what the bill means, and then pass their own judgment upon it.

Mr. President, I do not believe that there is any just foundation for these rates. I do not believe that any explanation has been made which would approach a justification for the rates. When we begin to ask questions as to why these rates were made and the basis for them, we are met at once by the assertion that we are filibustering. I deny any such motive from this side of the Chamber.

Mr. WALSH of Montana. Mr. President, I wish to place in the RECORD at this point the remarks of the Senator from North Dakota [Mr. MCCUMBER] alluded to a moment ago, to be found on page 5946 of the RECORD of April 25, being interrogated by the Senator from New Mexico [Mr. JONES], as follows:

> I respectfully request that the chairman of the Finance Committee give the Senate and the country the reason why acetic acid was taken off the free list and put upon the dutiable list. Will the Senator from North Dakota oblige us with some information on that subject?

The Senator from North Dakota in reply made the following statement:

> Mr. President, the reason I can give for placing this particular item upon the dutiable list is the reason that permeates the bill throughout; it is to equalize the difference between what is supposed to be, as nearly as we can arrive at it, the cost of production abroad, including the cost of shipment into this country, and the cost of manufacturing in this country.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. KING] to the amendment of the committee. It will be stated.

The READING CLERK. On page 3, line 1, strike out "8" and insert "2," so as to read:

> Gallic acid, 2 cents.

Mr. KING. I call for the yeas and nays.

The yeas and nays were ordered and the reading clerk proceeded to call the roll.

Mr. JONES of New Mexico (when his name was called). I have a general pair with the Senator from Maine [Mr. FERNALD]. I transfer that pair to the senior Senator from Missouri [Mr. REED] and vote "yea."

Mr. STERLING (when his name was called). Transferring my pair with the Senator from South Carolina [Mr. SMITH] to the junior Senator from Oregon [Mr. STANFIELD], I vote "nay."

Mr. SUTHERLAND (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON]. I transfer that pair to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. WALSH of Montana (when his name was called). I observe that the Senator from New Jersey [Mr. FRELINGHUYSEN], with whom I have a pair, is not present. Therefore, I withhold my vote.

The roll call was concluded.

Mr. COLT. I transfer my pair with the junior Senator from Florida [Mr. TRAMMELL] to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

Mr. PHIPPS. I have a pair with the Senator from South Carolina [Mr. DIAL], which I transfer to my colleague [Mr. NICHOLSON], and vote "nay."

Mr. MCKINLEY. I have a pair with the junior Senator from Arkansas [Mr. CARAWAY], which I transfer to the junior Senator from Maryland [Mr. WELLER], and vote "nay."

Mr. STANLEY. I have a general pair with the junior Senator from Kentucky [Mr. ERNST]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. MCKELLAR. I have a general pair with the junior Senator from Indiana [Mr. NEW], which I transfer to the senior Senator from Arizona [Mr. ASHURST], and vote "yea."

Mr. HARRISON. I transfer my pair with the junior Senator from West Virginia [Mr. ELKINS] to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. WALSH of Montana. I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the senior Senator from Tennessee [Mr. SHIELDS] and vote "yea."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON].

The result was announced—yeas 21, nays 42, as follows:

YEAS—21.

Fletcher	King	Pomerene	Walsh, Mass.
Harris	La Follette	Sheppard	Walsh, Mont.
Harrison	McKellar	Simmons	Williams
Heflin	Myers	Stanley	
Hitchcock	Overman	Swanson	
Jones, N. Mex.	Pittman	Underwood	

NAYS—42.

Ball	Gooding	McKinley	Smoot
Borah	Hale	McLean	Spencer
Brandegee	Harreld	McNary	Sterling
Broussard	Johnson	Newberry	Sutherland
Bursum	Jones, Wash.	Norbeck	Townsend
Calder	Kellogg	Oddie	Wadsworth
Capper	Kendrick	Page	Warren
Colt	Keyes	Phipps	Watson, Ind.
Curtis	Lodge	Poindexter	Willis
du Pont	McCormick	Rawson	
France	McCumber	Shortridge	

NOT VOTING—33.

Ashurst	Elkins	Nelson	Shield
Cameron	Ernst	New	Smith
Caraway	Fernald	Nicholson	Stanfield
Crow	Frelinghuysen	Norris	Trammell
Culberson	Gerry	Owen	Watson, Ga.
Cummins	Glass	Pepper	Weller
Dial	Ladd	Ransdell	
Dillingham	Lenroot	Reed	
Edge	Moses	Robinson	

So Mr. KING's amendment to the committee amendment was rejected.

The PRESIDING OFFICER (Mr. JOHNSON in the chair). The question is on agreeing to the committee amendment.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. KING. Was the vote just taken a final disposition of the item of gallic acid?

The PRESIDING OFFICER. The vote just taken was upon the amendment offered by the junior Senator from Utah to the committee amendment. The question is now upon agreeing to the committee amendment:

> Gallic acid, 8 cents per pound.

Mr. HITCHCOCK. Before that vote is taken, I wish to put in the RECORD an article from the Chicago Tribune——

Mr. SMOOT. That has already been placed in the RECORD.

Mr. HITCHCOCK. I did not know that.

Mr. SMOOT. Oh, yes; the Democratic clipping bureau begins its activities early in the day.

Mr. HITCHCOCK. The Chicago Tribune is the officially recognized organ of Republicanism, and it seems to me the article ought to be in the RECORD, especially in view of some of the declarations made by the Senator from Utah and others who seem to be alarmed lest the people of Germany should ship a few chemicals or other manufactured articles to the United States. The Senator from North Carolina [Mr. SIMMONS] informs me that this is not the article which he put in the RECORD. As it comes from such a good Republican authority as the Chicago Tribune, I think some of my Republican colleagues may be interested in hearing it, so I will read it:

BOGY OF WORLD TRADE GOBBLED BY BERLIN FADES—MARCH BALANCE REVEALS GENESIS OF COLLAPSE.

WASHINGTON, D. C., May 8—(Special).—Federal officials are no longer worried about the threatened German post-war supremacy in world commerce. It is a collapsing bogy, they declare.

Government economists report that German trade has been falling off and that in March Germany slumped into an adverse trade balance with imports exceeding exports by some 8,600,000,000 marks as the net deficit for that month.

HAD WORLD ALARMED.

The feverish trade of Germany after the war continuing at high heat until the last few months, raised the bugaboo of world domination by a recuperating industrial nation which could dump cheaply manufactured products into the markets of the world. Considerable section of

American public opinion entertained apprehension of a German commercial drive which would force competing countries out of the markets.

Germany made that drive, and comparison of export statistics for 1920 and 1921 shows how she undercut competition and gave the apprehensive some grounds for believing the bogy was a thing of substance.

But during the last six months authorities in the Department of Commerce have discovered the signs of collapse.

WHEN PEAK WAS PASSED.

Germany has had a favorable trade balance through the winter months, but for March her imports were 29,600,000,000 marks and her exports 21,300,000,000. The excessive imports were largely in raw materials—ores, hides, and skins and fats and oils included. Imports of food were less.

The unfavorable balance of March is the more extraordinary, because of January and February Germany had favorable balances of 1,400,000,000 and 1,200,000,000 marks, respectively.

In a few words, as Government specialists see it, the German offensive into the world markets has fallen short.

I wonder if the Committee on Finance is going to insist on its false claim that we have got to raise a high tariff wall against German exports because Germany is going to threaten the overwhelming of the industries of the United States. Can the committee not see the condition which Germany is in, her inability to buy her raw materials, her difficulty in dealing with a depreciated currency? Can the world not see that this is a mere pretense for raising a tariff wall to enrich a few manufacturing concerns in this country? I do not see how such a pretense may longer be upheld or defended by members of the Committee on Finance. Even the Republican Department of Commerce in this statement destroys the bogey, destroys the pretense which the Committee on Finance are holding before the American people as a warrant for increasing their taxes and maintaining the extortionate prices now being charged by some of our manufacturing enterprises.

The PRESIDING OFFICER. The question recurs upon the committee amendment.

The committee amendment was agreed to.

The next amendment of the Committee on Finance was, on page 3, line 1, after the word "oil," to insert "1½ cents per pound," so as to read:

Oleic acid or red oil, 1½ cents per pound.

Mr. KING. Mr. President, I regret that the parliamentary situation will not enable us at this moment to present the issue involved in this item in the manner in which it should be presented to the Senate and to the country. Oleic acid, or red oil, as it is denominated, carried in the House bill in a sort of a basket clause an ad valorem rate or duty of 25 per cent. It has been transferred by the Senate committee from the basket clause and is given a specific rate of 1½ cents per pound. Measured by a proper normal valuation—I mean pre-war—of the product, that specific rate is equivalent to approximately a 40 per cent ad valorem rate.

Mr. SMOOT. Oh, no.

Mr. KING. So the Senate committee bill gives us an ad valorem rate 15 per cent higher under the specific designation than the ad valorem rate which was fixed by the other House. The parliamentary situation will not permit me at this time to move to transfer this item to the free list. I think it will be obvious, when I call the attention of the Senate to some figures relative to this commodity, that it ought not to bear any duty at all; that in any rational, fair, or just tariff bill this acid or oil should be placed upon the free list.

Mr. SMOOT. Mr. President, just a word.

The PRESIDING OFFICER. Does the Senator from Utah yield to his colleague?

Mr. KING. I have not concluded.

Mr. SMOOT. Excuse me.

Mr. KING. I wish to call attention briefly, Mr. President, to some of the data which have been furnished by the Tariff Commission. I want Senators to understand exactly what this item is and who are to be the beneficiaries of a tariff on the same:

Oleic acid, which is commercially known as "red oil," is a clear, dark-red, fatty acid. It is obtained from fats and oils in the manufacture of soap. There are three grades of oleic acid, one a medicinal grade, conforming to specifications of the United States Pharmacopœia, and the other two, commercial grades, known as "saponified" and "distilled" red oil.

"Saponified" means the disintegration of the tallow into certain constituent parts.

The principal consumption of oleic acid is in the manufacture of textile soaps—

The soaps which are employed largely by the laundries and by the great mass of the people, and also by the textile mills.

Other important uses include the manufacture of oil-soluble colors, certain kinds of patent leather, polishing preparations, and lubricating and screw-cutting compounds.

Production of the larger part of oelic acid, or "red oil," is at soap and candle factories, although numerous small factories make this product only. The domestic output of 1912 was 27,494,000 pounds, but from 1914 to 1920, inclusive, it ranged between 38,000,000 and 43,000,000 pounds annually. Production for the first nine months of 1921—preliminary figures—was about 22,000,000 pounds.

Import figures are available for the fiscal year 1914 only, and were 367,070 pounds, valued at $24,662. This is approximately 1 per cent of the domestic production.

Mr. President, the packing companies are chiefly concerned in the production of this commodity. By this bill we are going to give a gratuity to the packing interests. Why are there no importations? Because the world is devoid of fats to-day. We are the great producing market for fat products from which this acid is derived as well as the stearic acid, an item to which we will refer a little later.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. KING. I yield.

Mr. McCUMBER. I understood the Senator to state that oleic acid is a product of the packing houses?

Mr. KING. And of the soap producers.

Mr. McCUMBER. It is a product of soap making. It may be that some of the packing houses which produce fats and oils may be interested in it.

Mr. KING. The packers make soap.

Mr. McCUMBER. The object of my suggestion was to indicate that it simply would be of interest to those manufacturers or packers who make soaps.

Mr. SMOOT. Mr. President, the oil or acids referred to are made mostly into soap and used by the textile manufacturers of the country. It is not hardened. I have bought it by the carload for the purpose of making soap to wash flannels particularly, and it is a good commodity for that purpose. That is where the great bulk of it is used.

Mr. KING. Oleic acid, when you go to the genesis of it, is found in tallow, and tallow comes largely from the packing plants.

Mr. SMOOT. Of course it is found in any vegetable oil.

Mr. KING. I understand, but it is largely made, as I think my colleague will admit, from the tallow which we obtain in such enormous quantities from the packing institutions of the country.

In the Underwood law, paragraph 5, the rate of duty is 15 per cent ad valorem. In my opinion, that is entirely too much; it ought to be on the free list. It is obvious that it ought to be on the free list when our importations are only 1 per cent of the domestic production. I can not comprehend how Senators justify the tariff rate fixed with respect to this item or any tariff rate where the imports are only 1 per cent of the domestic production or of the domestic consumption, because it is obvious that, even if revenue was sought, with only 1 per cent imports the revenue would be negligible in amount.

Mr. McCUMBER. Mr. President——

Mr. KING. I yield to the Senator from North Dakota.

Mr. McCUMBER. I will ask the Senator if he has made any computation in order to base a comparison between the ad valorem duty under the present law and the specific duty under the proposed rate?

Mr. KING. Does the Senator mean the House bill?

Mr. McCUMBER. No; I mean the rate under the present law as compared with the rate proposed by the Senate committee. The pre-war price, going back to 1914, was 7 cents a pound. The ad valorem duty upon that price under the present law would be one cent and five one-hundredths of a cent per pound. The duty which we propose is 1½ cents, so that the only difference between what we propose and the present duty is five one-hundredths of a cent and five-tenths of one cent.

Mr. KING. The pre-war price for this acid, as I have been able to obtain it, was approximately 3½ cents a pound.

Mr. McCUMBER. It was 7 cents a pound according to the last figures I have.

Mr. KING. The quotations on April 24 last—and the figures are substantially the same in the last record I have—were 8½ to 9 cents a pound.

Mr. SMOOT. Mr. President——

Mr. KING. I yield to my colleague.

Mr. SMOOT. I call the Senator's attention to page 20 of the Tariff Summary, from which it appears that the figures as to importations, which are available for the fiscal year 1914 only, are 367,070 pounds, valued at $24,662, which represents a value of 7 cents a pound.

Mr. KING. I have read that into the record.

Mr. SMOOT. To-day, as the Senator says, the price is 8½ cents. On 8½ cents a duty of 1½ cents would be only 18 per

cent. The Senator said the duty was 40 per cent, whereas the duty proposed is only 3 per cent higher than the duty imposed under the present law.

Mr. KING. If my colleague will pardon me, what I said, or at least what I intended to say, was that under the House bill an ad valorem rate of 25 per cent was provided, and that under the Senate bill the item had been removed from the basket clause of 25 per cent ad valorem and given a specific rate of 1½ cents per pound, and that the difference between the basket rate and the Senate rate, as I figured it, would be the difference between 25 per cent ad valorem and 40 per cent ad valorem; or, in other words, the Senate has increased the rate approximately 15 per cent ad valorem, based on pre-war prices.

Mr. SMOOT. Of course, the Senator is wrong in that statement. The Senate has decreased the rate on the present price from 25 per cent to 18 per cent.

Mr. KING. It depends entirely, of course, upon the price which you assume the product has in the market.

Mr. SMOOT. Then, take the pre-war price of 7 cents—and I will say to the Senator that that is about as cheaply as it could be bought at any time, because I have bought it by the carload many and many a time.

Mr. KING. That is so long ago that it is outlawed.

Mr. SMOOT. That is outlawed; but, I say, the report itself shows that, so that that will be only 20 per cent, and that is a reduction from the House rate of 5 per cent, and it is only an increase of the rate under the present law of 5 per cent. If we go back to the pre-war price, then this rate will be a little higher than the rate of the existing law, but still will be less than the House provision.

Mr. KING. Mr. President, there may be some controversy as to exactly what the pre-war prices were with respect to this item; my colleague figures on one basis and I upon another. If the pre-war price is as I have stated, then the Senate bill increases this tariff over the House bill. But the point I am making is that here is an item which carries a duty which, measured by any rule which ought to apply in the formulation of a tariff bill, whether it be drawn by the most extreme protectionist or by the moderate protectionist, ought to bear no duty at all, but ought to be placed upon the free list. I am not here complaining of the views of distinguished Senators who believe in a moderate degree of protection. There may be, of course, differences of opinion as to what would be a fair and a moderate rate of protection, but those who seek to justify protection place it upon the ground of protecting an infant industry, or the difference in the price of labor abroad and labor in the home market, or some other real or fanciful reason. I have not yet been able to discover, however, any protectionist who offers a rational reason for a protective tariff when there can be no revenue derived and there is no competition. Can anybody say that 1 per cent import of tallow or oleic acid is a menace to the great tallow industry of the United States, which is controlled by the so-called Packers' Trust? You are now, in my opinion, by giving any rate at all to this item, making a contribution to the packers of the United States and to a few who produce oleic acid.

We want cheap soap. The people need cheap soap. The tallow which is produced by the packers is the basis of soap and is the basis of this oleic or red oil. If you increase the price of the tallow you increase the price of the oleic acid, and to that extent you increase the price of the quality of soap used by the great bulk of the American people.

Why give to the packers of the United States and a few other concerns this gratuity, I should like to know? How do you protectionists justify it? The junior Senator from Wyoming [Mr. KENDRICK], who is voting for these schedules, has been waging a bitter war against the packers, denominating them a great trust, and urging legislation to restrict their operations. I have no doubt, however, that he will vote for this schedule in order to put more money into the pockets of the packers. There are agriculturists on the other side, Senators who belong to the agricultural bloc and this tariff bloc, who profess great devotion to the masses of the people and want cheap soap and cheaper products for the great mass of the people, and who talk about the packers' trust as if it were a great devouring monster; and yet when we have a record vote upon this item every one of them will come up to the scratch—if I may be permitted this language of the street—and vote for the packers. The Senator from Kansas [Mr. CAPPER], the head of the agricultural bloc, who loves the farmers and people so much, will vote for this rate to put money into the pockets of the packers and a few manufacturers.

Mr. President, there is not a word of testimony, so far as I can find, in the record on oleic acid. Who asked for the duty on it? Was it the agricultural bloc or the tariff bloc? The tariff bloc submitted schedules. I should like to examine the schedules that the tariff bloc submitted to the Republican members of the committee. Did the tariff bloc urge a tariff of 1½ cents per pound upon oleic acid?

I should like an acid test of the fidelity of the farm bloc, the agricultural bloc, and the tariff bloc to the interests of the people, or their devotion to the trusts, the Packers' Trust and the other trusts and combinations that are so well taken care of under the provisions of this schedule and other schedules in the bill.

I state again that there is no testimony on this subject. No one asked for this duty. Now, who did? I should like to ask the distinguished chairman of the committee, Who asked for this rate? What witness came before your committee and gave testimony? If you did not take any testimony openly, what individual came before the committee behind closed doors and asked for a rate upon oleic or red oil?

The question can not be answered. No one asked for the duty, apparently, and yet it is here. Who is to benefit by this rate? The people? No; because the purpose of the tariff is to increase domestic prices, at least temporarily, the Republican theory being that ultimately it may lead to a diminution of prices. But the theory of the tariff is to raise prices, to prevent competition with foreign production; and, of course, when you prevent competition you are preventing a fall in prices, or you are permitting an opportunity to increase prices; so that fundamentally when you increase tariff rates you are increasing the domestic rates, or the opportunity for the domestic producers to increase the domestic rates.

Mr. President, there is not much to be said in regard to this item. It is so palpably wrong that I can not for the life of me comprehend how Senators can justify it, or how they can vote for a tariff upon tallow, or upon oleic acid, which is one of the products of tallow, and which is so essential for the people.

When we reach the free list I shall move—it may not be done now, under our parliamentary system—to transfer the item of oleic acid or red oil, found in paragraph 1, from the dutiable to the free list.

Mr. UNDERWOOD. Mr. President, I do not desire to detain the Senate long on this item.

The rate of duty now proposed by the Senate committee is the same rate of duty that is carried in existing law, which, I think, agreeing with the Senator from Utah, is demonstrated by the facts and returns to be too high at this time; but what I want to call to the attention of the Senate is the matter of the drafting of this bill.

I know that the gentlemen who believe in the theory of protection do not agree with me in my theory that taxes should be levied for revenue and not for protection, but I do not understand how there can be such a wide divergence of opinion between the House Committee on Ways and Means and the Senate Committee on Finance as to what constitutes a protective tariff in many of these items. I am not going to make the suggestion that these rates have been guessed at, have been ascertained by the rule of the thumb, and, where there was no knowledge, a rate was put into the bill without consideration, although I find very little consideration shown by the testimony in reference to this particular item in either House. What I want to call to the attention of the Senate, however, is that I find that this particular item was not enumerated in the House bill. It did not have a specific rate against it. It was dropped into the basket clause, which provided for a tax of 25 per cent ad valorem. The Senate committee have amended the bill, and I congratulate them on amending it, by reducing the tax. They levy a tax of a cent and a half a pound, but what I do not understand is the wide divergence of opinion in reference to what constitutes a protective tariff between the Republican members of the Ways and Means Committee of the House and the Republican members of the Finance Committee of the Senate.

This is a small item, but, as a matter of course, of importance to some of the people of the United States. I find that the unit value of this article, as shown from the imports in 1914, was 28 cents. A tax of 25 per cent would be one-fourth.

On further investigation, Mr. President, I find I had the wrong paragraph in reference to value. It was oxalic acid which was called to my attention. But I find that diversity of opinion. As the unit value of this particular acid is not expressed in the information which comes to me, I desire to ask those in charge of the bill if they have any statistics as to what the unit value of the last importations was?

Mr. McCUMBER. On the last importations we have I think it is about 8½ cents. The pre-war unit value, in 1914, was 7 cents. On a basis of 15 per cent on the pre-war, it would be 1.05 cents a pound. On the basis of 8½ cents it would be 1.225 cents per pound, and, in any instance, there would not be a

difference of more than about a quarter of a cent a pound between the rate in the present law and the duty as proposed by the Senate committee.

Mr. UNDERWOOD. If the unit value were 8 cents the tax of 25 per cent would be one-fourth, which would make it 2 cents a pound.

Mr. McCUMBER. The tax under the present law is 15 per cent.

Mr. UNDERWOOD. I am not talking about the present law. I was discussing the difference in rates levied in the bill as it passed the House and the Senate committee bill.

Mr. McCUMBER. The Senator must ask the House committee to explain its own views. We, of course, can not answer for them.

Mr. UNDERWOOD. That is true, but it is not so great in respect to this item as in respect to others. The question which struck me, in viewing a number of these items, was the great divergence of opinion there seems to be in regard to these rates. In most cases the Senate committee rate is higher than that of the House, as appears in the taxing clause. On the other hand, in this particular case the rate is lower.

Mr. McCUMBER. May I correct the Senator in one statement, because I do not think he wishes to make the statement that broad? The bill as it passed the House was based upon the American valuation plan, and the Senate committee bill is based on the foreign valuation plan. As a matter of fact, most of the rates in the Senate committee amendments are very much less than the corresponding House rates.

Mr. UNDERWOOD. I am not prepared to state the difference. I realize, of course, that under American valuation a rate may be higher than the Senate rate, based on the foreign valuation, but, of course, as in so many of these items of which I am speaking neither valuation is used, the duty is a specific duty and not an ad valorem rate; and in those cases the question of valuation, whether it is American or foreign, does not apply. I was misled in reference to the figures when I started to call the matter to the attention of the Senator, but in this particular case there is not so much divergence of opinion between the House and the Senate. I find in the case of many of these rates that there is a very considerable difference in the viewpoint of the two committees as to what a protective rate is. Yet I find no explanation in the report of the committee, and no explanation in the hearings to show on what basis the divergence of opinion rests.

Of course, I would not vote for a protective rate under any circumstances, but there are some people who believe in a protective tariff, and unless the committee has just put some arbitrary rate in the bill, there ought to be some basis for arriving at a protective rate. What does protection mean, when you establish these rates? Of course, I know what you say it means in your administrative features of the law where you declare what I interpret as the statement that there shall be protection of wholesale profits in authorizing the President to raise the rates to that extent. That will be the basis in the end, if that clause is adopted and the President carries it out, no matter what rate you put in the bill now; but I do not understand from the testimony which has been presented or the information which has come before the Senate that any explanation has been given of the differences in rates, sometimes quite marked differences in rates, between the House and the Senate committee bill, outside of the question, of course, of American valuation and foreign valuation, which is apparent. That does not apply to these questions of specific rates at all, however. It seems to me, Mr. President, that there is that divergence of opinion.

This is no simple matter. The question of levying taxes on goods coming into the customhouse not only involves industry; if you make a mistake, you may seriously affect a certain industry one way or another, but, more than that, you are levying taxes on the American people, and a large amount of these imports on which you are levying these taxes are somebody's raw material. If you unduly tax them, you interfere with the ability of those who use them as raw material to go into the markets in competition with those who have less taxes to pay. Under those circumstances, it seems to me, that in order that the Senate may pass on the question intelligently, we should have some understanding or some explanation when a very considerable diversity is shown between the Senate rates and the House rates in this bill in order that we may be able to come to an intelligent conclusion as to what brought the minds of the two Houses to find a different verdict in reference to the same subject.

Mr. KING. Mr. President, I merely want to put into the record a statement of a witness before the Senate committee, on page 1274, the witness being Mr. Eckman, who represented the B. T. Babbitt Co., of New York City. That is a large soap concern, I am advised.

Mr. SMOOT. It manufactures Babbitt's soap.

Mr. KING. Mr. Eckman stated:

> We would rather have the free raw materials and no duty on the imported finished product than to pay a duty which would shut out our cheap raw materials and then get the protection on the finished product.

In other words, as a manufacturer of soap—and this product we are discussing now is vital in the production of soap—no tariff was desired. As I suggested a moment ago, no one has asked for a tariff upon this, and we are now, without testimony, without any request, so far as the record shows, voting this enormous gratuity into the pockets of the great packing trusts of the United States.

Mr. McCUMBER. May I ask the Senator if there is anybody who asked for a tariff on it when the Underwood tariff law was being framed?

Mr. KING. The Senator would know far better than I, as he was a Member of the Senate then and I was not. But I can conceive of the fact that changes have occurred between the time when the Underwood schedules were written and the present time. I can understand that at that time you might have justified a rate which might not be justified now, and I can understand that in drafting the Underwood-Simmons tariff law, great measure as it was, errors might have crept in, and doubtless did. The Underwood law is not an infallible tariff measure; and because I find certain tariff rates in the Underwood law, that would not, to my mind, be conclusive that the same rates should be perpetuated.

Mr. McCUMBER. I am not assuming that would be the case; but this has been upon the dutiable list for a great many years; and whether it was a Republican or a Democratic tariff bill, both parties have given it some duty, maybe upon the principle of a protective tariff, although I hardly think it is claimed so much upon that theory as upon the revenue basis in both bills; and the difference is almost infinitesimal between the two bills.

Mr. KING. Let me say to my good friend from North Dakota that he does not expect any revenue from this item, either under the rate in the House text or under the Finance Committee schedule.

Mr. McCUMBER. Indeed, I do expect a revenue from it as soon as things become at all normal. I do not expect any great amount, but I do expect some revenue. For the same reason that Congress in the Underwood-Simmons law levied a duty, as they did in the Payne-Aldrich law, and as in all the previous laws they levied a duty upon this article, so we continued the policy of levying a very small duty on it.

Mr. KING. The Senator from North Dakota gives evidence in exemplification of the statement of the great prophet of old, Paul, when he said, "Faith is the substance of things hoped for, the evidence of things not seen."

The Senator can not, it seems to me, hope for any great revenue from the importations of oleic acid or tallow, because we in the United States are supreme in the production of animal fats. Europe is as hungry for animal fats as it has been and is for food, and we supply the United States and, indeed, a part of the world with animal fats, and there will be no competition. Our imports constitute 1 per cent, and how the Senator can expect any revenue from that is something I can not understand.

The Senator justifies the imposition of this duty upon the ground that it seems to have been a habit to levy it in tariff bills. If that has been the habit, this is a good time to break the habit. It is not the beginning of the new year, when we are in the habit of making new resolutions and casting aside habits of the past as we do our old raiment, but we are drafting a tariff bill now which the senior Senator from Utah expresses the hope will endure for some time. Let us get rid of that old habit and have a reason for the measures which we adopt and for the schedules which will finally be enacted into law.

Although I conceded a moment ago that perhaps technically I could not move to transfer this to the free list under the parliamentary situation, I am going to submit it to the Chair, having great confidence in the parliamentary knowledge, as well as the fairness, of the present occupant of the chair. I will submit the motion and then take the ruling of the Chair.

I move to strike out on lines 3 and 4, page 3, the words "oleic acid or red oil, 1½ cents per pound," and as a part of the motion I move that the words "oleic acid or red oil" be transferred to paragraph 1501, page 207, after the words

"muriatic acid" and before the word "nitric," on line 24, so that schedule 15 would read, if amended as my motion proposes, as follows:

Paragraph 1501. Acids and acid anhydrides: Chromic acid, hydrofluoric acid, hydrochloric or muriatic acid, oleic acid or red oil, nitric acid, etc.

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). The Chair invites the attention of the junior Senator from Utah to the agreement already reached by the Senate that committee amendments shall be acted upon to the exclusion of other amendments and that the bill shall be read that committee amendments may be acted upon. Thereafter it is to be assumed that other amendments will be in order. The Chair will hold that the motion of the Senator from Utah made at this time is not in order, and that the only question which can be taken up by the Senate, other than by unanimous consent, is the adoption or rejection of committee amendments.

Mr. KING. I am not so sure but that the position of the Chair is correct. However, I felt that I should submit the matter. I give notice now to the chairman of the committee that when we reach Title II, schedule 115, paragraph 1501, I shall offer as an amendment to that section the amendment which I have just suggested. I am ready now for a vote on the pending amendment.

The PRESIDING OFFICER. The question is on the committee amendment, which will be stated.

The ASSISTANT SECRETARY. On page 3, line 1, after the word "oil," insert "1½ cents per pound," so as to read:

Oleic acid or red oil, 1½ cents per pound.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. On page 3, line 2, after the words "oxalic acid" and the comma, insert the words "4 cents per pound" and a semicolon.

Mr. KING. Mr. President, may I ask the Senator from North Dakota [Mr. MCCUMBER] if he will agree to pass the item relating to oxalic acid just for a moment and consider phosphoric acid? Then we will recur to oxalic acid. Has the Senator any objection?

Mr. MCCUMBER. I have no objection.

The PRESIDING OFFICER. The item of "oxalic acid" will be passed over temporarily. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. The next amendment of the Committee on Finance is on page 3, line 2, after the words "phosphoric acid," to insert the words "2 cents per pound" and a semicolon, so as to read:

Phosphoric acid, 2 cents per pound.

Mr. KING. That, I assume, is substantially in the same situation as oleic acid or red oil. I shall at the appropriate time move to transfer that item to the free list. I desire, however, to submit a few observations at the conclusion of the remarks of the Senator from Alabama [Mr. UNDERWOOD].

Mr. UNDERWOOD. Mr. President, continuing what I said a moment ago in reference to the great divergence in rates as between the House bill and the Senate committee bill, I wish to call to the attention of the Senate the fact that the House bill came over with a tax on phosphoric acid of 25 per cent ad valorem. That is a tax equal to one-fourth of the unit value of the article. The Senate committee proposes an amendment to the bill by providing a specific rate of duty of 2 cents per pound.

I have no information before me as to the American valuation—and, of course, the House rates were fixed on the American valuation—which undoubtedly must be higher than the foreign valuation, but I do not happen to have that information in my hand.

Mr. SMOOT. I will give it to the Senator if he desires.

Mr. UNDERWOOD. I have the foreign valuation, but not the American valuation. Of course, if the American valuation is less, then there is no reason for a tax at all.

Mr. SMOOT. I will say to the Senator that it is not less.

Mr. UNDERWOOD. As soon as I finish this statement I should be glad to have the information.

The survey of tariff information prepared by the United States Tariff Commission gives the valuation for 1919 per unit value of this item as 37 cents. One-fourth, or 25 per cent, of that would be 9¼ cents a pound tariff rate. For 1920 the unit value is given as 29 cents per pound. One-fourth, or 25 per cent, of that would be 7¼ cents per pound tariff rate. In 1921 the unit value is given at 37 cents a pound, upon which the tariff rate would be 9¼ cents per pound.

Now I shall be glad if the Senator from Utah will give me the domestic or American valuation.

Mr. SMOOT. I can not give the rate in the shape of percentage, because I do not know what was the strength of the acid imported.

Mr. UNDERWOOD. Of course, it is not material. I thought the Senator had it.

Mr. SMOOT. I will say that if it is 50 per cent technical phosphoric acid, it is sold in the American market to-day for 8½ cents per pound. However, this, I suppose, has reference to medicinal phosphoric acid.

Mr. UNDERWOOD. The Finance Committee laid this tariff information before the Senate; and I assume at least they were correct in giving the unit value of foreign importations, because that is ascertained from the customhouse. That is authentic, because it comes in with the value of the goods. The language here used in reference to this article is the same as was used in the present law, so that, so far as the mind of the House is concerned, there can be no doubt about what the House meant. They fixed a rate of 25 per cent, which, on the foreign valuation, would mean a rate of from 7 to 9 cents a pound. I do not know what the American valuation on that same strength of phosphoric acid is, but I can assume, I think without contradiction, that it is higher than the imported rates.

Mr. SMOOT. These are the prices to-day, I will say to the Senator: Fifty per cent technical phosphoric acid is 8½ cents, American product.

Mr. UNDERWOOD. If that is the case, I can not see how it is possible that the committee has not put this article on the free list.

Mr. SMOOT. Eighty-five per cent U. S. P., which is medicinal, is 17 cents a pound. I can not tell further than that, because we have not the 1921 value. There is no doubt that the price of phosphoric acid has rapidly decreased, not only in foreign countries, but in this country as well.

Mr. UNDERWOOD. I have no doubt that will be found to be true as to a great many items. They are coming down all over the world.

Mr. SMOOT. The pre-war price in 1913 was 12 cents.

Mr. UNDERWOOD. Here is the information given to the Houses of Congress on which to write a bill, and the foreign valuation is given for three years. There is no question that the domestic value must have been higher. I do not think it has fallen as much as from 37 to 17 cents. Even at 17 cents the duty would be more than 4 cents a pound, and at that rate there would be a divergence as of 2 to 1 between the two Houses. I take it undoubtedly that there is a difference in the commodity to which the Senator from Utah refers, because the United States Tariff Commission could not have made such a mistake as to send to the Senate information relative to an article showing the value to be 37 cents a pound, and then for it to turn up within a year at a value of 17 cents a pound.

Mr. SMOOT. Their report up to date shows that it has decreased greatly.

Mr. UNDERWOOD. All I am trying to point out in the matter is the reason why the bill should be considered. Even according to the figures of the Senator from Utah there is a tremendous divergence in the rates between the House and the Senate committee bills. I can not conceive how the committees, if they gave careful consideration to the proposition, could have reached such a great divergence in opinion as to what they consider a protective tariff. There must be some basis on which to ascertain the facts. It will not do to assume that the committee have guessed at what would be a protective tariff, guessed at what tax it is necessary for them to levy on the American people from their standpoint.

If the information of the Tariff Commission is correct, there is a divergence of views between a 9 and 7 cent tax on the unit value which they have given of 2 cents a pound. The information given by the Senator from Utah, which we get for the first time—it never before having been laid before the Senate officially and not being information that has been heretofore given to Congress to consider in the matter—is that it is 17 cents a pound in the American market; that would mean that the House rate is 4¼ cents a pound, as compared with 2 cents a pound as proposed in the Senate bill.

The particular commodity—phosphoric acid—was on the free list under the Payne-Aldrich law, and that was a protective law, undoubtedly a protective tariff law, so much so that it was repudiated by the American people; but this item, nevertheless, was put on the free list there. There was then no reason for levying a tax on phosphoric acid. The present law, for which the Democratic Party is responsible party, put phosphoric acid on the free list. Yet we find now that this acid, which is largely used for medicinal purposes, for medicines for the American people, is to be taxed, as proposed by the House bill, if the unit value of the Tariff Commission is correct, a rate

amounting to 7 or 9 cents a pound, and if the information which the senior Senator from Utah has just given me is correct, of which we have had no publicity before, then the rate of tax would be 4½ cents a pound on the House basis, while the Senate committee rate fixes it at 2 cents a pound. There is some mistake somewhere—some glaring mistake in reference to this duty by one committee or the other.

I am talking about the matter not from the revenue standpoint, because there is practically no revenue in it, but from the standpoint of protection. Somebody has made a mistake at one end or the other of the Capitol. I say if you are going to write a protective tariff bill to tax the American people to build up industry in this country, at least based on your theory, the American people are entitled to an intelligent verdict on the subject. This item shows that one of the committees has not rendered an intelligent verdict as to phosphoric acid. This item is not alone in that respect. The bill is full of such items, and I shall point to some others as we proceed where these great divergencies appear.

If that is the case, I think we are entitled to some explanation as to why 2 cents a pound is a protective tariff on phosphoric acid, if it is going to be taxed, and not from 4 to 7 cents, as provided in the House bill. We have not, however, had any such explanation, though we are entitled to it.

So far as I am concerned, I think this article is a necessity of life; it enters largely into medicine, and, so far as possible, I think articles of this kind should not be taxed. It was the policy of the Republican Party in the past not to tax it; it has heretofore been the policy of the Democratic Party not to tax it. The Finance Committee is reversing the entire policy of the American people in reference to taxing this article, and they are giving us no intelligent reason why they propose to do so. I think we are entitled, before this item is carried to conference, to an intelligent explanation in reference to the matter.

Of course, as the Chair has ruled, and I think properly ruled, under the unanimous-consent agreement heretofore reached we have no opportunity now to move to place the articles on the free list, which will be done in due time, but, as between the rate as fixed in the House bill and the rate proposed by the Senate committee, of course, I prefer the Senate amendment, because it provides a lower rate. I should like, however, to know on what basis the committee reached the conclusion that a 2-cents-a-pound duty is a protective rate for this article and that the House bill is wrong in placing the duty at from 4 to 7 cents.

Mr. SMOOT. I think the House rate is altogether too high, and that is what the committee thought.

Mr. UNDERWOOD. Why is it too high?

Mr. SMOOT. That it is too high will be seen by taking into consideration the production in this country, the importations, and the price at which it is quoted now in the United States and the pre-war price. The pre-war invoice price on importations of phosphoric acid in 1913 was 12 cents a pound. Phosphoric acid is made and sold in this country at 14 cents a pound, which is only 2 cents higher than the foreign price. I am not now referring to the 50 per cent technical acid; I am referring to the medicinal acid. There is but 2 cents difference between the pre-war price in the foreign country and the selling price in this country.

Mr. UNDERWOOD. Does the Senator from Utah refer to the present selling price in this country?

Mr. SMOOT. I refer to the present selling price in this country. The Committee on Finance thought, therefore, that it was no more than right that there should be a duty of 2 cents imposed, taking into consideration the pre-war price; in other words, if we go back to the pre-war cost here, there would be 2 cents difference. That is the reason why the committee fixed the rate on this item, I will say to the Senator, at 2 cents a pound, and I think, perhaps, it is justified in doing so.

Furthermore, with a price of 14 cents, a duty of 2 cents is less than 15 per cent, and if we take the 85 per cent acid, the highest price for which is 17 cents, the duty would only be about 12 per cent.

Mr. UNDERWOOD. If the Senator from Utah has concluded, I should like to ask him a question, for, though this is not an important item, I wish to know how he reached his conclusion. The Senator says that the pre-war price abroad—I suppose he means in Germany?

Mr. SMOOT. Yes.

Mr. UNDERWOOD. But abroad, anyway——

Mr. SMOOT. I refer to the price in Germany.

Mr. UNDERWOOD. That the pre-war price in Germany was 12 cents a pound. Is that correct?

Mr. SMOOT. That is correct.

Mr. UNDERWOOD. And that the present price in the United States is 14 cents per pound?

Mr. SMOOT. It was 12.7 cents a pound in Germany, to be accurate.

Mr. UNDERWOOD. I will take the round figures.

Mr. SMOOT. And 14 cents a pound in this country.

Mr. UNDERWOOD. Now?

Mr. SMOOT. Yes; to-day.

Mr. UNDERWOOD. We now have the basis on which the committee reached its conclusion; that in Germany, which is the country from which this article is imported, before the Great War the price was 12 cents, and that the price in America to-day is 14 cents, in round figures. Therefore, as this commodity was valued in Germany before the war at 12 cents a pound, and it is selling here for 14 cents to-day, the committee reach the intelligent conclusion that a tax of 2 cents a pound is a protective tariff.

Mr. President, I feared that that might be the way their conclusions were reached.

Mr. SMOOT. Would the Senator from Alabama have them reached in any other way?

Mr. UNDERWOOD. I certainly would. I will explain to the Senator. Of course, I am not criticizing the Senator's viewpoint; he is entitled to reach his conclusion as he desires to—and I thank him for telling me how he reached his conclusion—but I merely want the RECORD to show that my conclusion is not his conclusion. Why? As to the comparative cost of production in Germany now and before the Great War, when Germany was operating with a large supply of skilled chemists, when the factories of Germany had not been disorganized and shot to pieces, so to speak, when their taxes were very low as compared with the taxes which must now be paid in Germany, everybody must recognize that, in the adjustment of conditions, costs in Germany must of necessity be now higher than they then were.

I am not talking about the hourly selling price of this article. A man may sell the coat off his back for a hundredth part of its value for the hour; but the pending tariff bill, if it becomes a law, will last this year and next year and probably to the end of the Harding administration.

Mr. SMOOT. But the Senator from Alabama must also recognize that it now costs more to produce these goods in America.

Mr. UNDERWOOD. The Senator from Utah has already given me the price of this commodity in America; he has stated that it was 14 cents. I take that as a fixed equation; I am merely assuming what the Senator says it is; and he says the fixed fact on which he has based his conclusion is the price to-day, which he states is 14 cents. That, of course, is in the American market; and the Senator says that the pre-war price in Germany was 12 cents. If the selling price of the American producer to-day is 14 cents, and the selling price of the foreign manufacturer before the Great War was 12 cents, it seems to me that it must be in the mind of any reasonable man that there must have been that much increase in price due to the lack of efficiency of labor in Germany to-day as compared to the period before the Great War. That is recognized by all. The additional taxes in Germany, as compared to what they were before the war, also bear heavily on the industry. Then, besides that, these commodities have to stand the burden of transportation from the point of production in Germany to the American market.

From my viewpoint what the Senator has said clearly indicates that there is no reason for a protective tariff on this article. The policy of the Republican Party in the past and the policy of the Democratic Party in the past of leaving articles which enter into the medicines of the people on the free list should be pursued in the future.

Mr. SMOOT. Mr. President, so far as the cost of making goods is concerned compared to the cost before the war, there was not a witness who appeared before the Finance Committee who did not testify that the goods were made cheaper to-day in Germany than they were before the war. That is necessarily so, for the gold mark in Germany—and we have to pay Germany in gold for every mark's worth of goods we purchase—the gold mark in Germany to-day as compared with the gold mark before the war will purchase nearly 4 marks in labor, it will purchase nearly 4 marks in rent, it will purchase nearly 4 marks in clothing, and it will purchase nearly 4 marks in foodstuffs, the price of which is regulated in Germany.

Mr. President, that was not the case in Germany before the war. Germany then was on a gold basis, and every mark's worth of goods that Germany sold to America was valued by the gold mark, and every mark that we paid for those goods was paid in gold of the value of a mark. So neither country had any advantage whatever in the making of goods, so far as

exchange was concerned. The situation to-day, however, is quite different. I will say to the Senator that as to many commodities covered by this bill which are manufactured particularly in Germany, the testimony beyond a question of doubt shows that they can be made cheaper in Germany to-day than they could be made before the war.

Furthermore, the highest grade of medicinal phosphoric acid reaches a price of 17 cents a pound to-day, but we took as a basis the grade of commodity that is generally used commercially—and the great bulk of it used in this country is in that form. That is the fair thing to do. We did not give the rate that was provided in the House bill.

Mr. UNDERWOOD. I was not talking about the rate.

Mr. SMOOT. I think the House rate was too high, as I have stated. That is why the committee made the duty 2 cents.

Mr. UNDERWOOD. I think the Senator is entirely wrong as to the values which he gives. However, I was not arguing the question from the standpoint of values. I have already stated that I was discussing the question from the standpoint of how the committee arrived at its conclusion. Of course, I know there are depleted values in Germany; but I also know that there are many manufacturers who have conceived the idea that there is a juggernaut about to run over them whenever a tariff bill is discussed, and who have conceived the idea that foreign countries can produce much cheaper than they did before the war. Outside of a witness who testified from interest, I have seen nothing to bear out that contention. In all of the countries which were involved in the Great War my reading tells me the cost of production has increased and not diminished.

I merely wish to say before we pass this item that I do not know what profits result from making this commodity. I am not a chemist; but I will go back to the figures of the Senator. He said the value of the article in this country was 14 cents a pound and its value abroad was 12, and that the committee had adopted a rate of 2 cents to cover that difference. I have never seen a chemical commodity of this kind the profit on which to the American manufacturer did not amount to more than 10 per cent or 12 per cent of the value of the article. Therefore the difference of 2 cents must represent the profit of the American producer, if it does not represent more.

Mr. SMOOT. I wish to be perfectly fair to the manufacturer, and, therefore, I will state that in taking 14 cents we have taken the lowest price quoted. The prices quoted range from 14 to 17 cents.

Mr. UNDERWOOD. I understand that; but I think the Senator is wrong when he says that 14 cents is the basis on which the rate was built up. I am discussing now, however, not what the fact is as to the value. I think the value of this article is much greater, and there is a much greater diversity between the two Houses than is indicated in the conclusion reached by the Senate committee, which was based, as the Senator suggests, on a price of 14 cents.

I asked for the reasoning of the committee when they arrived at this rate of duty, and the Senator said they considered the value of the article to be 14 cents. I am not discussing the fact. I am discussing his reasons. He took as the basis for reaching the conclusion the price to-day in this country of 14 cents a pound and a price of 12 cents in Germany before the war.

Mr. KING. The price in Germany before the war, as a matter of fact, was 13¼ cents.

Mr. UNDERWOOD. I am not discussing the fact; I am merely discussing the Senator's way of reaching his conclusion. I say that that difference must have been profit. It can not be anything else but profit; and it demonstrates, what the Senator admitted several days ago when we were discussing the section in the bill that allows the President to equalize the difference from the competitive standpoint, that it seeks to protect profit.

Mr. SMOOT. Not at all.

Mr. UNDERWOOD. It is clear that the 2 cents of difference here, to the Senator's mind, must have meant a protection of profit.

Mr. SMOOT. Not at all.

Mr. UNDERWOOD. It is not a protection of cost. The Senator is not referring to cost. When he gave me the figures he was giving me selling figures. Therefore, in those selling figures there must have been profit.

Mr. SMOOT. The 12 cents included the profit in Germany, just the same as here.

Mr. UNDERWOOD. To be sure, and the 14 cents included the profit here. There was a difference of price, according to the Senator's statement, of 2 cents, and therefore he put on a tax of 2 cents. Therefore he must have put on the tax of 2 cents to protect the profit of the American manufacturer. There can not be any question about that, when he says that he reached this conclusion on the basis of selling prices and not on the basis of cost of production.

I want to say this about the question of protecting profit: Whenever you build your tariff bill on the theory of protecting the manufacturer's profit—and that is what this bill does and that is what the Senator's argument was——

Mr. SMOOT. Not at all.

Mr. UNDERWOOD. That is what it leads to. It could not be anything else, because you bring up the foreign price to equalize the American selling price, and the American selling price, of course, has a profit included in it. If it is the selling price, it must have the profit included in it, and you put the tax high enough to make it equalize what you said you thought was the selling price.

Whenever you pass a bill to protect the profit of the American manufacturer of necessity you put an embargo on the importation of articles on which you levy that rate, and I will tell you why. It can not amount to anything else but an embargo in the end, because when by law you fix a rate that protects the profit of the American manufacturer, whether you do it under a specific rate of 2 cents a pound, as in this instance, or whether you do it by Executive order, as you would under the administrative features of this bill, you have the American manufacturer standing behind a wall where not only his cost of production but his fair and reasonable or unreasonable profit is included, and when the foreign goods come in they are taxed so that they can not come in at a price lower than that amount. They compete with the American manufacturer on an even basis of his cost of production and his profit. That is a fixed law. You can not change your law overnight; but there is nothing to prevent a manufacturer from dropping his prices overnight, and he can drop out his profit.

Mr. SMOOT. Either in this country or in a foreign country.

Mr. UNDERWOOD. To be sure; but it is this country where this competitive question is being raised now. This is the battle field we are talking about. When he drops his price to the extent of half his profit, or to the extent of all his profit, then the foreign goods can not find a market to sell in, because with the tax added they have to lose money to stay in the market. You have equalized the cost of production with profit added. They can not stay in the market and they have to go out. When they once go out they do not come in again, and I will tell the Senator why.

You can not build up a market overnight. It takes time and it takes labor and it takes money to develop and build up markets for any class of goods. When an importer comes into this country to sell boots and shoes—which he could not sell here—laces, or cotton goods, or any other necessity of life, he has to establish his distributing points; he has to establish his agencies; he has to advertise his goods and make them attractive to the American public; and when he has done that, then he finds his market and commences to sell his goods. If you fix the machinery of law so that he can only come in here on an equal basis with the cost of production with a profit added, and the American manufacturer for the time being drops his selling price just to the extent of his profit, or half his profit, he drives out the foreign goods, and they will not come back as long as that law stands on the statute books, because when you have driven them out they will not again go to the expense of appointing their agencies, developing their market, and advertising their goods for sale, when they know that under your law the American manufacturer, by giving up a part of his profits, can drive them out again. The result is that you establish an embargo, you create a monopoly in favor of the American manufacturer, and he can exploit the American people to any extent he desires.

Mr. SMOOT. Mr. President, I want to say again that in the 12.7 cents there is a profit in the foreign country just the same as in the price in this country; but the Senator only mentions one reason why we arrived at this figure. He has not taken into consideration the fact that those goods can be made in Germany now cheaper than they could be made before the war, cheaper than the pre-war price. I do not want to repeat what I have said, but it is impossible to conceive that they could not do it, when we know that every gold mark received for goods coming into this country from Germany purchases in Germany in labor and in clothing and in food nearly four marks, and that was not the case before the war. Such a condition as that never existed before, and there is not any doubt that Germany is in a position now to make goods cheaper than she did before the war. Will she sell them as cheaply as she did before the war? Yes. Can she sell them for less in order to get a market, the American market, the best there is in the world? Without a doubt. Therefore I think, as far

as the Senate amendment is concerned—about 12 per cent ad valorem—that there is no good reason for complaint, knowing those conditions to exist in Germany to-day.

Mr. KING. Mr. President, the senior Senator from Utah [Mr. SMOOT] has adverted, as has the Senator from North Dakota [Mr. MCCUMBER], a number of times to conditions in Germany. Conditions in Germany are changing perhaps more rapidly—I refer now to the industrial and economic conditions—than the conditions in many other countries in the world.

For instance, on the 1st day of April of this year there was an advance in Germany in all prices of labor of what might be denominated an industrial character, in contradistinction to labor of an agricultural character, of 40 per cent; and there was a marked advance—I am not sure as to the per cent—in the wages of agriculturists. The transportation charges likewise on the 1st day of April of this year, were advanced 40 per cent. Rents were advanced from 25 to 50 per cent and more; and in the case of nearly every commodity—indeed, I will say all commodities, so far as I am advised—sold in Germany the prices underwent a material advancement.

I shall present to-morrow morning some statistics from Germany, recently cabled, many of them obtained by the Department of Commerce, showing the wonderful mutations that are occurring there in the industrial and in the manufacturing life of the people.

I want to protest against the constant dangling of the German specter in this Chamber by Republican Senators to frighten hysterical Senators into the acceptance of the extortionate rates which find expression in this bill. I do not regard it as legitimate and fair to urge as reasons for these infamous rates the situation in Germany—a situation which existed months ago, but which has undergone a material modification. I will furnish some figures which I think will controvert the statement of my colleague that all of the products and commodities produced in Germany now are produced cheaper than they were before the war. I think I shall be able to show to the Senate, before this debate is over, that there are many articles produced in Germany now the cost of which is in excess of the pre-war cost, measured by the gold standard.

Mr. JONES of New Mexico. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from New Mexico?

Mr. KING. I yield.

Mr. JONES of New Mexico. The Senator from North Carolina [Mr. SIMMONS], in his speech some days ago, presented some tables showing just the situation which the Senator from Utah has now announced. I can not recall the date of that speech so as to turn to those tables, but they have been printed in the RECORD, and they show just what the junior Senator from Utah has stated. As to textiles and leather, the gold cost of production in Germany is above that of the gold prices in the United States.

Mr. KING. The senior Senator from Utah [Mr. SMOOT] disagrees with the Senator from New Mexico; but I affirm that the facts will demonstrate the accuracy of the contention made by the Senator from New Mexico.

Mr. SMOOT. Mr. President, I should like to ask my colleague how such a thing could take place, how it would be possible, when I can demonstrate the contrary beyond a question of a doubt from the very best authority that there is in Germany, one of the greatest statisticians in Germany. I wrote and asked him what a gold mark would purchase in labor, in clothing, in rents, and in food in Germany on the basis of the then value of the mark, which was about fifty-two one-hundredths of a cent, and how much labor and how much rent and clothing and food the gold mark would purchase in Germany upon the basis of the value of the mark being fifty-two one-hundredths of 1 cent—how much more than fifty-two one-hundredths of 1 cent the gold mark would purchase in these commodities. His answer to me at that time was that it was 4.56 times, or over 450 per cent increase. Of course, I recognize that the mark is lower than that to-day, and perhaps the price of labor has increased with the falling of the mark to fifty-two one-hundredths of a cent; but even with that, Mr. President, I say it is nearly, if not all of, four times the amount. That is the condition which exists, and that is the answer I got to my letter. I have known the statistician for many years, and I know that he gave me the absolute facts.

Mr. SIMMONS. Mr. President, when we were having the hearings a very interesting incident occurred in connection with the testimony of one of the witnesses who was asking for greatly increased protection of his product, because he said he was in competition with like German products. He stated that he had been to Germany and had spent three months there, as I recall it; that he had visited the factories producing the same thing he produced and sold in this country, and he was comparing the prices paid in Germany for labor with the prices paid in this country for labor, reducing the German price to the gold standard.

After he had finished his testimony, tending to show that he could not compete with the German producer, I asked him if he investigated the prices of commodities in Germany, especially of those things which constitute the necessaries of life. He stated that he did. I asked him how many pounds of meat, such as is consumed in this country, the wages paid a laborer in his factory would purchase. He stated the number. I said, "How many pounds of like meat would the wages paid in Germany, in marks, purchase?" He hesitated a minute, and then said, "Just about the same number of pounds." That testimony is in the hearings, and I will find it if Senators question it.

I want to say to the Senator that undoubtedly just after the armistice there was a tremendous propaganda in Germany looking to the extension of German trade in foreign countries, looking to a conquest of the markets of foreign countries, in favor of an intensive drive on the part of Germany, appealing to the laborers of Germany to content themselves with low wages, appealing to the manufacturers to content themselves with low profits, in order that this great objective of Germany might be attained, and there was response to that in the prices charged by labor and the profits charged by manufacturers. While that process was going on there was undoubtedly low cost of production in Germany.

But that situation has passed. The German laborer is no longer content to receive low wages. He is now demanding that his wages be fixed by international standards. The German manufacturer is no longer content to take meager profits. He is insisting that he shall have the profits which obtain in world markets, and as a result of that change in conditions the prices of German products have advanced tremendously.

The experts—and I name them, Mr. Davis and Mr. Fix, appraisers selected by the committee to assist them because they stood out prominently in their profession as men of knowledge, men of information, men of judgment, men upon whose statements the committee could rely—those gentlemen have stated to me that the prices of German products last August, when the Reynolds investigation was made and at which time the prices found in the Reynolds report were fixed, were not the prices of the present time, but that at the present time the export prices of German products offered in foreign markets had greatly advanced, and that to-day there was very little if any difference between the export selling prices of German products in the world markets and the prices of other European industrial countries.

The conditions described by the gentlemen who came before the committee and demanded these high rates, especially where the competition was with Germany, probably justified the alarm they had taken, probably justified the panic into which they had been thrown; but those conditions exist no longer; those conditions are past. The conditions in Germany with reference to production, the cost of labor, the cost of raw materials, and the prices charged by the German manufacturer are about the same as those which exist in the other countries of Europe.

Mr. JONES of New Mexico. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from New Mexico?

Mr. KING. I yield.

Mr. JONES of New Mexico. I have found the table to which I referred a few moments ago. It comes from the Department of Commerce, and compares the prices in the middle of 1914, just before the war, with the prices in April, 1922, and taking 100 as the price in July, 1914, just before the war, we find that of foodstuffs the relative price now has increased from 100 to 5,750; of textiles and leather, from 100 to 8,907.

The mark in Germany is worth only about one-seventieth of what it was in 1914, but we find that as to textiles and leather the increase in price has been eighty-nine times, taking the gold value in Germany at what it was in 1914. That is true as to textiles and leather, and other commodities have not increased to such an extent, but the average of all commodities is fifty-nine times what it was in 1914, in marks, leaving, on the average of all commodities over there, only a comparatively small difference between the cost of those commodities to-day, in marks, measured in their gold value, and the value in 1914.

Mr. SMOOT. It is between 70 and 59, and that is about 16 per cent. That is exactly what I claimed.

Mr. JONES of New Mexico. The junior Senator from Utah said that as to some of these articles, their cost of production

was beyond that of the pre-war times, and the junior Senator from Utah was right about it.

Mr. KING. I want to say to the Senator from New Mexico that those figures which he has read were based upon conditions anterior to April 1, and when you add to those items the increased cost which would result from a 40 per cent increase in wage, as well as the other increases, in transportation, cost of commodities, raw materials, and so forth, then, in my opinion, it will practically bridge the gulf suggested by my distinguished friend, between 59 and 70.

Mr. JONES of New Mexico. I wish to refer again to the statement made in this official document as to increases which had been made this year in wages, again corroborating what the junior Senator from Utah has said. I read again. I do not think it could be stated too often. Even Senators apparently can not remember it from one day to the next, so I desire to read again:

The New York office (50 Broad Street) of the Federal Reserve Board has received a wireless from the American commissioner in Germany, giving the wholesale price index of the Frankfurter-Zeitung for April 3, 1922. According to this index there has been an increase of 20.7 per cent in the general level of wholesale prices in Germany during the month of March, as compared with an increase of 23.6 per cent during February.

Mr. SIMMONS. Let me interrupt the Senator. That is a statement which was issued by the Federal Reserve Board on the 8th day of April, 1922. I had that before me when I gave that table.

Mr. JONES of New Mexico. I referred to it two or three times, but apparently Senators can not remember these things, and we have to refer to them oftener than we would like. We do not want to consume time, and if Senators only remembered it, we would not be put to the necessity of having to repeat these statements.

Mr. SIMMONS. Mr. President, following the statement with reference to the increases announced by the Federal Reserve Board as having taken place in Germany in March and February of this year, there is the table given by the Federal Reserve Board, as to wholesale prices and the index numbers of Germany. Taking 100 as the starting point, in April, 1921, prices of food products had risen in Germany to 136; on all commodities to 130. In May they had risen to 133 on food products, and to 132 on all commodities, and so on, continuing up to December, 1921, when they had risen on food products to 362, and on all commodities to 298. In January, 1922, they had risen to 384 on food products, and to 317 on all commodities; and in April, only two months later, they had risen to 654 on food products, and 525 on all commodities. So that from the 1st day of April, 1921, on all commodities the index number had risen from 130 to 525.

Mr. KING. Mr. President, my attention has been called to a recent transaction in South America which illustrates the point I have been making, and it is my opinion a refutation of the position of Senators upon the other side, namely, that prices in Germany are rapidly rising and that in some instances they have reached heights greater than those attained in the pre-war period, and that Germany is unable now to compete in the markets of the world with the United States, as well as with other countries.

In the Argentine Republic, within a few days last past, bids were advertised for the purchase of a limited amount of rolling stock for railroad purposes. The specifications were very clear and there was no misunderstanding as to the character of the materials desired. Belgium bid, the United States bid—and when I say Belgium and the United States, I mean representatives from those countries. There were one or more bids from Great Britain and one or more bids from Germany; I have not the exact number. The lowest bid was submitted by Belgium. The next higher bid was submitted by the representative of the British house. The United States stood third, and Germany presented the highest bid. The Belgian bid was $1,000,000. The British bid was $1,250,000. I am reducing everything to the basis of the dollar. The bid submitted by representatives of the United States was $1,500,000. The bid submitted by the German representatives was $2,000,000.

Mr. WILLIS. Mr. President——

Mr. KING. I yield to the Senator from Ohio.

Mr. WILLIS. On the point my friend from Utah is just making, speaking relative to prices in Germany, I wonder if it would not illuminate his most interesting argument if I should call his attention to a card which has just come to me from a friend who is traveling in Germany, a souvenir postcard, on which is written this message:

The Germans will make good if they have a chance. The German mark is selling to-day 300 for one American dollar. The city is filled with foreign buyers and money from America.

Now, if the free-trade idea of my friend from Utah shall obtain in our tariff making, that condition will continue. Germany will continue to be filled with American buyers, spending American money for German products, and American factories will stand idle and American workingmen will be in the streets.

Mr. KING. Mr. President, the Senator from Ohio shows as great ignorance as to my position on this question as he does upon economic questions, and I say that with all due respect to him. In the first place he knows, because he has been in the Chamber during the debate, that the question of free trade is not involved, that there is no one arguing for free trade, that no one is advocating free trade, that I have repeatedly declared that was not the issue, and that I was not advocating a free-trade policy. So the Senator misstates knowingly—I will withdraw that—he misstates my position, and I attribute it to the fact that he did not hear what I have said upon a number of occasions.

Mr. WILLIS. Mr. President, the Senator is worn weary——

Mr. KING. The Senator need not worry about the weariness of the Senator from Utah.

Mr. WILLIS. I was about to say that the Senator is not in his usual good humor, or he would not have said what he just started to say. I did not misunderstand the Senator.

Mr. KING. I do not yield for the Senator to make a speech. He can do that in his own time.

Mr. WILLIS. I wanted to correct the misapprehension under which the Senator is resting. If he does not desire to be corrected, certainly I shall not interfere with him.

Mr. KING. If the Senator has anything to state by way of correction, I shall be glad to hear it.

Mr. WILLIS. What I said is correct. I wish to correct the Senator from Utah.

Mr. KING. What the Senator said a moment ago with respect to my views is absolutely incorrect, and he ought to know it. The Senator from Ohio accepts the economic view that the more paper money we issue the greater our prosperity.

Mr. WILLIS. I do not desire to have the Senator make a statement like that. If he refers to me, I entertain no such view and have never here or elsewhere expressed any such thought.

Mr. KING. It is just as clear as the noonday sun that the Senator, when he exhibited with so much glee the post card which he has called to our attention, has accepted the view that because the paper mark measured by the gold dollar was of negligible value, Germany was put in the position that she could outsell the world and so occupy a position of vantage that she would not occupy if she was on the gold basis. I was about to say to the Senator that, possessing these remarkable economic views so consistent with Republican theories of finance and tariff, he would find a haven of delight and refuge if he should go to Russia. There if a man goes out to buy a breakfast consisting of an egg of ancient vintage, a little piece of brown bread or black bread the size of three or four fingers, and a cup of tea, he has to carry along a wheelbarrowful of rubles.

I recall the statement made by a number of persons who recently came from Russia, some of them being representatives of the Red Cross—I do not carry the figures in my mind, but I remember that one man paid the driver to take him from the station to the hotel 1,000,000 rubles, $500,000. I recall another case where a man bought an overcoat that cost him something like 12,000,000 or 15,000,000 rubles, which would be $6,000,000.

Evidently the view of the Senator from Ohio—and I am afraid the same view has impregnated my able colleague from Utah—rests upon the theory that the more paper money we issue the greater the expansion of currency, the greater the prosperity, and the greater the ability of the United States to compete with other nations in manufacturing enterprises and industrial development.

Mr. WILLIS. Mr. President——

Mr. KING. I yield to the Senator from Ohio.

Mr. WILLIS. I know the Senator wants to be fair. What was stated in the card which I read to the Senator was that Germany was filled with American buyers. That had no relation at all to what the Senator has been so eloquently and interestingly speaking about.

On the money matter, of course, the Senator misstates my view, but the statement on the post card had no relation to that. There are Americans in Germany buying, with American gold, German products because they can be made there more cheaply than they are being made here. I repeat my statement. I withdraw what I said about the Senator's free-trade views. If he regards that as objectionable, I withdraw it. I only drew that conclusion from what I have heard him say, and I have

listened with great interest to his speeches; but if he regards that as scandalous, I will withdraw it.

Mr. KING. If the Senator wants to be insulting, I will not yield to him.

Mr. WILLIS. I do not desire to be insulting at all.

Mr. KING. He will find that others can say something, too, if he persists in that sort of talk.

Mr. WILLIS. What I was undertaking to say to the Senator was in perfect good humor. I do not understand his very unusual testiness. I was endeavoring to say to the Senator in perfect good humor that the statement I am trying to bring to his attention is the fact that American buyers are now in Germany buying, with American gold, German products which we ought to be manufacturing here, and which he thinks it would be better to have manufactured there.

Mr. KING. The first thing the Senator called attention to with such evident glee was the fact that 300 marks would buy an American dollar. That is number one. We will discuss that for a moment.

The view of my esteemed friend, and that view has been expressed by the chairman of the committee upon a number of occasions, seems to be that the more paper money the Government issues the stronger it becomes as an economic factor in the industrial world; that the more paper money Germany issues the greater competitor she is of the United States in the world markets.

Now, if that is good economics, Poland ought to be a greater competitor than Germany, because she has issued more of an inflated currency in proportion to the gold reserve which she has, her wealth and her population, than has Germany. Look at Russia, with her 120,000,000 to 170,000,000 people, depending upon what we denominate Russia, considering the excisions which have been made from her territory, has issued now trillions—it exceeds billions and the last statement that I saw it was two or three trillions of dollars of paper money. This philosophy, which is comparable to the philosophy of the great protectionists, not the modern protectionists but the protectionist who finds refuge behind this bill now before us, would mean that those nations which have issued the greatest amount of currency ought to be our most formidable competitors. Of course the theory is absolutely fallacious. A nation may go upon a spree, if I may use an expression which we all understood before prohibition, the same as a man may go upon a spree, but it, as well as he, pays the penalty. A man may take a drug or a nation may take a drug and fancy that the drug has made him or it rich. Germany issued a large amount of paper money, and some foolish people there, and some foolish people here and elsewhere, conceived that that great inflation in Germany was going to make her regnant in the financial and in the industrial world.

Mr. McCUMBER. Mr. President——

Mr. KING. First let me complete my statement.

But as the paper money was issued, of course prices began to rise, measured by gold—that is, the mark measured by the gold dollar. The best economists of Europe and the best financial thinkers of the United States know that Germany, if she persists in this policy of inflation, must reach the same result that Russia has reached, and so will have, as the Southern Confederacy had at the end of the war, large quantities of paper money which will be absolutely worthless, shrinking in value and requiring more and more of the paper money to purchase the most insignificant article that enters into the consumption of the people.

I now yield to the Senator from North Dakota.

Mr. McCUMBER. I agree with the Senator that anyone who takes the position that the depreciated currency is in the end beneficial to a country is adopting a most fallacious theory. The matter to which I wish to take exception is the Senator's statement that the chairman of the committee has ever in any way, shape, or manner taken a position of that kind. I certainly never have. I have not even discussed that in the consideration of the pending bill, much less did I ever assume any such position.

Mr. KING. Perhaps I stated it too broadly, and I ask the Senator's pardon. What I meant to say was that the Senator from North Dakota, chairman of the Committee on Finance, in his very strong discussions of the bill—they have been strong, and he has stated the arguments in favor of his position and the bill as strong as they could be stated by anyone—has called attention to conditions in Germany and the price of labor, the low wage paid, and the low price for raw materials and commodities. The inference which I drew from his statements was that the cheapness, the low price of labor, and the low price of commodities resulted from inflated currency.

Mr. McCUMBER. No, Mr. President, as I have stated, only as measured by the American standard. I have not discussed to what extent the depreciated currency of Germany has had to do with the lower wages there, but I have simply measured those wages in American dollars and in nothing else. I want to assert most positively, however, that I do not think a depreciated currency is any more beneficial to any country than having a lot of outstanding notes which are not worth one cent on the dollar is beneficial to an individual.

Mr. KING. Mr. President, I know the integrity of the soul and of the life of the Senator from North Dakota and his soundness upon fiscal policy. I think he is not sound on the tariff question, and, of course, he does not credit my views as squaring with the principles of a sound economic policy as it relates to the tariff.

However, Mr. President, coming back to the point which I was discussing, it is obvious that if Senators or anyone else attribute to Germany any superior supremacy or any advantage in the industrial world because of her inflated currency they must soon abandon that position, as Germany will be compelled to abandon that position.

Mr. SMOOT. Mr. President, I do not know whether or not my colleague is aware that in Germany the only advantage that can possibly come from her depreciated currency is that Germany regulates the amount of rent which shall be paid by the laboring man, the prices at which his food shall be sold to him, the prices of the clothing which he buys. In that way there is an advantage in Germany in the making of goods. Nobody has ever dreamed that a depreciated currency in the end would save any country or be of any advantage to any country.

However, the conditions which I have described are now in existence in Germany. Under the German form of government the man who has a house to rent may be compelled to rent it at a certain rental; the man who has goods of a certain class to sell may be compelled to sell them at a certain price; and the laborer who is to be paid is compelled to be paid a certain price. Those are the advantages, and the only advantages, that come from the existence of a depreciated currency, and those advantages, Mr. President, Germany to-day has.

Mr. KING. I am familiar with the regulations which in the past have been promulgated by the new German Government under the Presidency of Mr. Ebert. I know, however, the restive attitude of the people of Germany toward what they regard as unjust and improper regulations. There have been such protests against some of those regulations as that many modifications of them have been made. It is only a question of a little time when there will be a revolution in Germany—I do not mean a political one—that will be so powerful against what might be denominated these paternalistic impositions as that they will be swept away.

As I have stated—and I ask pardon for the repetition—on the 1st of this month, notwithstanding there had been an increase in wages only a short time before, there was an increase of 40 per cent in wages demanded by the laborers in Germany. We all know the power of the labor organizations in Germany. We know, as was so succinctly and forcefully stated by the distinguished Senator from North Carolina [Mr. SIMMONS], that there is manifesting itself a world solidarity among the laboring people. Whether we like it or do not like it, there will come a time when the wages paid in the country where they attain the highest rates will measure the wages in substantially all other civilized countries.

I confess that I look with a good deal of apprehension upon the movement toward a world union of the laboring classes. We know what is being done—it is ascribed to the La Follette bill; I make no comment, one way or the other—among the laborers in the marine world. The higher wages paid upon American vessels have brought higher wages upon other vessels, and the higher wages paid in the United States undoubtedly have been reflected in demands for higher wages in other countries. In Canada we know that the labor unions are in constant apposition to the labor unions here. They have international meetings in Ottawa one year and possibly the next year in some city in the United States. A scale of wages is adopted which is substantially the same in Canada as that which prevails in the United States.

We have international wage meetings in the City of Mexico and representatives go there from the United States. International wage gatherings are held in European nations to which representatives of the civilized nations go.

There is a leveling process, Mr. President, in the wages paid throughout the civilized world, and as that leveling process is effectuated it manifests itself in a leveling process in the prices of world commodities. We may fight against it as much as we

like, but the tendency in prices is to a world price level. There is practically a world price level in agricultural products and in many other products. I admit that there are many exceptions to the statement which I have made; but I am merely stating that there is a tendency in this direction; and in time—and it will not be very long—we shall find, Mr. President, that the cost of production of many of the articles embraced in this bill will be substantially the same throughout the civilized world, and the cost of labor will be substantially the same throughout the civilized world. When I say the "cost of labor" I do not mean necessarily per man, but measured by the result of labor rather than by the number of employees, for in some countries, because of superior skill or initiative or ingenuity, one man may perform and does perform more work than will be performed by a workman in the same craft in some other country.

Mr. President, I protest again against these efforts to affright the Senate and the country by holding up Germany as a great juggernaut that is about to be rolled over the prostrate form of this puissant Nation. In my judgment, it is no creditable view of the power of our own Nation, and it is ascribing to Germany a power and a resiliency which she does not possess. I repeat what I said in the beginning, before the interruptions occurred, that in some articles even now the cost in Germany is greater than it was before the war. It can not be otherwise. There have been excised from Germany by the Versailles treaty Alsace and Lorraine; a part of her territory was given to Belgium, although only a small area, it is true; a considerable part was taken from her and awarded to Poland; she has been divided by the corridor that runs to the free city of Danzig. Some of her iron mines have been taken from her; much of her coal has been taken from her; a large part of her potash has been given to Alsace.

Stripped of her ships, stripped of many of her resources, including her colonies, burdened by financial obligations imposed by the Versailles treaty of more than 130,000,000,000 marks, it must be obvious to the most superficial observer of economic conditions and world conditions that Germany for many years will be prostrate. How is Germany going to meet the tremendous burdens placed upon her?

Moreover, Mr. President, she will be compelled to buy in the markets of the world raw materials in order that she may engage in manufacturing enterprises to the extent that she engaged in them prior to the war. She can not hope to achieve any degree of success in a manufacturing or industrial way except by the purchase of millions of dollars' worth of products from other countries annually. She has to buy our cotton; she desires to and must buy copper and many other raw materials from this country as well as from other countries. It is absurd to say, when she has got to trade in the world on the gold basis in order to buy the things she needs, that she occupies the great advantage to which some of our Republican friends are constantly referring.

My good friend from Ohio [Mr. WILLIS] said that a friend of his who was over there speaks about the number of Americans over there who are buying or preparing to buy. I do not know what the particular facts are, but I do know that there are Americans going into all countries where they can find markets for the purpose of selling and, of course, in many instances for the purpose of buying. Of course, we are buying something from Germany. Last year we imported approximately $88,000,000 worth of products from Germany, but we sold to Germany approximately $300,000,000 worth of our products. I have no doubt that some of the men referred to in the suggestion of the Senator from Ohio who had gone from America were selling American goods to Germans, and they were, of course, buying in return German goods for this market; exchanges were being made. Is it wrong for Germans to come here to buy our goods? It is all right, I suppose, for Germans to come over here and buy $300,000,000 worth of our goods, but it is wrong for Americans to go over there to buy $88,000,000 worth of their goods. As a matter of fact, Germany would not have purchased approximately $300,000,000 worth of our products unless she could have paid for some of them by selling to us $88,000,000 worth of her products.

We benefited by our representatives going to Germany. Doubtless they found markets there for our surplus products, and I have no doubt there are many representatives of American houses, of American manufacturers, of American vendors, in Germany seeking markets there for surplus American products.

Mr. President, I wanted to say just a word or two about the item which is under discussion—phosphoric acid—and I would not have alluded to these other matters except for the remarks which have been made by some of my Republican friends.

In the first place, I want to call attention to the fact that phosphoric acid is made by the General Chemical Co., which has been absorbed by or constitutes a part of the great trust, the Allied Chemical & Dye Corporation of the United States, one of the trusts of the United States—and there are a good many. It has a capital of approximately $300,000,000. It has absorbed a great number of chemical houses or chemical plants and chemical corporations that for a number of years operated independently in the United States. I charge that the Allied Chemical & Dye Co., with its enormous holdings, is a trust and has sought benefits under the schedules of this bill. It is interested in phosphoric acid. It manufactures it. It doubtless was interested in having it transferred from the free list to the dutiable list. Why, even in the Payne-Aldrich Act it was not deemed wise or prudent to put phosphoric acid upon the dutiable list, but in this bill the trusts have become so dominant that they have insisted that phosphoric acid be placed upon the dutiable list. If not the trusts, who else? Why was it done? Who are demanding it? What are the reasons for it?

Another large organization, with capital going into the millions, is interested in this product. That is the Mallinckrodt Chemical Co., of Missouri; and my recollection is that in the House hearings a brief was filed, signed by Mr. Edward Mallinckrodt, which was a plea for a tariff upon this article. The Victor Chemical Works, of Illinois, is a manufacturer of phosphoric acid, as is the Warner Chemical Co., and Powers, Weightman & Rosengarten Co.

Let us see, briefly, the uses to which this product is put.

The principal uses of phosphoric acid, according to the statement made by the Tariff Commission, are in medicine, dental cements, and beverages. I have called attention repeatedly, and I shall do so often again during the course of this discussion, to the fact that the drug men and the chemical men and the manufacturers of medicines seem to have had a free hand in drawing these schedules. Nearly every medicine is put upon the dutiable list, and the people are to pay tribute to these great drug companies, chemical companies, and medicinal companies that have grown fabulously rich in vending their products to the American people.

The domestic production of phosphoric acid in 1914 was 12,420,191 pounds. The import for that year was 528,826 pounds. Of that import 65 per cent came from England, not from Germany. Germany seems to have been but a small factor. The maximum post-war import was less than 3 per cent of the 1919 domestic production—3 per cent!—and yet we are to give the trusts and great concerns, who are so powerful in bringing about the enactment of this law, this tariff upon this article.

The imports in 1914 I have stated. Reading from the statistics of imports and duties in the fiscal year 1908 there were 209,925 pounds imported; in 1909, 144,462; in 1910, 306,175; in 1911, 405,007; in 1912, 454,962; in 1913, 504,383; in 1914, 528,826; in 1915, 265,193; in 1916, 71,568; in 1917, 13,666; in 1918, 17,711, showing, of course, a remarkable decline. In the calendar year 1918 the imports were 4,501 pounds; in the calendar year 1919, 10,925 pounds; in the calendar year 1920, 308,974 pounds; and in 1921, for nine months, 50,338 pounds.

Why should there be a tariff rate upon an import where the amount imported bears such a small ratio to the domestic production? Of course, the only object is to enable the domestic manufacturer to increase the price so that those who buy medicines will be compelled to pay tribute and those who buy this product for beverage purposes—and it is used in the soda fountains—will have to pay an additional price. It is tribute levied by the trust.

Mr. President, I have more regard for a robber, a brigand who goes out on the highway and holds you up with his gun, than I have for some of these trusts and corporations who exercise their tremendous influence and power to drive through tariff legislation to rob the people and increase their own illicit gains. Dick Turpin was an honest man, measured by some who are beneficiaries of this tariff law.

I have stated that under the Payne-Aldrich law this product was free, and under the Underwood tariff law it was free.

Mr. President, I appreciate that nothing that can be said will change the results. The bond has been signed, and it will be executed. The tariff bloc and others are going to put this bill through as it is before us. If an angel from heaven were to come down into this Chamber and, with flaming sword in his hand, tell the Republican reactionaries who are sponsoring this bill that it was infamous, that it was injurious to the American people, it would not change the result. We can only challenge the attention of the country to the evils of this bill and then take a roll call, and let our Republican victors go before the people to justify their course.

Mr. President, as I indicated, when we reach the free list I shall move to place phosphoric acid upon the free list.

Mr. McCUMBER. Mr. President, as no angel in heaven is telling us about this bill being infamous, but only those who are opposed to the protective principle, I wish we could have a vote upon that question as expressed in this item.

Mr. KING. Mr. President, I move to strike out, on page 3, line 2, "2 cents" and to insert in lieu thereof "¼ cent," so as to read:

Phosphoric acid, ¼ cent per pound.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HARRELD in the chair). The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Harrison	McKellar	Smoot
Borah	Heflin	McKinley	Spencer
Bursum	Hitchcock	McLean	Sterling
Calder	Johnson	Myers	Sutherland
Capper	Jones, N. Mex.	Newberry	Swanson
Curtis	Kellogg	Norbeck	Townsend
Dial	Keyes	Oddie	Walsh, Mass.
Dillingham	King	Overman	Warren
France	Ladd	Page	Watson, Ind.
Gooding	La Follette	Phipps	Weller
Hale	Lodge	Sheppard	Willis
Harreld	McCormick	Shortridge	
Harris	McCumber	Simmons	

The PRESIDING OFFICER. Fifty Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. KING] to the amendment of the committee.

Mr. KING. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). I transfer my pair with the junior Senator from West Virginia [Mr. ELKINS] to the junior Senator from Rhode Island [Mr. GERRY], and vote "yea."

Mr. JONES of New Mexico (when his name was called). I transfer my pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED], and vote "yea."

Mr. McKELLAR (when his name was called). I have a general pair with the junior Senator from Indiana [Mr. NEW], which I transfer to the senior Senator from Nevada [Mr. PITTMAN], and vote "yea."

Mr. McKINLEY (when his name was called). I have a pair with the junior Senator from Arkansas [Mr. CARAWAY], which I transfer to the senior Senator from Minnesota [Mr. NELSON], and vote "nay."

Mr. STERLING (when his name was called). Transferring my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Oregon [Mr. STANFIELD], I vote "nay."

Mr. SWANSON (when his name was called). I transfer my pair with the senior Senator from Washington [Mr. JONES] to the senior Senator from Texas [Mr. CULBERSON], and vote "yea."

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

The roll call was concluded.

Mr. LODGE (after having voted in the negative). I have a general pair with the senior Senator from Alabama [Mr. UNDERWOOD]. In his absence I transfer that pair to the senior Senator from Iowa [Mr. CUMMINS] and allow my vote to stand.

Mr. DILLINGHAM. I have a general pair with the Senator from Virginia [Mr. GLASS]. In his absence I transfer that pair to the Senator from Connecticut [Mr. BRANDEGEE] and vote "nay."

Mr. SUTHERLAND. Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Florida [Mr. FLETCHER] with the Senator from Delaware [Mr. BALL];

The Senator from Oklahoma [Mr. OWEN] with the Senator from New Jersey [Mr. EDGE];

The Senator from Florida [Mr. TRAMMELL] with the Senator from Rhode Island [Mr. COLT];

The Senator from Montana [Mr. WALSH] with the Senator from New Jersey [Mr. FRELINGHUYSEN];

The Senator from Georgia [Mr. WATSON] with the Senator from Arizona [Mr. CAMERON]; and

The Senator from Kentucky [Mr. STANLEY] with the Senator from Kentucky [Mr. ERNST].

I also desire to announce the absence on official business of the Senator from New York [Mr. WADSWORTH] and the Senator from Washington [Mr. JONES].

The result was announced—yeas 15, nays 34, as follows:

YEAS—15.

Ashurst	Heflin	McKellar	Simmons
Dial	Hitchcock	Myers	Swanson
Harris	Jones, N. Mex.	Overman	Walsh, Mass.
Harrison	King	Sheppard	

NAYS—34.

Borah	Harreld	McLean	Sterling
Bursum	Johnson	Newberry	Sutherland
Calder	Kellogg	Norbeck	Townsend
Capper	Keyes	Oddie	Warren
Curtis	Ladd	Page	Watson, Ind.
Dillingham	Lodge	Phipps	Weller
France	McCormick	Shortridge	Willis
Gooding	McCumber	Smoot	
Hale	McKinley	Spencer	

NOT VOTING—47.

Ball	Ernst	Nelson	Robinson
Brandegee	Fernald	New	Shields
Broussard	Fletcher	Nicholson	Smith
Cameron	Frelinghuysen	Norris	Stanfield
Caraway	Gerry	Owen	Stanley
Colt	Glass	Pepper	Trammell
Crow	Jones, Wash.	Pittman	Underwood
Culberson	Kendrick	Poindexter	Wadsworth
Cummins	La Follette	Pomerene	Walsh, Mont.
du Pont	Lenroot	Ransdell	Watson, Ga.
Edge	McNary	Rawson	Williams
Elkins	Moses	Reed	

So Mr. KING's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. KING. Mr. President, I give notice that when we reach the free-list schedule I shall move to transfer phosphoric acid from the present paragraph to the paragraph under which the free list is found.

The PRESIDING OFFICER. The next amendment of the Committee on Finance will be stated.

The READING CLERK. Amendment passed over on page 3, line 2, after the word "acid" and the comma, insert "4 cents per pound," so as to read:

Oxalic acid, 4 cents per pound.

Mr. KING. Mr. President, I move to strike out the numeral "4" and to insert in lieu thereof the figure "1¼," so that it will read:

Oxalic acid, 1¼ cents per pound.

I am going briefly to call attention to a few facts stated in the summary furnished by the Tariff Commission to show the character of the product under consideration, and what I conceive to be the lack of reasons for the tariff.

Oxalic acid occurs in many plants, but commercial supplies are obtained by chemical processes rather than by extraction from natural sources. It is used largely for commercial laundries, for rinsing out the last traces of alkali or soap, and for removing iron stains.

It is apparent from this statement how important it is to the people of the United States, not only to those engaged in the laundry business but to the households of the land.

It is also employed in textile dyeing and printing, for bleaching leather, cork, wood, straw, and shellac, and as an ingredient in metal polishes. It serves as a reagent in chemical laboratories. Some of its salts are used in medicine and in photography.

Can there be any product that does not rise to the category of the supremely important ones that has more uses than the commodity which we are now considering? It would seem from the statement of the uses to which it is put that the great mass of the people require it more than those who might be denominated as belonging to the classes of the rich.

Why should there be a tariff placed upon this product which is so important to such a great number of people? In the Senate committee bill we find 4 cents per pound duty, and in the House bill 25 per cent ad valorem. In my opinion, if we are to consider pre-war prices, the Senate committee bill is a disadvantage over the House bill. The pre-war wholesale price in the United States was 5 cents per pound.

It is obvious that a duty of 25 per cent would be less than the rate which is fixed in the bill of 4 cents per pound. Here is an item important to the people, used by the housewives, used in dyeing and in printing, in bleaching, as an ingredient in metal polishes, and yet it is proposed to give to the manufacturers of the product a tariff of nearly 100 per cent, measured by pre-war prices.

The price on April 24 of this year was from 11½ to 13 cents per pound. Of course, the price has been forced up by the manufacturers here and by war conditions and conditions which prevail throughout the world. The wholesale price

abroad is 15 cents a pound. There can not be any reasonable ground for apprehension of competition measured by the pre-war prices. The pre-war price, as I have stated, was 5 cents per pound. The unit price abroad is 15 cents per pound. Now we propose to put a tariff on of 4 cents per pound. Why? Of course, there is only one answer. It is to swell the profits of the domestic manufacturer.

Even those who framed the Payne-Aldrich law were satisfied with a tariff rate of 2 cents per pound, but the Payne-Aldrich law did not satisfy those who made the demands for this rate, and it has been doubled.

Mr. WALSH of Massachusetts. Mr. President——

Mr. KING. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. I presume the Senator will perhaps state it later, but I would like to have him state whether there were any imports of this product during the last year.

Mr. KING. Yes; there were.

Mr. WALSH of Massachusetts. What percentage of the domestic production were the importations?

Mr. KING. I do not know the domestic production for the years 1920 or 1921, but the survey from which I am reading states that in 1919 the domestic production of oxalic acid was 2,103,500 pounds and the imports for 1919 were 651,600 pounds. The imports for the first nine months of 1921 were 1,016,471 pounds.

Mr. WALSH of Massachusetts. I understand the Senator to state that the price of the foreign product is higher than the price of the domestic product.

Mr. KING. Yes; 15 cents a pound is the price of the foreign product abroad, as shown by the tariff survey.

Mr. WALSH of Massachusetts. I understand also that the imports are a small percentage of the domestic production. On what theory can a tariff be justified on such a product? What explanation can be made except the explanation of giving the American producers something more out of the pockets of the consumers?

Mr. KING. There is no explanation other than that which is implied in the question suggested by my friend. I want to be entirely accurate as far as I can in regard to the record. The imports are considerable, measured by the consumption. I presume, although I am speaking now from hearsay rather than from facts, that the imports bear about the ratio of 1 to 3. This year the production, I am told, will be more than last year. In 1919 the domestic production was more than 2,000,000 pounds and the imports for the first nine months of 1921 were 1,000,000 pounds. If the production in 1921 was the same as it was in 1919, then the imports would bear the relation of 1 to 3.

Mr. WALSH of Massachusetts. In discussing the last product, phosphoric acid, I noticed that the Senator made it very clear and beyond dispute that an amount equal to 3 per cent of the domestic production was imported into this country. I heard him ask how a tariff could be justified upon such a small importation of a product that is almost entirely produced in this country. I was surprised to find absolutely no reply from the other side.

It seems to me if the Senator can continue to show, as he is showing, that we are putting tariff rates upon chemicals which are produced almost in sufficient quantities to supply the domestic market, that some answer must be made to the theory of protection that simply permits the home producer to raise prices and protects no one.

Mr. KING. The answer is that the Republicans have the votes.

Mr. WALSH of Massachusetts. I wanted an answer also as to the last chemical referred to, phosphoric acid. The question went unanswered in the record, although only 3 per cent of that chemical consumed here was imported into the country.

Mr. KING. I may say to the Senator that before we get through with the bill I shall show a large number of items as to which the imports are less than 1 per cent, and yet the tariff rates are enormous. The less the imports—indeed when they reach the vanishing point with respect to many of the commodities covered by the bill—the higher the tariff. Of course, it can only be justified upon the theory that the Republicans have the power, that the trusts and manufacturers and the great chemical organizations of the United States have made demands and the demands were being acceded to.

Take the product of phosphoric acid, just referred to. It is the product of one of the most vicious trusts in the United States, a corporation that has a capital of more than $300,000,000, and yet we rob the poor widow and the sick child for the purpose of putting more money into the pockets of the great chemical trust whose name I mentioned when we were discussing phosphoric acid.

Take the item now under consideration, oxalic acid, which is used in such large quantities by every household in the United States; is used as a medicine; is used in photography; is used so extensively throughout the United States. It is manufactured in part by Powers, Weightman & Rosengarten, one of the large firms whose brief I find before the committee, in which there are so many suggestions as to increases in the chemical schedule. It is manufactured also by the Grasselli Chemical Co., one of the largest chemical concerns in the United States. It is manufactured by the Roessler & Hasslacher Chemical Co. and by the Victor Chemical Co.; and, by the way, the Victor Chemical Co., Mr. President, seems to have no limit to the demands which it has made upon the committees drafting the bill. It made demands as to many items. Its representative, with reference to oxalic acid, insisted upon 5 cents per pound specific duty. The committee have given 4 cents per pound. The pre-war price, as stated, was 5 cents and the Payne-Aldrich rate was 2 cents.

Mr. President, what else can be said? What should be said with domestic production so large, the product so important, and used by so many? Why should we increase the price by this enormous tariff rate?

The present price is double the pre-war price. It is obvious, with no competition from the world, because the world price is 15 cents, we are turning over this product to the cupidity of the trusts. I protest against it. It seems to me that it ought to be on the free list, but I have been content, Mr. President, to urge the adoption of the same rate which we find in the Underwood law.

Mr. WALSH of Massachusetts. Does the Senator from Utah state that this acid was on the free list in the Payne-Aldrich law?

Mr. KING. No; there was a specific duty on oxalic acid of 2 cents in the Payne-Aldrich law.

Mr. McCUMBER. Mr. President, preliminary to what I desire to say with reference to the rate on this item, let me call attention to the report of the Tariff Commission, which states:

> Production: Before the war there was only one producer in the United States, who used a process dependent on heating sawdust with caustic potash, followed by elaborate chemical treatment. This firm had severe competition from German producers, who have developed a newer and apparently cheaper process by heating caustic soda with carbon monoxide under pressure, forming sodium formate, which on further heating yields sodium oxalate, and this in turn is converted into oxalic acid. During the war several firms in the United States undertook its manufacture by the new method, but they are still in the infant-industry stage of development. In 1919 (preliminary figures) the output of oxalic acid was 2,103,500 pounds, valued at $545,600.
>
> Imports: Pre-war imports of oxalic acid, chiefly from Germany, but partly from Norway and Great Britain, varied from about seven to eight million pounds per year, despite a duty of 2 cents per pound. It is estimated that the imports were several times greater than American production.

Mr. President, I wish also to quote from the table of statistics of imports and duties from 1908 to 1918, inclusive.

Oxalic acid was free in 1908, and we imported 8,853,000 pounds. Remember that our entire consumption was only about 10,000,000 pounds, and yet we imported nearly 9,000,000 pounds. We have started to manufacture that product in the United States. Is the industry worth saving? In 1909 we imported 9,797,000 pounds, or nearly 10,000,000 pounds. The article was then free. In 1910, with a 2 cents per pound duty, we imported about 5,000,000 pounds; in 1911 we imported 7,053,000 pounds; in 1912 we imported 7,077,000; in 1913 we imported 8,046,000, in round numbers. Those importations, I repeat, were when there was a duty of 2 cents per pound on the article.

Mr. President, if we are importing over 8,000,000 pounds under normal conditions, and we consume only 10,000,000 pounds, is it not worth our while to keep the industry in the United States?

We are fast approaching the pre-war prices of the commodity; in the United States the prices are coming down rapidly. We shall probably reach the pre-war prices in a short time. Undoubtedly foreign countries must again compete and will be able to furnish practically all of the oxalic acid; but I think it is worth a little more than a 25 per cent ad valorem duty in order to maintain the production of this article in the United States.

Mr. MYERS. Mr. President, I understand that the item now before the Senate is oxalic acid. I will ask the chairman of the committee, the Senator from North Dakota [Mr. McCUMBER], if that acid is not used as one of the ingredients in the manufacture of soap?

Mr. SMOOT. Not an ounce of it is so used. It is used in dyeing and for other similar purposes, but not a pound of it goes into soap.

Mr. MYERS. Is it not used at all in the manufacture of soap?

Mr. SMOOT. Not at all.

Mr. McCUMBER. It is used to remove the effect of soap, but not in the manufacture of soap. It is used to destroy the alkali in soap which may be used in laundering, but it is not used in the manufacture of the soap itself. It is generally used, therefore, in the manufacture of fabrics.

Mr. SMOOT. Take wool, for instance. Wool is washed as clean as it can be by either soda or potash. Then, in order that the fabric may take the dye evenly it is given a bath of oxalic acid, which removes every particle of grease which may have been in the wool and which could not be washed out. Then the wool is prepared for colors, the same as is cloth or any similar goods; but not a pound of oxalic acid goes into the manufacture of soap.

Mr. MYERS. But it is largely used in laundries, is it not?

Mr. SMOOT. Not as soap.

Mr. MYERS. But is it used in the process of laundering clothing?

Mr. SMOOT. It is used by laundries to remove the grease which comes from the body and sometimes adheres to the clothing. This acid removes and destroys such stains, but it is not soap at all. It destroys whatever grease there may be in wool or in the cloth before it is dyed, and destroys the effect of the soap that is not washed out.

Mr. MYERS. Is it used in laundering ordinary clothing by laundries?

Mr. SMOOT. It is used for that purpose.

Mr. MYERS. For taking out grease spots?

Mr. SMOOT. Or for taking out iron rust or any discoloration that may occur in the clothing incident to its wear; but it is impossible to use it in soap, I will say to the Senator from Montana.

Mr. JONES of New Mexico. Mr. President——

Mr. MYERS. I yield.

Mr. JONES of New Mexico. I am sure the Senator is correct in his information as to the use of this acid. I read from the Summary of Tariff Information just a line:

> Oxalic acid has a great variety of uses, the largest probably in commercial laundries for rinsing out the last traces of alkali or soap and for removing iron stains. It is also employed in textile dyeing and printing.

So that the Senator is quite right in considering it as an important commodity in laundering. That is the greatest use for the article.

Mr. SMOOT. Oh, no, Mr. President; it is not the greatest use, although it is one of the greatest uses. Its greatest use is in connection with the textile industry.

Mr. JONES of New Mexico. I have just read this language:

> Oxalic acid has a great variety of uses, the largest probably in commercial laundries.

I read that from the Summary of Tariff Information.

Mr. SMOOT. That is what the Tariff Commission may say.

Mr. JONES of New Mexico. Of course, if the Senator from Utah has information better than that of the Tariff Commission, I can not help that.

Mr. SMOOT. There is not a woolen mill or manufacturer of any kind of textiles that does not use it, and they use it by the cask or by the carload. I have bought it many a time by the carload and I know what it is used for.

Mr. MYERS. Mr. President, I was mistaken in supposing it to be an ingredient in the manufacture of soap, but it appears that it is used by laundries in the process of laundering clothes and other fabrics to remove spots and stains. In that respect it answers the same purposes as soap and may be used for that purpose more effectively than soap. I believe that it ought to be on the free list instead of having a duty imposed on it.

Mr. SMOOT. May I say to the Senator that it would be very much better for the American people if oxalic acid was not used by laundries, because of the very fact that it has a deleterious effect upon the clothing. The reason it is used is because it affords the easiest means to remove rust stains and grease spots; but many times when clothing comes from a laundry and the owner wonders what is the matter with it, the trouble arises in large part from the use by the laundry of oxalic acid.

Mr. MYERS. If that is the result of using too much, then I think they ought to use just enough and not use too much. I presume laundries may employ improper methods as well as may other concerns. I have had some communications from my State about the tariff duty on this commodity protesting against any tariff duty on the commodity, and I have been impressed with the merits of the protests. I believe that the commodity should be on the free list instead of having a duty imposed on it.

As I understand, the Senator from Utah [Mr. KING] has offered an amendment to reduce the tariff duty to 1½ cents per pound instead of 4 cents per pound. I will inquire of the Senator in charge of the bill or the Chair if that is correct?

Mr. SMOOT. I think the motion of the junior Senator from Utah was that the rate should be reduced to 1½ cents per pound.

Mr. MYERS. Very well. I move as a substitute for the amendment, if I may, that, after the words "oxalic acid," the words "4 cents per pound," in line 2, on page 3, be stricken from the bill.

The PRESIDING OFFICER (Mr. ODDIE in the chair). That can not be done, as it is an amendment in the third degree.

Mr. MYERS. I am in favor of putting oxalic acid on the free list. Is my motion not in order, Mr. President?

The PRESIDING OFFICER. The motion is not in order because it is an amendment in the third degree.

Mr. MYERS. I was under the impression that a substitute could be offered both for the original provision and for an amendment.

Mr. KING. May I say to the Senator that heretofore, with respect to two items, the Chair has ruled that we can only offer a motion to place an article on the free list when we come to the free-list schedule. So I suggest to the Senator that when we reach that schedule his motion will be in order.

Mr. MYERS. My motion, then, is ruled out of order; and I will not say more on the subject at this time, but I will vote for the amendment offered by the Senator from Utah [Mr. KING].

Mr. SMOOT. Mr. President, just a word.

I want to say to the Senator from Montana that oxalic acid is one of the items of manufacture which was undertaken years ago to establish an industry in this country. Along in 1908 oxalic acid was being sold by the German importer for about 8½ or 9 cents a pound by the cask or carload, with a provision that he would sell whatever oxalic acid the industry might wish, providing they would buy other chemicals from him. We were not making oxalic acid in the United States, but it was conceived that perhaps at the price of 8½ or 9 cents a pound oxalic acid could be made in the United States, and one firm started the manufacture of oxalic acid from sawdust in Pennsylvania. That was where the first manufacture was started. Just as soon as the plant got into operation the German importer began to cut the price, and I know that it fell to about 5 cents a pound delivered at the mill, until the American plant was closed up, and then immediately the price began to rise.

Mr. MYERS. I will ask the Senator when that was?

Mr. SMOOT. That was in 1907 or 1908; I forget the exact date. It was before the passage of the Payne-Aldrich bill, because the reason why the duty of 2 cents a pound was put in the Payne-Aldrich bill was the very fact that this little industry had been started here for manufacturing oxalic acid in the United States, and it had been shut up entirely by the process I have just related.

When the duty of 2 cents a pound was put on oxalic acid in 1909 the owners of the little plant began to operate it again; but the German cartel, that controlled this industry for almost the whole world, made it impossible for them to operate, and just as soon as they closed up the price mounted up again sky-high.

I am not going to take the time to tell the Senator how these cartels work throughout the world. They are working to-day; but let me make the prediction that if oxalic acid is not made in the United States the American purchasers will pay a greater price than they will pay with the duty that we place upon it allowing the industry to exist here.

Mr. MYERS. Does the Senator say that oxalic acid can not be made in the United States at all without a tariff duty on it?

Mr. SMOOT. I know that it can not. I am just as sure of it as that I live. That was demonstrated under the 2-cent rate of the Payne-Aldrich law. Of course, there is a new process now, but that new process is used in Germany. They do not make oxalic acid from sawdust any more. There is a new process of making it, and that was first undertaken in Germany, but it is gradually being adopted in this country. If you want to put yourselves absolutely and completely in the power of the manufacturer of this article in Germany vote to put it on the free list, and the American purchasers will pay more than they will with this rate of duty upon it, because past history has demonstrated it.

Mr. MYERS. Mr. President, I am a believer in a tariff for revenue only. I realize that we must raise part of the revenues of our Government from the tariff. It is not practicable to dispense with that method of raising revenue altogether; but I am not much of a believer in the theory, so extensively preached, of putting a tariff duty on an article to enable people to manufacture it in this country when they claim that otherwise they can not manufacture it—putting it on as a defense against a hold-up process on the same article imported from foreign

countries. It may work to advantage now and then, once in a great while, but I think the theory and practice is subject to great abuse. Advantage has been taken of it in a great many instances in which the claim is not well founded, I think, and I am opposed to the practice altogether.

Mr. SMOOT. May I read what A. Mitchell Palmer, the Alien Property Custodian, said about this very article?

Mr. MYERS. I shall be glad to have the Senator do so.

Mr. SMOOT. I did not know the exact date, but I see that he gives the date, and I think his statement will carry out what I stated:

As to what we deem unfair practices of competitors, we are incorporating herewith an extract from the report of A. Mitchell Palmer, as Alien Property Custodian, which demonstrates clearly the methods pursued by Germany in its competition with the manufacturers of oxalic acid in the United States by the dumping of their surplus goods in this country and the sale of same at less than cost of manufacture:

"In 1901, when there was no American manufacture, it was sold by the Germans at 6 cents. In 1903, when the works of the American Alkali & Acid Co. was started, the price was immediately dropped to 4.7 cents, at about which figure it remained until 1907, when the American factory was shut down for a number of months. During the shutdown the price was instantly raised to 9 cents. When the factory reopened the price was again dropped until 1908, when the company failed."

I passed through that experience personally. I know how they held me up at the time; and not only did they hold me up for the price of oxalic acid, but they said, "You can not buy a pound of oxalic acid unless you buy our alizarin colors at the same time." That is the experience I had with oxalic acid, and that is the experience the American purchaser will have if you put it on the free list. The only thing to do is to decide what you want.

Mr. WALSH of Massachusetts. Mr. President, does the Senator mind informing us what he used oxalic acid for?

Mr. SMOOT. For a mordant in dyeing wools and in dyeing cloths in woolen mills.

Mr. WALSH of Massachusetts. In very insignificant quantities?

Mr. SMOOT. Oh, I used to buy a carload at a time.

Mr. WALSH of Massachusetts. And how long would a carload last?

Mr. SMOOT. A carload would last me about six months.

Mr. JONES of New Mexico. Mr. President, will the Senator yield?

Mr. MYERS. Yes; I yield.

Mr. JONES of New Mexico. I just want to call the attention of the Senator to the fact that the latest import price for oxalic acid is 15 cents a pound, three times the price before the war; and no matter what may have occurred some years ago, back in 1901 or 1907, that thing is not occurring now under the present duty on oxalic acid.

Mr. WALSH of Massachusetts. That is twice what the price was when the Senator from Utah was held up.

Mr. JONES of New Mexico. Three times the price. I should like to read the figures for the different years.

Oxalic acid: 1908, 6 cents a pound; 1910, 6 cents; 1912, 5 cents; 1914, 5 cents; 1916, 32 cents; 1918, 40 cents; 1920, 34 cents; 1921, the first nine months, 15 cents.

So it appears that with our laws as they are now the price in this country is three times what it was before the war, and the condition which the Senator from Utah pictured to us a moment ago has no relation whatever to existing conditions.

Mr. SMOOT. Mr. President, of course I want the Senator from Montana to know that the prices the Senator from New Mexico read were the invoice prices in the foreign country, and the price he is quoting now is the price at which the product is sold in this country.

Mr. JONES of New Mexico. No; Mr. President. What I am reading from now is the foreign price on which duties are now levied, and if the Senator wants to get some information from the Reynolds report he will find this—I believe I will withdraw what I said. The 15 cents a pound is the selling price of the foreign article in this market. I did not know about that.

Mr. SMOOT. That is what I thought the Senator had better say, and that is what I said.

Mr. JONES of New Mexico. I understood that these tables which I have stated the other price. The selling price of oxalic acid in this market in 1921 was 15 cents a pound; but the pre-war price, the foreign price on which the duty was levied, was one-third of the present selling price in the United States.

Mr. SMOOT. That is true, and that is not the only item of the kind here. The cost of everything went sky-high. There was not anything in the chemical schedule that did not advance. This does not differ from the other items of the bill. Just exactly what I have stated here will take place if we have free oxalic acid. There is not any more doubt about it than that we live. That is what is going to take place if it is done, and the only question is whether we want to undergo the experience that we have had in the past.

If I were going to criticize this schedule, I would not stop at these little things that have a duty of about 10 or 11 per cent—I mean, if I were opposed to it. I would take the items here where the rates are higher than are actually necessary, high rates. Of course, if it is just a question of taking up time, take every item, just as you are doing; but do you think the American people are going to object where an industry is given a duty of 11 or 12 per cent? I do not think so.

Mr. MYERS. Mr. President, I have already had objections from my State. I will say that I know that the Senator from Utah is a remarkably well-informed man about all matters pertaining to the tariff, on facts and figures; but I think the theory which he announces on this occasion is full of danger and in the past has been frightfully abused, and I am very shy of it.

Mr. WALSH of Massachusetts. Mr. President, I think it ought to be said that there is considerable reason for giving attention to these chemical items, though the rates appear to be small and the volume of business not large measured in dollars. An examination into these schedules tends to show the haphazard and unscientific method of fixing tariff rates in this bill. Let us examine the last two items.

In the case of phosphoric acid a very substantial tariff rate upon that product has been levied for the first time, as under the Payne-Aldrich and Underwood bills both were on the free list.

Mr. SMOOT. We decreased the House rate.

Mr. WALSH of Massachusetts. Phosphoric acid is produced in this country in sufficient quantity to take care of almost our entire consumption. It was pointed out a few minutes ago that the imports amounted to only about 3 per cent of the domestic production. Oxalic acid, which sells for about the same price as phosphoric acid, is produced in very small quantities in this country. We must go into the foreign market to supply our consumption. Yet the same increase in rates has been made in this bill for both these chemicals over those fixed in the Payne-Aldrich law. Here are two acids selling for about the same price, and the rates are increased the same amount over those of the Payne-Aldrich law, though as to one there is no competition from outside, there being no imports, practically speaking, and as to the other there is very slight production in this country and we have to depend upon foreign importations almost entirely. Upon what theory can the Committee on Finance justify an increase over the rates of the Payne-Aldrich law on a product which is not imported at all, and the same amount of increase on a product that it is necessary to import in large quantities to take care of our consumption?

Mr. SMOOT. I want to say to the Senator that the Payne-Aldrich rate of 2 cents did not save the industry in the United States, but now there are ample facilities for manufacturing all the oxalic acid that would be used in the United States. In 1919 nearly 60 per cent of the oxalic acid consumed in this country was imported.

Mr. WALSH of Massachusetts. Mr. President, in presenting the case in favor of the rate in this bill the Senator has touched upon a very important question. May I ask him if he believes that any product which it is possible to produce in this country should receive protection in order to make the manufacture of that product a prosperous industry, regardless of the necessity of importations, because of the unlikelihood of the domestic production being sufficient for our consumption?

Mr. SMOOT. Do I believe that we ought to have an embargo, does the Senator mean?

Mr. WALSH of Massachusetts. No; does the Senator contend that if we can establish an industry to produce a product in this country which will compete with the same product from foreign countries, we ought to give that product, even if we can produce only 5 per cent of the domestic consumption, a protective tariff rate?

Mr. SMOOT. No; if that is all we can produce in this country; but, as to oxalic acid, I want to say to the Senator that we have one company in the United States which testified they could make 5,000,000 pounds of it.

Mr. WALSH of Massachusetts. Does not the record show that there has been less than 25 per cent of the consumption of oxalic acid produced in this country?

Mr. SMOOT. In some years; yes.

Mr. WALSH of Massachusetts. And a good deal less than that in other years.

Mr. SMOOT. In 1919 the output of oxalic acid was 2,103,500 pounds, valued at $545,600, and the importations in the same year, in quantities, were 651,609 pounds. I will say to the Senator that if we could not make it in this country, or if we

were at a disadvantage as to the raw materials which may enter into it and are required for its manufacture, and the production was only 5 to 10 per cent, I do not think it would be justifiable to put an exceedingly high rate on it for the purpose of protecting that 5 or 6 or 10 per cent.

Mr. WALSH of Massachusetts. In the matter of providing a protective duty I am willing to consider the difference in the cost of production abroad and at home, but I am not willing to impose a protective duty when the facts produced merely show a difference in cost of production at home and abroad. I want some evidence that even with a fair protective duty the product can be sold to the American people at a fair price. If the articles will cost an unreasonable sum of money to the consuming public with a protective duty, we should put such articles on the free list. What do we have a free list for? A free list exists in tariff bills simply because Congress believes there are some commodities we can not produce in America at any price that is reasonable to demand of the American consumer.

Mr. SMOOT. This is not one of them.

Mr. WALSH of Massachusetts. Phosphoric acid was considered one of them under two laws, under the Payne-Aldrich law and under the Underwood law.

Mr. SMOOT. We have passed that item.

Mr. WALSH of Massachusetts. But when you framed this bill you picked two articles, one produced wholly in this country, the other produced here only in part, and you increase the rates on both of them over the Payne-Aldrich rate to the same extent. I can not understand how you arrive at that conclusion. What method did you use? What scientific principle did you use or apply?

Mr. SMOOT. As I remember, phosphoric acid was on the free list under the Payne-Aldrich law, and is also on the free list under existing law, but the committee has recommended a rate of 2 cents on it. That is not quite the same as advancing from 2 cents to 4 cents. That is quite different. The Senator ought to take into consideration the fact that where Germany sets out to control an industry and furnish the world with the product under her form of government and under her practices in the past she has permitted what are called cartels, and every ounce of the product is controlled by those organizations. They can raise the price to this country to a height sufficient to enable them to cut the prices to another country, and that is what they do. If the Senator's theory were correct, Germany would control the products of the world, because she would never allow any country to build up an industry, and the only way an industry could be built up would be for the countries to build up industries as against her.

Mr. WALSH of Massachusetts. It does not control the production of phosphoric acid that we just voted upon, because we do not import this product. Almost our entire consumption is produced in this country, and yet you have increased the tariff rate equal to that placed on oxalic acid, which is only produced here in small amounts.

Mr. SMOOT. The Senator does not quite catch what I mean. If we had no protection on oxalic acid in this country, or if we had protection on it to the extent of 2 cents, Germany would do just as she did before. She would kill the industry if she had to sell the product at a loss, as she did. When it was killed she raised the price from 4½ cents to 9 cents immediately. In some cases we have to look at just such a situation as that. There are very few articles in that class perhaps, but there are some, and I myself know that the report of A. Mitchell Palmer as to oxalic acid is absolutely true.

Mr. WALSH of Massachusetts. Has the American producer ever made it at less than 9 cents?

Mr. SMOOT. They tried to meet the competition until they went broke. They had to sell at less than cost, and failed.

Mr. WALSH of Massachusetts. So even the price, as increased by Germany, was less than the price at which the domestic producer was able to make and sell it?

Mr. SMOOT. There was no question about the American producer being able to make it at 9 cents, but when the Germans reduced it to 4½ cents, the domestic producers could not make it. They tried to compete until they failed, and that is what would happen to any other manufacturer who manufactured it if we did not have the duty. Under our form of government there is only one way to protect an industry in a situation like that, and that is by a tariff rate. Our form of government will not allow these cartels to be formed, and all of the profits pooled at the end of a year, and each manufacturer told by the cartel, "You shall furnish this to go to South America; you shall furnish this to go to North America; you shall furnish this quantity of this article to go to England." Then all of the gains are gathered into one pot at the end of the year and distributed according to the amount of production of that article in Germany. We can not do that in this country, and I know that the Senator from Massachusetts would not think of voting for a law granting any such power as that to any set of men living in America.

I only mentioned this because of the fact that oxalic acid was being discussed, and I had my fingers burned, and know what it means. This is the very item about which I had some experience, and was perhaps one of the very first things that caused me to begin to study what these cartels in Germany were, and what form of business honesty there was in that country which would allow such a thing to take place.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah [Mr. KING] to the committee amendment.

Mr. WALSH of Massachusetts. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). I transfer my general pair with the Senator from West Virginia [Mr. ELKINS] to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. McKELLAR (when his name was called). I have a general pair with the senior Senator from Indiana [Mr. NEW], which I transfer to the senior Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. McKINLEY (when his name was called). Making the same announcement as before, I vote "nay."

Mr. STANLEY (when his name was called). I transfer my pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. WATSON of Indiana (when his name was called). I transfer my pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

The roll call was concluded.

Mr. BALL. I have a general pair with the senior Senator from Florida [Mr. FLETCHER]. I transfer that pair to the junior Senator from Delaware [Mr. DU PONT] and vote "nay."

Mr. DILLINGHAM (after having voted in the negative). I transfer my pair with the Senator from Virginia [Mr. GLASS] to the Senator from Connecticut [Mr. BRANDEGEE] and allow my vote to stand.

Mr. DIAL (after having voted in the affirmative). I have a pair with the Senator from Colorado [Mr. PHIPPS]. I transfer that pair to the Senator from Ohio [Mr. POMERENE] and allow my vote to stand.

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH]; and

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH].

The result was announced—yeas 17, nays 34, as follows:

YEAS—17.

Ashurst	Jones, N. Mex.	Robinson	Underwood
Dial	King	Sheppard	Walsh, Mass.
Harris	McKellar	Simmons	
Harrison	Myers	Stanley	
Heflin	Overman	Swanson	

NAYS—34.

Ball	Harreld	McKinley	Sutherland
Borah	Johnson	McLean	Townsend
Bursum	Jones, Wash.	McNary	Wadsworth
Calder	Kellogg	Newberry	Warren
Capper	Keyes	Oddie	Watson, Ind.
Curtis	Ladd	Page	Weller
Dillingham	Lodge	Shortridge	Willis
Gooding	McCormick	Smoot	
Hale	McCumber	Spencer	

NOT VOTING—45.

Brandegee	Fernald	New	Reed
Brousse	Fletcher	Nicholson	Shields
Cameron	France	Norbeck	Smith
Caraway	Frelinghuysen	Norris	Stanfield
Colt	Gerry	Owen	Sterling
Crow	Glass	Pepper	Trammell
Culberson	Hitchcock	Phipps	Walsh, Mont.
Cummins	Kendrick	Pittman	Watson, Ga.
du Pont	La Follette	Poindexter	Williams
Edge	Lenroot	Pomerene	
Elkins	Moses	Ransdell	
Ernst	Nelson	Rawson	

So Mr. KING's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the Committee on Finance will be stated.

The READING CLERK. On page 3, line 3, after the word "acid" and the comma, insert "12 cents a pound," so it will read:

Pyrogallic acid, 12 cents per pound.

Mr. KING. Mr. President, I move to strike out the numerals "12" in line 3, after the word "acid," and insert in lieu thereof the numeral "6," so that it will read:

Pyrogallic acid, 6 cents per pound.

I wish to occupy but a brief time on this amendment. The House bill provides 25 per cent ad valorem and the Senate committee bill 12 cents a pound specific rate. The Payne-Aldrich law provided 25 per cent ad valorem and the Underwood-Simmons law 12 cents per pound specific. The reasons which might have justified the rate in the Underwood-Simmons law or in any other preceding measure do not now exist. It was shown during the discussion of gallic acid that pyrogallic was germane to that acid. It is produced by the heating of gallic acid. The survey states that it is the oldest photographic developer and is probably used more than any other; that it is employed in medicine and for the dyeing of fur and hair, and in the manufacture of dyes; and that it is an important reagent in the chemical laboratory as an absorbent for oxygen gas in gas analyses.

It will be observed that this product, as well as many others in the chemical schedule, constitutes a basis for other industries and is employed in manufacturing plants and in industrial developments. The reason why this chemical schedule is so important arises from the fact that practically all of the commodities found therein enter into the composition of commodities developed in the various manufacturing industries of the United States. Of course, if we raise the prices of these primary products, they must be carried to intermediates or finished products, and pyramided as they are carried on until finally the ultimate consumer must bear the entire burden.

When a tariff is added to one of the fundamentals employed in the manufacturing business of the United States, as stated, that is added to the cost of the first product of which it forms a component part. That product, finding refuge in some other schedule in the bill, looks for a tariff and profits, and the first tariff which was attached to the fundamental or primary product is carried into that manufactured product, and that product perhaps becomes the basis of some other enterprise or some other commodity in a more highly finished state, and that tariff is carried into that product and in turn passes on to the ultimate consumer. In this way these small items in the aggregate constitute an enormous burden placed upon the people.

Complaints may be made that we are attacking small items. The distinguished Senator from North Dakota [Mr. MCCUMBER] complained because we criticized the tariff upon a number of medicines. Because they are consumed in small quantities by individuals he felt that the people should bear with equanimity the burdens which were thus imposed upon them. It is the small additions and accretions incident to the sustenance of the families of the people, Mr. President, which in the end place upon them such oppressive burdens.

We are pleading for reasonable prices for primary and basic products, because in so doing we are ministering to the welfare of the great mass of the people and are stimulating home industries and larger production. As we stimulate production we increase the demands for labor and augment the prices which are paid to laboring men. It seems to me as plain as the light which shines upon us through the beautiful skylights above that as we burden the primary product we are burdening the development of the industrial life of the people.

When we throw bowlders into the stream they constitute impediments to the moving waters. If they are huge bowlders they may, if we cast a sufficient number into the stream, divert the waters which pass beyond the banks and carry danger and destruction to life and property. We want a free current—and by that I am not speaking of free trade. We want, so far as possible, to have an unobstructed current for the development of the industries of this great land. We can dominate the world in manufactured products and can sweep the nations with a great flood of commodities produced in our own land, and send by sail and by steam and railroads our commodities to bless the world and to benefit the people of the United States.

Now, Mr. President, here is a product not in itself of great importance and still it is one of the essentials in the industries of the land. Yet we are to put a tariff upon it. During the first nine months of 1921 we imported 22 pounds. I have no doubt under the construction of the embargo act the importation has been somewhat interfered with. Let me repeat what I said once before, that the embargo act was a fraud; it was a deception upon the Senate as well as upon the American people. Under the construction placed upon it there are thousands of commodities which are embargoed. Seeking to help the dye monopoly, we have aided the chemical industry by giving them a monopoly upon hundreds and hundreds of articles which are denominated synthetic chemical products.

In 1920 we imported 888 pounds of pyrogallic acid. The foreign unit value of this product for last year was $2.05; that is, this product is being sold abroad at $2.05 wholesale. The price in the United States on the 24th of April, as I get the figures from the publications relating to drugs and medicines, was $1.20 to $1.35 per pound—that is, for the crystals—and the resublimate was $1.60 to $1.75 per pound. We are producing it and selling it in the domestic markets at less than it is being produced and sold for in the foreign market. As stated, the foreign price during the first nine months of 1921 was $2.05 and in the United States from $1.20 to $1.75, dependent upon the grade. What reason is there for a tariff on this commodity?

There is only one reason. It is to increase the price for the domestic producer. It is manufactured by the Mallinckdrodt Chemical Works, to which I have referred heretofore, by Powers, Weightman & Rosengarten, and by the Eastman Kodak Co., and by Zinsser & Co. Let me say that the latter corporation sent a representative, as I recall, who, if he did not testify, filed a brief in which he asked that the tariff be 40 cents per pound. The brief of Zinsser & Co. is found on page 66 of the House hearings. Forty cents per pound was asked as a tariff duty.

Mr. President, I think the rate which I have suggested is more than ample for protection, if protection is needed, and if revenue is desired that rate will afford some little revenue.

Mr. MCCUMBER. Mr. President, this acid bore a rate of 25 per cent under the Payne-Aldrich law; it bore a rate of 12 cents per pound under the Underwood-Simmons law. We have given it the same rate as the present law, namely, 12 cents per pound. The present price quotations are $1.20 and $1.75 per pound, American valuation. On the $1.20 per pound price the rate would be equal, of course, to 10 per cent ad valorem. The prewar import price was about 90 cents per pound, and on the basis of 90 cents per pound the rate of 12 cents per pound would be equivalent to about 13 per cent. That I regard as an extremely light ad valorem duty; and I think that the rates in the Underwood-Simmons law were practically right in this instance.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Utah [Mr. KING] to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The next amendment of the Committee of Finance was, on page 3, line 4, after the words "stearic acid," to insert "1½ cents per pound," so as to read:

Stearic acid, 1½ cents per pound.

The PRESIDING OFFICER. The question is on the amendment reported by the Committee on Finance.

Mr. JONES of New Mexico. Mr. President, I have been looking over some of the information regarding this item and I find that it is very meager; yet stearic acid is a very important commodity and is consumed to a very large amount. I merely wish to give to the Senate all the information that there is on this subject which can be found in any of the documents which have been furnished from the Tariff Commission or in the hearings. There was not a word of testimony about this item before either the Committee on Ways and Means in the other House or in the Finance Committee of the Senate.

The only statements we have in regard to stearic acid is comprised in a little over one-half page in the "Summary of Tariff Information." The Tariff Commission has made no survey so far as this item is concerned that I know anything about; at any rate, there is no reference to it.

All that we find is that there is about 1 inch giving a description of stearic acid as being "a hard, white, waxlike substance"; that it "is a fatty acid obtained from the same sources as oleic acid." Its color is given, and also the form in which it is found. It includes two grades, medicinal and technical. Then this statement tells the purposes for which it is used. The chief use of it is "for making candles, with or without the addition of paraffin." The summary speaks of the production in the United States, and I will read what is here stated:

Production: Stearic acid is obtained simultaneously with oleic acid or "red oil" from various oils and fats. The domestic production has not been so constant as that of oleic acid, but has ranged from

3,773,000 pounds in 1912 to 18,571,000 pounds in 1918. The output increased to 24,372,395 pounds in 1920, but during the first nine months of 1921 amounted to only about 12,000,000 pounds.

Then the summary tells us about the imports of stearic acid and states:

Imports of stearic acid increased from 36,610 pounds, valued at $3,451, in 1911, to 119,519 pounds, valued at $12,160, in 1913. Only 538 pounds were imported in 1917.

Then it gives us the statistics for the later years. In 1919 the importations were 3,737 pounds; in 1920 they were 2,350 pounds; in 1921 they were 27,678 pounds.

The unit value of the imported product is given for the year 1919 as 21 cents, for 1920 as 20 cents, and for 1921 as 89 cents. I can not understand how the figures "89 cents" are arrived at; but that is the information furnished here. It must have been a peculiar class or kind of commodity.

Mr. McCUMBER. Mr. President, let me call the Senator's attention to the fact that that figure is an error in printing. It should be 8.9 cents instead of 89 cents.

Mr. JONES of New Mexico. I thought there must have been some error, because I could not understand how 89 cents could be correct.

That is the only information we have on this subject. Here we have a production in the highest year, 1920, of over 24,000,000 pounds, and in that year we imported only 2,350 pounds of a value of $466. It is true that in the first nine months of 1921 the quantity imported was 27,678 pounds, but the American production for the same nine months in 1921 was 12,000,000 pounds; so the importations are absolutely negligible.

The duty imposed upon this commodity is 15 per cent under the present law. The Committee on Finance proposes to make it 1½ cents per pound. I think that the action of the committee is merely an attempt to convert the ad valorem duty into a specific duty; but do the figures given justify the retention of such an article on the dutiable list? I think that the proposed specific rate which we find reported from the committee is just about the same as the present ad valorem rate. The price of the commodity, I think, is around 10 cents per pound; but in such cases it seems to me that the only function which a duty upon the article can perform is to enable the American producer to raise his price, or, in other words, it seems to me that, in effect, it is a gift to the American producer.

There is not a line of testimony as to the cost of production of this article. During all these years there have been no importations of consequence. The American manufacturer has controlled the situation, and little of the acid has been imported, so little, in fact, that it could not affect the market.

In addition to that, I may say that in 1921 we produced probably 17,000,000 pounds, while the domestic consumption was only 5,655,000 pounds, clearly indicating that we must be great exporters of this commodity.

What justification is there on the 12,000,000 pounds produced in the first nine months of 1921 to impose a duty of 1½ cents a pound? At the rate of 12,000,000 pounds for nine months we would produce 16,000,000, in round numbers, for the whole year. The actual production for the whole year was 17,000,000 pounds; but I have based my figures on a production of 16,000,000 for the year. On that production, 1½ cents a pound would amount to $240,000. There are only a few concerns in this country producing this commodity, and we simply make them a present, it seems to me, of $240,000 a year. I can not understand why we should make those concerns a present of a quarter of a million dollars a year. If it does not work out in that way I can not understand why it does not. To make a present of a quarter of a million dollars a year to one or two concerns, the few which manufacture this product, is a very nice little inducement to create a friendly feeling around election time.

I do not know that these people would contribute anything to a campaign fund because of this present, but I think they would be justified in doing it; but that is not for the good of the people of the United States who consume this product. It goes into the manufacture of candles, a commodity used in the humblest homes in the land. It is bound to enter into that price. It is true that the members of the Finance Committee may say: "What difference does it make to add a cent to the price of a candle, or a cent to the price of a dozen candles?" but I want to say that the people who use candles know the value of the penny, and the good women of this country who spend the incomes of these humble homes know the value of these little pennies, these dimes which are taken from them through such processes as this.

Mr. President, I can not understand upon what principle such a duty is levied. I do not believe that at this time it is a sufficient answer to say that under the existing law there is a duty of about this amount upon this item. Conditions in the United States have changed. People are measuring the cost of these things. The world's trade has changed; and it seems to me that since this tariff bill has been in the committee of the House and in the Finance Committee of the Senate during all these months some attempt should have been made to work out these duties in the economic interest of the people of this country. These are times of oppression; these are times when prices are high; these are times when there are millions out of employment, and is not this the time to get down to a reasonable basis?

I mention this one item, making these remarks in regard to it; but when we realize that hundreds and even thousands of articles covered by this great tariff bill are affected in like manner, the situation becomes a serious one, and one which ought to be given consideration by the Senators in a conscientious way and in a sympathetic way.

This bill carries these numerous items. As I say, many of them are surrounded with just such circumstances as these I have been enumerating and are dealt with in like manner. If there is any reason why this duty should remain, I think it is due to the Senators and due to the people of the country that they be told what it is.

Mr. McCUMBER. Mr. President, the Payne-Aldrich law carried a duty of 25 per cent ad valorem on this product. The Underwood law carried a duty of 15 per cent ad valorem. This bill carries a duty of 1½ cents per pound. The present quotation in the United States is from 9 to 10 cents per pound. At 10 cents per pound, the duty of 1½ cents per pound is equivalent to 15 per cent ad valorem. If I turn to the pre-war import value, I find that that was 10 cents per pound; so we have gotten down in the United States to exactly the pre-war foreign value, and the rate that we have fixed is exactly in ad valorem the same as the present rate of the Underwood-Simmons law. If by our bill, which fixes an equivalent of 15 per cent, we are making a gift of $240,000 a year to these people, then since 1913 we have been paying $240,000 a year to them.

I do not believe that that rate was fixed in the Underwood tariff bill for electioneering purposes. I do not believe any such thought has entered into the mind of anyone in the consideration of this bill. It will bring us a little income, perhaps very little, but the amount is small; and for the same reason that a 15 per cent ad valorem rate was placed on this article under the Underwood bill, we are placing its equivalent in a specific duty under the present bill.

Mr. JONES of New Mexico. Mr. President, may I ask the Senator if he expects that the levy of this duty will increase the price of the domestic producers to the consumers of this country?

Mr. McCUMBER. No; I do not think it will, Mr. President.

Mr. JONES of New Mexico. Then may I ask what is the purpose of levying the duty? I was disturbed when the Senator was speaking, and it may be that the Senator has answered the question. If so, I am sorry to have to ask him to answer it again.

Mr. McCUMBER. I think it can be produced abroad and will be produced abroad for less than 10 cents a pound, and I think they can pay the little 15 per cent ad valorem duty and still compete in the American market.

Mr. JONES of New Mexico. Then the Senator does not think, under those circumstances, that that would have a tendency to increase the price in this country?

Mr. McCUMBER. No, Mr. President; I have answered that question.

Mr. JONES of New Mexico. On other commodities I have understood that the duty was levied for the purpose of enabling the American producer to increase his price; and I do not see why the duty here would not operate in the same way.

Mr. McCUMBER. With the same rate of duty, a 15 per cent ad valorem duty, the price has been going down, down, down, until it has reached the pre-war price already; so I do not think it is going to raise it.

Mr. JONES of New Mexico. Mr. President, I shall not discuss this matter further. I will bring up the same proposition in connection with a more important item.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

Mr. JONES of New Mexico. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Calder	Curtis	Fletcher
Ball	Capper	Dial	France
Bursum	Caraway	Dillingham	Gooding

Hale	Keyes	Oddie	Sutherland
Harreld	Ladd	Overman	Swanson
Harris	Lodge	Page	Townsend
Harrison	McCormick	Poindexter	Underwood
Heflin	McCumber	Robinson	Wadsworth
Johnson	McKellar	Sheppard	Walsh, Mass.
Jones, N. Mex.	McKinley	Shortridge	Warren
Jones, Wash.	McLean	Simmons	Watson, Ind.
Kellogg	McNary	Smoot	Weller
Kendrick	Newberry	Spencer	Willis

The VICE PRESIDENT. Fifty-two Senators have answered to their names. A quorum is present. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the committee was, on page 3, line 14, to strike out the words "isopropyl, and," and insert in lieu thereof the words "and propyl, 3 cents per pound."

Mr. McCUMBER. I ask unanimous consent that we may pass over the fourth paragraph for the present.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KING. Does the Senator desire to take that up to-morrow or not for several days?

Mr. McCUMBER. It will not be taken up before to-morrow, anyway. I expect to have a meeting of the majority members of the committee to go over it again, and I do not know whether I shall be ready to take it up to-morrow or not.

Mr. KING. If I shall not be ready to-morrow, will there be any objection to passing it over for another day?

Mr. McCUMBER. There will not be.

The next amendment was, on page 3, line 19, to strike out "All chemical elements and all chemical and medicinal compounds, preparations, mixtures, and salts, and combinations thereof," and to insert "All chemical elements, all chemical salts and compounds, all medicinal preparations, and all combinations and mixtures of any of the foregoing," so as to make the paragraph read:

PAR. 5. All chemical elements, all chemical salts and compounds, all medicinal preparations, and all combinations and mixtures of any of the foregoing, all the foregoing obtained naturally or artificially and not specially provided for, 25 per cent ad valorem.

Mr. KING. Mr. President, I appreciate the fact that perhaps this amendment, in view of the agreement to dispose of the committee amendments first, might not be subject to amendment, although the phraseology of the general provisions is changed. Nevertheless, the rate is the same in the Senate committee bill as in the bill as it passed the House, and I am inclined to think that perhaps technically under the rule I could not offer an amendment at this time. I give notice, however, that later on, when we return to the offering of amendments to the text, I shall offer an amendment to this provision.

Mr. LODGE. The Senator certainly has the right to offer an amendment to the amendment.

Mr. KING. Not to the rate.

Mr. LODGE. No; not to the rate.

Mr. KING. I do not know that I shall object to the basket clause. This provision contains a large number of articles.

Mr. LODGE. I thought the Senator was referring to the part in italics.

Mr. KING. No; I am referring to the ad valorem rates. This basket clause changes the rates of existing law from 15 per cent to 25 per cent ad valorem. I would like to ask the Senator from North Dakota, however, before we leave this provision, if I may have his attention, what the reason was for making this change. Let me ask two questions in one: How many items does the Senator figure are covered by this basket clause?

Mr. McCUMBER. Mr. President, I could not tell. I am not sufficiently well versed in chemistry to contemplate the thousands of admixtures, and changes of one chemical substance into another, which might possibly come under this clause.

Mr. KING. Under this basket clause there would be various compounds, hundreds of articles.

Mr. McCUMBER. There might be.

Mr. KING. The rate upon those hundreds or thousands or scores of articles, whatever the number may be, is changed from 15 per cent ad valorem to 25 per cent ad valorem?

Mr. McCUMBER. It is.

Mr. SMOOT. The only reason I could give to the Senator is that there are not nearly as many items falling in this basket clause as there were falling in the basket clause in the act of 1913, because we have taken so many out.

Mr. KING. So many have been transferred to other basket clauses.

Mr. SMOOT. No; others have had imposed on them specific rates and ad valorem rates.

Mr. KING. Let me say to the Senator, if I may crave his indulgence for a moment, that you have exhibited a disposition, in framing the bill, to take from the basket clauses large numbers of items and attach to them specific rates, thereby increasing the rates in many instances, though not in all.

Mr. SMOOT. I think, if the Senator will look it up, he will find that there are more decreases where the articles are taken from the basket clause than there are increases.

Mr. KING. I think the Senator is in error. I think the increases will be found to be greatly in excess of the decreases. But may I inquire of the Senator why the committee deemed it necessary to make an increase of 10 per cent ad valorem in perhaps hundreds of articles, many of which are medicines, or relate to medicines, or to things essential for the health and welfare of the people?

Mr. SMOOT. Take stearic acid, for instance. That is in the basket clause to-day. We take it out and put a duty of 1½ cents upon it, and that is lower than when it was in the basket clause. Take oleic acid. That falls to-day in the basket clause. I am quite sure the statement I made was correct, although I have not actually gone over the details. The items which have been taken from the basket clause and specifically provided for in this schedule are at lower rates than they would bear in the basket clause.

Mr. McCUMBER. The junior Senator from Utah asked me why the changes were made in the descriptions. They were made in conformity with the recommendation of the experts of the Tariff Commission. We have followed the exact language suggested by those experts in order properly to describe the particular articles which are intended to be brought under that schedule.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 4, line 4, before the words "1 cent per pound," to insert "three-fourths of," and in line 12, before the word "compounds," to insert "salts and," so as to read:

PAR. 6. Aluminum hydroxide or refined bauxite, one-half of 1 cent per pound; potassium aluminum sulphate or potash alum and ammonium aluminum sulphate or ammonia alum, three-fourths of 1 cent per pound; aluminum sulphate, alum cake or aluminous cake, containing not more than 15 per cent of alumina and more iron than the equivalent of one-tenth of 1 per cent of ferric oxide, three-tenths of 1 cent per pound; containing more than 15 per cent of alumina or not more iron than the equivalent of one-tenth of 1 per cent of ferric oxide, three-eighths of 1 cent per pound; all other aluminum salts and compounds not specially provided for.

The amendment was agreed to.

The next amendment was, on page 4, line 13, to strike out "25" and insert in lieu thereof "35," so as to read:

All other aluminum salts and compounds not specially provided for, 35 per cent ad valorem.

Mr. KING. I would like to inquire of the Senator with respect to this item if refined bauxite is not the basis of a large number of the salts which are covered by this paragraph?

Mr. SMOOT. No; it is not.

Mr. KING. I think the Senator is in error.

Mr. SMOOT. Crude bauxite is the raw material, and that is not included in this paragraph.

Mr. KING. Mr. President, according to my recollection bauxite is not only used in the production of metallic aluminum—indeed, it is the basis of the Aluminum Trust of the United States—but there are developed out of some processes applied to bauxite medicinal salts of an aluminum character. My opinion is that this paragraph is of very great importance, and that if we adopt it in its present form it will operate to the advantage of the Aluminum Trust, as well as to the advantage of corporations more or less connected with it, although they may claim independent action.

May I just call attention to a few observations I have written down bearing upon this item? I will say to the Senator that I did not think it would be reached this evening, and I am not able to elaborate the discussion of the paragraph as it should be presented because of its importance.

Mr. SIMMONS. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. KING. I yield.

Mr. SIMMONS. I want to ask the senior Senator from Utah if this paragraph includes metallic aluminum?

Mr. SMOOT. No; it does not. If my colleague will give his attention just a moment, perhaps there may be no further objection when I call his attention to the fact that this is reported as an increase from 25 to 35 per cent. That throws out the basket clause in this connection, and it ought to be 25 per cent. We are going to ask that that amendment be disagreed to.

Mr. KING. And that we accept the House rate?

Mr. SMOOT. Twenty-five per cent on the foreign valuation instead of the American valuation. We want it to conform to

the other part of this schedule, and we ask that that be disagreed to, and that the House provision be adopted.

Mr. KING. Let me ask the Senator if it is the purpose of the committee to ask that the Senate committee amendment be disagreed to at this time?

Mr. SMOOT. Yes; because we do not want to pass it over.

Mr. McCUMBER. Rather than bring it up again, we want to have that action taken.

Mr. KING. May I say to the Senator that the rate of three-quarters of a cent a pound, and one or two others which are proposed, increasing the specific rates, I may desire to call up to-morrow, and, reserving the right to do so, I have no objection to taking a vote upon it now.

Mr. SMOOT. The Senator has no objection to a vote on the pending amendment?

Mr. KING. No; reserving that right, I have no objection to taking a vote upon the amendment as suggested.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. SIMMONS. Mr. President, I beg the Chair not to press us too hard about this matter. Let us get an understanding of what we are talking about. I want to ask the Senator from Utah another question.

The first duty that is imposed, three-quarters of a cent, is upon refined bauxite.

Mr. SMOOT. Yes; that is correct.

Mr. SIMMONS. Refined bauxite is made of a clay, is it not?

Mr. SMOOT. A great deal of the bauxite is produced in Kentucky and——

Mr. SIMMONS. And in Arkansas and Tennessee.

Mr. SMOOT. Principally Arkansas.

Mr. SIMMONS. I am not asking these questions in a controversial spirit, but I want to understand it. Are we not now producing practically all the bauxite we consume in this country? I know that at one time we did import a considerable quantity of it.

Mr. SMOOT. We are producing now about all we use in the United States.

Mr. SIMMONS. And there are no longer any importations of bauxite to speak of?

Mr. SMOOT. Not to speak of.

Mr. SIMMONS. Then why should there be a duty upon bauxite?

Mr. SMOOT. Mr. President, this is not the raw bauxite as it is taken from the earth. This is the refined product, and the House gave it a rate of a cent a pound; but the Finance Committee thought the industry could get along with three-quarters of a cent, and cut the rate to three-quarters of a cent.

Mr. SIMMONS. The Senator says this rate is not upon raw bauxite, but upon refined bauxite?

Mr. SMOOT. Refined bauxite.

Mr. SIMMONS. Is there any information available which would show that we can not produce and are not producing refined bauxite in this country as cheaply as they are producing it anywhere else in the world, and that we do now produce all the refined bauxite we consume in this country?

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from North Carolina yield?

Mr. SIMMONS. I asked the senior Senator from Utah a question.

Mr. McCUMBER. If it is agreeable, I would like to suggest to the Senator that we accept the suggestion that we disagree to the Senate amendment raising the rate from 25 to 35 per cent, and then I will ask that this matter may go over until to-morrow. I think there is a palpable error in another item in the paragraph, and I would like to look into it further.

Mr. SMOOT. The Senator is not objecting to the rate of three-quarters of a cent on the refined bauxite?

Mr. KING. I am objecting to it.

Mr. SIMMONS. Yes; I objected to it.

Mr. SMOOT. I mean, the Senators are not objecting to its consideration?

Mr. McCUMBER. That has been adopted.

Mr. SIMMONS. If it was adopted, it was adopted without our understanding, and I did not know it was adopted.

Mr. McCUMBER. If it has been adopted through a mistake, I will ask that the vote by which it was adopted may be reconsidered at the proper time. But I would like to have the other amendments agreed to, and then let the matter go over, so that I can look into the one proposition a little further.

Mr. SMOOT. The Senator from North Carolina asked about the importations. If this is going over, I will not take the time now to give them to him, or the reason why the importations beginning with 1909 were so small, but if he will turn back to the figures of the importations of 1910 and the pre-war period he will see that there were considerable importations.

Mr. SIMMONS. That is true. I am not questioning the statement; at that time there were considerable importations of refined bauxite to this country. My impression is that at this time we are producing in this country practically all of the refined bauxite that we consume.

Mr. SMOOT. Yes. I will not take the time now to discuss the reasons why. We will do that when the item comes up again.

Mr. KING. Mr. President, in order that the Senator may be advised of the position of some of us upon this matter and in view of the fact that he is to consider it further, I wish to call his attention very briefly to one or two points which I think may have some influence in determining the final action of the majority upon the item.

Mr. LODGE. Mr. President, I do not wish to interfere with the Senator's argument, but I wish to ask whether the point is made that the rate is 1 cent per pound on bauxite?

Mr. SMOOT. The point is, I presume, that they disagree to the amendment of the Senate wherein the Senate committee reduced it from 1 cent to three-fourths of a cent on refined bauxite.

Mr. LODGE. That is not the duty on refined bauxite. The duty on aluminum hydroxide, or refined bauxite, is one-half of 1 cent per pound. That is the House rate. The next rate is three-quarters of 1 cent per pound on potassium aluminum sulphate, or potash alum, and ammonium aluminum sulphate, or ammonium alum. It has nothing to do with bauxite.

Mr. SMOOT. The Senator from Massachusetts is right. I understood we began with paragraph 6, and I had not read the first bracket.

Mr. LODGE. The rate on refined bauxite is the same as the House rate.

Mr. SMOOT. I had glanced at the bottom of the other page, and in turning it over thought it took in the whole thing.

Mr. LODGE. That is what caused the confusion.

Mr. SIMMONS. The Senator is right about that. I did not notice that there was a semicolon between the items.

Mr. DIAL. Mr. President, may I ask some member of the committee if this is aluminum out of which they make wire for the transmission of electric current?

Mr. SMOOT. Not refined bauxite. Aluminum is made from bauxite, but not from the item which we have under consideration to-night.

Mr. KING. Mr. President, my position is with respect to the three-quarters of 1 cent. Of course, I do not object to a reduction. My opinion is that we ought to strike it all out.

Mr. LODGE. My only point was that the three-quarters of 1 cent per pound had nothing to do with refined bauxite.

Mr. KING. I think probably the Senator may be right about it.

Mr. LODGE. Oh, absolutely. The Senator will see that if he will read it.

Mr. KING. With respect to the other provision and hoping that the committee may reduce the three-quarters of 1 cent to a still lower rate, I was about to submit a few observations, but if the committee will consider it more fully I shall pretermit any further discussion at this time.

The VICE PRESIDENT. The question is on agreeing to the amendment in line 13, which will be stated.

The ASSISTANT SECRETARY. On page 4, in line 13, it is proposed to strike out "25" and insert in lieu thereof "35," so as to read:

All other aluminum salts and compounds not specially provided for, 35 per cent ad valorem.

The amendment was rejected.

The VICE PRESIDENT. The Secretary will state the next committee amendment.

The ASSISTANT SECRETARY. On page 4, line 14, after the words "ammonium carbonate," insert the words "and bicarbonate," so as to read:

Ammonium carbonate and bicarbonate, 1½ cents per pound.

Mr. JONES of New Mexico. Mr. President, I would like to get some information on this item. There is very little that I can find about it in any of the data furnished by the committee.

Mr. SMOOT. I will say to the Senator that both items, ammonium carbonate and bicarbonate, are used for exactly the same purpose.

Mr. JONES of New Mexico. I think so, too, but the committee increases the duty 100 per cent above what it is now. From the information I have upon the subject, I believe it is used for a very important purpose. If we are increasing the duty upon it 100 per cent, I thought we ought to have some explanation of it. It is a product that is used in the scouring of

wool and the duty is increased 100 per cent. The tariff commission apparently has very little information on the subject. I read in their data that the domestic output is unknown—that is, the ammonium carbonate—and now it is proposed to insert bicarbonate, which I am told by the Senator from Utah is used for the same purpose.

There is nothing in the information here about ammonium bicarbonate. There is nothing to indicate why the duty should be increased 100 per cent above the present rate. Unless there is some one who can throw some light on the subject I would be inclined to indulge in a little speculation as to why it is done. We would have to do that. Has the senior Senator from Utah any information about it?

Mr. SMOOT. I will say to the Senator that ammonium bicarbonate is used, I will not say principally, but largely, in baking powder. In fact, we put bicarbonate in with ammonium carbonate for the very reason that they are used for nearly the same purpose. Chemically they are not exactly the same, but the purposes for which they are used in this country are nearly the same. It is true that ammonium carbonate is used for scouring wool, but it is not used to a great extent for that purpose, I will say to the Senator. It can be used and many manufacturers use it in cleansing certain kinds of wool, where there is exceedingly heavy, greasy wool; but it is not a material that is absolutely necessary in the cleansing of wool.

Mr. JONES of New Mexico. Has the Senator any information as to the domestic production?

Mr. SMOOT. No; I can not state just what the production is, but it is quite large, I will say to the Senator. I have not any doubt that they can produce sufficient to supply the demands of the United States.

Mr. JONES of New Mexico. Is it not a fact that ammonium bicarbonate used in baking powder is exported from the United States all over the world? There is nothing said in the information about it; but that is my understanding.

Mr. SMOOT. The baking powder is exported to many parts of the world, but not the ammonium bicarbonate.

Mr. JONES of New Mexico. I understand that; but the baking powder itself is exported. Will the Senator from Utah advise us why the duty on ammonium bicarbonate has been increased 100 per cent, and why it is the Finance Committee reports to the Senate a bill increasing the duty on ammonium carbonate 100 per cent above the present law?

Mr. SMOOT. The Senator will notice that the importations are increasing very rapidly. The committee were advised that so far as the quotations of to-day are concerned, they have gotten so low now that the producers can hardly make ends meet. The Senator will notice from the report of the importations that they are increasing, and particularly are they increasing this year.

Mr. JONES of New Mexico. Where does the Senator get that information?

Mr. SMOOT. On page 37 of the Summary of Tariff Information, as follows: In 1919 there were 147,952 pounds, in 1920 there were 298,126 pounds, and in the first nine months of 1921 there were 327,792 pounds.

Mr. JONES of New Mexico. That was ammonium carbonate?

Mr. SMOOT. I thought that was what the Senator was asking about.

Mr. JONES of New Mexico. Of course, I have the information which the Senator has just read. I have that much information right before me, but I particularly wanted to know about ammonium bicarbonate, which is the amendment which the committee proposes.

Mr. SMOOT. I will say to the Senator that I have not the figures here, nor were they given to the committee, other than figures showing that the importations were greatly increasing. This is all the information I can give the Senator.

Mr. JONES of New Mexico. I am satisfied the Senator has given us all the information that any member of the Finance Committee could give. Upon that kind of information it is proposed to increase the duty 100 per cent. That is all the information we have. We do not know anything about how much is produced in this country. We have nothing as to the prices. We have nothing as to the exports, and so far as bicarbonate is concerned we know nothing about the imports.

Why was this thing done? I call attention to this for the purpose of directing attention not only to this item alone but to this item as typical of a large number of such items in the bill. It seems that wherever there was an item about which the committee had no information, and if the rate in the existing law was lower than the Payne-Aldrich rate, they automatically increased the duty to the old Payne-Aldrich law rate. The Payne-Aldrich rate, if I am not mistaken as to this particular matter, was——

Mr. SMOOT. The Payne-Aldrich rate was 1½ cents. The Senator is correct in that, and the rate in an equivalent ad valorem would be about 24 or 25 per cent.

Mr. JONES of New Mexico. The present rate on ammonium carbonate is three-fourths of 1 cent per pound, and in the act of 1909 it was 1½ cents per pound. The present bill proposes to keep it at 1½ cents per pound. That is just the idea I had in mind.

There is an increase proposed of 100 per cent, and the only reason which I can discover for it is that that was the rate under the Payne-Aldrich law. We have no information here as to how much of it is produced in this country. We know nothing about how much of it is imported into the country. It is a useful commodity, and yet they increase the rate 100 per cent.

Mr. FLETCHER. Mr. President, can the Senator tell us how much revenue we are getting out of it now?

Mr. JONES of New Mexico. About the ammonium carbonate we have absolutely no information.

Mr. FLETCHER. What concerns are manufacturing it?

Mr. JONES of New Mexico. We have no information on the subject.

Mr. FLETCHER. Does the Senator know whether there is one big organization controlling the output or whether there are a number of them?

Mr. JONES of New Mexico. All we have from the Tariff Commission is the statement that the domestic output is unknown. There is no testimony on the subject before the Ways and Means Committee of the House or the Finance Committee of the Senate that I know anything about, yet we are increasing the duty 100 per cent by the present bill. If anybody is being hurt under the present law we do not know anything about it.

Mr. SMOOT. I do not know whether the Senator wants me to read a letter from the Manufacturing Chemists Association of the United States in reference to this matter or not. I thought the Senator had reference to any information that would be received from the Tariff Commission. This is the condition that exists to-day.

Mr. JONES of New Mexico. What is the date of the letter to which the Senator is referring?

Mr. SMOOT. The date of the letter is January 24, 1922. It reads:

May we submit, in addition to our brief of August 8, 1921—

I do not want to take the time to refer to that brief, because this virtually gives in substance what the brief contains in detail. The letter is as follows:

May we submit in addition to our brief of August 8, 1921, additional facts quite recently developed to the great detriment of our industry.

Importations of bycarbonate of ammonia and carbonate of ammonia have increased since 1918 from nothing to the approximate quantity imported in 1914. Selling prices of this imported product are less to-day than before the war.

The imported product is offered at about one-half of the price at which the domestic product can be sold. The foreigners have and are closing contracts to supply American consumers with a year's requirements, and we have lost during the past month nearly 50 per cent of our contract trade for the ensuing year.

Our production of carbonate of ammonia and bicarbonate of ammonia has been discontinued since May of last year, and the plant is now operated at less than 20 per cent of its former output. Unless adequate tariff protection is given, the industry will disappear from this country, and the large financial investment will become a total loss.

Your favorable consideration in conjunction with our brief of August 8, 1921, is most earnestly asked.

Very respectfully,

MICHIGAN AMMONIA WORKS,
GEORGE OSINE,
Secretary and Treasurer.

DETROIT, MICH.

Mr. JONES of New Mexico. Mr. President, of course the letter which the Senator from Utah [Mr. SMOOT] has just read was not published in the evidence. It is possible that some other members of the majority of the Finance Committee have a number of letters of a similar character. I think, however, that the Senate is entitled to know it if they have. The other day the Senator from Massachusetts [Mr. LODGE] read us a letter which he had presented to the Finance Committee on some subject. The Senator from Utah now has a letter regarding this matter. It is not given out in a public way; it contains information about which nobody can know except the members of the Senate who are favored with receiving a copy of that private letter or being shown that private letter.

However, take that letter as it is, what does it mean? Here is an industry that is closed down. There are hundreds and thousands of industries in this country which are closed down, but is that because the tariff on the goods which they manufacture is not high enough?

Mr. SMOOT. It is if the importations are mounting day by day, and foreign manufacturers are taking the contracts away from the American producers at prices with which they can

not compete. That will close down any concern. The Senator from New Mexico knows that American manufacturers can not proceed when they can not make an article at the price at which it is offered in the American market by foreign manufacturers.

Mr. JONES of New Mexico. Mr. President, if it be assumed that an increase of duty is all that is necessary to start an industry going, then the Senator from Utah is justified in the remark which he has just made; but we do not know what the production in the United States of this article is. In this instance just a few pounds of the commodity are being imported. I do not know whether the requirements of the United States are 100,000 pounds or 10,000,000 pounds. Apparently the Senator from Utah does not know; the Tariff Commission does not know. We are not told what would be the effect of 327,000 pounds of an article being brought in here if the consumption were 20,000,000 pounds, and we do not know whether it is or not; but considering all that we are told in the letter which has been introduced by the Senator from Utah, of which we have had no opportunity to get information until now—take everything that is stated in the letter—and I submit that anybody who is using the great taxing power of this Government ought not to use it without more information than is contained in that letter. To increase this duty by 100 per cent when we do not know what is the production in this country and when we do not know what the consumption is in this country would be wholly unjustifiable.

Mr. HEFLIN. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from Alabama.

Mr. HEFLIN. Mr. President, the Senator from Utah [Mr. SMOOT] has suggested to the Senator from New Mexico [Mr. JONES] that some industry had closed down. The Senator from New Mexico, however, knows that the tariff rates on imports had nothing on earth to do with the closing down of that industry. The contraction of the currency and the deflation of credits caused many industries to be closed down and caused 7,000,000 of American workingmen to be thrown out of employment. Now, the Senator from Utah wants to tax the people to enrich somebody who is manufacturing something. I want to ask him or any other Senator on that side of the Chamber what the Republicans propose to do for the farmer whose industry is closed down, who has had his mortgage foreclosed and his home and farm taken from him, who has moved away and is now trying to earn a living by working for wages? What is the Senator from Utah doing for the farmer? What is his side undertaking to do for this man, the farmer, to whom I have referred, multiplied, runs into the millions? Republican Senators rush to the rescue of certain manufacturers who want to tax the American people for their particular benefit; but what are you doing for the common mass of the people, the human beings who have a right to live, to have something to do, and to have a measure of the prosperity that the country is able to produce? I repeat, what are you doing for them?

Mr. SMOOT. If the Senator from Alabama will merely wait until we get to schedule 7 of the bill we shall tell him what we are doing for the farmers of the country; but I will say to the Senator that the farmer, I think, is absolutely satisfied with what we are doing for him in this tariff bill.

Mr. HEFLIN. Mr. President, the farmers of the United States, East, West, North, and South, are not satisfied with what the Republican Party is doing for them. What the Senator's party has done for the farmer up to this time is "a plenty." The Senator says that the farmer is satisfied with what the pending bill has done for him, and tells us not in this schedule but in some schedule which is to follow further on they will do something for the farmer. That has always been the policy of the Senator's party, but they have never yet reached the time where they have really delivered the goods to the farmer.

Mr. SMOOT. Does the Senator from Alabama really think that protection for the farmer's products is to be found in the chemical schedule of the pending bill?

Mr. HEFLIN. Certainly. A tax has been imposed on fertilizer ingredients in this schedule; the tax on potash has been increased; and that will increase the price of the farmer's fertilizer. That is what the Senator's party is doing for the farmer.

Mr. SMOOT. When we reach the schedule to which I have referred I think it will be time enough to discuss that matter. The Senator from Alabama, however, asked me the question, and I answered that if he will wait until we get to schedule 7 he will find there just exactly what rates of duty are given by the bill to the farmer's products. I will say that so far as the rates of duty are concerned—and I am not going to talk of Wall Street or about the currency——

Mr. HEFLIN. I know the Senator is not. Wall Street is doing too much to finance the Senator's party's political campaigns for him to say anything against Wall Street.

Mr. SMOOT. Oh, well——

Mr. HEFLIN. The Senator is very touchy about Wall Street.

Mr. SMOOT. No; but there is no necessity of talking about Wall Street so long as the Senator from Alabama is here.

Mr. HEFLIN. The Senator is right about that, and so long as I am able to enter my protest against wrongdoing and crooked conduct I shall oppose the control of Congress by Wall Street. I would not permit Wall Street to tell Congress what it can or can not do.

Mr. SMOOT. Nor would I.

Mr. HEFLIN. Nor would you. Why, the Senator is bowing and smiling now and defending Wall Street against my criticisms.

Mr. SMOOT. I am not defending Wall Street.

Mr. HEFLIN. The Senator injected Wall Street into this discussion. He said the Senator from Alabama will say something about Wall Street.

Mr. SMOOT. Is that defense?

Mr. POINDEXTER. Mr. President——

Mr. HEFLIN. Wall Street is a tender spot with the Senator and others of his faith. Now, if the Senator will take his seat the Senator from Washington [Mr. POINDEXTER] would like to get into this.

Mr. SMOOT. Mr. President, the Senator from Alabama can not tell the Senator from Utah when he can take his seat.

Mr. HEFLIN. I suggested that because I saw the Senator from Washington arise. I was only jesting about that. I am always glad to hear the Senator, even when he is defending Wall Street.

Mr. SMOOT. Mr. President, the Senator lives with Wall Street; he sleeps with Wall Street; he sings Wall Street. When we enter the doors, if he is on the floor we know that it will not be a minute until he reaches Wall Street, and when he reaches the foot of Wall Street we know just about how long it is going to take him before he gets out of Wall Street onto Broadway. The Senator has Wall Street for breakfast, he has Wall Street for dinner; he thinks of nothing but Wall Street during the recesses, and I never saw him but that Wall Street was on his lips or on his mind.

Mr. HEFLIN. Oh, Mr. President, my criticism of Wall Street has upset the Senator's equilibrium and thrown him into a nightmare. [Laughter.] I will trouble his dreams to-night with the demand for the deliverance of legislative authority from the control of Wall Street, and he is not the only one that I will trouble here and on the hustings this fall about Wall Street.

The man who comes down here, the captain of industry, and takes off his kid gloves and lays them down on the table before your Finance Committee behind closed doors, where Democratic members are not permitted to sit, and tells you how much he wants you to tax the people for the purpose of putting money into his pocket, gets exactly what he wants. We are going to tell the people who are thus held up and robbed, people who are not able to pay their way on the railroads to come to Washington, just how you draw the line between them and the purse-proud plutocrats of Wall Street. Let the Senator from Utah put that in his pipe and smoke it.

This Government does not belong to Wall Street, although there are those in Wall Street who believe that it does, and when they can manipulate it as they want to manipulate it they feel that it is their private property. I know they despise and hate me; every agent they have in public life here in Washington or in the public press here in Washington despises me and those like me; but I have a duty to perform as much as any soldier ever had who shouldered his gun and bared his breast to the enemy to fight in the cause of right. I declare to you to-night that the greatest battle that this country has been called upon to fight is the battle which will be fought this year at the polls.

Thousands of our boys died in France to preserve our liberty. What are we going to do here at home to safeguard and preserve it inviolate? There are those who would use the instrumentalities of the Government for their own personal benefit and employ them to the hurt and injury of the masses of the people.

You have brought in here a tariff bill written exactly as selfish and greedy interests would have it written. It looks as if they wrote it themselves. You have here schedule after

schedule which you are unable to explain or justify; and you are laying taxes upon people who are unable to pay them. What are you doing for the poor fellow who roams the streets, begging somebody to give him employment in order that he may eat and live? What are you doing for the farmer who produces the wherewith to feed and clothe the world? You have made a bankrupt of him. What are you doing to the local merchant, the little fellow? You have strangled his business to death. What are you doing with the country bankers, those mighty agencies for good in the business life of the Nation? You have strangled them; you have literally turned over the money supply of the Nation to the money lords of Wall Street. There is where it is. The Senator from Utah can not laugh this grim evil out of existence. Thirty-four thousand six hundred copies of the CONGRESSIONAL RECORD go out of this building each day, and go into the homes of the people, so there are people who can read the RECORD and get the truth as it is.

You can not buy all the newspapers. You have bought a great many of them. The country has already suffered because of that. We see the truth stifled and a free press badly hampered. Is this country to be ruled by a subsidized press?

Senators, somebody has got to fight this evil, and fight before it is too late. The soldier who would cowardly slink away from his duty at the front and surrender his country's cause to the enemy ought to be put up against a wall and shot. Why should a man be permitted to stay in this body who flinches and fails in the discharge of his duty? Are we not expected to cry out against dangers that threaten our free institutions?

What do you see here each day? You are doing nothing to help millions of farmers in distress. You have injured the farmer, the merchant, and the banker in the agricultural sections. You have struck labor a body blow, and you have denied adjusted compensation to the soldier who saved that flag on the foreign battle field. But these purse-proud tariff barons come in here and, as I said, take off their kid gloves and lay down their silk hats and their gold-headed canes on the table and say: "Gentlemen, you recall that we contributed liberally to your campaign fund in 1920. Look at your books and you will find our names written there. We want our profits increased by taxing the people." Then you smiled and responded, "It shall be done." and you have done it.

Where is SIMMONS, of North Carolina, the brave and gallant knight who opened this fight in the interest of the people? Where are JONES of New Mexico and KING, of Utah, brave warriors who have so ably opposed these indefensible schedules? They were not allowed to be present at your sacred meetings. The Republican members of the Finance Committee sat behind closed doors and framed this monstrous thing. The distinguished Democratic leader, my able colleague, OSCAR UNDERWOOD, gets up here and strongly condemns this terrible thing. You can not answer his argument, and you simply say: "Why, you are filibustering; you are delaying the passage of this bill."

These Senators say, "Why, we are on the committee," some of them, "and we never had a chance to hear the testimony that came in, as you sat behind closed doors. We do not know what you agreed to do, but here is the proposition, and we want now to know something about it. Is there anything unreasonable about that? Have we not the right to demand that you give a reason for increasing the tax burden of the American people? We want to tell our people what these things are, and what they mean"; and you taunt us each day with the suggestion that we are guilty of filibustering—filibustering!

You have a proposition in this bill to tax potash, and every farmer in America is interested in potash. When you tax potash you increase the price of fertilizer to the farmer, when you know that he is already in dire distress.

Mr. President, the people of this country are going to wake up finally to just what is going on here. They are not going to submit indefinitely. I do not believe the intelligent American people will stand for it much longer. Here you are. The farmer is producing cotton to-day far below the cost of production. Here is the Mississippi Valley overflowed with water, a cotton crop in the Delta almost impossible, the cotton supply short, inadequate, and we are facing a cotton famine between July 1 and September, and yet cotton is selling under the cost of production to-day, under the reign of the Republican Party. We have exported and consumed considerably more cotton in 12 months than the entire crop of 1921, and still cotton is selling under the cost of production. There are farmers in my State who are unable to make a crop; they can not get the money with which to make it. Think of that, Mr. President! That is true of other cotton-producing States.

What are you going to do with this man? Here is his little home of 20 acres on the hillside. He owned it in 1920, and now his home is gone, his 20 acres are gone, his all is gone, and he is still in debt. He has rented a house and is working on small wages, eking out a miserable existence, because he has been crushed to death by the deflation policy of the Republican Party. What are you doing for him? Nothing, absolutely nothing.

What are you doing for the poor man who walks out of a little shack in the morning looking for work, having had but little to eat? His wife and children are hungry. His wife says, "John, don't you think you will find something to do to-day?" and John says, "I don't know. I am trying very hard to find something to do." What are you doing for this unfortunate man and his family? Nothing!

But you are ready to employ the taxing power and impose heavy burdens upon the people in order to enrich those who contribute to your campaign funds.

Senators, does your sympathy ever go out to the man who has been struck down and robbed by your policies? There are millions of them in the United States. But here is a man, a manufacturer, who comes and says, "Come across with this for me. I am not satisfied with the profit I am now making; I want more"; and then you use the taxing power of the Republic to increase his fortune. You are doing nothing to extend a helping hand to millions who are drowning in the sea of financial disaster.

The Senator from Utah [Mr. SMOOT] may smile and talk about having Wall Street in the morning, at noon, and in the evening. He never uttered a truer saying in his life. It has got your party by the throat morning, noon, evening, all night, every night. Wall Street is its master.

Mr. President, do you know how I account for this thing? I beg the pardon of my good friend from New Mexico [Mr. JONES], who has fought here so bravely and so ably, hour after hour and day after day, for trespassing thus much upon his time; but I desired to say a word at this juncture, when he appealed to your side for information, which you refuse to give, hour after hour and day after day. You do not have upon an average five Senators over there who remain here all day. Why is it that you will not stay here? Why will you not discuss the provisions of this bill?

Mr. President, I attribute it to what we heard here in the spring of 1921. Every time we made a suggestion about what ought to be done in the interest of the people of the Nation, some full-chested Republican would get up over there and say to us: "Why, we beat you 7,000,000 majority. Why should we worry?" I told them that Mr. Taft went in by 1,000,000 majority and went out by unanimous consent [laughter], and you are going to beat that. Now, just look how sick my friend from Utah [Mr. SMOOT] looks. He knows what I am saying is true. He does not have to run again for four years more, and we have postponed the day of judgment for him for exactly four years. They said: "We beat you 7,000,000 majority," and you now have 24 majority in the Senate, and here is the way you feel about it: You say: "Why should we waste time? Why should we tell the people? What have they to do with it? The captains of industry will take care of us. They understand it. They came before us behind closed doors; we agreed with them as to what we would give them, and we have got to live up to our contract or our campaign funds for 1922 are gone." So, with your 24 majority and your 7,000,000 in the popular election, you are resting on your oars. You have had enough done to you recently in the primaries in your own party to tell you which way the wind is blowing.

Senators, these are strange times in which we are living. You have come in here with a tax bill, with schedule after schedule increasing the taxes of the people, and when you pass it they can not help it. They will have to pay it; but what did you do for the farmer, when it cost him 40 cents to make a bushel of corn and you beat down the price to 17 cents? You did not extend a helping hand to him to bring up the price and make the public help bear his loss, but you suffered his business to be destroyed. When wheat was beaten down below the cost of production, you never extended a helping hand to the wheat grower. You permitted him to suffer heavy losses. When the cotton producer of the United States sold his cotton below the cost of production, I never heard you open your mouths in his behalf. You refused to help him. You permitted him to go down. But when the manufacturer comes in with his figures and tells you that unless you tax the farmer and make the farmer pay him more for potash his business will not prosper as much as he wants it to, you lay the tax upon the farmer. How are you going to explain that when we close these doors in the summer time and you go out on the hustings, when the man sits in front of you upon whom you have levied these taxes? How are you going to defend them? And yet you stand here and ask us to quit filibustering!

I want to say that I am not in favor of a filibuster on this bill. I want a reasonable time in which to discuss it. I think the people are entitled to have these obnoxious schedules explained. I think a month's time will be long enough, perhaps, and then let you vote, let you marshal your 24 majority, and put this thing upon the people, and let us be able to say to them: "You can find in the CONGRESSIONAL RECORD the objections to this robber scheme. Pass judgment upon the merits of the case as jurors. You are to do the voting; you are to decide whom you are going to send back to this body in the fall election and whom you are going to elect to the other House in the fall election."

Mr. President, I know that we are undertaking a big task when we fight these crafty, avaricious interests. It has been true since predatory interests first marshaled their forces to control national legislation that they who dared to beard the lion in his den and fight for the right and for justice for the people incurred the displeasure of those who are willing to bow the knee to Baal and to court favor with special interests, and who shape their creed for their cravings, and swallow their convictions for a job.

Mr. President, somebody has to fight, and I want to pay this tribute to-night, before I take my seat, to the great Democratic Party, old as the Government. Jefferson, the father of the Declaration of Independence, is the founder of the Democratic Party. His political teachings have been translated into the language of every civilized country on the globe, and the good work of this great father of democracy is still marching on, and this great party now battling with intrenched privilege has never yet lowered her arm. She has always been on the side of the people. She is the party of the people. She has always fought special privilege. She has always fought plutocracy. She has always been for the eternal principles of right and justice, and under the leadership of the able minority leader she plants her colors upon the Ararat of those principles and consecrates herself and her all to the highest and best interest of the American people.

Mr. JONES of New Mexico. Mr. President, I want to call attention somewhat in detail to this letter which has been presented to us by the Senator from Utah. Bear in mind that this is the only information which anybody has, which anybody knows anything about, in connection with the imposition of this duty of 1½ cents a pound on ammonium bicarbonate. I have not been able to find that in the past there has been any duty on it. If I am mistaken about that, I should like to be corrected. There has been a duty on ammonium carbonate, but I have not found ammonium bicarbonate mentioned thus far in the different schedules. If I am in error, I should be glad to be corrected.

Mr. SMOOT. The Senator is in error. It has been carried at 15 per cent in paragraph 5. It falls under chemical compounds, in the basket clause, in existing law, in paragraph 5, and is taxed at 15 per cent.

Mr. JONES of New Mexico. I thank the Senator for the information. It has been covered in the basket clause at 15 per cent. Does the Senator mean to say that the duty proposed is greater than in the present law?

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from North Dakota?

Mr. JONES of New Mexico. I yield.

Mr. McCUMBER. I merely wish to ask unanimous consent at this time that when the Senate closes its session on this calendar day it shall take a recess until to-morrow at 11 o'clock.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. JONES of New Mexico. I would like to know whether this is an increase of that duty or not?

Mr. SMOOT. I have not the quotation on bicarbonate, but the rate on ammonium carbonate is from 7 to 8 cents a pound, and 15 per cent, if the price were 8 cents, would be 1.2 cents instead of 1½. So it is a little increase over the rate carried in the Underwood-Simmons law.

Mr. JONES of New Mexico. I am at a little loss, then, to know about this change, and why it was made. If that is all there is to it, that will not save this industry. The Senator read the letter awhile ago as if it appealed to the committee to increase the duty on this commodity and save a great industry of the country. But I want to make this observation, that it was assumed, at least, that this would increase the duty, and I stated awhile ago that there was an increase of 100 per cent over the present duty, thinking that it was under the same kind of a duty as ammonium carbonate, and was not corrected about it. I am not satisfied with the information which we have now, and I confess that I do not know, but there is nothing here except this letter.

I would just like to call attention to the fact that the Senator from Utah in presenting this letter said that this was the information on which they acted.

Mr. SMOOT. No, Mr. President, I gave that information to the Senator at his request. Even in the letter it refers to a brief that had been filed with the committee. The letter itself refers the Senator to that, and I told the Senator then that I was not going to take the time to read the brief, that he could do that. The letter refers to the brief.

Mr. JONES of New Mexico. Yes, Mr. President; but let me read this letter, and I think the Senator, if he will hunt up the brief, will find that the brief says nothing about this item. At any rate, I am so led to believe by the statement in this letter. This is what the letter says:

May we submit in addition to our brief of August 8, 1921, additional facts quite recently developed to the great detriment of our industry.

I have looked through the index of the hearings, and in the hearings in the House, and find that ammonium bicarbonate is not mentioned in either index. If there is any brief in this record which mentions ammonium bicarbonate, I do not know anything about it. It certainly is not indexed, and I think this paragraph of the letter which I just read means that they did not say anything about ammonium bicarbonate in that brief. If there are any other facts about it, they certainly ought to be presented. The absence of facts is quite significant. I read further:

Importations of bicarbonate of ammonia and carbonate of ammonia have increased since 1918 from nothing to the approximate quantity imported in 1914.

In other words, the foreign trade in this commodity is reaching normal proportions so far as importations are concerned. They are about the same as in 1914, when the present law was in operation. Is that any reason why you should now increase the tax, simply because importations have gotten back to those of normal times? There is not a line in this letter which says anything about the cost of production of this commodity. But it is said here:

The imported product is offered at about one-half of the price at which the domestic product can be sold.

When we read that in connection with the fact that importations have just about reached the pre-war normal amount, it must mean that the prices of this commodity in this country are 100 per cent higher than they were in 1914. He says they are offered for sale at about one-half of their price, and the importations are just about normal. If that means anything, it means that the price of that commodity to-day, as asked by this concern, is 100 per cent higher than in 1914.

Is it the purpose to say to anybody who comes before the Finance Committee, and wants to retain the present prices for their production, that we are going to put a higher price upon that commodity simply because they ask it? Are we going no further, when anybody comes before the committee and makes a request; but, without further inquiry, without further information, will the Finance Committee rush to the rescue of the industry? It applies this one remedy; it does not even make any inquiry as to other symptoms of the disease; it does not care anything about the other symptoms; it does not care anything about the prices which are exacted from the American people; it does not inquire into the question of other products being manufactured by the same concern.

This same letter says that their plant is only running at about 20 per cent of its capacity. It is a producer of ammonium sulphate, which goes into fertilizer. We know the condition of that industry to-day. We know that the farmers of this country who demand fertilizer are unable to buy, but I suppose when we reach the item of ammonium sulphate we will find that the tariff upon that has been raised, and upon what information? Just a bare statement that as to two of the products of this great chemical plant they closed down the production of them. They do not say how much supply there is on hand. They say nothing about the demand, but they do say that importations have reached just about what they were in 1914.

What do they ask? They ask the committee to help them out. I want to read the balance of this letter. It says:

The imported product is offered at about one-half of the price at which the domestic product can be sold. The foreigners have and are closing contracts to supply American consumers with a year's requirements, and we have lost during the past month nearly 50 per cent of our contract trade for the ensuing year.

Our production of carbonate of ammonia and bicarbonate of ammonia has been discontinued since May of last year, and the plant is now operated at less than 20 per cent of its former output. Unless adequate tariff protection is given, the industry will disappear from this country, and the large financial investment will become a total loss.

Your favorable consideration in conjunction with our brief of August 8, 1921, is most earnestly asked.

The brief of 1921, so far as I can learn from an examination of the evidence in the case, has never been printed. If it was printed, it does not refer to these two items marked carbonate of ammonia and bicarbonate of ammonia. This letter is the evidence. They simply ask protection. They state no facts which would justify the levying of a tax upon this item, and imposing this burden upon the consumers of the country.

As I said a moment ago, they do not inquire into anything surrounding the industry. They know nothing about the amount consumed in the country. They know nothing about the cost of production in the country. This product, or rather these two items, produced by this concern are not now being manufactured. They have stopped the manufacture of these items since May of 1921. Upon that meager information, without inquiry as to the probably 1,500 or 1,600 other chemical items produced by this concern, without any inquiry as to the other branches of its business, they come here and propose this duty, this tax upon the people.

I say that the same thing has been done in hundreds of cases in the bill and upon evidence of no greater importance than the things which I have read. These people are interested, and have gone privately to members of the Finance Committee, made their requests, and, without investigation, without information, the majority members of the Finance Committee have applied this one remedy.

Whether a business closes down for one reason or another makes no difference. If they are in a business that is not prospering, they apply simply the one remedy, the old patent nostrum—and that is, the imposition of a tariff tax or a duty. They apparently do not care how much of this patent medicine the patient takes. Evidently they go upon the theory that if the medicine is good at all, the more they get the better. So they keep prescribing this one thing, regardless of any symptom except that there is a sick patient with an affliction of some kind.

Mr. President, when, with the great power of this Government, we impose taxes upon the people and take money out of their pockets which they may need for food, and do it upon such testimony as this, it seems that ordinary humanity and the consciencies of the people would be stirred upon a consideration of such a situation as this.

Mr. President, I do not believe the amendment is justified.

Mr. McCUMBER. Mr. President, ammonium carbonate carries a duty under the present law of three-fourths of 1 cent per pound. The bicarbonate goes under the basket clause, under the present law, which would be 15 per cent ad valorem. Under the bill as reported by the Senate committee ammonium carbonate is given a duty of 1½ cents per pound; 1½ cents per pound is about the equivalent of 25 per cent ad valorem.

Bicarbonate is inserted. If bicarbonate were left out it would go under the basket clause at 25 per cent ad valorem. If it falls in this clause it will carry 1½ cents per pound duty, which, on not only the pre-war price but also on the present price, is the equivalent of 25 per cent ad valorem. So we have kept the same relation between those two articles in this bill as was kept in the previous laws, but the rate, as is suggested, goes from 15 per cent to 25 per cent ad valorem.

The products are used interchangeably for the same purposes It makes no great amount of difference, but the only question is whether it falls in the basket clause with 25 per cent ad valorem or whether it remains here with 1½ cents per pound, which is the equivalent of 25 per cent ad valorem.

I am not at all particular, but I think we might pass upon this subject to-night, and then I shall ask for a short executive session, to be followed by a recess.

The VICE PRESIDENT. The question is upon agreeing to the committee amendment.

The amendment was agreed to.

EXECUTIVE SESSION.

Mr. McCUMBER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 10 o'clock and 10 minutes p. m.) the Senate took a recess under the order previously made until to-morrow, Thursday, May 11, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate May 10 (legislative day of April 20), 1922.

RECEIVER OF PUBLIC MONEYS.

Peter G. Johnston, of Idaho, to be receiver of public moneys at Blackfoot, Idaho, vice Charles E. Harris, whose term will expire May 13, 1922.

REGISTER OF THE LAND OFFICE.

Bartlett Sinclair, of Idaho, to be register of the land office at Boise, Idaho, vice Frank S. Heer, whose term will expire June 24, 1922.

POSTMASTERS.

ALABAMA.

Edward C. Barnes to be postmaster at Evergreen, Ala., in place of E. C. Barnes. Incumbent's commission expired July 21, 1921.

ARKANSAS.

Robert E. Love to be postmaster at Hughes, Ark. Office became presidential October 1, 1920.

CALIFORNIA.

George A. Herdeg to be postmaster at Riverside, Calif., in place of K. D. Harger, deceased.

Jessica H. Wright to be postmaster at Sierra Madre, Calif., in place of G. B. Morgridge, resigned.

FLORIDA.

Rhea W. Pherigo to be postmaster at Kissimmee, Fla., in place of B. B. Simpson, resigned.

ILLINOIS.

Harley L. Miles to be postmaster at Elburn, Ill., in place of A. A. Dobson. Incumbent's commission expired February 4, 1922.

Norman Jefferson to be postmaster at Hinsdale, Ill., in place of J. G. Bohlander. Incumbent's commission expired January 10, 1920.

William J. Dobberstein to be postmaster at Lombard, Ill., in place of W. H. Meyer, resigned.

J. Mac. Duncan to be postmaster at Mackinaw, Ill., in place of J. E. Caley. Incumbent's commission expired September 11, 1921.

Glenn W. Weeks to be postmaster at Tremont, Ill., in place of B. L. Greeley. Incumbent's commission expired February 4, 1922.

H. Malcolm Leighty to be postmaster at Vermont, Ill., in place of C. B. Schroder. Incumbent's commission expired February 4, 1922.

Charles O. Selfridge to be postmaster at Good Hope, Ill. Office became presidential April 1, 1921.

INDIANA.

Winona Newsom to be postmaster at Carthage, Ind., in place of O. O. Griffin. Incumbent's commission expired May 20, 1922.

George H. Thomas to be postmaster at Fortville, Ind., in place of Q. A. Wright. Incumbent's commission expired July 21, 1921.

Charles F. Porter to be postmaster at Hagerstown, Ind., in place of Eddy Mason. Incumbent's commission expired July 21, 1921.

LOUISIANA.

Joseph H. Hebert to be postmaster at Addis, La. Office became presidential April 1, 1922.

MASSACHUSETTS.

James H. Jenks, jr., to be postmaster at West Dennis, Mass. Office became presidential April 1, 1922.

MINNESOTA.

Henry M. Burtness to be postmaster at Spring Grove, Minn., in place of O. C. Vaaler. Incumbent's commission expired August 7, 1921.

NEBRASKA.

Herbert M. Hanson to be postmaster at Clay Center, Nebr., in place of F. A. Thompson, removed.

NEW JERSEY.

William Jeffers to be postmaster at Hackensack, N. J., in place of J. W. Binder, resigned.

Harold Chafey to be postmaster at Point Pleasant, N. J., in place of W. K. Blodgett, removed.

NEW YORK.

Eugene H. Ireland to be postmaster at Palatine Bridge, N. Y. Office became presidential April 1, 1922.

Jul Johnson to be postmaster at Kinderhook, N. Y., in place of G. W. Tracey. Incumbent's commission expired January 24, 1922.

Albert D. Ritchie to be postmaster at Saratoga Springs, N. Y., in place of L. W. Noland, declined.

Harry C. McNamara to be postmaster at Valatie, N. Y., in place of J. J. Glynn. Incumbent's commission expired July 21, 1921.

OHIO.

James C. Kelley to be postmaster at Clarksville, Ohio. Office became presidential April 1, 1921.

Harold A. Carson to be postmaster at Bergholz, Ohio, in place of J. M. Poplin, resigned.

Hilton C. Hart to be postmaster at New Waterford, Ohio, in place of W. C. Ferver, resigned.

OKLAHOMA.

Leroy D. Harding to be postmaster at Pryor, Okla., in place of W. H. Bell. Incumbent's commission expired April 30, 1922.

William C. Yates to be postmaster at Comanche, Okla., in place of F. O. Weldon. Incumbent's commission expired February 25, 1922.

Leon K. Dail to be postmaster at Cherokee, Okla., in place of J. H. Blythe, declined.

PENNSYLVANIA.

John E. Showalter to be postmaster at Terre Hill, Pa. Office became presidential April 1, 1922.

John H. Ammon to be postmaster at Beaver, Pa., in place of J. W. U. McBride. Incumbent's commission expired August 7, 1921.

Sylvester D. R. Hill to be postmaster at Charleroi, Pa., in place of J. K. Smith. Incumbent's commission expired February 4, 1922.

Isaac H. Detweiler to be postmaster at Perkasie, Pa., in place of O. F. Weiand. Incumbent's commission expired February 4, 1922.

TENNESSEE.

Charles A. Ogan to be postmaster at Dresden, Tenn., in place of R. E. L. Brasfield. Incumbent's commission expired July 25, 1921.

Clarence L. Shoffner to be postmaster at Shelbyville, Tenn., in place of Eugene Blackemore. Incumbent's commission expired September 14, 1921.

TEXAS.

William W. Sloan to be postmaster at Falfurrias, Tex., in place of W. W. Sloan. Incumbent's commission expired July 21, 1921.

George P. Harden to be postmaster at Groom, Tex., in place of C. R. Slay, resigned.

Alice M. Smith to be postmaster at Livingston, Tex., in place of June Hickman. Incumbent's commission expired January 24, 1922.

VIRGINIA.

William R. Sparks to be postmaster at Clinchco, Va. Office became presidential April 1, 1921.

William R. Moose to be postmaster at Glasgow, Va. Office became presidential January 1, 1921.

Robert V. Richardson to be postmaster at Hampton, Va., in place of F. W. Sheild. Incumbent's commission expired January 24, 1922.

Jesse R. Skinner to be postmaster at Kenbridge, Va., in place of W. F. Kennedy. Incumbent's commission expired July 21, 1921.

Maud Duffy to be postmaster at Stonega, Va., in place of C. N. Davidson, resigned.

WASHINGTON.

Jacob Vercler to be postmaster at Opportunity, Wash. Office became presidential July 1, 1920.

WISCONSIN.

Harry V. Holden to be postmaster at Orfordville, Wis. Office became presidential October 1, 1920.

Clyde C. Ellis to be postmaster at Elkhart Lake, Wis., in place of Robert Horneck. Incumbent's commission expired January 24, 1922.

Lewis W. Cattanach to be postmaster at Owen, Wis., in place of F. C. Watson. Incumbent's commission expired January 24, 1922.

Guy G. Nelson to be postmaster at Palmyra, Wis., in place of Joshua Thayer. Incumbent's commission expired March 16, 1921.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 10 (legislative day of April 20), 1922.

POSTMASTERS.

COLORADO.

Adelbert E. Humeston, Collbran.

ILLINOIS.

James W. Gibson, Murphysboro.

IOWA.

Adna Miller, Danville.

MISSOURI.

Jesse E. Fette, Alma.
Frank R. Evans, Armstrong.

NORTH DAKOTA.

T. H. Hulbert Casement, Fordville.
Benjamin J. Schnedar, Pisek.
Grace G. Berkness, Wolford.

OHIO.

Harry W. Randels, West Unity.

PENNSYLVANIA.

George W. Breisford, South Langhorne.

SOUTH DAKOTA.

Jessie Norton, Armour.
James P. Turner, Faulkton.
Harold French, Letcher.
Louisa E. Prouty, Pollock.

UTAH.

George A. Murphy, Storrs.

WEST VIRGINIA.

Lairdy B. Legg, Dorothy.

WYOMING.

Nels J. Simpson, Cambria.

WITHDRAWAL.

Executive nomination withdrawn from the Senate May 10, 1922.

COLLECTOR OF INTERNAL REVENUE.

Nat Goldstein, of St. Louis, Mo., to be collector of internal revenue for the first district of Missouri.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *May 10, 1922.*

The House met at 11 o'clock a. m., and was called to order by the Speaker pro tempore, Mr. WALSH.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we give Thee praise and thanksgiving that there is a power in the world that makes for righteousness, justice, and peace. We need instruction, direction, patience, and the spirit of forgiveness. O Thou whose name is love, whose face is light, whose heart is mercy, increase our determination to grow and exercise these graces. Be with us in the inspiration of good thoughts and pure affections, in giving encouragement to every noble impulse, and in relieving us from fear and regret. Teach us to be stronger and larger. Bring in the great day when all our fellow citizens shall face the sunrise with high hope, with sincere purpose, and with a splendid sense of rectitude. In Thy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

Mr. RAKER, by unanimous consent, was granted leave of absence for May 9 and 10 on account of public and official business before the Interstate Commerce Commission on transportation and Nevada-California-Oregon Railway proceedings.

CONFERENCE REPORT—DEPARTMENTS OF STATE, JUSTICE, AND JUDICIARY.

Mr. HUSTED, from the committee of conference, presented a conference report on the bill (H. R. 11065) making appropriations for the Departments of State and Justice and for the judiciary, which was ordered printed under the rule.

CONFERENCE REPORT ON SUNDRY INDEPENDENT EXECUTIVE BUREAUS, BOARDS, ETC.

Mr. WOOD of Indiana, from the committee of conference, presented a conference report on the bill (H. R. 9981) making appropriations for the Executive and for sundry independent executive bureaus, boards, commissions, and offices, which was ordered printed under the rules, as follows:

CONFERENCE REPORT.

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 9981) making appropriations for the Executive and

for sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1923, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 31.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Salaries: Comptroller General, $10,000; Assistant Comptroller General, $7,500; assistants to Comptroller General—4 at $6,000 each; chief clerk, $3,000; chiefs of divisions—7 at $3,000 each; chief of appointment division, $2,500; assistants to chiefs of divisions—3 at $2,750 each, 4 at $2,500 each; chiefs of sections—10 at $2,500 each, 13 at $2,250 each, 2 at $2,000 each; assistant chiefs of sections—11 at $2,000 each, 1 at $1,900; chiefs of subsections—3 at $2,000 each; disbursing officer, $3,000; deputy disbursing officer, $1,800; private secretary, $1,800; attorneys—1 $5,000, 4 at $4,000 each, 4 at $3,600 each, 1 $3,100; 5 at $3,000 each, 1 $2,750; law clerks—1 $2,500, 4 at $2,400 each, 4 at $2,250 each, 2 at $2,200 each, 9 at $2,000 each, 4 at $1,800 each, 1 $1,600; accountants—1 $2,500, 2 at $2,400 each, 3 at $2,100 each, 3 at $2,000 each; investigators—1 $4,000, 1 $3,000, 20 at $2,000 each; reviewers—8 at $2,100 each; principal clerks—17 at $2,000 each; clerks—164 of class 4, 218 of class 3, 255 of class 2, 267 of class 1, 56 at $1,000 each, 70 at $900 each; check assorters—4 at $1,000 each; duplicating machine operator, $900; carpenter, $1,400; foreman of messengers and laborers, $1,400; chief messenger, $1,000; messengers—1 $1,000, 15 at $840 each; assistant messengers—29 at $720 each; laborers—1 $720, 21 at $660 each; messenger boys—14 at $480 each, 1 $420; forewoman of charwomen, $660; charwomen—22 at $240 each; and temporary clerks, stenographers, typists, and other assistants, to be paid at a rate not exceeding $1,800 per annum, $375,000; in all, $2,293,190.

"Contingent expenses: For traveling expenses, rent, telephone service, purchase and exchange of books, office supplies (including stationery) and equipment, repairs and maintenance, and miscellaneous items, $175,261."

And the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"No officer or employee of the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation shall be paid a salary or compensation at a rate per annum in excess of $11,000 except the following: Six at not to exceed $25,000 each, and two at not to exceed $20,000 each."

And the Senate agree to the same.

WM. R. WOOD,
EDWARD H. WASON,
T. W. HARRISON,
Managers on the part of the House.

F. E. WARREN,
REED SMOOT,
W. L. JONES,
LEE S. OVERMAN,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 9981) making appropriations for the Executive and for sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1923, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report:

On No. 21: Appropriates $2,468,451 for the General Accounting Office in the detailed manner proposed by the House instead of $2,496,101 in a lump sum as proposed by the Senate. The detailed salaries proposed in the House bill have been reduced in amounts of individual salaries and in number of salaries in the aggregate of $400,000, of which $375,000 is made available for temporary clerks, stenographers, typists, etc., with a salary limitation of $1,800, and $25,000 is added to the appropriation of $150,261 proposed in the House bill for contingent and miscellaneous expenses. The aggregate proposed in the substitute for the House provision is $150 less than the amount carried and is $27,650 less than the amount proposed by the Senate under the lump sum.

On No. 31: Strikes out the language inserted by the Senate granting authority to the United States Shipping Board to continue to use sums received from the liquidation of assets up to $55,000,000.

On No. 35, relating to salary limitations on Shipping Board and Fleet Corporation funds: Inserts a substitute for the House and Senate provisions, which allows 6 employees at not to exceed $25,000 each, and 2 employees at not to exceed $20,000 each, instead of 13 in excess of $11,000 as proposed by the Senate, and 6 between $11,000 and $25,000 each as proposed by the House.

WM. R. WOOD,
EDWARD H. WASON,
T. W. HARRISON,
Managers on the part of the House.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed without amendment the bill (H. R. 4069) authorizing the Secretary of the Interior to sell certain lands on the Wind River Reservation, Wyo.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11065) making appropriations for the Departments of State and Justice and for the Judiciary for the fiscal year ending June 30, 1923, and for other purposes.

CREDIT FOR THE GOVERNMENT OF LIBERIA.

The SPEAKER pro tempore. It being Calendar Wednesday, the Clerk will call the committees.

The CHAIRMAN (when the Committee on Ways and Means was called). Under previous order entered into, House Joint Resolution 270 will be taken up, with general debate to conclude at not later than 4.30 p. m.

Accordingly the House automatically resolved itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 270, with Mr. MADDEN in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 270, which the Clerk will report.

The Clerk read as follows:

House Joint Resolution (H. J. Res. 270) authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia.

Whereas the Republic of Liberia having been established through the efforts of American citizens and having been established under the fostering care of this Government, has at various times sought the aid and counsel of this Government, and following the declaration of war made by this Government against Germany made common cause with the Government and the other allied or associated Governments in its declaration of war against Germany on August 4, 1917.

In consequence of the war the economic situation of Liberia has been imperiled and its Government has made urgent representations to the United States for financial aid and has sent its plenipotentiaries to Washington for the purpose of concluding a loan;

This Government being actuated by feelings of traditional friendship for the Republic of Liberia and solicitous for its well-being and continued independence and for the peaceful development and future advancement of the Negro race: Therefore be it

Resolved, etc., That the Secretary of the Treasury be, and he is hereby, authorized, on behalf of the United States, to establish a credit with the United States for the Government of Liberia, subject to the approval of the President and in conformity with an appropriate arrangement made under his direction for that purpose, in an amount not to exceed the sum of $5,000,000, and to the extent of the credit so established the Secretary of the Treasury is hereby authorized to purchase from that Government its obligations hereinafter issued, bearing such rate or rates of interest, maturing at such date or dates, and containing such terms and conditions as the Secretary may from time to time determine; and a sufficient sum of money is hereby appropriated, out of money not otherwise appropriated, to carry out the purposes of this resolution.

Mr. FORDNEY. Mr. Chairman, this is a very important matter, and I believe we ought to have a quorum present. I make the point of no quorum.

The CHAIRMAN. The Chair will count. [After counting.] It is evident that no quorum is present. The Clerk will call the roll.

The roll was called, and the following Members failed to answer to their names:

Anderson	Brooks, Pa.	Connell	Drane
Anthony	Browne, Wis.	Connolly, Pa.	Dupré
Aswell	Burdick	Cooper, Wis.	Dyer
Atkeson	Burke	Copley	Echols
Beck	Butler	Coughlin	Edmonds
Beedy	Campbell, Pa.	Crago	Ellis
Bell	Cannon	Curry	Faust
Benham	Cantrill	Darrow	Fess
Bixler	Clark, Fla.	Davis, Minn.	Fields
Blanton	Classon	Davis, Tenn.	Fish
Boles	Cockran	Dempsey	Focht
Brand	Codd	Dickinson	Foster
Britten	Collins	Dominick	Frear

Frothingham	Kindred	Newton, Minn.	Smith, Mich.
Funk	Kitchin	Newton, Mo.	Smithwick
Gilbert	Kleczka	O'Brien	Snell
Gorman	Kline, N. Y.	O'Connor	Snyder
Gould	Knight	Oliver	Steenerson
Graham, Ill.	Kreider	Olpp	Stevenson
Graham, Pa.	Kunz	Osborne	Stiness
Green, Iowa	Lanham	Paige	Strong, Pa.
Greene, Mass.	Lankford	Patterson, N. J.	Sullivan
Griest	Lehlbach	Perlman	Sweet
Hardy, Tex.	Little	Porter	Taylor, Ark.
Harrison	Lowrey	Rainey, Ala.	Taylor, Colo.
Haugen	Luhring	Rainey, Ill.	Taylor, Tenn.
Hays	McArthur	Raker	Tilson
Hicks	McFadden	Ransley	Treadway
Hill	McKenzie	Reavis	Walters
Hogan	McLaughlin, Pa.	Reber	Ward, N. Y.
Hudspeth	McPherson	Reed, N. Y.	Ward, N. C.
Hukriede	MacGregor	Riordan	Webster
Humphreys	Maloney	Rodenberg	Wheeler
Ireland	Mann	Rucker	Wingo
Jeffers, Ala.	Mansfield	Ryan	Winslow
Jones, Pa.	Martin	Sabath	Woodyard
Kahn	Mead	Sanders, Ind.	Wurzbach
Kearns	Michaelson	Sanders, N. Y.	
Kelley, Mich.	Montague	Sears	
Kendall	Mott	Shreve	
Kiess	Mudd	Siegel	

Thereupon the committee rose; and the Speaker pro tempore [Mr. WALSH] having resumed the chair, Mr. MADDEN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the resolution (H. J. Res. 270) authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia, and finding itself without a quorum, he had caused the roll to be called, whereupon 266 Members answered to their names, and he submitted a list of the absentees for printing in the RECORD.

The SPEAKER pro tempore. The committee will resume its session.

The committee resumed its session.

The CHAIRMAN. The gentleman from Michigan [Mr. FORDNEY] is recognized.

Mr. FORDNEY. Mr. Chairman and gentlemen of the committee, I realize, to begin with, that there are several gentlemen in the House who are not in favor of the passage of this resolution. The resolution before the House provides for a loan of $5,000,000 to the Government of Liberia. The act under which the loan was agreed to was passed during the war. President Wilson at that time recommended that there be placed to the credit of the Government of Liberia $5,000,000, and that amount was placed to the credit of that Government. A small amount of that money has already been paid to the Government of Liberia, but the reason why the loan was not completed and the money paid over during the last administration is that the conditions under which the loan was to be made, prescribed by our Government, were objected to by the Liberian Government as being too severe. The principal reason why that contract was rejected and why the Liberian Government requested that the contract be modified was that the power was vested in one man. The Liberian Government thought that was too extreme, and asked for a modification of the contract. Much time was consumed in correspondence back and forth, and before the contract was completed the war was over, and consequently the authority for making the loan was also abrogated by the treaty of peace, or the declaration of our President that the war was over.

I would like very much to be permitted to make a continuous statement without interruption if gentlemen will pardon me. When this administration came into power the President of Liberia, together with a commission authorized by the Congress of Liberia, came here, and on the 28th of October last an agreement was reached between the representatives of this Government and the President of Liberia and the commission that he brought with him. The contract was agreed to, subject, of course, to the approval of the Congress of the United States. It has been approved by the Liberian Congress. At that time, I say, the authority to make the loan, vested in our Government, if at all, did not exist any more, because of the conclusion of the war.

Liberia really is a child of the Government of the United States. As far back as 1816 a society was organized in this city known as the Colonization Society, the purpose of which was to find a territory in Africa where free black men and free black women could be sent from this country in order that they might establish a government of their own and be free, because at that time, during the slave days, a free negro in this country suffered more than any other man in the country; he was not wanted anywhere. This Colonization Society was promoted, as I have it, by a religious organization in this country, very meritorious, indeed, and in 1820 a shipload of 88 negroes was sent from this country to Africa, together with a number of white men selected by the Colonization Society. They were financed by that society, and after much difficulty in that country a territory was purchased or title otherwise acquired by this society for those colored people. Other shipments of negroes were then sent from this country to Africa. Nearly all of the white people that accompanied these colored people died over there from fever. It was a very unhealthy country that they first went to. They were shifted about from one place to another until they finally landed where they now are.

Much of the territory acquired at that time by those people has been taken away from them by the English and French Governments. But in 1847 they established a republican form of government. Their capital, Monrovia, was named after one of our great Presidents, President Monroe. At the present time there are about 60,000 civilized people, negroes, in Liberia. There is a total population of 2,000,000 or more. The resources are very great in certain products.

Liberia declared war against Germany in August, 1917. The merchants of Liberia at that time were chiefly Germans. Out of a total of a dozen merchants in Monrovia nine were Germans. The only part that Liberia took in the war was to drive these German merchants from Liberia and turn over her resources to the allied governments. Among those resources was the most important of her products, palm oil, an article very necessary in the manufacture of ammunition. I have here a statement of the resources of Liberia, which I will insert in the RECORD if permission is given me to extend my remarks, and will not take up the time now to read it:

LIBERIA PRODUCTS.

PALM OIL.

Mr. O. W. Barrett, agricultural adviser of Liberia, in his report to the Government estimated that at least 40,000,000 mature oil palms exist to-day in Liberia. The average yield, mature, is around 50 pounds of fruits or nuts. From these 50 pounds gross weight, at least 8 pounds of the palm oil, or as it should be called, tallow, is available by the crude methods of the natives. Besides the tallow there should be about 4 pounds, at least of kernels, if all the nuts are cracked after the pulp has been removed in the oil extracting process. At a fairly low estimate the oil and kernels should be worth at the coast about $1. In other words, the possible output of kernels and tallow from the oil palms of Liberia should be $30,000,000 to $50,000,000 per annum. However, not more than one-fourth or possibly one-third of the total number of trees can be conveniently reached by traders under present conditions. On the other hand, if the palm forests were properly cleaned and thinned, it is quite possible that some $75,000,000 worth of those two tropical products would be available from Liberia, no political factors preventing, by 1930.

MINING.

Gold and diamond mines are believed to exist in Liberia, several gold and one diamond mine being in operation. Sapphires are also found in considerable quantity. (1921.)

Coal, asphalt, and oil-bearing sandstones are found in Liberia.

Enormous quantities of iron ore are found throughout the interior, and it is stated that a certain native tribe has found a way to reduce this ore with charcoal.

Mica of a fair quality was exported at the end of 1920.

Antimony or bismuth is found there also.

RUBBER.

Wild rubber thus far has been the only variety exported, but it is believed that it would be profitable to plant and cultivate rubber trees.

IVORY.

Ivory has always been exported more or less, but no great attention has been given to it.

COFFEE.

A very fine grade of coffee is grown there, and much of it used to be exported, but, owing to the primitive nature of the machinery for its preparation, the industry has declined until just about enough for the use of the natives is grown.

CACAO.

Cacao grows well there and some has been exported.

PRODUCTS.

PIASSAVA PALM.

Piassava, a vegetable fiber taken from a palm tree used for brooms, brushes, and rope. This fiber has been exported heavily for more than 15 years. Wine and sugar can be made from the sap of the piassava palm without endangering the fiber of the leaves at all.

CASSAVA.

Many thousands of acres in the coast belt of Liberia are adapted to cassava cultivation. It would be possible to export several thousand tons of dried cassava roots (from which tapioca is made), crushed flat and partly dried in the sun and finished over artificial heat.

Sugar cane can be grown over large areas of Liberia.

Cotton is raised in the interior of Liberia by the tribes for their own domestic use. A moderate amount of cotton could be grown for export.

MAHOGANY.

The finest mahogany stands in west Africa are in Liberia. Several million dollars worth of mahogany of the finest grade could be exported.

The civilized portion of the population of Liberia live near the coast, not in the interior. They have no railroads; I believe none at all. They have but few roads. They have no means of transportation, of bringing to the coast for shipment abroad much of the natural resources of that country. There are many kinds of oil products from the growths of the forests in

that country that can be greatly developed, and they are very valuable products for use in the world.

I notice that there are heavy importations to the United States of palm oil right now and have been for several months, but upon making inquiry I find that the raw material sent from Africa, and very largely from Liberia, goes to Great Britain, Switzerland, and Italy, and is there refined and shipped to the United States as the products of those countries. But the raw material comes from Africa, as before stated, chiefly from Liberia.

Away back in 1871 the Government of Liberia borrowed $471,000. In 1908 (Mr. Roosevelt being President at that time) a commission was established by our Government in cooperation with the Governments of Great Britain, Germany, and France, to look into the affairs of Liberia and aid her people. But little satisfaction came from the work of that commission at that time. In 1912 a loan was made, and the National City Bank of New York, I believe, was the chief agent in the negotiation of that loan, and the old debt was refunded. The debt of the Government of Liberia to-day amounts, in round figures, to somewhere between $1,500,000 and $1,700,000.

It has been stated that this loan is a scheme on the part of the bankers of the country to get their pay for the old loan. The Secretary of State announced to the committee that there was absolutely no foundation for that statement, that the banks of the country do not own the outstanding obligations of the country of Liberia. These loans are chiefly held in Great Britain, France, and Germany, and the Secretary stated that it was his information that there is but $50,000 of these loans held in this country. The gentleman from New York [Mr. MILLS], a member of the Ways and Means Committee, interrupted the Secretary by saying that his information recently obtained through some bankers in New York was to the effect that there is only $10,000 of all of the outstanding obligations of Liberia owned in this country. My recollection is that all, or practically all, these loans are in the hands of individuals, although I may be in error about that. So that the claim is wholly unfounded, nothing to it whatever. No bankers, no holders of outstanding securities appeared and made any claim in reference to making this loan, so stated by Secretary Hughes.

Now, coming down to the past administration. In 1918, under the war measure under which loans were made by this Government to foreign governments engaged in that great war against Germany, President Wilson authorized and directed that this loan be made to Liberia. The Secretary of the Treasury announced that there had been placed to the credit of the Liberian Government $5,000,000, and the Secretary of State then notified Liberia of that fact, and notified the French and English Governments that the Government of the United States had made that loan and was going to take care of these people in their financial needs. Consequently the negotiations with other Governments were discontinued and the loan looked for here. But when our Government prepared that contract and provided for the repayment to this Government for the loan, Liberia objected on the ground that the conditions set out in the contract were too severe, and the chief reason was that the power was vested by that contract in one man.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. FORDNEY. Briefly, although I would rather continue.

Mr. GARRETT of Tennessee. The gentleman says "power vested in one man"; that does not mean much. What were the terms upon which the loan was to be repaid?

Mr. FORDNEY. Let me say to the gentleman from Tennessee that I have not read that old contract that was rejected. I asked the State Department this morning for the chief reason for the objection on the part of the Liberian Government in that contract, and I have given you the information given me by the State Department. But the gentleman from Wyoming [Mr. MONDELL] visited the State Department this morning and perhaps he can give the gentleman the information asked for. But whatever that may be, it has nothing to do with the matter under consideration at this time, for the reason that the President of Liberia, with a commission authorized by the Congress of Liberia, came here on the 28th day of October last and entered into an agreement with our Government, and in the hearings, page 124, you will find copy of that contract. It is voluminous. I have read it all. There are 48 pages of foolscap typewritten matter.

Mr. GARNER. Will the gentleman yield?

Mr. FORDNEY. I will.

Mr. GARNER. The gentleman states that the reason the money was not delivered to the representatives of the Liberian Government was on account of the contract not being accepted. Does the gentleman know any other Government that joined in the war that received a loan and had to sign a contract?

Mr. FORDNEY. No; the loans were made on the basis of taking their bonds, and this was a contract loan.

Mr. GARNER. Why should you make a contract loan with Liberia and take the bonds of the other countries?

Mr. FORDNEY. Ask your own administration why, because they made the contract.

Mr. GARNER. Is the gentleman supporting the bill for the reason that the administration obligated the Government to make it?

Mr. FORDNEY. I am supporting the loan because the Democratic administration obligated the Government and placed a moral obligation on this administration.

Mr. GARNER. Is that the only reason?

Mr. FORDNEY. That is one reason, and I will give you the other reasons that Secretary Hughes gave you if you will give me time. He settled you when you asked him that question in committee. [Laughter.] A receivership is created by the contract by which the President of the United States is to appoint a commission to go to Liberia, subject to the approval of the President of Liberia. Their expenses are to be paid by Liberia; all expense of the transmission of the money to and from Liberia to this country is to be paid by the Liberian Government as set out in the contract. All the expenses connected with the loan are to be paid by the Liberian Government. I say they agreed to it, and the safeguards are thrown around the loan in this way: That this commission of American citizens, paid by the Government of Liberia, are to have absolute control over the expenditure of money, over the receipts of the Government of Liberia; and the amount to be spent by the Liberian Government annually is set out in the contract under full control of the commission. Beyond these sums the Government of Liberia can not go, except, of course, subject to the approval of the commission.

Gentlemen, the loan was authorized to be made, the loan was placed to their credit, they were notified of it, and other governments to which Liberia would have gone for money—and obtained it undoubtedly—were requested to stay out of the deal and we would make the loan. On the strength of that promise Liberia proceeded to declare war against Germany; she did turn over her resources to the Allies, did drive from Liberia the German merchants, did take over the German property, did perform her duty as far as she could in good faith, and in order that the Government of the United States may carry out its part, which it is in honor bound to do by the acts of our Government during the past administration, and thus keep faith with the world—not only with Liberia, but all the principal governments of this earth—to show that we are honorable people; that this Government proposes to do what it agreed to do, we are carrying out this contract.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. GARRETT of Tennessee. The gentleman suggests that he is carrying out the policy of the last administration. So far as I read from the report in the hearings on the Liberian loan question, certain conditions were made by the last administration as to the acceptance of that loan by the Liberian Government, and the Liberian Government declined to accede to the terms which the last administration laid down. The gentleman stated earlier in his remarks that this was a contract. It seems to me that if they failed to sign the contract and meet our stipulations the contract could not have been completed. If the gentleman will permit, I wish him to understand that he is not going to be able to unload the burden which has been imposed upon him by referring to the Democratic administration, which negotiated a loan that Liberia never accepted.

Mr. FORDNEY. Those negotiations were never concluded, and have not been yet, because of the fact——

Mr. GARRETT of Tennessee. Then we would better save this $5,000,000 now.

Mr. FORDNEY. Oh, the gentleman made quite a speech, and he ought now to let me reply to him. The negotiations that were carried on never abrogated that agreement. Secretary Hughes said that we were operating under a treaty that has never yet been concluded. I do not doubt his word. He is a good lawyer. I am not, and I take his word for it.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. MILLS. Is it not true that when this administration assumed control of the Government it found awaiting it in Washington a mission from Liberia, invited here to continue negotiations which the gentleman from Tennessee [Mr. GARRETT] claims had been rejected and concluded?

Mr. FORDNEY. Yes; that is true. The President of Liberia and his commission came here, and they were here, I think, just

before President Harding was inaugurated, or about that time, at least. The President of Liberia said that he was on the way here to meet our President—not a school-teacher. I am speaking of a real President.

Mr. MILLS. It is a fact that that mission was here at the request of the Wilson administration.

Mr. FORDNEY. Yes; at the request of the past administration. Let me read to you what President Hughes said in answer to a question asked by the gentleman from Texas.

Mr. LAYTON. Secretary Hughes.

Mr. FORDNEY. Yes; Secretary Hughes. He ought to have been President. [Applause.]

Mr. OLDFIELD. Does the gentleman mean now?

Mr. FORDNEY. Oh, no. We have a high-grade man for President now, although we had an excuse for four years before Mr. Harding took office. We ought to have had a man in the chair, and if I had had my way about it we would have had. I never thought a school-teacher was very much of a man out of his line, especially as a political dictator. Let me read you the colloquy that occurred between the gentleman from Texas [Mr. GARNER] and Secretary Hughes.

Mr. GARNER. Yes, Mr. Secretary. Do you consider the correspondence in your office in the matter of making loans to foreign governments a moral obligation on the part of Congress?

Secretary HUGHES. I consider the direction of the President of the United States and the act of the Secretary of the Treasury authorizing the Secretary of State to inform foreign governments of the opening of the credit, and the action in reliance upon that, created the highest possible moral obligation, certainly when that action was taken under an act of Congress which had given that authority.

Mr. GARNER. In other words, if your office should negotiate with foreign governments with reference to a loan to any particular government, you would consider that a moral obligation on the part of Congress to appropriate the money?

Secretary HUGHES. That is as far from what I said as the east is from the west. I said nothing which would permit of such an inference, with all deference. I was considering a case where the President had acted under the authority of Congress, believing undoubtedly he had authority to act, authority couched in general terms; and I think that he certainly felt that he was basing his judgment upon the fact that the action was needed; and, after the Secretary of the Treasury had also acted under that authority, under the same authority of Congress, and the Secretary of State had communicated this to foreign governments, this action authorized by our own legislation in time of war created a moral obligation to make the promise good.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. GARRETT of Tennessee. Is that the only ground——

Mr. FORDNEY. Oh, bless your soul, I have 49 grounds. Does the gentleman want to know all of them? I have given him one. Let him wait a minute and I will give him the other 48.

Mr. GARNER. Will the gentleman yield to me for a question?

Mr. FORDNEY. Yes.

Mr. GARNER. Does the gentleman from Michigan believe that President Wilson had the right under the second Liberty loan act to grant money to Liberia to pay its debts contracted 40 years ago or to develop the country 15 years after the war?

Mr. FORDNEY. That is not the question.

Mr. GARNER. That is what he did, and I am asking the gentleman if he believes he had authority under that act to do it?

Mr. FORDNEY. That is not the question, but here is what was done. Whether he had authority to do that under the act, he did do it. Whether he had authority, there is a difference of opinion. I am not a lawyer and I would rather leave that to the gentleman and some good fellow on this side to advise him in the matter than to take my own judgment. Whether the President had authority or not under that act of Congress, in round numbers ten and a half billion dollars were loaned by the Democratic administration, and we have not received a cent of it back yet. I am not criticizing the President for making these loans. I think he was justified under the circumstances. We were in the midst of a great war, we did not know just what way we were going to land, we were anxious to do everything in our power to win the war, and we did it. We spent money like drunken sailors, but I felt the more money we spent the less human life would be sacrificed among our boys. [Applause.]

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. In just a minute. The loan was made. The loan was authorized to be made to Liberia, and Liberia has an outstanding obligation of about $1,500,000 or $1,700,000, all of which is a first lien upon the revenues of Liberia, a first mortgage, and the only way that we can get a first mortgage on Liberia by making this loan is to discharge the present first mortgage which is outstanding against her revenues, and a portion of this money is to be used for that purpose, and then we will have a first mortgage on Liberia and all of her revenues and our men will be there according to the contract to see that that contract is carried out. I yield to the gentleman.

Mr. GARNER. If the gentleman can not get a first mortgage on the receipts of Liberia, would he be willing to make the loan anyway?

Mr. FORDNEY. I do not know what I might do if the conditions were different. I am talking about existing conditions. Now, my friends, Michigan is a great State.

Mr. CLARKE of New York. Next to New York.

Mr. FORDNEY. Yes; New York is a great State. We have many great States.

Why I made that remark is this. We have in round numbers 59,000 square miles of territory in the State of Michigan. We have 3,600,000 people there—good citizens, 80 per cent Republicans [laughter]. The State of Michigan has 59,000 square miles of territory, in round numbers. Liberia has 40,000 square miles of territory; and I believe the people of Liberia about equal the population of the city in which I live, a little better than 60,000, but you must remember that 88 negroes started and established that Government by the support of the people of the United States. I have in my possession a letter received only three days ago from a gentleman in New York now representing the Colonization Society in which he states that they have in their treasury $140,000 now which is used to maintain a school in Liberia.

They are above the intelligence of the other colored people of the world because of their better education. We have a young man right downstairs in the lunch room from Liberia, born in Liberia, who is here studying law and working in the restaurant of this House to pay his way through college. They are trying to make of themselves good citizens, intelligent and educated as they are. They are entitled to our protection, and by making this loan we will aid them and put them on their feet to build better roads, establish more and better schools, and establish industries through which their people can receive employment and go to commercial wealth as the people of the United States have done. If they could only get further inland, if they had means of transportation, their greater agricultural and natural resources could be developed and brought to the market, and the balance of this money, after discharging their obligations outstanding and other propositions provided for in the contract, the money is to be used for the very purpose of building roads, and so forth. We are morally bound, gentlemen, and we will be disgraced in the eyes of the world if we do not carry out that moral obligation to make this loan. I was one of those when this matter was first presented who did not believe in it. I knew nothing about the loan, but when I heard the statement made by the Secretary of State, who is familiar with all the conditions which led up to this loan at that time, I became a convert, and I am strongly in favor of the passage of this legislation and making this loan.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. FORDNEY. I will yield.

Mr. GARRETT of Tennessee. The gentleman has compared Michigan and Liberia as to the products of the two countries——

Mr. FORDNEY. In square miles of territory.

Mr. GARRETT of Tennessee. In square miles and products of the two countries.

Mr. FORDNEY. No; I did not.

Mr. GARRETT of Tennessee. Well, I just wanted——

Mr. FORDNEY. I only compared the two countries to show the extent of Liberia's territory. Do not try to switch me off on a sidetrack; I am not running on a gravel train.

Mr. GARRETT of Tennessee. I just want to ask the gentleman here in this blooming season, what is the prospect in Michigan for the berry crop?

Mr. FORDNEY. For the berry crop? What kind of berries does the gentleman refer to, blackberries or blueberries? If it is huckleberries, huckleberry Republicans gave Warren G. Harding 529,000 majority two years ago. [Applause.]

Mr. OLDFIELD. If the gentleman will permit, was the gentleman serious when he said 80 per cent of the people of Michigan are Democrats now?

Mr. FORDNEY. I corrected that mistake. The gentleman would not accuse me of making that mistake without correcting it.

Mr. LOWREY. Have you any school-teachers up there?

Mr. FORDNEY. None who have received their education in Virginia. [Applause.]

Mr. LOWREY. The gentleman says that a school-teacher is not much of a man outside of his own job. Now, Doctor FESS——

Mr. FORDNEY. Not unless he has considerable training in some other line. Take him direct from school to the White House and he is a glorious misfit. [Laughter.] As a political boss he worked well for awhile, but he finally overstepped himself and——

Mr. LOWREY. I am not talking about a specialist, but I understand that in the gentleman's State a school-teacher is not much of a man.

Mr. FORDNEY. Let me say in this connection, that in 1920 I made the statement that the then President was going to change his boarding house on the 4th day of March, 1921, and he did. [Laughter and applause.]

Will the gentleman from Texas use some time now?

Mr. FORDNEY. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. MILLS].

Mr. MILLS. Mr. Chairman and gentlemen of the committee, the gentleman from Texas [Mr. GARNER] has done me entirely too much honor in suggesting I had anything to do with the drafting or the fathering of this legislation, but when he charges I am representing those who are asking for the passage of the legislation he is entirely correct, and I am proud of the fact that in advocating the passage of this measure I am representing the wishes of the President of the United States and the Secretary of State, who say that the honor of the country is involved. [Applause.] Now, my friend from Texas has talked about Democratic solidarity in opposition, and has suggested that international bankers are back of this bill without, however, submitting any evidence. I wonder whether the real secret of this Democratic opposition will not be found in the same considerations which influenced the prior action of this Government in delaying recognition of Liberia some 50 years ago. Now, as to this international bankers proposition: Whenever some measure comes up in respect of which, by some stretch of imagination the international banker, so called, may be dragged in, he is dragged in for political purposes and as a substitute for argument. What are the facts with reference to these bankers? In 1911 or 1912 the German bankers, English bankers, and French bankers proposed to make a loan to Liberia, and our country, because of its historic interest in Liberia, suggested through the State Department that American bankers participate. They did participate in the underwriting. You could not float Liberian bonds upon the American market, and so they were offered on the London market, and with the exception of, I think, some $166,000 the entire bond issue was sold to private individuals.

Mr. GARNER. If the gentleman will yield, I was wondering why the London bankers did not underwrite what they were going to sell to the English people.

Mr. MILLS. The gentleman knows that in international loans of this character governments are interested. France would have objected to England going in alone, Germany and the Dutch would have objected to an exclusive British and French loan, and finally our Government objected to these other Governments going in without participation by the American banks——

Mr. GARNER. And we took over the whole job.

Mr. MILLS. No; it is not so. We did not. The fact is there were four American banks participating in the underwriting. Their share of the unsold balance was $10,000, or $2,500 apiece; and yet the gentleman speaks of this bill as one to reimburse the international bankers. He said that without one bit of proof in the record. In saying so he has, of course, a perfect right to challenge the statement which I made on the basis of private investigations, but I wonder whether he has the right to question the word of the Secretary of State, who appeared before our committee and testified as follows:

Now as to the loan plan: I notice in the hearing that there was some discussion about—at least it seems to breathe through the pores of the record—that there was some idea that the bankers were back of this, as somebody wanted to get their bonds paid off. There is absolutely nothing in that. I have not had a communication in the last year, since I have been dealing with this matter, from a banker or from anyone interested in bonds.

That is the statement of Secretary Hughes, whose integrity I should think was beyond question. He says—and this is a matter of such common sense I do not see why the gentleman from Texas has not grasped it—that if the United States is to make a loan to Liberia it is perfectly obvious we must protect that loan, but we can not protect it if there is a prior mortgage outstanding. So that all the Government proposes to do is what any business man would propose to do under the circumstances, buy up the prior obligation and then become a preferred creditor with a first mortgage on all the revenues of Liberia. The purpose of paying the loan is not to reimburse the bondholders, but to protect us. [Applause.] Now, what is the basis of this whole proposition?

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. MILLS. After I get through, if the gentleman will kindly permit.

Mr. GARRETT of Tennessee. That will be tolerably late.

Mr. MILLS. One of the reasons back of this measure is that the word of the United States Government is pledged. The gentleman from Texas [Mr. GARNER] says the word of this Government is not pledged, because the President, Mr. Wilson, did not have the legal authority to make the loan. As far as I am concerned, I say there is no question but that he did have the legal authority to make the loan, because Congress granted him the discretion to make any loan which he deemed necessary for the furtherance of the war, and it could well be argued that Liberia's entrance into the war and the assistance which might arise from her interruption of trade relations with Germany would further the prosecution of the war. Further than that, we left it to the President of the United States to decide what would further the prosecution of the war, and when he exercised that discretion, acting in good faith, he acted within the terms of that law. Whether he did or not, he had color of authority. In so far as he dealt with third parties, acting under color of authority granted him by Congress, and these third parties believed him and relying on his word changed their position, I say we as principals are bound by the pledge which he gave. And the whole argument of the gentleman from Texas, stripped of the fallacies and misstatements, is an argument in favor of the United States and of the people of this country repudiating the solemn word given by a President of the United States acting under authority granted him by Congress. [Applause.] The Democratic side of the House seems to want to make us a nation of welshers on some miserable, technical, legal point. If it was fifty times $5,000,000 and there was no security, but the President of the United States, acting under the authority of the Congress of the United States, had given his word, no matter to how poor a country and no matter how insignificant a country, I should vote to keep that word. [Applause.] There is no question about our word being given. What are the facts?

In September, 1918, we definitely stated that the credit was granted. We wired that to Liberia. We began negotiating agreements at once, not only with Liberia but with France and Great Britain, always on the assumption that the loan would be made. Secretary Lansing stated—and I want you gentlemen to listen to this statement, because this is a statement not of a Republican Secretary of State but of a Democratic Secretary of State. He said:

I at once entered into diplomatic correspondence with the British and French Governments in an endeavor to secure their withdrawal from the international receivership. These negotiations, extending over a period of a year, have only just terminated. During their course I repeatedly based my representations for the withdrawal of the British and French receivers on the condition of an American program of financial and economic rehabilitation of Liberia. I at the same time made unreserved assurances to the Liberian Government respecting the carrying out of the economic program and even took preliminary steps looking to that end. As a result, this Government stands before the world completely committed, and committed for over a year past, to a program of economic as well as financial rehabilitation of Liberia.

That is Mr. Lansing's statement. He and Mr. Wilson definitely stated that we stood not only committed toward Liberia but committed before the whole world. And yet the leaders of one of the great parties in this country ask this House to repudiate that act. [Applause.]

What happened subsequently to that, gentlemen? Negotiations were continued, and finally, in April of 1920, our program and definite plan was submitted to Liberia. The gentlemen of the minority then make their second point: That whatever obligation existed then came to an end, because Liberia rejected our plan. This is not the fact. Liberia never rejected our plan. They suggested modifications to it. There never was a rejection. Negotiations never ceased for one minute. But as they found it difficult to come to an agreement as to details at such a long distance, the Liberians suggested, in the fall of 1920, that they would send a commission, and the then Acting Secretary of State, Mr. Davis, cabled:

Send a commission, but send it with full authority.

Acting on his suggestions, the Liberians sent such a commission, and when the Harding administration came into power they found waiting in the city of Washington a Liberian commission prepared to complete the negotiations entered into by the preceding administration.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. MILLS. I can not yield just now.

The Harding administration, recognizing the obligation, then undertook the negotiations. They resulted in the final agreement signed in October, 1921. But in the meanwhile, gentlemen, the peace resolution had been adopted. By the terms of the second Liberty loan act, under which this loan with Liberia was negotiated, the authority to make loans expired when peace was declared. Therefore the legal authority had disappeared, but the moral obligation remained.

Recognizing the situation, the President of the United States and the Secretary of State, in order to live up to a moral commitment, came to this Congress for a renewal of the legal authority, and that is why this bill is before you. They did not come here asking, as has been suggested by the gentleman from Texas, to give them an unlimited power to negotiate such a loan—though I for one would be perfectly willing to trust the President and the Secretary of State—but they submitted to Congress an agreement drafted with such completeness and in such detail as to protect every interest of the United States from every possible point of view. I will ask any business man in this House to read the agreement with the Government of Liberia, and I think you will admit it is one of the most carefully prepared of business documents, looking to the protection of the interests of the United States. In any event, it is perfectly sure that the President and the Secretary of State have not come here and asked for unlimited power of attorney. They have submitted to you the actual agreement which has been signed and which, if the signature means anything, binds this Government and the Government of Liberia. I have no sympathy with the suggestion of the gentleman from Texas [Mr. GARNER] that that agreement means nothing and that if we grant the authority they will negotiate another agreement. I believe we are dealing with honorable men. I believe the signature of the Secretary of State of the United States is binding, and I for one will never question it.

Mr. GARNER. Will the gentleman yield?

Mr. MILLS. Yes.

Mr. GARNER. Why do you have in your bill a provision saying it may be changed later on?

Mr. MILLS. To what provision does the gentleman refer?

Mr. GARNER. That is, that arrangements can be made now or later, at a different time and under different conditions?

Mr. FORDNEY. Only in form of denomination. That is what it provides for, and nothing else.

Mr. HUSTED. Will the gentleman from New York yield?

Mr. MILLS. I will.

Mr. HUSTED. Pending the loan originally made at the request of Liberia, did Liberia do anything to aid the war as a consideration for receiving the loan?

Mr. MILLS. It appears that Liberia entered the war after we did, in 1917, and certainly after consultation with this Government, though it does not appear that they entered the war at our request.

Mr. COOPER of Wisconsin. Will the gentleman answer one question?

Mr. MILLS. I am just answering the question of the gentleman from New York.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FORDNEY. Does the gentleman wish more time?

Mr. MILLS. Just enough to answer the question.

Mr. FORDNEY. I yield three minutes more to the gentleman.

Mr. COOPER of Wisconsin. Will the gentleman answer a question?

Mr. MILLS. I first want to answer the gentleman from New York [Mr. HUSTED].

As a result of their entrance into the war after we had they found themselves in such financial difficulties that they did not know where to turn. Their principal revenues were cut off. The Germans controlled to a great extent the business interests of the country, and the Germans had been driven out. In September, 1918, the President cabled that the loan had been granted. There is not the slightest question in my mind on the record, that if they had not had that absolute assurance, which has never been questioned until the bill came before Congress, Liberia in the course of the last four years would have unquestionably gone to some other country to receive assistance and would have received it. But she placed reliance in our word, and if we now break it we will have done irretrievable damage to a small and friendly nation that for over 100 years has come to look to us for advice and protection.

Now I yield to the gentleman from Wisconsin [Mr. COOPER].

Mr. COOPER of Wisconsin. I wanted to inquire if I understood the gentleman from New York correctly. Did the gentleman say that the commission that came here to negotiate with President Harding came over at the invitation of the former administration?

Mr. MILLS. I do. The record will show that.

Mr. COOPER of Wisconsin. That is a very important statement.

Mr. KLINE of Pennsylvania. Mr. Chairman, will the gentleman yield for a word or two?

Mr. MILLS. Yes.

Mr. KLINE of Pennsylvania. Was not one chief object—and, perhaps, the great object—the fact that in that war we could not obtain palm oil for use in the manufacture of munitions?

Mr. MILLS. That was the statement of the Secretary of State before the Committee on Ways and Means.

Mr. Chairman, I yield back the balance of my time. [Applause.]

Mr. GARNER. Mr. Chairman, I yield 20 minutes to the gentleman from Georgia [Mr. CRISP].

The CHAIRMAN. The gentleman from Georgia is recognized for 20 minutes.

Mr. CRISP. Mr. Chairman, I ask leave to revise and extend my remarks.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. CRISP. Mr. Chairman and gentlemen, I am going to discuss this proposition with you in a dispassionate way. I am not going to discuss it as a political question, because I do not believe there is any partisan politics involved in it. The last Democratic administration and this present Republican administration are equally involved and equally insistent upon this loan being made.

Now, while I am a Democrat, I am an American first [applause], and when I believe that the fundamental rights of the American people are involved, when your rights as Representatives of a great people are involved, I am going, so far as I am concerned, to consider those rights paramount and follow them rather than any political party. [Applause.]

Now, gentlemen, the last administration, on September 12, 1918, just two months before the armistice, set apart this credit for Liberia of $5,000,000, but stated that it was not available to be drawn on and could not be drawn on until the terms of a contract between the United States and Liberia were agreed on. No contract for a loan based on this credit was ever completed, and that credit, of November 8, 1921, after this agreement of October 28, 1921, was made that you are now asked to ratify, was withdrawn, as will be seen from the following letter of the State Department:

COPY OF LETTER, DATED NOVEMBER 8, 1921, FROM ASSISTANT SECRETARY OF STATE DEARING TO PRESIDENT KING.

NOVEMBER 8, 1921.

MY DEAR MR. PRESIDENT: In view of the execution of the financial agreement on October 28, 1921, in terms of a proposed new credit of $5,000,000, subject to appropriate action of Congress, I have the honor to inform you, in keeping with previous verbal expressions of the Department of State, that the balance of the credit established in favor of Liberia with the United States Treasury, September 12, 1918, but not deemed available, has therefore been withdrawn.

I am, my dear Mr. President,

Sincerely yours, F. M. DEARING.

Hon. C. D. B. KING,
President of Liberia.

Mr. TEMPLE. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. TEMPLE. Was any part of it ever drawn by the Liberian Government?

Mr. CRISP. There is nothing in the record to show, except $26,000 was turned over to Liberia to pay the expenses of her delegates to the peace conference at Paris.

Mr. TEMPLE. Out of this loan?

Mr. CRISP. I do not know. The record does not show.

Mr. TEMPLE. The statement of the Secretary of the Treasury is to this effect.

Mr. CRISP. If so, why are they asking for the full $5,000,000? If this $26,000 was withdrawn, why is not the administration asking for $4,974,000 instead of $5,000,000, if the State Department is urging us to authorize this loan based on the credit of September 12, 1918? The letter of the State Department just quoted shows we are asked to make this loan not on the old credit but on "a proposed new credit of $5,000,000, subject to appropriate action of Congress."

Now, gentlemen, it is conceded that there is now no legal authority for the United States to make this loan. Gentlemen contend that we are morally obligated to make it, and the record will show that they base it on three contentions. One of them is, they say, that the United States is historically interested in Liberia because some negroes from the United States first went there and settled it. Then they say we are obligated because of business relations and business reasons; and then, thirdly, they say we are obligated because President Wilson set apart this credit.

Now, gentlemen, the Government of the United States had nothing in the world to do with this colonization of Liberia or those people going there, and so no intelligent man can contend

that the United States is obligated to make this loan on account of that colonization scheme started in 1821, over 100 years ago.

Now, as to the business proposition, notwithstanding our historical interest and the so-called friendship existing between Liberia and the United States, the record shows that 85 per cent of the commerce of Liberia was with Germany; the other 15 per cent is with other countries than America, and the record does not show where we have even 1 per cent of the business of Liberia. So that contention must fall.

Then the next and only remaining proposition is: Is this Government morally obligated because of this credit? Now, I believe that every honest man must keep every moral and every legal obligation, and I believe every government must act likewise; and if I believed the United States was morally committed to make this loan I would vote for it. But I do not believe it, and I do not believe you will believe it if you will listen to the argument and read the record. Gentlemen, I only wish I had the time to go into it with you in detail.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. CRISP. I will yield this time, and after that I will not yield any more until I have concluded what I have to say, and then I will try to answer and questions.

Mr. LONGWORTH. Will the gentleman join with his colleague from Texas [Mr. GARNER] in the statement that there was no moral obligation unless President Wilson had the legal right?

Mr. CRISP. I do, and I am proceeding now to discuss that proposition.

Mr. LONGWORTH. And the gentleman will claim that President Wilson acted beyond the law?

Mr. CRISP. Unquestionably, and I think the gentleman from Ohio thinks so too, and I do not think the gentleman from Ohio or any other Member of this House will get up here and say that the President or any other official of the United States, acting beyond his authority or without its authority, can commit Congress to tax the people of the United States to make foreign loans. [Applause.] I do not, and I do not believe any of you do.

Now, what are the facts as to how this credit was set apart? I am going to discuss whether they had legal authority to make that credit, not for the purpose of showing that it is now illegal and not a binding obligation of the United States, because no one now contends that there is any legal obligation under the credit to make this loan, but for the purpose of showing that there was no legal authority at the time it was made; to show that there is no moral obligation following that act. If there was no authority to make the credit when it was made, surely no moral obligation can arise from it.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield again?

Mr. CRISP. I must decline.

The CHAIRMAN. The gentleman declines to yield.

Mr. CRISP. I have the greatest respect for the ability of the gentleman from New York [Mr. MILLS], but the gentleman from New York was not fair, and he attempted to evade and did not answer the question of his colleague, the gentleman from New York [Mr. HUSTED]. Mr. HUSTED asked the gentleman from New York [Mr. MILLS] if Liberia made any request for this loan. I am convinced the gentleman from New York [Mr. MILLS] knew Liberia requested this loan, but he did not give a frank answer to his colleague. Liberia asked for it, and not for the purpose of prosecuting the war, but Liberia asked for it because she said, "We are broke; we need help; we need money," and she appealed to the United States on account of the friendship existing between Liberia and the United States to lend her $5,000,000 to pay up their past indebtedness, their national bonded and floating indebtedness, amounting to $2,100,000, and the other for the purpose of organizing an army, putting in a sewerage system, extending schools, and building a railroad and good roads.

I do not ask you to take my statement as to that. If you will turn to page 112 of the hearings you will read a letter, dated January 11, 1918, from the secretary of state of Liberia to the American representative, as follows:

COPY OF LETTER, DATED JANUARY 11, 1918, FROM SECRETARY OF STATE OF LIBERIA TO AMERICAN CHARGÉ D'AFFAIRES, MONROVIA.

The AMERICAN CHARGÉ D'AFFAIRES AD INTERIM,
United States Legation, Monrovia.

MR. CHARGÉ D'AFFAIRES: I have the honor, by direction of the President, to forward you, for transmission to your Government, the inclosed memorandum on the financial situation of Liberia submitted to his excellency by the honorable secretary of the treasury.

The financial dangers at present threatening the Republic, as foreshadowed in the inclosed memorandum, are, in the opinion of the President, so imminent as to warrant his excellency's firm conviction that a strong and candid appeal should be immediately made to the Government of the United States to come to the relief of the Republic without delay by:

1. A loan of not less than $5,000,000 to enable the Republic to cancel the refunding loan of 1912 and to establish a receivership under American control alone; to take up our internal floating indebtedness; to stimulate education, agriculture, and industry, and to inaugurate such public works as will operate for the complete financial and economic rehabilitation of the country.

2. By the loan of additional American agents to assist the Government in perfecting its desires and plans for effective administration and control, both in the several departments of government and in the administration of our hinterland.

To this end, therefore, does the President desire this memorandum to be laid before the Government of the United States through your legation. Knowing as he does your warm interest and concern in the welfare and prosperity of Liberia, his excellency feels justified in relying upon your support and indorsement of this appeal now being made to your Government.

With assurances of my continued respect and high esteem, I have the honor to subscribe myself, Mr. Chargé d'Affaires,

Your humble and most obedient servant,

C. D. B. KING,
Secretary of State.

Now, gentlemen, do not you think that the gentleman from New York [Mr. MILLS] knew of that letter, and if so, did he deal frankly with you, did he lay his cards before you on the table? The Liberty loan act provided that the President could extend credit to our allies for the purpose of aiding in the prosecution of the war. Congress knew that it took money to prosecute a war. After we entered the war it was to our interest that the Allies should maintain their armies, that they should be fully supplied with money for war purposes, with food and clothing, because if they fell out we would have to send more soldiers; therefore Congress preferred to let them have money rather than to have to send greater numbers of our soldiers overseas to the fighting front, so it authorized loans to these countries for the purpose of aiding in the prosecution of the war. Congress did not have it in mind to make credit to any country except those actively fighting with us, and to them only for strictly war purposes and not for their rehabilitation and internal development. The record will show that when the proposition to make Liberia a loan came up before the Treasury Department that department doubted its authority to make a credit to Liberia under the Liberty loan act, and they were proceeding to ask the Attorney General for a legal opinion when President Wilson said that he approved of the loan, and so the credit was given, but it was expressly stated it was not to be available until a contract between the two parties regarding same was entered into. No contract based on this credit has been made up to this good hour.

You have heard it said that Liberia declared war and joined the Allies. Liberia did, but Liberia did it for Liberia's good and not for the United States. The record of this case shows that the English and allied navies had practically driven commerce off the sea that went to Liberia, and Liberia's trade was at a standstill. No ships went into her ports; they could not ship goods out or receive supplies essential for her people. The United States Government, desiring to aid and befriend Liberia, told Liberia if she would join the Allies and exclude Germans from her territory, this Government would take up with Great Britain the question as to whether she would let the Liberian commerce flow without restriction. Liberia consented to this, and our Government took up the question with our allies, Great Britain and France agreed to the request of the United States. Liberia declared war, excluded the few Germans that were there, and thereafter ships went into her ports and what little trade she had was resumed.

Liberia is a small negro Republic situated in Africa, with a population of between forty and fifty thousand semicivilized and 2,000,000 uncivilized negroes, many of the latter still living in the wilds of Africa in a tribal state. Her commerce consists of bartering in palm oil, dates, spices, and things of kindred nature.

She has neither army nor navy and contributed not a man, not an ounce of ammunition, to the prosecution of the war. Under these circumstances, is there a man who in his heart of hearts believes that the credit of $5,000,000 was a legal commitment, that the President of the United States had authority to make it, or that we are morally obligated to make this loan? I know what your answer is in your heart, but I do not know how you will vote.

Now, gentlemen, I have the greatest admiration for Secretary of State Hughes. He is one of the great men of the world, and it is owing to his pleasing personality and his ability that this resolution is to-day before you for consideration. This matter was before the Committee on Ways and Means for weeks. We had the Assistant Secretary of State, Mr. Dearing, and Mr. McBride before us. They had urged it, but I do not believe there were four members of the committee in favor of it. President Harding was urging the loan. So political circumstances became such that our chairman sent out an S O S call for the Secretary of State, and he appeared before us. He adduced no new facts.

He added nothing to the evidence in the case, but by his charming personality, his great ability, he swept a majority of my Republican colleagues off their feet; they went back on their judgment, went back on the views they had before expressed, and they voted to report favorably this resolution authorizing the loan. I want to say that all of them did not; some of them after the appearance of the Secretary of State still opposed it.

Now, gentlemen, do you believe if the President or any other official of this Government, acting beyond the authority vested in him, by diplomatic correspondence agrees to make a loan to some other country that we, as Congressmen, are mere automatons, rubber stamps, and must bow the knee and vote to tax our people to raise funds to carry out that agreement? I do not. That is involved in this question. Are you willing to establish such an unsound precedent? I am not, because there is this principle involved in it—representative government is at stake.

If you abrogate your right to control the money wrung from the already overburdened taxpayers and let some executive commit you to how it shall be used or appropriated, then our Government is a failure. [Applause.] That issue is at stake here.

The gentleman from Michigan, my good friend Mr. FORDNEY, recognizing the desperateness of his case, harps a great deal on the fact that the Democrats did it. "The Democrats started it." I am a Democrat, but no Democratic administration can bind me to do something that I do not believe is legal and right. Will you let an administration, Republican or Democratic, bind you to do it? [Applause.] If you do by making this loan, I want to know if you are going to carry the thing to its logical conclusion. Before the armistice this Government set apart about $8,000,000,000 to our allies, those actively engaged in war, the money being spent in the United States for war materials and supplies. After the armistice the Democratic Secretary of the Treasury, Mr. McAdoo, being of the opinion he had no longer legal authority to make foreign loans, came before the Committee on Ways and Means and requested legislation conferring upon him such authority. I quote from page 5 of Senate Executive Document 86, Sixty-seventh Congress:

Secretary McAdoo appeared before the House Committee on Ways and Means on December 12, 1918, and asked for legislation to extend his authority to make foreign loans. He stated in part:

"It seems to me the part of prudence and wisdom, as well as enlightened self-interest, to make the balance of the existing appropriation for the purchase of obligations of foreign governments available for advances for purposes growing out of war needs.

"The purposes to which I particularly refer, as growing out of the war situation, and which I had in mind in making this recommendation, are the supplying of foodstuffs and materials for such time and to such extent as may be necessary *to tide allied countries over until they are able to resume the purchase of food supplies through the ordinary channels, to aid in the reconstruction of the devastated areas of Belgium, Northern France, Italy, and elsewhere, generally to assist in restoring the economic life of those allied countries most seriously affected by the war.*

"It is impossible to determine the amount of the aid which it may be desired to give until both the extent of their requirements and the extent to which the countries themselves can be financed in other ways have been investigated. I do not recommend that one and a half billion dollars be placed at the disposal of the Allies; *I only ask that the Treasury be put in a position to make advances up to that amount for purposes which may be approved, with of course the approval of the President always,* and coming within the terms of the bill, at such times and under such conditions as the circumstances may call for. * * *

"The amount that is estimated be made available under the existing appropriation is, as indicated in my letter of December 5, 1918, about $1,500,000,000. In considering this sum, it is pertinent to observe that before the war the annual investment by Great Britain in Colonial and foreign securities and ventures was estimated at not less than $1,000,000,000. *The proposed additional advances of $1,500,000,000 constitute only a small proportion of the needs of France and Belgium for the work of restoration, but with judicious management the advances made by our Government, to the extent they may be made at all, will make possible the tiding of these nations over the period of transition.*

"Now, gentlemen, this suggestion about the *enlargement of the power to make loans out of the present available appropriation for that purpose to foreign governments is largely a counsel of prudence.* I do not know that anything will be required. Certainly if the Congress should not be in session after March next—and it won't be for a short time, at any rate, I imagine, because even if an extra session were instantly called, it would take a reasonable time for the Congress to organize—if in the interval any exigency arose where it was obviously to our interest to make *further* loans to foreign governments, certainly the Treasury ought to be put in a position to meet those exigencies. * * *

"Then, again, there are reconstruction questions which are coming up all the time and which will become more and more urgent with the return of peace, questions of food supply, etc., which will have to be decided instantly. And if the occasions should arise where it was in our own interest—even if we did not care about the interest of these other people, but in our own interest—to protect us in our economic situation, to make this advance, and we had no power to do it, we might bring some injury to ourselves. *And, therefore, I think we ought to have the power necessary, so that we can act if an exigency arises.* * * *

"The purpose of this amendment is to enlarge the power so that you may lend for other purposes than those necessitated by the war. * * *

"If we are given the authority in the proposed amendment here to lend money to the allied Governments for reconstruction purposes, food, or any other purpose contemplated by the amendment to the extent such loans may be made in the fiscal year 1920, we might have to sell more bonds or war savings stamps or short-time certificates.

"Mr. TREADWAY. It is entirely indefinite at the present time; no applications have come forward from representatives of Governments which you have in mind?

"Secretary McADOO. Belgium, Serbia, and France have all made intimations they would like to know if we would make such loans. * * *

"I have answered we have no power to consider such loans now; we have no authority to make such loans. I do not know that we shall have to at all, even if this authority is granted."

Shortly after the above testimony was given in the House Ways and Means Committee, on December 16, 1918, Secretary McAdoo resigned and Secretary CARTER GLASS took his place.

Secretary GLASS appeared before the Committee on Ways and Means of the House of Representatives February 15, 1919, on a hearing on the fifth Liberty bond bill, known as the Victory loan bill.

At the outset of his testimony before this committee he presented to the committee a tentative draft of a bill which gave him the additional authority referred to in the McAdoo testimony, namely, the authority to continue the loans authorized for war purposes during peace time for reconstruction and food relief. On page 17 of the fifth Liberty bond bill hearing Secretary GLASS states:

"For these reasons I urgently ask the authority to broaden the purposes for which the loans to foreign governments may be made. I do not ask an increased appropriation, and it would not be my purpose to avail of the authority where commercial loans or the powers of the War Finance Corporation could, in my judgment, be used to meet the requirements. I do, however, feel very strongly that before the Congress adjourns powers should be given sufficiently broad to enable the situation to be dealt with. We are creditors of the European Allies to the extent of over $8,000,000,000, and we have a very real interest in the early restoration of their economic life and their ability to enter upon foreign trade. * * *

"I am convinced that exports must be greatly curtailed unless the Government for the present emergency (and only during that emergency) lends financial aid along the lines I have indicated. I view with the greatest concern the task of raising the funds needed by the Government this year; but I am, nevertheless, willing somewhat to increase those needs for this purpose, being satisfied that the resultant effect will be such that the task as a whole will thereby be lightened."

The gentleman [Mr. FORDNEY] asked why we did not protest when the Democrats were in power and making these loans. We did. When Mr. McAdoo appeared before the Democratic Ways and Means Committee Mr. GARNER, Mr. KITCHIN, myself, and other Democratic Members protested against further foreign loans. The Democratic Secretary came before the committee and they stated that since the armistice, under the Liberty loan act, they had no authority to make other loans, and asked us to pass a law broadening their authority and giving them authority to do it. We refused to do that, and up to now there has been no law passed enlarging their authority or giving them the right to make new foreign loans.

Mr. MONDELL rose.

Mr. CRISP. I must decline to yield. I would like to yield, but the gentleman appreciates that it is rather hard to make an hour and a half speech in 20 minutes. There has been no law up to now changing or broadening the Liberty loan act regarding loans, but since the armistice the last administration has made loans or credits to the amount of a billion five hundred million dollars, and on the books of the Treasury there are to-day credits of over $129,000,000 in favor of foreign governments, besides the $262,000,000 credit set apart for Russia. Are we morally obligated because the Treasury Department set apart those credits to tax the people to-day to pay same? I want to know if the Republican administration is going to proceed, because of a moral obligation, to tax the people to loan to these people $129,000,000 more of our money simply because they have a credit, made illegally, made without due warrant of law, on the books of the Treasury Department? You may do it if you want to. The political exigencies of the case may be sufficient to force you to, but, thank goodness, I am free and independent, and I shall not do it. Let me call your attention to some of the credits made after the armistice, after the Ways and Means Committee refused to accede to the request of the Secretary of the Treasury for legal authority to make additional loans.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. GARNER. Mr. Chairman, I yield 10 minutes more to the gentleman from Georgia.

Mr. CRISP. The following credits have been made: Czechoslovakia, $61,000,000; Serbia, $14,000,000; England, $330,000,000; Rumania, $20,000,000; Italy, $45,000,000; Greece, $48,000,000. And there are some others. Are we morally bound to furnish those countries with that money, and is this administration going to ask us to do it? If they do, are you going to quietly fold your arms and bow your knees and answer aye? I am not.

Great stress was laid upon the fact that they said, after we have set apart these credits, that we notified England and

France to that effect, and it would not be good faith for us to withdraw. Mr. Chairman, I have a very interesting document in my hand, entitled "Loans to Foreign Governments" (Senate Ex. Doc. 86, 67th Cong.). It is a résumé of the diplomatic correspondence in respect to our foreign loans prepared from the evidence and letters that were sent to the Senate Committee on the Judiciary by the State Department. If gentlemen will turn to page 221 of that document they will find what I am now going to read. While the war was going on, England, France, and the United States entered a tripartite agreement to furnish Greece credits. The United States furnished them money. I do not know whether the others furnished them money or not, but on the basis of that agreement Greece issued bonds and sold them.

In the course of time the Venizelos government lost out, and France and England notified the Government of Greece that they would withdraw credits, and that that Government could not draw on the balance to its credit in England and France; that those countries would not honor her drafts. The letter is as follows:

CORRESPONDENCE RELATING TO GREEK POLITICS AT THE CLOSE OF 1919 AND THE CONSEQUENT FINANCIAL POLICY OF THE ALLIES TOWARD GREECE.

[Paraphrase of telegram received.]

From: American Legation, Athens.
Dated: December 12, 1920, 8 p. m.
Received: December 13, 9.55 a. m.
No. 265.

For your confidential information:

Great Britain and France have notified the Greek Government that they will not honor any further drafts upon the unused balances of the tripartite loan to Greece still held in London and Paris. In discussing this withholding of economic support from Greece in case of the return of King Constantine the Government-controlled press speak with much confidence of the support expected from America, evidently meaning the American balance of the loan in question.

From a conference which I had with the British minister yesterday I believe that England hopes that the present reactionary movement in Greece will be very short lived if she can prove to Greece that she can not fulfill her rôle in the Near East without the good will and support of the associated powers. Bankruptcy is impending and the strongest argument possible at this time would be a financial one. Should the United States make any advances at this time I believe they would be considered as a condemnation of Venizelos and that much publicity would be given them as supporting the incoming administration. If the United States does not consider making such advances, I think it would be very desirable to clearly indicate this to the Greek Government. The French and British ministers are expecting to receive notifications that they are recalled. Have you any instructions for me in the premises?

CAPPS.

The minister of the United States telegraphed to our department to that effect, and wanted to know if we were going to withdraw ours. We did not. They got $15,000,000 of our money finally and then wanted more as late as 1920, and the Treasury Department refused to let them have the money, notwithstanding $33,000,000 remain as unexpended balance to their credit to-day. What did Greece do? The record shows that for retaliation she raised the tariff duties against the United States, some to the extent of 300 per cent, because we would not continue two years after the war to let her have money for her internal development. If England and France, after they had made a credit to Greece, and Greece depending upon that credit had sold bonds, could withdraw its agreement for financial aid, in the name of all the gods why is it bad taste or immoral or unjust or hurtful to them if we withdraw these credits to Liberia, which never were legally made? We withdrew a credit of $5,000,000 from Cuba, as will appear from the following letter:

CORRESPONDENCE WITHDRAWING UNEXPENDED BALANCE OF CUBAN CREDIT OF $5,000,000.

[NOTE.—The point raised by Mr. Rathbone in following letter seems to have applied to Cuba alone; i. e., that "termination of the fighting in Europe" also terminated the necessity of further advances by the United States to foreign countries "for the prosecution of the war."]

APRIL 21, 1919.

Dr. CARLOS MANUEL DE CÉSPEDES,
Envoy Extraordinary and Minister Plenipotentiary,
the Cuban Legation, Washington, D. C.

DEAR MR. MINISTER: In view of the fact *that the termination of the fighting in Europe has made it unnecessary for the Government of the United States to make further advances to your Government,* the Secretary of the Treasury has directed me to advise you that the unexpended balance to the credit established in favor of the Cuban Government in the amount of $5,000,000 has been withdrawn by the Secretary of the Treasury, with the approval of the President.

I am, my dear Mr. Minister,
Very truly yours,

ALBERT RATHBONE.

Mr. Chairman, it is a well-accepted legal maxim that no contract is binding until the minds of all the contracting parties unite and agree, and that has never been done up to this good hour on the credit set apart by President Wilson on September 12, but that credit has been expressly withdrawn and the Liberian Government was notified and the contract which you are to-day asked to ratify was made in October, 1921, practically three years after the armistice, after President Harding had issued a proclamation that we were at peace with Germany, and it was not ratified by Liberia until January, 1922. I am not going to discuss as to how the money shall be paid. Secretary Hughes's testimony will show that $2,100,000 is to be used to pay past indebtedness of Liberia, owing before the European war began. One million six hundred and fifty thousand dollars of the amount is to be paid over by our Treasury to J. P. Morgan & Co.; Kuhn, Loeb & Co.; the National City Bank of New York; the First National Bank of New York; Robert Fleming & Co., of Paris; and M. M. Warburg & Co., as fiscal agents for themselves and others, I know not whom, owners of Liberian bonds. The testimony is conflicting as to that. Mr. Dearing said there was $200,000 worth of bonds owned within the United States. Secretary Hughes said $58,000, and our colleague [Mr. MILLS] says $10,000. I do not know who is correct, but it is immaterial; but, gentlemen, why, oh why, should the American taxpayers be further taxed to pay old depreciated bonds and debts of some foreign Government, no matter whether an American, a German, a Frenchman, or an Englishman is the creditor? Is it not time for us to call a halt? Does not the best interest of the United States demand that we should notify all of the nations of the world that from henceforth no more will we tax our people and turn the money over to some foreign Government for its own development? [Applause on the Democratic side.] If you pass this loan you, in effect, say that you abdicate your authority as Representatives of the brave people who sent you here; you, in effect, say that the State Department can conduct a correspondence with some foreign nation, agree to make them a loan, and thus create a moral obligation, and that then we will be honor bound to tax our people to raise money to make the loan.

Now, gentlemen, we were elected to the Congress because the people in our respective districts had some confidence in us. They gave us credit for having some intelligence. They thought we did have at least a little backbone. They thought we would be true to their interests, that we would stand up and follow our convictions, that we would follow our intelligence, and that we would vote as we believed to be right no matter if a Democratic or a Republican administration wanted us to do otherwise. Now, it has given me no pleasure to make this speech. I have not minced matters. I have not injected partisanship in it. I have called a spade a spade, and I have given you the truth as to the history of this case.

Mr. LINTHICUM. Will the gentleman yield. I desire to ask the gentleman two questions. As I understand the agreement upon which this credit was to be extended, that the prerequisite was never complied with?

Mr. CRISP. That is correct.

Mr. LINTHICUM. Another thing I want to ask. If this credit were legal there would be no necessity for this legislation.

Mr. CRISP. None whatever. It is not contended, I will say to the gentleman from Maryland, by the Secretary of State or anyone else, that they now have a legal authority to make this loan. Therefore they ask now that you authorize them to do it.

Mr. FAIRFIELD. Will the gentleman yield?

Mr. CRISP. I will yield.

Mr. FAIRFIELD. Do I understand the gentleman to assert advances were made to the other countries which were also illegal?

Mr. CRISP. I say that $1,500,000,000 worth of credits were established after the fighting stopped, after the armistice, and therefore I think those credits extended after that time, amounting to some $1,500,000,000, were without authority of law.

Mr. FAIRFIELD. One further question. Would it be true that if we pass this bill we will practically take Liberia over as a mandate?

Mr. CRISP. I will say to the gentleman under the terms of this contract, if the United States makes this loan we will have an official commission and we would send men down there at salaries of $15,000——

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CRISP. I yield myself five minutes additional to be charged to our side.

Mr. MONDELL. Will the gentleman yield?

Mr. CRISP. All right, but I have only five minutes; please make the question short.

Mr. MONDELL. In order to make the gentleman's case good, that the $5,000,000 loan was not justified, the gentleman has stated that his administration gave credits in the sum of a billion and a half that were not legal and justified. Does not the gentleman realize that that is a pretty serious indictment?

Mr. CRISP. The difference between the gentleman and myself is that I am telling the whole truth and bringing out all the facts connected with this and our foreign loans without caring where it hits, and the gentleman does not always deal with that candor with the House. [Applause.] Now, answering the question of the gentleman from Indiana, under the terms of this agreement there would be a commission of three to go to Liberia at salaries of $15,000, $10,000, and $6,000. They shall have practical control of the affairs of Liberia. Liberia can not grant a concession to anybody unless this commission approves it.

Under the agreement four officers of the United States Army are sent to Liberia. Liberia becomes an absolute vassal in the hands of the United States. Gentlemen, history often repeats itself. We made a loan to Haiti. We have marines down there now running governmental affairs and there has been considerable in the newspapers about it. If you make this loan—I am not the prophet or the son of a prophet—but I venture the assertion that in a short time you will have marines in Liberia. Gentlemen, I have trespassed upon your patience longer than I intended. Each man votes as he pleases. He is only responsible to his God and himself and his constituents. I know not how you may vote, but I know so far as I am concerned I am not going to be a party to the establishment of any precedent which in effect says that the executive branches of this Government can do something beyond law and then say we must approve it. If you do this you have surrendered the right to say when, where, and to whom the money of the taxpayers of the United States, for whom we are trustees, shall be paid. I for one shall not do it. [Applause.]

Mr. GRIFFIN. I would like to ask the gentleman a question.

Mr. CRISP. I will be glad to answer it.

Mr. GRIFFIN. I think it is pertinent. It seems to me the chief issue in this case is whether the people of Liberia are to get the money or whether the money is going to the credit of international bankers who, perhaps, have bought some stock for individuals?

Mr. CRISP. I will answer frankly what this record shows, and I have read it time and again. It was my privilege to write the minority report, and two million one hundred thousand and some odd dollars is to be paid for old past-due indebtedness of Liberia; $1,600,000 to be paid to the international bankers, to be distributed to the owners of Liberian bonds, but who they are, so far as the record discloses, the Lord only knows. This committee and this House do not, because the evidence is silent on it.

There is about $250,000 that is to be used to pay floating international indebtedness of Liberia and about three hundred thousand dollars and some odd to be used to pay the funded intebtedness of Liberia.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CRISP. Under the permission given me to extend my remarks, I am inserting the minority report, which I had the honor to prepare.

Mr. CRISP, from the Committee on Ways and Means, submitted the following minority views to accompany H. J. Res. 270:

We are unalterably opposed to the passage of this joint resolution, for we do not believe that the United States is either legally or morally obligated to loan to the Republic of Liberia $5,000,000. The State Department contends that we are morally committed to this loan, but to this we do not agree. In our opinion, neither the President of the United States nor any other official of the Government, when acting without authority of law, can create either a moral or legal obligation requiring the legislative branch of the Government to tax the citizens of the United States to obtain money to loan to a foreign nation. If this loan is made, in our judgment such a precedent will be established, and to the establishment of such an unsound precedent we will under no circumstances or conditions become a party.

Under the second Liberty loan act, approved September 24, 1917, the President was authorized to extend credits to certain of the Allies of the United States engaged in the prosecution of the war against Germany, for the purpose of more efficiently providing for our national security and defense and the prosecution of the war, "with the limitation that this authority should cease upon the termination of the war between the United States and the Imperial German Government." Under this authority, on September 12, 1918, the last administration set aside a credit of $5,000,000 for the Republic of Liberia, but said sum was never made available and could not be drawn on by the Republic of Liberia, because that Republic never agreed to all the terms and conditions required by the United States Department of State; and, in fact, no agreement has ever been reached by the United States and Liberia as to this credit, but this credit was expressly withdrawn from Liberia when the agreement of October 28, 1921, was reached. Confirmation of this fact can be had by reading the letter of the Assistant Secretary of State, Dearing, addressed to the President of Liberia, dated November 8, 1921, found on page 140 of the hearing.

It is a well-settled principle of law that no contract or agreement is binding until all of the contracting parties have agreed to all the terms and conditions of the agreement.

Hearings before the Committee on Ways and Means show conclusively that this credit of $5,000,000 to Liberia was not intended to be used by Liberia for the purpose of equipping an army or navy, nor for the purchase of war material, nor to be used in any way in the prosecution of the war against Germany, but was to be used in paying up old bonded and floating indebtedness of Liberia, a large part of which was owed in 1912, long before the European war began. On page 125 of the hearing you will find excerpts from the agreement of October 28, 1921, showing how the larger part of this $5,000,000 is to be used, to wit:

"3. Two hundred and thirty-three thousand dollars, or such less amount as shall be sufficient to enable the Government of Liberia to pay its internal funded debt and the interest due thereon.

"4. Three hundred and fifty thousand dollars, or such less amount as shall be sufficient to enable the Government of Liberia to pay its internal floating debt.

"5. One million six hundred and fifty thousand dollars, or such less amount as may be necessary for the purpose of enabling the Government of Liberia to purchase or redeem all of its bonds now issued and outstanding, representing the 5 per cent sinking fund gold loan, due July 1, 1952, under the agreement for refunding loan dated March 7, 1912, between the Republic of Liberia, of the first part, and J. P. Morgan & Co., Kuhn, Loeb & Co., the National City Bank of New York, and First National Bank of New York, acting for themselves and for Robert Fleming & Co., Banque de Paris et des Pays Bas, M. M. Warburg & Co., and such payments of interest, costs of notices, and other payments or deposits, as well as payments which may be due from the Government of Liberia, under the fiscal agency agreement dated March 7, 1912, between the Republic of Liberia, of the first part, and the National City Bank of New York, of the second part, as shall be necessary to terminate all obligations of the Government of Liberia under all of said bonds or under the agreement for refunding loan or the fiscal agency agreement above mentioned, as shall entitle the Government of Liberia in accordance with the terms of said agreement to the cancellation and destruction of all said bonds held by the fiscal agents in the sinking fund mentioned in said agreements. Advances for this purpose shall be made at such times and in such amounts as shall be determined by the Secretary of State of the United States. It is understood that the Secretary of State of the United States may determine the best method for acquiring part or all of the aforesaid bonds, but in no event shall more than par and accrued interest be paid therefor.

"6. Such amounts as may be necessary to enable the Government of Liberia to make improvements in transportation and communication facilities, sanitation, and other public works, in accordance with plans which shall have received the approval of the financial commission."

Liberia is a small Republic, located in Africa, thousands of miles from us, with a population of 60,000 civilized and 2,000,000 uncivilized Africans. She has neither army nor navy, did not furnish any men or supplies to the Allies during the war, and, in our judgment, in no wise contributed toward the national security and defense of the United States or aided in the prosecution of the war against the Imperial German Government. It is true that Liberia on August 4, 1917, entered the war at the request of the United States, but we are convinced that this action was for her benefit and not to aid the United States in the prosecution of the war. The British Navy controlled the freedom of the seas, shipping along the coast of Africa was practically suspended, and Liberian trade was inactive because ships could not freely enter and leave her ports. On page 114 of the hearings before the Ways and Means Committee appears the following statement:

"Shortly after the outbreak of the European war, Liberian trade became disorganized, owing partly to the British black list operating against the German traders in Liberia and partly to the fact that the British coastwise traffic had been greatly restricted. After the United States entered the war the conclusion was reached that it would be desirable for Liberia to rid herself of the German population in Liberia, in order that she might be free from German intrigue and commercial domination. This Government communicated with the British Government and obtained its assurance that all restrictions on Liberian trade would be withdrawn, provided that all Germans were removed from Liberia and that the Liberian Government took such measures as would effectively prevent German business from being carried on by persons who would merely act as representatives and restore them to their original owners in statu quo as soon as the war was over. The Liberian Government declared war upon Germany and shortly after such a declaration was made the German residents were removed."

It is true the able Secretary of State, Hon. Charles E. Hughes, in his testimony before the committee when urging this loan, said that, in his judgment, Liberia contributed toward the successful prosecution of the war by furnishing palm oil and excluding Germans from her territory; but, undoubtedly, Liberia received much greater benefits by entering the war on the side of the Allies than she bestowed.

We are clearly of the opinion that neither the last administration nor the present was authorized legally under the Liberty loan act or any other act of Congress to extend any credit to Liberia. It is a recognized legal axiom that anyone dealing with a special agent must investigate the agent's authority, and if the agent acts without authority the principal is not bound either morally or legally to carry out the agreement. As hereinbefore stated, the agreement to make this loan of $5,000,000 to Liberia, which Congress is now asked to approve, was not consummated until October 28, 1921, long after the termination of the war with the Imperial German Government. The President of the United States, acting under an act of Congress, in July, 1921, issued a proclamation declaring the war at an end. Therefore the establishing of the original credit proposed in September, 1918, never having terminated into a legal agreement for a loan until long after the war had ended, even if the State Department originally had authority under the Liberty loan act to make it (which we deny), was null and void when consummated, because such authority had ceased to exist at the time the minds of the two parties met and final agreement was concluded. The distinguished Secretary of State, recognizing this fact, that neither the President nor the Secretary of State, nor any other Government official was at that time (October 28, 1921) authorized to make a loan to Liberia, has appealed to Congress for legislation ratifying the action of the State Department in agreeing on October 28, 1921, to make the loan.

Liberia was most anxious for financial assistance from the United States, so negotiations for a loan continued from September 12, 1918, until October 28, 1921, at which time the Liberian Government consented to all the terms and conditions imposed by the United States Government as conditions precedent to granting a loan; but undoubtedly no one had authority at this time to bind the United States to make such a loan. On October 27, 1920, the Liberian Government, not yet having agreed to the terms and conditions necessary to make available to it the credit of $5,000,000 set apart for their benefit on September 12, 1918, but still desiring to obtain a loan for its own domestic and national purposes, inquired of the United States Government whether it would be agreeable to our Government for the

Liberian Government to send a commission to the United States to resume negotiations for the purpose of obtaining a loan of $5,000,000. The United States Government expressed to the Liberian Government its willingness to receive such a commission, provided the commission was duly authorized to act for Liberia. Pursuant to this diplomatic correspondence a commission headed by President King, of Liberia, came to the United States and continued to negotiate with the State Department for the purpose of obtaining the loan. These negotiations finally resulted in the agreement of October 28, 1921, for a loan of $5,000,000 for Liberia, the terms of which agreement the Liberian Government assented to by act of its legislature under date of January 26, 1922; but no one authorized to legally commit the United States has ever agreed to same.

We can not give our consent to any legislation that may be construed as establishing a precedent whereby either the President of the United States or the State Department can enter into negotiations with a foreign country with a view to making it a cash loan from the Public Treasury that will bind Congress or require it to pass laws further burdening our already overburdened taxpayers to raise money to loan to a foreign government to pay its existing national indebtedness or for the purposes of rehabilitating or developing the country. "Charity begins at home." We believe, if our Government has any surplus funds, it will best subserve the interests of its own citizens by expending such funds in rehabilitation and development work in our own country instead of doing it in a foreign land.

In view of the statement which Secretary Mellon made public on the 19th of April, to the effect that there would be a $500,000,000 deficit in the Treasury of the United States for the fiscal year 1923, we think it is time to call a halt on all extravagant expenditures, and that the Government should practice the strictest economy in governmental activities.

The loan agreement provides that a commission of American citizens, at high salaries, shall go to Liberia and act as fiscal agents. We are opposed to our Government supervising the running of foreign Governments by commissions composed of American citizens or Army and naval officers. Our sad experience in regard to the Haitian Republic is a case in point. We loaned Haiti several millions of dollars some years ago, and for the last several years we have had marines there collecting customs, taxes, and running that Republic. Many conflicts between our marines and the natives have resulted; much bloodshed has resulted; and there have been frequent investigations of conditions in Haiti—some conducted by courts-martial; others by congressional investigating committees. We fear, if this loan is made to Liberia and an American commission is sent there to supervise governmental affairs, at large salaries, as provided for in this agreement, history may repeat itself, and a few years hence we may be forced to have thousands of marines stationed in Liberia.

In the United States to-day there are thousands of men out of employment, and we feel it unjust to them and to the countless multitudes of taxpayers in the United States to further tax them to make loans to any foreign nation. We believe it decidedly to the best interest of the United States to notify all the nations of the world that we have ceased to be a "Lady Bountiful" and that from henceforth no foreign nation can obtain a loan from the United States Treasury. In our judgment, it is wrong in principle and indefensible to further tax the people of the United States for such a purpose; and we know of no better way to make public expression of this conviction than by entering this our protest against making this loan to Liberia.

CHARLES R. CRISP.
CLAUDE KITCHIN.
JNO. N. GARNER.
J. W. COLLIER.
W. A. OLDFIELD.
JNO. F. CAREW.
WHITMELL P. MARTIN.
PETER F. TAGUE.

Mr. FORDNEY. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. FREAR. Mr. Chairman, it would take an hour or an hour and a half, as the last speaker [Mr. CRISP] stated, to cover any reasonable argument on this Liberian question, because we have had many hearings, and there are many different angles to the proposition, as has been demonstrated to the House in the discussion. For instance, take the question just asked by the gentleman from New York [Mr. GRIFFIN] of the last speaker in regard to what amount of money the people of Liberia have received from their loans? They received 26 cents on the dollar from the loans that were made them by Great Britain, and these loans will be worth 100 cents on the dollar the hour this bill becomes law. The question of whether we should make this proposed loan of $5,000,000 is not one of legal liability. That has been demonstrated and is conceded. There is no legal liability and nothing approaching a breach of faith, legal or moral, on our part, in my judgment. It has been stated there is a moral obligation on the part of our Government to make the loan.

I will simply say for the record that the declaration of war by Liberia was made in August, 1917. The motive for that declaration is immaterial for the purposes of this discussion. In September, 1918, a year afterwards, credit was placed on the Treasury books of $5,000,000, but not one dollar was ever drawn on that credit because Liberia never complied with conditions precedent to paying the money. In November, 1921, all rights to the loan were withdrawn by this Government. A gift or loan of $26,000, without conditions, to enable a delegation of Liberians to go to Paris has no bearing on the loan except by an extravagant stretch of imagination. That is the situation. It has been stated here by gentlemen in discussion that if the loan credit by the Treasury had been $50,000,000 they would feel that they ought to stand by any commitment made by an Executive. They are liberal with the taxpayers' money, if so. Only $2,100,000 is to be used to pay off the loans now held by British, Dutch, German, and American bankers who hold securities issued by Liberia that have little value, and have been of little value to Liberia. The other $3,000,000 is for the development of Liberia. Only eight white people live in Liberia. About 50,000 civilized black people, men, women, and children, and 2,000,000 uncivilized live in that country after 80 years of settlement, yet we are asked to appropriate nearly $3,000,000 for the development of Liberia notwithstanding we could only loan one-third of that amount for seed grain to the thousands of farmers in the drought sections of this country.

Mr. CRISP. I would just like to state that this Government set apart a credit for Cuba, and in 1919 they withdrew that credit of $5,000,000, because they said fighting had ceased in Europe and they had no authority to make that loan.

Mr. FREAR. Yes; over three years after the war we are asked to appropriate $5,000,000 out of the Federal Treasury simply because Liberia without a soldier or a sailor or a gunboat declared war against Germany back in August, 1917. I am not going to discuss that question at length, because the time is too brief, but I wish to give one reason affecting the precedent we are called upon to establish by this Liberia loan in view of the fact that there is no legal nor, to my mind, moral liability. I do not believe there is any moral liability after a full examination of the witnesses who were called, in which examinations I participated, and if you will read the hearings I believe you will determine the matter the same way.

On page 37 I called attention to a fundamental question, when Mr. Dearing, Assistant Secretary of State, was before the committee, and he said that the Government of the United States was "interested in the matter." I then asked him this question:

Let me inquire right there if that is not also true with all the investments of American citizens in Haiti, San Domingo, and many other southern Republics?

These are among the countries that have been referred to by the gentleman from Georgia [Mr. CRISP] who preceded me.

On page 38 Mr. Dearing responded to my question that it was true, but the situation is different and "we have a historical interest in Liberia." Financial interests and not historical interests embroil people and nations in war where the American flag follows the dollar, and I am not ready to extend our business interests to Africa to be financed by American taxpayers.

Again, on page 43, and this is also an important question when we are asked to establish a precedent:

Mr. FREAR. If we attempted to enforce payment, we would have to carry it out by force, through naval operations; otherwise we would not be able to enforce collection under this agreement.
Mr. DEARING. I think that ordinarily that would be the condition.

And the chairman of our committee then said:

There is no way of forcing people to pay, another nation to pay, except by military force.

These, briefly, are my reasons for differing from the majority of my colleagues on the committee, much as I regret doing so.

I will not discuss the matter further, because the facts are set forth fully in the hearings and you may read the record for yourselves and decide for yourselves a proposal that has been hanging fire for many weeks in committee.

There is a matter of great importance I would refer to, although of an entirely different character. There is a proposition throughout the country to-day to repeal the direct-primary election law, and I desire to discuss it briefly.

For many years the railroads in practically every State of this country controlled legislation, and they controlled many public officials to a great extent. Able, honest men were elected under the old system but the majority needed in legislative bodies was always to be found, as shown by State and national legislation enacted. About 20 years ago we commenced passing State primary election laws in this country, and such laws were thereafter adopted in many of the States.

Objection is now raised in high places to the primaries. In one State recently both conventions, Republican and Democratic, repudiated the primary, and sought to have it repealed in that State, showing that the same force is behind the repeal movement, no matter whether it be in Republican or Democratic conventions. It is acting effectively and without concealment. The power that seeks control is far more important than all the railroad interests that have controlled political conventions and legislative bodies in the past, because this power now owns the railroads and owns the banks. It owns a large part of the press, and owns many magazines that used to do muckraking and exposure of corruption. That power will again be in full control of legislative bodies when

you repeal the primary and transfer all political control, which they will easily have through the caucus convention system. It is a matter of public knowledge under the old caucus and convention system that the same political influences frequently nominated both Democrat and Republican candidates. It is a bipartisan control under the old caucus convention system, if it can again be put in force. I believe in the right of the people to express themselves in voluntary bodies, if they choose, indicating their preferences, but the selection of candidates should not be taken away from the people nor should the direct primary system of nominations be weakened. In the State of Indiana 390,000 votes were cast in a primary election for candidates of one political party a few days ago. That is twice as many votes as were cast in all the States in the Union in caucuses and conventions under the old caucus convention method.

Mr. MOORE of Virginia. Will the gentleman permit me to interrupt him?

Mr. FREAR. Surely. I yield to the gentleman from Virginia.

Mr. MOORE of Virginia. Has the gentleman's attention been drawn to a recent and very powerful defense of the primary system contained in a speech delivered by Mr. Hughes in Indiana before he entered the Cabinet, in which he combats all the arguments brought against the primary system and contends for its maintenance?

Mr. FREAR. I was not aware of the fact. I will say to the gentleman that if so I shall be pleased to follow the leadership of the Secretary of State on his primary-election views.

Mr. GRIFFIN. He was the father of the primary law of New York State.

Mr. FREAR. No one will question his great ability.

Mr. COOPER of Wisconsin. I have an excerpt from that speech of Mr. Secretary Hughes, delivered in Indianapolis, in which he defended the primary system as the only system to be maintained in this country for safeguarding the rights of the people in the nomination of candidates.

Mr. FREAR. I thank my colleague from Wisconsin and am glad to insert in the RECORD an extract from the remarks of Charles E. Hughes, Secretary of State, former candidate for the Presidency, and recognized world-wide as a man of ability, uprightness, and logical reasoning, who spoke before the national municipal league convention at Indianapolis on the advantages of the direct primary, as follows:

> First, it places a weapon in the hands of the party voters which they can use with effect in case of need. They are no longer helpless. This fact puts party leaders on their best behavior. It is a safeguard to the astute and unselfish leader who is endeavoring to maintain good standards in line with sound public sentiment. It favors a disposition not to create situations which are likely to challenge a test.
>
> Second, the fact of this control gives the voter a consciousness of power and responsibility. If things do not go right, they know that the trouble lies with them. The importance of this assurance should not be overlooked in any discussion of the apathy of the electorate.

In a few short sentences Secretary Hughes gives unanswerable and fundamental ground for the retention of the primary with its powers inviolate. If any apathy exists with the electorate, excepting when an important issue arouses voters to action, it is equally true that the old caucus-convention system chloroformed the electorate on every and all occasions, however important the issue.

RIGHTS THAT ARE THREATENED.

Representative government, Federal and State, is regulated by constitutional provisions as to electors and terms of office. No method of securing nominations, however, is provided in fundamental law, and individuals without party affiliation or candidates of parties are equally eligible to nomination and election, subject to statutory provisions. No sacred right attaches to caucuses or conventions or to the primary system as such, and men of high attainments and unimpeachable honor have been chosen under both systems.

The present primary method of nominations makes direct accountability to the people more certain, diminishes opportunities for bribery or corruption, secures laws beneficial to the masses of the people, and guarantees representative government by placing both nomination and election ballots in the hands of those to be represented. This was the issue that brought about the Australian secret ballots and the direct primary law.

The power, once gained, should not be relinquished by the people through superficial arguments as to blessings of party solidarity or political exigency from sources however high, nor weigh in the balance against the right to direct representation now secured under the primary system.

Party principles and party issues do not depend upon nominating or election methods. Principles and issues become real and sharply drawn when the voter speaks direct rather than when he speaks through caucuses or conventions that offer obstacles and blind alleys to frank, open declarations of policy.

VOLUNTARY CONVENTIONS.

The right to assemble through voluntary convention or by any other gathering or organization is not infringed nor limited under the primary law.

Through the medium of the direct primary every organization, whether educational, social, economic, or political, is protected in this right of direct expression, and its combined influence, however great or small, may be made effective. Under the old caucus, convention system, however, the right is negatived, because voluntary organizations, whatever their titles or numbers, are then subordinated to veteran wire pullers, who were familiar figures at every old-time political convention, men who will be reinstated by any repeal of the primary.

In other words, 80 per cent of the electors, men and women, may desire a particular candidate for office, but those who control the nominating machinery year after year ordinarily will name a slate covering all officers. The influence then that determines results is not affected by numbers, as it is at primaries or elections, but rests with a small group of men whose relation to campaign purse strings of special privilege is generally intimate and who manipulate delegates with the skill of seasoned chess players.

RAILWAY CONTROL OF NOMINATIONS.

Mr. Chairman, years ago railway blocs controlled many State legislatures. Railways, including the Boston & Maine, New Haven, New York Central, and Pennsylvania Railways in the East and the Southern Pacific System and the Union Pacific in the West, we are told, directed railway representative government, with caucus and convention trimmings. Governors, State legislators, and Members of the United States Congress, at both ends of the National Capitol, were weighed in the balance by those who stood behind the railways, and candidates who had liberal views on railway earnings, railway methods, railway land grants, and railway property rights in general were given official O. K.'s. Republicans and Democrats were weighed by such interests impartially and placed among eligibles for office, or, if found too independent, were driven from public life where possible by the then powerful railway influences. All were not so controlled, but the record votes of State legislatures generally disclosed a safe majority when a bipartisan railway measure was involved.

Candidates magnificently fought over tariff schedules, imperialism, and other isms that were baubles with which to engage the public eye, but those who contributed free passes or special favors to delegates and currency to impecunious heelers stood in the background and controlled conventions and nominations, and eventually asked that favors be reciprocated. Not all candidates were thus chosen, nor all conventions thus manipulated, but a safe majority could be relied upon in practically every State, and political scandal was at its height when Bryce wrote his scathing description of political control in our American Commonwealth.

DIRECT PRIMARY NOMINATIONS.

About 20 years ago a public revolt, originating among laboring classes and farming communities, led to the enactment of State-wide primary laws throughout the United States. The people had grown weary of corrupt caucuses and unrepresenting conventions; of coercion, bribery, and indefensible practices; of recriminations among candidates; of disappointing legislative promises; and so they overturned the army of ward heelers who had been a necessary part of the old discredited system and adopted direct primary laws throughout the country.

Magazines and occasional newspapers helped arouse public sentiment by muckraking exposures until the old order was uprooted and railway passes, private cars, preferential rates, and other favors formerly granted to private individuals and public officials were made unlawful, while rebates and railway rates were prohibited or controlled by law and lives of employees and of the public received adequate protection.

This reform was made possible through the primary system, because the public could then keep close to its representatives, whether State or Federal, and in like manner political opponents became watchful of those who represented them.

Railways have ceased to control politics. The old lobbyist, with a pocket full of passes, and the caucus ward heeler have disappeared, but so have the journals and magazines that helped bring about the reform. With rare exceptions, these educational mediums have been purchased by powerful interests they now represent.

The magazines have ceased digging up corruption and graft that had been disclosed in many States and in nearly every large city from New York to Pittsburgh and St. Louis to San Francisco, and these same magazines are now filled with achievements by captains of industry, whose accumulated mil-

lions through consolidations, watering of stock, railway rebates, and destruction of rivals have encouraged ambitious imitators on every hand.

But the primary has remained with its direct accountability to the people, and grafting is unpopular because the public's iron hand through the primary compels more respect than the command or whip of any party, political, or business boss.

THE POWER THAT NOW SEEKS CONTROL.

Evolution in business methods has centralized power since the advent of the primary until to-day a handful of men control the wealth and large business of the country. Rockefeller's meteoric rise from a clerk at $8 a month to $2,000,000,000 or more is a shining example of possibilities of railway rebates, monopoly, and other practices that have inspired thousands of money-mad imitators. As the railways of the land first joined hands in a common cause 40 years or more ago when scrutinizing candidates in municipal, State, and national legislative bodies, including "safe" executives, so to-day these modern vast business interests of the country that control the magazines and great metropolitan journals would reach out to seize the same political control once exercised by the railways before the enactment of the primary.

Tax reduction or tax shifting, cancellation of foreign debts, thereby enhancing private holdings aggregating billions of dollars, appropriations for railways, for shipping, and countless other special privileges and projects are of great moment, but not easily manipulated when a "farm bloc" or people's bloc carries the record back to the people under the primary. The independence of the State legislator is also becoming a matter of concern to great business interests.

Money is now in politics to remain, and great financial interests will strenuously urge their choice of candidates according to recent political history, when over $1,000,000 was expended—a preconvention campaign—for the candidacy of one man for President. Repudiated because of excessive expenditures exposed in Senate hearings, these influences then transferred their support to other candidates and made the enactment of a general sales tax a tentative promise by both great political parties. That promise has not yet been kept nor will it be kept if Congress can defeat the powerful influences that urge this unconscionable tax on the people.

EFFORTS TO REPEAL THE PRIMARY.

Only one course is now open to give the new power full sway, to wit: Repeal of the primary and taking from the people the direct right they now possess of protecting their own interests against private interests that never sleep. Railways formerly controlled legislatures, but to-day a few powerful combinations of capital control practically all the railways, the shipping, the great banking interests, and are of immeasurably greater influence than all other interests combined. That power is not limited to State boundary lines.

Manipulated conventions are being held by both Republican and Democratic organizations under State laws where supposedly spontaneous utterances are offered repudiating the primary. By a remarkable coincidence this declaration occurred in both Republican and Democratic platforms adopted two weeks ago in Maine. Both platforms ask for a repeal of the primary law enacted in 1911. The same bipartisan influences controlled both party conventions even as they controlled under the old caucus-convention system. In other words, the people of the country, the women, the farmers, laborers, the clerks, and mechanics, in fact the great mass that represents nine-tenths of the voters of the land are urged by misrepresentation and appeal to party organization to renounce rights they now possess of naming their own candidates, and are asked to turn the job over to self-appointed political leaders or bosses as of old. Not railway bosses who have been dethroned, because long ago the railways were milked dry, but to forces that control a large part of the business and public press of the land, that instigate powerful propaganda, able, if need be, to force nations to declare war or to shift billions of income taxes to "painless" sales taxes, a proposed heritage of war. These are past and proposed achievements of the primary repeal program. In several States modifications have taken the teeth out of the primary and already have removed direct accountability from the people over to the "party organization," as of old.

Mr. Chairman, a repeal of the primary may seem improbable, but those advocating the old caucus and convention system long ago learned that men will sign petitions to hang themselves and that constant reiteration of hypocritical professions and propositions, like vice, is first rejected, then pitied, then embraced.

I have no desire to discuss the comparative strength or weakness of candidates under the caucus-convention system, compared with the primary. This is a large subject, nor do I question those who conscientiously defend the old system, nor does any man claim that improvements may not be found in present primary laws, but is it not noteworthy that practically every believer in the spoils system, in the divine right of politics and power, in discredited manipulation methods which recognize ward workers, bosses, and leaders rather than principles, that all these elements favor taking the powers away from the people and returning to the caucus-convention system, and in many States they are selecting legislative candidates to carry out their purposes?

OBJECTIONS URGED AGAINST THE PRIMARY—ATTENDANCE.

Objections are urged against the primary insidiously and assiduously by these influences. The primary, they say, is not a public expression of choice, because sometimes only about one-half of the voters participate. Granted for sake of argument, depending on importance of issues, yet under the old-time caucus system a half dozen tried and true political wire pullers ordinarily made up the average caucus with not 5 per cent of the total registered vote attending. On immaterial matters delegates and offices were traded in conventions like huckster offerings at a fish market, having in mind primarily particular candidates or interests concerned. Ten voters now attend the average primary, as evidenced by the recent Indiana primaries, compared with every voter who formerly went to the old-fashioned caucus, because voters now have a direct voice in the final result and are interested in candidates selected. They only served as spectators under the manipulated caucus and convention system. That is the position to which they would again be consigned by those advocating any material "modification" or repeal of the primary.

Within less than a fortnight we have seen nearly 400,000 votes cast in the primary in one politically close State for candidates of one party without one disturbance or voting scandal. This occurred in the same State where "blocks of five" once set the standard for political manipulators throughout the country. It is safe to say that more votes were cast in the recent Indiana primaries twice over than in all the caucuses of all the parties in all the States combined under the old system of closely organized political machine manipulation.

ACQUAINTANCE WITH CANDIDATES.

An objection offered to the primary urges lack of intimate knowledge by the electorate of the qualifications of candidates, many of whom are unknown even by name to the average voter. Admitted for sake of argument, it is equally true that candidates selected at conventions are often slightly known to a majority of the convention, because nominations frequently occur through trades and manipulation of party bosses and candidates of the different States, nor is knowledge of the delegate knowledge to the elector, who frequently does not even know the delegate and would not trust his judgment if he did know him.

The primary purpose of the primary is to secure honest, certain representation of the will of the constituency and the record of performance of every official is more certain than promises and professions in advance. That record is subject to review and approval or rejection under the primary.

EXPENSE LEGALLY RESTRICTED.

The primary is expensive to candidates, we are told. That is true if attempts are made to buy the electorate, but this is hazardous, rarely attempted, frequently disappointing, and an objectionable practice that should be discouraged by legal restrictions.

Bribery and corruption, scandals without number, accompanied the old caucus and convention system, made possible by centralized power lodged with the delegate and surrounded by temptations too strong to resist, whereas not one man or woman in a hundred can be purchased under the primary system. People may be temporarily misled, hoodwinked, and deceived at the primary or election, but where all sides are compelled to play the game openly the public soon learns the truth because of Lincoln's truism that you can not fool all the people all the time. If the old caucus and convention system is to return, the people will be called upon to accept old secret methods of persuasion, coercion, and manipulation at a time when human rights, moral, economic, educational, and social questions are overshadowing the tariff and old-time issues. Under which system will the public's rights be preserved?

PARTY ORGANIZATION NOT ALONE IMPORTANT.

Mr. Chairman, party organization may not be as closely knit by the primary as under the caucus or convention system, and independence of action can more easily be rebuked under the caucus, yet independence is not an unmixed evil. Party responsibility is needed, but when special interests by powerful propaganda or manipulation seek to seize legislative reins through appeals to party organization, the only safeguard is through in-

dividual official responsibility that may be directly reviewed by constituents and not controlled by interests concerned.

All good or all evil is not embodied in any one party, and with the great mass of State and National legislation not specially mentioned in party platforms men of all parties always may find common ground for agreement when framing laws.

Party organizations, party conventions, and party platforms are desirable, but protection of constitutional rights and laws affecting economic justice are of more vital importance. During the past session of Congress party divisions have been sought on the dye embargo, on nearly every tax bill, and on many other matters, indicating the purpose of powerful interests concerned to force an iron-bound caucus rule, if possible, the handmaid of the caucus and convention system.

I make no claim to special knowledge on the subject of the primary, but the first State-wide primary law ever adopted in this country I helped draft and pass in the Wisconsin Legislature of 1903. The law was adopted by a State referendum.

Personally I have been the recipient of political nominations in convention and primary without rejection by either system, so my judgment of the two systems is not affected by disappointment in conventions, but we well remember methods and practices affecting legislation popular under the caucus and convention system were directed by concealment because then politics became a business, and to many minds no difference existed between the purchase of delegates or the purchase of railroad stocks.

Constitutional amendments affecting income tax and woman's suffrage have been passed during the existence of the State-wide primary, and whatever difference in judgment may exist over constitutional provisions or legislation, the right to meet changing conditions with complete control by the people is maintained and preserved under the primary.

CURTAILING WOMAN'S INFLUENCE ON LEGISLATION.

Woman's suffrage greatly enlarged the political power of women throughout the land. It was gained by them after many years of hard, strenuous battling for equal political rights. What will be their influence in the old-fashioned discredited caucus convention with its trickery, bribery, and notorious methods that were the subject of charges and countercharges of fraud years ago when secret government was all-powerful?

Woman's influence in legislative matters has uniformly been thrown on the right side of moral, educational, and social justice, and as regularly it is opposed by selfish money-making interests that are always active in the halls of legislation.

The woman who saves and economizes at home also scrutinizes closely explanations offered for new unjust tax burdens, and her influence is equally valuable on taxation and economics.

Women, however, do not like political wire pulling or caucus convention methods, nor distasteful practices that are ordinarily comprehended in the old-time methods of nominating candidates. Possibly they do not appreciate that due to these facts their influence through the selection of candidates will be largely eliminated if the direct primary law is repealed throughout the country. I can not believe the women of the land understand the purpose and effect upon legislation that is at stake with the proposed repeal of the primary, nor that their officials if chosen under the caucus system are to be removed from direct responsibility to their constituencies and must look for support to local political leaders as of old. A repeal of the direct primary will nullify the influence woman now has in the nomination of candidates—a right more important than the right to vote at elections when secret powers dictate bipartisan nominations.

THE PRIMARY AN OBSTACLE TO SECRET CONTROL OF LEGISLATION.

In legislation the primary gives expression to the popular will. Ignoring war's added burdens, the growth of profiteering, and the enormous increase in private fortunes, heavy tax payers still demand the right to unlimited profits and yet ask that taxes be shifted to those least able to pay. In this legislative program they have met opposition which they declare would not occur under a convention system where men are chosen to represent particular interests. That statement may be correct, but let me ask would it have been preferable to permanently saddle a $1,000,000,000 annual sales tax on the people, which was squarely defeated, or to have repealed the proposed half billion dollars retroactive excess-profits tax of 1921, which was also defeated during the session and would have compelled the immediate imposition of an unjust consumption tax proposed at double that figure by consumption tax proponents?

This unjust tax would have been passed in Congress under the convention system of nominations according to these authorities. It did not occur under the present primary system. It may occur if the primary is modified or repealed so as to take from the people the power of direct selection of candidates and direct action they now have.

The issue is sharply drawn in many States and a secret campaign is being waged throughout the country to select candidates for legislative office pledged to destroy the primary law and to destroy the direct power that now rests in the hands of the people. That direct power will be taken away under the caucus convention system and we will then surrender to a more powerful and unscrupulous political master than the railways of old.

MEASURES, NOT MEN, ARE IMPORTANT.

It is not of great importance what man is chosen to represent providing he is faithful to his trust, but it is of vital importance that the interests of the people and not special interests be represented in State legislatures, in halls of Congress and in administrative positions. Under the old convention nominations many questionable laws were passed and good measures defeated at the direction of the party boss or by hidebound party caucus pronouncements where failure to obey meant party ostracism and removal from public life. That is not likely to occur under the primary. Men may be no abler, of no higher integrity, nor of greater vision than 20 years ago, but they now carry their records back to constitutents who pass in judgment and those officials who fail properly to represent are cast aside as weighed and found wanting.

The danger throughout the country that the direct primary will be repealed is real and certain. It has occured in several States and the law has been weakened in others. Its repeal has been urged by men in high places who believe in the old-fashioned system. Its repeal has been demanded by powerful interests that find in it an obstacle to their plans and purposes. Many reputable men will be swayed by superficial arguments to return to the old discredited system once repudiated throughout the land, but the people who recognize control of government is drifting far from the promises and purposes set forth in the Constitution; who hope and believe in popular government and in the preservation of human rights guaranteed by that same Constitution; who find selfishness and greed on the one hand and bitter, impotent resentment on the other to be great conflicting elements to-day in the body politic; who realize that progressive laws for the betterment of men and women secured in the past have been made possible under the primary; to all these people the danger will be manifest of turning over the reins of government to bipartisan powerful business and political interests that demand absolute control through a repeal of the primary. I submit that the question commands the serious consideration of every citizen.

Mr. CRISP. Mr. Chairman, I yield 20 minutes to the gentleman from Arkansas [Mr. OLDFIELD].

The CHAIRMAN. The gentleman from Arkansas is recognized for 20 minutes.

Mr. OLDFIELD. Mr. Chairman and gentlemen, I was interested in the statement of my friend from Wisconsin [Mr. FREAN], who is usually sound and progressive on public questions, and he is right on this question. He is also right on the primary election question. But I wish to call his attention to the fact that the leaders of the Republican Party on this floor are asking Congress to follow the President's lead on this question, and they may later be asking the Congress to follow his lead upon the repeal of the primary election laws throughout the country, because I am advised that President Harding only a short time ago made the statement that he wanted to see effected the repeal of the primary election laws in this country and go back to the old boss-controlled convention system. There is no question about that, and if any of you doubt it you ought to ask the President whether or not he does want to repeal the primary election laws and whether or not he made the statement a few days ago to a group of leading Republicans of this House.

Now, gentlemen, this is a very simple question to my mind. Of course you gentlemen are just taking on additional trouble, and from all the reports that come from the various States and districts of the country you have just about as many troubles already as you can carry in the fall campaign. You must remember that Mr. Hughes, the Secretary of State, is not running this fall, neither is the President of the United States running this fall. Nobody contends here that there is a legal obligation on the part of this Government to lend Liberia $5,000,000 or any other amount. I do not believe there is any moral obligation.

For example, suppose I should go to a bank and say to the banker, "Mr. Banker, I want to borrow a thousand dollars from you. I am away from home," just as this commission was that wanted to get this $5,000,000. I am a thousand miles away from home, and I want to borrow $1,000, and I say, "If you will lend me enough money to get home on, $100, I will send you my note for $1,000 signed by these two gentlemen here, the gentle-

man from Delaware [Mr. LAYTON] and the gentleman from Colorado [Mr. TIMBERLAKE], and on my return home, and when you receive the note properly indorsed in accordance with our understanding by these two gentlemen, you can send me a cashier's check for the $900 balance." He says, "I will send you the check for the $900 when you comply with your agreement," but when I get home I find that you gentlemen will not sign my note. I get some other people on my note and send it to the banker. Do you think there is any moral obligation on the part of the banker to send me the balance, or $900? No. That is the situation in this case.

Mr. FORDNEY. Oh, no.

Mr. OLDFIELD. Yes; it is, absolutely. This commission came here and wanted $5,000,000; a credit of $5,000,000 was placed to them. They got $26,000, and did not comply with the conditions of the State Department and of the President of the United States. [Applause.] They never complied with the conditions.

They never have complied with them to this minute, if you please. You have changed the contract. You have changed the contract to suit them and to suit yourselves, and now you say a moral obligation dates away back to 1918.

Nobody contends now that there is any legal obligation. Can any man seriously contend—is there a Republican here to-day who would vote for this proposition if President Harding did not want you to vote for it? Is there a Republican here to-day who would vote for this proposition if Secretary Hughes and Mr. Harding did not ask you to vote for it? No. Suppose President Wilson and Secretary McAdoo were asking you to do it. Would you think there was any moral obligation to lend this $5,000,000? No. But you are running true to form. That is all there is about this bill. Somebody said that President Harding has opened the doors of the White House. He certainly has. He has opened them wide to every special interest in America; he has opened them to the tariff robbers and barons, to the railroad magnates, and to the ship subsidists, and to the sales-tax propagandists. Yes; he has opened the doors of the White House. One gentleman says, "This commission was here waiting for him when he was inaugurated." I am not surprised. The international bankers saw to that. They saw to it that they were waiting here for this administration. Why did not the international bankers insist upon the other administration doing it?

Now, then, I do not know except what this record shows; neither do you; neither does anybody else. You do not go out here and ask bankers over the telephone what their interests are on certain matters. If you did they would not tell you. Their business is to make money.

You can not blame them for that. But here is what the record shows. We are trying this case, gentlemen, on what the record shows. Here is what they want to do with the money, and I read from page 125 of the hearings—$233,000 to pay Liberia's internal funded debt; $350,000 to pay her internal floating debt; $583,000 goes to internal indebtedness.

Let us see what the rest of it is—$1,650,000, or a less amount, if necessary, for the purpose of enabling the Government of Liberia to purchase or redeem all the bonds now issued and outstanding, representing the 5 per cent sinking fund gold loan due July 1, 1952, under the agreement for refunding loan dated March 7, 1912, between the Republic of Liberia, of the first part, and J. P. Morgan & Co., Kuhn, Loeb & Co., the National City Bank of New York, and the First National Bank of New York, acting for themselves and for Robert Fleming & Co., Banque de Paris et des Pays Bas, M. M. Warburg & Co., and Hope & Co., and for others, of the second part.

There is the contract between the Liberian Government and the international bankers, and nobody denies that. I do not know what their interests are, but they are in the contract for $1,650,000, and that $1,650,000 is not due for 30 years—not due until 1952. These international bankers are not overlooking anything. They are going to get theirs while the getting is good. There are many other people in the country, possibly a few on the floor of the House, who need money to pay their debts, but if the debts are not due until 1952 you are not worrying much about it. Not due until 1952, and yet the international bankers got this administration to look after it, and the majority of Republicans, and so you are going to pay the $1,650,000 now, this minute; you are not going to wait until 1952. The record shows that these brokers got these bonds for about 20 cents on the dollar—the Liberian people got only 20 cents on a dollar, and the brokers got 80 cents on the dollar.

Mr. LAYTON. Will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. LAYTON. Suppose the bill is passed; would any part of the money be used to purchase these outstanding obligations of Liberia at par?

Mr. OLDFIELD. Certainly; they are at par now. They were not worth 10 cents on the dollar a little while ago.

Mr. LAYTON. There are a whole lot of people in the United States who are holding securities that they can not get par value for and will not for some time.

Mr. OLDFIELD. Well, you want to get the international bankers and the administration behind them. [Laughter.]

Mr. MONDELL. Will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. MONDELL. Was it the international bankers that persuaded the President to make the loan and Secretary Lansing to approve it?

Mr. OLDFIELD. I am not defending Secretary Lansing. What was the gentleman's question?

Mr. MONDELL. The gentleman says that the international bankers are entirely responsible for what has been done in regard to this loan, and I ask him if the international bankers persuaded President Wilson to make the loan and Secretary Lansing to approve it?

Mr. OLDFIELD. There is this difference about that. When that happened this country was at war. Now, if Wilson and Lansing had ever asked me or anybody else in this House to make this loan after the war was over, or after the armistice had been signed, they could not have gotten my support and they could not have gotten your support.

Mr. MONDELL. The approval of the President and of the Democratic Secretary of State continued down to the end of the Democratic administration.

Mr. OLDFIELD. They never did agree with the Liberian commission.

Mr. MONDELL. They invited the Liberian commission over here.

Mr. OLDFIELD. But they did not get together.

Mr. TEMPLE. They never saw the Liberian commission, because it did not get here.

Mr. DENISON. Will the gentleman yield?

Mr. OLDFIELD. I will.

Mr. DENISON. If the agreement had been completed and carried out as the President started it, does the gentleman think the international bankers would have got the advantage?

Mr. OLDFIELD. Absolutely; no question about it.

Mr. DENISON. Then, what difference is there in principle between that and now?

Mr. OLDFIELD. During the war there was a moral obligation.

Mr. DENISON. Does the gentleman think there is any difference in principle between doing something for the international bankers during the war and during the time of peace?

Mr. OLDFIELD. We were lending money to the Allies especially to prosecute the war, and for no other purpose.

Mr. FAIRFIELD. Will the gentleman yield?

Mr. OLDFIELD. Certainly.

Mr. FAIRFIELD. Who invited the Liberian commission to come over here?

Mr. OLDFIELD. I presume both administrations have invited the commission.

Mr. FAIRFIELD. The statement has been made that the commission was invited here by the Wilson administration but that it did not arrive here until after the Harding administration had come in. Are those the facts?

Mr. TEMPLE. I can read to the gentleman from the record.

Mr. OLDFIELD. I yield.

Mr. TEMPLE. Here is an extract from a cable, dated November 2, 1920, from Acting Secretary of State Davis to the American Legation, Monrovia, in which it says:

> This Government would be glad to see the commission headed by President King, and would accord him a cordial reception.

I have also a copy of the resolution authorizing the President of Liberia to come to the United States as the head of the commission appointed by him and granting plenary powers to that commission. That, of course, was under the Wilson administration.

Mr. OLDFIELD. Of course, but that does not put any moral obligation on us, because they never did agree on the terms.

Mr. TEMPLE. But the gentleman said a moment ago he did not know whether the Wilson administration had invited the commission or not.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. OLDFIELD. Certainly.

Mr. CONNALLY of Texas. The gentleman from Pennsylvania says he has a copy of the cable from the Secretary of State to the American Legation at Monrovia.

Mr. TEMPLE. From the Assistant Secretary of State.

Mr. CONNALLY of Texas. If the gentleman will look above in a copy of the hearings, page 119, he will see a telegram, dated

October 27, from Liberia indicating that they desired to come to the United States, and the United States said they could come if they wanted to.

Mr. OLDFIELD. They wanted to get the $5,000,000, and the international banks wanted them to get it to pay back the $1,650,000 not due until 1952.

Mr. LINTHICUM. Will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. LINTHICUM. Does not the fact that the commission wanted to come here indicate that no contract was ever agreed upon and that the conditions had not been complied with?

Mr. OLDFIELD. Certainly.

Mr. LINTHICUM. There would be no need for a mission if the conditions had been complied with.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. MOORE of Virginia. The gentleman was diverted awhile ago by so many partisan suggestions that he was unable to elaborate a statement which interested me very much. He says that the outstanding bonds of the Republic of Liberia have been boosted by this resolution in a short time from 10 cents on the dollar to practically par.

Mr. OLDFIELD. Certainly. Some proofs show that they were not worth 2 cents on the dollar, and they will be taken up at par, with accrued interest.

Mr. TAGUE. Will the gentleman kindly tell the committee how much actual money Liberia received of this $1,650,000?

Mr. OLDFIELD. The proof shows she received about 20 cents on the dollar.

Mr. NORTON. When was that?

Mr. OLDFIELD. Away back yonder, a good many years ago. Mr. Chairman, there are two propositions here. One is that these international bankers want to get their money and the next is that their friends want to exploit Liberia, just as they are doing down in Haiti. The same international bankers are controlling the situation in Haiti to-day that are trying to get this law now, together with two or three big sugar corporations. They have created an international scandal down there, and my administration was partially responsible for it. They gave the reason at that time, however, that the war was approaching, and they took charge of Haiti and Santo Domingo to keep Germany out of those countries, but now it looks as if you can not get them out. Also you have a scandal in Porto Rico. If what the gentleman from Mississippi [Mr. HUMPHREYS] says is true, if what Mr. CORDOVA DAVILA, of Porto Rico, says is true, you ought to remove E. Mont Reily, Governor of Porto Rico, and replace him with some honest man. I do not know whether these statements are true or not, but Mr. HUMPHREYS and Mr. DAVILA have produced a lot of evidence which indicates strongly that the charges are true. And instead of taking on another dependency or colony we ought to be getting rid of the Philippine Islands. This commission will go to Liberia, at an expense of $80,000 a year to Liberia, to collect this debt, but they will probably never collect it. If you gentlemen wanted to do something for Liberia, if you love Liberia so much, and if the people of this country can stand the additional taxation, then you ought to give them the $5,000,000 instead of putting them into the hands of a receiver, putting them into the bankruptcy courts and taking advantage of them and exploiting the natives over there, civilized and uncivilized, and the exploiters care little whether they are civilized or not.

Mr. FORDNEY. Mr. Chairman, will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. FORDNEY. The gentleman has just stated that the Liberian bonds before this loan was authorized sold for 10 cents on the dollar. There is no such thing in the hearings. The question was asked by the gentleman from Texas, I think, Mr. GARNER, and the Assistant Secretary of State said that they were held at 75 to 80 cents on the dollar.

Mr. OLDFIELD. How were they before the loan was authorized?

Mr. FORDNEY. There is nothing in the record to show.

Mr. OLDFIELD. Somebody made the statement; I do not know whether or not it was Mr. McBride, that they were worth practically nothing.

Mr. FORDNEY. There is nothing in the record to that effect.

Mr. OLDFIELD. Yes; it is somewhere in the record. He might have cut it out. I notice Secretary Hughes cut out some of the questions that I asked him, and also the answers, although I am not complaining about that. I do know that when these hearings are sent out for correction, a great many things are cut out of the hearings by these departmental heads. Why you want to pass this bill is beyond my comprehension, when everyone in the country except the international bankers and Wall Street is broke. The farmers are broke, the small business men are broke, the 5,000,000 men out of employment are broke. One million ex-service men out of employment are broke. If you are going to lend $5,000,000 to everyone who is broke you will have to start up the printing presses, as they do in Russia, in order to get the money with which to do it.

It was suggested by Secretary Hughes that some other nation wanted to make this loan to Liberia, because they wanted that dependency. That was the inference. If some other nation wants a dependency in Africa, let that nation have it, but for God's sake let us not add another dependency to those that we already have. [Applause on the Democratic side.] This Republic was not established for that purpose.

I do not believe that any nation, any government, can govern an alien people justly, because there are too many selfish people put in control of various parts of the various governments, and especially is that true with regard to a republic. We ought not to have more dependencies; we ought to have fewer. If we go into Liberia, if we lend this money, what will happen? Within two or three or five years you will have our marines in Liberia, and for what purpose? To protect those fellows who go over there to exploit Liberia. You will have our Navy in African waters not to protect Liberia but to protect the people who are exploiting Liberia, the people who build railroads, the people who establish sugar plantations. If they find oil, then you will have our Navy there to protect the Standard Oil Co. and these other big oil companies, not to protect Liberia. Not only that, but in a little while longer you will likely have our Army over there.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. OLDFIELD. Mr. Chairman, I yield myself five minutes more.

Mr. FORDNEY. Mr. Chairman, will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. FORDNEY. I just want to correct the record. It was the gentleman from Wisconsin [Mr. FREAR] instead of the gentleman from Texas [Mr. GARNER] who asked the question of Mr. McBride, who said that these securities were selling from 98 to 99 cents. Then the question was asked, "When did they sell at that?" Mr. McBride replied:

> They have been at that figure as a matter of fact since the $5,000,000 loan was first announced to Liberia. Before that, I think, they were selling at for about 75 to 80, and sometimes going up as high as 85.

Mr. OLDFIELD. They would be paid off at par anyway. I wonder how much the gentleman from Michigan would pay for some of these bonds if he knew this resolution was not going to become a law.

Mr. FORDNEY. I have no money. I am a poor man and I do not invest in foreign bonds.

Mr. GARNER. That is since 1912, when the New York bankers underwrote the first $1,600,000, and Liberia only got 20 cents on the dollar of that.

Mr. LONGWORTH. Does the gentleman agree with his colleague from Texas that in case this resolution be not passed either France or England would within 24 hours loan $10,000,000 to Liberia?

Mr. GARNER. I did not say that. I did not say either France or England—I mentioned no names—but I call to the attention of the gentleman from Ohio, and will repeat what occurred in the committee hearings—and if it is not in the printed hearings the gentleman knows the reason why—that there are other countries standing ready to take this loan. Is not that true?

Mr. LONGWORTH. In other words, the question of whether the United States makes it or not has not affected the bonds outstanding.

Mr. FORDNEY. There were other countries ready to make the loan within 24 hours.

Mr. OLDFIELD. Then, for God's sake, let them make it and do not further tax the already overburdened taxpayers of America to make it. [Applause.]

Mr. FORDNEY. We did not want to let them make the loan.

Mr. OLDFIELD. You want this Government to make the loan, so that the friends of these international bankers can exploit Liberia.

Mr. JOHNSON of Mississippi. Does not that very thing show it is for the purpose of the bankers to exploit Liberia and not to help Liberia?

Mr. OLDFIELD. Certainly; they do not care to help anybody except special interests and exploiters of helpless peoples. They want to help the big business interests and nobody else, and that is all they have done since this administration started. I notice in the papers this morning the President stands out for

a sales tax or no bonus. He is more generous with the international bankers than he is with the ex-service men.

Mr. Chairman, I noticed in the Washington Star recently an article by Will P. Kennedy in which he states that Doctor FESS of Ohio, chairman of the Republican congressional campaign committee, expects to visit the various States, get the Republican campaign spellbinders together, and open up a school for their benefit—that is, to tell them what to say in the campaign this fall. Doctor FESS is a wonderful teacher, I understand. I am wondering if he is going to tell these schools about this bill and tell them how to defend it. There are other issues that he ought to discuss in his political class as he goes from State to State. However, I doubt very much whether he will have them dwell on very many of the things that this administration has done. There are a good many issues in this campaign. Of course, the chief issues would be the revenue bill that you passed, the tariff bill when you pass it, because as it is written to-day it is the highest tariff law ever placed upon the statute books of this country. Every special interest was represented at the Ways and Means Committee when the bill was being written. I recall that one of the ablest of the woolen manufacturers was present practically all of the time during the hearings and I understand was present when the bill was being written by the Republican members of the Ways and Means Committee. Colonel Woods was his name, from Philadelphia, I think. When the bill went to the Senate the Steel Trust had its representative in the Finance Committee room of the Senate, and as a result the bill to-day, and as it will probably become a law, will be much higher than the Payne-Aldrich law, which all but destroyed the Republican Party.

You will be called upon to explain just why you passed the transportation act in 1920, a bill which the railroad companies themselves wrote, under which the shippers of the country have been robbed of hundreds of millions of dollars in freight rates. Every farmer who had a bushel of corn to ship to the market, a car of cattle or hogs, a car of hay, a few thousand feet of lumber to go into a home for his family, a bale of cotton, as also all of those necessaries he has to use in the course of a year to sustain those that are dependent upon him, will want you to tell them why he was the object of the wrath of the Republican Party, who enacted this infamous Esch-Cummins bill, and how will Teacher FESS explain the action of your party in placing this bill on the statute books? The only honest answer, of course, is that you are controlled by the railroad and other special interests and opposed to the interests of those who produce and toil in this country.

You will probably be called upon to explain just why the President of the United States and the Republican leaders want to pass a ship subsidy bill, taking out of the Treasury the people's tax money, anywhere from $50,000,000 to $100,000,000 annually and giving it to the shipowners of the country in order that their business may be prosperous.

You may have difficulty in explaining just why your President and many of your leaders are insisting that the Congress shall pass a general sales tax, so that the burden of the great war debt may be shifted from the shoulders of the rich to the backs of the poor. You may find it difficult to explain just why your President and the leaders of your party insist that we appropriate nearly $300,000,000 for the Navy the coming year, whereas we only appropriated $147,000,000 in 1916, when we were really preparing for war. Naval appropriations have been doubled notwithstanding the fact that you have sent broadcast through the country the proposition that your Limitation of Armaments Conference has been the greatest thing in the history of the world.

You may also find it difficult to explain to the people just why your President and the leaders of your party are insisting upon a big standing army in this country. Of course, you are going to be called upon to explain just why you repealed the excess-profits tax, by which you lost $450,000,000 to the Treasury and relieved the big profiteering corporations who made during the war $38,000,000,000 net above all taxes and expenses of every kind. Of course, you are going to be called upon to explain just why you relieved the millionaires and the multimillionaires of the high surtaxes, by which you lost $90,000,000 to the Treasury. You lost $540,000,000 by repealing these two taxes upon the rich corporations and rich individuals; and now Secretary Mellon tells us that we have a $500,000,000 deficit staring us in the face. If you had just left these taxes you would have avoided this deficit, but the Republican leaders think more of rich corporations and multimillionaires than they do of the Treasury and the people of the United States. Yes; the White House doors have been wide open to every special interest in the country since that day early in his administration when President Harding called in his best minds, headed by J. P. Morgan, to advise him, and this bill shows that the same best minds are still on the job; and that the President is still doing their bidding; and yet gentlemen have said on this floor that the President of the United States is more popular than his party, that he is stronger in the various districts of the country than you are. I deny it; and just as soon as the voters of this country get a chance to express themselves as to the President's popularity you will not hear the Republican leaders here boasting of the President's popularity in the country. In fact, you have not heard much about his popularity since Beveridge defeated NEW for the Senate in Indiana the other day.

Mr. Chairman, I trust every Democrat in this House, and I hope, of course, a majority of the Republicans, will vote against this bill, because if you pass it you are going to vote to subjugate the negro Republic of Liberia. You are going to vote to permit international and investment bankers and their friends to exploit this negro Republic. You ought not to vote this $5,000,000 loan in order to help these international bankers out of a hole. [Applause.]

Mr. FORDNEY. I yield 10 minutes to the gentleman from Pennsylvania [Mr. TEMPLE].

Mr. TEMPLE. Mr. Chairman, an orderly discussion of this question, beginning at the beginning and carrying the whole story through to the present, is of course impossible in 10 minutes. I expect, then, to take up merely some of the miscellaneous matters. I want to call attention, if I can have the attention of those who are interested in it, to a statement in the minority report. I do not know who wrote this report——

Mr. CRISP. I desire to say I wrote that, and I assume the responsibility for everything in it.

Mr. TEMPLE. I want to call attention to one phrase. The report asserts:

> Under the second Liberty loan act, approved September 24, 1917, the President was authorized to extend credit to certain of the allies of the United States—

I would like to read in that connection the language of the act itself for the purpose of showing that the authority was not to extend loans to "certain of the allies" but to "any foreign government then engaged in war with the enemies of the United States."

Mr. CRISP. If the gentleman will permit, that is an inaccurate expression. I did not intend to create the impression it authorized loans only to any particular allies.

Mr. TEMPLE. I know the gentleman did not intend it, and would not intentionally deceive. The gentleman is the soul of honor and is one of the frankest and fairest men in debate that I have ever known. Yet the language I have quoted from the minority report is likely to convey the impression to the reader that loans were authorized only to "certain of the allies" and to raise the suspicion that perhaps Liberia was not one of them. The authorization contained in the act of September 24, 1917, reads as follows:

> That for the purpose of more effectually providing for the national security and defense and prosecuting the war the Secretary of the Treasury, with the approval of the President, is hereby authorized, on behalf of the United States to establish credits with the United States for any of the foreign governments then engaged in war with the enemies of the United States.

We had no allies in that war, we had no agreement that made us an ally of any nation. All the treaties of peace speak of the "allied and associated powers." We were associated with other countries in the war.

Now, the question has been raised also several times here whether the loan had actually been made. The last gentleman who spoke insisted that the loan had never been made. I wish to read a copy of a telegram dated September 12, 1918, signed "Lansing," addressed to the American Legation in Monrovia:

COPY OF TELEGRAM DATED SEPTEMBER 12, 1918, FROM THE SECRETARY OF STATE TO THE AMERICAN LEGATION AT MONROVIA.

AMLEGATION, *Monrovia:*

Treasury has established credit of $5,000,000 in favor of Liberia. Before any part of this money is available, however, department must have the following:

(A) Copy of portion of Liberian constitution providing for legislation authorizing the Liberian Government to borrow money.

(B) Copy of law authorizing loan enacted in accordance with said provision of constitution.

(C) Copy of proceedings on the part of the executive branch of the Liberian Government in accordance with said law.

(D) Copy of full powers given Liberian representative in United States authorizing him to sign such obligations as may be necessary, and to receive the advances or take such other steps as the Liberian law may require.

You are instructed to inform the Liberian Government immediately of the establishment of this credit and the legal formalities this Government considers necessary.

LANSING.

A MEMBER. What page is that?

Mr. TEMPLE. Page 115 of the hearings held March 22 and 24, 1922. The American chargé reported to the State Depart-

ment that he had received from the President of Liberia thanks to the United States Government for having made the loan, and forwarded to Washington the letter written by the President of Liberia:

SEPTEMBER 19, 1918.

The AMERICAN CHARGÉ D'AFFAIRES AD INTERIM,
American Legation, Monrovia.

SIR: I am in receipt of your communication of the 17th instant informing this Government that the Government of the United States had established, through its Treasury, a credit of $5,000,000 in favor of Liberia. In reply, I take the opportunity to request you to be good enough to convey to the Government of the United States my most grateful sentiments of appreciation, as well as those of the Government and people of Liberia, for its prompt and generous response to the earnest appeal of the Republic for the financial aid so urgently needed.

This benevolent action on the part of the United States, taken at a moment when the Republic is confronted with very grave problems arising from its financial embarrassment due to war conditions, has profoundly impressed the Liberian people with the cordial good will and sympathetic interest of the Government of the United States toward the welfare and perpetuity of Liberia.

Cordially and sincerely yours,

D. E. HOWARD, *President.*

We had notified Liberia that the credit had been established and had received formal thanks from the Liberian Government for the establishment of that credit.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. TEMPLE. Not until I have read another document. I have here a copy of a memorandum from our Department of State, dated November 19, 1918, handed to the British chargé d'affaires and to the French ambassador. The first paragraph of this communication from the Government of the United States to the Governments of Great Britain and France reads as follows:

In connection with the credit of $5,000,000 which has been established by the Treasury Department of the United States for the Republic of Liberia, it is planned by the Government of the United States to take the following financial steps in converting the Liberian loan of 1912 and administering the affairs of Liberia.

That was on November 19, 1918, two years before Mr. Harding was elected and two years and several months before he was inaugurated. Great Britain and France were formally notified of our plan to make this new loan and incidentally converting the Liberian loan of 1912 and administering the affairs of Liberia.

Mr. JOHNSON of Mississippi. Now, what authority did they have?

Mr. TEMPLE. The authority I have already quoted, the second Liberty loan act, approved by the President of the United States on September 24, 1917.

Mr. JOHNSON of Mississippi. May I ask you this question?

Mr. TEMPLE. I shall not yield further. I have only 10 minutes, and I want to confine myself to facts, and I do not want to be led into bypaths, as so many have been, in discussing the question.

The credit was established; the Liberian Government was notified that it had been established. The Liberian Government thanked the United States for it. The British Government and the French Government were notified that the credit had been established. How can any question arise now as to whether or not it was done?

Mr. GARRETT of Tennessee. Because Liberia never accepted the terms.

Mr. TEMPLE. And Liberia never rejected the terms. The transaction was still incomplete when President Wilson's administration came to an end. Liberia accepted the loan and thanked us for it. The credit was established and Liberia was notified that it had been established. Terms were discussed afterwards and discussion was still going on when President Harding was inaugurated.

Mr. McLAUGHLIN of Michigan. Is it not true that the making of the terms continued through Wilson's administration and into the Harding administration?

Mr. GARRETT of Tennessee. Not as to Liberia.

Mr. TEMPLE. I have not yielded the floor, Mr. Chairman. I hope this will not be taken out of my time.

Now, we say also—and I am quite willing to say it—that Liberia entered the war at the instance of the United States. The German cable station in Monrovia, the one seaport in Liberia, was the means of communicating—not only the cable station but the German merchants there—between Germany and the German submarines. Liberia declared war and drove the Germans out, and the German submarines got no more information through Monrovia. The Allies did get the palm oil, which was used—though some persons here do not seem to know it—in certain processes of the manufacture of tin plate, so essential not only for making containers for much of the rations of our troops but for other war purposes.

Some of the by-products also are used in manufacturing explosives. We needed these products. Fats and oils were in great demand, and we could not get all we wanted of them. We obtained a large amount from Liberia. Having broken off her commerce with Germany—and Germany had 85 per cent of the foreign commerce of Liberia—things went into decay, and this loan was made to set Liberia on her feet. It was a new loan of about $3,500,000 for that purpose, and in order to make the United States the one creditor, so that she would not be interfered with by other creditors, we proposed to take care of the other debt and make the loan large enough to cover that as well as the amount immediately wanted. This arrangement was not in the interest of the "international banker," as has been charged, or for the people who hold the bonds, but for the good of our own country as the sole creditor of Liberia after the proposed arrangements should be made. It was for our own protection and not for anything else.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. I yield five minutes more to the gentleman.

Mr. TEMPLE. I wish to call attention to one thing further. The Liberian Government made in the meantime certain drafts on that credit. The credit had been established and the Liberian Government had been permitted to draw $26,000 against it. It is noted that that was not drawn until after the armistice was signed. The purpose for which it was used by the Liberian Government was to pay the expense of the delegation they sent to the peace conference in Paris. Whether they were a valuable contingent at that peace conference I do not know; but what I am calling your attention to now is this: Not only had the credit been established but Liberia was actually permitted to draw upon it. It is true that the amount was small—only $26,000—but the draft was made and the Treasury of the United States honored it, paid it. This was done in spite of the fact that Liberia had not accepted the terms proposed by the United States, and no terms at all had yet been agreed upon. Gentlemen say now that Liberia's failure to accept the terms of the loan amounted to a complete rejection of the loan. If that was the case, why did President Wilson and his Secretary of the Treasury permit Liberia to draw and use $26,000 of the amount?

The statement was made a little while ago that no provision exists in the new contract to take care of the $26,000 already obtained by Liberia as a part of the loan arranged for but not completed under the Wilson administration. This statement was made by a very prominent leader of the Democratic opposition, but he could not have made it if he had been acquainted with the document which he was discussing. Let me call his attention to section 1 of Article I of the contract. It reads as follows:

The advances which shall be requested by the Government of Liberia shall be as follows:

1. Thirty thousand dollars, or such less amount as shall be sufficient to enable the Government of Liberia to repay the advances heretofore made to it by the Secretary of the Treasury of the United States under the act of September 24, 1917, known as second Liberty bond act, as amended and supplemented, and the interest thereon.

Now, on October 27, 1920, the Monrovian Government asked permission to send a commission over here to arrange these terms that had been hanging fire for over two years. They asked permission to send a commission over here. In a cable dated November 2, 1920, which I would like to print in full, the Acting Secretary of State authorized the coming of that commission.

Mr. COLLIER. Will the gentleman yield right there? That is the invitation?

Mr. TEMPLE. That is a permission; not an invitation. The Liberian Government asked if we would receive the commission, and on November 2, 1920, we told them to come. On January 19, 1921, a resolution was passed in the Liberian Legislature granting credentials to the Liberian commission, and they came.

When President Harding's administration came into power he found here this commission from Liberia, the coming of which had been arranged for by the previous administration. All that we are asked to do now is to complete an unfinished transaction. Practically all the Democrats in the House of Representatives are opposing it. In this case, as in many others, we Republicans are tying up the loose ends and rents and tears of the other administration. We have got to do it. The President of the United States, whether he was a Democrat or a Republican, established this credit. We notified other great powers that it had been established. Liberia drew on it. We are in for it, whether we like it or not.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. TEMPLE. Yes.

Mr. GARRETT of Tennessee. Then the gentleman predicates the support of this resolution upon the contention that the last administration committed the country to it?

Mr. TEMPLE. No. I predicate it upon the whole situation, of which the agreement by Mr. Wilson's administration is one element. I have not time to state the whole thing in 10 minutes, as I said when I began. I predicate it upon the whole situation, and I have only been calling attention to one element in it.

Mr. GARRETT of Tennessee. Well, the gentleman has said and every gentleman who has spoken has always gone back to the proposition that the Wilson administration committed the Government to the loan.

Mr. TEMPLE. It did.

Mr. GARRETT of Tennessee. But it committed it under terms which Liberia never accepted.

Mr. TEMPLE. Just wait a minute; the loan was made and the Liberian Government was notified of it, and the French and the British Governments were notified of it, and afterwards we began to discuss terms. That is an exact statement of the facts.

Mr. GARRETT of Tennessee. No. But conditions were laid down. There was an advancement of $26,000.

Mr. TEMPLE. That was long afterwards. That was a relaxation of the conditions.

Mr. GARRETT of Tennessee. The gentleman is always candid. Let us get it very clearly in mind now: The gentleman does not now propose to rest his support solely upon the ground that the Wilson administration committed the country to it?

Mr. TEMPLE. If the gentleman will permit, I would very much prefer to make my own speech and state my own position. I can not permit the gentleman to state my position for me. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. The Clerk will read.

Mr. GARNER. Does the gentleman from Michigan desire to use more time?

The CHAIRMAN. The Clerk will read if nobody else cares to speak.

Mr. GARNER. If no one else desires to yield time, I will use some.

Mr. FORDNEY. I yield 10 minutes to the gentleman from Ohio [Mr. BURTON].

The CHAIRMAN. The gentleman from Ohio is recognized for 10 minutes.

Mr. BURTON. Mr. Chairman, in my deliberate judgment it would be a burning reproach to the United States if we should fail to make this loan. I do not care whether you term it a legal obligation or a moral obligation. The adjective employed is a matter of entire indifference.

Let us see what the situation is, and let us brush aside that which is immaterial. There has been a good deal of dust stirred up here in regard to this transaction. A statute was passed authorizing, in the most comprehensive terms, loans to be made to countries cooperating with us in the war. In pursuance of that statute President Wilson in the autumn of 1918, under the recommendation of the Secretary of the Treasury, directed that a loan of $5,000,000 be made to Liberia. That loan of $5,000,000 was set apart for Liberia on the books of the Treasury. Twenty-six thousand dollars was actually paid, thereby confirming the transaction.

We went much further than that. We notified France and England to step aside; that we intended to make this loan. Afterwards the question arose as to the terms. Liberia was dangled along from the autumn of 1918 to June, 1920. It is running in the teeth of fact to say that Liberia did not accept, because we delayed until that later date, June 15, 1920, the making out of a contract containing the provisions for payment. Those provisions were regarded by Liberia as severe, as impracticable, and they asked for consultation upon the subject. Our Government invited a commission to come to this country to consider. So far from showing this transaction was canceled, or saying, "We will not make a loan," we invited the commission to come from Liberia to the United States.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BURTON. I would prefer to proceed for about five minutes before yielding.

That commission came here and were engaged in negotiations until the termination of the Wilson administration.

Now, if that is not a contract, I am ignorant of what the provisions of a contract may be. The loan is the principal fact. The loan was the substantive transaction. The details of the manner in which security could be obtained were incidental to the one main fact that stands out prominently as a loan of $5,000,000.

That transaction with Liberia is supported by traditional relations with that Government. In pursuance—and we might just as well admit it—of our own delinquency in maintaining the institution of human bondage, it was found that there were some thousands of free negroes in this country who were treated with despite. A refuge was desired for them. Provision was made that they might go to Liberia. And I will mention one fact to which reference has not yet been made, that during the early years of the administration of President Monroe an appropriation of $100,000 was made to promote that migration to Liberia.

Emigrants went there. They have been very appropriately termed "foster children of the United States." We have had a peculiar interest in them. There was only one break. When Liberia declared herself a republic in 1847 the United States, alone among the nations of the earth, refused to recognize that republic. But President after President, including the great names of Roosevelt and Taft and Wilson, have expressed the especial interest of the United States in Liberia.

I do not wish to be a party to the closing of the door of hope and opportunity for the colored race. In Heaven's name give them a chance. They have a country there on the coast of Africa, rich in resources, surpassing all of the rest of the West Coast in its forestry, full of resources, palm oil, rubber, coffee, and other articles which this country very much needs.

Now, what is the situation? Other countries—France, England—stand ready and no doubt are anxious to jump into the breach and make this loan if we do not. Why? Because they know that that relation which exists between a stronger country and a weaker one arising from the making of a loan would give them a great advantage in the trade with that country, because it will create a relation of special advantage to them and incidentally it will shut out the United States from the relations that would naturally exist between us and Liberia. Every call of self-interest, as well as of the obligation of good faith, dictates that we should make this loan.

Mr. GARRETT of Tennessee. Will the gentleman now yield?

Mr. BURTON. I will.

Mr. GARRETT of Tennessee. The gentleman does not think that we ought to keep ourselves clear from European entanglements?

Mr. BURTON. There is no entanglement in this, the making of a loan to Liberia; it is unlike Haiti.

Mr. GARRETT of Tennessee. The gentleman has made the trade, the commercial argument; that is to say, that we ought to make this loan in order that we may control the trade——

Mr. BURTON. I did not say control the trade, but that it would aid in promoting trade.

Mr. GARRETT of Tennessee. And that if we did not do it, England and France, or some other country will.

Mr. BURTON. I have heard so much argument this morning of self-interest that I thought it was proper to interject something pertaining to a special interest of the United States, but I do not regard that as the strongest argument for making the loan.

Mr. GARRETT of Tennessee. Then the gentleman does not think we should become involved in European entanglements?

Mr. BURTON. I do not care to go into that question; I am for peace and cooperation with all the world. I deprecate all of this talk about the international bankers having an interest in it. That is an appeal to the galleries, and I do not think it should appeal to Members on the floor of the House of Representatives. We have about $10,000 of these bonds held in this country, and no doubt they will be paid, whatever may happen, but that has nothing to do with this case.

Mr. GARRETT of Tennessee. Will the gentleman yield further?

Mr. BURTON. If the gentleman from Michigan will give me some more time.

Mr. GARRETT of Tennessee. Whether it is right or not, the deprecation which the gentleman just expressed—it seems to me the gentlemen who have been arguing in favor of the loan and have attempted to predicate their argument on the proposition that a former administration was committed to it have been making the disingenuous argument of the day.

Mr. BURTON. Having in mind the Government in its policy of loaning to the Allies, the Wilson administration committed itself to make this $5,000,000 loan to Liberia.

Mr. GARRETT of Tennessee. The gentleman stands on that, and for that reason favors it?

Mr. BURTON. That is a sufficient reason. There are other reasons besides that.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BURTON. Will the gentleman from Michigan give me five minutes more?

Mr. FORDNEY. My time is all promised, and more than promised. I will yield the gentleman two minutes more.

Mr. NORTON. Will the gentleman yield? Every northern colored man resents going to Liberia and considers it the same as the sending of Napoleon to Elba. [Laughter.]

Mr. BURTON. Oh, no; there may be some misinformed colored people as well as misinformed white people. Those who oppose the loan are to be numbered among those who are misinformed, whatever their color may be.

I think further, Mr. Chairman, it is about time for us to depart from that selfish policy which I have often heard advocated on this floor and to maintain a larger degree of altruism. The nations of Europe are criticizing us because we are gathering in great hoards the gold of the world. If I may again stray into consideration of what I think a selfish policy, we had better utilize that gold in making advances to other countries, not in the way of Government loans but in dividing up that great surplus which is not beneficial to this country and unnecessary for its credit. It has a tendency to increase the high cost of living because of the immense stock of money in this country. I especially oppose the idea that we should build up this great hoard like that of Midas. Let us cooperate in the development of the rest of the world; let our people make advances to them for their rehabilitation and growth. This will not only be our duty as a member of the great family of nations, but will be for our own interest as well, and especially does that apply when this promise has been definitely made that we would make a loan and the money has been set aside.

I am not in favor of making any more loans like this to foreign governments. I am not in favor of this Government making further loans to other countries. There is plenty of money in the country, however; our investors loaned $100,000,000 to Canada and the loan was oversubscribed. Gentlemen speak of destitution. If you want to relieve the destitution, let us aid other countries in their development and let them buy of us. Here is Liberia, with her splendid resources, almost unlimited, without roads, without harbors, without improvements; and this loan, or the largest share of it, would be applied to building up that country and giving them an opportunity to come nearer to the rank of civilized nations of the earth.

Mr. LINTHICUM. Will the gentleman yield?

Mr. BURTON. Yes.

Mr. LINTHICUM. Will the gentleman state the manner in which he would divide up the gold reserve?

Mr. BURTON. I did not say divide up the gold reserve. I said pursue a general policy of disposing of the abounding surplus, a policy of generosity—and I do not think generosity is the word—but judicious financial management actuated by the idea that we owe certain obligations to the rest of the world. I am not influenced so much by sentimental arguments, but Liberia was a refuge and a haven made for those who wished to go there from the United States.

There was an idea at one time—not well grounded—that it might solve the great question of human slavery. That failed; but for now a hundred years Liberia has been a protégé of ours. We can not leave her helpless. Our standing among the nations of the earth is at stake. If after making such a promise as this we turn that promise down and refuse to do what was agreed to, the whole world will condemn us because we have neglected a weak and struggling nation. [Applause.]

Mr. GARNER. Mr. Chairman, I yield two minutes to myself in order to make a statement. I think we owe a debt of gratitude—the entire House—to the gentleman from Ohio, Mr. BURTON. Heretofore we have understood it was a moral obligation, and now the real facts have come out. It is a question of whether we are going to trade with and exploit Liberia or are going to yield to some other nation the privilege of doing that thing. That is the whole proposition, and it has been the whole proposition, in its entirety, from first to last. If gentleman will remember, they will recall that I asked in the beginning the gentleman from Michigan [Mr. FORDNEY], "If you are not morally obligated, would you make this loan," and that he would not answer. No one else has answered that question. You will not get an answer from the Republican side to that question. They will not say that if they were not morally obligated they would not make the loan, because the very crux of this thing is whether or not we shall do it and exploit Liberia or whether some other country shall do it.

Mr. BURTON. If the gentleman will yield, he has entirely misapprehended my argument.

Mr. GARNER. I yield to the gentleman from Ohio—I see two of them there, and I ask the gentleman from Ohio, Mr. LONGWORTH, if the statement is not correct, that either it is the United States makes the loan of this money or some other country loans it for the purpose of controlling the trade of that country.

Mr. BURTON. I would be glad if he would yield to me first.

Mr. LONGWORTH. I yield to my colleague. [Laughter.]

Mr. BURTON. That argument did not approve itself to me as the principal argument in this connection, but, in view of the fact that the argument of selfishness has been so exploited, I made it as an appeal to others. Whether that appeals to the gentleman from Texas or not I do not know.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GARNER. I yield myself three minutes more. I probably was a little more selfish than the gentleman. I am not willing to tax all of the people of the United States and loan their money to other Governments; and if that is selfishness, then I am selfish. The gentleman talks about unselfishness and of the sentiment there is in this matter, stating that we sent these people—a few of them—over there a hundred years ago. So we did; and now we propose to send a lot of white people over there to exploit them. That is what you intend to do; that is why now you have got to the point where you want to pay the international bankers $2,000,000 and you want to take $3,000,000 more to exploit those poor people over there, who have not enough money to build a railroad or a dirt road or a harbor or anything else.

You propose to send a bunch of people over there at their expense, to the tune of $80,000 a year, to exploit them, and then talk about your obligations and the duties to these people on account of the fact that we sent a few of them over there some hundred years ago! If you will refuse to pass this bill, tomorrow another country will take your place. I never mentioned any country this morning. There is not a member of the Committee on Ways and Means who does not know exactly why this resolution was reported, and that that is the reason. The gentleman from Ohio [Mr. LONGWORTH] mentioned it. I did not, because I think those things ought not to be mentioned. But that is the exact crux of the whole matter—whether we are to exploit and get the trade of Liberia or some other country is to get it. I said this morning, and I repeat now, we do not want to start over there with a commission which we will have to follow up with our Navy and our Marine Corps in order to collect the debts of the people who get the benefit of this exploitation.

Mr. LONDON. Mr. Chairman, will the gentleman yield?

Mr. GARNER. If I have the time.

Mr. LONDON. So long as nations fight for the privilege of loaning money, then the loaning of money is not a favor but an advantage.

Mr. GARNER. I do not want to tax the American people like the gentleman from Ohio [Mr. BURTON] in order to be so generous as to loan our money all over the world, so that we may trade with them. I am not willing to do that. I am quite willing to enter into commercial relations with them, under which we can trade with them, but I do not want to collect money from the people and send it over there to exploit those people.

I yield to the gentleman from Virginia [Mr. MOORE] for five minutes.

Mr. MOORE of Virginia. Mr. Chairman, in the course of this interesting debate very illuminating statements have been made by two gentlemen from Ohio [Mr. LONGWORTH and Mr. BURTON]. The gentleman from Ohio [Mr. LONGWORTH] tells us that other nations are ready to make this advance to Liberia.

Mr. LONGWORTH. Oh, the gentleman will pardon me. It was the gentleman from Texas [Mr. GARNER] who said that. I did not say it.

Mr. MOORE of Virginia. The gentleman concurred in that statement?

Mr. LONGWORTH. I did not. I simply called attention to the remarks of the gentleman from Texas.

Mr. MOORE of Virginia. I understood the gentleman actually to name the nations, as the gentleman from Texas did. So that by some member or members of the Committee on Ways and Means we are advised that other nations stand ready and willing to make the loan. The gentleman from Ohio [Mr. BURTON] now tells us that he thinks a good reason for the proposed action is that if it is not taken other nations would let Liberia have the money it desires. So there is announced by the latter gentleman a very remarkable principle that is to enter into the control of our conduct here, and that is that it is right and proper and, of course, in his estimation legal, for the Govern-

ment of the United States to go into the business of loaning to other nations money derived from taxation. We are deliberately to fix a precedent that will say that we are justified in making loans to any nation for the purpose of binding that nation to us in governmental, political, commercial way, or trade relations. Is that to be the future policy of the United States?

Coming to the merits for a moment, if France or England, whose people are said to hold the outstanding Liberian bonds, is prepared to make the loan how will we discredit ourselves in the estimation of the world by allowing them to do it and refraining from doing it ourselves? The law allows a party to a contract to subrogate somebody else to his rights. The law likewise allows a party to a contract to subrogate somebody else to his duties, if the other party to the contract is willing. Liberia wants money. Liberia is not concerned about the source from which she obtains money; and, nevertheless, it is argued that it will be reprehensible in us to permit her to obtain it from some other nation than the United States.

I have considered the matter carefully and wish to inquire what disgrace would attach to us, what ground of criticism there would be, should we permit England and France, one or both of them, or any other nation, to make the $5,000,000 advance which this bill contemplates? You can talk in a sentimental way the rest of the day about the matter without giving a sufficient answer to that practical question.

Now, it may seem a little bit old-fashioned to say that we are undertaking to do an unconstitutional thing.

The Constitution is devoid of any expression or any implication that warrants this action. The Secretary of State has said positively that the legal obligation has disappeared, and he is only claiming that a moral obligation remains. There is no moral obligation remaining; but if there were the Constitution does not recognize a moral obligation as a basis for the expenditure of the revenue of the Government. [Applause.]

Under the Constitution the right of Congress to expend revenue that is raised by taxation is limited to the payment of the debts of the United States and to those activities that will "provide for the common defense and general welfare of the United States." The most liberal construction can not bring this measure within the scope of the power thus clearly defined.

Since there was no loan made during the war, since the negotiations in reference to a loan were not carried to a conclusion while the war was in progress but were discontinued, and since we are acting after the termination of the war, physically and technically, I do not see how it can be argued that Congress is now attempting to exercise the war power, and how the measure can be placed on that basis.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORE of Virginia. I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. GARNER. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. HERRICK].

Mr. HERRICK. Mr. Chairman and gentlemen of the committee, I am awfully sorry to say that I have to disagree with the first speaker this morning, because he is one of my best friends in the House, but notwithstanding that fact I can not afford to let friendship interfere with a duty as I see it. My friend stated that in Liberia they had a population of 2,000,000 or over, of which 60,000 were civilized, or about 3 per cent. He further stated that the remainder were uncivilized. Another statement he made which I think has a good deal of truth in it, and which I do not think he intended to make [laughter], was that 85 per cent of the population were Democrats. Well, now, if that is true—I am not saying it is—it might be an incentive for the passing of this legislation, because from the statements which have been made in behalf of this legislation it is for the development of the resources of Liberia, and I wondered whether it is to be used to develop that 85 per cent into Republicans. [Laughter.] There is another little discrimination, however, as I figure it out. There are 60,000 civilized. Of the remaining uncivilized 1,940,000 there is about 12 per cent of whom we have not got the definite facts of what they are. So much for humor. What I rose to say is this: That I will never, so long as I am a Member of this Congress, vote to pay out of the pockets of our hard-pressed farming constituencies to loan to some uncivilized nation or any republic in darkest Africa or any other outlying out-of-the-way corner of the world. [Applause.] If we have so much money with which to afford relief, we had a lot better afford a little relief to our own hard-pressed citizenship, for I have received in the last four or five weeks about a bushel and a half of letters from farmers out in my constituency in which they give an itemized statement of what it cost them to put in their entire crops last spring, what the crops amounted to in the fall, with an itemized statement of how much they owed, and generally their statement showed that from the total amount of the valuation of their crops it just paid interest and taxes last year, or not quite interest or taxes. So I think we would be doing a great deal better if we devoted a little more time and a little more attention to ameliorating the conditions in our own United States and affording a little more relief to our own people than running over the earth and looking for a chance to make some international loan that may be handled by J. Pierpont Morgan or Kuhn, Loeb & Co. and the international bankers. So much for that. Now, there is one other little point on which I wish to dwell. There has been some consideration given to the so-called moral obligation, the heritage, so called, left over from the Democratic administration, and I would like to remind the proponents of this legislation that among the heritage which was left over by the late Democratic administration was the League of Nations, and who among the Republican Party had a good word to say for the League of Nations and who among the Republican Party would venture to carry out that so-called moral obligation? [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARNER. Mr. Chairman, I yield five minutes to the gentleman from Mississippi [Mr. QUIN]. [Applause.]

Mr. QUIN. Mr. Chairman, this question has come up wearing a false face before this House, in my judgment. There is not a man on this committee who brought this bill out who, in my judgment, can in his conscience believe and state that there is a legal obligation on the part of the United States Government to loan one dime of this Government's money to the Republic of Liberia. You predicate that upon the proposition that since this little Republic entered the war against the Imperial German Government, under the act of this Government, passed through the American Congress, the President, the Secretary of State, and the Secretary of the Treasury went out of their way to promise a loan of $5,000,000 to the little African Republic, a Republic that, under the evidence you have before you, never furnished a soldier or a dollar, and your excuse is that it sold a few gallons of palm oil to France and England. Now, then, after this war is over three years, you come up with a proposition for this Government, that is already hard pressed to meet its obligations, to reach down in the Treasury and take out $5,000,000—to do what? To give Wall Street bankers and European international bankers at least 80 per cent of the $1,600,000 bonds which they bought from the Liberian Government for 20 cents on the dollar. You are fixing to make them a present of the other 80 cents on the dollar.

This administration should know that these international bankers, under the guise of building roads and developing this Liberian Republic, about the size of the State of Mississippi, will get big concessions of lands and other franchises to exploit and plunder the 60,000 civilized negroes and the 2,000,000 savage black people of that Republic.

It is for the purpose, according to your own hearings, of making good $1,600,000 that your Wall Street bankers placed upon the ignorance and helplessness of this little African Republic, holding them up for the amount and letting these poor people that you are praying us and imploring us to vote for have 20 per cent of. This same scheme depends upon the advancement of the $1,600,000 to make good the bonds bought at 20 cents on the dollar by four Wall Street banks and the international bankers of London and of Holland. How can you men play this game of false face against the American people? This is not a partisan measure. This is a measure that every true man who recognizes under the Constitution of this Republic what his obligation is and what his oath means, whether Republican or Democrat, should vote to defeat. That is my judgment of what this matter means, and this Congress can not afford in the existing circumstances to pass this bill and advance $5,000,000 down yonder in Africa, where there is hardly any civilization, and you could not hope to get a dollar of it back within 100 years. If the Government has any money to give away, I favor giving it to the poor distressed people here at home. One gentleman, and I have great respect for him, the gentleman from Ohio [Mr. BURTON], said that we had a selfish interest, and that we ought to do it for trade. What are you going to get out of Liberia? Do you want some of that palm oil? Those people have no money to buy anything that our people produce in the United States. Who ever heard of making money out of a pauper? [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARNER. Mr. Chairman, I yield five minutes to my colleague from Texas [Mr. GARRETT].

Mr. GARRETT of Texas. Mr. Chairman and gentlemen of the House, I have been wondering from this discussion whether this resolution should not be changed. Instead of reading—

Resolved, That we shall extend credit to the Republic of Liberia—

I have been wondering whether or not we had better not resolve to help some of the people who are suffering in our own country. If you gentlemen will pardon me a moment, you will see how I feel about it, if you will let me read to you some telegrams from my constituents. They are as follows:

RICHMOND, TEX., *May 8, 1922.*

Hon. DANIEL E. GARRETT,
Washington, D. C.:

Brazos River overflowed farms inundated second time this year. Farmers unable financially to buy more seed. Third year failure. Assistance badly needed and will be appreciated.

RICHMOND CHAMBER OF COMMERCE,
A. M. DAMERON, *Secretary.*

—

HEMPSTEAD, TEX., *May 9, 1922.*

Hon. DANIEL E. GARRETT,
Washington, D. C.:

At a representative meeting citizens Waller County conservative estimate for seed needed for replanting flooded area, 500 tons cotton seed, 4,000 bushels fast-maturing corn. This aid must be had. Farmers have exhausted their credits and must be had at once. We solicit your most earnest cooperation at once.

A. G. LIPSCOMB,
County Judge Waller County.

—

NAVASOTA, TEX., *May 10, 1922.*

Hon. DANIEL E. GARRETT,
Member of Congress, Washington, D. C.:

People urge that you insist on aid for flood sufferers.

R. M. WEST.

—

NAVASOTA, TEX., *May 10, 1922.*

Hon. DANIEL E. GARRETT, M. C.,
Washington, D. C.:

Supplementing my telegram, citizens urge King cotton seed for this flooded area account of known quick maturity. Delivery must be quick for results.

R. M. WEST, *County Judge.*

—

NAVASOTA, TEX., *May 10, 1922.*

Hon. DANIEL E. GARRETT, M. C.,
Washington, D. C.:

For the information of our people, can quick Government distribution cotton and corn planting seed for flood area this territory be definitely relied upon? Answer.

THE FIRST NATIONAL BANK.

Now, down yonder, up and down the Mississippi River, up and down the Brazos River, are good American citizens who have been working hard through the years, whose houses have been washed away, whose farms have been inundated. The rivers have poured down on them, their money is gone, and the banks can not extend many of them further credit. And, like the farmers of the great West that were here the other day asking for help, these people of mine come and say to the Government of the United States, "Can not you loan money to buy some corn and cotton seed with which we can grow cotton to help clothe the people of New England, of the North, and West, and make bread to help feed a hungry world?" What are you going to say to them? We are spending five hours here to-day discussing whether or not we will let the Liberian Government have $5,000,000 and not a minute of time has been spent in discussing whether or not we will help our own people. When droughts and famine had blasted the farmers of the West we came forward and said, "Yes; extend them credit." Now, this flooded district runs away up yonder into the North almost as far as the Mississippi River goes. It reaches far into the southland where the waters of the Brazos flow.

There is no party politics involved in it. It is simply a question of giving it to our own people, to your people and mine. And now we come here at the close of this day, still discussing whether or not we will send $5,000,000 away to Liberia, that has after all the centuries only 60,000 civilized and 2,000,000 uncivilized who are yet sitting in absolute darkness and ignorance. If you were going there as missionaries it might be well and good, but that is not the purpose of your legislation. Why this loan of $5,000,000 to the people of Liberia, who live thousands of miles away, while our own people suffering from flood disaster are asking our aid?

I see the gentleman from Illinois [Mr. DENISON] before me. His committee has reported out a bill authorizing an expenditure of $1,000,000. Will you please, when you dispose of this Liberian loan, rise up and give him a special rule to consider his bill and get it through this House and give our people the needed relief?

Mr. DENISON. The gentleman did not state it exactly accurately. It was not my committee. I introduced the bill to appropriate $1,000,000 to reseed the crops, and that bill has been favorably reported by the Committee on Agriculture and is now pending in the House for consideration.

Mr. GARRETT of Texas. I thank the gentleman for the correction. I thought he was a member of the committee.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Texas. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. FORDNEY. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Chairman, I am very sure—and I am proud of the fact—that there will be no refusal on the part of the United States to respond to the appeal which the gentleman from Texas [Mr. GARRETT] makes. There is no Government on earth that has been more generous than the United States in answering these humanitarian appeals. And, gentlemen of the committee, there is no Government in the world that has been more careful to observe its obligations than the United States of America, and you are asked here to-day to fulfill an obligation of the United States. Call it either legal or moral, there is no possible question but it is an obligation; and it seems to me there is no justification for us now under existing circumstances to refuse or postpone that obligation.

I want to call attention in the first place to the law under which this obligation was, in fact, incurred. We passed a law in 1917, in the latter part of that year, after we had entered the war, by which we agreed to extend credit to those who should aid in the war against Germany, and this is the language that was used:

That for the purpose of more effectually providing for the national security and defense and prosecuting the war, the Secretary of the Treasury, with the approval of the President, is hereby authorized, in extending on behalf of the United States, to establish credits of the United States for any foreign Government thus engaged in war with the enemies of the United States.

We requested Liberia to enter the war. We requested it because of certain conditions that existed that made it important that Liberia should enter the war. Liberia was controlled in her trade relations, both domestic and foreign, by Germany. Eighty or eighty-five per cent of it was in the hands of Germany, and they were furnishing to Germany the aid that we desired to secure for the Allies. And so we requested Liberia to enter the war. Liberia did so; and immediately thereupon German control of both the domestic conditions in Liberia and her foreign relations ceased, because of the fact that the Allies sent their vessels to protect the coast of Liberia and to prevent the continuance of further trade relations between Liberia and Germany. That was the condition that existed when the Allies requested and secured the aid of Liberia.

The reason for that was that Liberia at the time was the principal source of supply for palm oil which was needed in the various chemical and mechanical operations of the war, and which it is not necessary for me now further to explain, and we secured that help.

Now, under this authority and under this law I ask gentlemen to remember that it was not declared that we should extend help specifically to those nations that took part in the war or that did anything in particular in carrying on the war, or were required to do anything in particular in the war. We had a right to give and extend credit to any nation, whether she took part in the war or not, if it was for our benefit. It was left in the discretion of the Secretary of the Treasury and the President to determine whether it would be of benefit to us particularly or otherwise in the war.

Gentlemen say, "Oh, this was for the purpose, and was determined for the purpose, and was secured for the purpose of paying off some old foreign debts." It makes no difference whether it was or not. If it was for the benefit of the Allies and the United States, then we had the right to make the loan. Did we do so? We did. We extended this credit to Liberia. It is true that it was not used to the extent that it was intended to be used, but that makes no difference regarding the obligation. We did specifically extend the credit. It was upon the request and approval of the President of the United States and the leader and Commander in Chief of our Army and Navy that this was done. It was done at the request and by the approval of the entire administration. No man objected at that time, either a Republican or a Democrat, to this extension of credit that was granted. We specifically granted the extension of credit in the most explicit terms, and it was just as explicitly accepted as it was granted. Both internationally and upon every possible ground otherwise and by every rule of justice and right we are bound to carry out that obligation. It is true we can neglect to do so, and have the right to neglect

to do so, but we will then find ourselves in this condition: We would be both violating our obligation and placing Liberia under obligation to other countries than ourselves, and this we have always refused to do.

Gentlemen say that the Government desires this action for the purpose of the exploitation of Liberia. I deny that charge. The United States has never exploited any foreign country or any country that was a dependency of hers. It is to her glory that in the Philippine Islands and in Porto Rico and wherever we have gone we have not exploited these countries, but we have aided them and assisted them; and as to this little colony that we, in fact, established, we were under an obligation at least equal to any of those that I have mentioned to see that they have a fair chance in the world in so far as we could properly do so. Does any gentleman think that the President of the United States or the Secretary of State, or does any gentleman think that anybody else in the United States who has any official position, desires to exploit the little Government of Liberia? It seems to me, gentlemen, that this is a forced and unreasonable view of the situation. What benefit can it be to the United States in that way? It seems to me that none can be imagined. Are we expecting to send favorites of the administration over there to exploit that country? Do gentlemen not know that we can, however, through the operation of this loan, aid those people to become self-respecting, to become self-supporting, to become able to fulfill their international relations without help? They have abundance of material; they have abundance of resources. All that they need is the help that the United States has and ought to give them. And why should we not do so? If we have incurred this obligation, if it is ours to refuse or to fulfill, why should we not fulfill it? The debt will be paid. It will impose no charge upon the people of the United States. Gentlemen say it will not be repaid. They have no authority for any such statement. I assert that it will be paid to the uttermost dollar and cent. [Applause.]

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. FORDNEY. Mr. Chairman, I yield one minute to the gentleman from West Virginia [Mr. GOODYKOONTZ].

The CHAIRMAN. The gentleman from West Virginia is recognized for one minute.

Mr. GOODYKOONTZ. Mr. Chairman, my honored and distinguished friend and colleague, the Member from the fourth West Virginia district, Mr. HARRY C. WOODYARD, has recently written and published as an editorial in the Times-Record, a newspaper controlled by Mr. WOODYARD and printed at Spencer, W. Va., a very able and interesting discussion of international affairs and foreign relations. Mr. WOODYARD is opposed to entangling alliances with European nations, and in this view I fully agree with him. I ask unanimous consent to extend my remarks by printing the editorial in the usual RECORD type.

The CHAIRMAN. The gentleman from West Virginia asks unanimous consent to extend his remarks by printing the editorial referred to in the usual 8-point type. Is there objection?

There was no objection.

Following is the editorial referred to:

EUROPE AND AMERICA—A WARNING.

[From the Times-Record, Spencer, W. Va., Thursday, May 4, 1922.]

The undisguised efforts and apparent determination of certain European statesmen and diplomats to involve this Republic in the political broils and traditional hatreds of Europe are matters of the gravest concern to every citizen in this land.

Toward the nations of Europe our people entertain not only no ill will but the most cordial and friendly feeling, but each and every one of them should be given to understand that the American people will tolerate no treaty or agreement that carries with it an obligation, direct or implied, that would involve us in any adjustment of the political affairs of continental Europe.

To my mind the overwhelming repudiation by the American people of the League of Nations should have been ample notice to Europe that our course was clear and determined in this respect. Yet every method known to Old World diplomacy is being used to influence our course against the expressed wish and well-known attitude of the American people.

Let our people not be deceived by appeals coming to us through the press and elsewhere that Europe looks upon us as a nation of high ideals and purposes, and the esteem in which we are held by all of them would serve to bring about good feeling and stable conditions in those countries. History records the undisputed fact that nations are dominated by self-interest. Unfortunately love of one nation for another up to this time has never existed, and the deplorable situation in Europe to-day verifies the fact that this condition still prevails to a marked degree.

Not since the formation of this Republic have our people been so courted by continental Europe as they have since the signing of the armistice. Scarcely a week has passed without a visit to our shores by statesmen—and women—high in the political councils of Europe. At the present time we have with us Marshal Joffre, of France, and Lady Astor, a member of the British Parliament. Lady Astor, the American wife of the son of William Waldorf Astor, who repudiated his American citizenship to become a member of the English nobility, tells us we should be at Genoa; that, in substance, we have no moral right to withhold our great influence in solving the problems of continental Europe.

Let us respectfully recall to Lady Astor's attention the fact that "Pussy-foot" Johnson publicly expressed to the people of London that they should stop the legalized sale of intoxicating liquors. "Pussy-foot" was treated to a ride on a rail for the frank expression of his views.

With no discourtesy toward Lady Astor, it should be impressed upon her, and others of the same mind, that the American people do not look for advice or counsel upon so vital a question as the one involved from one who gave up her American citizenship and owes her allegiance to the British Empire.

Again, Mr. Lloyd-George, speaking at Genoa, states that:

"The world must recognize the fact that Russia and Germany combined contain two-thirds of the people of Europe. Their voice will be heard, and the Russo-German treaty is the first warning of it.

"I wish America were here. Some people think we want the United States for some selfish purpose. This is not true. We want America because she exercises a peculiar authority; her very aloofness gives her the right to speak.

"America could exercise an influence no other country could command. She could come here free and disentangled, and with the prestige which comes from her independent position she would come with the voice of peace."

How flattering! And what an appeal to our national pride! We must be convinced that our participation in this and other conferences would solve the political troubles of Europe and cause the dove of peace to hover over every European country.

True it is that America could go to this conference "free and disentangled," but she would not come away so. Let the people know the truth. The words of Lloyd-George show beyond any question that Europe is at the present time a seething mass of jealousy, intrigue, and preparation for war.

Aside from the conditions referred to by the Premier, it is a well-known fact that England and France are almost at the breaking point.

Lack of space prohibits the naming of all the deplorable conditions that prevail in Europe. For this Republic to actively participate in affairs over there is unthinkable and intolerable. No government must, for a moment, entertain the idea that we are going to be led from the traditional policy handed down to us by our forefathers, which has made America a great and flourishing Nation.

So easily, and with the best of motives, we can entangle ourselves with the political affairs of Europe. But in doing so we obligate to one nation, or group of nations possibly, the lives of our precious sons and the resources of our great country, both of which were so lavishly given in the late World War.

Fathers and mothers of the sons whose cherished lives were lost in the horrible carnage of the late war, parents of thousands of boys whose bodies lie buried on European soil, take notice and sound the alarm against any entangling alliances or foreign influences!

HARRY C. WOODYARD.

Mr. GOODYKOONTZ. On my own account, Mr. Chairman, I wish to say that I am in favor of the measure now pending before the committee, and I ask unanimous consent to extend my remarks on that subject.

The CHAIRMAN. The gentleman from West Virginia asks unanimous consent to extend his remarks on the pending resolution. Is there objection?

There was no objection.

Mr. GARNER. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. LONDON].

The CHAIRMAN. The gentleman from New York is recognized for five minutes.

Mr. LONDON. Mr. Chairman, the most unusual thing about this debate is the talk about "moral obligations." When international usurers begin to talk about "moral obligations" it is time to be on the alert. There is no moral obligation to put a noose around Liberia, for that is what a loan means.

If you will examine the history of the colonization of the African Continent since the eighties you will find that na-

tions have been fighting each other for the privilege of making loans to helpless peoples in Africa. There are instances where war was carried on against African rulers to compel them to accept big loans. Big loans in the end mean complete ownership by the lending nation.

This loan is nothing but an effort to get a strangle hold on Liberia and her resources. An appeal is being made to a supposed historical interest of the United States in Liberia. There is nothing to that. The $100,000 expended 106 years ago by the Government of the United States to help a mere handful of freedmen to return to that part of Africa is the only expenditure to date and is the only material manifestation of sympathy toward Liberia that has ever been given. The fact is that this country refused to recognize the Republic of Liberia for a long time after other countries had recognized it. When you analyze the situation you will find that it is purely and simply an attempt on the part of American capital to shut out English or French or Dutch capital from Liberia.

What are the facts regarding the promise made by this Government?

During the war Liberia was induced to drive out the few German merchants she had, and to declare war against Germany. Liberia is supposed to have helped the allied cause by having furnished palm oil, which is used as an ingredient in certain ammunition. The American Government promised during the war a loan of $5,000,000 to Liberia, informed France and England to abstain from making a loan to her, and entered into a discussion of the conditions of the loan. This discussion was going on when the war ended, and a final understanding as to what the terms of the loan should be was not reached until 1921, more than three years after the armistice.

It is now proposed to take $5,000,000 out of the Treasury of the United States and to pay off, out of this sum, $1,700,000 of bonds now outstanding and presumably in the hands of bankers, so that foreign capital may not get hold of Liberia. There would be some sense in your talking about a moral obligation if it was not accompanied by the statement that other nations are ready to make the loan. They are. Why resort to these high-sounding phrases; why talk about sympathy for an oppressed people; whom can you fool with that kind of talk?

One of the most insidious methods of getting hold of a weak country and its resources is the loaning of large sums of money. Loaning money to a weak people is not a favor; it is a steal. But it is very clear. You are all the time talking in high phrases, employing noble expressions about the ethics of aiding the oppressed, and all the while you are looking out for only one thing—how to enable capital to exploit weaker countries.

The gentleman from Arkansas [Mr. OLDFIELD] pointed out the real situation; he saw in this enterprise merely an attempt to get a new colony in Africa and to keep other countries out. France is on the north and the east, England is on the west of Liberia, and it does not require very much knowledge of history to understand that both England and France will absorb her resources unless the United States is ready to fight that American capital may take possession of the resources of Liberia. It will be a comparatively easy task to dominate the Government of Liberia and her wealth. How much of a government will Liberia have left after she will have accepted the loan from the United States? Her revenues will be under the control of Americans; her expenditures will be under American control; her police department will be under American commanders. An examination of the conditions of the loan proves clearly that Liberia will have become an American dependency as soon as Congress will permit this loan to be completed.

I object to the enslavement of a people, though the chains be of gold. I protest against the establishment of an American Congo.

Mr. GARNER. Mr. Chairman, I yield to the gentleman from Maryland [Mr. LINTHICUM] such time as he desires.

Mr. LINTHICUM. Mr. Chairman, I shall vote against this resolution providing a loan of $5,000,000 to the Republic of Liberia with a great deal of discomfort, largely because it was a distinguished Marylander and Baltimorean, the Hon. John H. B. Latrobe, who was the head and inspiration of the American Colonization Society, which undertook and assisted in establishing this Republic by the emigration of many of the Negro race from our American States. In fact, so marked was the work of distinguished Marylanders that a part of the country was named Maryland.

I also dislike to vote against any proposition which might be of aid and assistance to those who need better educational and health conditions. If the inhabitants of the Republic of Liberia were in want of food and sustenance, for clothing and other necessaries of life, I should vote for the loan for that purpose just as I did for an appropriation to aid the starving and needy of Russia.

This, however, is an entirely different proposition. This launches our National Government into the realm of national loans to nations desiring funds for various purposes. It is the camel getting his head in the tent. It is a precedent to which I am opposed, because it, no doubt, will be followed by loans to other countries for similar purposes. This resolution is but the trying out of a balloon. If it is successful, others of a larger and less sympathetic nature will be launched. It is true we advanced a very considerable sum as loans to our allies, but that was entirely for the prosecution of the war in which we were also engaged; but never have we permitted ourselves to make loans which could and should be handled by private bankers handling international loans. The people of our country have seen too many departures from the time-honored principles of our Government to undertake to finance nations. The fiscal policy established by the act of April, 1917, was for the purpose of war, and enabled the President to make loans to better carry on the same. Had it even been suggested that it would authorize a loan such as contemplated by the resolution under discussion, I am quite sure Congress would never have enacted the same.

It is intended by this resolution to loan to Liberia, a country located on the west coast of Africa with scarcely 60,000 civilized inhabitants and over 2,000,000 uncivilized, this fund to enable that Republic to pay $233,000 for its internal funded debt and the interest due thereupon; to enable it to pay $350,000 for its internal floating debt; to enable it to pay $1,650,000 to purchase or redeem outstanding 5 per cent bonds which are not due until July 1, 1952, and which were floated by international bankers, out of which Liberia received only about 20 cents on the dollar. They were selling on the market around 26 cents on the dollar when this resolution was introduced, but with the propects of the United States redeeming them, they have jumped almost to par. This would, indeed, be a very gratifying profit to those parties so directly interested in their redemption at the expense of the American taxpayers. The balance of the $5,000,000 would be used to make improvements in transportation and communication facilities, sanitation, and other public works. It seems to me that with the present unemployment of so many of our people, the depression in business, the stagnation of affairs generally, it is certainly not the proper time for this Government to make loans for the purposes enumerated.

The supporters of this resolution contend that President Wilson extended the credit during his administration and so have published to the country. Mr. Wilson, when President, did authorize such a credit upon certain terms and conditions, but the terms and conditions never having been acceded to nor complied with by Liberia, the credit was absolutely withdrawn. There never was that meeting of minds which is so absolutely essential to create a contract. The Hon. Charles E. Hughes, Secretary of State, in his testimony admitted that we were under no legal obligation to make this loan. It is contended that President Wilson, having created a credit in favor of Liberia for the $5,000,000—which I have shown was upon certain conditions never complied with and subsequently withdrawn—then we should make the loan because we are morally bound to do so. If this were really a part of the Wilson policy, which I deny, then I would, indeed, dislike to assist in thwarting the desire of the Republican administration in carrying it out, because the only bright spots in its horizon have been obtained through the adoption of Wilson policies founded on true Democratic doctrine. For example, here are a few of those already approved by President Harding, through his able Secretary of State, Mr. Hughes, and the Senate of the United States.

COLOMBIAN TREATY.

Rectification of the wrong done to the Government of Colombia by the illegal seizure of the Panama Canal right of way by President Roosevelt was a "Wilson policy." There has been an approval of this policy, a complete reversal of the Republican policy of opposition to reparation. On April 20, 1921, the treaty providing for a payment of $25,000,000 to Colombia was ratified by a Republican Senate, which had refused to ratify during the Democratic administration.

MEXICO.

Nonrecognition of the unstable and illegal de factor government of Mexico was a "Wilson policy." There has been an approval of this policy. It has been consistently pursued by President Harding and his Secretary of State.

RUSSIA.

Nonrecognition of the barbarous Bolshevik government of Russia under Lenin and Trotski was a "Wilson policy." There

has been an approval of this policy. It has been steadily maintained by President Harding and his Secretary of State.

CHINA.

The principle of the open door in China was one of the "Wilson policies." There has been an approval of this policy. It was reiterated by President Harding in a note of his Secretary of State dated July 8, 1921, and later confirmed by the Washington conference in a formal agreement.

HAITI AND DOMINICAN REPUBLIC.

The temporary occupation of Haiti and the Dominican Republic by American marines was a "Wilson policy." Charges of cruelty were made, Senator Harding during the campaign going so far as to severely criticize Mr. Franklin V. Roosevelt and promising a change of policy and program. There has been no reversal of the Wilson policy. On the contrary, Secretary Denby and a senatorial committee, after investigation on the spot, have failed to find substantial basis for the Republican slander and have approved the continuance of the present policy.

GERMAN REPARATIONS.

The appointment of Mr. Roland W. Boyden to a seat on the Reparations Commission was a "Wilson policy." There has been an approval of this policy. Mr. Boyden was reappointed by President Harding and took his seat May 10, 1921.

AMERICAN REPRESENTATIVES ON WORLD COUNCILS.

The designation of the American ambassador to Great Britain as representative on the supreme council and of the American ambassador to France as representative on the council of ambassadors was a "Wilson policy." There has been an approval of this policy. President Harding on May 6, 1921, accepted the invitation of the allied conference to reappoint both officials.

MESOPOTAMIA.

Equality of treatment for the citizens of all nations, including, of course, the United States, in mandated territory was a "Wilson policy." His Secretary of State, Mr. Colby, on November 20, 1920, sent a note to the British Government asserting this principle and taking exception to the San Remo agreement between Great Britain and France relating especially to petroleum resources in Mesopotamia. There has been an approval of this policy. President Harding had his Secretary of State, Mr. Hughes, dispatch a note of protest almost identical with Secretary Colby's.

YAP.

Objection to the assignment of the island of Yap to Japan by the great powers on the League of Nations' council was a "Wilson policy." His Secretary of State, Mr. Colby, on November 9, 1920, sent a formal note of protest to Japan and to the other allied powers, in which he referred to the rights of the United States as one of the "allied and associated powers." A second note of similar tenor was addressed to the council of the League of Nations on February 21, 1921. There has been an approval of this policy. On April 6, 1921, President Harding had his Secretary of State, Mr. Hughes, dispatch to the powers—Great Britain, France, Japan, and Italy—a note almost identical in character and in argument to the Colby note, since which time the question has been settled by treaty growing out of the Washington conference.

SECTION 34 OF THE JONES SHIPPING ACT.

Executive refusal to comply with the instructions of Congress, contained in section 34 of Public Law No. 261, Sixty-sixth Congress, approved by Congress June 5, 1920, "authorizing and directing the President within 90 days to give notice" to those Governments with which we have commercial treaties containing the "most-favored nation" clause, that we will terminate those treaties, was a "Wilson policy." There has been an approval of this policy. President Harding, in his address to Congress December 6, 1921, likewise refused to comply and said:

> Frankly, Members of House and Senate, eager as I am to join you in the making of an American merchant marine commensurate with our commerce, the denouncement of our commercial treaties would involve us in a chaos of trade relationships and add indescribably to the confusion of the already disordered commercial world. * * *
>
> It is desired only to say to you that the executive branch of the Government, uninfluenced by the protest of any nation, for none has been made, is well convinced that your proposal, highly intended and heartily supported here, is so fraught with difficulties and so marked by tendencies to discourage trade expansion that I invite your tolerance of noncompliance."

There are many other instances where those of the present administration have found after much criticism of the Democratic administration that efficient government requires the approval of many of its policies but I shall not attempt to enumerate more at this time. [Applause.]

Mr. GARNER. Mr. Chairman, I yield five minutes to the gentleman from Mississippi [Mr. LOWREY].

Mr. LOWREY. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. LOWREY. Mr. Chairman, with the gentleman from Georgia [Mr. CRISP], I should certainly say that if we are under moral obligation in this matter we ought to meet the obligation, though it cost us $50,000,000 instead of five millions. No man or government can afford to violate an obligation for the sake of political or economic expediency, and nothing that is morally wrong can be politically right.

But I fail to find the moral obligation; and since we are not bound, we can not afford to lend a foreign nation money to pay its debts and build its roads and schools, while our own people are bending under a burden of debt and struggling almost hopelessly with road and school problems.

I also congratulate the gentleman from Georgia on bringing this discussion up from a partisan wrangle to a sane, candid, and kindly debate of a public question. As a Member of this House I like the work I am in and I like the gentlemen I am working with. Yet there are a few pernicious evils which I think we will all agree ought to be corrected. One of the chief of these is the way in which vital issues are often clouded and prejudiced by partisan strife.

But in my brief space of five minutes I wanted especially to express my regret that the usually genial gentleman from Michigan [Mr. FORDNEY] in the exercise of his customary ardor for the abuse of Woodrow Wilson should have indulged in a vicious attack upon members of the honorable profession from which Mr. Wilson came. He asserts that "a school-teacher is not much man outside of his profession" and regales us with the ribald doggerel:

> Good-by scholars, good-by school,
> Good-by teacher, you darned old fool.

It is to be lamented that a man who gives himself to business and makes money or who gains political honors sometimes becomes so engrossed in these things as to speak scornfully of the men and women as a class who give their lives to the work of building character and promoting culture in the world. The teachers of this country are dedicating their lives to making the men and women who must make everything else that is worth while. Why, then, tell me, should they be ridiculed on the floor of the American Congress?

If a teacher is "not much man," then certainly we must have some very shoddy men disgracing the floor of this House; some of them, strange to say, members of the party which the gentleman from Michigan champions. FESS, of Ohio; FAIRCHILD, of Indiana; ANDREWS of Nebraska; BROOKS of Illinois; TEMPLE, of Pennsylvania; TOWNER, of Iowa, and others, all former educators, and most of them former college professors or presidents. Likewise there are a few of the despised minority, such as ASWELL, of Louisiana; OLIVER, of Alabama; and TILLMAN, of Arkansas. Does the gentleman from Michigan consider that because they come from the teaching profession, forsooth, these men are "darned old fools"? Again, the biographies of the Presidents of the United States show that Woodrow Wilson was not the only teacher among them. I think the gentleman will find, if he will inform himself, that it is the rule rather than the exception for Presidents to be ex-pedagogues. Something like three-fourths of the men who have been raised to that high position once taught school. And I believe that a similar proportion of Members of Congress and of the Supreme Court have likewise been teachers at some time in their lives.

But above all are the country teachers, who have ever been the heroes and the martyrs of our educational work and before whose consecrated service the college president and the high political official should alike stand with uncovered head.

When I asked the gentleman from Michigan whether they had any teachers in his State, he replied, still thinking of Woodrow Wilson, I presume, "None educated in Virginia, thank God!" Which reminds me of an incident that occurred while the unique Davy Crockett was a Member of this House. A certain Pennsylvania Congressman, having seen a drove of Tennessee mules in the street, said to Crockett, "I saw a big lot of Tennesseeans down town awhile ago—constituents of yours. You'd better go down and look them up." Crockett hurried out in search of his constituents and found the mules. He came back smiling. "Well, Crockett, did you find out where your constituents were going?" asked the Pennsylvanian. "Yes," said Crockett, "they are all going to Pennsylvania to teach school." [Laughter.]

Some of them must have gone on to Michigan, judging from the asinine opinion which some Michigan statesmen seem to have of teachers, and from the asinine attitudes into which some of them seem to have been educated. [Applause and laughter.]

Mr. CRISP. Mr. Chairman, acting for Mr. GARNER, I yield five minutes to the gentleman from Texas [Mr. CONNALLY], and I desire to state that we will have only one other speech after that.

Mr. CONNALLY of Texas. Mr. Chairman, the gentleman from Mississippi [Mr. LOWREY] has ably defended the school-teachers against the charges of the gentleman from Michigan [Mr. FORDNEY].

The gentleman from Michigan, as is often the case when he addresses the House, this morning embraced an opportunity to indulge in coarse, unkind, and undignified references to the ex-President of the United States, Woodrow Wilson. The gentleman from Michigan made the following statement on this floor to-day:

> The President of Liberia said that he was on the way here to meet our President—not a school-teacher, but I am talking about a President.

Of course, it does not take a school-teacher to understand that the gentleman from Michigan intended by that language to take a nasty fling at the great ex-President, who is not able to come here on this floor and defend himself against vulgar insults that are from time to time heaped upon his head. That great man is ill. He is stricken. It is not seemly nor becoming in the chairman of a great committee, the gentleman from Michigan, to regale the galleries and his partisan audience with such low, mean, cruel flings at an ex-President of the United States. What else did he say?

Mr. McSWAIN. He cast a fling at the profession of school-teaching.

Mr. CONNALLY of Texas. Yes; but the profession of school-teaching can take care of itself. It has a number of able representatives here on this floor. I quote further from his remarks this morning:

> Mr. FORDNEY. Oh, no; we have a high-grade man there now—

He was then referring to the Presidency—

> Oh, no; we have a high-grade man there now, although we had an excuse for four years, before Mr. Harding took office. We ought to have had a man in the chair, and if I had had my way about it we would have had.

In other words, the gentleman from Michigan makes the statement that for four years preceding the present administration we did not have a man in the President's chair, but that we had an excuse, and that if the gentleman from Michigan had had his way we would have had a man in the chair. I suppose the gentleman from Michigan will cut those remarks from his printed speech, but I requested the reporter to give me a copy of the remarks of the gentleman from Michigan, and I hold them in my hand. I hold no commission, political or otherwise, to speak for the ex-President of the United States, but I am impelled as a Member of this House to resent, when made on the floor of this House, cheap but bitter and unjust attacks on a man who is unable to defend himself here.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. CONNALLY of Texas. In a moment. There was a time when the gentleman from Michigan would not have made those statements.

Mr. CARTER. That is what I was going to ask, whether during six years of Woodrow Wilson's life, when he was able to defend himself, there were any of these ribald, jocular remarks made about him?

Mr. CONNALLY of Texas. There was a time when the now ex-President of the United States was able to take care of himself in his own proper person, and during that time the gentleman from Michigan and other gentlemen who have seen fit from time to time to hurl at his defenseless head these insinuations and insults, would not have dared to use such language. It is said that after the hopes and fortunes of Napoleon had been crushed at Waterloo and the British had seized him and placed him on a warship and started on the journey to St. Helena, his enemies trembled with fear until the vessel was far out at sea.

Then kings and emperors heaped opprobrium and scorn upon the caged conqueror, who when he was unchained and unfettered made their thrones totter and their boastful spirits quail with terror. So it is with Woodrow Wilson in dignified retirement, with Woodrow Wilson stricken, with Woodrow Wilson without opportunity to meet the jibes and sneers and thrusts of those who once feared him. There are those who now view his misfortunes with no evidence of regret and who hurl their denunciations and insinuations at him in his defenseless condition without shame or remorse.

So far as the school-teachers are concerned, let me say that the school-teachers of the future, as they lead the minds of their students along through the pages of history, may possibly somewhere stumble upon the name of the gentleman from Michigan, but if they do it will be only because his name is linked with the Fordney tariff bill, one of the most indefensible pieces of legislation that was ever offered on the floor of this House. Yet those same teachers, as they move through the illustrious pages of American history—yes; as they turn the pages of the history of the world—will find the picture, the distinguished career, and the mighty works of the man who yonder lies stricken and against whom the gentleman from Michigan has hurled his ribald jests and the poisoned darts of his anger. [Applause on the Democratic side.]

Mr. FORDNEY. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. LONGWORTH].

Mr. LONGWORTH. Mr. Chairman, the gentleman from Texas [Mr. CONNALLY], who just preceded me, has taken the gentleman from Michigan [Mr. FORDNEY] to task for certain alleged slurring remarks made this morning about the ex-President of the United States. The fact of the matter is that the really important, the vital attacks that have been made upon ex-President Wilson have come from the Democratic side of the House. More than one gentleman has said that ex-President Wilson, in advancing this credit of $5,000,000 to Liberia, deliberately violated the law and acted under ignoble motives. It is a strange anomaly to-day that the men who are upholding the hands of Woodrow Wilson, acting in his capacity as Commander in Chief of the Army and Navy, are on the Republican side of the House, while the men who are repudiating him are on the Democratic side of the House.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. I can not yield for the moment. I shall later.

Mr. BARKLEY. I may not want to ask the question later.

Mr. LONGWORTH. I do not care to answer a question at this moment. Imagine these gentlemen who are criticizing Woodrow Wilson to-day for things that he did in 1918 criticizing him then! Why, there is not a man on the Democratic side of the House who would have dared rise in his place and say the things about President Wilson at the time he made this loan that they have said here to-day. It remains for us on the Republican side of the House to justify Woodrow Wilson's act as Commander in Chief of the Army and the Navy.

Mr. JOHNSON of Mississippi. Will the gentleman say who said he felt that Wilson acted from ignoble motives?

Mr. LONGWORTH. I will say that the whole attack that has been made upon this measure, outside of its illegality, is that it is due to influence of some sort by international bankers. When was that influence exercised? It was exercised in the last administration if at all, and not in this, and the man who would do such things as this, in the face of the law for international bankers necessarily must, according to their own statement, be under the influence of ignoble motives.

Mr. JOHNSON of Mississippi. Is that the gentleman's answer?

Mr. LONGWORTH. That is my answer. Possibly there may be something else in the whole matter that influenced——

Mr. GARRETT of Tennessee. And they did not get the money.

Mr. LONGWORTH. Possibly there may be some other motives which actuated that side of the House, as suggested by the gentleman who just interrupted me, the gentleman from Mississippi [Mr. JOHNSON], who opposed this bill because it may at some time or place do some negro some good.

Mr. JOHNSON of Mississippi. No; that is not what I said.

Mr. LONGWORTH. That is what the gentleman said. I do not assert that is the motive which actuates any other gentleman than the gentleman from Mississippi.

Mr. JOHNSON of Mississippi. No; I said the bill was for the purpose of enabling bankers to exploit the negro in Liberia.

Mr. LONGWORTH. That is not what the gentleman said. For myself, I defend the act of President Wilson not only in its legality, but because it was the proper thing for him to have done at that time. The gentleman from Iowa [Mr. TOWNER] made an elaborate argument to show that this loan in 1918 of this sum to Liberia was within the purview of the second Liberty loan act, but I am not going to go into that in any detail. We all knew when we passed that act that it was a loan for the benefit of those who were acting with us in the war against Germany. Very broad powers were given under that act.

Now, when it comes down to a legal opinion as to whether that loan in 1918 was made legally or not, much as I respect the legal ability of my friend from Georgia and my friend from Texas, and in spite of the high regard I have for their opinion, they will pardon me, I know, when I say I respect even more the

opinion of Charles E. Hughes, Secretary of State, who says very plainly, speaking of the legality of this act:

No court in this country would have considered for a moment, in my judgment, any question of lack of authority on the part of the President of the United States to support the Republic of Liberia as an ally in this war, and to make arrangements to secure to the allies access to that great source of necessary war supplies.

There was one very vital necessity for war munitions, palm oil, of which Liberia had a very large supply. That alone would have justified the establishment of a substantial credit with Liberia.

Mr. GARNER. Will the gentleman yield for a question?

Mr. LONGWORTH. I will.

Mr. GARNER. When the gentleman voted for the second Liberty loan act did he contemplate then the Government would be loaning to other governments for the purpose of paying their debts back for 40 years prior to the war, or for the development of the country 15 years after the war was over?

Mr. LONGWORTH. Not at all.

Mr. GARNER. That is what this is for.

Mr. LONGWORTH. That is exactly what it is not for. Secretary Hughes says further:

I do not think that there is any question of legal authority that would survive an analysis or argument before any judicial tribunal.

The Secretary of State, who is known to be one of the most eminent lawyers in this or any other country, could not have gone further than that in justifying the legality of the act of President Wilson.

Mr. JOHNSON of Mississippi. Will the gentleman yield for a question?

Mr. LONGWORTH. I can not for the moment; I will yield a little later. Now, what occurred? On August 4, 1918, President Wilson informed the Secretary of State that he was in sympathy with the proposition of loaning $5,000,000 to Liberia. Liberia a year before had entered the war, much to her financial disadvantage, and practically at the request of this Government. On August 27 the Secretary of the Treasury informed the Secretary of State that the President had approved and established a credit in favor of the Liberian Government in the amount of $5,000,000, and on September 12 the Secretary of State directed our consular officials in Monrovia to so inform the Government of Liberia. Every responsible official of President Wilson's administration had indorsed this proposition. From that on, gentlemen, until within only the last four or five months, there has been on the books of the United States Treasury a credit in favor of Liberia for $5,000,000.

Mr. HERRICK. Will the gentleman yield?

Mr. LONGWORTH. I can not yield. The negotiations have been continued since that time. The gentleman from Texas and others, including the gentleman from Tennessee, have tried to show that the contract now agreed upon is an altogether different proposition from the one to which Liberia originally objected. Now, the fact is, gentlemen, that it differs only in very slight detail. I have here a memorandum from the State Department giving those details of difference, which I will ask unanimous consent to place in the RECORD.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. LONGWORTH. I will.

Mr. GARRETT of Tennessee. I did not intend to indicate their difference, because I have never seen either. What I tried to say was that the Liberian Government never accepted the terms which were fixed by the Wilson administration, upon which they were to accept the loan.

Mr. LONGWORTH. Upon that exact subject Secretary Hughes said before the Ways and Means Committee:

The Liberian Government did not like the terms of that plan—

To wit, the plan proposed as contingent for the creation of a credit.

The Liberian Government did not like the terms of that plan, and made certain objections. That was within their competency. Because we had offered to grant the loan did not mean that they had to submit to anything that was proposed, and there was correspondence on the point—insistence on one side and opposition on the other side.

Negotiations lasted for several years, and at the request of the Wilson administration a deputation came from Liberia to confer, and they were here when President Harding was inaugurated.

Mr. GARRETT of Tennessee. Did they come at the request of the Wilson administration or did they come at the invitation of the Wilson administration?

Mr. LONGWORTH. I will put it that Secretary Lansing sent an invitation; the word "invite" was used. I do not care to quibble over little technical details.

Mr. GARRETT of Tennessee. It amounts to quite a good deal when you are making a money contract.

Mr. LONGWORTH. It amounts to nothing. They came here at the invitation of this Government.

Mr. GARRETT of Tennessee. Did they not ask if they could come?

Mr. LONGWORTH. And, as I say, the final agreement differs only in slight detail.

Mr. CRISP. I know that the gentleman wants to be accurate. The Liberian Government cabled here and asked if our Government would receive a commission to continue the negotiations, and our Government replied they would, provided the delegates had full authority to act for Liberia.

Mr. LONGWORTH. That is the way under diplomatic usage that every government approaches another government. We never send an ambassador to another government unless we send an inquiry as to whether or not he will be received.

Mr. GARNER. The crux of the whole matter is that the Liberian Government initiated it.

Mr. LONGWORTH. The fact is that they did come here. These negotiations were continued, and the differences were very slight. The principal objection that Liberia had was that they did not want the functions of financial adviser and general receiver of customs to be combined in one office. They thought that that was giving too much power to one man. They wanted them divided into two offices, and subsequently we agreed, as we agreed to every one of their differences.

Mr. GARRETT of Tennessee. That is, the present administration agreed.

Mr. LONGWORTH. The present administration. There were various other very immaterial things, which I will put in the RECORD. For instance:

(2) The allotment of funds under the plan for the maintenance of the Liberian Government was considered to be insufficient, and they desired that this allotment should be increased to a sum which would enable them adequately and efficiently to carry on the administration of the Government of Liberia. Upon investigation by the Department of State it was found that their contention in this regard was well founded.

(3) The original draft did not contemplate the retirement of the internal funded debt of Liberia, amounting to approximately $233,000. This internal funded debt arose through the inability of the Liberian Government to pay, at certain times, the salaries and other current administrative expenses. In lieu of money there were given certificates of indebtedness, and it was felt that a part of the proceeds of the $5,000,000 credit should be used for the repayment to Liberian citizens of money justly due them.

(4) In the original draft the Liberian Government considered that the general receiver of customs and financial adviser was not sufficiently amenable to any authority higher than himself, and the Liberian Government desired that there should be some method arranged for submitting, in case of disagreement, to some higher authority any vital financial matter that might possibly arise, and they asked that they might be allowed to appeal in certain instances to the Government of the United States.

(5) The Government of Liberia felt that the original draft was not specific enough with reference to the American experts who would be sent to help the Liberians handle their finances, public works, etc. Not only did they find the original draft indefinite in this regard but it was also felt that the provisions made for the supervision by these experts was not adequate to meet the needs of the country.

The fact was, as this memorandum from the State Department says:

These points were so justifiably taken by the Liberian Government that after a great deal of discussion at the time that the Liberian commission was in the United States arrangements were made in the final financial agreement eliminating the objections of Liberia.

The gentleman from Tennessee [Mr. GARRETT] lays great stress on the fact that these modifications were agreed to by the present administration. Does the gentleman think that when President Wilson issued this invitation for that commission to come here that he was absolutely certain then that he was to be succeeded by a Republican?

Mr. GARRETT of Tennessee. If the gentleman will permit me to state clearly and succinctly my own position, it is this, that the terms that were fixed under the Democratic administration were not accepted by the Liberian Government. Therefore the loan was not made. Other conditions, and any obligation, legal or moral, fell with the failure of the acceptance on the part of the Liberian Government. All since then is a matter of new negotiations and concerning that we are entitled to judge of the obligation.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes more to the gentleman.

Mr. LONGWORTH. The objection of the gentleman from Tennessee—and I think the objection of most of the leaders on that side—is purely technical.

The action taken by Mr. Wilson, Mr. Lansing, and the then Secretary of the Treasury—I have forgotten for the moment who was Secretary then—is enough to bind us in honor now when the opportunity comes to carry out that agreement. It

is precisely what any business man would do under those circumstances. Shall the Government of the United States be bound by any less delicate sense of honor than a business man?

Mr. MILLS. Would the gentleman say that he considers it fair in any sense of the word to say that a suggested modification of a detail of a plan was equivalent to rejecting that plan? That is the opposition of the gentleman from Tennessee.

Mr. LONGWORTH. The mere fact that the Treasury Department, up to very recently, carried this credit on their books shows that it has always contemplated a final settlement, and that these differences were merely matters of detail.

Mr. CAMPBELL of Kansas. Was this credit on the books of the Treasury Department after the failure of the Liberian Government to accept the old agreement?

Mr. LONGWORTH. It was carried until about five months ago. Here is the situation in which we find ourselves. This Government has stated not only to Liberia but it stated to all other Governments that have been interested in Liberia that it intends to make this loan itself. We invited England to stay out; we invited France to stay out. We said it was an American policy and we wanted to confine it to America in accordance with the well-known history of our liking for Liberia—our feeling, so to speak, of a sense of responsibility toward Liberia for the last 100 years.

Why, as long ago as 1843 Daniel Webster, in speaking of Liberia, in correspondence with the British Government, said:

> Founded principally with a view to the amelioration of the condition of an interesting portion of the great human family, this colony has conciliated more and more the good will, and has from time to time received the support of this Government. Without having passed any laws for their regulation, the American Government takes a deep interest in the welfare of the people of Liberia, and is disposed to extend to them a just degree of countenance and protection.

And other Secretaries of State have said practically the same thing—Secretary Bayard, Secretary Blaine, and Secretary Knox—have all iterated and reiterated our historical friendship for that country.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LONGWORTH. Mr. Chairman, I ask permission to revise and extend my remarks.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to revise and extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. FORDNEY. Mr. Chairman, I yield to the gentleman from Illinois [Mr. MADDEN] such time as he desires.

Mr. MADDEN. Mr. Chairman and gentlemen of the committee, under the provisions of the second Liberty loan act the President was authorized to make loans to countries at war with Germany. Liberia declared war with Germany, turned the German merchants out of Liberia, and turned her resources over to the Allies. President Wilson notified Liberia that he had placed a credit of $5,000,000 at the disposal of Liberia, and in fact $26,000 of the amount was paid to Liberia. The terms on which the remaining credit should be paid continued to be a matter of negotiation between the United States and Liberia until the close of the Wilson administration and these negotiations were continued after Mr. Harding became President. Prior to the conclusion of the negotiations peace had been declared by the Congress, thus the war power of the President ended, otherwise this bill would not be here. It is here only because we are bound by every consideration of justice to carry out the contract virtually made by the President under the authority of the second Liberty loan act. The establishment of the Republic of Liberia was not only encouraged but assisted by the United States. It was intended to be a haven for the free Negroes of America in the dark days of slavery here. The Republic of Liberia has existed for 100 years; during that time this country has watched over her with friendly solicitude. Liberia has an existing debt of about $1,500,000. It is proposed to take up this indebtedness and to merge it into the $5,000,000 loan provided for in this bill, to have Liberia issue its bonds and turn them over to the United States and to pledge its revenues toward their payment. Moreover, it is provided in the contract between the United States and Liberia that the money advanced under this authority is to be expended under the jurisdiction of an American commission to be appointed by the President. Thus the passage of the bill will carry out an obligation assumed by the President during the war on behalf of the Nation, do an act of simple justice to a people who aided to the best of their ability during the war, and at the same time assist in the perpetuation of one of the world's oldest republics by enabling its people to develop the country's resources without placing a single dollar of the loan in jeopardy.

Mr. COLLIER. Mr. Chairman, I ask unanimous consent to extend and revise my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. FORDNEY. Mr. Chairman, I yield to the gentleman from Pennsylvania.

The CHAIRMAN. The gentleman from Pennsylvania is recognized.

Mr. VARE. Mr. Chairman, the peculiar position the United States holds in relation to Liberia and the moral obligation we have held since the founding of that small Republic of Africa prompts me to give my whole-hearted support to the proposed loan of $5,000,000 to that country.

Liberia was founded as a place where colored persons, not slaves, but free negroes, of the United States could go that they might not be forced to face the conditions confronting free Negroes in the United States prior to the Civil War. At that time a free negro was far worse off here than his slave brother.

An expedition of less than 100 Negroes and six white men left for the African coast. The white men died, and a handful of the negroes returned for more. A second expedition started out, and the free Republic of Liberia was formed. Since then the United States has had a moral obligation to protect that little country.

It might be said that we have not been as efficient in our protection as we might have been. But now we have the opportunity to show that we meant it when we asked that little Republic to join the allied forces during the Great War and turn all Germans from its shores.

England and France were eager then to lend financial aid to Liberia. They wished to obtain the advantages of the natural resources of Liberia. They wished to have the great supply of palm oil, which is used in large quantities in the manufacture of munitions of war. The United States asked England and France to maintain a more distant attitude and refrain from making financial loans to Liberia. We wished to do it.

In good faith the previous administration made a loan to Liberia. President King, of that country, and his legislative officials did not believe the terms on which the loan was to be made were just. Negotiations followed. They were continued during the present administration. Peace between the United States and Germany terminated the previous credit to Liberia extended during the former administration. Further legislation is made necessary now.

Primarily this is a moral obligation to a country made up of former Americans. It is our child among nations. After our insistent request that other nations should not help Liberia we can not afford to withhold the aid we promised. As a business proposition I am confident that this country's money, lent to Liberia, is as safe if not safer than much of the money which has been lent to other nations. The great resources of that country guarantee the repayment of the loan.

Let us adopt this extension of credit that Liberia may be placed on a sound financial footing, and that our pledge of 100 years ago to those who left our shores that they might live as they wished with equal opportunities with their neighbor may be fulfilled. Let us support this measure, which has the unqualified earnest support and approval of our Secretary of State, Mr. Hughes, and the President, that our national honor might be maintained in the eyes of the world. [Applause.]

Mr. Chairman, I ask unanimous consent to extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FORDNEY. Mr. Chairman, I yield the remainder of my time to the gentleman from Wyoming [Mr. MONDELL].

The CHAIRMAN. The gentleman from Wyoming is recognized.

Mr. MONDELL. Mr. Chairman, the second Liberty loan act provided "that for the purpose of more effectively providing for the national security and defense and prosecuting the war the Secretary of the Treasury, with the approval of the President, is hereby authorized on behalf of the United States to establish credits with the United States for any foreign government then engaged in war with the enemies of the United States."

In the fall of 1918 the Republic of Liberia was at war with the Central Empires, and President Wilson, in the belief that a loan to Liberia would aid in the prosecution of the war, notified the Government of Liberia of a credit of $5,000,000. The

reasons for this credit were strongly and forcefully set out by Acting Secretary Polk and in a communication addressed to the President by Secretary Lansing. President Wilson in a short, sympathetic note stated that in his judgment the loan should be granted.

Unlike my friends on the Democratic side, I believe that the Democratic administration acted in good faith, and I believe the administration acted within the law. Down to the last day of President Wilson's administration that credit remained on the books of the Treasury to be drawn upon by Liberia, and continuously negotiations were in progress for the purpose of settling the details of the contract under which the loan was to be made available. At one time Liberia objected to some of the details of the contract. These objections were presented to our Government and given consideration. France and England, who up to that time and up to this time, as far as I know, have a joint relationship with the United States touching the finances of Liberia, were notified that Liberia had been granted the loan and that the American Government proposed to take over full and complete control of Liberia's finances. And so the Wilson administration went out of power leaving this Liberian loan question on our doorstep. It is one of the heritages of the war. Some consider it an unhappy heritage, as many of these war heritages are unhappy.

As far as we are concerned on our side, if the heritage is a legitimate one—and the parentage can not be denied or the responsibility questioned—we propose to keep the faith, even though the commitment was made by the Wilson administration. [Applause.]

Gentlemen on the other side in order to justify their opposition to this loan have gone so far as to say that in their opinion President Wilson's administration loaned of the good money of the burdened taxpayers of America one and a half billion dollars without warrant or authority of law. I do not believe that. I am one of those who have questioned the judgment exercised by the last administration in many of the loans which were made, but I believe they were all of them made within the law. Their judgment was bad; but I refuse either to question the legality of the acts or, as gentlemen on the Democratic side have done, impugn the motives which actuated them. They have impugned the motive, for they have declared and reiterated on the floor time and again that the efforts on behalf of the Liberian loan was all a miserable conspiracy hatched up by the international bankers for the purpose of relieving them from securities they did not desire to carry.

If that is true, if that is the character of influence that was behind the loan, then it is the influence that controlled President Wilson and Secretary Lansing and Acting Secretary Polk. They all of them made mistakes, but I refuse to join with the Democratic minority in denouncing them as men who disposed of the resources of this country not only in violation of law but actuated by unworthy motives.

Our administration came into power with this obligation, legal as well as moral, on its hands. It only lost its legal standing by the act of Congress in declaring a state of peace. But you can not remove, or lessen, or shorten a moral obligation by changing the terms of a law. The legal authority no longer existed, but the moral obligation remained to do what the Wilson administration for two years had steadily planned and purposed to do. What are we to do about it? Liberia is a child of this Republic. For years it was a settlement of American freedmen; then it became a Republic with a constitution almost identical with ours, with a flag in the image of our flag, with a government patterned after ours.

During all the years that the Government has existed its leaders have looked to us for inspiration and moral guidance. At one time England on one side and France on the other were encroaching upon the boundaries of Liberia and the affairs of the Republic were in so desperate a situation that President Roosevelt felt called upon and was authorized by Congress to appoint a commission to inquire into conditions there. The encroachments on Liberian territory have ceased, her boundaries are fixed and established. An agreement was entered into under which her debt was funded and the United States, Great Britain, and France appointed representatives to manage her finances. At our suggestion Liberia entered the war. Because of that action her seaport towns were bombarded by German gunboats, her commerce was for the time largely destroyed. She did her part. She was entitled to the consideration given her by President Wilson, and the question is, Shall we keep the obligation. The gentleman from Texas [Mr. GARNER] complains because some have said that in the keeping of this obligation we shall not lose financially. Is it any argument against doing your duty that in the doing of it you shall suffer no financial loss?

The loan is good, the security is first class. Under the conditions of the contract we become the managers of Liberia's income and aid in the development of her resources. Liberia is a rich region about the size of the State of Ohio, with abundant resources, with a considerable population of educated, civilized people, and with probably the best class of African natives anywhere in that section of the Black Continent—natives who are inclined to be peaceful and, according to their lights, industrious. We are proposing to help them on their way. When gentlemen on the Democratic side were asked what the money loaned was to be used for, why did they not read the clear and lucid statement of the purposes of the loan presented to the committee, rather than attempt to create the impression that most of the $5,000,000 was to be used for the liquidation of outstanding obligations. We become the first and only creditor by paying off Liberia's obligations, amounting to a little over $2,000,000. The balance is to be expended under our direction for the purpose of developing and making available her resources. We purpose to help her build roads and to establish and maintain order, to make possible the development of her commerce. In the doing of that we shall improve the opportunities of the new American merchant marine, for the possibilities of development are great and Liberia will be the one place on the Dark Continent where our flag shall be more welcome than that of any other nation. In meeting this obligation we are doing our duty, and in doing it we are laying up for ourselves the rich reward which comes to those who keep the faith. It in no wise detracts from our credit if we are also benefited by helping develop resources that will be useful to us in the future. We shall meet our obligation and aid Liberia; we shall also help ourselves. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Wyoming has expired. All time has expired. The Clerk will read the resolution for amendment.

The Clerk read as follows:

Resolved, etc., That the Secretary of the Treasury be, and he is hereby, authorized, on behalf of the United States, to establish a credit with the United States for the Government of Liberia, subject to the approval of the President and in conformity with an appropriate arrangement made under his direction for that purpose, in an amount not to exceed the sum of $5,000,000, and to the extent of the credit so established, the Secretary of the Treasury is hereby authorized to purchase from that Government its obligations hereafter issued, bearing such rate or rates of interest, maturing at such date or dates, and containing such terms and conditions as the Secretary may from time to time determine; and a sufficient sum of money is hereby appropriated, out of money not otherwise appropriated, to carry out the purposes of this resolution.

Mr. HUSTED. Mr. Chairman, I move to strike out the last word. I have been very much impressed in connection with the consideration of this resolution with the fact that four American Presidents—Roosevelt, Taft, Wilson, and Harding—have all been in agreement that we as a Nation have a special and particular interest in the destiny of Liberia and owe her our protection. I have also been greatly impressed by the statement of ex-Secretary Lansing and by the statement of Secretary Hughes that we stand committed before the world in honor to carry out this obligation. I always had great respect for the ability and character of Secretary Lansing, and I have the highest regard for the character and ability of Secretary Hughes. He is one of the strongest men in this country. He is one of the great men of the country, and nobody has ever accused him, or I think ever will accuse him, of mawkish sentimentality. Secretary Lansing and Secretary Hughes know more about the facts of this matter than any of us here can know, because in their department are all of the records, and they were concerned with the negotiation of this business.

What are the facts? During the war when it was of vital interest to America and to the civilized world that we should have the resources of Liberia and that she should be on our side in that great struggle Liberia came to us and asked for a loan. We agreed to make the loan. We not only agreed to make the loan, but we asked France and Great Britain to step out of the situation and let America control it. By that very act we prevented Liberia from getting the loan from anybody else, which everybody here must believe she could easily have obtained upon her own terms. But they say now that if we do not make the loan France and Great Britain stand ready to make it. Oh, yes; they undoubtedly stand ready to make the loan, but not upon the terms and conditions upon which they would have made the loan during the war. If they make the loan now, when they are under no legal or moral obligation to make it, they will make it for their own selfish benefit by the exploitation of Liberia. Gentlemen have said that we want to make the loan in order that we may take selfish advantage of Liberian resources, but I challenge the gentlemen to name a single nation which America in all of her history

has selfishly exploited against the interest of that nation. [Applause on the Republican side.] Oh, no; America does not want to exploit Liberia, and she does not intend to permit any other nation to exploit Liberia, but America does intend to make her word good before the world. [Applause on the Republican side.]

Mr. GARRETT of Tennessee. Mr. Chairman, if I were convinced that there were an obligation, legal or moral, engendered by any act of any administration, whether Democratic or Republican, I should be the last man who as a Representative would try to avoid the fulfillment of that obligation, but I am convinced no obligation, either legal or moral, exists in this case. Gentlemen say that the administration of Mr. Wilson in 1918 made a commitment of $5,000,000 to be loaned to Liberia, and because of the fact—and this is the logic of the argument which they make—that that commitment was made it became a continuing obligation, which now, almost four years after the date named on which the alleged commitment was made, must be carried out. Let me ask gentlemen this simple, plain question: The Wilson administration lasted until March, 1921. This tentative commitment was made in 1919. Why did not the Liberian Government get the money within that time? The reason the Liberian Government did not get the money within that time was because the Liberian Government refused to comply with conditions laid down during the Wilson administration for the obtaining of the loan.

Mr. CAMPBELL of Kansas. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. CAMPBELL of Kansas. If that be true, then why was not the amount placed to the credit of Liberia upon the books of the Treasury Department withdrawn from her credit?

Mr. GARRETT of Tennessee. That, of course, I do not know. Possibly the question was left for negotiation; but how does that affect the moral or the legal obligation resting upon us? The fact that the money was left there to be loaned if terms could finally be agreed upon means nothing to us. This is a commercial transaction. If I go to a bank and want to borrow money and the bank says that it will let me have the money under certain conditions put in the note, and I refuse to comply with those conditions or fail to comply with them, and the bank still holds the money, leaving it there subject to further negotiations until after the period has passed when there is a legal possibility of the bank performing its part of the contract, why certainly the bank is under no obligation to loan me the money thereafter.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. CHINDBLOM. Did not Liberia perform the part in the war which she agreed to perform and which she was expected to perform?

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

Mr. FORDNEY. I will not object, but I move that all debate on the resolution close in 10 minutes. The gentleman from Kansas [Mr. TINCHER] wants five minutes.

Mr. GARRETT of Tennessee. All right; I will yield the floor now.

Mr. SUMNERS of Texas. I want two minutes.

Mr. GARRETT of Tennessee. Though I would like to answer the question.

Mr. GRIFFIN. Will the gentleman withhold his motion? I have an amendment at the desk.

Mr. GARNER. Mr. Chairman, the motion made by the gentleman from Michigan does not preclude the offering of amendments and speaking on them. He merely moved that debate on the resolution close and did not mention amendments.

The question was taken, and the motion was agreed to.

Mr. GARRETT of Tennessee. I yield to the gentleman from Illinois.

Mr. CHINDBLOM. I want to ask if Liberia on her part did not perform her part in the war, whether she did not do the things which were expected when this loan was promised to her by our Government?

Mr. GARRETT of Tennessee. I do not know. I do not know about that, but I do know this, that Liberia never during the Democratic administration complied with the terms which would have enabled her to obtain this loan. What she did in the war I do not know.

Mr. BURTON. Will the gentleman yield?

Mr. GARRETT of Tennessee. I will.

Mr. BURTON. Is it not true that after this $5,000,000 had been set aside in the Treasury, $26,000 advanced, our Government postponed until June, 1920, nearly two years, a year and nine months, the presentation of the terms relating to the loan?

Mr. GARRETT of Tennessee. Well, I do not know; that does not appear in the hearings.

Mr. BURTON. It appears in the letter of Secretary Hughes, which is a part of the record.

Mr. GARRETT of Tennessee. Does the gentleman mean postponed conditions? The conditions, as I understand it, were definitely laid down to the Liberian Government by the Secretary of the Treasury at the time they sought the loan, and the Liberian Government refused to comply with those conditions.

Mr. BURTON. It is on the right-hand page of the statement by Secretary Hughes. And is it not true——

Mr. GARRETT of Tennessee. What page?

Mr. BURTON. And is it not further true that after that, after Liberia had complained of the terms, our Government, during the administration of President Wilson, so far from considering the transaction as canceled and the loan as withdrawn, invited a commission to come from Liberia?

Mr. GARRETT of Tennessee. Oh, Mr. Chairman, it seems to me, if the gentleman will pardon me, that is an effort to take an undue advantage of diplomatic language. This Government did not invite a commission to come from Liberia. The Liberian Government asked if it would be agreeable for a commission to come, and this Government politely said yes, if they came with authority. And it is not fair for the gentleman from Ohio, Mr. LONGWORTH, and the gentleman from Ohio, Mr. BURTON, to continue to fill the CONGRESSIONAL RECORD full of statements that this Government invited the representatives of the Liberian Government to come here, because it did not invite them to come. At least, no Democratic administration did.

Mr. BURTON. But this is, however, true, that they continued in consultation with them. I read the statement made on page 155 from a letter of Secretary Hughes:

> Because of unavoidable delay a plan to control the application and administration of this credit was not submitted to the Liberian Government until June 15, 1920.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TINCHER. Mr. Chairman, to my mind the proceedings of to-day are ridiculous. I think the Democratic side of the Chamber, where the opposition to the bill comes from, is in the most ridiculous attitude conceivable. The first gentleman who opposed it is the ranking Member on the minority side of the Ways and Means Committee. He rather generalized, and we all know by reason of his good fortune and location he will oppose every measure that is reported by the Ways and Means Committee so long as there is a Republican Congress, and this regardless, and purely as a politician, and so long as President Harding is President we know he will claim there is no good in this Government. There can be no question about that; he will do that; the country may not know it and may take some of his sayings seriously. The other gentleman, for whom I have the highest regard, always goes into things thoroughly. The gentleman from Georgia [Mr. CRISP] said that he opposed this measure, and in the same speech said that since the signing of the armistice the Democratic administration has paid out on war loans unauthorized by law $1,500,000,000. No voice on the Democratic side of the Chamber since I have been in this House has ever been raised against one dollar of that expenditure. Why did the Democrats give one billion and a half to the other countries which you now claim you had no lawful right to give them, and leave out Liberia? You only agreed to give her 2½ per cent of that amount. Some of you say it is not because they are Negroes. Then why? But what do you hope to do? This is the most political and most unheard-of fight that there has been in this House in two years that I remember. Do you think, with the testimony of Secretary Hughes, with the report from the President, that you can embarrass your Nation by denouncing your own administration as a bunch of crooks and deprive the Secretary of State of making this little $5,000,000 loan to Liberia and thereby discredit this country with the whole world?

Most of you thought the first thing this Government sent to Liberia should not be there and should not be freemen but slaves, and you are willing, in order to make political capital, in order to discredit the Secretary of State of this Government, in order to embarrass him in our diplomatic relations with other countries, you are willing to proclaim to the world that your own administration expended $1,500,000,000 unauthorized by law and not one of you, then Member of the House, ever raised a word of protest of that outrage against your Government.

Why this sudden morality? Why this sudden anxiety for the taxpayers? Every one of you knows the carrying out of this loan will not affect taxes one penny.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. TINCHER. No; I will not yield. I have only five minutes, and under the motion no way to get another moment.

You say, too, that if we do not make this loan England and France will. Well, if they do they probably will not pay us what they owe until after they collect it from Liberia. So what is the financial difference or condition? We will get better security perhaps from Liberia than we will from some of our other debtors. It is not a matter of principle; it is not a matter of economics. It is a matter of politics, pure and simple, in that you are willing to have the national administration embarrassed in our standing with the whole world, even at the expense of denouncing and discrediting your administration during the last four years. [Applause.]

Mr. Chairman, I yield the floor.

Mr. SUMNERS of Texas. Mr. Chairman, I move to strike out the last two words:

The CHAIRMAN. The Chair would like to state that under Rule XXIII it is provided:

> The committee may, by the vote of a majority of the Members present, at any time after the five minutes' debate has begun upon proposed amendments to any section or paragraph of a bill, close all debate upon such section or paragraph or, at its election, upon the pending amendments only (which motion shall be decided without debate); but this shall not preclude further amendment, to be decided without debate.

Amendments are now in order, but debate is closed.

Mr. GRIFFIN. Mr. Chairman, I have an amendment at the desk there, which I will ask the Clerk to report.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

> Amendment by Mr. GRIFFIN: Page 2, after the word "resolution," in line 17, strike out the period, insert a comma, and add the following: "*Provided*, That no part of the credit herein established shall be used for paying or acquiring any bonds issued by the Republic of Liberia prior to August 1, 1917."

Mr. GRIFFIN. Mr. Chairman and gentlemen: If this resolution were honestly intended to render financial help to the little Republic of Liberia, I think that all fair-minded Americans would give it hearty indorsement. On this issue there can be no partisanship and I regret that an effort seems to have been made to becloud the real issue by the injection of partisan recriminations.

My amendment aims to sift from the resolution the only feature against which there has been hurled any substantial or meritorious objection. Personally, I do not care whether the original grant of a credit of $5,000,000 for the Republic of Liberia, made on September 12, 1918, by the last administration, was or was not in conformity with the Liberty loan act. The fact is that the United States and Liberia never came to any agreement as to how the credit should be extended. If a valid grant were made, there would be no occasion to come to Congress with the present resolution. Neither does it make any difference whether the overtures for reestablishment of the credit came from Liberia or from the United States.

Support of the present resolution should depend upon its own merits. Its position here to-day is the result of an agreement signed by the Secretary of State and the Liberian Plenary Commissioner on October 28, 1921.

That agreement recites that the Government of Liberia shall require the Secretary of the Treasury of the United States to make to the Government of Liberia certain advances against a credit of $5,000,000 for certain purposes set forth in the agreement. Among these we find a provision for the advance of $1,650,000 "to purchase or redeem all of its bonds now issued and outstanding, representing the 5 per cent sinking fund gold loan due July 1, 1952," and reference is made to the agreement dated March 7, 1912, under which this loan was issued. The agreement in question was between the Republic of Liberia and J. P. Morgan & Co., Kuhn, Loeb & Co., the National City Bank of New York, and the First National Bank of New York, acting for themselves and for Robert Fleming & Co., Banque de Paris et des Pays Bas, M. M. Warburg & Co., and Hope & Co., and for others.

The total issue of bonds under the agreement was $1,700,000, and although the agreement of October 28, 1921, sets out $1,650,000 as the amount remaining unliquidated, there is actually outstanding $1,458,000.

It is interesting to note that the interest on this bond issue due January 1, 1921, has not been paid. This circumstance is significant and indicates very clearly the real purpose concealed behind this measure. There is evidently some solicitude on the part of the international bankers, not only as to the interest but perhaps as to the principal as well.

It is also interesting to note that the Republic of Liberia only realized upon the original bond issue, manipulated by the international bankers in question, about 26 cents on the dollar. It is bad enough that they should have overreached the little Republic of Liberia. I do not think we ought to allow them to overreach the United States of America.

I call your attention particularly to the last sentence of the sixth paragraph of this extraordinary agreement:

> It is understood that the Secretary of State of the United States may determine the best methods for acquiring part or all of the aforesaid bonds, but in no event shall more than par and accrued interest be paid therefor.

If this means anything at all, it means that the United States Government is to be saddled with the entire bond issue which it is naïvely restrained from acquiring at "not more than par." This is, of course, only an indirect way of giving an inflated value to bonds whose value is probably very much below par at the present time, and whose future, without extraneous assistance, is likely to be very uncertain.

The reanimation of this bond issue for the benefit of the international bankers is no part of our duty as a friend of Liberia. If we want to render a substantial aid to that struggling Republic, it seems to me that the wisest as well as the fairest and kindliest thing to do is to give it credit for the amount necessary to carry on those internal improvements which will tend to enhance its prosperity. If that is done, its creditors can very well look out for themselves. It is quite evident, however, that there is more solicitude here to-day for the investments of the international bankers than there is for the welfare of Liberia.

If I am wrong in that, the amendment which I offer will put the question to the test. My amendment proposes to add to the resolution the proviso that no part of the bond issues of Liberia prior to August 1, 1917, shall be paid or acquired by the United States. This will test the sincerity of the gentlemen who profess to be interested in the welfare of Liberia and will give the Members of this House an opportunity to help the struggling little Republic without pulling the chestnuts out of the fire for a coterie of international bankers.

The CHAIRMAN. Debate is out of order. The question is on agreeing to the amendment.

Mr. GARNER. Mr. Chairman, will the Chair hear me for a moment? I desire to submit a point of order. The gentleman from Michigan moved that all debate on the resolution close at the end of 10 minutes, but he does not include the amendments thereto. Now, does the Chair hold that the mere motion to close debate on the resolution precludes offering amendments and debating those amendments?

The CHAIRMAN. The Chair does not wish to be understood as saying that it would preclude the possibility of offering amendments. But article 6 of Rule XXIII provides that while such a motion as the gentleman from Michigan made shall not preclude amendments, such amendments must be decided without debate.

Mr. MONDELL. Mr. Chairman, if the Chair will allow me, the gentleman from Michigan [Mr. FORDNEY] I thought made a motion to close debate on the paragraph and amendments. But when the motion was put by the Chair the gentleman from Texas [Mr. GARNER] insisted that the amendment was simply an amendment to close debate on the paragraph, and that it did not close the debate on amendments. Now, I think in fairness to the statement then made and not challenged we can not now close debate on this amendment.

Mr. FORDNEY. Mr. Chairman, my intention was to close, as the gentleman has said, because I understood there was an amendment to be offered. I move that all debate on amendments——

The CHAIRMAN. Let the Chair make a statement. It seems to the Chair that we have reached the case that is now before the House—that is, of asking unanimous consent—and the gentleman has asked unanimous consent.

Mr. CAMPBELL of Kansas. The decision of the Chair is undoubtedly correct according to the rules of the House, and I ask unanimous consent that debate on the amendments offered may proceed under the five-minute rule.

The CHAIRMAN. Is there objection?

Mr. CAMPBELL of Kansas. For and against. That means five minutes for and five minutes against.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. GRIFFIN] be allowed to debate his amendment for five minutes.

Mr. BEGG. Mr. Chairman, reserving the right to object, is that going to be the method of procedure for every amendment that is offered or only for this amendment? I will say that if it is going to be continuous I shall object to this.

Mr. MONDELL. Of course, with the understanding that there will be 10 minutes' debate on this amendment. But may I suggest this, that the better procedure is the one suggested by the gentleman from Michigan [Mr. FORDNEY]?

Mr. Chairman, I move that all debate on the resolution and all amendments thereto close in 10 minutes.

The CHAIRMAN. The committee has already decided that question by vote of the committee.

Mr. GRIFFIN. Mr. Chairman, will the Chair permit me to say a word?

The CHAIRMAN. The Chair is powerless to do anything except to observe the rules of the House.

Mr. MONDELL. My motion is certainly in order on the resolution and all amendments.

The CHAIRMAN. The Chair must rule——

Mr. GRIFFIN. Will the Chair indulge me for a moment?

The CHAIRMAN. Let the Chair make a statement. The gentleman from Wyoming moves that all debate on the resolution and all amendments thereto close in 10 minutes, if the Chair understood it.

The committee has already decided that question by vote, and there is no way to reach the question that he submits except by reconsideration of the vote that has already been taken or by unanimous consent. It can not be reconsidered in committee, and there is only one way to do it, and that is by unanimous consent. The Chair can not entertain a motion to consider a proposition that has been already decided.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent that debate on the amendment now pending may be allowed for 10 minutes.

The CHAIRMAN. The gentleman from Wyoming asks unanimous consent that debate on the amendment now pending, offered by the gentleman from New York [Mr. GRIFFIN], may continue for 10 minutes. Is there objection?

Mr. BEGG. I object, Mr. Chairman.

Mr. GRIFFIN. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent to proceed for five minutes. Is there objection?

Mr. MONDELL. I object, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. GRIFFIN].

The question was taken, and the amendment was rejected.

Mr. FORDNEY. Mr. Chairman, I move that the committee do now rise.

Mr. STAFFORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. STAFFORD. What becomes of the preamble?

The CHAIRMAN. That will be acted on in the House.

Mr. FORDNEY. Mr. Chairman, I move that the committee do now rise and report the resolution to the House with a recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MADDEN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having under consideration the joint resolution (H. J. Res. 270) authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia, had directed him to report the same back to the House with the recommendation that the same do pass.

Mr. FORDNEY. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The gentleman from Michigan moves the previous question on the resolution.

Mr. GRIFFIN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from New York makes the point of order that there is no quorum present. The Chair will count.

Mr. GRIFFIN. Mr. Speaker, I withdraw the point.

The SPEAKER. The gentleman from New York withdraws the point. The question is on the motion for the previous question.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed.

Mr. WALSH. Mr. Speaker, is it intended to vote upon the preamble?

The SPEAKER. The Chair was not aware that there is a preamble. The question is on agreeing to the preamble.

The preamble was agreed to.

The SPEAKER. The question is on the third reading of the joint resolution.

The joint resolution was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the resolution.

Mr. GARNER. Mr. Speaker, I make a motion to recommit.

The SPEAKER. The gentleman from Texas makes a motion to recommit, which the Clerk will report.

The Clerk read as follows:

Mr. GARNER moves to recommit House Joint Resolution 270 to the Committee on Ways and Means, with instructions to report the same back instanter with an amendment providing that no part of the moneys loaned to the Republic of Liberia under this resolution shall be used in paying any indebtedness of the Republic of Liberia which existed prior to August 1, 1914.

Mr. FORDNEY. Mr. Speaker, I move the previous question.

Mr. GRIFFIN. Mr. Speaker, I make the point of order that there is no quorum present. No; I will withdraw that.

The SPEAKER. The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit. On that the gentleman from New York [Mr. GRIFFIN] makes the point of order that there is no quorum present.

Mr. GRIFFIN. I withdraw the point.

Mr. CAMPBELL of Kansas. I suggest to gentlemen on the other side to go to a school in parliamentary procedure. [Laughter.]

Mr. GARNER. We can not keep track of what is going on on account of the interruptions of the gentleman from Kansas. [Laughter.] Mr. Speaker, I call for the yeas and nays.

The SPEAKER. The gentleman from Texas calls for the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Those in favor of the motion to recommit will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 123, nays 166, answered "present" 2, not voting 139, as follows:

YEAS—123.

Almon	Fulmer	Lea, Calif.	Sanders, Tex.
Aswell	Gahn	Lee, Ga.	Sandlin
Bankhead	Gallivan	London	Schall
Barkley	Garner	Lowrey	Scott, Tenn.
Bell	Garrett, Tenn.	Lyon	Sinclair
Black	Garrett, Tex.	McClintic	Sisson
Bland, Va.	Goldsborough	McCormick	Steagall
Bowling	Griffin	McDuffie	Stedman
Box	Hammer	Mansfield	Stoll
Briggs	Hardy, Tex.	Moore, Va.	Summers, Wash.
Brown, Tenn.	Harrison	Nelson, A. P.	Sumners, Tex.
Buchanan	Hayden	Nelson, J. M.	Swank
Bulwinkle	Herrick	Norton	Tague
Byrnes, S. C.	Hooker	O'Brien	Thomas
Byrns, Tenn.	Huddleston	Oldfield	Tillman
Carew	Jacoway	Oliver	Tucker
Carter	James	Overstreet	Tyson
Collier	Jeffers, Ala.	Padgett	Underhill
Connally, Tex.	Johnson, Ky.	Park, Ga.	Upshaw
Cooper, Wis.	Johnson, Miss.	Parks, Ark.	Vinson
Cramton	Jones, Tex.	Pou	Voigt
Crisp	Keller	Quin	Volk
Cullen	Kincheloe	Rainey, Ill.	Weaver
Davis, Tenn.	King	Rankin	Wilson
Deal	Knight	Rayburn	Wise
Doughton	Lampert	Reece	Woodruff
Drewry	Lanham	Riordan	Woods, Va.
Driver	Lankford	Rossdale	Wright
Dupré	Larsen, Ga.	Rouse	Wyant
Fisher	Layton	Rucker	Zihlman
Frear	Lazaro	Sabath	

NAYS—166.

Ackerman	Chindblom	Fordney	Johnson, Wash.
Andrew, Mass.	Christopherson	Free	Kennedy
Andrews, Nebr.	Clague	Freeman	Ketcham
Ansorge	Clarke, N. Y.	French	Kinkaid
Anthony	Clouse	Frothingham	Kissel
Appleby	Cole, Iowa	Fuller	Kline, Pa.
Arentz	Cole, Ohio	Gensman	Knutson
Bacharach	Colton	Gernerd	Kraus
Barbour	Cooper, Ohio	Glynn	Lawrence
Begg	Crowther	Goodykoontz	Leatherwood
Benham	Curry	Greene, Mass.	Lee, N. Y.
Bird	Dale	Greene, Vt.	Lehlbach
Bland, Ind.	Dallinger	Hadley	Lineberger
Bond	Denison	Hardy, Colo.	Longworth
Bowers	Dunbar	Haugen	Luce
Brennan	Dunn	Hays	Luhring
Brooks, Ill.	Echols	Henry	McKenzie
Burroughs	Edmonds	Hickey	McLaughlin, Mich.
Burtness	Elliott	Himes	McLaughlin, Nebr.
Burton	Evans	Hoch	Madden
Cable	Fairchild	Hogan	Magee
Campbell, Kans.	Fairfield	Hukriede	Mapes
Chalmers	Faust	Hull	Merritt
Chandler, N. Y.	Fenn	Husted	Michener
Chandler, Okla.	Fish	Hutchinson	Miller

Mills	Parker, N. Y.	Shaw	Tinkham
Millspaugh	Patterson, Mo.	Shelton	Towner
Mondell	Perkins	Sinnott	Vaile
Montoya	Perlman	Slemp	Vare
Moore, Ill.	Petersen	Smith, Idaho	Vestal
Moore, Ohio	Pringey	Speaks	Volstead
Moores, Ind.	Purnell	Sproul	Walsh
Morin	Radcliffe	Stafford	Wason
Mott	Ricketts	Steenerson	Watson
Murphy	Riddick	Stephens	Wheeler
Nelson, Me.	Roach	Strong, Kans.	White, Me.
Newton, Minn.	Robertson	Swing	Williams
Newton, Mo.	Robsion	Taylor, N. J.	Williamson
Nolan	Rodenberg	Temple	Wood, Ind.
Ogden	Rogers	Thompson	Young
Paige	Rose	Timberlake	
Parker, N. J.	Sanders, N. Y.	Tincher	

ANSWERED "PRESENT"—2.

Hawley	Linthicum

NOT VOTING—139.

Anderson	Dyer	Kleczka	Reed, W. Va.
Atkeson	Ellis	Kline, N. Y.	Rhodes
Beck	Favrot	Kopp	Rosenbloom
Beedy	Fess	Kreider	Ryan
Bixler	Fields	Kunz	Sanders, Ind.
Blakeney	Fitzgerald	Langley	Scott, Mich.
Blanton	Focht	Larson, Minn.	Sears
Boies	Foster	Little	Shreve
Brand	Funk	Logan	Siegel
Britten	Gilbert	McArthur	Smith, Mich.
Brooks, Pa.	Gorman	McFadden	Smithwick
Browne, Wis.	Gould	McLaughlin, Pa.	Snell
Burdick	Graham, Ill.	McPherson	Snyder
Burke	Graham, Pa.	McSwain	Stevenson
Butler	Green, Iowa	MacGregor	Stiness
Campbell, Pa.	Griest	Maloney	Strong, Pa.
Cannon	Hawes	Mann	Sullivan
Cantrill	Hersey	Martin	Sweet
Clark, Fla.	Hicks	Mead	Taylor, Ark.
Classon	Hill	Michaelson	Taylor, Colo.
Cockran	Hudspeth	Montague	Taylor, Tenn.
Codd	Humphreys	Morgan	Ten Eyck
Collins	Ireland	Mudd	Tilson
Connell	Jefferis, Nebr.	O'Connor	Treadway
Connolly, Pa.	Johnson, S. Dak.	Olpp	Walters
Copley	Jones, Pa.	Osborne	Ward, N. Y.
Coughlin	Kahn	Patterson, N. J.	Ward, N. C.
Crago	Kearns	Porter	Webster
Darrow	Kelley, Mich.	Rainey, Ala.	White, Kans.
Davis, Minn.	Kelly, Pa.	Raker	Wingo
Dempsey	Kendall	Ramseyer	Winslow
Dickinson	Kiess	Ransley	Woodyard
Dominick	Kindred	Reavis	Wurzbach
Dowell	Kirkpatrick	Reber	Yates
Drane	Kitchin	Reed, N. Y.	

So the motion to recommit was lost.

The following pairs were announced:

On the vote:

Mr. Ward of North Carolina (for) with Mr. Graham of Pennsylvania (against).

Mr. Stevenson (for) with Mr. Darrow (against).

Mr. Cockran (for) with Mr. Treadway (against).

Mr. Snell (for) with Mr. Rosenbloom (against).

Mr. Beck (for) with Mr. Porter (against).

Mr. Linthicum (for) with Mr. Blakeney (against).

Mr. Cantrill (for) with Mr. Kirkpatrick (against).

Mr. Dominick (for) with Mr. Bixler (against).

Mr. Wingo (for) with Mr. Siegel (against).

Mr. Brand (for) with Mr. Griest (against).

Mr. Hawes (for) with Mr. Butler (against).

Mr. Collins (for) with Mr. Focht (against).

Until further notice:

Mr. Morgan with Mr. Sears.

Mr. Kiess with Mr. Martin.

Mr. Sanders of Indiana with Mr. Logan.

Mr. Winslow with Mr. Ten Eyck.

Mr. Dowell with Mr. Fields.

Mr. Johnson of South Dakota with Mr. Kitchin.

Mr. Dickinson with Mr. McSwain.

Mr. Hawley with Mr. Montague.

Mr. Boies with Mr. Raker.

Mr. McArthur with Mr. Taylor of Colorado.

Mr. Langley with Mr. Clark of Florida.

Mr. Osborne with Mr. Kunz.

Mr. Snyder with Mr. Humphreys.

Mr. Davis of Minnesota with Mr. Sullivan.

Mr. Kahn with Mr. Favrot.

Mr. Ramseyer with Mr. Mead.

Mr. Gorman with Mr. Gilbert.

Mr. Shreve with Mr. Taylor of Arkansas.

Mr. Beedy with Mr. Blanton.

Mr. Kopp with Mr. Smithwick.

Mr. Browne of Wisconsin with Mr. Drane.

Mr. McPherson with Mr. Hudspeth.

Mr. Patterson of New Jersey with Mr. Kindred.

Mr. Coughlin with Mr. Rainey of Alabama.

Mr. Connell with Mr. Campbell of Pennsylvania.

Mr. LINTHICUM. Mr. Speaker, I voted "aye." I am paired with the gentleman from Maryland, Mr. BLAKENEY. I therefore withdraw that vote and answer "present."

Mr. HAWLEY. Mr. Speaker, I voted "aye," but I have a general pair with the gentleman from Virginia, Mr. MONTAGUE. I wish to withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question now is on the passage of the joint resolution.

Mr. MONDELL and Mr. GARNER demanded the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 148, nays 139, answered "present" 7, not voting 136, as follows:

YEAS—148.

Ackerman	Elliott	Lee, N. Y.	Pringey
Andrews, Nebr.	Fairchild	Lehlbach	Purnell
Ansorge	Fairfield	Lineberger	Radcliffe
Anthony	Fenn	Longworth	Ricketts
Appleby	Fish	Luce	Riddick
Arentz	Fitzgerald	Luhring	Robertson
Bacharach	Fordney	McCormick	Rodenberg
Barbour	Free	McKenzie	Rogers
Begg	Freeman	McLaughlin, Mich.	Rose
Benham	French	McLaughlin, Nebr.	Sanders, N. Y.
Bland, Ind.	Frothingham	Madden	Shaw
Bond	Fuller	Magee	Shelton
Bowers	Gahn	Mapes	Sinnott
Brennan	Gensman	Merritt	Slemp
Brooks, Ill.	Gernerd	Michener	Smith, Idaho
Burroughs	Glynn	Miller	Speaks
Burtness	Goodykoontz	Mills	Sproul
Burton	Greene, Mass.	Millspaugh	Stephens
Cable	Greene, Vt.	Mondell	Taylor, N. J.
Campbell, Kans.	Hadley	Montoya	Temple
Chalmers	Hardy, Colo.	Moore, Ill.	Thompson
Chandler, N. Y.	Hays	Moore, Ohio	Timberlake
Chandler, Okla.	Henry	Moores, Ind.	Tincher
Chindblom	Hickey	Morin	Tinkham
Clarke, N. Y.	Himes	Mott	Towner
Cole, Iowa	Hoch	Murphy	Vaile
Cole, Ohio	Hogan	Nelson, Me.	Vare
Colton	Holl	Newton, Minn.	Vestal
Cooper, Ohio	Husted	Nolan	Volstead
Crowther	Hutchinson	Ogden	Wason
Curry	Johnson, Wash.	Paige	Watson
Dale	Keller	Parker, N. J.	Wheeler
Dallinger	Kennedy	Parker, N. Y.	White, Kans.
Denison	Ketcham	Patterson, Mo.	White, Me.
Dunn	Kissel	Perkins	Williams
Echols	Kline, Pa.	Perlman	Wood, Ind.
Edmonds	Leatherwood	Petersen	Young

NAYS—139.

Almon	Faust	Lazaro	Sandlin
Andrew, Mass.	Fisher	Lea, Calif.	Schall
Aswell	Frear	Lee, Ga.	Scott, Tenn.
Bankhead	Fulmer	London	Sinclair
Barkley	Garner	Lowrey	Sisson
Bell	Garrett, Tenn.	Lyon	Stafford
Bird	Garrett, Tex.	McClintic	Steagall
Black	Goldsborough	McDuffie	Stedman
Bland, Va.	Griffin	Mansfield	Steenerson
Bowling	Hammer	Moore, Va.	Stoll
Box	Hardy, Tex.	Nelson, A. P.	Strong, Kans.
Briggs	Harrison	Nelson, J. M.	Summers, Wash.
Brown, Tenn.	Hawes	Newton, Mo.	Sumners, Tex.
Buchanan	Hayden	Norton	Swank
Bulwinkle	Herrick	O'Brien	Swing
Byrnes, S. C.	Hooker	O'Connor	Tague
Byrns, Tenn.	Huddleston	Oldfield	Ten Eyck
Carew	Hukriede	Oliver	Thomas
Carter	Jacoway	Overstreet	Tillman
Christopherson	James	Padgett	Tucker
Clague	Jeffers, Ala.	Park, Ga.	Tyson
Clouse	Johnson, Ky.	Parks, Ark.	Underhill
Collier	Johnson, Miss.	Pou	Upshaw
Connally, Tex.	Jones, Tex.	Quin	Vinson
Cooper, Wis.	Kincheloe	Rainey, Ill.	Voigt
Cramton	King	Rankin	Weaver
Crisp	Kinkaid	Rayburn	Williamson
Cullen	Knight	Reece	Wilson
Davis, Tenn.	Kraus	Riordan	Wise
Deal	Lampert	Roach	Woodruff
Doughton	Lanham	Robsion	Woods, Va.
Drewry	Lankford	Rouse	Wright
Driver	Larsen, Ga.	Rucker	Wyant
Dupré	Lawrence	Sabath	Zihlman
Evans	Layton	Sanders, Tex.	

ANSWERED "PRESENT"—7.

Dunbar	Hawley	Langley	Volk
Gallivan	Knutson	Linthicum	

NOT VOTING—136.

Anderson	Boies	Butler	Codd
Atkeson	Brand	Campbell, Pa.	Collins
Beck	Britten	Cannon	Connell
Beedy	Brooks, Pa.	Cantrill	Connolly, Pa.
Bixler	Browne, Wis.	Clark, Fla.	Copley
Blakeney	Burdick	Classon	Coughlin
Blanton	Burke	Cockran	Crago

Darrow	Humphreys	MacGregor	Sears
Davis, Minn.	Ireland	Maloney	Shreve
Dempsey	Jefferis, Nebr.	Mann	Siegel
Dickinson	Johnson, S. Dak.	Martin	Smith, Mich.
Dominick	Jones, Pa.	Mead	Smithwick
Dowell	Kahn	Michaelson	Snell
Drane	Kearns	Montague	Snyder
Dyer	Kelley, Mich.	Morgan	Stevenson
Ellis	Kelly, Pa.	Mudd	Stiness
Favrot	Kendall	Olpp	Strong, Pa.
Fess	Kiess	Osborne	Sullivan
Fields	Kindred	Patterson, N. J.	Sweet
Focht	Kirkpatrick	Porter	Taylor, Ark.
Foster	Kitchin	Rainey, Ala.	Taylor, Colo.
Funk	Kleczka	Raker	Taylor, Tenn.
Gilbert	Kline, N. Y.	Ramseyer	Tilson
Gorman	Kopp	Ransley	Treadway
Gould	Kreider	Reavis	Walsh
Graham, Ill.	Kunz	Reber	Walters
Graham, Pa.	Larson, Minn.	Reed, N. Y.	Ward, N. Y.
Green, Iowa	Little	Reed, W. Va.	Ward, N. C.
Griest	Logan	Rhodes	Webster
Haugen	McArthur	Rosenbloom	Wingo
Hersey	McFadden	Rossdale	Winslow
Hicks	McLaughlin, Pa.	Ryan	Woodyard
Hill	McPherson	Sanders, Ind.	Wurzbach
Hudspeth	McSwain	Scott, Mich.	Yates

So the resolution was agreed to.

The Clerk announced the following additional pairs:

On this vote:

Mr. Graham of Pennsylvania (for) with Mr. Ward of North Carolina (against).

Mr. Darrow (for) with Mr. Stephenson (against).

Mr. Treadway (for) with Mr. Cockran (against).

Mr. Rosenbloom (for) with Mr. Snell (against).

Mr. Porter (for) with Mr. Beck (against).

Mr. Blakeney (for) with Mr. Linthicum (against).

Mr. Kirkpatrick (for) with Mr. Cantrill (against).

Mr. Bixler (for) with Mr. Dominick (against).

Mr. Siegel (for) with Mr. Wingo (against).

Mr. Griest (for) with Mr. Brand (against).

Mr. Focht (for) with Mr. Collins (against).

Until further notice:

Mr. Rhodes with Mr. Gallivan.

Mr. Dowell with Mr. Fields.

Mr. Hawley with Mr. Montague.

Mr. Ramseyer with Mr. Mead.

Mr. FITZGERALD. Mr. Speaker, I voted "yea," but I understand that I am recorded "nay," and I desire to be recorded "yea." I was present during the vote on the motion to recommit and intended to vote "nay," but I understand that I am not recorded. I desire to be recorded as voting "nay" on the motion to recommit.

The result of the vote was announced as above recorded.

On motion of Mr. MONDELL, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to—

Mr. REED of West Virginia, for to-day, on account of sickness in his family.

Mr. MORGAN, for four days, on account of important business.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bills:

H. R. 11547. An act making an appropriation for additional hospital facilities for patients of the United States Veterans' Bureau;

H. R. 10941. An act authorizing the Postmaster General to grant permission to use special canceling stamps or postmarking dies; and

H. R. 4382. An act to provide for the application of the reclamation law to irrigation districts.

EXTENSION OF REMARKS.

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent to extend my remarks upon the amendment which I offered to the resolution which has just been passed.

The SPEAKER. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. FORDNEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 5 o'clock and 52 minutes p. m.) the House adjourned until to-morrow, Thursday, May 11, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

609. Under clause 2 of Rule XXIV, a communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the War Department for the fiscal year ending June 30, 1922, for payment to Louis Leavitt, $620,623.33 (H. Doc. No. 313), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. BURTNESS: Committee on Indian Affairs. H. R. 10211. A bill authorizing an appropriation to meet proportionate expenses of providing a drainage system for Plute Indian lands in the State of Nevada within the Newlands reclamation project of the Reclamation Service; with amendments (Rept. No. 998). Referred to the Committee of the Whole House on the state of the Union.

Mr. TINCHER: Committee on Agriculture. H. R. 5823. A bill providing for establishing shooting grounds for the public, for establishing game refuges and breeding grounds, for protecting migratory birds, and requiring a Federal license to hunt them; with amendments (Rept. No. 999). Referred to the Committee of the Whole House on the state of the Union.

Mr. HAYDEN: Committee on Irrigation of Arid Lands. H. R. 10248. A bill to amend the act of April 16, 1906, and the act of February 24, 1911, relative to the lease of surplus electric power on Federal irrigation projects; with amendments (Rept. No. 1000). Referred to the Committee of the Whole House on the state of the Union.

Mr. MONTOYA: Committee on the Public Lands. S. 2014. An act to provide for the settlement of small holding claims on unsurveyed land in the State of New Mexico; without amendment (Rept. No. 1001). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. CABLE: A bill (H. R. 11604) to amend an act entitled "An act to limit the immigration of aliens into the United States," and to provide for the transportation of said aliens in vessels of the United States; to the Committee on Immigration and Naturalization.

By Mr. KAHN: A bill (H. R. 11605) to amend the provisions of section 127a of the national defense act, as amended; to the Committee on Military Affairs.

By Mr. HAMMER: A bill (H. R. 11606) to provide daylight saving for the District of Columbia; to the Committee on the District of Columbia.

By Mr. PETERSEN: A bill (H. R. 11607) to establish a commission to inquire into cost conditions in the coal industry; to the Committee on Mines and Mining.

By Mr. TIMBERLAKE: A bill (H. R. 11608) to continue the land office at Sterling, in the State of Colorado, and for other purposes; to the Committee on the Public Lands.

By Mr. LAYTON (by request): Resolution (H. Res. 345) directing the Sergeant at Arms of the House of Representatives to purchase for the use of the House 1,000 copies of a book entitled "History and Validity of Federal Constitutional Amendments"; to the Committee on Accounts.

By Mr. BURDICK: Memorial of the General Assembly of the State of Rhode Island, urging the Government of the United States of America to formally recognize the present status of the Jewish people in Palestine and thus to approve the fulfillment of its yearning desire for a national home in the land of their forefathers; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOWERS: A bill (H. R. 11609) for the relief of Adah Lee Mapel; to the Committee on Claims.

By Mr. CARTER: A bill (H. R. 11610) granting a pension to Essie Moore; to the Committee on Pensions.

By Mr. CROWTHER: A bill (H. R. 11611) granting a pension to Elmira Bauer; to the Committee on Invalid Pensions.

By Mr. ELLIOTT: A bill (H. R. 11612) granting a pension to Clifford Baldwin; to the Committee on Pensions.

By Mr. KENDALL: A bill (H. R. 11613) granting an increase of pension to Lizzie M. Drayden; to the Committee on Invalid Pensions.

By Mr. LINTHICUM: A bill (H. R. 11614) granting a pension to Annie Rheb; to the Committee on Invalid Pensions.

By Mr. MOTT: A bill (H. R. 11615) granting an increase of pension to Thomas Devine; to the Committee on Pensions.

By Mr. PAIGE: A bill (H. R. 11616) granting a pension to Angelina B. Newell; to the Committee on Invalid Pensions.

By Mr. REECE: A bill (H. R. 11617) for the relief of David E. Goodwin; to the Committee on Military Affairs.

Also, a bill (H. R. 11618) granting a pension to Dudley J. Howell; to the Committee on Pensions.

Also, a bill (H. R. 11619) granting a pension to Lucy C. Range; to the Committee on Pensions.

Also, a bill (H. R. 11620) granting an increase of pension to Charles M. Lusby; to the Committee on Pensions.

Also, a bill (H. R. 11621) granting a pension to James Alford; to the Committee on Pensions.

Also, a bill (H. R. 11622) granting a pension to Benjamin Hammonds; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5544. By Mr. ANSORGE: Petition of Charles Frederick Carter, opposing bonus legislation and any tariff increases; to the Committee on Ways and Means.

5545. By Mr. BARBOUR: Petition of residents of Exeter, Calif., protesting against H. R. 9753, H. R. 4388, or S. 1948, known as the Sunday laws; to the Committee on the District of Columbia.

5546. Also, petition of residents of Stanislaus County, Calif., protesting against the enactment of H. R. 4388, H. R. 9753, or S. 1948, known as the Sunday observance bills; to the Committee on the District of Columbia.

5547. By Mr. FRENCH: Petition of E. W. Porter and other residents of Idaho, protesting against the enactment of H. R. 9753 and other Sunday bills; to the Committee on the District of Columbia.

5548. By Mr. GLYNN: Petition of Zionists of the State of Connecticut, favoring the Lodge and Fish resolutions, for a Jewish homeland in Palestine; to the Committee on Foreign Affairs.

5549. By Mr. KAHN: Petition of 2,689 citizens and residents of Missouri, in favor of the modification of the Volstead law on prohibition so as to allow the manufacture and sale of light wines and beer; to the Committee on the Judiciary.

5550. By Mr. KISSEL: Petition of the New York Post Office Chauffeurs and Mechanics' Union, Local No. 2, New York, N. Y., relative to certain conditions in the New York post office; to the Committee on the Post Office and Post Roads.

5551. Also, petition of the United Mine Workers Journal, of Washington, D. C., relative to the conditions of coal miners; to the Committee on Labor.

5552. By Mr. LINTHICUM: Petition of Harry L. Henry, of Saranac Lake, N. Y., urging favorable action on Treasury ruling 57; to the Committee on Interstate and Foreign Commerce.

5553. Also, petitions of Cahn Coblens Co., of Baltimore, protesting against proposed increased tariff on linens; W. T. Grieves & Co. and others, of Baltimore, urging protective tariff on certain canned goods; and Nicholas G. Penniman and the Davison Chemical Co., of Baltimore, opposing tax on potash; to the Committee on Ways and Means.

5554. Also, petition of the National Canners' Association, of Aberdeen, Md., opposing Senate bill 3509; to the Committee on Labor.

5555. By Mr. SUMMERS of Washington: Petition of numerous voters of Yakima, Granger, and Zillah, all in the State of Washington, protesting against the passage of House bill 9753 or Senate bill 1948; to the Committee on the District of Columbia.

5556. By Mr. TAYLOR of Colorado: Petition of citizens of Fort Collins, Colo., urging passage of the bill to restore Palestine to the Jewish people as a national homeland; to the Committee on Foreign Affairs.

5557. Also, resolution of the Lions Club of Salida, Colo., protesting against repeal of section 422 of the transportation act; to the Committee on Interstate and Foreign Commerce.

5558. By Mr. TINKHAM: Resolutions adopted by the Massachusetts Commandery of the Naval and Military Order of the Spanish-American War, relative to the strength of the Army; to the Committee on Appropriations.

SENATE.

THURSDAY, *May 11, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m. on the expiration of the recess.

THE TARIFF.

The VICE PRESIDENT. The unfinished business, House bill 7456, will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. The Secretary will state the pending amendment.

The ASSISTANT SECRETARY. The next amendment of the Committee on Finance is, on page 4, line 16, where it is proposed to strike out the words "ammonium nitrate" and the comma.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Frelinghuysen	McCormick	Simmons
Borah	Glass	McCumber	Smoot
Brandegee	Gooding	McKellar	Spencer
Bursum	Hale	McLean	Stanley
Calder	Harreld	McNary	Sterling
Capper	Harris	Nelson	Sutherland
Caraway	Harrison	Newberry	Swanson
Colt	Heflin	Nicholson	Townsend
Culberson	Johnson	Oddie	Underwood
Curtis	Jones, Wash.	Overman	Walsh, Mass.
Dial	Kellogg	Page	Warren
Dillingham	Kendrick	Phipps	Watson, Ga.
du Pont	King	Poindexter	Watson, Ind.
Edge	Ladd	Pomerene	Weller
Elkins	La Follette	Rawson	Willis
Fletcher	Lenroot	Robinson	
France	Lodge	Sheppard	

Mr. HEFLIN. I wish to announce that the Senator from Nebraska [Mr. NORRIS], the Senator from New Hampshire [Mr. KEYES], and the Senator from Illinois [Mr. MCKINLEY] are engaged at a hearing before the Committee on Agriculture and Forestry with reference to the Muscle Shoals project.

Mr. DIAL. I desire to announce that my colleague [Mr. SMITH] is unavoidably detained. I ask that this announcement may continue through the day.

The VICE PRESIDENT. Sixty-six Senators have answered to their names. A quorum is present. The question is on agreeing to the committee amendment.

PETITIONS AND MEMORIALS.

Mr. WILLIS presented petitions of W. G. Dressel and sundry other citizens of Convoy and Ed Delaet and sundry other citizens of Paulding, all in the State of Ohio, praying for the imposition of a tariff duty of $2 per hundred pounds on imported Cuban sugar, which were referred to the Committee on Finance.

He also presented a resolution of the Builders' Exchange, of Akron, Ohio, favoring the enactment of legislation transferring the functions of the Railroad Labor Board to the Interstate Commerce Commission or the creation of a new board of five members, to be appointed by the President, all of whom shall represent the public and whose decisions shall be reviewable by the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

Mr. CAPPER presented a resolution adopted by the convention of the Eastern Osteopathic Association at Atlantic City, N. J., favoring the enactment of legislation for the promotion of physical education in the United States, which was referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens of Dodge City, Kans., praying for the passage of the Dyer antilynching bill, which was referred to the Committee on the Judiciary.

Mr. PAGE presented the memorial of John W. Dow and sundry other citizens of Reading and Felchville, in the State of Vermont, remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. SHEPPARD presented petitions of sundry citizens in the State of Texas, praying for the enactment of legislation to control the traffic in narcotic drugs, which were referred to the Committee on Finance.

Mr. NEWBERRY presented a resolution adopted by the Detroit (Mich.) Federation of Labor, favoring the enactment

of legislation permitting the manufacture and sale of beers and light wines, which was referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Vassar, North Branch, Silverwood, Clifford, Caseville, Pigeon, Owosso, Linwood, Saginaw, Ashley, Shepherd, Capac, Au Gres, and Caro, and also sundry other citizens, all in the State of Michigan, praying for the imposition of a tariff duty of $2 per hundred pounds on imported Cuban sugar, which were referred to the Committee on Finance.

REPORTS OF COMMITTEES.

Mr. POINDEXTER, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 7812) to extend the time for cutting timber in the Coconino and Tusayan National Forests, Ariz., reported it without amendment and submitted a report (No. 699) thereon.

Mr. McKELLAR, from the Committee on Military Affairs, to which was referred the bill (S. 99) to correct the military record of Edgar Durfee, reported it with amendments and submitted a report (No. 700) thereon.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (H. R. 6628) for the relief of the owners of the British steamship *Clearpool*, reported it without amendment and submitted a report (No. 701) thereon.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED.

Mr. SUTHERLAND, from the Committee on Enrolled Bills, reported that May 10, 1922, they presented to the President of the United States the following enrolled bills and joint resolution:

S. 1813. An act for the relief of the owner of the steamer *Mayflower;*

S. 1814. An act for the relief of the owner of the steam lighter *Cornelia;*

S. 1817. An act for the relief of the owners of the schooner *Horatio G. Foss;* and

S. J. Res. 132. Joint resolution to authorize the printing of journals, magazines, periodicals, and similar publications, and for other purposes.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McCUMBER:

A bill (S. 3580) to extend the time for the construction of a bridge across the Red River of the North at or near the city of Pembina, N. Dak.; to the Committee on Commerce.

A bill (S. 3581) to provide for the expansion and development of Sullys Hill National Park, N. Dak.; to the Committee on Public Lands and Surveys.

By Mr. LADD:

A bill (S. 3582) granting amnesty in certain cases; to the Committee on the Judiciary.

By Mr. NICHOLSON:

A bill (S. 3583) to amend section 9 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes," approved December 29, 1916; to the Committee on Public Lands and Surveys.

By Mr. CALDER:

A bill (S. 3584) authorizing the erection of a public building at St. George, Richmond County, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. SMOOT:

A bill (S. 3586) to authorize the leasing of public lands in the Territory of Alaska for grazing and fur-farming purposes; to the Committee on Public Lands and Surveys.

THE MUSCLE SHOALS PROJECT.

Mr. NORRIS. Mr. President, I introduce a bill by request. It does not originate with me. I did not draw it, although I am told that it is a modification of a bill I introduced which is now pending before the Committee on Agriculture and Forestry.

In the hearings which have taken place before the committee on the Muscle Shoals proposition Mr. Lloyd, a former Representative in Congress from Missouri, appeared and made a very interesting contribution to our hearings in the way of suggested modifications to the bill, and in order to get it properly before the committee and give the Members of the Senate also an opportunity to examine it he prepared a bill. I am introducing it by request, so that it can be better considered. I ask to have it referred to the Committee on Agriculture and Forestry.

The bill (S. 3585) to provide for the manufacture of explosives for the use of the Army and Navy, to provide for the manufacture of fertilizer for agricultural purposes, to incorporate the Federal Chemical Corporation, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

TARIFF BILL AMENDMENTS.

Mr. LODGE submitted an amendment intended to be proposed by him to House bill 7456, the tariff bill, which was ordered to lie on the table and to be printed.

Mr. SPENCER submitted an amendment intended to be proposed by him to House bill 7456, the tariff bill, which was ordered to lie on the table and to be printed.

Mr. TOWNSEND presented four amendments intended to be proposed by him to House bill 7456, the tariff bill, which were ordered to lie on the table and to be printed.

AMENDMENTS TO RURAL HOMES BILL.

Mr. PHIPPS submitted three amendments intended to be proposed by him to the bill (S. 3254) to encourage the development of the agricultural resources of the United States through Federal and State cooperation, giving preference in the matter of employment and the establishment of rural homes to those who have served with the military and naval forces of the United States, which were referred to the Committee on Irrigation and Reclamation and ordered to be printed.

AMENDMENT TO NAVAL APPROPRIATION BILL.

Mr. FLETCHER submitted an amendment proposing to eliminate from the naval appropriation bill the following paragraph, "The authorization contained in section 2 of the naval appropriation act for the fiscal year 1921 for the employment of 500 reserve officers in the aviation and auxiliary service is hereby repealed," intended to be proposed by him to House bill 11228, the naval appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

ELECTION OF SENATORS.

Mr. McKELLAR submitted the following resolution (S. Res. 289), which was referred to the Committee on Rules:

Resolved, That the Standing Rules of the Senate be, and the same are hereby, amended by inserting, after Rule VI, an additional rule, as follows:

STATEMENT OF RECEIPTS AND EXPENDITURES OF CANDIDATE FOR NOMINATION FOR UNITED STATES SENATOR.

Every person who shall be a candidate for nomination at any primary election or nominating convention, or for indorsement at any general or special election, as Senator in the Congress of the United States, shall, not less than 10 nor more than 15 days before the day for holding such primary election or nominating convention, and not less than 10 nor more than 15 days before the day of the general or special election at which he is seeking indorsement, file with the Secretary of the Senate at Washington, D. C., a full, correct, and itemized statement of all moneys and things of value received by him or by anyone for him with his knowledge and consent, from any source, in aid or support of his candidacy, together with the names of all those who have furnished the same in whole or in part; and such statement shall contain a true and itemized account of all moneys and things of value given, contributed, expended, used, or promised by such candidate, or by his agent, representative, or other person for and in his behalf with his knowledge and consent, together with the names of all those to whom any and all such gifts, contributions, payments, or promises were made for the purpose of procuring his nomination or election.

Every such candidate for nomination at any primary election or nominating convention, or for indorsement or election at any general or special election, shall, within 15 days after such primary election or nominating convention, and within 30 days after any such general or special election, file with the Secretary of the Senate a full, correct, and itemized statement of all moneys and things of value received by him or by anyone for him, with his knowledge and consent, from any source, in aid or support of his candidacy, together with the names of all those who have furnished the same in whole or in part; and such statement shall contain a true and itemized account of all moneys and things of value given, contributed, expended, used, or promised by such candidate, or by his agent, representative, or other person for and in his behalf with his knowledge and consent, up to, on, and after the day of such primary election, nominating convention, general or special election, together with the names of all those to whom any and all such gifts, contributions, payments, or promises were made for the purpose of procuring his nomination, indorsement, or election.

Every such candidate shall include therein a statement of every promise or pledge made by him, or by anyone for him with his knowledge and consent, or to whom he has given authority to make any such promise or pledge, before the completion of any such primary election or nominating convention or general or special election, relative to the appointment or recommendation for appointment of any person to any position of trust, honor, or profit, either in the county, State, or Nation, or in any political subdivision thereof, or in any private or corporate employment, for the purpose of procuring the support of such person or of any person in his candidacy, and if any such promise or pledge shall have been made the name or names, the address or addresses, and the occupation or occupations of the person or persons to whom such promise or pledge shall have been made shall be stated, together with a description of the position relating to which such promise or pledge has been made. In the event that no such promise or pledge has been made by such candidate that fact shall be distinctly stated.

No candidate for Senator of the United States shall promise any office or position to any person, or to use his influence or to give his support to any person for any office or position, for the purpose of procuring the support of such person, or of any person, in his candidacy; but such candidate may, within the limitations and restrictions and subject to the requirements of this rule, contribute to political committees having charge of the disbursement of campaign funds.

No candidate for Senator of the United States shall give, contribute, expend, use, or promise, or cause to be given, contributed, expended,

used, or promised, in procuring his nomination and election, any sum in the aggregate in excess of the amount which he may lawfully give, contribute, expend, or promise under the laws of the State in which he resides: *Provided*, That no candidate for Senator of the United States shall give, contribute, expend, use, or promise any sum in the aggregate exceeding $10,000 in any campaign for his nomination and election: *Provided further*, That money expended by any such candidate to meet and discharge any assessment, fee, or charge made or levied upon candidates by the laws of his State, or for his necessary personal expenses, incurred for himself alone, for travel and subsistence, stationery and postage, writing or printing (other than in newspapers), and distributing letters, circulars, and posters, and for telegraph and telephone service, shall not be regarded as an expenditure within the meaning of this rule and shall not be considered any part of the sum herein fixed as the limit of expense and need not be shown in the statements herein required to be filed.

The statements herein required to be made and filed before the general election at which such candidate seeks election need not contain items of which publicity is given in a previous statement, but the statement required to be made and filed after said general election shall, in addition to an itemized statement of all expenses not theretofore given publicity, contain a summary of all preceding statements.

Every statement herein required shall be verified by the oath or affirmation of the candidate, taken before an officer authorized to administer oaths; and the depositing of any such statement in a regular post office directed to the Secretary of the Senate, duly stamped and registered, within the time required herein, shall be deemed a sufficient filing of any such statement under this rule.

This rule shall not be construed to annul or vitiate the laws of any State, not directly in conflict herewith, relating to the nomination or election of candidates for the offices herein named, nor to exempt any such candidate from complying with such State laws.

Nothing contained in this rule shall limit or affect the right of any person to spend money for proper legal expenses in maintaining or contesting the results of any election.

No person willfully violating any of the foregoing provisions shall be deemed qualified to become a Member of the Senate.

Upon a petition being filed with the Secretary of the Senate, duly sworn to by not less than five citizens of the State in which it is alleged that this rule has been violated, such petition setting forth the particular facts upon which the alleged violation is based, it shall be the duty of the said Secretary of the Senate to deliver said petition to the Presiding Officer of the Senate, who shall at once lay the petition before the Senate, and it shall be printed in the RECORD and referred to the Committee on Privileges and Elections, which shall hear testimony as to its allegations, reach its conclusions, and report its findings and recommendations to the Senate. Should the Senate by majority vote find that any of the provisions of said rule have been willfully violated, the person claiming the certificate of election shall be deemed to have been disqualified from the beginning and never to have been a Member of the Senate.

DUTY ON SUGAR.

Mr. NICHOLSON. I present a communication which I have received from Mr. C. C. Hamlin, a citizen of Colorado Springs, in my State, which contains a great deal of valuable information. It has relation to sugar production in Cuba and the United States. I ask that it may be printed in the RECORD in the usual 8-point type.

There being no objection, the communication was ordered to be printed in the RECORD in 8-point type, as follows:

COLORADO SPRINGS, COLO.,
April 27, 1922.

HON. SAMUEL D. NICHOLSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I have been following with some concern the propaganda with which Congress is being flooded, the purpose of which is to have the duty on sugar fixed so low that Cuba's war increase in production may find a market here. If this war increase is to be absorbed in the United States it is obvious that it must displace an equal quantity of our domestic production, and this would mean the destruction of the home industry, as I will later attempt to show.

This propaganda had its origin with the seaboard refiners. They have always been the enemies of the domestic industry. Through their influence sugar was placed on the free list in the Simmons-Underwood bill, although the war intervened and prevented its becoming effective. Their position is easily understood. Every ton of beet sugar produced means one less for them to refine, and the competition of beet sugar prevents their control of prices and markets.

Recently this propaganda of the refiners has been taken up by another group of men who are seeking the same end, but for different reasons. I speak of certain New York bankers, promoters, and speculators, who extended unwarranted credits on Cuban sugars at war prices and who took advantage of the "sugar boom" to expand Cuba's production beyond all reasonable limits and foist on the American public tens of millions of stock on the glowing promise that war-time prices and profits would continue indefinitely.

These companies are "war babies" in the fullest sense of that term, and now these gentlemen ask that we kick our own children out of the house to make way for theirs.

I use the term "war babies" advisedly. Prior to the war the price of sugar was low, but the industry was reasonably prosperous, both in this country and in Cuba. Supply and demand were well balanced. Cuba was prospering as she had never prospered before, and we were enjoying a valuable export trade to the island, although the balance of trade was steadily against us. At that time we were consuming some 4,000,000 tons annually, approximately half of which was produced, in about equal proportions, by the continental United States and her insular possessions. Due to the preferential tariff granted to her under the reciprocity treaty, Cuba enjoyed a monopoly in the furnishing of the other half. Competition between the two, or rather the three sources of supply, maintained fair prices to the consumer.

During the war, however, conditions changed. In 1913 Cuba produced 2,597,732 tons, in 1919 she produced 3,971,776 tons, an increase of over 50 per cent.

The favorite argument advanced by these propagandists is that the tariff imposes an undue burden on the consumer. They assume that the full duty is added to the price.

It is not my purpose to enter upon a discussion of the economic features of a tariff or its effect on prices. Experience shows, however, that this effect is different under different circumstances, and that the full tariff is not necessarily or usually added to the cost. When six-tenths of a cent per pound was added to the sugar duty under the emergency tariff the price declined. Some one had absorbed the increase. The seaboard refiner fixes the price of sugar based on the c. i. f. cost of Cuban raws, New York. Beet sugar sells 20 cents below this price. Here again is an absorption of the tariff to that extent. Porto Rico often undersells Cuba, which she can do by reason of the fact that her sugars enjoy free admission into the United States. This affects all sugars in our markets and results in a tariff absorption to the extent of the cut.

The effect of a tariff varies at different times and under different circumstances, and while to contend that prices are not affected by it would be to admit the futility of a protective tariff, still no general rule can be applied which will accurately measure such effect.

There is, however, another element in price making which is more potent and more to be feared than the tariff. I refer to the power to fix prices and control distribution.

We can reach and control monopolies and combinations within our boundaries. Beyond them we are powerless.

It is not necessary to indulge in speculation or theory to establish this fact with respect to sugar. Recent history teaches us what could and doubtless would be done in this direction were the domestic industry destroyed.

We entered the war in April, 1917. On August 10 of that year the food control act went into effect. The domestic crop of sugar had been marketed and the country had to look solely to Cuba for its supplies. On August 22, in a memorandum to the President calling attention to the difficulties confronting him, Mr. Hoover, who had been appointed Food Administrator, said:

> Certain Cuban sugar producers—who are out of our reach—have combined to force up the price of the remaining 1917 Cuban crop, prior to the new crop in December, and have lifted the price of raw sugar in New York from 5 cents in June to 7.5, duty paid, on August 16, and this against a three-year pre-war average of 4.2 cents. The recent advance of 1.6 cents alone would represent an added tax upon the American people of over $30,00,000 by the end of December.

Soon after this the producers of sugar in the United States and its possessions voluntarily placed their output in the hands of Mr. Hoover at a price 1¾ cents below the price of Cuban sugar. By reason of his control of this crop, then in the making, and because of the ability of the Government to regulate shipping the Food Administrator was able to purchase the 1918 Cuban crop and thereby supply our people with sugar at a reasonable figure so long as this sugar lasted.

In 1919 Attorney General Palmer succeeded Mr. Hoover, and while still regulating the price of the domestic product he refused to purchase the 1919 Cuban crop.

What happened in 1920 and the early part of 1921 constitutes one of the most fantastic episodes in the history of speculation in a food necessity. A world shortage of sugar was heralded though none existed, and raw sugars advanced rapidly. They reached the unheard-of price of 23 cents per pound, while in the East, where Cuba supplies the market, granulated sugar sold as high as 35 cents per pound. During this period the manufacturer of beet granulated was receiving from 10 cents to 12 cents per pound for his product.

It has been estimated by reliable authority that this debauch of speculation and manipulation cost the American consumer some $600,000,000, and from what I know of the situation, it is my opinion that this estimate is conservative.

Were the speculators in Cuban sugars satisfied with this stupendous price? Not at all. They saw no top, and held their supplies off the market for still higher prices.

In the late spring of 1921 the bubble burst and Cuba awakened to the fact that while she was holding back her supplies 800,000 tons of dull duty-paying sugars from 44 countries

had found their way into our markets. This sugar Cuba should have supplied. Had she done so at the price allowed by the Attorney General to Louisiana for her crop—which was from 5 cents to 7 cents above that which the producers of beet sugar were allowed—she would have had some $400,000,000 of American money with which to meet her obligations here and maintain her financial house in good order at home. As it was, she went into the grinding campaign of 1922 with a carry over of 1,200,000, and during the month of January Cuban raws sold c. i. f. New York as low as 1¾ cents per pound. It is this surplus which has demoralized the sugar industry and will continue to do so until normal production is again reached. This time does not seem near, as the estimate on the present Cuban crop is 3,600,000 tons, which, with her carry over of 1,200,000, is much more than enough to supply all of the requirements of the United States after excluding her own production, and that of Hawaii, the Philippines, and Porto Rico.

Cuba not only pulled down her own house but destroyed that of her neighbor as well. The control of the price of beet sugar by the Attorney General was not relinquished until August, 1920. The manufacturers were about to enter upon their manufacturing campaign. At the instance of the Government in the spring of that year, they had contracted with the growers of beets to pay $12 per ton, more than twice the pre-war price. While the sugar-beet crop was probably the only profitable one which the farmer produced in 1920, the manufacturers, caught in the Cuban jam, were compelled to market their output at a loss estimated at $50,000,000. Some were forced to the brink of bankruptcy, and all were compelled to exercise their credit to the limit. Owing to the Cuban surplus, the 1921–22 crop of beet sugar is now being marketed at a loss in many cases, and in all at a ridiculously narrow margin of profit, under the present tariff of 1.6 cents on Cuban sugar.

The control of the sugar supply necessary to supply our needs by those, to repeat the words of Secretary Hoover, "who are out of our reach," cost the American consumer some $50,000,000 in 1917 and $600,000,000 in 1920–21. This is more than the entire duty which the Government will realize from sugar import under the present tariff in 10 years at the present rate of importation.

In continental United States 700,000 acres of our best agricultural lands are devoted to the production of sugar beets. One hundred thousand farmers are engaged in growing them. Eighty-five thousand field workers and 35,000 mill operatives are employed in the industry. They give to our people a war ration of sugar which can always be depended on. They furnish the competition which is necessary to prevent monopoly and insure reasonable prices to the consumer. They introduce the element of crop rotation which is so necessary to our agriculture. They keep at home millions of dollars which would otherwise be sent abroad to pay for foreign supplies. It is hardly fair to ask that this industry be destroyed to cover Cuba's economic blunders, and surely the American Congress will never again place it in the power of any set of men to monopolize a great food necessity, fix its price, and control its distribution.

The importance of this question is my excuse for writing you at such great length.

Very truly yours, C. C. HAMLIN.

DUTY ON POTASH.

Mr. FLETCHER. I desire to have inserted in the RECORD, in 8-point type, an article by W. A. McRae, Commissioner of Agriculture of Florida, on the subject of potash.

There being no objection, the matter referred to was ordered to be printed in the RECORD in 8-point type, as follows:

WHO OUGHT TO FEED THE BABY?

It is proposed by the tariff bill now before Congress, with prospects of its passing, that a new "infant industry" be adopted and reared exclusively by the farmers. It is generally understood that it will prove to be an expensive rascal to bring up and that it will have no gratitude for its "raising" after the job is done.

In effect, the bill proposes to penalize the farmers of this country, who have just raised two crops at a loss, for trying to reach maximum production with greatest efficiency. A sliding scale of tariff on potash is proposed that will mean that millions of dollars annually must be poured into the subsidized potash producers of the United States by the farmers exclusively.

When a tax is placed on commercial business or manufacturing the tax is merely passed on to the ultimate consumer, and the consuming public pays it. This can not be done by the farmer. He does not mark his goods with a cost price and a selling price and hold it till he gets it. Neither does he send out paid drummers to take orders for goods before they are made, so that he can calculate cost and add the profit before a wheel turns, as do manufacturers. He takes chances on the weather, insects, and fungi as to production and goes into the market asking, "What will you give?" How can he pass on to the consumer a special tax? Not at all.

The farmers of the United States use about 7,000,000 tons of fertilizers a year. One of the essential constituents of all complete fertilizer is potash. The cost of producing potash in the United States has been from $100 a ton to $125 a gross ton, and the output is entirely inadequate to supply the demand, the maximum being slightly over 200,000 gross tons of crude potash, representing 54,000 tons of K_2O. The importations from Germany in 1913 were a million tons, valued at $13,000,000.

Taking 1913 as a normal year, the imports of potash are approximately 1,000,000 gross short tons, containing 250,000 short tons of available potash (K_2O).

According to the schedule of the proposed tariff the potash content of 250,000 tons will carry a duty of 2½ cents a pound for the first two years, totaling $11,400,000 for each year, or $22,800,000 for the two years. The third year it will carry a 2 cents a pound duty, or $10,000,000. The fourth year the rate is 1½ cents a pound, or $7,500,000. The fifth and last year it will have a 1 cent a pound rate, or $5,000,000. Using round numbers only, the grand total for the five years would be $45,300,000.

This is more than has been imported annually since the beginning of the World War, and the only thing that will keep it from going back to normal will be a continuance of the general depression.

Here is a $45,300,000 wall of protection thrown around an "infant" industry for the first five years of the hothouse process, the worst feature of which is that this $45,300,000 tribute is to be exacted from a comparatively few people, who have no way of distributing the burden to the whole population. The advocates of the bill take great pains to figure out how much per acre or per capita this amounts to and dwell upon the smallness per acre unit or inhabitant. If it is really good policy to feed this infant at public expense it ought to be done by all the people and not by a select few. No one pays it but the farmer; so that in effect this tax is in reality a vocational tax. The great bulk of it is paid by the Southern States; so that it is in effect a sectional tax. Approximately 40 per cent of it is paid by those who do not own the land they till; so that in effect it is to a large extent a bonus to be extracted from the poorest class of tenant farmers. Eighteen million dollars is rather high tribute to be levied on the tenant farmers to build up an industry in five years that is supposed to be a benefit to 120,000,000 people.

If this infant must be fed from a silver spoon for five years, there is only one way to do it honestly, and that is by subsidy. "But," says some one, "the tariff will get money into the Treasury and the subsidy will take it out for the benefit of the potash manufacturers."

In answer to this it is only necessary to point to the fact that if the law accomplishes its purpose very little of the tribute exacted from the farmer in the way of higher price potash will go to the Federal Treasury, as the production in this country will rapidly develop to where it can supply the demand. In this case all the tribute paid by the farmer goes directly to the manufacturers of potash and not to the Government.

If this enormous tax of $45,300,000 is paid by subsidy, by all of the people, then the Nation as a whole will be interested and will stop paying the subsidy at the end of five years. But if it is heaped on the farmers alone it is doubtful, indeed, if they can get rid of this tax in five years.

If past experience is any criterion, whether this tax is paid by subsidy or paid by the farmers, we may expect that this pampered infant will be in position to show Congress at the end of five years that to fail to extend the protecting arm a few more years will be equivalent to stabbing to the heart the splendid child of its past good treatment.

The picture to be held up to view will be ghastly. An industry nurtured to life and vigor only to be deliberately murdered in cold blood. Those behind the business will be no kinder of heart than are the gang that is now fighting the proposal to lease Muscle Shoals plant for the purpose of making atmospheric nitrogen, which is a companion element of phosphoric acid and potash in commercial fertilizer.

There has not been such depression and despondency among the farmers of this country in 50 years, and to add this burden to them just at this time will be adding insult to injury by penalizing them for trying to make it possible for the world to live.

W. A. McRAE,
Commissioner of Agriculture.

TALLAHASSEE, FLA., *May 5, 1922.*

FLOOD CONTROL IN THE MISSISSIPPI VALLEY.

Mr. McKINLEY. I ask unanimous consent to have printed in the RECORD and appropriately referred a letter from the general manager of the New Orleans Association of Commerce, with a copy of a letter inclosed which President Harold W. Newman, of the New Orleans Association of Commerce, wrote to the Mississippi River Commission.

There being no objection, the letters were referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

NEW ORLEANS ASSOCIATION OF COMMERCE,
May 9, 1922.

Hon. WM. B. MCKINLEY,
Senate Office Building, Washington, D. C.

DEAR SENATOR MCKINLEY: I attach copy of a letter which President Harold W. Newman, of the New Orleans Association of Commerce, has to-day written the Mississippi River Commission.

Please read it. It will open your eyes to some important facts which were not brought out during your trip on the Mississippi River.

Please also cause this letter to the commission to be printed in the CONGRESSIONAL RECORD. The country ought to have access to this information.

Very truly yours,

WALTER PARKER, *General Manager.*

—

NEW ORLEANS ASSOCIATION OF COMMERCE,
SECOND PORT, U. S. A.,
May 8, 1922.

THE WAY OUT.

The Mississippi River Commission has jurisdiction over the Mississippi River from Rock Island, Ill., to the Gulf. It has no jurisdiction over the tributaries and source streams of the Mississippi River. Consequently it can deal only with the floods after they have formed. Result—a restricted policy of relying on levees alone.

The people of the Mississippi Valley need a comprehensive policy, which will, in fact, and all the time protect them from the flood menace, and they have launched a campaign through the organized trade bodies, chambers of commerce, and the public generally throughout the valley to develop and make effective a new vision, a new enterprise, and a great vigor, which will not be denied for the elimination of the flood menace.

The attached letter to the Mississippi River Commission makes the situation clear.

—

MAY 8, 1922.

To the honorable Mississippi River Commission, St. Louis, Mo.

GENTLEMEN: At a conference held last Saturday between New Orleans business men and the United States Senators and Representatives composing the congressional flood investigating committee, Congressman BEN HUMPHREYS, speaking for the members of the committee, said in effect:

"Federal engineers, beginning in 1822 and extending to the present day, since 1879 through the Mississippi River Commission, have investigated and reported on the flood problem in the Mississippi River, and the consensus of their opinion is that levees alone must be relied on for the protection of life and property in the Mississippi Valley.

"Down here we recognize the absolute necessity for the best levee system that can be built. But we are not content to stop there, as the Mississippi River Commission has done. We want the best levees. We also want all else that can be done to control the floods, regulate stream flow, and reduce the pressure of the floods on these levees, and we are preparing now to draw to our support in this most just cause all of the aid and assistance we can rally.

"We have been told the Mississippi River Commission stands for levees and levees alone.

"We have reached the conclusion such a policy can only result from restricted authority and limited jurisdiction. In no other way can we account for so restricted a policy with relation to so great a menace and so great a problem.

"Great floods form in the Ohio, the Missouri, and other tributaries and join in the Mississippi. There and there only they become a responsibility of the Mississippi River Commission. Your commission has no jurisdiction over the source streams, nor the drainage basins of these source streams, therefore can not take such action as may be necessary to check flood formation in the smaller streams high up, thus in some measure reducing the flood menace lower down.

"Under these circumstances we can understand your past policy of levees only, as levees alone are possible as a means of flood control between Cairo and the mouth of Red River.

"We can not, however, understand your reluctance to consider the installation of spillways on the lower reaches of the river, where tidewater outlets are near at hand. It seems to us that regulated and controlled relief to the river down here would protect us and at the same time be far better for the river itself than the invariable crevasses which the river itself makes in the levees whenever it chooses.

"We have watched the denudation of our forest areas throughout the source-stream country and the consequent hastening of the flood run-off. Thus far nothing adequate has been done by any agency of the Federal Government to replant the forests, thus retarding the run-off and creating an opportunity for the rainfall and melting snows to soak into the ground.

"We have known for many years that the ground-water level throughout the great valley is dropping all the time, and that the reserve moisture supply in the soil is now so limited as to be the cause of serious concern to agriculturists throughout the upland region of the valley. Yet no adequate move has been made by any agency of the Federal Government to start the restoration of the most necessary reserve supply of moisture in the agricultural soil of the valley. We are told that contour plowing when generally resorted to will restore this moisture supply, check soil erosion, and reduce flood formation in the source streams of the Mississippi.

"In 1912 the Pittsburgh Flood Commission, supported solely by the citizens of Pittsburgh, made its report showing that by building a few dams in the streams feeding the Monongahela and Allegheny Rivers, which form the Ohio at Pittsburgh, the flood level at Pittsburgh can be greatly reduced and the floods there be brought under control. It is reasonable for us to assume that other works on other tributaries of the Ohio can be made to so far control the flood peak in the Ohio as to greatly reduce the volume of water passing into the Mississippi at any one time during great flood flow.

"We are assured by men who have made a study of Missouri River conditions that a great deal of the surplus flood waters which now reach the Missouri from its source streams can be diverted and soaked into dry lands far removed from the Mississippi. In this way untillable lands may be made available for agriculture, and the flood flow of the Missouri be brought under some sort of control, to the end that in times of maximum flood flow there will be a reduced peak load to join the peak load of the Ohio at Cairo.

"While these matters are of the gravest concern to the people of all the valley, as well as to ourselves, we understand that the Mississippi River Commission can not concern itself with them because the Mississippi River Commission's jurisdiction is limited to the Mississippi River proper from Rock Island to the Head of the Passes.

"We must have relief from an intolerable condition.

"We insist that the Federal Government admit its responsibility for interstate flood flow.

"We will therefore insist that our Senators and Representatives in the National Congress obtain for us a broader treatment of this problem than seems possible by the Mississippi River Commission under its limited jurisdiction.

"We ask that your commission join in our effort to obtain this broader treatment of a very old problem.

"We must have a new vision and a new enterprise brought to bear.

"You gentlemen have much information and many facilities. You also desire to see this problem solved. Your powerful cooperation will be of the greatest value, and we sincerely trust that we will have it.

"We are determined to leave nothing undone to get this broader treatment. To this end we are asking the help of the Mississippi Valley Association, of all the chambers of commerce in the 27 States between the two great mountain ranges, Canada and the Gulf, of all the investors in the valley, and of the business men and people generally.

"We have reached the conclusion a 'levees only' policy is a hopeless policy and one not worthy of this splendid country, and we want it changed.

"May we have your assurance of cooperation at the earliest possible moment?"

Very truly yours,

NEW ORLEANS ASSOCIATION OF COMMERCE,
HAROLD W. NEWMAN, *President.*

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed a joint resolution (H. J. Res. 270) authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia, in which it requested the concurrence of the Senate.

DEFLATION POLICY OF FEDERAL RESERVE BOARD.

Mr. WATSON of Georgia. Mr. President, in the New York Herald of this morning there appears, in what is called a "box," a statement which should not go unchallenged, and which I now challenge. I will read what appears in the Herald:

ENOUGH CASH CIRCULATING TO GIVE EVERYBODY $48.89.

(Special dispatch to the New York Herald.)

NEW YORK HERALD BUREAU,
Washington, D. C., May 10.

If all money in circulation in the United States were equally distributed your share would be $48.89.

The Treasury Department to-day announced that figure as the per capita circulation on May 1. It is 92 cents less than it was on April 1.

Total money of all kinds in circulation is $5,352,255,730. On April 1 it was $5,446,161,844. On May 1, 1921, the total in circulation was $6,158,170,819.

The per capita figures are based upon an estimated population of 109,468,000.

In 1879 the total amount of money in circulation was only $816,266,721. At that time the country, with a population of 48,231,000, had a per capita circulation of $16.92.

Mr. President, that statement is absolutely false. There are not $20 per capita in circulation. The money has been destroyed by the infamous Federal Reserve Board. I will not now consume the time of the Senate, because I have no desire to delay the Republicans in passing the pending bill, which they have a right to pass because they have a majority; let them take the responsibility and pass it; but at some future time I intend to go into the financial question and show up to the country the shameless and ruinous policy of the Federal Reserve Board.

LIBERIAN LOAN.

The joint resolution (H. J. Res. 270) authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia was read twice by its title.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The joint resolution will be referred to the Committee on Foreign Relations.

Mr. McCUMBER. Mr. President, I am doubtful if the joint resolution should go to the Committee on Foreign Relations. It came from the Committee on Ways and Means of the House, and I understand the papers relating to it are with the Committee on Finance. In the absence of the chairman of the Committee on Foreign Relations, I suggest that it lie on the table for the present.

The PRESIDING OFFICER. In the absence of objection, the previous order will be vacated and the joint resolution will lie on the table.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, the pending question being on the amendment of the committee, page 4, line 16, to strike out the words "ammonium nitrate."

Mr. KING. Mr. President, I wish to inquire of the chairman of the committee, the Senator from North Dakota [Mr. McCUMBER], if the purpose of the amendment is to transfer ammonium nitrate to the free list or to assign it to some basket schedule, where it would carry an ad valorem duty of 25 per cent?

Mr. McCUMBER. Ammonium nitrate is one of those items which are found in the twilight zone and it was a serious question with the majority of the committee whether it should be placed upon the free list or have a duty. I must admit the committee has wobbled a little upon that matter; first taking the duty off and placing it upon the free list, and then afterwards suggesting an amendment to place it back with a duty of 1 cent per pound.

Mr. KING. Is that the purpose now?

Mr. McCUMBER. A motion will be made to place a duty of 1 cent a pound, taking it off the free list. So the Senator may discuss it from that viewpoint.

Mr. KING. I assume some of the "wobblers" on the other side will move to amend by putting a 1 cent duty upon it. For that purpose I yield the floor.

Mr. McCUMBER. I stated that it was a serious question with the committee whether it should be placed upon the free list or whether it should bear a duty of 1 cent per pound. Of course, in the bill as passed by the House it bore a duty. The Senate committee placed it upon the free list and reduced some of the other duties to correspond with it. There is a question whether or not the committee may have made a mistake about it.

Mr. KING. I am sure when the committee decided to put it on the free list they did the right thing, and I am sorry they yielded to the demands of the trusts when they decided to put a duty on it.

Mr. FRELINGHUYSEN. Mr. President, I am not a "wobbler" on this question. The committee to-day voted to place a duty of 1 cent a pound on ammonium nitrate. It is not in response to the demand of any trust. It is in response to no single interest whatsoever. The question is one of policy, whether we are going to have an ammonium-compound industry in this country or whether we are going to buy all of this product from Germany. It has a direct relation with the Muscle Shoals project. If the Muscle Shoals project is operated at any time in the future, these products will be manufactured there.

Prior to the war ammonium nitrate was not an important product, and if it were not for German war-time development, which made it easy for her to produce cheaply the huge quantity of either the nitrate or the sulphate, the tariff on nitrate would not be important.

The consumption of ammonium nitrate is about 26,000 tons annually in explosives. The consumption of ammonium sulphate is 400,000 tons in fertilizers. The aim of the protection is against the German air nitrogen plants, which were subsidized and developed because Germany was cut off from the ocean and could not obtain Chilean nitrate. We are all familiar with that situation and the effort to make these nitrates in this country and how Germany became independent through a special process. The German plants were war built; they were government subsidized. Over 90 per cent of Germany's production and sales is controlled by a trust, the Stickstoff Syndicate. The German air nitrogen plants cost over $400,000,000, and because they represent a war-time subsidy no interest on the investment need be charged to the manufacturing costs. This gives the Germans an unnatural and unfair advantage over the American producer. The ammonium nitrates of this country have been produced through the great coke industry, and the question is whether we are going to encourage and stimulate the industry in this country, which has developed through a varied number of sources and by varied interests. The protection which we seek is against one German trust, the Stickstoff Co., which controls this nitrate process.

The imports have increased since the World War. In 1917 they were 77,000 pounds; in 1919 they were 509,000 pounds; in 1920 they were 28,000,000 pounds; and for nine months in 1921 they were 31,000,000 pounds.

The whole question is whether we are going to put 1 cent per pound duty upon ammonium nitrate and encourage its production here, or whether we are going to put it on the free list and purchase it from the German trust. I know of no trust in this country controlling this product; there is no monopoly here. It comes, I repeat, from varied sources. I say I had rather have it purchased, controlled, manufactured, and produced here through an American industry than through a German trust. That is a simple question involved here: Whether this great chemical commodity, which was so necessary for war purposes and the production of explosives, and which is now so necessary in time of peace, is to be protected or not? I am in favor of its protection.

Mr. EDGE. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from New Jersey yield to his colleague?

Mr. FRELINGHUYSEN. I yield to my colleague.

Mr. EDGE. Does the Senator know approximately how many separate industries in this country manufacture this particular product?

Mr. FRELINGHUYSEN. I know that there were $100,000,000 expended in this country to develop the coke industry in order to produce ammonium nitrate. I do not know whether the manufacturers are now operating; but I know that with adequate protection they can operate. I know that 30,000,000 pounds are being imported into this country from Germany, and if we give the American manufacturers the protection which is proposed our manufacturing plants will be operated and the article will be produced in this country.

Mr. KING. Mr. President, the Senator from New Jersey has made a very strong and passionate appeal for the amendment which he has offered to the bill as reported by the Committee on Finance. I think that some of the views expressed by the Senator from New Jersey are founded upon a reasonable attitude toward the development of home industry, but I believe that some of the facts to which he has referred have not been quite accurately stated by him. By that I mean we have in the United States all of the elements and conditions under which this industry, if it has not been developed, may be developed to very large proportions.

The Senator from New Jersey alluded to the fact that the Germans had a process of nitrogen fixation. I suppose the Senator referred to what is known as the Haber process, but we know that that process is utilized in the United States to-day. Indeed, if I am not mistaken, under the seizure and confiscation act of the Alien Property Custodian, so far as the ownership and the right to use the Haber process in the United States is concerned, that right has been denied to Germans and is vested in the Chemical Foundation.

I will digress for a moment to repeat what I have heretofore stated upon the floor of the Senate, that 4,500 patents were confiscated by Mr. Garvin as the Alien Property Custodian and were sold to the Chemical Foundation; that is, it was a pretended and fraudulent sale. One thousand other patents were confiscated and sold to the Bayer interests. I may be in error, but my present recollection is that the Haber process of nitrogen fixation from the atmosphere was included within the 4,500 German patents which were illegally confiscated by the Alien Property Custodian. However, the sale not having been attacked, carries with it, undoubtedly, some sort of a title, either equitable or legal. Probably the legal title passed to the Chemical Foundation which holds it mala fides in trust for the owners. However that may be, the Chemical Foundation Co. is asserting title to it. The courts, until the sale shall be set aside by appropriate action, will undoubtedly affirm the validity of its acts. Therefore we have nothing to fear from Germany by reason of the manufacture of nitrogen under the Haber process, for, having the patent here, the moment that any nitrogen of that character was brought to the United States an action in equity would lie to enjoin the disposition of the proceeds or the utilization of the patent because it would be an infringement of the rights of the American owners.

So Germany is prevented from coming to our shores with her products made under the Haber process.

My good friend, the able Senator from New Jersey, has alluded to the fact that Germany has $400,000,000 invested in what he denominates these nitrogen plants. Of course, the Senator does not mean that the $400,000,000 is devoted to the manufacture of nitrogen or the nitrogenous compounds covered by the amendment which he has offered. Germany had——

Mr. FRELINGHUYSEN. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from New Jersey?

Mr. KING. Let me complete the sentence, and then I will be glad to yield. Germany had a considerable amount of money

invested in chemical works. Some of those chemical works, as the Senator knows, produce various chemical products, some nitrogenous products, some carbon products, some aluminum products, some various forms of acids, and some of them are devoted to the manufacture of explosives; but the amount of capital invested in Germany in all of her chemical works has been grossly exaggerated by the Chemical Trust in the United States and its indefatigable agents, some of whom, like Doctor Herty, went to Germany and came back here and spread false reports relative to industrial conditions obtaining in Germany. I now yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. The information that I have—and it does not come from Doctor Herty any more than it comes from Doctor Pickerell—is that the German air-nitrogen plants cost over $400,000,000.

Mr. KING. I regret that the Senator should go to fountains of information that are so inaccurate. I can only repeat what I said a moment ago, that Germany did not have $400,000,000 of property or capital devoted to the manufacture of nitrogen per se, or to the product covered by the amendment offered by the able Senator from New Jersey.

Mr. FRELINGHUYSEN. Mr. President——

Mr. KING. I yield.

Mr. FRELINGHUYSEN. Does the Senator challenge the statement I have made that we imported 30,000,000 pounds in the first nine months of 1921?

Mr. KING. I will come to that in due time. The Senator must not get impatient. I will take one statement of the Senator's at a time when I am addressing myself to his remarks, and I will approach them in due order. I repeat what I was about to say when interrupted by my learned friend.

Mr. SIMMONS. Mr. President, if the Senator will pardon an interruption, I think perhaps I can throw some light on the question asked by the Senator from New Jersey with reference to the importations.

Mr. KING. I am glad to yield.

Mr. SIMMONS. Mr. President, before the war we were producing in this country practically no ammonium nitrate, which is nothing in the world but what we call nitrogen in connection with its use as a fertilizer.

Mr. KING. Mr. President, if the Senator will pardon me, he means that we did not produce it in that form. We produced ammonium, and we had nitrogenous products as the result of the operations of coke ovens and their chemical activities in large quantities.

Mr. SIMMONS. Undoubtedly. If that is what the Senator was discussing, I misunderstood him.

Mr. KING. I shall be very glad to have the Senator conclude the point he had in mind.

Mr. SIMMONS. I will wait until the Senator has finished.

Mr. KING. I think I assent, Mr. President, to what my leader, under whose banner I am so happy to fight, has said.

Mr. SIMMONS. The Senator was discussing one thing when I thought he was discussing another.

Mr. KING. I think I assent to what he says, that this particular form of nitrogen, ammonium nitrate, perhaps, was not manufactured to any great extent in the United States, but we all know that carbon, which we have in such great quantities, is the basis of a large number of products. It may not be utilized in the production of some compounds of which it forms, perhaps, the base or an important constituent at a given time, and yet it is here, and the other elements which would make the compound of which carbon might be the base also exist, and, as the needs of business or trade demand, those elements are brought together to form the compound; call it a synthetic compound, or any other term that may be employed. So we were producing in the United States large quantities of nitrogen. We had nitrates in the United States. We have, as everybody knows, large quantities of coal, and we are developing now and have been developing for a number of years what we call the coke-oven by-products. I have no doubt that we are producing to-day more of the by-products of the coke oven than almost any other, if not any other, nation in the world; and since Germany has been so stripped of her coal mines, it is obvious that she can not begin to compete with the United States in the productions where carbon is the base, or the productions in which the products of the coke ovens form any important or constituent part.

Our bituminous coal, rich in carbon and possessing nitrogenous elements, is being converted, largely through the instrumentality of the coke ovens, into coke; and the by-products of the coke ovens, from which we obtain our coal tars and our intermediates and nitrogenous products, are becoming of enormous importance and advantage in our economic and industrial development. So, Mr. President, we have nitrogen here; we have in rich abundance the elements that would constitute ammonium nitrate. No country in the world is so rich in ammonium and ammonium compounds as the United States.

My friend referred to the secret process, the Haber process. That is being employed at Syracuse, N. Y., by the Allied Chemical Co., which, as I have asserted over and over again, is a trust, a corporation which has absorbed 10 or 15 or 20 of the large chemical concerns of the United States, and possesses a capital exceeding $300,000,000. That corporation is interested in this tariff; that trust wants this tariff which has been suggested by the able Senator from New Jersey. It has this Haber process. It is making nitrogen as other chemical companies are making nitrogen in the United States.

Mr. President, this product is used in the making of explosives, as was said by my friend. Did any country in the world approach the United States in its capacity to manufacture explosives during the recent war? I take off my hat, in the language of the street, to the skill, the genius, the ability, the organizing capacity of the Du Pont Trust and of other chemical organizations in the United States. We manufactured in the United States millions of pounds of explosives before we entered the war and shipped them across the Atlantic to the allied nations. Some of these great chemical companies made millions, tens of millions of dollars in their trans-Atlantic explosives business. They manufactured powder, and sold it at an enormous profit, and other explosives needed in the war. When we entered the war we were equipped to manufacture explosives of a very large volume. The United States expended considerable money in the erection of factories and plants to increase the output of our munitions, the output of our explosives, poison gases, and so forth. It is a matter of common knowledge that a certain gentleman in the Bureau of Mines discovered helium, and some of the chemists connected with that branch of the Government service gave to the world explosives, I was about to say, of a higher character—I will let that word stand—than those which had been developed over the sea.

I have heard the statement made upon the floor of the Senate, repeating in part the words which were used by Mr. Secretary Baker, that if the war had not ended as it did—that is to say, if it had continued for a very short time longer—we had perfected explosives and poison gases to such a degree that we could have dropped a few bombs upon Berlin or upon other German cities and practically destroyed them, and killed all of the people residing therein.

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. KING. I yield.

Mr. McCUMBER. Possibly the Senator will come to the point concerning which I am about to ask him; but in order that he may, I just want to suggest in a sentence or two what are the principal features in the matter which actuated the committee.

I stated some time ago that the majority of the committee were on a little uncertain ground as to whether they should put a duty upon this product or whether they should place it upon the free list; that they wobbled, as I say, from the one view, and changed their minds and came to another view.

Mr. KING. Let me ask the Senator a question: Does the Senator think the majority of the committee will have enough votes on the other side to adhere to the view which was exhibited in the bill when you moved to transfer this product to the free list? If so, I will not talk.

Mr. McCUMBER. No; I will state that just the contrary is the case. The majority at the meeting this morning determined in favor of the 1-cent duty which I stated to the Senator; and I will explain to the Senator the reason for the action of the committee at a former meeting, or at least a majority. Sometimes the majority is determined by the number that are present at the meeting and may vary if one Senator is gone or another one comes or is absent.

Mr. KING. Oh, I appreciate that.

Mr. McCUMBER. The Senator can therefore understand that the action taken does not always represent even the absolute majority view of all of the majority members; but this product was placed upon the free list in the beginning because there seemed to be a strong expression of view at the time, at least, that any other course would be placing too heavy a duty upon explosives. In other words, if we added a cent or three-quarters of a cent a pound to nitrate, we would have to give a compensatory duty to the explosives which are made from nitrate, and those explosives are used to a great extent over the entire country, and in making these explosives from 25 to 80 per cent of nitrate is used. Probably there would be an average of 75 per cent of nitrate used, and the question was

whether we should sustain the industry in the United States or put this product on the free list in order to prevent this extra tax upon the industries of the country which must use the blasting element.

We use in this country about 30,000,000 pounds of this material annually. That is the consumption. In the first nine months of 1921 we imported a whole year's supply, and that is evidence that we can not manufacture it in competition with the foreigner. The foreigner is now supplying us entirely with the product; and the question is whether we should continue this industry, giving the wages of the industry to our laborers and the profits to the American manufacturer, or whether we had better surrender it entirely to the foreigner and say that it is one of those cases in which we are not justified in retaining the home industry because of the cost to the other industries. That was the real question for and against which, as I say, the committee wobbled to some extent.

Mr. SIMMONS. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. KING. I do.

Mr. SIMMONS. I want to make an inquiry of the Senator from North Dakota. I am a little bit troubled about this. Where is this product made in this country?

Mr. McCUMBER. It is made in the coke ovens as a by-product, according to my understanding. I am not sufficient of a chemist to say positively.

Mr. SIMMONS. Can the Senator advise me how much is now being produced in this country? The Senator just said that we require about 30,000,000 pounds annually.

Mr. McCUMBER. During the war we made considerable, but we are making practically none now—almost none—and, as I have stated, in the first nine months of 1921 we imported more than enough to supply American consumption for a full year, so practically there is none being made in the United States.

Mr. SIMMONS. Was not that increased importation of the total necessary supply of the country because we were not making the material in this country?

Mr. McCUMBER. Why, yes.

Mr. SIMMONS. Because we had ceased to make it in this country?

Mr. McCUMBER. It was because we are not making it in this country, and we are not making it in this country because the importations can come in at such a price that we can not compete. If the Senator will look back in 1920, he will see that we imported 28,476,000 pounds, or almost enough to supply the American market for that year.

Mr. SIMMONS. I want to say, if the Senator from Utah will pardon me, that for years before the war we were not making any of this article in this country; that we were relying entirely upon the coke ovens of other countries, while our coke ovens that could supply the same material were not making it. During the war, of course, we began to make it to some extent, but I had supposed that the manufacturers of this country, finding its manufacture not quite satisfactory or profitable, had decided that they would lapse back to the condition that existed before the war, when they refused to adopt the appliances that were necessary to enable them to save this waste of the coke ovens, and that the present situation was the result of that attitude of mind on the part of the manufacturers of this country.

Mr. McCUMBER. My understanding is that it is simply a question of cost of manufacture in this country, and the importing cost of the same product.

Mr. KING. Mr. President, I was not quite sure from the remarks of the Senator whether he was more concerned in protecting the explosive industry than in protecting the ammonium nitrate industry per se.

Mr. McCUMBER. If we allow the nitrate to be put upon the free list, of course it will not be necessary to give any compensatory duty to the explosive industry. The question in my mind was whether the added cost to the user of the explosive would be greater than the benefit to be derived from manufacturing it in the United States.

Mr. KING. Then, as I understand the Senator, if you add a duty to ammonium nitrate you must add a compensatory duty to all the products into which it enters as a constituent part, whether explosives or anything else.

Mr. McCUMBER. Probably 90 per cent of it is used in explosives, and even on a basis of 80 per cent there would be eight-tenths of 1 cent added to every pound of explosive. If it were 75 per cent, of course, it would be a little less than that. So, taking everything into consideration, if we give a duty of a cent a pound we shall have to give practically a cent a pound additional on the explosives, or very near that.

Mr. KING. I invite the Senator's attention to the fact that whenever you add a duty to what might be denominated the raw material or an intermediate and you seek to add compensatory or equivalent rates to the product of which that first product forms a part, you are not satisfied with adding to the other articles seeking a compensatory duty merely the first duty, but there are pyramiding processes employed in the meantime which are carried forward, and the man who uses in the finished product raw material upon which a tariff has been fixed wants a higher tariff than that which was attached to the raw material.

Mr. McCUMBER. Of course, the manufacturer may increase his price, and ordinarily he will fix the price at as high a figure as he can and yet supply the market.

Mr. KING. As high as he can and as high as you let him by your tariff bill.

Mr. McCUMBER. The rule which would govern the committee in the laying of a compensatory duty would be simply to allow, as a compensatory duty, a rate on the finished product proportionate to that laid on the raw material, and if it were eight-tenths of a cent, not more than eight-tenths of 1 cent a pound should be given upon the explosive as a compensatory duty.

Mr. KING. In theory that is very beautiful, but in practice it does not work out that way. When you add a duty to raw material or to an intermediate product which is employed in the process of completing the manufactured product, the last person who gets the tariff is not satisfied to have merely the first tariff which was laid upon that primary product, but he wants, first, his tariff; then he goes back and ascertains the tariff upon the primary product and wants that added, plus various other elements and factors which, in the end, swell the price of the finished product to the great mass of the American people, who ultimately have to bear all these burdens.

That is one of the evils of our tariff system, Mr. President. Those who desire reasonable protection must feel the inequalities and the injustices and the wrongs and the oppressions which are perpetrated in a tariff bill, and they are compelled to make departures from reasonable positions which they have assumed. They postulate a condition which may be ideal, but in the realization of their desires they are compelled to abandon the position which their better judgment and their conscience directs that they should assume.

Just a word now in reply to my good friend the Senator from North Dakota. It is evident, Mr. President, that the Senator intends to give a tariff to the great Powder Trust of the United States. That is true, is it not?

Mr. McCUMBER. Mr. President, I have stated that if we give a duty of 1 cent per pound upon nitrate, out of which explosives are manufactured, we ought to give an equivalent duty on the explosives. If 80 per cent is used we ought to give a duty of eight-tenths of a cent upon the explosives. Otherwise the nitrate would come in in the form of explosives instead of in the form of nitrate. That, of course, necessarily follows.

Mr. SMOOT. It does not apply to powder; it refers to high explosives.

Mr. McCUMBER. It will have little effect on the price of powder; it will generally apply to the price of explosives.

Mr. FRELINGHUYSEN. I understand the compensatory duty would be on dynamite and blasting powder.

Mr. SMOOT. And no other.

Mr. KING. That is, on explosives.

Mr. McCUMBER. When the Senator said powder I understood him to mean blasting powder.

Mr. KING. I did not mean powder used for shooting in a gun, but I understood it to apply to explosives used by farmers, used by miners, and used by contractors. Indeed, you can not build your railroads without it. Even in New York, where they are building houses right in the city, they have perfected their explosive methods so that now they put in explosives and break the rock without destroying contiguous buildings.

Mr. McCUMBER. As I stated, the real question before the committee was whether it was proper to add this duty to the cost to all the producers or let the industry be destroyed in the United States. It is a question of policy, as to which course is the best in the long run.

Mr. KING. I want to thank the Senator for his frankness, and I am sure that if he continues to assume that same frank attitude in the discussion of these questions, as I know he will, we shall get along very much better.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from Utah yield to the Senator from New Jersey?

Mr. KING. I yield.

Mr. FRELINGHUYSEN. In order that the direct question may be before the Senate, I present for the committee the following amendment to the amendment.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The READING CLERK. On page 4, line 16, in lieu of striking out the words "ammonium nitrate" insert:

Ammonium nitrate, 1 cent per pound.

Mr. KING. Mr. President, I have not quite concluded, but the junior Senator from Idaho [Mr. GOODING] wants to speak at this time, and if I yield the floor to accommodate him I desire to ask the chairman of the committee if he will invoke the rule on me when I resume my discussion in a few moments.

Mr. McCUMBER. I certainly shall not do so.

Mr. KING. Then I yield the floor for the present to the Senator from Idaho.

Mr. GOODING addressed the Senate. After having spoken for a few minutes,

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. GOODING. I yield.

Mr. McNARY. Mr. President, I think the speech of the Senator from Idaho is of unusual importance. I know the Senator from Idaho has given a great deal of thought to the subject, which he is treating in a very interesting historical manner. I am certain many Senators who have no knowledge of the fact that the Senator from Idaho is addressing the Senate would like to be present to hear him. I therefore suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Borah	Heflin	Nelson	Simmons
Brandegee	Hitchcock	Newberry	Smoot
Capper	Johnson	Nicholson	Spencer
Colt	Jones, Wash.	Norbeck	Sterling
Culberson	Kendrick	Oddie	Sutherland
Curtis	Keyes	Overman	Swanson
Dial	King	Page	Townsend
Dillingham	Ladd	Phipps	Underwood
du Pont	Lenroot	Pittman	Wadsworth
Edge	Lodge	Poindexter	Walsh, Mass.
Fletcher	McCumber	Pomerene	Warren
Gooding	McKellar	Rawson	Watson, Ga.
Hale	McKinley	Robinson	Weller
Harris	McLean	Sheppard	Williams
Harrison	McNary	Shortridge	Willis

Mr. SHEPPARD. The Senator from Montana [Mr. WALSH] is detained on official business.

Mr. KEYES. I have been requested to announce that the Senator from Nebraska [Mr. NORRIS] is detained on official business.

The PRESIDING OFFICER. Sixty Senators have answered to their names. A quorum is present.

Mr. GOODING. Mr. President, I hope I may be allowed to conclude my remarks without interruption.

You may search down through the annals of the past as far back as authentic history tells the story of the rise and fall of other civilizations, but nowhere can you find a nation that can be compared, even in the smallest way, with that of our own great country.

For since the Declaration of Independence first proclaimed the birth of a new nation, we have made more progress and advancement and given more to humanity than all of the Old World combined. As I grow older and come in closer touch with this great Government of ours, I marvel at the wisdom and forethought of the founders of this Republic, and I am impressed with one thought, that in their great work they asked and received the guidance of that all-wise Providence that shapes and directs the destiny of nations. Through that inspiration they laid the foundation of this Government, which will live as long as life, liberty, and the pursuit of happiness are accepted as the cardinal principles of this Republic.

In their wisdom they created this Senate, a legislative body that never dies, and how well this Senate has met the responsibilities imposed upon it by the founders of this Republic is best told in the greatness of our country.

Mr. President, the life work of the Senators upon this floor has been along many different lines. In some cases their pathways have been far apart, surrounded by different conditions and environments. So it is not strange that Senators have different viewpoints on many of the great questions that come before this body for consideration. In the discussion of the new tariff bill, that is now before the Senate, we shall hear these different views amplified to the fullest degree.

It has been my hope for many years that, in my lifetime, the American people would come to accept the great principle of protection as a permanent policy of this Government, but in this I fear I shall be disappointed, for the Democratic Party is more of a free-trade party to-day than ever before in its history. And I am going to prove that statement, Mr. President, so far as agriculture is concerned, when I take up the Underwood-Simmons bill for discussion. The leader of the minority [Mr. UNDERWOOD] makes it very clear that the Democratic Party is opposed to protection. In reply to a question asked by the Senator from Michigan [Mr. TOWNSEND] when the lactic-acid amendment was under consideration the Senator from Alabama [Mr. UNDERWOOD] said:

Of course, the Senators on this side of the Chamber are not in favor of protective tariff. If we were levying a revenue tariff, I think 1½ per cent would be sufficient, but from the standpoint of a protectionist, if we are to levy a protective tariff, if the basic rate on the 80 per cent concentration is to be 2 cents a pound, I can not see how a rate above 6 cents a pound can be justified on the higher concentration.

So, Mr. President, the issue between the two great political parties on the tariff question is squarely and clearly drawn, the same as it has been ever since the birth of the Republican Party. The Republican Party is fighting for protection to American labor and American industries. The Democratic Party is fighting against protection to American industries and American labor, or for free trade or for a tariff for revenue only. That is the issue, Mr. President, between the two great political parties, and it must not be misunderstood here in the Senate or by the American people.

Henry Clay said a hundred years ago that the question of free trade and protection would never be settled until it was settled on the side of protection. I do not believe it is going to take another hundred years to settle that question, Mr. President, for I believe the people of America are coming to understand that this country can not exist without proper protection to all of our industries.

Mr. President, for more than 250 years, with the exception of a few years in the early history of this Republic, the American people have been discussing the question of free trade and protection in some form or other. The question of free trade and protection has overshadowed all other public questions in America. Upon this question political parties have divided, and for many years it threatened the destruction of the Union. We fought the Revolutionary War for political independence, that we might have the right to protect our own industries, to trade with our own people, and to sell our products in every market of the world without British domination.

England's attitude toward the Colonies for more than a hundred years before the Revolutionary War was one of enforced slavery. The Colonies were permitted to till the soil and furnish raw material for the British manufacturers, but beyond that they were forbidden to go. William Pitt, a friend of America, declared in the British Parliament that the American Colonies had not even the right to manufacture a horseshoe nail except by permission of the British Government. As early as 1699 the British Parliament, upon the complaint of the English manufacturers, prohibited the American Colonies from exporting any wool, woolen yarns, or cloth produced in the Colonies to any other country.

In 1732 the British Parliament prohibited the exportation of hats from one colony to another, and no hatter was allowed to have more than two apprentices at a time. The Carolinians were forbidden to cut down the pine trees of their vast forests in order to convert the wood into staves or the juice into turpentine and tar for commercial purposes. "To print an English Bible would have been an act of piracy."

In 1750 the British Parliament passed an act which provided that iron should be admitted to Great Britain without duty, but prohibited the erection in the Colonies of slitting or rolling mills or steel furnaces. Such establishments as were already in operation were allowed to continue. The intention of the law was to confine the iron works of the Colonies to the production of iron for the British manufacture.

Lord Chatham said in Parliament that he would not have the Americans make a hobnail. Another noble lord added, "nor a razor to shave their beards." Lord Brougham said in the House of Commons in 1816, "It is well worth while to stifle in the cradle those rising manufactories in the United States which the war had forced into existence." Mr. Robertson, another member, speaking of the British policy, confessed that it "was nothing more nor less than for us"—the English—"to get a monopoly of all markets for our manufacture and to prevent other nations, one and all, from engaging in them."

And so for more than a hundred years the American Colonies had free trade forced upon them with a vengeance. They saw a country before them rich in natural resources beyond descrip-

tion, and they knew and understood that those countries which did not turn their raw materials into the finished product never reached a high state of development or accumulated great wealth.

They knew and understood that England's policy, which denied them the right to turn their raw materials into the finished product, meant enforced servitude to Great Britain. England is far more diplomatic to-day with her trade of the world than she was a hundred years ago. But the English manufacturers leave nothing undone to stifle industries in other countries when they have an opportunity to flood that country with their cheap manufactured products. What is true of England is true of other great commercial nations.

Mr. President, there has never been a time in the history of our country when we needed protection more than we do to-day to safeguard our ports from importations of cheap foreign products, for from the beginning of our existence as a Government we have always paid a higher price for labor than any other country on earth. The difference in the price paid for labor to-day in America and that paid in foreign countries is greater than at any time in our existence as a Nation.

The Hon. C. J. Hannon, member of Parliament from Birmingham, in an address to the members of the National Union of Manufacturers at Birmingham on December 7 of last year quoted the following prices paid for labor at that time in the leading countries of the world:

An ounce of gold purchases 17.22 hours of labor in the United States; 50.16 hours in Great Britain; 95.5 hours in Japan; 117.3 hours in France, and 201.66 hours in Germany.

Mr. President, I wish to submit for the consideration of Senators a comparative statement of earnings and living costs in six different countries for carpenters, plasterers, painters, bricklayers, machinists, and shoemakers. It takes an average of 45 States in the Union in making the comparison with the other countries and all the figures given are based upon the American gold dollar. I ask that the table may be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The Senator from Idaho asks to have printed in the RECORD the table which he has described. In the absence of objection, the order is made.

The table is as follows:

	Average daily wage.					
	Germany.	Italy.	Japan.	France.	England.	United States.
Carpenters	$0.72	$0.90	$1.30	$1.38	$3.38	$6.62
Plasterers	.72	.76	1.53	1.56	3.38	8.47
Painters	.72	.80	1.53	1.71	3.08	6.80
Bricklayers	.75	.76	1.53	1.56	3.38	8.72
Machinists	.72	.82	1.50	1.38	2.90	6.40
Shoemakers	.64	.72	1.23	1.20	2.40	6.00
Average	.71+	.79+	1.43+	1.46½	3.08+	7.17+
Cost of food:						
Beef, per pound	.18	.20	(1)	.21	.28	.29
Pork, do	.20	.22	(1)	.30	.30	.38
Horse meat, do	.10	.15	(1)	.18	None.	None.
Rice, do	.04	.06	.07	.07	.08	.09
Cost of clothing:						
Men's suits, ready made	8.00	10.00	(2)	18.00	15.00	20.00
Men's suits, made to order	10.00	12.00	(2)	22.00	18.00	30.00
Rent: Average per week for family house	1.50	2.00	2.80	3.00	3.50	8.75

[1] Little or none used.
[2] Nearly all Japanese workers make their own clothing.

Wages, food, clothing, and rent are average figures. Some localities will show higher figures and others lower than these.

American wages are the average in 45 cities. All wages based on 8 hours' work and pay, excepting in Japan.

WHAT THE WORLD'S WAGES WILL BUY.

This table shows the purchasing power of the average wages paid in 31 trades. Each figure represents the equivalent in food of an average day's wage in the country specified.

To illustrate, a German worker could buy with his day's wage 3⅔ pounds of beef or 3½ pounds of pork, whereas an American worker with his wage could buy 21 pounds of beef or 15½ pounds of pork. Very much the same ratio applies to other foodstuffs.

Purchasing power of an average day's wage (pounds).

	Germany.	Italy.	Japan.	France.	England.	United States.
Beef	3⅔	4	None.	6½	9¼	21
Pork	3½	3½	None.	4½	9	15½
Horse meat	6¼	5	None.	6½	None.	None.
Rice	17	15	16	19	34	66

Mr. GOODING. Mr. President, unless we have courage enough to give these industries the difference in the cost of production here and abroad we shall not start the wheels of industry, nor give an opportunity for employment to the millions of men who have been idle for more than a year, many of them depending largely upon charity for existence.

Mr. President, I am going to review briefly the history of free trade and protection from the close of the Revolutionary War down to the present time. I shall have no trouble in proving that protection to American industries is responsible for our mighty growth and development. I shall have no trouble in proving that protection to American labor is responsible for our American standard of living, our American standard of wages, and our American standard of citizenship that is the best in all the world. On the other hand, I shall have no trouble in proving that free trade or any tariff law that has reduced the duties below the line of protection always brought poverty, hardships, and privations. And to this rule there is no exception, regardless of what political party made the reduction.

At times the disastrous effects of our free trade laws have been delayed owing to wars in Europe or wars in which our own country was involved, but without exception before those free trade laws were repealed, free soup houses had to be established in all of our great cities, and charity forced to feed the poor to prevent death from starvation.

No period in American history, Mr. President, describes more fully the disastrous result of free trade than the eight years following the Revolutionary War, during which time this country existed under the Articles of the Confederation. Those years that we lived under the Articles of Confederation were the nearest approach to free trade of any period in the history of this Republic, and this period has been named by some of our historians as the period of the greatest crisis in our history.

Under those articles each State reserved the right to regulate its own commerce, not only with other States but also with foreign countries. After peace was restored, foreign nations, by playing one State against the other, succeeded in securing for their goods admission into this country practically free of duty.

With our ports wide open to foreign importations and England's fixed policy of waging war on America's industries, it is easy to understand how those manufacturers that had developed during the Revolutionary War were practically destroyed.

In a speech at Pittsburgh on July 8, 1833, Daniel Webster tells the story of how well the British succeeded in their work of destruction. He said:

From the close of the War of the Revolution there came on a period of depression and distress on the Atlantic coast such as the people had hardly felt during the sharpest crises of the war itself. Shipowners, shipbuilders, mechanics, artisans, all were destitute of employment, and some of them destitute of bread. British ships came freely and British products came plentifully, while to the American ships and American products there was neither protection on the one side nor the equivalent of reciprocal free trade on the other. The cheaper labor of England supplied the inhabitants of the Atlantic shores with everything. Ready-made clothes, among the rest, from the crown of the head to the soles of the feet, were for sale in every city. All these things came free from any general system of imposts. Some of the States attempted to establish their own partial systems, but they failed. Voluntary association was resorted to, but that failed also.

Washington, writing to Edmund Randolph, under date of November 19, 1786, said:

Our affairs seem to be drawing to an awful crisis; it is necessary, therefore, that the abilities of every man should be drawn into action in a public line to rescue them, if possible, from impending ruin.

David H. Mason, in his short tariff history of the United States, has this to say of the eight years of free trade under the Articles of Confederation:

Had there been no free trade, there would have been no inundation of foreign goods; had there been no inundation of foreign goods, there would have been no drain of specie; had there been no drain of specie, there would have been no distress from lack of a circulating medium; had there been no such distress, there would have been no impulse toward insubordination to the State. * * * As there was the closest approach to absolute free trade ever tried by this country, so there was the largest harvest of calamities and dangers ever experienced by the American people. That awful crisis at the outset of our career as an independent Nation should be regarded as a monument erected by the sufferings of our forefathers to warn posterity against the delusive and mischievous plausibilities of the free-trade policy.

But in the United States, Mr. President, posterity has not been guided by the lamp of experience on the question of free trade and protection, and I doubt very much if the hard times during those eight years we lived under the Articles of Confederation were any worse than some of those years we have lived under Democratic administrations in the past with their free-trade policies controlling the ports of our country.

To-day we are fighting the same old fight that we have fought for more than a hundred years. It is an old, old story, over and over again, and we find the Democratic Party is opposing

the best protective-tariff measure that has ever been reported to any Congress; a measure that gives protection to all lines of industry in the North, in the South, in the East, and in the West. We find them predicting that dire calamity will come to the country, just as the free trader has been doing for more than a hundred years, and not once have their predictions come true, for history teaches us without exception that almost before the ink was dry on those revenue bills which gave proper protection to all of our industries prosperity returned to bless the American people.

It is not strange, Mr. President, that the First Congress of the United States, after the Constitution was adopted and necessary laws were enacted providing for the machinery of the Government, should pass a protective-tariff measure as its first general law. This act was signed by President Washington on the 4th of July, 1789.

In discussing our first protective tariff bill in Congress, Fisher Ames, of Massachusetts, said:

I conceive, sir, that the present Constitution was dictated by commercial necessity more than any other cause. The want of an efficient Government to secure the manufacturing interest and to advance our commerce was long seen by men of judgment and pointed out by patriots solicitious to promote our general welfare.

To prove the truth of my statement, Mr. President, that free trade has always meant poverty and distress, and that protection has always brought prosperity and happiness to the American people, I am going to read extracts from the messages of our Presidents and from the speeches of some of our great statesmen giving a description of the conditions that have existed under free trade and protection in America.

I especially want to call the attention of the Senate to the condition of our country during the first 27 years of our existence as a Government, when ample protection was given to all lines of industry. President Washington said in his seventh annual message to Congress, in 1795:

Every part of the Union displays indications of rapid and various improvements; and with burdens so light as scarcely to be perceived, with resources fully adequate to our present exigencies, with government founded on the genuine principles of national liberty, and with mild and wholesome laws, is it too much to say that our country exhibits a spectacle of national happiness never surpassed if ever before equaled?

John Adams was elected President in 1796. In his third annual message to Congress he said:

The flattering prospects of abundance from the labors of the people by land and by sea; the prosperity of our extended commerce, notwithstanding interruptions occasioned by the belligerent state of a great part of the world; the return of health, industry, and trade to those cities which have lately been afflicted with disease, and the various and inestimable advantages, civil and religious, which, secured under our happy frame of government, are continued to us unimpaired, demand of the whole American people sincere thanks to a benevolent Deity for the merciful dispensations of His providence.

Thomas Jefferson was elected President in 1800. In his sixth annual message to Congress he said:

The question therefore now comes forward, to what other objects shall these surpluses be appropriated, and the whole surplus of impost, after the entire discharge of the public debt and during those intervals when the purposes of war shall not call for them? Shall we suppress the impost and give that advantage to foreign over domestic manufacture? On a few articles of more general and necessary use the suppression in due season will doubtless be right, but the great mass of the articles on which impost is paid are foreign luxuries, purchased by those only who are rich enough to afford themselves the use of them. Their patriotism would certainly prefer its continuance and application to the great purposes of the public education, roads, rivers, canals, and such other objects of public improvement as it may be thought proper to add to the constitutional enumeration of Federal powers.

Jefferson, it is said, in his young manhood was a free trader, but became a strong protectionist as President, when he understood and knew the necessity of protection to American institutions and American labor.

In a letter to his friend, Colonel Humphries, dated January 2, 1809, Jefferson said:

My idea is that we should encourage home manufactures to the extent of our own consumption of everything of which we raise the raw materials.

In the same year, in a letter to Thomas Leiper, he said:

I trust the good sense of our country will see that its greatest prosperity depends on a due balance between agriculture, manufacture, and commerce.

I especially call the attention of my Democratic friends to the expression "due balance between agriculture, manufacture, and commerce," because there is no due balance between manufacture and agriculture in the Underwood-Simmons tariff law, practically everything produced by the farmer being placed on the free list under that law or a duty so low provided that it is not even a revenue duty.

In a letter to Benjamin Austin, under date of January 9, 1816, Jefferson said:

We have experienced what we did not then believe, that there exists both profligacy and power enough to exclude us from the field of interchanges with other nations; that to be independent for the comforts of life, we must fabricate them ourselves. We must now place our manufacturers by the side of the agriculturist. The former question is now suppressed, or rather assumes a new form. The grand inquiry now is, shall we make our own comforts or go without them at the will of a foreign nation? He, therefore, who is now against domestic manufactures, must be for reducing us either to a dependence upon that nation or be clothed in skins and live like beasts in dens and caverns. I am proud to say that I am not one of those. Experience has taught me that manufactures are now as necessary to our independence as to our comforts.

James Madison was elected President of the United States in 1808 and again in 1812. In a special message to Congress, May 23, 1809, he said:

The revision of our commercial laws, proper to adapt them to the arrangement which has taken place with Great Britain, will doubtless engage the early attention of Congress. It will be worthy at the same time to their just and provident care, to make such further alterations in the laws as will more especially protect and foster the several branches of manufacture which have been recently instituted or extended by the laudable exertion of our citizens.

In his special message to Congress February 29, 1815, he said:

But there is no subject which can enter with greater force and merit into the deliberations of Congress than a consideration of the means to preserve and promote the manufactures which have sprung into existence and attained unparalleled maturity throughout the United States during the period of the European wars. This source of national independence and wealth I anxiously recommend to the prompt and constant guardianship of Congress.

The years from 1789 to 1816, the first 27 years of our existence as a Government, were years of prosperity and happiness for the American people. During those 27 years a number of tariff bills were passed, all adding increased duties to agriculture and manufacture. The wonderful change from conditions which existed during the years this country operated under the Articles of Confederation won for protection a place in the hearts of the American people which will endure until that great principle becomes a permanent policy of our Government.

In 1816 there was a demand for the reduction of the high duties that had been enacted in 1812. The pendulum swung too far, and the duties were reduced so low as not to give proper protection to our industries. It is said by some writers that it was not the intention of the Government at that time to have reduced the duties below the line of protection, but nevertheless it had the same deadly effect that all of our tariff laws have had when the rates have been reduced below the line of protection. This reduction brought about a severe panic, in which there was great suffering and distress.

James Monroe was elected President of the United States in 1816, and again in 1820. In his first inaugural address, March 4, 1817, he said:

Our manufactures will likewise require the systematic and fostering care of the Government. Possessing, as we do, all the raw materials, the fruit of our own soil and industry, we ought not to depend in the degree we have done on supplies from other countries. While we are thus dependent the sudden event of war, unsought and unexpected, can not fail to plunge us into the most serious difficulties. It is important, too, that the capital which nourishes our manufactures should be domestic, as its influence in that case instead of exhausting, as it may do in foreign hands, would be felt advantageously on agriculture and every other branch of industry. Equally important is it to provide at home a market for our raw materials, as by extending the competition it will enhance the price and protect the cultivator against the casualties incident to foreign markets.

President Monroe calls attention to excessive importations from foreign countries, and refers to the condition of the country after the protective tariff had been reduced below the line of protection.

The serious condition brought about by reducing the duties in the act of 1816 below the line of protection gave the protectionists the election in 1824, and John Quincy Adams was elected President. In his fourth annual message to Congress, December 2, 1828, he said:

The great interests of an agricultural, commercial, and manufacturing nation are so linked in union together that no permanent cause of prosperity to one of them can operate without extending its influence to the other. All these are alike under the protective power of legislative authority, and the duties of the representative bodies are to conciliate them in harmony together.

Is the self-protecting energy of this Nation so helpless that there exists in the political institutions of our country no power to counteract the bias of this foreign legislation; that the growers of grain must submit to the exclusion from the foreign markets of their products; that the shippers must dismantle their ships, the trade of the North stagnate at the wharves, and the manufacturers starve at their looms, while the whole people shall pay tribute to foreign industry, to be clad in a foreign garb; that the Congress of the Union are impotent to restore the balance in favor of native industry destroyed by the statutes of any realm?

The administration of John Quincy Adams was one of great national prosperity. A protective tariff measure, known as the American system, was enacted. In 1832 Henry Clay, in describing the serious conditions which existed under the act of 1816 and the prosperity which followed the enactment of a protective

tariff measure during Adams' administration, said in the United States Senate:

Eight years ago it was my painful duty to present to the other House of Congress an unexaggerated picture of the general distress pervading the whole land. We must all know that the people were then oppressed and borne down by an enormous load of debt; that the value of property was at the lowest point of depression; that ruinous sales and sacrifices were everywhere made of real estate; that stop laws and relief laws and paper money were adopted to save the people from impending destruction; that a deficit in the public revenue existed, which compelled the Government to seize upon and divert from its legitimate object the appropriations to the sinking fund to redeem the national debt; and that our commerce and navigation were threatened with a complete paralysis.

In short, sir, if I were to select any term of seven years since the adoption of the present Constitution which exhibited a scene of the most widespread dismay and desolation, it would be exactly that term of seven years which immediately preceded the establishment of the tariff of 1824.

I have now to perform the more pleasing task of exhibiting an imperfect sketch of the existing state of the unparalleled prosperity of the country. On a general survey we behold cultivation extended, the arts flourishing, the face of the country improved, our people fully and profitably employed, and the public countenance exhibiting tranquillity, contentment, and happiness.

And if we descend into particulars we have the agreeable contemplation of a people out of debt; land rising slowly in value, but in a secure and salutary degree; a ready though not extravagant market for all the surplus productions of our industry; innumerable flocks and herds browsing and gamboling on 10,000 hills and plains, covered with rich and verdant grasses; our cities expanded, and whole villages springing up, as it were, by enchantment; our exports and imports increased and increasing; our tonnage, foreign and coastwise, swelling and fully occupied; the rivers of our interior animated by the perpetual thunder and lightning of countless steamboats; the currency sound and abundant; the public debt of two wars nearly redeemed; and, to crown all, the Public Treasury overflowing, embarrassing Congress, not to find subjects of taxation, but to select the objects which shall be liberated from impost.

If the term of seven years were to be selected of the greatest prosperity which this people have enjoyed since the establishment of their present Constitution, it would be exactly that period of seven years which immediately followed the passing of the tariff of 1824.

This transformation of the conditions of the country from gloom and distress to brightness and prosperity has been mainly the work of American legislation, fostering American industry, instead of allowing it to be controlled by foreign legislation cherishing foreign industry. The foes of the American system in 1824, with great boldness and confidence, predicted, first, the ruin of the public revenue and the creation of a necessity to resort to direct taxation. The gentleman from South Carolina, General Hayne, I believe, thought that the tariff of 1824 would operate a reduction of revenue to the large amount of $8,000,000. Secondly, the destruction of navigation; thirdly, the desolation of commercial cities; and, fourthly, the augmentation of the price of objects of consumption and further decline in that of the articles of our exports.

Every prediction which they made has failed, utterly failed. Instead of the ruin of the public revenue, with which they then sought to deter us from the adoption of the American system, we are now threatened with its subversion by the vast amount of the public revenue produced by that system. Every branch of our navigation has increased.

That it should be necessary to defend a system of policy which had produced such decidedly beneficial, such magical, such stupendous effects on all the great and minor interests of the country, public and private effects which everybody knew, everybody saw, is indeed a just subject of wonder.

Yet we have been doing the same thing for a hundred years, Mr. President.

ANDREW JACKSON A PROTECTIONIST IN 1824.

In a letter to Dr. L. H. Coleman, of North Carolina, General Jackson said:

* * * Heaven smiled upon us and gave us liberty and independence. The same Providence has blessed us with the means of national independence and national defense. If we omit or refuse to use the gifts which He has extended to us, we deserve not the continuance of His blessing. He has filled our mountains and our plains with minerals—with lead, iron, and copper—and given us a climate and soil for the growing of hemp and wool.

These being the great materials of our national defense, they ought to have extended to them adequate and fair protection that our manufacturers and laborers may be placed in a fair competition with those of Europe and that we may have within our country a supply of these leading and important articles so essential to war.

I will ask, What is the real situation of the agriculturist? Where has the American farmer a market for his surplus produce? Except for cotton, he has neither a foreign nor a home market. Does not this clearly prove, when there is no market at home or abroad that there is too much labor employed in agriculture? Common sense at once points out the remedy—take from the agriculture in the United States 600,000 men, women, and children and you will at once give a market for more breadstuffs than all Europe now furnishes us with.

In short, sir, we have been too long subject to the policy of British merchants. It is time we should become a little more Americanized, and instead of feeding paupers and laborers of England feed our own; or else, in a short time, by continuing our present policy we shall be paupers ourselves.

It is therefore my opinion that a careful and judicious tariff is much wanted to pay our national debt and to afford us the means of that defense within ourselves on which the safety of our country and liberty depends; and last, though not least, give a proper distribution of our labor, which must prove beneficial to the happiness, wealth, and independence of the community.

Andrew Jackson was elected President in 1828, and again in 1832. In his first annual message to Congress, December 9, 1829, he said:

The agricultural interest of our country is so essentially connected with every other, and so superior in importance to them all, that it is scarcely necessary to invite it to your particular attention. It is principally as manufactures and commerce tend to increase the value of agricultural productions and to extend their application to the wants and comforts of society that they deserve the fostering care of the Government.

The Democratic Party has changed its attitude materially since Andrew Jackson's time, as far as agriculture is concerned.

The period between 1820 and 1832 saw a most remarkable change in the sentiment on the great question of free trade and protection in America. Cotton had become king in the South and the slave traffic a thriving business. Two million four hundred and eighty-six thousand two hundred and twenty-six slaves were the chattels of southern planters.

With no manufacturing industries in the South and no labor to protect, the South believed its interests would be best served by free trade. John C. Calhoun, who had been a strong protectionist, became a free trader, as well as the rest of the great men of the South at that time.

McCleary, in his work entitled "Protection our Proper Permanent Policy," says of the great contest of 1832:

Andrew Jackson still favored a protective tariff. In 1832 he was renominated for the Presidency. Calhoun having gone over to the antiprotectionists and having been elected as United States Senator from South Carolina, Martin Van Buren, of New York, was nominated for Vice President. Jackson and Van Buren were elected.

As soon as the result of the election was known the antiprotectionists of South Carolina met in convention and declared that "the tariff acts of 1828 and 1832 were unconstitutional, null, and void, and not binding on the State, its officers, or its citizens," and that it should be unlawful for any officer of the State or of the United States to collect duties under those laws within the limits of South Carolina, and declared that any attempt of the National Government to enforce these laws would be inconsistent with the longer continuance of South Carolina in the Union, and that military resistance should be made if necessary. This was South Carolina's nullification ordinance of 1832. The argument on which it was based, written by Calhoun, was the basis of the actual secession a generation later.

South Carolina's threat of secession was vigorously answered by Andrew Jackson's famous announcement, "The Union must and shall be preserved." This proclamation of December 10, 1832, ending with the words, "The Constitution and the laws are supreme and the Union indissoluble," are among the ablest and most interesting of our State papers. Congress passed a bill empowering the President to enforce the laws. But Jackson was naturally reluctant to use force, especially against his native State. "To preserve the Union," a compromise on the tariff was effected under the leadership of Henry Clay. Jackson signed the force bill and the tariff bill on the same day, March 2, 1833. Two weeks later South Carolina repealed her nullification ordinance.

The tariff law of 1832 was taken as the basis of the compromise. All duties exceeding 20 per cent were to be reduced by "one-tenth part of such excess" on January 1, 1834; by another tenth part on January 1, 1836; and so continuing each alternate year until January 1, 1842, when "one half of the residue of such excess" was to be deducted, and the other half on July 1 of the same year. So that beginning July 1, 1842, there would be a uniform duty of 20 per cent.

In 1834, after the first reduction in rates of duty, the customs revenue fell off nearly 50 per cent. But the revenues from the sales of public lands were sufficient to more than make up for the deficiency. There was still a surplus in the National Treasury, part of which was loaned to the States. In 1836, however, the second reduction took effect, and in 1837 there was a financial panic. Shortly after Van Buren's inauguration as President a committee of New York merchants visited Washington and told him that their city was lying "prostrate in despair, its credit blighted, its industry paralyzed."

Protectionists do not charge the panic of 1837 entirely to the reductions in the tariff. The financial panic was no doubt partly due to the destruction of the United States bank, to consequent wildcat banking, and to the specie circular. But the deficiency in the National Treasury, after the loans to the States, and the business depression following the panic, must be charged chiefly to the failure of the tariff law after 1834 to furnish either sufficient revenue or adequate protection. This view is confirmed by the fact that the hard times continued until after the enactment of the tariff law of 1842. * * *

The extent of the business depression throughout the country prior to the enactment of this law is shown by the following extract from Colton's Life of Henry Clay:

"In Ohio, with all her abundance, it was hard to get money to pay taxes. The sheriff of Muskingum County, as stated by the Guernsey Times, in the summer of 1842, sold at auction 1 four-horse wagon at $5.50; 10 hogs at 6½ cents each; 2 horses (said to be worth $50 to $75 each) at $2 each; 2 cows at $1 each; one barrel of sugar for $1.50; and a store full of goods at the same rate.

"In Pike County, Mo., as stated in the Hannibal Journal, the sheriff sold: Three horses at $1.50 each; 1 large ox for 12½ cents; 5 cows, 2 steers, and 1 calf, the entire lot for $3.25; 20 sheep for 13½ cents each; 24 hogs for 25 cents for the lot; 1 eight-day clock for $2.50; 1 lot of tobacco (7 or 8 hogsheads) for $5; 3 stacks of hay at 25 cents each; 1 shock of fodder at 25 cents."

The advocates of protection carried the country in 1840, and William Henry Harrison was elected President. He died soon after his inauguration. The Vice President, John Tyler, became President, and a strong protective tariff measure was passed on August 20, 1842, which was almost magical in its effect. Prosperity was restored, and protection again proved all that its advocates had claimed for it.

In 1844, former President John Quincy Adams said:

The tariff of 1842 has wrought wonders for the purposes for which it was enacted—the procurement of an adequate revenue and of protection for the native industry and free labor of the land. It has fully performed its promises to the Nation, filled the coffers of the Treasury, provided ample means for defraying the current expenses of the years 1842, 1844, and 1845, and already paid off a large proportion of the heavy debt contracted by the preceding administration.

In 1844 the Democrats won the election, and James K. Polk was elected President. On July 30, 1846, a revenue bill, known

as the Walker Act, was passed. It gave very satisfactory protection to the agricultural interests, but failed to give proper protection to the manufacturers, which resulted in large importations of foreign goods. Before the end of President Polk's administration the business of the country was in a most serious condition.

In President Polk's second annual message, December 8, 1846, he said:

In resuming your labors in the service of the people, it is a subject matter of congratulation that there has been no period in our past history when all the elements of national prosperity have been so fully developed. Since your last session no afflicting dispensation has visited our country. General good health has prevailed, abundance has crowned the toil of the husbandman, and labor in all its branches is receiving an ample reward, while education, science, and the arts are rapidly enlarging the means of social happiness. The progress of our country in her career of greatness, not only in the vast extension of our territorial limits and the rapid increase of our population, but in resources and wealth and in the happy conditions of our people, is without an example in the history of nations.

When President Polk delivered his second annual message on December 8, 1846, he described very fully the conditions that existed in the country during the four years of the protective tariff act of 1842. While the Walker Tariff Act was passed July 30, 1846, it did not go into effect until December 1 of that year. Thus it is seen that when President Polk's message was delivered, the Walker Tariff Act had been in effect only six days, not long enough, I am sure, to be responsible for the wonderful growth and development of our country so well described by President Polk.

In 1848 the Whigs carried the election and Taylor was elected President with Fillmore Vice President. In his first annual message to Congress, December 4, 1849, President Taylor said:

I recommend a revision of the existing tariff and its adjustment on a basis which may augment the revenue. I do not doubt the right or duty of Congress to encourage domestic industry, which is the great source of national as well as individual wealth and prosperity.

I look to the wisdom and patriotism of Congress for the adoption of a system which may place home labor at last on a sure and permanent footing, and, by due encouragement of manufactures, give a new and increased stimulus to agriculture and promote the development of our vast resources and the extension of our commerce. Believing that to the attainment of these ends, as well as the necessary augmentation of the revenue and the prevention of frauds, a system of specific duties is best adapted, I strongly recommend to Congress the adoption of that system, fixing the duties at rates high enough to afford substantial and sufficient encouragement to our own industry and at the same time so adjusted as to insure stability.

On July 9, 1850, President Taylor died and Vice President Fillmore became President. In his third annual message to Congress, December 6, 1852, recommending increased protection, President Fillmore said:

In my first annual message to Congress I called your attention to what seemed to me some defects in the present tariff, and recommended such modifications as in my judgment were best adapted to remedy its evils and promote the prosperity of the country. Nothing has since occurred to change my views on this important question.

Without repeating the arguments contained in my former message in favor of discriminating protective duties, I deem it my duty to call your attention to one or two other considerations affecting this subject. The first is the effect of our large importations of foreign goods upon our currency. Most of the gold of California as fast as it is coined finds its way directly to Europe in payment for goods purchased. In the second place, as our manufacturing establishments are broken down by competition with foreigners the capital invested in them is lost, thousands of honest and industrious citizens are thrown out of employment, and the farmer to that extent is deprived of a home market for the sale of his surplus produce.

In the third place the destruction of our manufactures leaves the foreigner without competition in our market, and he, consequently, raised the price of the article sent here for sale, as is now seen in the increased cost of iron imported from England. The prosperity and health of every nation must depend upon its productive industry.

In 1852 the Democrats carried the election and Franklin Pierce was elected President. The country was afire with the question of slavery, as it had been throughout the administration of Taylor and Fillmore. The bitter struggle to extend slavery into the free-soil States overshadowed all other questions, and no attempt was made to revise the tariff until almost the last months of the administration. On March 3, 1857, a revision of the tariff was made; from 25 to 30 per cent reduction was made on practically all farm products. The tariff bill of 1857 was as unfair to agriculture as the Walker bill had been to the manufactures.

The war with Mexico in 1846, the discovery of gold in California in 1848 and 1849, and the Crimean War, which ended in 1856—all these mighty factors were not enough to save the country from another panic, which had been steadily growing on the country since the passage of the Walker Tariff Act in 1846. With a revenue act that was unfair to both agriculture and manufacturing, the country was ripe for another panic.

In 1856 the Democrats carried the election again and James Buchanan was elected President. In his first annual message to Congress, December 8, 1857, he told the story of the hardships and privations of the American people in this land of plenty, the same story that other Presidents and other great men have told when describing the conditions of the country under revenue laws that did not afford proper protection to all of our industries. He said:

In the midst of unsurpassed plenty in all the production of agriculture and in all the elements of national wealth we find our manufactures suspended, our public works retarded, our private enterprises of different kinds abandoned, and thousands of useful laborers thrown out of employment and reduced to want. The revenue of the Government, which is chiefly derived from duties on imports from abroad, has been greatly reduced.

It is not strange, Mr. President, that the country should witness another panic after the radical reduction of the protection to farm and range products, and so in the year of 1857 the country was again cursed with a dreadful panic for its folly for reducing the tariff below the point of adequate protection from the cheap products of foreign countries.

Horace Greeley, in an editorial in the New York Tribune, had this to say of the panic of 1857:

Who is hungry? Go and see. You that are full fed and know not what it is to be hungry, perhaps never saw a hungry man, go and see. Go and see thousands of men and women, boys and girls, old and young, black and white, of all nations crowding and jostling each other, almost fighting for the first chance, acting more like hungry wolves than human beings in a land of plenty, waiting until food is ready for distribution. Such a scene may be seen every day between 11 and 2 o'clock around the corner of Orange and Chatham Streets, where charity gives a dinner to the poor.

In 1860, Abraham Lincoln was elected President, and the bitterness over slavery and free trade, which had been growing for more than 30 years, brought on secession of the Southern States. Very properly South Carolina led off and was followed in rapid succession by the other Southern States.

In February, 1861, delegates from South Carolina, Mississippi, Florida, Alabama, Georgia, Louisiana, and Texas met in convention at Montgomery, Ala., and adopted a constitution, which was subscribed to later by the States of Virginia, Arkansas, North Carolina, and Tennessee. Article 8 of the Confederate constitution reads as follows:

The congress shall have power to lay and collect taxes, duties, imposts, and excises for revenue necessary to pay the debts, provide for a common defense, and carry on the Government of the Confederate States; but no bounties shall be granted from the treasury, nor shall any duties or taxes on importations from foreign nations be paid to promote or foster any branch of industry, and all duties, imposts, and excises shall be uniform throughout the Confederate States.

And so if the Southern States had succeeded in the Civil War they would have been a free-trade country by constitutional provision. As a result of the Civil War slavery perished, and by every right free trade should have perished with slavery, for slavery is responsible for free trade in America, but the southern politicians have stuck doggedly to their free-trade policy, and as far as agriculture and its affiliated industries are concerned the Democratic Party is nearer a free-trade party to-day than at any time in its existence.

In 1867 the Republican Party passed a general tariff bill which gave adequate protection to all our industries, and the country responded with great growth and prosperity. Grant was elected President in 1868, but unfortunately the Republican Party listened to a demand for a revision of the tariff downward. In 1870 and 1872 it allowed a material reduction in the protection afforded practically all of our industries.

In 1873 the country was visited by a severe panic. There is no doubt that other conditions which existed in the world at that time contributed to the mistake the Republican Party had made in reducing the tariff below the line of protection. But it is the old, old story of panic when our industries are not properly protected.

In 1875 the Republican Party materially increased the protection to many of our industries. Prosperity returned to again prove the statement that without adequate protection there can be no prosperity.

I pass over the period from 1875 to Grover Cleveland's second administration. I am sure all will agree that the country enjoyed great development and prosperity. I know of no better example of what free trade and protection mean to the prosperity of the country than Grover Cleveland's two administrations. In his first administration the Republican Party had control of the Senate. During those four years not a Democratic law was passed. A free-trade measure passed the House, but was defeated in the Senate, and the country continued its prosperity during those four years when Grover Cleveland operated this Government under Republican protective tariff laws. During those four years when Grover Cleveland operated this country with Republican protective tariff laws he paid off $260,000,000 of the national indebtedness.

President Harrison was elected in 1888, and the country continued in its line of development, with prosperity in every State

in the Union. Then Grover Cleveland was elected again in 1892, and how well I remember one of their campaign songs, It ran something like this:

Grover, Grover,
Four more years of clover.

Well, they got Grover, but if anybody was in clover during those four years I never heard of it.

In that campaign they boasted of the splendid prosperity of the country under Grover Cleveland's first administration, and they succeeded in fooling the people and elected a Democratic House and a Democratic Senate. The Republican protective tariff laws were repealed and a free-trade measure known as the Wilson-Gorman Act was passed.

No human tongue can tell the story of the misery and sufferings of those four years when Grover Cleveland tried to run this Government under free trade laws. Instead of paying off any of the national indebtedness, he was forced to borrow $230,000,000 to pay the running expenses of the Government. One hundred and seventy-seven railroads, with mileage enough to reach twice around the earth, could not meet their obligations and were forced into the hands of receivers. Those four years witnessed 60,000 commercial failures, with liabilities amounting to $1,000,000,000. One hundred and seventy-five national banks closed their doors, and the balance of trade turned ruinously against us. If capital alone had suffered, it would have been bad enough; but the real suffering came to the army of unemployed in the great cities, where free soup houses had to be established to prevent death from starvation.

The saddest thing I know of in this life is to see a man who has struggled for almost half a century to accumulate a little property for his old age, then to find himself, through no fault of his own, a pauper in his declining years. Such a condition came to hundreds of thousands of our citizens during that panic in Grover Cleveland's second administration.

With all these terrible lessons before us, how the American people can go on and submit to these outrages every time the Democratic Party gets control of the Government is beyond my understanding.

In 1896, William McKinley, the great champion of protection, was elected. He convened Congress into special session and repealed those Democratic free trade laws, an act known as the Dingley bill was passed, which gave protection to American industries and American labor. Out of the gloom and misery and suffering of those four years of Grover Cleveland's second administration came a period of great growth and development and prosperity unequaled in the history of the whole world. The country continued its onward march of progress through the Roosevelt administration and the Taft administration, and then came the election of 1912. With the Republican Party divided, the industries of this country again fell prey to another Democratic administration.

Woodrow Wilson was elected President in 1912. He convened Congress in special session and passed a free trade measure known as the Underwood-Simmons bill. Of all the unjust, unfair, and discriminatory revenue bills passed in this country the Underwood-Simmons bill is by far the worst in its treatment of agriculture and its affiliated industries. When I study the free-trade list in the Underwood and Simmons bill, I shudder when I think what might have happened had it not been for the great World War. Even with Europe preparing for war, storing up a surplus for the greatest struggle civilization has ever known, the deadly effect of the Underwood-Simmons bill was making itself felt upon the industries of the country.

Speaking of the conditions that existed before the war, the New York Tribune, in an editorial on August 12, 1920, had this to say:

When the war came to Europe this country, as the business world generally recognized, was headed for an industrial crash. The Underwood tariff bill went into effect on October 3, 1913. In the beginning of 1914 its effect began to show. For six months the tide of imports rapidly rose, and incidentally American factories began to close. Is there doubt of what would have happened if Europe had not been compelled to turn to making war supplies? The tariff question is now little discussed, but men of foresight are making guesses as to what will happen here when Europe reaches the full production toward which she is swiftly moving.

That is a question, Mr. President, which no man can answer. With a new world before us, and with new conditions, only time can solve the mighty problems which confront the world to-day. I want to see my country in the future, as in the past, continue to be the great beacon light of civilization for the whole world, but if we open our ports to the pauper conditions which exist in some of the European countries to-day, or reduce the duty below the line of protection, we shall soon reduce the laborers of this country to their standard of living and their standard of wages. This, in my judgment, we should not do. There is too much intelligence in America among the workingmen in our factories, in our mines, and on our farms to submit quietly to the standard of living and the standard of wages which exist in any European country to-day.

But without proper protection to our industries the difference in the cost of production here and abroad must be wiped out very largely or the factories, the mines, and the farms to a large extent must stop their production. For after all the question of free trade and protection is the laboring man's question. If he is willing to accept the same wages and the same conditions which exist in foreign countries, no industry in America will need any protection.

I should be glad to see the standard of the laborers of Europe brought up to our own standard of living and our own standard of wages. Those who believe in protection, however, will never permit our standard to be forced down to the level of that which exists in any European country.

In 1920 Warren G. Harding was elected President, and in February of 1921 the emergency tariff bill was passed. It is said that one of the last official acts of President Wilson was to veto the emergency tariff bill.

In President Harding's first message to Congress, speaking of agriculture, he said:

One who values American prosperity and maintained American standards of wage and living can have no sympathy with the proposal that easy entry and the flood of imports will cheapen our costs of living. It is more likely to destroy our capacity to buy. To-day American agriculture is menaced, and its products are down to pre-war normals, yet we are endangering our fundemental industry through the high cost of transportation from farm to market and through the influx of foreign farm products, because we offer, essentially unprotected, the best market in the world. It would be better to err in protecting our basic food industry than paralyze our farm activities in the world struggle for restored exchanges.

The same emergency tariff bill that was vetoed by President Wilson was passed by a Republican Congress and signed by Warren G. Harding on the 27th day of May, 1921. The emergency tariff bill was fought by the Democratic Party with the same bitterness that all other protective tariff bills have been fought. They charged the Republican Party with playing a bunko game on the farmers. How well I remember the tears that were shed by some of the Senators on the other side of the Chamber for the poor farmers. They insisted that the emergency tariff bill would only add to the burdens of the farmer. One of their pet sayings was:

The farmer asks for bread and the Republican Party give him a stone.

They were sure that the emergency tariff bill would increase the farmer's burdens. Like every other protective tariff bill that has ever been passed, Mr. President, it has been almost magical in its effects. It not only saved the live-stock industry from destruction but materially benefited every other industry to which it gave protection.

Believing that the farmers and those interested in industries protected by the emergency tariff bill are the best judges of its effects, I sent out a few telegrams and asked them to advise me by wire what effect the emergency tariff bill had had on their industries.

I shall not take up the time of the Senate to-day in discussing the benefit of the emergency tariff bill to the farmer, but I send to the desk and ask to have read 134 telegrams which I have received. I believe that they answer very fully the resolution submitted by the junior Senator from Mississippi [Mr. HARRISON] and the inquiries which he has made as to the effect of the emergency tariff bill. Ever since the passage of the emergency tariff bill Senators on the other side have been demanding to know what benefits have accrued from it.

Mr. KING. Does the Senator desire to have them read now?

Mr. GOODING. I desire to have them read, and I should like to have the Senator from Utah listen to them. I wish to say that the telegrams come from 29 different States in the Union, and I think they tell the story very fully.

Mr. KING. If I may be pardoned, I will say to the Senator that I have a great many telegrams upon all sorts of questions, and I am sure some of them would be exceedingly instructive to the Senator from Idaho.

Mr. GOODING. It is the Senator's privilege to present them. If there is one thing that is sacred to the American people, it is the right of petition, for that is about the only way the American people can be heard. I ask that one telegram from each State may be read from the desk and that the remainder of the telegrams may be printed in the RECORD.

There being no objection, the telegrams were read as requested, and all the telegrams were referred to the Committee on Finance and ordered to be printed in the RECORD.

The telegrams will be found following the conclusion of Mr. GOODING'S speech, May 16.

The PRESIDING OFFICER (Mr. WELLER in the chair). The pending question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. FRELINGHUYSEN] to the committee amendment on page 4, line 16.

Mr. KING. Mr. President, when I yielded the floor at the request of the Senator from Idaho [Mr. GOODING] I was discussing the amendment which was offered by the Senator from New Jersey [Mr. FRELINGHUYSEN].

Before proceeding to a discussion of that I want to call attention very briefly to an item which appears in this morning's New York Times. There has been a great deal of talk about foreign trade, and the distinguished Senator from Idaho, who has just delivered an historical address, as I am advised, though I have not had the pleasure of hearing it except now and then a sentence as I came into the Chamber, discussed the importance of what he denominated the home industry.

We have a good many people in the United States, as I have had occasion heretofore to remark, who conceive that the prosperity of the American people is dependent solely upon the home market, and that if there shall be any foreign market it will be disastrous to the home market. It is remarkable that many of those persons who are so solicitous for the home market are profoundly interested in finding foreign markets for our surplus products, appreciating, of course, as every sensible person must appreciate, that unless there shall be an outlet for the surplus goods produced in the United States there will be a subsidence of the wave of prosperity in the United States until it shall reach the level of a dead calm.

Some business men, I should judge from this article which appears in the New York Times of this morning, convened yesterday in Philadelphia. There were bankers, manufacturers of locomotives, and farmers at the Ninth National Foreign Trade Convention, and they agreed, the article says, "that the nations of the world were economically interdependent." That view must be a shock to the tariff bloc and the agricultural bloc in the Senate. The troglodytes constituting the tariff bloc have insisted upon a policy which forbids exports and forbids imports. Their view has been and still is that there is no interdependence between nations; that each nation is a unit, standing isolated, like some great peak capped in snow and lost in the icy atmosphere of the ethereal blue.

We have those narrow, provincial people nowadays, Mr. President, who want the United States to be isolated as one of the peaks of the Himalayan Mountains is isolated. They do not believe in the interdependence of nations. They do not want to export any of our products, and, of course, it is anathema to them to suggest the possibility of importing anything from other lands.

I wonder how it is that some of these lobbyists—one of whom at least is now in the galleries, who is not an American citizen—have come here in the interest of these extortionate rates; I wonder why some of them left their home countries and came to America. Why did they not stay in other countries? Why not carry to its logical sequence the policy of national isolation? Why did some of the aliens who have been lobbying in the Capitol come to this country? Why did some of our German friends, our English friends, and others from foreign lands, who now seem so solicitous for what they denominate the home market, come to this country? They seem to assume we make a nice distinction between foreigners and foreign goods.

One of these lobbyists recently went down to North Carolina and met there with some of the manufacturers of the textile mills. The manufacturers were opposed, as all patriotic Americans ought to be opposed, to embargoes. This lobbyist, representing the du Ponts and the Dye Trust, secured a reversal of the policy of the organization and an indorsement of the damnable and iniquitous policy of embargo. I should think Mr. Herty would enjoy the distinction he has of being a lobbyist for corporations and combines engaged in such nefarious business.

But to return:

Speakers at the opening session, attended by some 2,000 delegates from all sections of the United States and a number of foreign countries, found themselves in accord on their diagnosis of the causes of the world's trade depression. Their suggested remedies were based upon the necessity of "a return to normal world trade conditions."

Attempts to minimize the importance of the foreign trade of the United States by asserting that it was only 10 or 15 per cent, as compared to domestic trade of 85 or 90 per cent, were declared "dangerously fallacious" by James S. Alexander, president of the National Bank of Commerce of New York.

"The difference between normal business conditions and depression is no more than 15 or 20 per cent in volume," Mr. Alexander declared. "Those who consider the mere ratio of foreign and domestic trade lose sight of the fact that without the foreign trade the domestic consumption would shrink and national prosperity wane."

Our farmers ought to know about that. Our farmers ought to know that if the foreign markets were closed to their wheat and their corn and their live-stock products, their prosperity, whether it be great or only moderate, would shrink to the vanishing point and ruin inevitably would overtake them. Of course, as I have indicated repeatedly, we can attain a certain degree of prosperity, a certain degree of wealth, by having a domestic market and having it all to ourselves. If I could obtain a franchise from the State of New York for the construction of any commodity; if I had a monopoly for that purpose; if New York were an independent State, so that it might exclude products; and, pursuant to the monopoly, an exclusive act were passed, I could grow immensely rich under that monopolistic policy which had been, under this supposititious case, adopted by the State of New York.

But what about the people? It is much the same in connection with the State of Connecticut, to which I referred the other day. I concede that protection, protection per se, to the extent of excluding all products, may be beneficial, and undoubtedly will be beneficial, at least temporarily, to those who have the monopoly. If I have the monopoly to carry passengers between Albany and New York, I will grow very prosperous in the exercise of that monopoly.

So, Mr. President, a manufacturing State may build up a tremendous business, giving employment to a large number of people by supplying the home market with certain products; but if there shall be any competition at home or competition from abroad, prices necessarily would be reduced, and that reduction would be reflected in cheaper prices to the great consuming public. Everybody wants the manufacturer and the farmer to obtain a reasonable price. What we are protesting against is the policy which puts it in the power of any individual or any corporation or any class or any group to impose burdens upon the people which are unjust, through the instrumentality of tariff or any other laws.

But I was calling attention to the views of the business men and farmers who recognize the importance of foreign exports, of foreign business, and who recognize the interdependence of nations. I continue the reading:

In conclusion, Mr. Alexander said:

"The welfare of other nations is so closely interwoven with that of the United States that if the question of our foreign trade is to be interpreted with any degree of breadth whatever it should be considered in the light of the trade of these other nations. There can be no final recovery of the domestic trade in any nation until the normal international trade relations, which alone support the great international division of labor, can be reestablished."

Mr. Julius H. Barnes, of Duluth, in a discussion of the effect of the collapse of foreign currency upon American markets, stated—this is not in quotation marks, and probably is the reporter's deduction or interpretation of Mr. Barnes's remarks:

America depends upon the export market to dispose of 60 per cent of her cotton, 50 per cent of her tobacco, and 20 per cent of her wheat, he declared, and unless these commodities could be sold to foreign consumers the American farmer must suffer in a decline in the prices of the stuff he raises.

"Greater prosperity through greater foreign trade" was the slogan sounded by James A. Farrell, president of the United States Steel Corporation and chairman of the national council, in opening the convention.

The views of these distinguished men from various walks of life—bankers, manufacturers, representatives of agricultural interests—seem to me to be sound and should commend themselves to the judgment of the Senators when they are framing tariff legislation.

Mr. President, I have upon a number of occasions adverted to the fact that usually when we have heavy protective tariffs to the exclusion of any possible competition then behind those tariff walls combinations are formed. My good friend the junior Senator from New Jersey [Mr. EDGE] has been making some very enlightening speeches to the business men of the Nation, to trade organizations, and to chambers of commerce. His purpose is entirely praiseworthy, but I do not quite agree with his conclusions or his deductions. I believe that the policy which he is so earnestly promoting and which was exemplified in the resolution which we had before us a few days ago and which we silently laid in the tomb by our votes, if it were carried into execution, would be exceedingly dangerous to the American people.

Mr. President, there are organizations which have patterned themselves according to the Eddy formula, and they have trade associations and open-price organizations, ostensibly for collecting information to be of advantage to them in trade; but, as the Supreme Court of the United States said in the Hardwood Lumber Association case, that organization—and, of course, all which come within the same category—was an organization in violation of the Sherman antitrust law and was subject to disintegration as a monopoly, and those who effectu-

ated the organization were subject to prosecution as criminals for violating the Sherman antitrust law.

The trouble with many of the corporations of the United States is that they want to take advantage of the high tariff laws to control the domestic market and to form combinations in restraint of trade. I want all American business men to be prosperous. I want them to have a reasonable profit upon their capital, but I protest against these bulwarks erected through tariff laws and then, when foreign competition is destroyed, to permit organizations in the domestic market to combine in order to force the prices of commodities which the people must have to heights which make living almost unbearable and life oppressive to the great mass of American people. We have these hundreds of organizations. About a year or a year and a half ago I went in as an interested spectator and saw a meeting of some of the oil men. I have attended the meetings of a number of these organizations or groups. Ostensibly they get together for the purpose of talking over prices and giving information, but the result of it was, and the result always will be, that by some subtle influence, if not by some direct agreement, prices are fixed or conditions are so stabilized, to use a favorite expression, as that prices will either be raised to the injury of the people or prices will be prevented from falling.

Adam Smith knew a good deal about human nature, and he said whenever people get together who are engaged in the same trade they will always conspire and combine for the purpose of their own profit. Now, I believe in competition. I believe in a competitive system because—and I want to say this in good faith to the business men of the United States, whose friend I am—unless we do have competition we are going to have Government regulation and Government ownership. The best friend of the business men of the United States is the man who tells them to quit combinations and quit organizations for the purpose of maintaining prices. The best friend that the business man has in the United States is the one who tells him that there must be competition—honest competition, legitimate competition. The trouble has been with the business men that they do not want competition and they have conspired and combined, just like the Du Pont dye trust, which swallowed up a large number of organizations until to-day it has a capital of hundreds of millions of dollars, just like the allied chemical and dye organization which swallowed up a score or more of chemical organizations until it has become a colossus in size and a giant in the power which it exercises in the industrial life of the country.

I have no objection to big business. Perhaps there are some economies which may be effectuated through large business organizations, and yet, as was pointed out by Mr. Justice Brandeis, of the Supreme Court, before he went upon the bench, there are disadvantages in large organizations and in the end they may become top-heavy, and smaller organizations, efficiently managed, where genius has free play, will displace them, in part at least, in the market in which the big corporation felt that it was unchallenged and unchallengeable; that it was supreme.

Mr. President, I notice in this morning's New York Times a statement which shows that building materials, brick and all those commodities which are necessary for the construction of houses, are again going up in price, not as the result of legitimate competition but because of combinations in restraint of trade. It is reported that the main obstacle to the $10,000,000 building project by the Metropolitan Life Insurance Co. was the high cost of materials. Because of the practices of Wood, Wire, and Metal Lathers, No. 6, of Brooklyn, which were criminal and illegal, it was understood that the attention of the grand jury would be called to their operations.

Mr. President, the Senator from Idaho [Mr. GOODING] had a telegram read at the Secretary's desk in reference to the lumber industry in the Northwest. I have not yet had occasion to examine the lumber schedule, but my able colleague [Mr. SMOOT], if I make any observation respecting it, will correct me if I am not right; but I was about to observe that I doubt whether the attention of his committee was called to the findings which I think the Federal Trade Commission recently filed with the Senate, a copy of which I asked be sent to the Attorney General, if one had not been sent to him, with respect to the operations of the lumbermen in the Northwest.

My understanding of the findings of the Federal Trade Commission is that that lumber organization had been guilty of the same practices as those followed by the Hardwood Lumber Co., whose case came before the Supreme Court of the United States. Members of the Hardwood Lumber Co., and I have no doubt members of the lumber organizations of the Northwest, have been insisting upon high tariff rates upon their products. I am not going to pause to discuss whether tariff rates are necessary upon those products; I am only calling attention to the fact, Mr. President, that there is a tendency to-day in the United States, which is unfortunate, upon the part of so many of our business men to form associations and combinations to restrict competition or to destroy competition.

I wish that my Republican friends upon the other side, whose voice will be more potential with those business interests than mine will be, and I wish my able colleague [Mr. SMOOT] and the Senator from North Dakota [Mr. MCCUMBER] would tell the business men of the United States, and especially those who are to be the beneficiaries of this proposed tariff act, "If you exploit the people, if you charge rates for your commodities and products that are unjust, if you seek to form combinations in restraint of trade, if you violate the Sherman law and the Clayton Act, then the very temple of your industry will be pulled down over your heads and industrial ruin and chaos will come to the American people." Senators on the other side of the Chamber ought to tell the business men of the United States that. The American business men who are to profit by these proposed tariff rates ought to be told, in the language of the able Senator from North Dakota in his opening speech, that they ought to be satisfied with "meager profits." If they will do that, if the American business men will be fair, we are going to enter upon an era of prosperity, Mr. President, no matter which party is in power; no matter whether we have the Simmons-Underwood law or this proposed law. My opinion is that this proposed law, however, will prove very injurious to the economic and industrial development of the country; that it will impede rather than advance; that it will limit the wide circle of prosperity which we should enjoy to narrow and more circumscribed limits. Of course, there is a difference of opinion, and my brethren upon the other side of the Chamber are entitled to their judgment, and it may be just as good as mine.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER (Mr. CAPPER in the chair). Does the Senator from Utah yield to the Senator from Idaho?

Mr. KING. I yield.

Mr. GOODING. I want to ask the Senator from Utah, does he believe if the Underwood-Simmons law, with wool and other agricultural products on the free list, were in force to-day there would be any prosperity at all in the West?

Mr. KING. Mr. President, I have stated to the Senator from Missouri and to the Senator from California that when we come to the wool schedule and the sugar schedule and the metal schedule, if I have an opportunity, I shall have something to say upon those schedules. I will say to the Senator that, in my judgment, the emergency tariff law, to which he has referred and with the enactment of which he doubtless had much to do, does not affect the result at all. I want to say further, Mr. President, as I have stated on this floor, at least I have said so in public, that I have not accepted the view of some that tariff duties, either for revenue or for incidental protection, must be laid upon raw materials. I have never taken that view at all, nor was that ever the Democratic view. It is the view of some Republicans; it is the view of some Democrats. I have found more Republicans—I am not saying this by way of criticism at all; I am merely stating what I regard as a fact which has come under my observation—who have advocated free raw materials than I have Democrats. I do not say there are more Republicans who do so, but I have had the good fortune to meet a large number of able Republicans who have favored free raw materials. I do not want to enter upon a discussion of those matters, as I desire to get through with this bill as soon as possible. If, however, the Senator wishes to ask me a further question I will yield.

Mr. GOODING. Mr. President, I merely wish to say that those Republicans whom my friend from Utah has met who were in favor of free raw materials never served in the Senate or in the House of Representatives to frame Republican free-trade measures when the Republican Party was in power. The Republican Party has always given protection to what our Democratic friends call raw materials.

Mr. KING. Mr. President, the able Senator from Idaho, I suppose, is competent to interpret the platform of his party, and the policies of his party. I might differ from him as to what his party had stood for, and what his party stands for now; but that is neither here nor there.

Mr. President, I was about to advert to an observation or two made by the Senator from North Dakota and the Senator from New Mexico. The Senator from North Dakota, as I understood his explanation of this item, said, in substance, that the committee had first reached the conclusion that ammonium nitrate should be placed upon the free list. Later

the committee wobbled, to use his expression, and now a member of the committee, the senior Senator from New Jersey, offers an amendment asking that a duty of 1 cent a pound be placed upon ammonium nitrate. He would treat ammonium nitrate as if it were a delicate medicine. It is sold by the ton, and a duty of $20 a ton is what he desires upon ammonium nitrate. Why did the committee wobble? Of course, it is clear. Representatives of some corporations in the United States who are here in the Capitol, here in Washington, brought pressure to bear, undoubtedly, upon one or more of the Republican members of the committee for the purpose of transferring this commodity from the free to the dutiable list at the high rate of $20 per ton, 1 cent per pound.

I wish to make one observation here as a result of the statement made by the Senator from New Jersey, if I understood him correctly, in which he alluded to the War Department.

There are some men down in the War Department—in the chemical-warfare section of it—who are so closely related to the Du Ponts and the lobbyists of the dye monopoly here that you can not tell one from the other. The Chemical Foundation, and the American Dyes Institute, and the Du Pont corporation, through its agencies, collaborating and conniving with some of those officers in the chemical-warfare section, have tried to bring the pressure of the War Department to bear in behalf of some of these schedules. If some of the officials of the Government in the War Department would attend to their business a little more and cease their lobbying activities they would be doing better service to their country. Some of them ought to be driven out of the chemical-warfare section of the War Department and turned over to the Du Ponts, where they belong, and to the dye monopoly, whose brand apparently they seem to desire to wear. Some of those members of the chemical-warfare section have lobbied, or have attempted to develop public sentiment by going through the country making exhibitions of the products of the dye industry.

I think that the Du Pont corporation—the Allied Chemical and Dye Corporation—and the other trusts and combinations that are to be the beneficiaries of this chemical schedule do not need the War Department as allies to effectuate their purposes, but they have been getting very generous support from some of the officers of the War Department. They have been fooled and imposed upon by the dye lobby as they have tried to impose, ignorantly, their views upon others.

Mr. President, I ask again, why did the committee wobble? Why did the committee put this item on the free list and then submit to a change to 1 cent per pound, or $20 per ton? I am sure the members of the committee did not do it of their own volition. The initiative was by some interested party. Who was the interested party or parties? I will leave it for the Senators and for the country to determine. I make no complaint whatever against the committee. I am not attempting in any wise to criticize their actions. I am merely reciting a fact which was disclosed in the honest and frank and courageous statement of the able chairman of the committee.

I know the pressure to which this committee is subjected, Mr. President; and I believe that the members of the committee feel constrained, because of their positions on the committee, after action has been taken, to support schedules or items or rates which, if they were left to their own judgment, they would not support in the form in which those schedules or items or rates appear in the pending bill. Probably I should do the same if I were upon the committee. There is a sort of a comradeship, I suppose, and a solidarity of action that it is felt must be maintained; and yet, when we come to consider these things vital to the interest of the American people, it does seem to me that we ought to act upon our independent judgment. However, I make no comment upon that, other than to say that it has been disclosed now that after action was taken—action which undoubtedly was correct—we are forced to consider a proposition in the interest of certain manufacturing concerns in the United States.

The Senator from North Dakota made another observation, and I want to call that to the attention of the chairman of the agricultural bloc, and to the attention of the chairman of the tariff bloc, the junior Senator from Idaho [Mr. GOODING]. I do not see him here now. These distinguished gentlemen profess to have supreme interest in the agriculturist, and they have. They are absolutely sincere in their desire for the development and welfare of agriculture; but the Senator from North Dakota has stated that if you put this duty of 1 cent a pound, or $20 a ton, upon ammonium nitrate, you must have a compensatory duty upon dynamite and other explosives, which are largely used now by the farmers in the removal of stumps, in the removal of stone and rock from their fields, and for various other purposes; and, of course, in our mining operations and railroad building and in the digging of foundations for our buildings we use millions of pounds of dynamite and other explosives annually in the United States.

The compensatory duty, my good friend from North Dakota says, will be eight-tenths of a cent per pound. I do not know how much it will be. I do not think the Senator knows. I have no doubt that the committee will recommend that, but we do not know what form it will assume before we get through. The committee may be called together again to consider the question of a compensatory duty with respect to these commodities, and the same pressure which has caused the committee to wobble upon this item, or other pressure, may cause them to wobble upon the compensatory duty, and it may be 1 cent or 1½ cents. No one knows. I repeat, however, that, even if this compensatory duty shall be fixed at eight-tenths of 1 cent, we do not know what additions or accretions will be made to the price of the finished product as it is carried on to the ultimate consumer.

No one can tell that. It is a mere conjecture, and I shall waste no time in making speculations. I only say this to our farmer friends here, whom the Senator from New Hampshire [Mr. MOSES] has designated in a rather facetious way, most of them lawyers, one farmer, I think; I want to say to these Senators who love the farmers: When you vote for this eleventh-hour amendment offered by the Senator from New Jersey you are voting to increase the price of dynamite and other explosives to the farmers, to the miners, to the builders, and to a large number of the people of our country. You are striking at American industry. By this tariff you are putting more money into the pockets of the trust.

But they say—and the Senator from North Dakota is right—we have not manufactured very much ammonium nitrate in the United States. I have here a part of a page from the Tariff Summary which deals with this subject. I read that this product, in addition to being used for explosive purposes and in explosive mixtures, is used as an anesthetic, as laughing gas. Production was greatly increased during the war to supply the demand for explosives. The imports in 1915 were more than 3,500,000 pounds, and they have greatly increased, so that for the last nine months they aggregate more than 30,000,000 pounds, with a unit value of 6 cents per pound. That would mean the foreign export price. I might add that the pre-war price was 5½ cents per pound, and the present domestic price is only from 5½ to 6½ cents per pound.

Mr. McCUMBER. Mr. President——

Mr. KING. I yield.

Mr. McCUMBER. Would the Senator object to bringing his figures down now to the latest data we have on the importations?

Mr. KING. I have it right here, and I was going to put it in, but the Senator may put it in.

Mr. McCUMBER. I was going to say that the imports for the nine months ending March, 1922, amounted to 44,290,786 pounds, and the imports during the nine-months period ending as I have stated, if continued for a year, would amount to 59,000,000 pounds a year; and inasmuch as in previous years our consumption has been about 30,000,000 pounds per year, the Senator can see the immense amount that is coming in over our former use.

I am of the opinion that we are getting a much broader use, which justifies the greater imports; but the Senator can easily see that where the opinion of the committee might be very much divided a month ago, for instance, with this additional information brought down to date they might very well take a view that would lean to the other side, to the protection side of the case.

If the Senator will allow me right there, in reference to one remark that he made about people being here and influencing the committee——

Mr. KING. Yes.

Mr. McCUMBER. I will say to the Senator that no one has been before the committee at all except a member of the committee upon this subject, and that the Senator from New Jersey [Mr. FRELINGHUYSEN] at all times from the very beginning has insisted upon the 1-cent duty. Of course, what ones of his own constituents may have visited him I can not say, but he has been consistent throughout.

Mr. KING. Mr. President, the accurate figures for the year 1921—and I was about to give them when the Senator interrupted me—are 50,163,622 pounds.

Mr. McCUMBER. I carried that to March of 1922, and took the year ending at that time.

Mr. KING. I have secured these figures from the Department of Commerce.

Mr. President, may I make one observation, not quite germane to what the Senator has said, but his position, I think, warrants it? Some people take the position that whenever it is disclosed that there is an importation, some evil has come to the United States, or is about to come to the United States. I wonder what we would think if other nations took that view when they witness the tremendous importations from our country to theirs, or the exportations from our country which constitute importations into their country?

Mr. McCUMBER. I will state to the Senator about the view they take. They wish that that were not so, but they say to themselves, "This is the cheapest market that we can get the article in, and therefore we have to purchase it from the United States," not through love of us but because they can get it cheaper here. If they could get it cheaper somewhere else, they would get it there.

Mr. KING. I think that the Senator, and many of my other Republican friends, as well as some of our American political economists—Professor McLoughlin, for instance, and others—have taken too narrow a view of this question. They have not taken into account the fact that we are in what might be denominated a transitory state. We were a young country, with enormous undeveloped resources. Naturally, soon after the establishment of this Republic, and for an indefinite period thereafter, the attention of the people would be taken in the development of the agricultural resources of the country. That is always the case. Agriculture precedes manufacture.

Then, as the lands are taken possession of and cultivated and cities are founded and urban population is created the people turn to manufacturing. We had immense deserts to cross, prairies to inhabit, railroads to be constructed, bridges to be built, mountains to be tunneled, and for years the great constructive genius of the great American people, perhaps the greatest in the world, was devoted largely to the big enterprises of which I have spoken. Some of our political economists, when they see that we have been importing a good many things, as well as exporting, rush to the conclusion that that is wrong, that we ought to stop at once, and they jump to the conclusion that we must put a high tariff duty on in order to compel the diversion of capital from some industries which are remarkably profitable into other less profitable lines of industry.

The Senator from North Dakota is a practical man, as well as a student of world conditions and of political economy, and he knows that whenever capital is glutted in a given market it seeks an outlet in some other. When we had harnessed the East and the West with iron rails and the railroad business ceased to be profitable, then capital, which had been invested in railroads, went into other things.

So it will be that, as the needs of the people demand, capital which formerly was engaged in one line of business will be diverted and employed in another. We do not build our industries overnight; there is no Aladdin's lamp which will touch an industry and cause it to spring full fledged from the brow of Jove as Minerva, the pagan goddess, did; but we build our industries as we need them. The great industries of Connecticut, the industries of Pennsylvania, and of the other manufacturing States, were not built overnight, but as the needs of the people require capital goes to satisfy those needs, and development ensues.

So I do not regard it as a calamity or as a misfortune that we find some industry in the United States that is not as fully developed as it is in some other countries; that we do not find manufacturers here making many little articles which are manufactured in other countries.

As I indicated the other day, American business men and manufacturers have preferred quantity and big things to the little things. So Irish lace and Belgian lace, and originally Swiss watches, and things upon which a vast amount of hand labor was applied, we have rather spurned, preferring that the technician, the slow, plodding German, as we have been pleased to denominate him, and others overseas, with their patience, might have, I will not say, undisputed sway in those fields, but that they might have rather a free field. But whenever we see others profit in anything, we will apply capital for the development of the products which belong to that particular industry.

Mr. President, coming to this particular item, we have in the United States such vast quantities of the primary articles, if I may use that expression, which enter into ammonium nitrate that we can beat the world. The Haber process, of which the Senator from New Jersey spoke, we have here. The American Cyanamid Co. is now operating, and if not using the Haber process for making cyanamid, is employing some other nitrogen fixation process, which it regards as superior to the Haber process.

We can manufacture all sorts of nitrogenous substances, produce all sorts of aluminum substances, compounds, and salts in the United States as cheaply as they can be produced anywhere else in the world, if not cheaper. There is no necessity for this tariff. It will swell the profits of big concerns, notably the General Chemical Co., which is a branch of the great Allied Chemical & Dye Corporation, of which I have spoken. It is manufactured by Powers, Weightman & Rosengarten, and by others. They would be the beneficiaries of this amendment.

In my opinion, Mr. President, the Senate ought to reject the amendment offered by the Senator from New Jersey.

Mr. SIMMONS obtained the floor.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	Glass	McCumber	Sheppard
Brandegee	Gooding	McKellar	Shortridge
Broussard	Hale	McKinley	Simmons
Calder	Harreld	McLean	Smoot
Capper	Harris	McNary	Stanley
Caraway	Harrison	Nelson	Sutherland
Colt	Heflin	Newberry	Swanson
Culberson	Johnson	Nicholson	Townsend
Curtis	Jones, N. Mex.	Norris	Underwood
Dial	Jones, Wash.	Oddie	Wadsworth
Edge	Kellogg	Overman	Walsh, Mass.
Elkins	Kendrick	Page	Watson, Ga.
Fletcher	Keyes	Phipps	Watson, Ind.
France	King	Pittman	Weller
Frelinghuysen	Ladd	Poindexter	Willis
Gerry	La Follette	Pomerene	

The VICE PRESIDENT. Sixty-three Senators having answered to their names, a quorum is present.

Mr. SIMMONS. Mr. President——

Mr. McCUMBER. Mr. President, I wish to ask the Senator from North Carolina, if there is no one else to speak on this question, if he will not let us vote upon it at this time?

Mr. SIMMONS. I yield for that purpose.

Mr. KING. Let the amendment be stated.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The READING CLERK. On page 4, line 16, in lieu of the word "nitrate," proposed to be stricken out, insert "ammonium nitrate, 1 cent per pound."

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

Mr. KING. On that I call for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. McKELLAR (when his name was called). I have a general pair with the junior Senator from Indiana [Mr. NEW], which I transfer to the senior Senator from Tennessee [Mr. SHIELDS], and vote "nay."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the junior Senator from Arizona [Mr. CAMERON]. Being unable to obtain a transfer, I refrain from voting.

The roll call was concluded.

Mr. COLT (after having voted in the affirmative). I have a general pair with the junior Senator from Florida [Mr. TRAMMELL]. I transfer that pair to the junior Senator from Delaware [Mr. DU PONT] and allow my vote to stand.

Mr. GLASS. I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM], who is necessarily absent. I therefore withhold my vote.

Mr. WATSON of Indiana (after having voted in the affirmative). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Pennsylvania [Mr. CROW] and permit my vote to stand.

Mr. EDGE. I transfer my general pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "yea."

Mr. UNDERWOOD (after having voted in the negative). I understand the senior Senator from Massachusetts [Mr. LODGE] has not voted.

The VICE PRESIDENT. That Senator has not voted.

Mr. UNDERWOOD. I have a general pair with the senior Senator from Massachusetts. I transfer that pair to the Senator from Montana [Mr. MYERS] and let my vote stand.

Mr. GLASS. I find that I can transfer my general pair with the Senator from Vermont [Mr. DILLINGHAM] to the senior Senator from Nebraska [Mr. HITCHCOCK], which I do, and vote "nay."

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the senior Senator from Missouri [Mr. REED] and vote "nay."

Mr. FRELINGHUYSEN. I transfer my general pair with the Senator from Montana [Mr. WALSH] to the junior Senator from Oregon [Mr. STANFIELD] and vote "yea."

Mr. STANLEY. I have a general pair with the Senator from Kentucky [Mr. ERNST]. I transfer that pair to the senior Senator from Arizona [Mr. ASHURST] and vote "nay."

Mr. SIMMONS. I wish to announce that if the senior Senator from Missouri [Mr. REED] were present, he would vote "nay."

Mr. SUTHERLAND. I transfer my general pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Missouri [Mr. SPENCER] and vote "yea."

Mr. JONES of Washington (after having voted in the affirmative). Has the senior Senator from Virginia [Mr. SWANSON] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. JONES of Washington. The Senator from Virginia stated that he might have to be away and I promised to take care of him with a pair if he could not be present. I find, however, that I can transfer my pair with the Senator from Virginia [Mr. SWANSON] to the junior Senator from Iowa [Mr. RAWSON], which I do, and let my vote stand.

I wish to announce that the Senator from South Dakota [Mr. STERLING] is paired with the Senator from South Carolina [Mr. SMITH].

I also wish to announce that the senior Senator from Kansas [Mr. CURTIS] is detained on business of the Senate.

The result was announced—yeas 35, nays 24, as follows:

YEAS—35.

Brandegee	Gooding	McCumber	Poindexter
Broussard	Hale	McKinley	Shortridge
Bursum	Harreld	McLean	Sutherland
Calder	Johnson	Nelson	Townsend
Colt	Jones, Wash.	Newberry	Wadsworth
Edge	Kellogg	Nicholson	Watson, Ind.
Elkins	Kendrick	Oddie	Weller
France	Keyes	Page	Willis
Frelinghuysen	Ladd	Phipps	

NAYS—24.

Borah	Gerry	King	Pomerene
Capper	Glass	La Follette	Sheppard
Caraway	Harris	McKellar	Simmons
Culberson	Harrison	Norris	Stanley
Dial	Heflin	Overman	Underwood
Fletcher	Jones, N. Mex.	Pittman	Walsh, Mass.

NOT VOTING—37.

Ashurst	Hitchcock	Pepper	Sterling
Ball	Lenroot	Ransdell	Swanson
Cameron	Lodge	Rawson	Trammell
Crow	McCormick	Reed	Walsh, Mont.
Cummins	McNary	Robinson	Warren
Curtis	Moses	Shields	Watson, Ga.
Dillingham	Myers	Smith	Williams
du Pont	New	Smoot	
Ernst	Norbeck	Spencer	
Fernald	Owen	Stanfield	

So Mr. FRELINGHUYSEN'S amendment to the committee amendment was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee as amended.

Mr. KING. Mr. President, I wish to congratulate the agricultural bloc and Senators upon the other side of the Chamber upon their fidelity to the interests of the American people and the farmers. I hope the newspapers will carry the joyful news that the Republicans by this vote have stated to the farmers, to the miners, to the road builders, to those who use explosives and dynamite that they have made a present of 8 cents per pound to the vested interests and the trusts. I congratulate the people upon having such splendid representatives on the other side of the Chamber.

Mr. FRELINGHUYSEN. Mr. President, the Senator from Utah should extend his congratulations to those who believe in protecting American industry and keeping independent in this country those products which are necessary for national defense and not turning over the domination of this industry to Germany.

Mr. TOWNSEND. Mr. President, I wish to ask the Senator having charge of the bill with reference to an item on which we voted yesterday, when the Senate added "bicarbonate," in line 14, on page 4. Does that still leave the matter in such form that when we get through with the committee amendments a Senator can offer an amendment relative to the rate agreed upon on that item?

Mr. MCCUMBER. Of course, the Senate can change any rate when the bill comes into the Senate or after we have passed upon the committee amendments. I stated yesterday that bicarbonate is interchangeable with ammonium carbonate and that the prices are about the same, and therefore it was inserted so as to take it out of the basket clause and give it practically the same rate.

Mr. TOWNSEND. I realized that. I simply wanted it understood that later, when we get into the Senate, we can propose a change in the rate on ammonium carbonate.

Mr. KING. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. KING. Is it necessary to reserve a vote in the Senate upon this matter?

The VICE PRESIDENT. The Chair understands that it is not necessary.

Mr. KING. I desire to give notice that I shall move, when we reach the free list, to transfer this item to the free list, and if defeated in that I shall ask for a separate vote upon the action of the Senate as in Committee of the Whole.

Mr. SIMMONS. Mr. President, I shall take but a brief time to discuss the two items in this paragraph designated as ammonium phosphate and ammonium sulphate. Both of these items are used very largely, and one of them chiefly as a fertilizer, the first item, ammonium phosphate, not being used to quite such a great extent as the second item, ammonium sulphate.

I will first direct attention to ammonium phosphate. The Tariff Commission, referring to that product, says:

> There are two important ammonium phosphates, the monammonium phosphate and the diammonium phosphate. These are of little commercial importance compared with the other ammonium compounds, but are used in the manufacture of fireproof cloth and paper and for medicinal purposes. The sodium salt of acid ammonium phosphate has important analytical uses. There is a fertilizer known as Ammo-Phos sold in two grades; one grade contains 13 per cent ammonia and 47 per cent "available phosphoric acid," the other contains 20 per cent ammonia and 20 per cent "available phosphoric acid."

That product, I say, is very largely used as a fertilizer. In fact, in the sections of country where tobacco, cotton, and potatoes are raised that product, with ammonium sulphate, constitutes probably the largest element that enters into the fertilizer that is used.

The usual formula of the fertilizers that are chiefly used in the southern section of the United States is designated as 8–3–3 or 8–4–4. The 8 per cent represents acid phosphate, the 4 per cent ammonia, and the 4 per cent potash. Before the World War the prices of fertilizer in this country were very high. They advanced to exceedingly high levels during that war, but for some reason, I do not know exactly why, it has been very difficult for the users of fertilizer to resort to any method by which they have been able to induce or to coerce the producers of fertilizers to reduce their prices to the same level, or anything like the same level, to which the prices of agricultural products have been reduced. So, to a very large extent, we are paying now for fertilizers prices upon one level—and a very high level—and we are getting for the crops which we raise through the use of those materials a very low price.

In the year 1920 the tobacco growers of the South, in many instances, were not able to sell their tobacco for enough to pay for the fertilizers used in cultivating the plants, and in many instances during that year the receipts from the cotton crop were not much more than sufficient to pay the fertilizer bill. I do not know of anything, therefore, that is so essential to the development of the agriculture of the United States, especially in that part of the country from which I come, as cheap fertilizer. I raise both cotton and tobacco, and use large quantities of fertilizer. I raised cotton and tobacco before we began to use fertilizer to any considerable extent, and I can state as a fact from personal knowledge that we have been able practically to double the yield of our lands planted in cotton by the use of a moderate amount of fertilizer, and we have been able to add at least one-third to the yield of our tobacco lands.

Mr. TOWNSEND. What kind of fertilizer is used in the Senator's section of the South?

Mr. SIMMONS. The fertilizer which we generally use consists of 8 parts of acid phosphate, 4 parts ammonia, and from 3 to 4 parts potash. As I have stated, the formula is 8–3–3 or 8–4–4 generally; but the proportion of the ingredients may be changed as desired. What I have stated, however, is the ordinary formula which is used in the production of cotton and tobacco.

Mr. DIAL. Mr. President——

The VICE PRESIDENT. Does the Senator from North Carolina yield ot the Senator from South Carolina?

Mr. SIMMONS. I yield.

Mr. DIAL. I should like to ask the Senator from North Carolina is it not more important now than heretofore that farmers should use fertilizer on cotton in order to rush the crop to maturity before the ravages of the boll weevil become so serious? Is not the boll weevil much worse later in the season?

Mr. SIMMONS. What the Senator from South Carolina stated is unquestionably true. The advent of the boll weevil

makes it necessary for us to use a large quantity of fertilizer in order to advance the crop as rapidly as possible, to the point where the boll weevil can not so successfully attack it. The boll weevil arrives rather late in the season, and if we can get our cotton bolls well matured before its arrival it does not do much damage. In order to stimulate the crop and to obtain a rapid growth it is necessary that we shall use more fertilizer than heretofore has been the custom.

There are some States where so much fertilizer is not used, but I state it as an undoubted fact with reference to agriculture in the South that the use of fertilizer in liberal quantities has nearly doubled the yield of the staple crops which we produce. If we can get the necessary fertilizer at a reasonable price it will mean prosperity, but if we have to pay a high price for the fertilizer and the crops are largely absorbed in paying for it, of course it will mean adversity to the southern farmer. I suppose the same is to some extent, but not to so great an extent, true of the farmers in other sections of the country where fertilizers are used. The price of fertilizer is too high now, and there is a crying need that its price be reduced instead of increased.

Mr. President, this is a proposition to increase the price through the tariff on one of the chief elements that enter into the fertilizer which we use in a large section of the United States. I have had a calculation made with reference to the increase that will probably result from the additional duty proposed in this item. The total consumption in 1920 of ammonium sulphate alone for fertilizer use was about 433,000 short tons. The proposed Senate increase in duty of $5 per ton will therefore cost the American farmers at least $2,165,000 per year additional.

Mr. President, there seems to be no necessity for an increase in the duty on this commodity.

Mr. SMOOT. The rate proposed in the bill is a decrease.

Mr. SIMMONS. What is a decrease?

Mr. SMOOT. The duty on ammonium sulphate is decreased from three-fifths of a cent to one-fourth of a cent.

Mr. SIMMONS. Does the Senator mean a decrease from the present law?

Mr. SMOOT. I mean from the House bill.

Mr. SIMMONS. Will not the Senator understand that I am not talking about the House bill? I am talking about the present law. Under the act of 1913 the duty on ammonium phosphate was 1 cent a pound. Under the act of 1909 it was 25 per cent, while under the Senate amendment it is 1½ cents a pound; that is to say, the proposed duty is a half a cent a pound more than that of the present law. I will explain, if necessary, to the Senator from Utah that that is what I meant a little while ago when I said the duty had been increased; it constitutes an increase over the present law of one-half of 1 cent per pound. That means, of course, $10 a ton. Ammonium phosphate is not a very high-priced element as compared with the price of some of the elements out of which fertilizer is made, but the duty proposed amounts to $10 a ton.

I thought I had the consumption figures here, but I find I have not, but, according to my recollection of these two commodities, there are consumed about 433,000 tons, or probably something in excess of that. At any rate, according to my recollection—and I am speaking now from recollection—the additional amount which by reason of the increased duty will be added to the cost of the two elements which I am now discussing, phosphate of ammonia and sulphate of ammonia, runs into millions of dollars. That, of course, is a very serious matter to the farmers in certain sections of the country where fertilizers are extensively used.

What is the justification for the proposed duty? According to the statistics the imports of ammonium phosphate decreased from a maximum of 68,039 pounds—not tons, but pounds—in 1911 to about 7,000 pounds in 1913. Seven thousand pounds is only 3½ tons, which is not enough fertilizer for 25 acres of cotton or of tobacco. The imports increased sharply to 205,742 pounds in 1914. That would be equivalent to about 100 tons, which would not much more than fertilize 500 or 600 acres of land. In 1920 the imports of this product fell to 12,917 pounds, a quantity equal to 6½ tons, valued at $1,509. During the first nine months of 1921 the imports of this product, the duty on which it is now for some mysterious reasons proposed to increase by adding $10 to every ton that the farmer uses, were 1,976 pounds, not quite 1 ton.

I should like very much to be advised why, in the face of those figures, it has been thought necessary to increase the duty. There never have been more than a hundred tons imported at best, and the importations have gradually worked themselves down, under the 1 per cent duty of the present law, to the point where importations do not amount to 1 ton in nine months.

Now, Mr. President, I pass from that item, and I take up ammonium sulphate.

The Tariff Commission says, speaking about ammonium sulphate:

> The largest use in normal times is in the manufacture of fertilizers.

And I think that is absolutely true.

The changes with reference to that in the rates of duty are as follows:

In the act of 1913 this product was on the free list. In the act of 1909, the Payne-Aldrich Act, this product was on the free list. This product always has been on the free list in our tariff bills. This is the first time it has ever been suggested that this great base of the fertilizer used by the farmers of this country should be put on the dutiable list. It is true that the duty carried in the Senate bill is not a high duty. It is one-fourth of a cent per pound. That would amount to $5 a ton. I ask the question there that I asked before, and I am doing it in perfect good faith: Why the necessity? It certainly does not grow out of past import conditions or present import conditions. There must be something behind these increases, moving the committee to impose this duty, besides the conditions growing out of our import trade in these products; and I should like very much to know what it is.

Mr. SMOOT. Mr. President, as far as ammonium sulphate is concerned, it will make no difference whatever to the farmer, because if there is a duty upon ammonium sulphate the farmer will not buy ammonium sulphate, but he will buy nitrate of soda.

Mr. SIMMONS. Why, certainly.

Mr. SMOOT. Because the only element of value as far as the fertilizer is concerned is the nitrogen content, either in the nitrate of soda or in the ammonium sulphate.

Mr. SIMMONS. True.

Mr. SMOOT. So, if Congress imposes a duty upon ammonium sulphate, then, as far as the users of fertilizer are concerned, they will not buy ammonium sulphate but they will buy nitrate of soda.

Mr. SIMMONS. Nitrate of soda made out of ammonium phosphate. That is one of the elements.

Mr. SMOOT. No; it is the nitrogen content of the nitrate of soda.

Mr. SIMMONS. I understand that.

Mr. SMOOT. Therefore, if a duty is put upon ammonium sulphate, then, of course, the fertilizer manufacturers, as I have said, will not buy ammonium sulphate; they will buy nitrate of soda.

Mr. SIMMONS. Yes.

Mr. SMOOT. Because the value of either one of them is only in the content of the nitrogen in the finished product.

Mr. SIMMONS. Does the Senator think that he can put a duty upon any element of a finished product that does not enter into the cost of the production of that product?

Mr. SMOOT. Why, no; but the Senator says that the purchaser of the fertilizer in one case may buy ammonium sulphate just as he would to-day if the price of ammonium sulphate is lower than that of nitrate of soda, but if nitrate of soda is lower as to the nitrogen content then he will buy the soda instead of the ammonium; and I say that there is an inconsistency here, because one is on the free list and one is dutiable.

Mr. SIMMONS. I have told the Senator that the Tariff Commission has stated that the largest use of this product, ammonium sulphate, is in the manufacture of fertilizer.

Mr. SMOOT. It has, and that is true.

Mr. SIMMONS. And I have told the Senator that the fertilizer we use is a fertilizer manufactured very largely out of this product.

Mr. SMOOT. Yes; but I wanted to call the Senator's attention to the fact that ammonium sulphate competes with nitrate of soda, and when one is higher than the other, of course they will not purchase the one that is higher, and we have left nitrate of soda on the free list.

Mr. SIMMONS. Oh, that may be so, Mr. President, but why place a duty on ammonium sulphate when the competing article, nitrate of soda, is left on the free list? Why not safeguard the farmer by placing both ammonium sulphate and nitrate of soda on the free list, when there is absolutely no sound reason to place a duty on either?

Mr. SMOOT. The Senator can not consider what is going to happen to an industry which uses one of the articles without taking into consideration the question of the other article, and what I said was not by way of criticism of what the Senator said. I simply wanted to call his attention to the fact that the situation existing in the law to-day is that nitrate of soda is on the free list, and it competes with sulphate of ammonium,

used for exactly the same purpose as far as fertilizer is concerned, and the value of either one of them depends upon the nitrogen content.

Mr. SIMMONS. And what I want to do is to put them both on the free list, as I have stated to the Senator.

Now, Mr. President, I simply want to give—I said I would take only a few minutes—the imports of this product, so that it may be clearly seen that there is nothing in the import situation that calls for this duty upon this element of fertilizer:

Imports reached a maximum of 103,251 short tons in 1911, then decreased steadily to 3,983 tons in the fiscal year of 1918.

Then they give the later statistics. The later statistics show that in 1920 the quantity imported was 1,993 tons; in the first nine months of 1921, 3,089 tons; showing a falling off since 1911 of 100,000 tons, or 3,000 tons imported now as against 103,000 tons imported in 1911.

Mr. President, imports have not only fallen down to a minimum, a perfectly negligible quantity, but we have been exporting and are now exporting this product in large quantities.

Exports are not shown prior to 1920, in which year (calendar) they were 66,714 short tons, valued at $7,433,350, and for nine months of 1921, 67,422 tons, valued at $4,119,858.

That is to say, Mr. President, we are exporting twenty times as much of this product as we are importing. If the Senators representing the majority think they can justify taking this product from the free list and putting a duty upon it to protect the American producer against foreign competition in the face of these figures, I say, let them go to it, but it will be an absurd act and a useless tax upon the American farmer.

Mr. President, I wish to suggest to the Senator in charge of this bill that as these two products have a very important connection with fertilizer, one of them being chiefly used as fertilizer, and as there is later in the bill an item relating to potash, which is one of the chief elements of fertilizer, it might save time and it might lead probably to more satisfactory results if we should postpone the consideration of this matter until we reach the paragraph dealing with potash, and then discuss together these three items, all relating to fertilizer.

Mr. McCUMBER. Mr. President, I should be disposed to do almost anything that I thought would facilitate the final disposition of this bill. If the Senator feels that it will assist, as I admit that the potash schedule and this schedule are somewhat related to each other, I have no serious objection to passing to the next proposition; but I should like to have all the discussion that Senators are ready to present at this time.

Mr. SIMMONS. I will say to the Senator that if we take up this subject now I think it will lead to an extensive discussion of the fertilizer question, and when we get to potash we will go over exactly the same ground, and the discussion can be directed to all three of the items at one time instead of two of them now and one of them later.

Mr. LODGE. Mr. President, exactly what paragraphs or what items does the Senator wish to pass over?

Mr. SIMMONS. The two relating to ammonium phosphate and ammonium sulphate.

Mr. LODGE. Those two?

Mr. SIMMONS. Those two.

Mr. LODGE. The Senator does not propose to pass over the liquid anhydrous ammonia?

Mr. SIMMONS. There is no change in that.

Mr. LODGE. No change in the House rate?

Mr. SIMMONS. No change in the House rate; no.

Mr. LODGE. It is only those two?

Mr. SIMMONS. That is to say, there is no amendment as to that, and we are dealing now with amendments, as I understand.

Mr. LODGE. The Senator wants to pass over those two items?

Mr. SIMMONS. Yes; that is all.

Mr. FRELINGHUYSEN. Mr. President, a parliamentary inquiry. I offered an amendment making the duty on ammonium nitrate 1 cent per pound. I understand that the committee amendment as amended has not been agreed to, while my amendment has been agreed to. I should like to have that voted on and settled, because it bears no relation to this.

Mr. SIMMONS. I thought we had voted on that this afternoon.

Mr. FRELINGHUYSEN. No; the committee amendment as amended has not been agreed to.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The Chair understands that the question is on agreeing to the committee amendment as amended.

Mr. SIMMONS. I have no objection to a vote on that.

Mr. LODGE. What is that vote?

Mr. FRELINGHUYSEN. That is the ammonium nitrate, 1 cent per pound.

Mr. LODGE. I only want to get at what we are doing. We have stricken out the words "ammonium nitrate."

The PRESIDING OFFICER. The Secretary will state the amendment as amended.

The ASSISTANT SECRETARY. The committee amendment has been amended by adding after "ammonium nitrate" and the comma the words "ammonium nitrate, 1 cent per pound."

Mr. LODGE. As the bill reads, with amendments, the committee proposes to strike out the words "ammonium nitrate," and then "perchlorate" to get the change of a comma, so that it would read:

Ammonium perchlorate and ammonium phosphate, 1½ cents per pound.

The PRESIDING OFFICER. The Chair understands that the amendment that was adopted, offered by the Senator from New Jersey, comes in after the words "ammonium nitrate." Let the Secretary state the amendment.

Mr. LODGE. The words "ammonium nitrate" have to be replaced in the bill at that point. Of course, I do not pretend to know what is proposed, except what is shown by the print before me. We do not want to say "ammonium nitrate" twice.

The PRESIDING OFFICER. Let the Secretary again report the amendment offered by the Senator from New Jersey to the committee amendment, which amendment to the amendment has been agreed to.

The ASSISTANT SECRETARY. The Senator from New Jersey proposed——

Mr. LODGE. I am aware of what he proposed. What I am trying to find out is what has been done with the amendments in their order.

The PRESIDING OFFICER. The Chair understands the question now is on the committee amendment as amended by the amendment offered by the Senator from New Jersey. If the motion shall prevail, the words "ammonium nitrate" will be stricken out, and in lieu thereof will be inserted the words "ammonium nitrate, 1 cent per pound."

Mr. LODGE. That is all right; that is perfectly comprehensible.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as amended.

Mr. SIMMONS. I thought we had voted on it, but I understand the Senator from New Jersey to say we have not.

Mr. FRELINGHUYSEN. I said my amendment to the amendment had been agreed to, but the committee amendment as amended has not been agreed to. I ask that the committee amendment as amended be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

Mr. UNDERWOOD. Mr. President, I have no desire to interrupt, or throw a monkey wrench into the machinery at this stage of the proceedings, but I understood we were acting only on committee amendments. The committee amendment was merely to strike out the words in reference to ammonium, but this is an amendment to insert a rate, which is entirely new matter. It is an individual amendment. I merely want to call attention to that fact. I am not going to disturb the Senator from New Jersey. He need not be alarmed.

Mr. FRELINGHUYSEN. The Senator can not disturb me, because it is not my amendment, but a committee amendment.

Mr. UNDERWOOD. The committee amendment fixed no rate. I was not in the Chamber when the amendment to the amendment was originally offered. The Senate had a right to pass on the committee amendment so far as it went, but the Chair ruled the other day that it is not in order to strike an item from a section of the bill and put it on the free list. There is no difference in principle between that and putting a different rate on an item, which is an individual matter.

Mr. LODGE. This is a committee amendment.

Mr. UNDERWOOD. I think the Senator is mistaken.

Mr. FRELINGHUYSEN. It was reported from the committee. It was a committee amendment.

Mr. UNDERWOOD. I understand the committee approved the amendment.

Mr. LODGE. They had a right to offer it.

Mr. UNDERWOOD. But it was offered by the Senator from New Jersey.

Mr. FRELINGHUYSEN. For the committee.

Mr. UNDERWOOD. I did not understand that the Senator had offered it for the committee.

Mr. LODGE. Mr. President, I am in favor of the amendment as amended. I simply want to say that I have an amendment, which I can not offer at this point because it is not a com-

mittee amendment, and which is intended simply to make the classification more definite. It is to insert, after the word "phosphate" the words "nitrogenous material manufactured from leather or tannery wastes." I merely give notice of my intention to offer an amendment to insert after the word "phosphate," if the Secretary will be kind enough to take it down, the words "nitrogenous material manufactured from leather and tannery wastes." "Ammonium phosphate" does not strictly include it, although it was believed that it was intended to do so. I shall refer the letter which I have on the subject to the committee, and ask them to consider it before it becomes in order for me to offer the amendment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment passed over.

The ASSISTANT SECRETARY. The next items passed over were ammonium phosphate——

Mr. SIMMONS. Mr. President, I do not understand whether the Senator from North Dakota has agreed to the proposition I made in reference to the items to go over.

Mr. McCUMBER. Yes; as far as I can, I agree to it.

The ASSISTANT SECRETARY. Ammonium phosphate and ammonium sulphate are to be passed over.

Mr. LODGE. Until potash is reached.

Mr. SMOOT. There is one amendment before that which has not been acted upon—the provision in reference to perchlorate.

The PRESIDING OFFICER. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On line 16, page 4, the committee proposes to strike out the word "perchlorate" and the comma, and to insert the same word "perchlorate" in the same way, without a comma after it.

The amendment was agreed to.

Mr. LODGE. Now, I understand we are going to agree to put over phosphate and sulphate until potash is reached?

Mr. SIMMONS. That is the understanding.

Mr. LODGE. Where is the item of potash found in the bill?

Mr. SMOOT. In paragraph 1635.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. The next amendment is, on page 4, line 21, paragraph 8, after the words "Antimony: Oxide," and the comma, where the committee proposes to strike out "2 cents per pound" and insert in lieu thereof "1½ cents per pound and 25 per cent ad valorem," so as to read:

Antimony: Oxide, 1½ cents per pound and 25 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I have been investigating this item to some extent, and I am impressed with the importance of this amendment. It is quite an increase over the present duty, and I have not found any evidence in the hearings which seems to warrant this increase.

Under the existing law the duty is 25 per cent ad valorem. Under the old Payne-Aldrich law it was 1½ cents per pound and 25 per cent ad valorem. In the bill as it came from the House the 25 per cent ad valorem rate was not made to apply to this item, but the item carried a 2 cents per pound rate and there was no ad valorem duty on it. The Senate committee recommends going back to the Payne-Aldrich rate.

I have not found anything in the hearings which seems to warrant that, except a mere request from one witness, and that witness proceeded to talk about the metallic antimony and the manufacture of that from the ore. This particular commodity is used at this time principally in the coloring of glassware. I find that this one witness, Mr. Hoguet, president of the Antimony & Compounds Co. of America, who gave his address as New Brunswick, N. J., appeared before the committee and asked that this be done. If I have interpreted his testimony correctly, he gave no reason as to why it should be done. He wanted the duty put upon the antimony metal, and it was that which he was principally discussing. He said:

I appear on behalf of this company and wish to ask for an increase in the duty as formulated by the Fordney bill on two articles. One is antimony oxide, paragraph 8 of the bill.

If you will permit me, I wish to discuss closely similar substances, though they may not all be mentioned in the bill itself.

Antimony is taken care of in paragraph 376 of the bill. May I say at this point that regulus and metal mean the same thing. They are pure metallic antimony.

If the committee please, this is an infant industry which, after years of perseverance and effort, has been unable, because of the inadequate tariff protection, to gain any foothold in the country.

The company which I represent is outfitted to produce about 1,200 tons per annum.

Senator WALSH. Of oxide?

Mr. HOGUET. Of oxide and antimony.

Under the Payne-Aldrich bill regulus or metal was taxable at the rate of 1½ cents per pound. In addition, there was a rate of 25 per cent ad valorem.

The Fordney bill proposes to reenact the rate of 1½ cents on regulus and gives 2 cents per pound on oxide of antimony.

It is respectfully submitted that these duties are not sufficient, and in order to protect the industry and to enable it to function each of these articles in question should receive the benefits of a duty of 4 cents per pound specific.

I guess I misunderstood him as making the request that the committee adopt the Payne-Aldrich rate, but he wanted 4 cents a pound. Then he proceeded to discuss the production of the metallic antimony, and I should like to inquire if there is any further testimony upon the subject. This is all I have been able to find.

Mr. FLETCHER. Mr. President——

Mr. FRELINGHUYSEN. I can not hear the Senator.

The PRESIDING OFFICER. Does the Senator yield to the Senator from Florida?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. FLETCHER. May I ask the Senator if the 25 per cent ad valorem rate——

Mr. FRELINGHUYSEN. Mr. President, on this side of the Chamber we can not hear the discussion.

The PRESIDING OFFICER. The Senate will be in order.

Mr. FLETCHER. It is proposed to make this duty 1½ cents a pound, and 25 per cent ad valorem. What would the 1½ cents a pound amount to as an ad valorem duty?

Mr. JONES of New Mexico. There is no testimony upon that point. My information is that the price of oxide ranges from 7 to 9 cents a pound. So a 25 per cent ad valorem duty would be about 2 cents a pound, and this 1½ cents per pound would be equivalent to about 12½ per cent additional, which would make 37½ per cent per pound, or 3¾ cents per pound. That would be about the result of it so far as I have been able to ascertain.

Mr. FRELINGHUYSEN rose.

Mr. JONES of New Mexico. Does the Senator from New Jersey wish to make an inquiry?

Mr. FRELINGHUYSEN. I am willing to analyze it as far as I understand it. I asked for a duty of 1½ cents per pound on regulus or metal and then three-quarters of 1 cent per pound on needle or liquated antimony. In paragraph 376 the duty on liquated antimony is three-quarters of a cent a pound. As I understand it, there are several stages of refinement. Fusing the ore gives antimony sulphate. That is the liquated antimony. Further refining gives oxide. Now, we gave them 1½ cents per pound and, as a compensatory duty for the 1 cent duty on the liquated, a 25 per cent ad valorem protection.

I understand in my State there is an industry which has been built up—I think the Senator mentioned it—which produces about 1,200 tons of regulus and alloying metal, the oxide also being used as a basis for dye. Before the war the ore was mined in China and in England, being imported to the United States. Since the war China has no smelters, and is now shipping to the United States directly.

The American cost is 8 to 9½ cents per pound. The Chinese cost is 2.5 cents per pound. Antimony content is 25 to 30 per cent of ore. Chinese labor receives from 5 to 40 cents per day, and American labor receives from $3 to $4 per day. This industry will be lost unless a moderate rate is given. They asked 4 cents. We gave them 1½ cents plus 25 per cent ad valorem.

The whole question is whether the Refining Compound Co. in New Jersey, which takes the ore and completes the refining of it, is to be protected or not. At the present time the industry is absolutely in the control of the Chinese monopoly. China is the only country from which we can get antimony. The industry asked for 4 cents and the committee gave them 1½ cents plus 25 per cent ad valorem. I will say to the Senator from New Mexico that this is practically the same as the House rate. The House added the liquated antimony rate.

Mr. JONES of New Mexico. If I understood the Senator aright, and if he is correct, I have been laboring under a wrong impression. Do I understand the Senator to say that oxide is made from the sulphide? I do not understand that to be the case.

Mr. FRELINGHUYSEN. As I understand the process, they make the metal first and then the oxide from the metal.

Mr. JONES of New Mexico. Yes. The metallic antimony is made first, and then that is oxidized. That is my understanding of it. The other item, in the other paragraph of the bill, as I take it, does not enter into this equation at all. I think the Senator from New Jersey must be mistaken about that.

Mr. FRELINGHUYSEN. I understand that it does, and this is a compensatory rate of three-fourths of 1 cent per pound on

liquated antimony. The liquated is the raw material with the metal and the oxide and all the other antimonies.

Mr. FLETCHER. The House rate is 2 cents per pound, and that would be about 10 per cent ad valorem, whereas it is proposed here to make the rate 32½ per cent ad valorem. It seems to me there is quite a difference. The House rate is specified at 2 cents per pound, and the unit value is 5 cents and 10 per cent ad valorem, whereas the Senate committee proposes to make it 32½ per cent ad valorem.

Mr. JONES of New Mexico. In looking at paragraph 1509 of the bill I find that antimony ore is on the free list. I observe there that the words "and needle or liquated antimony, but only as to the antimony content," are stricken out. I would like to have some explanation from the Senator from New Jersey.

Mr. FRELINGHUYSEN. It is made dutiable under paragraph 376 at three-fourths of a cent per pound.

Mr. JONES of New Mexico. Then, it seems to me, if these items are related in any such way, the item now under consideration ought to go over until we can discuss the other item along with it.

I do not understand why antimony, the generic term, should be on the free list and antimony as a regulus or metal should be 2 cents per pound and needle or liquated antimony three-fourths of 1 cent per pound. I do not understand why antimony itself, the broad term, should be kept on the free list and these particular kinds of antimony brought over to this schedule and a tax placed upon them. I do not see what would be left on the free list.

Mr. FRELINGHUYSEN. I will try to explain it to the Senator.

Mr. JONES of New Mexico. I am seeking information.

Mr. FRELINGHUYSEN. I will try to explain the various processes of conversion. They begin with antimony ore. Then they get the liquated antimony, which is the ore taken out, and antimony sulphide. That is the first conversion. Only the ore is on the free list; but the first conversion, needle or liquated antimony, is dutiable at three-fourths of 1 cent per pound. The next conversion is the metal, which is a further process, and takes a compensatory duty of three-fourths of 1 cent. The needle or liquated antimony we give three-fourths of 1 cent per pound, while the other we give 1½ cents per pound and 25 per cent ad valorem.

That is the protection which the Refining Compound Co., in my State, asked. That is an explanation of the duty. The various stages or processes of conversion I have given. They can be traced down right straight through all other metals; but the process is a conversion process, and on those we seek protection.

Mr. JONES of New Mexico. Then we have developed here an entirely new proposition regarding the antimony schedule. We are confronted here with a duty upon metallic antimony, which heretofore has been on the free list. Metallic antimony is now made dutiable, and the oxides and other compounds of antimony have their duty increased because of the new duty placed upon the metallic antimony.

Mr. President, it is necessary for us to examine that question——

Mr. FRELINGHUYSEN. Mr. President, may I interrupt the Senator?

Mr. JONES of New Mexico. I gladly yield.

Mr. FRELINGHUYSEN. Antimony as a metal has not been free since 1909. There has been a 10 per cent ad valorem duty on the metal.

Mr. JONES of New Mexico. It was free under the bill as it came over from the House under section 1509.

Mr. FRELINGHUYSEN. I think not. The duty on metal was 1½ cents per pound.

Mr. JONES of New Mexico. What I am talking about is the general term "antimony."

Mr. FRELINGHUYSEN. I think the Senator is confusing it with the ore.

Mr. JONES of New Mexico. I will find out about it. The antimony ore is still on the free list.

Mr. FRELINGHUYSEN. That is correct.

Mr. JONES of New Mexico. But the metallic antimony is made dutiable under section 376, as I understand it, and the duty there, according to the pending bill, has been increased from 1½ cents per pound to 2 cents per pound.

Mr. FRELINGHUYSEN. That is right.

Mr. JONES of New Mexico. The Senator suggests that as a reason for the increase under paragraph 8 which we are now considering.

Mr. FRELINGHUYSEN. Liquated antimony was taken off the free list and made three-fourths of 1 cent per pound. That is the reason why the metal has been increased to 2 cents.

Mr. JONES of New Mexico. Is that done because there is three-fourths of 1 cent per pound put upon liquated antimony?

Mr. FRELINGHUYSEN. That is correct.

Mr. JONES of New Mexico. By reason of that, then, we increase the duty on the metal from 1½ to 2 cents per pound.

Mr. FRELINGHUYSEN. That is right.

Mr. JONES of New Mexico. And that is the cause of the other increase?

Mr. FRELINGHUYSEN. Yes.

Mr. JONES of New Mexico. So it is the duty upon the metal, the so-called liquated metal, that is the cause of the whole trouble?

Mr. FRELINGHUYSEN. That is it.

Mr. JONES of New Mexico. Mr. President, that brings up for consideration an entirely different question from the one presented by the paragraph of the bill now under consideration. The paragraph now under consideration relates to the manufacturing of antimony oxide and the duty on that is increased because this metal has had a duty put upon it which it did not have before. It was previously on the free list. The Senator from New Jersey proposes then to have a duty put upon the reduction of the ore into that particular kind of metal. That involves the history of the antimony industry not only in this country but elsewhere.

There is no ore produced in this country to any great extent. The very concern which has the capacity of 1,200 tons a year, to which the Senator from New Jersey has just referred, is, I believe, the only concern in the United States which is smelting the antimony ore and making the antimony metal.

Mr. FRELINGHUYSEN. That is quite true. The Senator from New Mexico states the fact correctly. The ore comes from China, and that is practically the only place from which it comes. This industry has been established in my State. Formerly the ore was smelted in England, as it still is; but the industry was started here during the war, and, of course, there will be opportunity under this proposed protection for other smelters to operate and smelt a certain amount of ore. The Senator is quite right that the plant in New Jersey smelts only about 1,200 *tons*; that is their capacity; but they ask for protection on the conversion costs, the manufacturing costs, against England and against China, whence the ore is shipped to England for smelting. It is also smelted in China. The question simply is, Shall we protect this smelting industry in this country? The ore is on the free list.

Mr. JONES of New Mexico. Mr. President, will the Senator tell us the quantity of metallic antimony which is used in this country?

Mr. FRELINGHUYSEN. This commodity is used as a metal alloy. The production of antimony metal from domestic ores and antimony metallic compounds and antimony alloy by domestic smelters was 3,898,000 pounds in 1912 and 6,000,000 pounds in 1917.

Mr. JONES of New Mexico. I will ask the Senator from New Jersey to figure out how many tons that is.

Mr. FRELINGHUYSEN. The Senator from New Mexico can figure it as well as I can, if he wishes to do so.

Mr. JONES of New Mexico. Very well. Then I will give the Senator some more figures. In the tariff survey regarding this item, on page 21, the Senator will find that the antimony imported into this country for consumption in the year 1920 amounted to 9,817 tons. The company in the Senator's State has a capacity of only 1,200 tons. It is proposed to increase the duty on this commodity to $15 a ton. I wonder if the Senator from New Jersey has ever pondered upon the proposition as to how much it is going to cost the people of the United States to enable that one concern in his State to begin the business, practically, of producing metallic antimony. That is the situation. We have the testimony of but one man, the president of that concern, and he stated in his testimony that the capacity of his plant was about 1,200 tons a year.

Mr. FRELINGHUYSEN. Mr. President, I do not want the Senator from New Mexico to proceed in error. I said that there was one of these smelting plants in my State, but I understand that there are four or five others throughout the country which operate on antimony ores alone. Of course there are other smelting concerns which operate on various kinds of ore. The Chapman Smelting Co., of San Francisco, opened up in 1917. The Antimony Smelting Refining Co. built a plant at Seattle and manufactured oxide for a time. The Western Metals Co. built an antimony smelter at Los Angeles, which now smelts Chinese ores. It has drawn a part of its supply from Colorado and Nevada and Mexico as well as ores from its own mines in California. I find there is another plant. The Mongolia Metal Co. has a plant at Matawan, N. J., purchasing ores from various sources. The Nichols-Laygn Chemical Co. operates a plant at

San Francisco, and the Antimony & Compounds Co. operates a plant at Piscataway, N. J.

It seems as if these plants are now shut down owing to the fact that they have no protection as against the Chinese and English smelters.

Mr. JONES of New Mexico. That was my understanding. During the war these other plants were built up in order to meet war conditions, and they have been shut down since that time. I do not know whether that is the history of the plant in New Jersey; I do not know when it was established, but the Senator from New Jersey, doubtless, can inform us about that. I have not seen anything upon that subject.

Mr. FRELINGHUYSEN. I do not think the New Jersey plant was a war plant. I think it was operating before or at the beginning of the war. However, I have no information with regard to that.

Mr. JONES of New Mexico. Is not this the only concern, then, that was in operation prior to the war engaged in reducing foreign ores?

Mr. FRELINGHUYSEN. I do not know. I hardly think so. In view of the quantity of ore imported, I presume some other smelters must have been smelting antimony.

Mr. JONES of New Mexico. I do not claim to have made a thorough study of the subject, but from the study which I have been able to make I think the situation is about like this: The antimony ores found in the United States are of no considerable consequence. The lead smelters of the country produce a considerable quantity of antimony as a by-product from the smelting of lead ores, but merely as a by-product. The concerns which have been built up for the purpose only of smelting antimony ores have been compelled to go to other countries for their ore and bring it to this country. I understand the Senator from New Jersey is contending that the smelter in New Jersey should be permitted to smelt the imported ore and make antimony as a primary product, although the lead smelters of the country produce antimony as a by-product. The concern in New Jersey must bring the ore from China or from Bolivia or from Mexico. Those are the only three countries of which I know where the ore can be found in any considerable quantity. The reason the ore is not smelted in Bolivia is that coal can not be imported into that country so as to build up a smelter, and so some of the ore has been coming from Bolivia to this country and is smelted here. The one great country, however, where the ore is found is China, and we must import from China either the ore or the metallic antimony.

The consumption of this commodity in the United States, I judge from all that I have read, is around 10,000 tons a year, which is obtained from China or from lead smelters producing it as a by-product. Now, it is proposed to put a duty of $15 a ton upon the 10,000 tons of metal consumed in this country. I am not trying to be exact about the figures, but that would amount to a considerable bill for the American consumers to pay.

The only person who appeared before the committee and asked that such a duty be placed upon this commodity was one man from New Jersey. He did not undertake to give his costs, except in a mere general way, but he did talk about the low labor cost in China. Not a word, however, was said as to the cost of transporting the ore as compared with the cost of the metal itself, or how much of an economic loss there would be, how much of an economic waste there would be by importing the ore rather than importing the metal.

Much has been said about production costs. The Tariff Commission obtained considerable data regarding the cost of production in China. It seems also that England prior to the war was competing with China in the smelting of this ore and the production of the metal. I do not believe that any case can be made out here that warrants this duty upon metallic antimony. Of course, if we are going back to the ore, then I think the Senator from New Jersey is quite right in saying that the duty on the oxide should be increased; but there is where the trouble comes. If we go back to the foundation of different industries and put a tariff on the raw product, then as we begin to make compounds of that product, which is the raw material, for something else, we have got to impose higher tariffs on the compounds than are imposed upon the basic product, and so on up. It is like an inverted pyramid; starting with the one item it begins to spread out and out, until it finally reaches the consumer in a very much inflated form, and the little three-fourths of a cent per pound upon metallic antimony when it reaches the consumer in the textile industry and the glass-making industry of the country in the making of war materials is expanded in those industries until the costs are beyond anything which it seems to me would be reasonable. And all of this in order to help out one concern in New Jersey which has a capacity for smelting 1,200 tons of antimony per annum, when the consumption of the country of this product is not less than 10,000 tons. In other words, to enable that concern to go ahead producing about 10 per cent of a commodity you would make the people of this country pay not only what that concern would get out of it but nine times more. It would be far better to pay the manufacturer in question three-fourths of a cent per pound for his product than to charge the people of this country ten times that amount so to enable him to smelt some antimony ore in New Jersey. It is not a question of developing a home product. The ore is not here.

Mr. FRELINGHUYSEN. Mr. President, I do not want to be unjustly attacked on this question. The question is whether this industry shall be protected; and the Senator's own party made a rate of 25 per cent ad valorem on this material in the Underwood bill. It was the intention to make it 25 per cent, but by reason of a mistake, the dropping of a comma in that bill, it was thrown in the basket clause; but the Underwood tariff bill, which the Senator has praised here as being perfect, had a duty of 25 per cent on antimony oxide; and so the charge that this duty is made to protect only this industry is false, because the Underwood bill protected the industry as a whole.

Mr. JONES of New Mexico. Mr. President, I hope the Senator will not hold me responsible for the so-called Underwood bill.

Mr. FRELINGHUYSEN. I withdraw that, then.

Mr. JONES of New Mexico. I was just stating what I thought to be the situation here. It is quite probable that in order to raise some revenue the Underwood bill did impose a duty of 25 per cent upon the importation of that commodity, and for revenue purposes I think it would be a pretty good thing. I mean by that that the amount of revenue derived in proportion to the amount of the tax on the community would be relatively large.

Mr. FRELINGHUYSEN. Mr. President, may I ask the Senator a question?

Mr. JONES of New Mexico. I shall be very glad to have the Senator do so.

Mr. FRELINGHUYSEN. Does the Senator consider 25 per cent ad valorem a revenue duty?

Mr. JONES of New Mexico. We have a good many revenue duties much higher than 25 per cent; but the bill as it comes from the House has this item—I mean the cruder material—upon the free list, and the Senator from New Jersey himself said that this was placed where it is for the specific purpose of enabling his concern to live. I am discussing this matter from the standpoint of the Senator from New Jersey. What I was going to say is that you are not developing an industry in this country. The ore is not here. It can not be made an independent industry. There must be an importation of something, and the only question is whether it shall be an importation of the smelted or metallic product, or whether it shall be an importation of the ore. That is the question; and it seems to me that it is an economic waste to talk about putting a tariff upon these metals which are made from the ore itself to enable these concerns to smelt the ore in this country, when they have to import something from somewhere anyhow.

Mr. FRELINGHUYSEN. Mr. President, I am quite sure the Senator is discussing this matter in good faith.

Mr. JONES of New Mexico. I certainly am.

Mr. FRELINGHUYSEN. There are many raw materials that we import that we convert in this country, and this is one of them. This is a smelting concern in New Jersey. The other industries throughout the country are smelting concerns also. If you put protection upon the manufactured product when the raw materials are available, is it not a sound policy to protect the industry in this country when you can get the raw materials and convert them here, rather than convert them in China or in England?

Mr. JONES of New Mexico. Mr. President, as far as this particular item is concerned, I say "No," and I will tell the Senator why. You have to import something from China. It is an economic waste to import the ore over here and have it smelted here if it can be done over in China as cheaply as it can be done here. It seems to me this is just one of the cases where this very distinguished constituent of the Senator from New Jersey ought to try to find some other business in which he can engage.

Mr. FRELINGHUYSEN. Does the Senator believe that if cloth can be manufactured in England cheaper than it can be manufactured here, it would be an economic waste to manufacture cloth here?

Mr. JONES of New Mexico. Mr. President, if the cotton were grown in England, I would say "Yes"; but it is not;

it is grown in the United States. We can build up there an industry from the field to the clothing on the individual; but you can not do it here. It is an entirely different situation.

Mr. President, I think this item ought to go over and be discussed in connection with the free-list item and paragraph 376 of the bill. They ought all to be discussed together, and if we are going to amend the free list in the way that is proposed of course these follow; but the free-list item is the trouble in this situation, and that ought to be passed on first, because the Senator from New Jersey, I think, very correctly says that the item we are now discussing is based upon the action taken regarding these other items in the bill.

Mr. FRELINGHUYSEN. Of course the committee is desirous of cleaning up these paragraphs as quickly as possible; but, if the Senator desires it, I will consent to have it go over until paragraph 376 is reached.

Mr. JONES of New Mexico. Mr. President, I think this paragraph and paragraph 376 should go over until paragraph 1509 is considered.

Mr. FRELINGHUYSEN. No; I will not consent to that. I am willing that it shall go over until we reach paragraph 376.

Mr. JONES of New Mexico. I think that would be even better than the other, because paragraph 376 is the one which determines whether that duty shall be put on the metallic product or not; so I join in the request of the Senator from New Jersey that that paragraph be deferred for consideration in connection with paragraph 376.

Mr. FRELINGHUYSEN. Does the Senator wish the whole paragraph to go over?

Mr. JONES of New Mexico. I think it all goes together. They are different compounds of the same basic material.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The Secretary will state the next amendment of the committee.

The next amendment was, on page 5, at the end of line 6, after the word "bitartrate," to insert "5 cents per pound"; so as to make the paragraph read:

PAR. 9. Argols, tartar, and wine lees, crude or partly refined, containing not more than 90 per cent of potassium bitartrate, 5 per cent ad valorem; containing more than 90 per cent of potassium bitartrate, 5 cents per pound; cream of tartar, Rochelle salts or potassium-sodium tartrate, 5 cents per pound; calcium tartrate, crude, 5 per cent ad valorem.

Mr. KING. Mr. President, may I inquire of the Senator whether the committee considered that that was any change from the House bill?

Mr. FRELINGHUYSEN. It is no change from the House bill, as I understand.

Mr. KING. The purpose was to clarify the meaning of the section?

Mr. FRELINGHUYSEN. Yes.

Mr. KING. I was not sure, but it seemed to me that must have been the purpose of the committee.

Mr. FRELINGHUYSEN. That was the purpose; yes.

Mr. KING. Mr. President, under the rules I can not attack that paragraph now. When we reach the free list I shall move to transfer to the free list argols, tartar, and wine lees, and the action taken by the Senate respecting that motion will determine the course to be pursued as to the other items found in paragraph 9; so I suppose we may assent to that amendment. I have no objection to it.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 5, after line 14, to insert:

PAR. 10a. Gums: Amber, and amberoid unmanufactured, not specially provided for, $1 per pound; arabic or senegal, one-half cent per pound.

Mr. KING. Mr. President, I should like to ask the chairman of the committee whether the object in the introduction of this new paragraph was to impose a tariff upon items not heretofore subject to tariff for the purpose of obtaining revenue, or whether it is designed to help some companies engaged in the manufacture of pipes and pipestems to develop their industry, or to strike down the competition of the whale that swims in the ocean and persists in producing amber as a part of its anatomy?

Mr. McCUMBER. I do not know exactly how much revenue we will get out of it, but it is for revenue purposes only. They are the same rates that the other would take.

Mr. KING. Was it treated of in the House bill? Was consideration given to it in the House?

Mr. McCUMBER. It was on the free list.

Mr. KING. On the free list in the House?

Mr. McCUMBER. In the House bill, and it was transferred from the free list and placed as paragraph 10a, because it belonged about that section or paragraph.

Mr. KING. Does the Senator think—and I am asking for information—that the tariff of $1 a pound is the fairest and the best as a revenue producer?

Mr. McCUMBER. I do not think we get a great deal of revenue out of it anyway, but we get some, and I think it will fairly bear that rate.

Mr. KING. Mr. President, I confess to no great familiarity with amber and amberoid, and, so far as I am now advised, it might be denominated a luxury; and, believing as I do that we must have some revenue—indeed, a considerable revenue—from tariff rates, and that so far as possible the levy should be made upon luxuries, I do not think I shall make any objection.

Mr. McCUMBER. Before we pass on the committee amendment, I would like to correct it by striking out the comma after the word "amber" on line 15.

The VICE PRESIDENT. Without objection, that correction will be made.

The amendment was agreed to.

The next amendment of the committee was, on page 5, line 18, to strike out "1 cent" and insert in lieu thereof "1¼ cents," so as to read:

Barium carbonate, precipitated, 1¼ cents per pound.

Mr. KING. Mr. President, in the Underwood law barium carbonate, precipitated, carried a 15 per cent ad valorem duty. The Payne-Aldrich Act levied a duty of 25 per cent ad valorem upon this item, as I recall, it being found in the basket clause.

In the pending bill, as it came from the House, the rate is a specific duty of 1 cent per pound, so that the Senate committee rate is a considerable increase over the specific rate found in the House text, an increase of about 25 per cent. Barium and barium compounds are important articles in the commercial and industrial activities of the people. Barium chemicals, indicated in this paragraph, are made chiefly from barytes, which is made dutiable under paragraph 64. The domestic production, it is stated by the Tariff Commission, was chiefly in Missouri, which supplied the market for ground or crude barytes. During the war there was an enormous increase. It has been stated that the production was quadrupled. The demand for barytes in the lithopone and rubber industries was enormously increased.

Now, there is a vast amount of this product produced in Georgia. Germany and England are large producers of barytes and barium chemicals, and if we encounter any competition from abroad, it will be from those countries.

I am not quite able to determine the reason for this great increase over the rate found in the Underwood law. This item is used largely by many of the chemical companies. If you regard it as a primary product, to that extent you are adding to the costs of the intermediate products or the finished products. This would entail larger costs upon the part of the chemical companies in purchasing it, which would have to be passed on to the ultimate consumer.

Mr. WILLIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Ohio?

Mr. KING. I yield.

Mr. WILLIS. Will the Senator from Utah permit me to call his attention also to the fact that if this increase in bicarbonate is made from 1 cent per pound to 1¼ cents per pound it will necessitate a considerable increase, in all fairness, in the item barium dioxide and barium peroxide, as I am advised that it takes about 1¼ pounds of barium carbonate to produce 1 pound of barium peroxide? If the tariff on the raw material is increased over the rate fixed by the House, as it is here, to 25 per cent, it will necessitate, in fairness, a very considerable increase in the tariff on barium peroxide, the second item below.

Mr. KING. Undoubtedly the Senator is right. If we increase the rate on the raw material—and I am using that term rather broadly—under the policies which have been adopted in the drafting of these bills, that increase is carried to the product which is compounded from the article, or of which it forms a constituent part, and compensatory duties are demanded by the manufacturer of the intermediate or the finished product. So what the Senator has stated is true—you will have to raise the tariff rate upon the other items.

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. KING. I yield.

Mr. McCUMBER. I can give, in a few words, the justification for the raising of the duty by the committee.

Barium carbonate, as the Senator will remember, was almost wholly imported prior to 1914; there was very little produced in this country. The imports increased from 2,700 short tons in

1915 to 8,200 short tons in 1917, and in 1920 the production was 7,500 short tons. In 1912 the imports amounted to 950,000 pounds and increased in 1914 to 5,000,000 pounds. In the first nine months of 1921 the imports amounted to 1,973,000 pounds and the average value was 2 cents a pound.

It is claimed that the actual cost of production in the United States to-day is about 3 cents a pound; that it is being placed in our markets at 2 cents a pound, and that what would be given here, a difference of 1 cent, would be the actual difference in the cost of the landing and to equalize the cost of manufacture, and that would allow the fourth of a cent for other overhead charges and for marketing in the United States. It was thought that it about equalized the situation and would allow the continuance of the American industry.

Mr. KING. Mr. President, I do not think the explanation which has been offered by the chairman of the committee warrants this enormous increase. As I figure it hastily it is an increase of 75 per cent over the present law as based upon 1914 values. It seems to me that increase may not be justified in view of the fact that our country is so rich in barium ores. Perhaps no other country in the world has larger deposits of barium ores than the United States. If we can not manufacture the products of barium with the enormous advantages which we possess in competition with every country in the world, then, Mr. President, it seems to me there is nothing we could produce in competition with the world.

As I indicated when we were discussing another item just a few moments ago, the mere fact that the production in the United States anterior to the war was limited in my opinion is no justification for an enormous tariff rate. As I indicated, and I repeat, many articles from year to year are produced in the United States now which were not produced here in the past. As our wants increase, as our attention is directed to these new commodities and their use becomes more important capital is invested in their production. The American business man, the American manufacturer, and the man who has capital will make these investments so soon as the needs of the people require, and the mere fact that we have not produced in large abundance many of the commodities which enter into our lives is no sufficient reason for the imposition of high tariff rates, which would enable the manufacturers here to charge the people prices entirely disproportionate with world values or with the values to the American people themselves.

I think my friends on the other side emphasize too much the fact that some products have not been produced in the United States before. We are producing thousands of commodities which have not been produced in other lands, and if the same unwise, not to say foolish, policy were pursued by other countries which we persist in pursuing if we adopt all of the schedules in this bill, we would be shut out of the markets of other nations; our products would have to rot upon the wharves, in the warehouses, upon the shelves, in the granaries, and in the various depositories and receptacles in which they are placed by the producers in the United States.

Fortunately for us, other people are not frightened because they do not produce everything in their countries. We should not be frightened because we do not produce every article which enters into the consumption of the people or which is essential to the welfare of the people. The Senator from New Mexico [Mr. JONES] very properly indicated a moment ago in the discussion of the oxide question that we must have some products and some imports, and that it was absurd to import ores from China, where they were produced, for the purpose of refining them, when they could be refined there and the refined product shipped without taking up so much cargo space and, of course, so much cheaper to the consumer here.

If we adopt the theory that everything which is consumed by the people must be produced in the United States and must have a tariff applied to it, not for revenue purposes but for protection purposes, we will be adopting an economic view which will be destructive of the development of our industries, which in the end must react to the disadvantage of the American people.

I protest against this high rate, Mr. President, an increase of 75 per cent upon a product which we produce in the United States in such large quantities, in a raw state at least, the cost of reducing to the finished product being rather negligible, measured by the chemical costs and other costs, with respect to other items of a chemical nature.

Mr. WILLIS rose.

Mr. KING. Does the Senator from Ohio wish to interrupt me?

Mr. WILLIS. I do not wish to ask the Senator to yield. I desired to make some observations along the same line when he has concluded.

Mr. KING. I shall be through in a moment or two and yield the floor to the Senator.

Let me call attention to the simple process employed in the production of the article under consideration. I read now a line or two from the Tariff Survey:

> Precipitated barium carbonate is a white powder practically insoluble in water. It is used chiefly in the ceramic industry in making face brick to prevent a white efflorescence, for optical glass and some kinds of enameled ironware, in the preparation of other barium chemicals, in flat wall paints, and as a rat poison.

It is apparent that this mineral is the basis of a large number of commodities which are important in our daily life. It is important for use as a poison for rodents, important in the making of wall paints, important as an enamel for ironware, important in the manufacture of optical glasses.

I venture the assertion by way of parentheses that when we reach the glassware schedule and the subject of optical glasses is found there, if it is found in that schedule, there will be an irresistible demand made that a tariff wall be erected with respect to optical instruments, and insisted that we shall establish the optical-instrument industry here. If we want to establish that industry or other industries in which this commodity is used, it is important that we furnish the article as a sort of primary product and at as reasonable price as is possible. The cheaper it is the more easy it will be for the manufacturer of the other articles to which I have referred to manufacture in competition with domestic producers and then cheapen prices, and foreign producers, if there should be foreign competition.

The process, as I started to say a moment ago, is simple. Barium carbonate is produced by passing carbon dioxide over heated barium sulphide or by treating a solution of barium sulphide or barium chloride with soda ash.

Everybody knows that the products essential to the production of carbon dioxide are found in the United States in rich abundance. Sulphur ores, from which all forms of sulphides are obtained, are inexhaustible in all parts of the United States. We have in the West our sulphide ores, and sulphur becomes a waste product. In the reduction of the ore sulphur escapes into the atmosphere as a dioxide or as a sulphur trioxide to the extent of millions of tons per annum.

A few years ago a suit was brought in the State court of Tennessee, later in the Federal court, because the smelter, which was emitting large quantities of sulphur dioxide, it was alleged was causing the destruction of vegetation. The State court dismissed the bill. An action was brought in the Federal court and an injunction granted, because the large quantities of waste sulphur passing out in the atmosphere, coming in contact with hydrogen, H_2O in the atmosphere, formed sulphur trioxide, which when it came in contact with vegetation burned, to use a common expression, the vegetation and destroyed it. The trees for miles around, as the evidence showed, were destroyed.

We produce millions of tons of sulphur, which is liberated and goes out into the atmosphere and is a waste product, to the injury, too often, of vegetation, if not indirectly the injury of animal and human life.

In stating the uses I omitted to state what is shown in another part of the tariff survey, that crude barium, out of which the carbonate is made, results from roasting the barytes with coal, and when that is done the product is known as coal ash.

Now, Mr. President, if I were a high protectionist and seeking to surround the country by a wall which was almost impenetrable, I do not think I could justify the rates upon many of these items, the result of which inevitably must be to enhance the prices of the raw materials which are imperative in the construction or manufacture of the finished product. If we want to develop into a great producing and manufacturing Nation and to dominate the world, then we must encourage, by giving cheap primary products, the development of the manufacturing plants. If we impose these great tariff rates, thus increasing the prices of the raw materials, of these crude materials, they will be reflected upon the finished product and act as a deterrent to the development of home industries.

Mr. President, I move—and when I have made that motion I shall be glad to hear from my friend the Senator from Ohio—to amend the committee amendment found on page 5, in line 18, by striking out the numeral "1," so that it will read:

> Barium carbonate, precipitated, one-fourth of 1 cent per pound.

Mr. WILLIS. Mr. President, I desire to discuss, not directly but only indirectly, the amendment offered by the Senator from Utah. While I am not quite able to agree with the reasoning of my friend, I am able to agree in part with his conclusion that there is, it seems to me, an inconsistency, an incongruity,

between the rate that is proposed on barium carbonate and the rate provided on barium dioxide.

As I pointed out a moment ago, it takes about 1.3 pounds of carbonate to make a pound of the peroxide. If we are to increase the tariff on the raw material, by every theory of tariff making that I have ever heard anything about, there ought to be a compensatory duty on the more finished product. So if this shall be adopted as reported by the committee, when it is in order to do so I shall offer an amendment to the item relative to barium dioxide.

Mr. SMOOT. Mr. President, before the Senator does that——

Mr. WILLIS. That would not be in order now, and I do not propose to do it now.

Mr. SMOOT. I would like to call his attention to the fact that it takes 1¼ pounds of barium carbonate to make 1 pound of barium dioxide.

Mr. WILLIS. One and three-tenths pounds, I am informed; but that is not material.

Mr. SMOOT. Even with the waste. I give absolutely everything that could be conceived of in making it into dioxide. With 1¼ pounds, it would be one and one-half times one and one-fourth, which would be a little less than 2 cents. So the Senator sees that we are taking care of the dioxide manufacturers by a $40 per ton protection. I will say to the Senator that that is ample and there is no doubt of it at all. The House differential was all out of proportion. It is true that if the House differential had been correct, the Senator's statement would be correct, and that we would have to amend the dioxide item.

Mr. WILLIS. The Senator is proceeding in his argument on the theory that the House arrangement of the rate was incorrect?

Mr. SMOOT. The House differential was altogether too large.

Mr. WILLIS. I can not discuss that, because I am not advised as to it. The Senator knows that I have the very greatest respect for his learning and opinions.

Mr. President, while I am on my feet I desire to bring to the attention of the Senate some rather significant facts which I have been able to secure. In my State there is a little concern that manufactures barium peroxide. There is no use being mealy-mouthed about it. That is how I came to be interested in it.

Mr. McCORMICK. Peroxide?

Mr. WILLIS. Yes; I will say to the Senator; peroxide or dioxide; they are the same. That concern operated during the war, but has been closed for some time. I have taken the pains to get some figures which I think are accurate.

Using all American material, barium carbonate can be manufactured in the United States for 14.5 cents per pound. Using the German carbonate, it can be laid down here at 4.84 cents per pound. I ask permission to have inserted in the RECORD at this point a detailed table showing these facts.

The VICE PRESIDENT. Without objection, it is so ordered.

The table is as follows:

The cost of barium peroxide manufactured in the United States from all-American material, barium carbonate at $90 per ton f. o. b. J. H. R. Products Co. plant at Willoughby, Ohio:

Using 1¼ pounds of carbonate to produce 1 pound of barium peroxide	$0.06
Other materials used in process	.05
Actual labor used in process	.03½
Absolute cost without overhead per pound	.14½
German carbonate at $30 per ton, Coblenz, using:	
1¼ pounds of carbonate to produce 1 pound barium peroxide	.02
Other materials used in process	.0167
Labor actually used in process	.0117
Cost without overhead in Germany	.0484

Mr. WILLIS. Bear in mind, what I called attention to was not counting overhead. The lowest at which this plant, about which I know something, located at Willoughby, Ohio, can produce it is 14.5 cents per pound. Incidentally they are giving it at even lower than the figures given by the Tariff Commission. The cost of producing barium dioxide in 1919, as shown by the investigation of the Tariff Commission, was 19.7 cents per pound. The figures I have show that this company can produce it more cheaply than that—or 14.5 cents per pound. Taking that figure, I find that there is a German company offering the product here in our market now at 12½ cents a pound, which is 2 cents below the cost of production here. There is a Dutch company offering its product at 10½ cents a pound, a French company at 10.6 cents per pound, a Danish company at 7.9 cents per pound, and another French company at 12.9 cents per pound. In other words, these foreign companies are able to offer their products here below our cost of production. Prior to the war Germany supplied all the barium dioxide, but when imports from that country ceased we started to develop in our own country a barium chemical industry. It developed rather rapidly, but it is going back just as rapidly, as is shown by all these facts.

Mr. KING. Mr. President——

Mr. WILLIS. I yield to the Senator from Utah.

Mr. KING. Undoubtedly the Senator from Ohio is aware of the fact that the foreign wholesale value of barium dioxide prior to the World War was approximately 5.8 cents per pound, while in the United States it was somewhat higher.

Mr. WILLIS. I was not aware of that, but I accept the Senator's statement, if he knows that to be a fact.

Mr. KING. Now the price is substantially 100 per cent greater than was the foreign value prior to the war.

Mr. WILLIS. Does the Senator refer to the price at which we can produce it here or the prices quoted in the foreign market?

Mr. KING. The price in the foreign market prior to the war was substantially 5.8 cents, or 5½ cents per pound. Now the price in the foreign market is substantially 10 cents per pound. It varies.

Mr. WILLIS. I think that would be about correct.

Mr. KING. And the American producer wants a tariff that will operate to the extent of about 100 per cent.

Mr. WILLIS. No; I think the Senator from Utah has placed that too high.

Mr. KING. It will not be less than between 75 and 100 per cent, I think. Of course, we can produce tea in the United States; we can produce in hothouses almost anything that is produced in tropical climes. If we will use enough coal and enough glass and enough sunlight and enough of other commodities, we can produce almost anything in the world here if the question of cost is not to be considered.

I merely call the attention of the Senator from Ohio to the foreign prices so that he may know he is now asking for a tariff of from 75 to 100 per cent. Of course, I know that does not frighten a Republican at all.

Mr. WILLIS. No. I think the Senator is slightly mistaken, but I will not canvass that question just now. It is not a question of what we might produce. The Senator says we might produce tea and various other articles. Of course, that is an interesting subject upon which to speculate; but it is a fact that during the war when we had no trade with Germany we did produce this needed material, a very necessary war material, and we induced our people to go into that business.

The plant in my State was built up and men invested their money in that plant, which employed a large number of workingmen who are now out of employment. We can produce this material, barium peroxide, here, as I have shown, at 14 cents a pound, while the foreign producer is laying it down in our market at 10, 11, and 12 cents a pound. I think that it is good policy to place upon that product a tariff sufficient to enable us to continue the industry in this country. So at the proper time I shall offer an amendment to the barium peroxide item.

Mr. SHEPPARD. Mr. President——

Mr. WILLIS. There is just one further fact to which I desire to call attention, and then I will yield to the Senator from Texas. We imported in 1920 of barium peroxide or dioxide 200,000 pounds; in 1921 we imported 1,005,000 pounds, or five times as much. That means the opening up of the plants in Germany and the closing of the plants in America. I believe, Mr. President, it is worth while to impose a sufficient duty upon this material to equalize the difference between 14 cents, the cost of production here, and the rates I have quoted at which this material may be laid down here by the foreign manufacturer. I now yield to the Senator from Texas.

Mr. SHEPPARD. Mr. President, I should like to inquire for what purposes is this material used in time of peace?

Mr. WILLIS. That is a very proper question. The Senator understands, of course, that this article is very useful in time of war. I will read him what is given here in the book, which he not doubt has, entitled "The Summary of Tariff Information." It is used chiefly in the production of hydrogen peroxide, which, as the Senator knows, is largely used in various manufacturing processes, and also as a bleaching agent and as source of oxygen. It was used during the war in the manufacture of tracer bullets and in various other ways. So it is a necessary industry not only in time of war but in time of peace, and we have demonstrated that we can produce it here if we have this little margin.

Mr. McCUMBER. Mr. President——

Mr. WILLIS. I yield to the Senator from North Dakota.

Mr. McCUMBER. Do I understand the Senator is discussing barium dioxide?

Mr. WILLIS. I explained when I began that I am discussing barium dioxide, and I served notice that when we get to that item I will offer an amendment. I understand that the Senate is now considering barium carbonate. I am not taking issue with the Senator's committee upon that.

Mr. McCUMBER. I understood the Senator to say the foreign cost was about 10 cents a pound.

Mr. WILLIS. It is perhaps a little beyond that.

Mr. McCUMBER. And the cost here is 14 cents a pound.

Mr. WILLIS. Yes.

Mr. McCUMBER. There is a duty in this bill of 4 cents a pound given, which exactly covers the difference, does it not?

Mr. WILLIS. We will fight that out when we come to that item. I thank the Senator, however, for the suggestion.

Mr. KING. Mr. President, I wish to call attention very briefly to the fact that the production of barium carbonate increased greatly during the war, and that it is being produced by, as I hastily glance at the Senate hearings, the Eagle-Picher Lead Co., of New York; Krebs Color & Pigment Co., of Cleveland, Ohio—I think, perhaps, that is the company to which the Senator from Ohio has referred——

Mr. WILLIS. The company to which the Senator from Ohio referred is the J. H. R. Products Co., of Willoughby, Ohio.

Mr. KING. And by the New Jersey Zinc Co. and the Grasselli Chemical Co.

Mr. SMOOT. Mr. President, the Senator is referring to the wrong names.

Mr. KING. I am speaking of barium compounds generally.

Mr. SMOOT. The companies named by the Senator manufacture lithopone.

Mr. KING. I know that the Du Ponts produce lithopone.

Mr. SMOOT. But the names the Senator has just read are concerns that produce lithopone in the United States.

Mr. KING. And lithopone is a product of barium.

Mr. SMOOT. Yes; that is true; but the Senator will find that the Alton Chemical Co., the Chicago Copper & Chemical Co., and the Consolidated Chemical Products Co. are the principal producers of the barium carbonate.

Mr. KING. The Du Pont and other great companies are largely interested in barium products.

Mr. SMOOT. That is true; but the companies whose names the Senator read are manufacturers of lithopone.

Mr. KING. I am willing that a vote be taken. I ask for the yeas and nays.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Utah to the amendment reported by the committee on which the yeas and nays are demanded.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. JONES of New Mexico (when his name was called). I transfer my pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and vote "yea."

Mr. STERLING (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Iowa [Mr. CUMMINS] and vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement with reference to my pair and its transfer as on the previous ballot, I vote "nay."

The roll call was concluded.

Mr. SUTHERLAND. Making the same announcement as on the previous vote with reference to my pair and its transfer, I vote "nay."

Mr. McKELLAR. I have a general pair with the junior Senator from Indiana [Mr. NEW], which I transfer to the senior Senator from Tennessee [Mr. SHIELDS] and vote "yea."

Mr. SIMMONS. I wish to announce that if the Senator from Missouri [Mr. REED] were present he would vote "yea."

Mr. FRELINGHUYSEN. I transfer my general pair with the Senator from Montana [Mr. WALSH] to the junior Senator from Oregon [Mr. STANFIELD] and vote "nay."

Mr. ELKINS. I transfer my pair with the Senator from Mississippi [Mr. HARRISON] to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS].

The result was announced—yeas 15, nays 41, as follows:

YEAS—15.

Caraway	Harris	McKellar	Simmons
Dial	Heflin	Myers	Swanson
Fletcher	Jones, N. Mex.	Overman	Underwood
Gerry	King	Sheppard	

NAYS—41.

Ball	Hale	McCumber	Sterling
Borah	Harreld	McKinley	Sutherland
Brandegee	Johnson	McLean	Townsend
Broussard	Jones, Wash.	McNary	Wadsworth
Bursum	Kellogg	Nelson	Warren
Calder	Kendrick	Newberry	Watson, Ind.
Curtis	Keyes	Oddie	Weller
Elkins	Ladd	Phipps	Willis
France	La Follette	Poindexter	
Frelinghuysen	Lodge	Shortridge	
Gooding	McCormick	Smoot	

NOT VOTING—40.

Ashurst	Ernst	Norris	Shields
Cameron	Fernald	Owen	Smith
Capper	Glass	Page	Spencer
Colt	Harrison	Pepper	Stanfield
Crow	Hitchcock	Pittman	Stanley
Culberson	Lenroot	Pomerene	Trammell
Cummins	Moses	Ransdell	Walsh, Mass.
Dillingham	New	Rawson	Walsh, Mont.
du Pont	Nicholson	Reed	Watson, Ga.
Edge	Norbeck	Robinson	Williams

So Mr. KING's amendment to the amendment of the committee was rejected.

Mr. KING. Mr. President, I suppose now that the question will recur on the committee amendment; and upon the adoption of that I ask for the yeas and nays.

The VICE PRESIDENT. The question is on the amendment of the committee. On that question the yeas and nays are demanded.

The yeas and nays were ordered; and the reading clerk proceeded to call the roll.

Mr. ELKINS (when his name was called). Making the same transfer as before, I vote "yea."

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before, I vote "yea."

Mr. McKELLAR (when his name was called). Making the same announcement as to my pair and its transfer, I vote "nay."

Mr. STERLING (when his name was called). Making the same transfer as on the last roll call, I vote "yea."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. JONES of New Mexico. Making the same announcement as on the previous vote regarding my pair, I vote "nay."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS]; and

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN].

The result was announced—yeas 38, nays 15, as follows:

YEAS—38.

Ball	Hale	McCumber	Sterling
Brandegee	Harreld	McLean	Sutherland
Broussard	Johnson	McNary	Townsend
Bursum	Kellogg	Nelson	Wadsworth
Calder	Kendrick	Newberry	Warren
Curtis	Keyes	Oddie	Watson, Ind.
Elkins	Ladd	Phipps	Weller
France	Lenroot	Poindexter	Willis
Frelinghuysen	Lodge	Shortridge	
Gooding	McCormick	Smoot	

NAYS—15.

Ashurst	Gerry	La Follette	Simmons
Borah	Harris	McKellar	Swanson
Dial	Jones, N. Mex.	Myers	Underwood
Fletcher	King	Sheppard	

NOT VOTING—43.

Cameron	Fernald	Norris	Shields
Capper	Glass	Overman	Smith
Caraway	Harrison	Owen	Spencer
Colt	Heflin	Page	Stanfield
Crow	Hitchcock	Pepper	Stanley
Culberson	Jones, Wash.	Pittman	Trammell
Cummins	McKinley	Pomerene	Walsh, Mass.
Dillingham	Moses	Ransdell	Walsh, Mont.
du Pont	New	Rawson	Watson, Ga.
Edge	Nicholson	Reed	Williams
Ernst	Norbeck	Robinson	

So the amendment of the committee was agreed to.

The VICE PRESIDENT. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. On line 19, page 5, after the words "barium chloride" and the comma, the committee pro-

poses to strike out "1¼" and insert "1⅛," so that it will read:

Barium chloride, 1⅛ cents per pound.

Mr. KING. Mr. President, I move to amend the committee amendment by striking out "1⅛" and inserting in lieu thereof "one-fourth" so that it will read:

Barium chloride, one-fourth of 1 cent per pound.

The PRESIDING OFFICER (Mr. FRANCE in the chair). The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 5, line 19, it is proposed to strike out "1¼ cents" and insert "one-fourth of 1 cent."

Mr. KING. Mr. President, briefly in support of that motion, the pertinent facts relative to this item are these:

The House bill gives a rate of 1¼ cents a pound; the Senate bill a rate of 1⅛ cents a pound. That is to say, the Senate raises the specific rate found in the House bill one-half cent a pound. The Payne-Aldrich bill in the basket clause, paragraph 3, fixes a rate of 25 per cent ad valorem, and the Underwood-Simmons bill gives a specific rate of one-fourth of a cent per pound. The pre-war price of this product was 1.2 cents, according to the survey which was made by the Department of Commerce, as I recall it, which we find in series 82. The price in 1914, as found by that survey, was 1.2 cents. Of course, I am speaking now about the price based upon the imports, and I think my colleague will agree with me now that I state it accurately. The foreign import price was 1.2 cents, and the domestic price was 1.6 cents per pound.

I hope Senators will keep that in mind—that the pre-war domestic price was 1.6 cents per pound. The price now is 5⅛ cents per pound; so Senators will see that there has been an increase of over 300 per cent, as I hastily figure it in my mind. That product is manufactured quite extensively by the Grasselli Chemical Co., one of the large chemical manufacturing companies of the United States, and it is produced by other companies, too.

Mr. President, it seems to me that the rate which has been suggested by the Senate committee is too high. It is unwarranted. It is not justified upon any theory of protection, but it must be defended upon the thought that a monopoly is to be granted to the beneficiary of this provision. I should make no controversy at all if a reasonable rate were provided in this bill; but when you provide a rate that will permit between 300 and 400 per cent increase over the pre-war domestic prices, to say nothing of the pre-war foreign price, then I most respectfully raise my voice in protest against the procedure.

Mr. President, I said a moment ago with respect to barium that it is a product in which the United States is supreme. By that I mean that barium ore is a product which is found in various parts of the United States. It is not a synthetic product. The barium ores which are the basis of the products which are found in this schedule exist here in great abundance. The ore is mined cheaply; it is produced cheaply; it is reduced cheaply; the processes which are needed to transmute or transform the raw material into the various forms of the finished product are simple, not complex, not complicated, not difficult, or costly.

I appeal to my friends on the other side in no critical spirit, knowing that most of them are wedded to protectionism, and protectionism of rather an extreme sort, not to carry their views too far, and not to announce to the manufacturing interests and the trusts and the combines in the United States who are the beneficiaries of tariff rates that all they need to do is to knock at the door of Congress and they will be admitted gladly and willingly.

I am afraid, Mr. President, that too many of the manufacturing institutions, and those who have sought these high rates, have felt that they were not only welcomed but that they were controlling factors in the formulation of some of these tariff schedules.

Let me briefly call attention to the simple process by which this item, of which we are now speaking, may be prepared. First, let me state that it is employed not only as a mordant in manufacturing, in the textile processes, but it is employed in the purification of salt, as a water softener, as an analytical reagent in sulphur determinations, and to some extent in the ceramic industry. There is scarcely a household which does not use some form of this product for the softening of lime water, of hard water, which we know is so common in many parts of the United States.

In the mountain regions, from which I come, lime is one of the principal constituents of the soil, and the water which flows down from the mountain sides through the valleys and gorges is impregnated with the lime, and holds large quantities in solution. We are compelled to use this or some similar product for the softening of the water. It is used not only in the bathroom, but it is used by the housewives, and it is used by the laundries for the same purposes.

It is produced in a very simple manner, by treating the barium carbonate with hydrochloric acid, or by heating barium sulphide with calcium sulphide. We all know the prodigality with which nature has blessed us with sulphide ores. Everywhere we have sulphur, sulphur with our copper ore, sulphur which goes to waste by the thousands and tens of thousands of tons annually in our metallurgical and reduction-of-ore processes. There is not a smelter in the United States which smelts sulphide ores—I am not speaking now particularly of carbonate ores—which does not pour out into the atmosphere daily hundreds of tons of sulphur as a waste product. So we have sulphur here in abundance, and cheap. It is so cheap that it is thrown away. The same is true as to sulphuric acid, which is the product, or can be made the product, of our smelters. So that this product can be made in the United States cheaply, because all of its constituent parts are here in inexhaustible quantities, and can be mined and reduced here more cheaply than perhaps in any other place in the world.

I conclude that there are imports and that the imports for nine months of last year amounted to 2,798,700 pounds. If the argument is to be made, and is to be controlling, that wherever there are any imports there must be an exclusive tariff, I can say nothing. If that is the policy to be pursued, then, of course, that is equivalent to the announcement that we shall turn over the American public to be plundered by the manufacturing and industrial concerns of the United States.

Our Republican friends in the past have found some justification, from their standpoint, for the rates which have been included in many of their bills. They have urged the fact that the industries were infant industries. They have urged the difference of cost between the United States and other countries. They have urged the fact that they wanted to give a reasonable profit to the manufacturer here, and in determining the reasonable profit that there should be taken into account the cost of production here, including the cost of labor, and the cost of production abroad, including the price of labor abroad, and many fanciful figures have been submitted, and many illogical and sophistical arguments and many inaccurate statements have been made and suggested to buttress the bills which have been offered by our Republican friends in the past.

But now those arguments, which have been so weighty with so many Republicans and with the American people in the past, are abandoned. Now the theory seems to be that if anything is imported from abroad, even if the amount is infinitesimal, we must impose a tariff duty. So we find in this bill many, many items, the importations of which are less than 1 per cent, where high tariff rates are imposed.

It is found in the report made by the Department of Commerce for 1914 that there were more than 4,000 items the imports of which did not exceed in any case more than 1 per cent, and we find that the tariff rates upon many of those articles are two, three, four, five, and six hundred per cent. Not only were the imports less than 1 per cent, but they were less than $100. Notwithstanding that fact, however—and I wish the American people could understand it—our Republican friends are putting many of those items upon the dutiable list and fixing specific duties, which raise the rates to one, two, three, or four hundred per cent and more, with imports of less than $100.

How do Senators justify that? They can not do it. It can not be justified in reason, in logic, in common sense, or upon any theory of political economy which obtains among civilized people. You have the power; the trusts want it; the big manufacturing concerns demand it; and the Republican Party is going to do just as they are told by these concerns. Think of granting these enormous tariff rates where the importations are less than 1 per cent, less than $100 per item.

Mr. President, the Republicans can not defend their conduct here, and do not attempt to; and they can not defend their conduct before the American people. We will challenge them upon all appropriate occasions and call attention to these infamous schedules and to these rates, which may not be defended here or in any forum.

I ask for the yeas and nays.

Mr. McCUMBER. Mr. President, all of these barium products are war babies. Everything in this paragraph was imported prior to the war. During the war these infant industries came into existence. The only question now is whether we shall allow them to be strangled or whether we shall give them this support and allow them to live.

It is a simple question of policy. If we wish to go back to the old conditions, importing all these products and allow our own industries to be destroyed, of course we can do so. We who believe in the protective policy can not agree that this is an infamous policy. We have already by a vote put barium carbonate on the protective list at 1¼ cents a pound. All of these articles are made from barytes ore. The barytes ore is produced in foreign countries very much more cheaply and of a better grade than we can produce it here.

The Senator from Utah declared several times that we could produce these commodities more cheaply than they could be produced in any other country. We created the Tariff Commission for the very purpose of giving us the necessary information, from an unbiased standpoint, upon which we could base our judgment in arriving at a conclusion, first, as to whether we ought to place a duty upon a product, and secondly, if we placed a duty, what that duty should be.

Let us see whether or not we can produce either the ore itself or any product from it in the United States as cheaply as the foreigner can produce it. I read from page 28 of the Tariff Information Surveys of 1921, in which the Tariff Commission, speaking of byrites ore, say:

> The German deposits are of vein formation and require only drilling and blasting to make the ore available for shipment. The known domestic deposits, on the other hand, are of such a character that the ore-bearing material, after mining, requires washing and mechanical separation from foreign rock material—a process which involves additional equipment—before the ore is ready to be marketed as crude barytes. Prior to the war the freight rate from German mines to Atlantic ports was about $3 per ton as compared with the freight rate from Georgia and Tennessee to the eastern markets of about $4.45 a ton. In view of the difference in mining methods and the difference in freight rates, it would appear that competition would be difficult under normal conditions.

That is the finding of the Tariff Commission. As I have stated, we have given 1¼ cents per pound upon the carbonate. Barium chloride is made from the carbonate, and, taking the amount that is required, it is found that it will be necessary to give 1¾ cents per pound upon the barium chloride. I think it proper to suggest the figures as to the importations and a few facts relating to barium chloride.

This barium chloride is made, as I have stated, from barium carbonate. The cost of production in the United States in 1919 was 5 cents per pound. The average import price for 1920 and for the first nine months of 1921 was 5 cents per pound. The present quotations are 4 cents per pound.

The imports prior to 1914 were practically constant at about 2,800,000 pounds per year, increasing in 1914 to 6,000,000 pounds.

The imports during the first nine months of 1921 amounted to 2,800,000 pounds. Prior to the war barium chloride was practically all imported from Germany, but after a domestic industry was established the production increased from 2,100 tons in 1915 to 4,900 tons in 1917. But 4,500 tons were made in 1918 and 1919. In 1920 the output declined to 3,000 tons.

Now, about 50 per cent of the domestic consumption is produced in our own country and about 50 per cent is imported. If we are to keep the carbonate upon the present basis, of course we must give the differential or else the same product will come in, not in the carbonate but in the chloride form. I repeat, it is simply a question whether or not the policy of the country is to continue the manufacture of that product in the United States.

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from Utah [Mr. KING] to the amendment of the committee.

Mr. KING. Mr. President, I desire to modify my amendment by striking out the rate fixed and inserting in lieu thereof "three-fourths of 1 cent," so that it will read: "Three-fourths of 1 cent per pound."

The PRESIDING OFFICER. The proposed amendment to the amendment will be stated, as modified.

The ASSISTANT SECRETARY. On page 5, line 19, strike out "1¾ cents" and insert in lieu thereof "three-fourths of 1 cent," so that it will read:

> Barium chloride, three-fourths of 1 cent per pound.

Mr. KING. Mr. President, may I add just a word? The principal manufacturers of these barium chemicals in the United States are the E. I. du Pont de Nemours & Co., Durex Chemical Corporation, Consolidated Chemical Products Co., J. H. R. Products Co., Alton Chemical Corporation, and the Oakland Chemical Corporation.

I ask for the yeas and nays on my amendment to the amendment.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. McKELLAR (when his name was called). Making the same announcement as to my pair and its transfer as heretofore, I vote "yea."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. WARREN (when his name was called). Has the junior Senator from North Carolina [Mr. OVERMAN] voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. WARREN. I have a general pair with that Senator, which I transfer to the Senator from Vermont [Mr. PAGE], and vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. LODGE (after having voted in the negative). I have a general pair with the senior Senator from Alabama [Mr. UNDERWOOD]. I do not see him on the floor. I transfer that pair to the junior Senator from Delaware [Mr. DU PONT] and let my vote stand.

Mr. KELLOGG (after having voted in the negative). I have a general pair with the senior Senator from North Carolina [Mr. SIMMONS]. I transfer that pair to the senior Senator from Iowa [Mr. CUMMINS] and let my vote stand.

Mr. FRELINGHUYSEN. Making the same announcement as before as to my pair and its transfer, I vote "nay."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH].

The result was announced—yeas 13, nays 36, as follows:

YEAS—13.

Ashurst	Harris	La Follette	Walsh, Mass.
Caraway	Harrison	McKellar	
Dial	Jones, N. Mex.	Myers	
Fletcher	King	Sheppard	

NAYS—36.

Ball	Frelinghuysen	McCormick	Rawson
Brandegee	Gooding	McCumber	Shortridge
Broussard	Harreld	McKinley	Sutherland
Bursum	Johnson	McLean	Townsend
Calder	Kellogg	McNary	Wadsworth
Capper	Kendrick	Nelson	Warren
Curtis	Keyes	Oddie	Watson, Ind.
Elkins	Lenroot	Phipps	Weller
France	Lodge	Poindexter	Willis

NOT VOTING—47.

Borah	Glass	Overman	Smoot
Cameron	Hale	Owen	Spencer
Colt	Heflin	Page	Stanfield
Crow	Hitchcock	Pepper	Stanley
Culberson	Jones, Wash.	Pittman	Sterling
Cummins	Ladd	Pomerene	Swanson
Dillingham	Moses	Ransdell	Trammell
du Pont	New	Reed	Underwood
Edge	Newberry	Robinson	Walsh, Mont.
Ernst	Nicholson	Shields	Watson, Ga.
Fernald	Norbeck	Simmons	Williams
Gerry	Norris	Smith	

So Mr. KING's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the Committee on Finance will be stated.

The ASSISTANT SECRETARY. On page 5, line 20, after the words "per pound" and the semicolon, near the center of the line, insert "barium hydroxide, 1¾ cents per pound."

Mr. KING. Mr. President——

Mr. McCUMBER rose.

Mr. KING. Does the Senator desire to take the floor?

Mr. McCUMBER. I did not know but that the Senator desired some explanation of the next item.

Mr. KING. I was about to offer an amendment to strike out——

Mr. McCUMBER. Before the Senator offers his amendment, may I make a very brief statement?

Mr. KING. I shall be glad to hear the Senator.

Mr. McCUMBER. Barium hydroxide, we are informed, is a product of very little use, so little that it is not quoted at all

on the market. It does not come in at all under any quotation, and if it does come in it comes under the basket clause.

Mr. KING. It was under the basket clause in the Underwood law and the Payne-Aldrich law?

Mr. McCUMBER. Yes; it would come in under the basket clause. It has very little use. We are informed, however, that it costs to produce just about what the barium chloride costs and, therefore, that it should bear the same rate of duty. We are informed by the chemists of the Tariff Commission that this is correct. I think the whole thing is scarcely a matter of calling for a yea-and-nay vote. It is very unimportant.

Mr. KING. Mr. President, I shall occupy but a moment discussing this item. The Senator is correct in stating that barium hydroxide has not specifically been named in the tariff laws heretofore enacted, but it has been classified in various groups and assigned to what have been called the basket clauses.

In the Underwood law it bore a rate of 15 per cent ad valorem. In the Payne-Aldrich law the rate was 25 per cent. The House in the pending bill did not name it, and it would fall, therefore, in one of the basket clauses of the House bill, and that clause to which it would properly be assigned would bear the ad valorem rate of 25 per cent. The Senate Finance Committee have taken it from the basket clause, as they have done in so many other instances, and given it a specific rate which, of course, as I have heretofore stated with respect to so many items, amounts to an enormous increase over the basket ad valorem rate. So far as I can discover, there are no imports of this product, nor are there any exports. While the item is of some importance, its consumption is limited. The tariff survey shows that it has but little commercial value, but during the period of high prices for caustic potash this product, barium hydroxide, was used to convert sulphate of potash into caustic potash. It is used to some extent in Europe in the production of beet sugar. I presume it is used in the beet-sugar factories in the process of extracting the saccharine from the beet pulp.

Mr. President, the pre-war unit value—that is, the foreign value—was 1½ cents a pound; the present price is 7 cents a pound; so that the price, as will be seen, has been enormously raised, from 1½ cents a pound to 7 cents a pound, 300 or 400, yes, perhaps 500 per cent over pre-war prices. The question is, Shall we perpetuate these prices, for that will be the effect of the adoption of the committee amendment? Perhaps the article ought to be on the free list, or, at most, the rate ought not to exceed one-fourth of 1 cent per pound; but on page 5, line 20, in the committee amendment, I move to strike out "1¾ cents" and to insert "three-fourths of 1 cent" so as to read:

Barium hydroxide, three-fourths of 1 cent per pound.

I ask for the yeas and nays on my amendment to the committee amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah [Mr. KING] to the amendment reported by the Committee on Finance, upon which he asks for the yeas and nays.

The yeas and nays were ordered, and the principal legislative clerk proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as to my pair and its transfer as on previous votes, I vote "nay."

Mr. JONES of New Mexico. Making the same announcement as heretofore regarding my pair and its transfer, I vote "yea."

Mr. KELLOGG (when his name was called). Making the same announcement as before with reference to the transfer of my pair, I vote "nay."

Mr. McKELLAR (when his name was called). Making the same announcement as to my pair and its transfer as heretofore, I vote "yea."

Mr. SUTHERLAND (when his name was called). I transfer my general pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as heretofore with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. LODGE (after having voted in the negative). I desire to make the same announcement regarding the transfer of my pair with the Senator from Alabama [Mr. UNDERWOOD] to the Senator from Delaware [Mr. DU PONT] that I have made heretofore, and with that announcement I allow my vote to stand.

Mr. McKINLEY (after having voted in the negative). I have a general pair with the junior Senator from Arkansas [Mr. CARAWAY], who seems to be absent. I transfer that pair to the Senator from Colorado [Mr. NICHOLSON] and allow my vote to stand.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY]; and

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH].

The result was announced—yeas 12, nays 40, as follows:

YEAS—12.

Ashurst	Harris	King	Myers
Dial	Harrison	La Follette	Sheppard
Fletcher	Jones, N. Mex.	McKellar	Walsh, Mass.

NAYS—40.

Ball	Gooding	McCumber	Shortridge
Brandegee	Hale	McKinley	Smoot
Broussard	Harreld	McLean	Spencer
Bursum	Johnson	McNary	Sutherland
Calder	Kellogg	Newberry	Townsend
Capper	Kendrick	Norbeck	Wadsworth
Curtis	Keyes	Oddie	Warren
Elkins	Lenroot	Phipps	Watson, Ind.
France	Lodge	Poindexter	Weller
Frelinghuysen	McCormick	Rawson	Willis

NOT VOTING—44.

Borah	Fernald	Norris	Simmons
Cameron	Gerry	Overman	Smith
Caraway	Glass	Owen	Stanfield
Colt	Heflin	Page	Stanley
Crow	Hitchcock	Pepper	Sterling
Culberson	Jones, Wash.	Pittman	Swanson
Cummins	Ladd	Pomerene	Trammell
Dillingham	Moses	Ransdell	Underwood
du Pont	Nelson	Reed	Walsh, Mont.
Edge	New	Robinson	Watson, Ga.
Ernst	Nicholson	Shields	Williams

So Mr. KING's amendment to the amendment of the committee was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment was, on page 5, line 21, after the word "nitrate," to strike out "2" and insert "2½," so as to read:

Barium nitrate, 2½ cents per pound.

Mr. KING. Mr. President, I move to amend the amendment reported by the committee by striking out the numerals "2½" and inserting in lieu thereof "1¾." I am going to be so generous in this motion that the amendment ought to satisfy everybody on the other side.

Mr. President, just a word in regard to barium nitrate. Let me call attention to the fact that the price on April 24 of this year was from 6½ to 7 cents per pound. The pre-war import price—that is, the unit value—was 3 cents per pound. The Payne-Aldrich bill placed this item in a basket clause, with a rate of 25 per cent ad valorem. The Senate bill, as stated, imposes a specific duty of 2½ cents per pound, so that the increase above the Payne-Aldrich bill is enormous and probably amounts to between 100 and 200 per cent, as I hastily figure it as I am speaking. The very heavy duty carried by the Payne-Aldrich bill is not deemed adequate, but it must be increased now from 100 to 200 per cent. The House bill gave a specific rate of 2 cents per pound, but the Senate committee, notwithstanding the enormous increase above the Payne-Aldrich Act and the Underwood-Simmons law, have increased the duty, as indicated, from 2 to 2½ cents under a specific rate.

In the Underwood law this item is found in paragraph 3 of the basket clause and carries an ad valorem rate of 15 per cent. The article is used in explosives and railroad signals and for other purposes. I have referred heretofore to barium and its products. This commodity is made by the Du Pont trust and by some of the other large chemical companies of the United States. Of course, it is important that they be cared for and that the rates be fixed as desired by the trust. So I presume, Mr. President, that my amendment will not prevail; but I offer it and ask for a vote.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah [Mr. KING] to the amendment reported by the committee.

Mr. McCUMBER. Mr. President, I think I ought to make a very brief statement.

Barium nitrate is an important compound, imported in large quantities before the war, and now being made in the United

States. The imports in 1914 were over 1,000,000 pounds. In 1915 the United States produced 971 tons. In 1919 the United States produced 784 tons, which was equivalent to about 1,500,000 pounds. In 1914, as stated, the importations were about 1,000,000 pounds. We undoubtedly could very easily go back now to the importations wholly from a foreign country. This again, I repeat, is one of the war babies, and the only question is whether its life is worth the milk in the bottle, and we are offering it here to protect its life. We believe that it is better to keep the industry in the United States; and because of the increase which we have made in the rate on barytes ore, on barium carbonate, from which it is made, it will require a one-half cent higher duty per pound than is given in the House bill.

Mr. KING. Mr. President, just one word.

The Senator from North Dakota seems solicitous for milk for the babies which he seems to have taken under his wing. I am afraid that the babies are so large, however, that they will deny their paternity and claim to be, like the Cæsars of old, immortal in origin and eternal in duration. The du Pont trust, with its enormous capital, and other chemical concerns the aggregate value of the capital of which is more than $1,000,000,000, can not be called babies—war babies or pre-war babies or any other kind of babies. They are colossal giants, and their earnings are stupendous, as the Senator knows.

Mr. President, the only possible business or industrial competitor of the United States in normal times would be Germany, and, of course, I am referring to a pre-war Germany. I have indicated that barium is produced in the United States; that it is a metal which is found in large quantities in the United States. I know what the Tariff Commission has stated here with respect to the large deposits in Germany. There are large deposits of barium in the United States which can be mined as cheaply as the deposits anywhere can be mined. In the reduction of the barium ore for the production of these barium compounds large quantities of coal are required, metallurgical processes which require heat are important; and we, with our enormous coal deposits and with our facilities for the production of coal and for the manufacture of chemicals, in my opinion, can produce this article cheaper than Germany can produce it.

I called attention yesterday to the fact of the enormous increase in the wages in Germany, to the increase in freight rates in Germany, and to the remarkable change which has occurred in the last few weeks in prices. I have here a large number of reports and figures, which I shall not take the time to call to the attention of the Senate to-night, but upon some appropriate occasion I shall refer to the changes which have occurred in the manufacturing processes and in the industrial activity of Germany since the time the Reynolds report was prepared in 1921. Indeed, radical changes are taking place every day—40 per cent increase in wages on the first of January of this year is but an illustration of the transitory or mutable situation thus found. But I am not going to discuss that situation now.

I call attention to the fact that the item under consideration is a product which can be manufactured in the United States, and that we have practically everything that forms a constituent part of barium nitrate. In view of that fact I can perceive no necessity for this enormous duty.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah [Mr. KING] to the amendment of the committee.

Mr. KING. I call for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before, I vote "nay."

Mr. KELLOGG (when his name was called). Making the same announcement as before, I vote "nay."

Mr. WARREN (when his name was called). I transfer my standing pair with the Senator from North Carolina [Mr. OVERMAN] to the Senator from New Hampshire [Mr. MOSES], and will vote. I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. LODGE (after having voted in the negative). I omitted to repeat the transfer of my pair with the Senator from Alabama [Mr. UNDERWOOD] to the Senator from Delaware [Mr. DU PONT]. I now do so, and will let my vote stand.

Mr. SUTHERLAND. Making the same announcement as before, I vote "nay."

Mr. McKELLAR. Making the same announcement as heretofore as to my pair and its transfer, I vote "yea."

Mr. JONES of New Mexico (after having voted in the affirmative). I had made no announcement of my pair. I make the same announcement as on the previous roll call, and will allow my vote to stand.

The result was announced—yeas 13, nays 39, as follows:

YEAS—13.

Ashurst	Harris	La Follette	Walsh, Mass.
Caraway	Harrison	McKellar	
Dial	Jones, N. Mex.	Myers	
Fletcher	King	Sheppard	

NAYS—39.

Ball	Gooding	McKinley	Smoot
Brandegee	Hale	McLean	Spencer
Broussard	Harreld	McNary	Sutherland
Bursum	Johnson	Newberry	Townsend
Calder	Kellogg	Nicholson	Wadsworth
Capper	Keyes	Norbeck	Warren
Curtis	Lenroot	Oddie	Watson, Ind.
Elkins	Lodge	Page	Weller
France	McCormick	Phipps	Willis
Frelinghuysen	McCumber	Shortridge	

NOT VOTING—44.

Borah	Gerry	Overman	Simmons
Cameron	Glass	Owen	Smith
Colt	Heflin	Pepper	Stanfield
Crow	Hitchcock	Pittman	Stanley
Culberson	Jones, Wash.	Poindexter	Sterling
Cummins	Kendrick	Pomerene	Swanson
Dillingham	Ladd	Ransdell	Trammell
du Pont	Moses	Rawson	Underwood
Edge	Nelson	Reed	Walsh, Mont.
Ernst	New	Robinson	Watson, Ga.
Fernald	Norris	Shields	Williams

So Mr. KING's amendment to the amendment of the committee was rejected.

The PRESIDING OFFICER. The question now is upon the committee amendment.

The amendment of the committee was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The next amendment was, on page 5, line 22, after the word "powders," to insert "liquids," so as to read:

PAR. 12. Blackings, powders, liquids, and creams for cleaning or polishing, not specially provided for, 25 per cent ad valorem.

Mr. KING. Mr. President, for information, may I inquire of the Senator whether he construes the paragraph without the word "liquids" as sufficiently comprehensive to embrace liquids within its terms?

Mr. McCUMBER. The word "liquids" was inserted there to make it absolutely certain that the paragraph would include liquids; that is all. It might have included them without the word. We have blackings, powders, and liquids. Of course, the blackings might be liquid blackings; but the committee thought it was better to be safe and include the word "liquids," so that it would not be construed in any way as embracing only the powders.

Mr. KING. Does the Senator think that it was included within the brackets or basket clauses of either the Payne-Aldrich law, the Underwood law, or the House bill?

Mr. McCUMBER. No; I think it probably would fall under paragraph 12, under the head of "blackings," even though it was a liquid; but I wanted to make certain.

Mr. KING. I am inclined to think the Senator is right, and for that reason I do not intend devoting any time to the consideration of the amendment. If upon further consideration of the subject the Senator and the experts should reach a different conclusion, I shall be glad if they will advise the Senate, and in that event it might be that either the Senator or somebody on this side of the Chamber would desire to have a vote upon that item.

The PRESIDING OFFICER. The question is upon agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 6, line 3, after the word "lime," to strike out "three-fifths" and to insert "one-fifth," so as to make the paragraph read:

PAR. 13. Bleaching powder or chlorinated lime, one-fifth of 1 cent per pound.

Mr. WADSWORTH. Mr. President, this committee amendment is apt to give rise to considerable discussion, I think. It is one with which I can not agree myself, and I think others feel the same way. I was going to ask the chairman of the committee if he insists on taking it up this evening.

Mr. KING. May I appeal to the Senator from New York? It would be very gratifying to me if it could be taken up and could receive considerable discussion at the hands of others this evening.

Mr. WADSWORTH. I have no doubt the Senator feels that way, and it was my knowledge of his desires in that regard which led me to ask the Senator from North Dakota to let the paragraph go over.

Mr. KING. Then it is clear that the Senator from New York does not desire to accede to my wishes in the matter.

Mr. WADSWORTH. I would like to have the item go over until I can discuss it at greater length with some of the members of the committee.

Mr. KING. I think the Senator ought to discuss it with us, so that we may be advised.

Mr. WADSWORTH. When it does come up I shall do so.

Mr. McCUMBER. I have no objection to its being passed for the time being, if the Senator desires.

Mr. WADSWORTH. That is all I ask, that it be passed over temporarily.

The PRESIDING OFFICER. The amendment will be passed over.

The next amendment was, on page 6, line 16, before the words "per centum," to strike out "30" and insert "45," so as to make the paragraph read:

PAR. 16. Calomel, corrosive sublimate, and other mercurial preparations, 45 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, this is a very important item, and it should be discussed in connection with another paragraph of the bill, that relating to quicksilver. That is the basic commodity, and I believe the chairman of the committee will recognize the propriety of having this passed over until we reach that paragraph of the bill. The duty on quicksilver, the basic material, is very materially increased by the committee amendments, but not so much, however, as by the provision of the bill as it comes from the House, and as, according to the testimony, that constitutes 90 per cent of the manufactured commodity, I suggest that it go over until we reach that paragraph in the bill, which I believe is paragraph 383.

Mr. McCUMBER. Mr. President, of course the increased duty that is given upon calomel is dependent to some extent upon the quicksilver; I agree with that. But why not go right to quicksilver, if the Senator desires it, discuss it, and then come back to calomel?

Mr. JONES of New Mexico. I will state that at least one other Senator makes the request that it go over until quicksilver can be reached. He is not ready to discuss the matter to-night.

Mr. McCUMBER. Of course, it is as broad as it is long, either to put this over until we reach the quicksilver item, or take the quicksilver item up now, settle that, and then go right back to this.

Mr. JONES of New Mexico. Yes; that is true.

Mr. McCUMBER. We would arrive at the same result.

Mr. JONES of New Mexico. But it will be more convenient, I may say to the Senator, to let it be passed over until we reach quicksilver. I make that suggestion at the request of another Senator.

Mr. McCUMBER. It will be a long time before we get to the quicksilver item and as there are quite a number of these items. I dislike to pass too many of them over until we reach some other matter which may or may not be placed upon the free list. So, if the Senator would just as soon, I would like to take up the question of quicksilver now and dispose of it.

Mr. JONES of New Mexico. There is an amendment, and, of course, the matter can be again discussed when we come to consider the bill as amended; and if the Senator insists upon it, of course, we will proceed with the discussion.

Mr. McCUMBER. I will say this, if it is satisfactory: Suppose we pass it over temporarily, at least, and then we will see when we can bring it up.

The PRESIDING OFFICER. If there is no objection, the amendment will be passed over temporarily.

Mr. TOWNSEND. Mr. President, I offer certain amendments to the bill which I ask to have printed and lie on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The next amendment was, on page 6, line 18, before the word "cents," to strike out "8" and insert "6"; and in line 19, before the words "per centum," to strike out "25" and insert "50"; so as to make the paragraph read:

Paragraph 17. Carbon tetrachloride, 2½ cents per pound; chloroform, 6 cents per pound; tetrachloroethane and trichloroethylene, 50 per cent ad valorem.

Mr. KING. I would like to ask the chairman of the committee to give some explanation as to the reason for fixing "6" as the specific rate on this item. As the Senator perceives, it relates to chloroform, a commodity of very great importance to the people. I understand the price has increased considerably over pre-war prices.

Mr. McCUMBER. The 6 cents per pound rate is equivalent to an ad valorem rate of between 15 and 20 per cent, which is a very low ad valorem rate. The pre-war price was 15 cents a pound, based on the foreign unit value.

Mr. KING. Mr. President, this product is made by the Albany Chemical Co.; the Dow Chemical Co., one of the large chemical concerns of the United States; the Mallinckrodt Chemical Works, of St. Louis, Mo.; the Powers, Weightman & Rosengarten Co., of Philadelphia; and the E. I. Squibbs Co., of New York, as well as other companies. None of these organizations or corporations is a little concern. None of them is a war baby. None of them needs the fostering hand of the Government to aid it in the establishment of an industry.

Senators know that there are many commodities which grow out of the production of other commodities to which they may be related in a crude fashion, or between which there is rather a tenuous relation. Many of these big chemical concerns and drug manufacturers are so equipped as that they produce not one but a multitude of articles and commodities and products, and, to use the common language, they dovetail in such a manner as to make great economies in the production, and quantity production can be cheaply effectuated.

I concede that there are many commodities which, standing alone, not related to other commodities made by the same corporation, might not be able to be produced at the same cheap price or at the same level of prices, as the same commodity when it is made by concerns which are engaged in the production of various products. So we find that chloroform is made by a number of corporations which are engaged in the production of various medicines, medicinal products, and chemical products.

Powers, Weightman & Rosengarten manufacture a very large number of chemical products, chloroform being among the list. Why chloroform should bear any duty will be, it seems to me, somewhat difficult to explain. If it is to have a duty, then it should be reduced to the lowest possible level, because of the importance of chloroform in the medical world. It is so important for the people. If there is anything which should be cheap it is those medicines which are so indispensable for the people.

Let me read a word or two as to the character of this product. I read from the Tariff Surveys. After describing its physical qualities, they proceed:

Chloroform is employed as a solvent and as an antiseptic, about 1 per cent of grain alcohol being used to prevent decomposition.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WELLER in the chair). The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Harreld	McKinley	Smoot
Brandegee	Harris	McLean	Spencer
Broussard	Harrison	McNary	Sutherland
Bursum	Johnson	Myers	Swanson
Calder	Jones, Wash.	Newberry	Townsend
Capper	Kellogg	Norbeck	Wadsworth
Curtis	Keyes	Oddie	Walsh, Mass.
Dial	King	Overman	Warren
Fletcher	Ladd	Page	Watson, Ind.
France	Lenroot	Phipps	Weller
Frelinghuysen	Lodge	Rawson	Willis
Gooding	McCumber	Sheppard	
Hale	McKellar	Shortridge	

The PRESIDING OFFICER. Fifty Senators have responded to their names. There is a quorum present. The question is on agreeing to the committee amendment.

Mr. KING. Mr. President, so far as I am able to discover there was no testimony before the committee of the House or the committee of the Senate which would afford any information as a basis for this particular rate. I know that many items appearing in the bill have no testimony to support them.

It is quite likely that numerous paragraphs in the bill were drawn because of extraneous evidence brought to the attention of the committee but not committed to writing or made available for other Senators, or perhaps upon information which they obtained in reading former tariff laws. Anyone who reads the three volumes dealing with the chemical schedule will be surprised at the paucity of information as a basis for an intelligent framing of an intricate and complex tariff schedule.

Perhaps there is no schedule in the bill more intricate than Schedule 1. Perhaps there is no schedule which involves so much of technical knowledge in its preparation or in an understanding of its items as does Schedule 1, and yet I repeat that the information which we find in these three volumes—and one volume is a supplement and contains testimony relative to many other items—is wholly inadequate to justify these rates; nor is it of sufficient merit or clarity to enable anyone to understand the bill or to justify its provisions.

It seems as if the bill were drawn upon the theory of hop, skip, and jump. "We will give the demandants and the corporations whatever they want. We will make the rates large

enough to suit the cupidity of the most avaricious and greedy and soulless corporations." Measured by that intelligent(?) standard of drafting tariff bills, I must pronounce the one before us, Mr. President, the ne plus ultra of perfection. It is the apotheosis of wisdom. chemical wisdom, tariff wisdom—but it is remarkable for its devotion to special interests and large corporations who will greatly profit by its provisions.

I think in the days which are to come, if we shall be remembered and if the tariff bill shall be remembered, it will be looked to as something unique in the history of tariff legislation, something that can not be defined in any terms of political economy.

I repeat, there is nothing in the testimony with reference to many of these items, and one searches in vain for a rational basis upon which can be rested some of the schedules. I ask my distinguished friend from North Dakota now whether, in writing the rate which we find with respect to this item, chloroform, he took into account the capital invested, wages to be paid, difference in cost in production in European nations and in the United States, or what other real or imaginary reasons or bases may be submitted for our consideration as a justification for this rate?

Mr. McCUMBER. Mr. President, does the Senator want me to answer?

Mr. KING. I yield.

Mr. McCUMBER. I do not think that big adjectives or "cuss" words are going to help us a great deal in solving the problem of attempting to get a fair tariff measure passed.

I have again and again stated the general rules that governed us in trying to secure what we considered a protective tariff bill; I have stated again and again that the pending tariff bill is for both revenue and protection. There may be some instances where we need the revenue even though there be little necessity for the protection; but, Mr. President, I do not think that a 15 or 20 per cent ad valorem duty or its equivalent is an excessive protective measure. When we compare foreign prices with home prices, when we compare foreign wages with home wages, I think that when we give the American the benefit even of a 20 or 25 per cent ad valorem duty we have not imposed upon the American people, nor have we placed any great hardship upon the importers.

The Senator from Utah [Mr. KING] stated a short time ago that the pre-war price of this article was about 15 cents per pound, but I have been unable to ascertain where he obtained those figures. According to the Tariff Information Surveys, the unit value of the imports in 1907 was 47 cents a pound; in 1908, 55 cents a pound; in 1909, 70 cents a pound. Then the price jumped up in 1910 to $1.54 a pound; in 1911, to $1.76; 1912, it declined to $1.66; in 1913, the unit value was $1.74; and in 1914, it was $2.48.

The American price in 1912 ranged from 23 to 28 cents per pound; in 1913—I am taking the month of January—from 25 to 30 cents per pound; in 1914, from 25 to 30 cents per pound; and in 1915, from 30 to 35 cents per pound.

I assume that the imports with the unit value of $1.54 and $1.73 must have come in some kind of special cases or bottles or vials which increased the price to that very high figure, because it is much above the American price.

Mr. KING. May I inquire of the Senator when the price reached the great heights he has mentioned?

Mr. McCUMBER. I have given the prices several years—from 1907. The high price could not have been merely by reason of the duty, for the duty was only 10 cents a pound at that time.

However, Mr. President, turning to the present price, we find that chloroform, technical, is now quoted at 35 cents a pound; and the United States Pharmacopœia brand is quoted at 33 cents a pound. So it will be seen that we are within a very few cents of being down to the pre-war price in the American article, and that upon this basis the specific duty which the committee have imposed is equivalent to an ad valorem duty of 20 per cent, which I consider very low from both the protective standpoint and the revenue standpoint.

Mr. KING. Mr. President, the Senator from North Dakota has expressed some surprise at the figures which I gave showing the pre-war price of this article. I will say to him that I myself was somewhat surprised, and yet those figures were furnished me by the Tariff Commission. They may, however, be inaccurate, but I give to the Senator the authority for the statement. I am inclined to think, though, Mr. President, that my figures must be correct. The Senator from North Dakota has given the present prices and has argued that because the prices now are approximately from 24 to 32 or 33 cents per pound——

Mr. McCUMBER. The price now is 35 cents per pound.

Mr. KING. Yes; because the price now is approximately 35 cents a pound, the Senator argues that there has been a great reduction from former prices, and, I suppose, attributes that reduction to the development of the industry here.

Mr. McCUMBER. If the Senator will allow me, I gave also the American prices during preceding years, ranging from 24 to 30 cents per pound, 30 cents a pound being only 5 cents less than the present price.

Mr. KING. I am inclined to think that the pre-war prices were as I have indicated. The information which I have is that the pre-war foreign price was 15 cents and that the foreign price now is, approximately, 14 cents. That would be the wholesale price. I do not vouch for that information. I only tell the Senator the source from which I obtained it.

Mr. President, I was calling attention to the Tariff Survey, which shows that the production in 1914 of this article was more than one and one-third million pounds; in 1919 the preliminary figures of the Tariff Survey show that the production was 1,677,600 pounds. It is obvious to those who are familiar with chemistry that chloroform requires chlorine in its manufacture, and that the United States is rich in chlorine, sodium compounds, carbon, and various primary products that might contribute to the making of chloroform or any of the compounds of chloroform, two of which, as I recall, are embraced in the pending bill.

In 1914 our imports of chloroform were only 2,444 pounds. Since the World War our imports have been less than 100 pounds annually, while before the war, as I have indicated, they were limited to 2,444 pounds in the fiscal year ending June 30, 1914.

May I be pardoned for directing the attention of the Senate to the fact, which I have heretofore mentioned, that if Germany was ever supreme in the chemical world it was in 1914, before the Great War broke out? I concede that Germany for a number of years prior to the war had been devoting her energies—I will not say to the preparation for war, but for the development of those industries which might be contributory to the war or which would aid in the prosecution of war in the event such an awful calamity as war came to the world. Germany's chemists were particularly interested, perhaps largely through the interposition of the Government, in explosives and making products which we denominate chemical-war products. So Germany was then at the acme of her chemical power and greatness. Yet at that time Germany was unable to compete—or, at any rate, did not compete—with the producers of this article in our own country. According to the figures which I have the foreign price of chloroform at that time was 14 cents and the domestic price 15 cents per pound.

One cent a pound, however, would not measure the differential between the German article and that produced in the United States, for, in order to bring chloroform into the United States, it would have to be carefully packed, and the cost would be considerable, measured by the wholesale price. Then there would be the insurance and the freight and the brokerage and the commissions; so that Germany obviously could not compete in the American market with the United States in the manufacture of chloroform. It would seem, therefore, that we had a monopoly; that we had no foreign competition. Our production, as I have stated, aggregated from 1,300,000 pounds to 1,667,000 pounds.

Now, Mr. President, the cost in the United States is approximately from 24 to 35 cents per pound, depending upon the grade. If it is the United States Pharmacopœia grade, the price is from 33 to 35 cents per pound, as was stated by my distinguished friend. In other words, the prices now are more than double the pre-war prices. That ought not to be the case, particularly with reference to a medicine which is so important to the people. I do not think that we can justify doubling and more than doubling the prices of chloroform as we find the situation to-day. If 15 cents was the pre-war price, and profits doubtless were realized at that price, we may not justify a price of 35 cents per pound now; but, notwithstanding that fact, and notwithstanding the fact that we have no competition, we are asked to impose a tariff upon this article of 6 cents a pound.

I have examined the hearings, as I indicated a moment ago, and I find that a Mr. Pardee appeared before the House committee. Mr. Pardee is vice president of the Dow Chemical Co., one of the large chemical companies of the United States. Ah, Mr. President, it seems to me that the chemical companies have been too potential in the formulation of these schedules, and that we have paid more attention to their interests than we have to the interests of the people. The Dow Chemical Co. is a powerful organization, rich in resources and competent to meet and challenge successfully almost any competitor.

Mr. GARNER asked Mr. Pardee this question:

Are the rates in the so-called Longworth bill, passed here and now pending in the Senate, satisfactory?

It is not a question of what is right. "Is it satisfactory?" That is the question too often asked those who are beneficiaries of tariff legislation: "What do you want? Are the rates satisfactory to you?"—not to the people.

I do not want to characterize as being prejudiced witnesses who came before the committee. Many of them undoubtedly attempted to state the facts; but many of them, I am satisfied, allowed their prejudices, their cupidity, their desire for gain and for unjust profit to influence their testimony. They were interested parties.

Mr. President, in our courts, both in civil and in criminal cases, we have recognized for many years the fact that human nature, where it is interested, is apt to color the testimony given; and so our courts, when interested parties appear and testify, instruct the jury that they may take into account the interest of the witnesses or their lack of interest, their fairness, and their bearing upon the witness stand, and deduce from all of the circumstances attending their testimony whether or not they have told the truth. Most of these witnesses who appeared were interested witnesses, and I regret to say that many of the witnesses were not subjected to what I would call a cross-examination. Many of them merely filed briefs, prepared by learned counsel or by technicians or by skilled representatives, chemists, and otherwise, of the corporations who were seeking these benefits. Testimony of that character is not worth much. It is ex parte. A searching cross-examination of many of these witnesses would have disclosed their unfairness, their prejudice, and the lack of merit with respect to much of their testimony.

I remember reading the cross-examination by the Senator from Missouri [Mr. REED] of one witness, whose name I have forgotten. He asked for costs. He asked if the witness, who had testified as to conditions in Germany, knew anything about the conditions in Germany. In other words, he sought to probe the witness to see how much there was to his testimony and how much credibility should be ascribed to it. That witness's testimony before a fair jury would have had but little weight. It was manifest that he was testifying from his prejudices and from his desires, inspired by a desire for gain and for profit rather than by a desire to present all of the facts to the committee.

How few of the witnesses who testified gave any costs of production! How few of them were willing to bring their books! Indeed, I think I may say without contradiction that but one or two witnesses out of the multitude who appeared during the hearings in the House and in the Senate brought their books to the committee or submitted to a searching cross-examination as to the costs of production or to the returns upon the capital invested. I submit that a large number of the representatives of corporations disclosed, directly or indirectly, that the capital which they had invested in the enterprise was not an original investment, if I may be permitted that term, but that it grew out of the earnings after dividends were paid; and instead of distributing all of the earnings and all of the profits, large as those distributions would have been, they were converted into capital and became a capital investment upon which they subsequently drew dividends, and which they have counted in all of their bookkeeping processes, either for income tax or otherwise, as original capital investment. It is unfair in a sense, but it is permitted and is justified by our business conscience.

So, Mr. President, with respect to this item, the only man who testified was the representative of a large chemical concern, and he said:

> On chloroform the Payne-Aldrich law provided for 10 cents a pound, and we are asking for 33⅓ per cent ad valorem, which would be an increase of 3 or 4 cents a pound over the Payne-Aldrich law.

Most of the witnesses wanted more than the Payne-Aldrich law; and I have called atention heretofore to the fact that this bill is higher in its rates by more than 100 per cent than the discredited, and I was about to say damned—I will say condemned—Payne-Aldrich law.

Mr. SMOOT. Mr. President, the rate on this item is 40 per cent less than the rate carried by the Payne-Aldrich law.

Mr. KING. I concede that this is somewhat less.

Mr. SMOOT. And, of course, the Senator does not mean that statement to apply to the whole bill.

Mr. KING. Oh, no. The Senator will recall the figures which I put in the RECORD. I do not care to refer to them again at this time, unless the Senator desires.

Mr. SMOOT. No; I do not desire it, of course. I think, on the whole, this bill is a very much less protective bill than the Payne-Aldrich bill was.

Mr. KING. I must differ with my friend in that regard.

Mr. SMOOT. I helped to make both, I will say to my colleague.

Mr. KING. Yes; I know that the Senator did, and I believe that if the Senator had had his way both bills would have been better than they are; but I can not think that my distinguished colleague, with all his ability and all his splendid patriotism, will be so very proud of this bill in years to come. My colleague calls attention to the fact that the rate on chloroform is less than the rate in the Payne-Aldrich bill. Of course, there must be a little flower here and there in the great desert. We have an oasis now and then; and we have struck one of those flowers, one of the oases in the great desert of disappointment which we are traversing in the consideration of this bill.

But I return now to what was said by Mr. Pardee. He says:

> We have asked for a duty of 33⅓ per cent ad valorem on chloroform with the expectation that some provision will be made in the administration of the same to provide for the great difference in exchange rates between this country and foreign countries. If, however, it is found impossible or unfeasible to make such provision we ask that a specific duty of 7 cents per pound be levied on chloroform in addition to 33⅓ per cent ad valorem.

As I have indicated, Mr. President, the Senate has reduced the rate of the House bill from a specific 8 cents per pound to 6 cents per pound. But little more need be said in regard to this item. There is no competition. The primary products from which it is made we have in rich abundance, and therefore any duty can not be for revenue purposes, can not be for the purpose of protecting the home industry, can not be for the purpose of measuring the cost of production abroad and the cost of production at home, or for any of the reasons heretofore assigned as a basis for the protective system.

Let me just call attention briefly to what the Tariff Commission says respecting this item:

> It is made from three different raw materials—carbon tetrachloride, acetone, or grain alcohol—all of which are produced in the United States in sufficient quantities. The war demand for acetone greatly stimulated the production of chloroform from carbon tetrachloride.

The imports in 1914 were valued at only $990, and since the war they have been less than 100 pounds annually.

You can not get any revenue from this item. We have no competition with respect to this item. Why the tariff? We have grain alcohol; we have all of the compounds that go into the production of this important commodity. Therefore, there is no reason in the world for a tariff. We know that we are shipping grain abroad. The European nations do not produce sufficient grain at the present time, and in the past did not, for the needs of their people. With our plethora of cereal supplies, with our enormous carbon supplies, and the raw materials which may constitute a part of this finished product, I submit again that there can be no real reason, no sound reason, for this tariff.

I shall move at the proper time to transfer this item to the free list. However, in order to obtain a vote upon it now, I move to strike out the figure "6" and insert in lieu thereof the figure "2." If that amendment shall be defeated, at the proper time I shall move to transfer this item to the free list.

Mr. SMOOT. Mr. President, just for the RECORD, so that we may show why the committee proposed a duty of 6 cents a pound on chloroform, I want to call attention to the history of chloroform in the United States.

In the Dingley Act there was a duty of 20 cents a pound on chloroform, and at that time the foreign price of the chloroform imported into the United States was 55 cents. That was in 1908.

The Payne-Aldrich Act was enacted in 1909, with a 10-cent-a-pound duty, and the foreign value of chloroform advanced from 55 cents up to $1.54 in 1910. That was not the American price, but the foreign price.

In 1911 it was $1.76; in 1912 it was $1.66; in 1913 it was $1.74; in 1914 it jumped to $2.48. That was on account of the war. Then in 1915 it dropped to $1.65; in 1918 it was 76 cents; in 1919 it was 50 cents; and then in 1920 it went to $2, for some unknown reason, in the foreign country. I suppose it was some special kind, a few pounds of which was coming into this country. To-day the price is 35 cents a pound.

So when the 10-cent-a-pound rate was put upon it, the foreign price was about four times or over what it is to-day. I have no doubt but that if we had had chloroform on the free list chloroform never would have been made in this country, but with a duty of 10 cents a pound on it they could hardly destroy the industry in the United States. The industry became established in the United States, and when established the price began to fall. If to-day we had free chloroform, Germany would be charging us at least $1.50 a pound.

I prefer to have a 6-cent rate on chloroform and sell it to the American people for 35 cents than to have it on a free list and kill the industry in the United States and then pay a dollar and a half a pound. That is about the whole situation, as it

appears to the committee, and this is one of the items of all the items it seems to me which ought to have at least fair protection. We have decreased the Payne-Aldrich rate 40 per cent. Under that rate the industry was established. To-day it is established, and we think it can live with a 6-cent rate. The House thought it would take 8 cents, but I think that is too high. So did your committee, and they reduced it from 8 to 6 cents. I am perfectly willing to have the Senate decide whether the committee was right or not.

Mr. KING. Mr. President, the argument of my friend upon this matter, it seems to me, would justify the imposition of a tariff upon every article, whether there was possible any competition from abroad or not. I called attention to the fact, before my colleague come into the Chamber, that in 1914, according to the figures which have been furnished me by the Tariff Commission, the price of chloroform in the United States was 15 cents a pound, and the price in Europe was 41 cents a pound. Those figures may be wrong. I merely state the source of my authority.

Mr. SMOOT. If that is the case, then the duty did them no good at all, and did not hurt the American consumer.

Mr. KING. I concede that to be true, Mr. President, and I think a duty will not do them any good, so far as interfering with foreign competition is concerned, because there can not be foreign competition at the prices indicated; but it will give them a pretext and an excuse to swell the price above what would be just and fair.

I insist that whenever you lay a duty upon an article you may consider that the temptation will be so great that when opportunity is afforded the beneficiaries, the domestic producers, they will increase their prices up to the limit which the duty permits. That is not the object of laying tariff duties.

I had supposed that tariff duties, under the protective theory of our Republican friends, rested upon the conception, first, of a revenue; and, second, permitting a domestic industry which was new, which was an infant, to get firmly established in order that it might meet the storms and tempests of competition as they might rage about it. But, Mr. President, the evidence is incontrovertible that there has been no competition in this article from abroad, and there can be no competition from abroad, and the domestic prices will be such as the cupidity or the honesty of the domestic manufacturers, whichever term you prefer, may determine. There is no reason for this duty.

The prophecies of my learned friend as to what will happen, or may happen, without this duty, I do not assent to. Mr. President, if it be true that when there is no competition we may lay duties because there may possibly in the future arise some contingency when there may be competition, then all we want to do is to put the rates at such arbitrary figures as we may name, without taking into consideration any of the factors which heretofore have been regarded as essential in framing our tariff legislation.

Mr. SMOOT. I would agree with my colleague if there were no competition; but after an industry is established, like that of the manufacture of chloroform, in the United States and the product is made by so many establishments, then the domestic competition will regulate the price. I will admit that if there were only one or two people making the article and they should make it in insufficient quantity to furnish all of the demands of this country, they could get together and raise the price as much as the tariff rate would allow; but there is such competition to-day in this item that I doubt very much whether there is any concern in the United States making an undue profit upon the production of chloroform. What my colleague says would be absolutely right if it were possible for all manufacturers in this country to get together to make one article and fix the price. In that case I would agree with the Senator that the amount of the tariff then would be open to attack, but that does not happen once in ten thousand times.

Mr. FLETCHER. If you fix the duty so high as to keep out importations, then they will get together.

Mr. SMOOT. But this is not so high; and if it were too high, then the domestic competition would bring it down. There is no doubt about that, if the demand in this country is sufficient to require a great number or a reasonable number of makers in the United States. The American people can hardly ever get together upon any kind of a question if they are fighting for trade.

Mr. KING. Where there is an industry firmly established, as the evidence shows this industry to be, with no possibility of any cloud arising in the sky portending foreign competition, with the primary product essential for its construction at the very door of the manufacturing institutions, then I submit there can be no justification for tariff rates, whether high or low.

The senior Senator from Utah ascribed to all of the manufacturers and industrial magnates of our land rather more of the altruistic spirit and the spirit of justice and fairness in their dealings with the public and in the sale of their products than many people are willing to credit them with possessing. I have no doubt that many of the manufacturers and business men of the United States measure up to the highest standards of ethics and justice and attempt to carry on their business enterprises in the way that will be for the best interests of their country. But there are too many who are selfish and who seek undue profit and are willing to employ the powers of government to promote their selfish ends.

I have attempted to learn industrial conditions in the United States and to properly appraise the industrial movements and developments which have occurred and are now taking place in our country. I have discovered a tendency to amalgamation and consolidation for the purpose of stifling competition and forcing higher prices or preventing legitimate reductions in prices. Many of these consolidations have been oppressive of labor and have been inspired not by a proper social spirit or with a desire to promote the welfare of the people. There have been frequent violations of the Sherman antitrust law, of the Clayton law, and of State statutes prohibiting monopolistic conspiracies and combinations. I am somewhat familiar with those conditions, and I affirm that they indicate an unhealthy condition and are unmistakable symptoms of this monopolistic tendency of which I speak. It is unfortunate that the Government and the States do not enforce the antitrust laws and break up the combinations which restrain trade and destroy competition.

There are combinations and monopolies to-day which are in part responsible for the industrial depression, for inequitable prices, and for evil conditions existing in our economic life, and I regret that the Attorney General of the United States and district attorneys and State attorneys seem to be unaware of the many flagrant violations of Federal and State statutes which deal with the questions of monopolies. We must strike down these monopolistic conspiracies against the public. If we do not, then there will be such discontent develop among the industrial masses as will culminate in a formidable assault upon our industrial if not upon our social and economic system. The permanency of the Government in its present political form, the perpetuity of our institutional life depend upon the maintenance of the law of competition. That is the reason I am so much against extortionate tariffs; I perceive in them a menace to the integrity of this Republic. I see in them a menace to the social and industrial forms under which we live, and if they were destroyed the Republic would be shaken. I see in them disturbers of the peace of the people and the peace of the land. If the corporations and the big business concerns are satisfied with reasonable profits, contentment will reign in the land, and there will be no demand for oppressive paternalism or for dangerous and destructive socialism.

I repeat, Mr. President, there is no reason for this rate. This item should be placed upon the free list, and I regret that my distinguished friends upon the other side, in dealing with an article so important to the people as chloroform, needed by the sick, needed by the poor, needed in our hospitals, would be willing to put a tariff upon it, and thus give the opportunity to domestic manufacturers to increase their prices beyond what reason and justice demand.

Mr. FLETCHER. Perhaps the Senator has already observed and commented upon it, but, if so, I failed to hear him. The Summary of Tariff Information shows that the imports of chloroform in 1914 were 2,444 pounds, of a value of $900.

Mr. KING. I have called attention to the fact that 2,444 pounds were imported as a maximum, and that the domestic pre-war price was 15 cents and the foreign price was 14 cents.

Mr. FLETCHER. Since the war the imports have been less than 100 pounds annually. By increasing the duty I do not see that we will obtain any revenue.

Mr. KING. Mr. President, I suggest the absence of a quorum for the purpose of obtaining the presence of Senators in order to have a vote upon my amendment to the committee amendment.

The PRESIDING OFFICER (Mr. LADD in the chair). The Senator from Utah suggests the absence of a quorum. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Capper	Frelinghuysen	Jones, N. Mex.
Ball	Curtis	Hale	Jones, Wash.
Brandegee	Dial	Harreld	Kellogg
Broussard	Elkins	Harris	Keyes
Bursum	Fletcher	Harrison	King
Calder	France	Johnson	Ladd

La Follette	Myers	Robinson	Underwood
Lenroot	Newberry	Sheppard	Wadsworth
Lodge	Norbeck	Shortridge	Walsh, Mont.
McCormick	Oddie	Smoot	Warren
McCumber	Overman	Spencer	Watson, Ind.
McKellar	Page	Stanley	Weller
McKinley	Phipps	Sutherland	Willis
McLean	Pittman	Swanson	
McNary	Rawson	Townsend	

The PRESIDING OFFICER. Fifty-eight Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from Utah [Mr. KING] to the committee amendment.

Mr. KING. May we have the amendment stated?

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 6, line 18, in the committee amendment, the Senator from Utah proposes to strike out the numeral "6" and insert "2," so that it will read:

Chloroform, 2 cents a pound.

Mr. KING. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. McKINLEY (when his name was called). I have a general pair with the Senator from Arkansas [Mr. CARAWAY], which I transfer to the junior Senator from Washington [Mr. POINDEXTER] and vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as heretofore regarding my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. McKELLAR. Making the same announcement as heretofore as to my pair and transfer, I vote "yea."

Mr. KELLOGG. I transfer my pair with the Senator from North Carolina [Mr. SIMMONS] to the junior Senator from Delaware [Mr. DU PONT] and vote "nay."

Mr. JONES of New Mexico. Making the same announcement as heretofore regarding my pair and its transfer, I vote "yea."

Mr. STANLEY. I transfer my general pair with the junior Senator from Kentucky [Mr. ERNST] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH].

The result was announced—yeas 18, nays 41, as follows:

YEAS—18.

Ashurst	Jones, N. Mex.	Overman	Swanson
Dial	King	Pittman	Underwood
Fletcher	La Follette	Robinson	Walsh, Mont.
Harris	McKellar	Sheppard	
Harrison	Myers	Stanley	

NAYS—41.

Ball	Hale	McKinley	Spencer
Brandegee	Harreld	McLean	Sutherland
Broussard	Johnson	McNary	Townsend
Bursum	Jones, Wash.	Newberry	Wadsworth
Calder	Kellogg	Norbeck	Warren
Capper	Keyes	Oddie	Watson, Ind.
Curtis	Ladd	Page	Weller
Elkins	Lenroot	Phipps	Willis
France	Lodge	Rawson	
Frelinghuysen	McCormick	Shortridge	
Gooding	McCumber	Smoot	

NOT VOTING—37.

Borah	Ernst	Nicholson	Smith
Cameron	Fernald	Norris	Stanfield
Caraway	Gerry	Owen	Sterling
Colt	Glass	Pepper	Trammell
Crow	Heflin	Poindexter	Walsh, Mass.
Culberson	Hitchcock	Pomerene	Watson, Ga.
Cummins	Kendrick	Ransdell	Williams
Dillingham	Moses	Reed	
du Pont	Nelson	Shields	
Edge	New	Simmons	

So Mr. KING's amendment to the committee amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The VICE PRESIDENT. The next committee amendment will be stated.

The READING CLERK. The next amendment is on page 6, line 18, in the same paragraph, to strike out "25" and insert "50," so as to read:

Tetrachloroethane and trichloroethylene, 50 per cent ad valorem.

Mr. SMOOT. Mr. President, I ask that the balance of paragraph 17, on page 6, the amendment just stated, may go over temporarily.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCUMBER. Mr. President, I ask that paragraph 18, chalk or whiting or Paris white, may be passed over temporarily.

The VICE PRESIDENT. Without objection, paragraph 18 will be passed over.

The next amendment of the Committee on Finance was, on page 7, line 5, before the words "per cent," to strike out "15" and insert "25," so as to make the paragraph read:

PAR. 19. Chemical compounds, mixtures, and salts, of which gold, platinum, rhodium, or silver constitutes the element of chief value, 25 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, it seems to me this item would call for some statement from the proponents of the amendment. I pause to inquire if any member of the majority of the committee desires at this time to make an explanation. [After a pause.] Apparently no explanation is forthcoming. I think that the time is opportune——

Mr. SMOOT. Mr. President, I will simply say to the Senator, so that he may know really why we put this rate at 25 per cent, that in the first place, of course, the House based the 15 per cent rate on the American valuation. That was the real reason why we changed it to 25 per cent. All of the items in this paragraph, being chemical compounds, mixtures, and salts, of which gold, platinum, rhodium, or silver constitutes the element of chief value, are used very little, indeed. Twenty-five per cent is carried through the bill in the basket clauses and is applied to many of the items which are seldom used. The Senator will remember that only last night I asked that a decrease be made in one of the chemical compounds from 35 to 25 per cent. This simply means that we are carrying on all chemical compounds 25 per cent to make them uniform throughout the bill.

I think that the Senator will bear me out that as far as the result in revenue on these items is concerned it is very meager, indeed, but it will be a uniform rate, and if there is any question whether it is a compound, no matter under what paragraph it falls, it will carry the same rate.

Mr. JONES of New Mexico. I was under the impression that we were considering paragraph 18.

Mr. SMOOT. No; that paragraph was passed over.

Mr. JONES of New Mexico. I did not know that it had been passed over.

Mr. SMOOT. Yes. I understood the chairman of the committee to ask that it be passed over.

Mr. McCUMBER. That paragraph has gone over.

Mr. JONES of New Mexico. I repeat that I did not know that the paragraph had gone over.

Mr. SMOOT. I thought the Senator from New Mexico had reference to paragraph 19, and my remarks had reference to that paragraph.

Mr. JONES of New Mexico. I had reference to paragraph 18 of the bill. Paragraph 18 has been passed over for what purpose, may I inquire?

Mr. McCUMBER. It was passed over for further consideration of the duty of 35 per cent ad valorem, which is therein proposed to be imposed.

Mr. JONES of New Mexico. The idea is that the committee will further consider the matter?

Mr. McCUMBER. Yes.

Mr. JONES of New Mexico. I am very glad to get that information. I hope the committee will ask to have some other items passed over as well. I suppose that as to the pending paragraph we have had all the information that is deemed necessary. There is very little information upon this subject which has been furnished to us; but if the Senator from Utah is perfectly content to let the matter go that way I feel that it is useless to make any further comment upon it, and I do not intend to discuss the matter further at this time.

The VICE PRESIDENT. The question is on agreeing to the committee amendment to paragraph 19.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 7, line 6, paragraph 20, to strike out the word "preparations" and to insert "mixtures," so as to read:

PAR. 20. Chemical compounds, salts, and mixtures of bismuth.

Mr. JONES of New Mexico rose.

Mr. SMOOT. I will simply say to the Senator from New Mexico that the reason for the proposed increase from 25 to 35 per cent recommended by the committee in line 7 is that we

have put a duty on metallic bismuth, and the increase here is simply to compensate the manufacturers of these chemical compounds, salts, and mixtures of bismuth for the rate of duty that has been put upon metallic bismuth.

In addition to that I may add that the House provision was 25 per cent on the American valuation, and this provision is for a 35 per cent duty on the foreign valuation, which really is a lower rate than the House duty imposed upon metallic bismuth.

Mr. JONES of New Mexico. May I inquire why the duty was put upon the metallic commodity?

Mr. SMOOT. I ask the Senator from New Mexico to turn to paragraph 376-a, which imposes an ad valorem duty of 7½ per cent on bismuth.

Mr. JONES of New Mexico. It seems to me that this same situation occurs in a number of cases in the bill. There seems to be nothing at all stated in the information we have regarding that item. There is no information of which I am aware anywhere in these documents as to why bismuth itself should be put upon the dutiable list. The item is transferred from the free list, but there is no information as to why that has been done.

The placing of a duty upon the item which we are at present considering in this paragraph of the bill is excused by the fact that some action has been taken somewhere else in the bill, but there is no explanation of why the first step was taken.

The article was free under the act of 1909, and it is also free under the present law. It is a mere by-product, as I understand, of the lead industry. Now, will the Senator from Utah explain to us why the article is put upon the dutiable list?

Mr. SMOOT. If the Senator wants me to answer that question now, I will say that bismuth was put upon the dutiable list at a rate of 7½ per cent ad valorem because the committee deemed necessary in that way to protect the industry in the United States. I think when the Senator from Utah takes into consideration the smelting of lead ores in other countries and the fact that they have the markets of the world, as well as the American market, he will admit that we ought at least to allow a duty of 7½ per cent on the article.

I will say to the Senator from New Mexico that I have not any doubt that the duty of 7½ per cent will find its way back to the man in the United States who produces the ore carrying bismuth, and I think that there is no real danger to any consumer of bismuth in the United States in a 7½ per cent ad valorem rate on the foreign valuation of the article.

Mr. JONES of New Mexico. The only information we have regarding bismuth I intend to read. Under the act of 1909 it was on the free list; under the present law it is on the free list. In the Summary of Tariff Information there are just two paragraphs regarding it which describe the commodity and give its uses:

> Description and uses: Bismuth, one of the minor metals, is soft, reddish-white, and highly crystalline. It is a component of many easily fusible alloys which are used in manufacturing automatic fire sprinklers, electric fuses, and solders. Since it expands on solidifying from the molten state, it is used in some form of type and in metal bearings. The principal uses of bismuth, however, are in certain medicines and to some extent in the manufacture of cosmetics.

Now, on the subject of production the summary has the following to say:

> Production is about 300,000 pounds annually, practically all as a by-product from the smelting of lead, copper, gold, and silver ores in Utah. Bolivia produces most of the bismuth of the world; some ore is also produced in Australia and Tasmania, which is mostly refined in Great Britain. Considerable bismuth ore has been produced in conjunction with tungsten in China, which promises to be of increasing importance.

Mr. President, that is all the information there is in this record, so far as I have been able to find, regarding bismuth. Apparently it is only a by-product of an industry in the State of Utah. The Senator from Utah has told us, "We thought that a duty of 7½ per cent on bismuth would be about right." About right for what? The "for what" is not disclosed. Here is a mere by-product, derived from smelting certain ores in the State of Utah, and we are complacently and good humoredly told "We thought that duty was about right to be put upon it." Then we are told when we come to the compounds of bismuth that because a duty of 7½ per cent was put on bismuth it was necessary to increase the duty on the compounds. Mr. President, that is all the information we have.

Mr. SMOOT. Mr. President, the Senator evidently has not read the hearings or he would not make that statement.

Mr. JONES of New Mexico. I asked the Senator to give us the information, and I think I have stated all that he gave.

Mr. SMOOT. The Senator from Utah is not going to take the time of the Senate to answer in detail every question the Senator from New Mexico asks. I know for what purpose the Senator from New Mexico asks the question. The Senator already has the information if he has examined the hearings, and knows very well what the testimony before the committee was. So far as concerns the Senator's insinuation that the duty was placed on the commodity because it is a by-product of smelting in Utah, that had nothing whatever to do with it. The Senator from Utah did not ask for any duty on bismuth. If the Senator from New Mexico wants to know the reason for the action of the committee, I can tell him what the testimony before the committee was or I can read it to him or he can read it for himself.

Mr. JONES of New Mexico. I asked the Senator a while ago for information on this point.

Mr. SMOOT. Mr. President, I am not going to take the time to go into detail, because I did not think the Senator was really trying to get any information on a duty of 7½ per cent ad valorem.

Mr. JONES of New Mexico. Why, Mr. President, that is just exactly what I wanted, or I would not have asked the Senator from Utah for it.

Mr. SMOOT. The Senator has asked the same question about every item that he has ever risen on this floor to speak about; and after the question was answered, if it was answered in detail, I do not care how long it was, if it took 30 minutes to do it, the Senator would then proceed to demolish that, and also to express himself as to why he thought it should not be. There is not any question at all that every Senator who has been here very long knows the earmarks of a filibuster, and I think we have them, and I think we have had them; and, if I know them, I know what has been going on of late.

Mr. JONES of New Mexico. Mr. President, it seems to me that the best evidence of a filibuster is when a Senator rises on this floor and undertakes to give information, and then, later on, confesses that he simply gave enough to confuse the situation.

Mr. SMOOT. Oh, no; any statement I might have made would not have influenced the Senator one iota. The Senator has made up his mind what he will do; he has made up his mind what he will say; and anything that can be said upon this side of the Chamber will not change him in the least, and he will take just so much time.

Mr. JONES of New Mexico. Mr. President, I think the Senator may be right. I have not seen anything in this bill yet, nor has anything developed in the discussion of this bill, which leads me to believe that there is any reason why I should change my mind about any of these items. But I want to say this to the Senator: I think it is due to the Senators who are going to vote for this increase of tax to know why it is done. I asked the Senator from Utah awhile ago why it was done. He made his statement, and then I commented upon that slightly, and then the Senator arises here and accuses us of a filibuster when there is nothing of the sort; but we are determined that some light shall be thrown upon this bill. It seems to me that this is just in keeping with the policy of the majority of the Finance Committee to increase these taxes, give no reasonable justification for doing it, but just simply say that they think this is about enough.

This does not encourage any industry. It is a by-product, according to the statement of the Tariff Commission from which I have read, and yet you put a tax upon it which is going to increase the cost of medicines which the people of this country must consume.

Mr. SMOOT. Mr. President, it is a by-product just exactly the same as waste from wool is; and I shall notice very carefully how the Senator votes upon wool when we reach that, and then he will see whether the waste from wool that goes into clothing is a by-product or not. There are a good many by-products that come from hides, and I shall want to know whether or not those by-products are to be considered by the Senator when we reach hides.

Mr. JONES of New Mexico. Then I will ask the Senator why we have not had a duty on this item before?

Mr. SMOOT. A good many things have been taken from the dutiable list and put on the free list, and some have been taken from the free list and put on the dutiable list. The Senator knows—I think he does, because he has lived in a mining country—that Bolivia, China, and Australia are the countries where the great mines are found carrying high percentages of bismuth in their ore; and, in fact, many of the mines in Bolivia are worked for the bismuth alone, some of the ores running as high as 30 per cent. The Senator knows that that ore can be worked and the bismuth produced at a great deal less cost than it can be produced in this country.

The Senator says that bismuth is a by-product. It is in many cases, but it costs the man who takes it out and saves it a great deal more to produce it here than it does to produce it in a foreign country. There is not any doubt about that, and I think the Senator will admit it.

As to this 7½ per cent duty, as far as I am personally concerned I do not care whether this material goes on the free list or whether it remains at 7½ per cent; but the testimony shows that the importations are already about a third of all that is produced here, no matter whether it is a by-product or not. Therefore the committee thought that with the testimony that was given there they would impose a duty of 7½ per cent ad valorem on bismuth.

Mr. JONES of New Mexico. Mr. President, we have been given a number of different theories as to how these rates were based, such as the difference in the cost of production here and abroad. We have heard nothing about that until just now the Senator has made some general statements about it; but the Senator does not believe that putting this duty on this product will increase the domestic production, does he?

Mr. SMOOT. Why, Mr. President, it may increase it a little, but not very much, I think.

Mr. JONES of New Mexico. It is a mere by-product which comes from the smelting of so much ore of a certain kind.

Mr. SMOOT. The Senator knows that when the amount of bismuth gets so low that it does not pay even to save it in the smelting of ores it goes entirely to waste and is not gathered at all by the smelters; so if the price is 7½ per cent higher of course a lower grade of ore can be saved and will be saved if it is profitable to do so.

Mr. JONES of New Mexico. It has never stopped the production in the past under free trade, has it? And yet now they want a duty on bismuth, a mere by-product of smelting ore in the State of Utah. Of course, it is a mere coincidence that it happens to be in the State of Utah, from whence the Senator comes, and I want to absolve him from all intimations or innuendoes in that connection.

Mr. SMOOT. Of course the Senator knows, if he knows anything about it, that the ores come not only from the State of Utah but they come from Nevada. I do not think they come from Arizona, but they come from Colorado. I think Montana has her own smelter there and takes care of the bismuth that is there; but the ores that come to the great smelting center at Salt Lake City—I do not care whether they are bismuth or other ores—of course are smelted there in the State of Utah, because that is the great smelting center of the intermountain country.

Mr. JONES of New Mexico. In perfectly good faith, I want to avoid any inference or innuendo that any personal interest of the Senator from Utah is involved here. I know that he is not treating the matter from that standpoint at all. It just happens to be a coincidence, but I am sure that the matter has been treated from a very broad point of view.

This duty will not increase the production, because that bismuth will be saved if it can be saved. Nobody had thought heretofore to put a tax upon it, and, of course, there are a great many items still on the free list. Coffee, I believe, is left on the free list, and some other things are on the free list. Perhaps spices from Arabia are on the free list; but I have had a very difficult time in finding anything on the free list which is produced in this country at all, even though we may produce a great surplus and export a surplus to the world. Of course, there are a few items; I understand that; but time and again we have come across items in this bill, and they are here by the hundred, where the importations amount to practically nothing, and yet a tax is put on, and it can not be for any other purpose than to create monopolies in this country, absolutely to shut out competition from the rest of the world, and in doing this they are exercising the great power of taxation. It seems that if there is an article on the free list that might give somebody a chance, if a tax were put upon it, to increase his prices, they have imposed the tax; and if a subject comes up where apparently they know nothing about it, without investigation they increase the rate which exists under the present law, and apparently without any reason for it except that they have gotten in the habit of increasing these rates.

I want to say that I think that is a vicious habit. These things ought not to be done as a habit. They ought to be done only after careful thought. To use the power of taxation without a serious consideration of the situation, unless there is real consideration of it, to my mind is a betrayal of the public interest.

I do not like to dwell upon these things in connection with such an item as this. It is not much, and yet you take a little here, you take a little there, you help this industry here and another industry there, and while I do not know that political friendships are considered in all this, it doubtless brings about a good feeling of friendship, and "one good turn deserves another."

Mr. President, it is inevitable what the result is going to be. There has not been a vote yet but that the vote in this Chamber has been always just the same, whether any reason exists or not, and in but very few instances has anyone on the other side of the Chamber attempted to give any explanation for these great increases of duty. It is expected that each one shall promptly vote according to the way the leaders tell him to vote. There has been no attempt by the great number of Senators on the other side of the Chamber who are voting with the majority of the Finance Committee to learn anything about this bill. There has been no serious proffer of information by anybody on the other side regarding the bill. Apparently there is a determination to put the bill through precisely as it is written. I apprehend that there will be no deviation on the other side of the Chamber.

That is what we are coming to, without any information, and I do not blame Senators on the other side who are trying to crowd this bill through, to jest about questions being asked, to say something about a filibuster, when they must realize that an effort must be made somehow to let the people of this country know what this thing means. I do not blame you for talking about filibusters. I do not blame you for not wanting questions asked. This bill will not stand the test of examination. We want to have the people of this country understand what this means, and that is the only object I have had in view up to this date. But I do think the people ought to understand just what these proceedings mean.

Mr. WALSH of Montana. Mr. President, I do not think there is any just cause for complaint on the part of anyone interested in the speedy passage of this bill when a demand is made for information concerning matters upon which Senators are obliged to vote.

My understanding is that whatever changes were made in the bill as it came from the House were made upon consideration of the bill by the majority members of the committee, without any participation in the sittings by the minority members. If the bill had been framed as bills ordinarily are, if those who were advocating the measure had an opportunity to participate in such changes as the committee might recommend, the minority members, or those opposed to the passage of the bill, would be there, and would hear the reasons which were urged for or against the action taken by the committee; but with reference to this bill, that course, as I understand, has not been taken.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield.

Mr. SMOOT. Does not the Senator know that there never has been a tariff bill prepared in any other way than that followed in this case?

Mr. WALSH of Montana. I am not complaining about that. That is entirely irrelevant to the matter I am presenting. I am saying that if it were so framed, those of us who do not look with a very high degree of favor on the bill would confer with those who were not like us opposed to the measure, and ascertain what reasons, if any, there were for the changes made by the committee, or at least what reasons were urged.

Here is an amendment which is offered by the committee. The House seemed to think that an ad valorem duty of 25 per cent on bismuth was adequate. We all know perfectly well that the gentlemen of the House who framed this bill are in favor of very high protective duties; but that does not seem to be quite satisfactory to the Senate committee, and they fixed the duty at 35 per cent on bismuth, and we are asked now to sustain the committee in increasing this rate, but it seems to me that we may fairly ask what reason is assigned for this, and that we may fairly ask for some information concerning it.

I supposed I knew something about the mining industry in the West, but this is a new one to me. I have before me a late copy of the Mining and Engineering Association Journal, which gives a general review of the mining industry throughout the United States and takes up the specific mineral productions. I do not find bismuth canvassed in it at all. It is not a product of any of the ores of our State. If it is found in the ores at all, it either goes up in slag or goes off in fumes, and no effort is made to save it. It is news to me that there is any product of this ore incidental to the smelting of ores in the State of Utah.

I should like before I vote on this matter, either for the amendment or against the amendment, to have some information about this mineral product. With what ores is it found in combination?

Mr. SMOOT. It is found in lead.

Mr. WALSH of Montana. By what process? We have the leading lead smelter in the world in my home town, Helena. The American Smelting & Refining Co. smelts all the ores that are smelted from the Coeur d'Alene country. The most phenomenal deposit of silver ores in the world is smelted at my home town. We do not produce any bismuth there from those ores. If it is found that we obtain it on analysis, it will be news to me. Of course, in my experience in that country for 30 years I have seen multitudinous chemical analyses of ores, and I do not now recall ever having seen mention even of a trace of bismuth.

Mr. SMOOT. I do not know what the condition is in Montana——

Mr. WALSH of Montana. I was speaking of Idaho as well as of Montana.

Mr. SMOOT. I think the Senator is wrong about Idaho. I do know that bismuth is found in gold ore, it is found in silver ore, it is found in copper ore, and it is found in lead ore. In the State of Utah it is found more in lead ore, though there is a great deal in copper. In western Utah copper we find bismuth sometimes running quite high—that is, higher than in other sections of the State. If the Senator will ask the Geological Survey, they will tell him where it is found in different parts of the United States.

Mr. WALSH of Montana. Yes; I have no doubt of that.

Mr. SMOOT. The report shows that it is found in copper ore, in gold ore, in silver ore, and in lead ore. I will say, as far as the State of Utah is concerned, it is found more in lead ore and in copper ore than in silver or gold.

Mr. WALSH of Montana. I do not undertake to dispute the Senator. His information about the matter may be very much more complete and more exact than mine. I am looking for information about the matter. I would like to know how much is produced in the State of Utah, how it is produced, what the price is, and, if possible, what the relative cost of production is, where the competition comes from, and some facts upon which anyone can form some conclusion as to whether there ought to be any duty put upon bismuth at all, or, if there should be a duty on bismuth, whether it should be 25 per cent or 35 per cent.

Mr. SMOOT. The production of bismuth in the United States from 1912 to 1920 has been as follows:

	Pounds.		Pounds.
1912	122,080	1917	318,187
1913	213,554	1918	266,499
1914	251,481	1919	342,749
1915	316,716	1920	269,834
1916	245,667		

The price of it to-day is running from about $1.90 to $2 a pound. The competition comes from Bolivia, China, and Australia; and in some parts of the world, I think in Bolivia, the highest content in ores runs from 25 per cent up to 70 per cent. In the western country it runs, perhaps, from about 3 to 4 per cent in our lead ores; sometimes in copper ores even a little less than that.

As far as the question of the comparative cost is concerned, the Senator knows there would be a great difference of cost of production between a 25 per cent ore and a 4 per cent ore. He is perfectly familiar with the smelting business, and therefore, if we are going to put this business on any kind of an equality, it seems to me, and also to the committee, that they ought to have a 35 per cent ad valorem rate.

Mr. WALSH of Montana. What amount has been imported?

Mr. SMOOT. I will read the figures as to the importations to the Senator, if he wants them. The imports for the years 1909 to 1920 have been as follows:

	Pounds.		Pounds.
1909	176,720	1915	34,000
1910	200,000	1916	64,000
1911	178,000	1917	88,000
1912	166,000	1918	85,000
1913	151,000	1919	76,000
1914	133,000	1920	72,771

Mr. WALSH of Montana. Then it would appear that under free-trade conditions, with this metal upon the free list, the importations usually ran about 50 per cent of the American production.

Mr. SMOOT. That is about right; sometimes a little more, and now they are less.

Mr. WALSH of Montana. Now it is proposed to have a duty of 35 per cent ad valorem on that product, which the American producer seems able to compete with upon the basis of about two to one. What is the reason for assuming that under those circumstances, when the American producer, under free trade, is able to market twice as much as the foreign producer is able to market in the United States, that it can be produced more cheaply abroad than in the United States? How could that condition exist?

Certainly the Senator will not contend that in foreign countries—Bolivia and Brazil, for instance—they will be able to compete on any more favorable conditions than we in the United States. They are meeting exactly the same conditions there that we are meeting, namely, the cost of mining is increasing all the time.

I must say, Mr. President, that some further explanation seems due for this particular duty than that which has been given to us.

Mr. SMOOT. Mr. President, the Senator knows very well that ore carrying 70 per cent bismuth can be smelted and produced at a great deal smaller price than when it is carrying 3 or 4 per cent. The Senator knows that, of course.

Mr. WALSH of Montana. Of course, there is no doubt in the world that the higher percentage the ore carries, the more cheaply it can be produced.

Mr. SMOOT. The Bolivia ore carries a higher percentage of zinc ores than any other ore.

Mr. WALSH of Montana. That is only one element.

Mr. SMOOT. You would not want any other element if you had 70 per cent bismuth in the ore. With that bringing $2 a pound, I would rather mine it than gold.

Mr. WALSH of Montana. If your ore were solid bismuth you probably would be able to produce it less expensively than if the ore carried only 3 per cent of bismuth.

Mr. SMOOT. If it were solid bismuth it could be mined a great deal cheaper than the 70 per cent, and if it was 70 per cent it could be mined cheaper than the 50 per cent, and if it were 50 per cent it could be mined cheaper than the 40 per cent.

Mr. WALSH of Montana. But we have no such conditions.

Mr. SMOOT. We have not, but the ores run as high as 70 per cent, so our Geological Survey say.

Mr. WALSH of Montana. Mr. President, that does not show anything, either. That does not signify anything at all, as anyone who is familiar with the mining business knows. The rule about that, so far as gold mining is concerned, and as applied to copper, too, for that matter, is that the cheapest kind of mining is the mining of the low-grade ores. The great Utah Consolidated, in the State the Senator so ably represents, is a case in point. The ore there is exceedingly low grade, so low that for years and years it was considered as practically valueless, and a number of developers actually failed through their efforts to make it profitable. But by high engineering skill it has become one of the great copper mines of the world, so that it does not signify anything at all to say that the ores of Bolivia carry a higher percentage of bismuth than the ores of Utah. That is only a very small element of the cost of production.

Mr. SMOOT. The Senator from Montana does not want me to believe anything like that. The Senator knows that there is not any bismuth in the Utah copper ores. They are moving one mountain and putting it into a valley, Mr. President, and during the transfer of that mountain to the valley they are taking out copper ore. It is not mined by hand at all; it is handled by steam shovels, and the Senator knows that the ore in Bolivia carrying bismuth is not mined by steam shovels.

Mr. WALSH of Montana. That is what I was trying to explain, that the bare fact that the compounds of Bolivia carry a higher percentage of bismuth than do the ores of Utah does not show that they can not mine bismuth in Utah just as cheaply as they can in Bolivia.

Mr. SMOOT. The Senator knows there is not a pound of ore carrying bismuth that is mined in Utah or anywhere else that I know anything about in the world that is mined with a steam shovel. They mine the same way in Bolivia that they do in Utah or any other place.

Mr. WALSH of Montana. I pleaded my ignorance at the outset. I do not know that.

Mr. SMOOT. I know it, and I will say to the Senator that is the fact.

Mr. WALSH of Montana. Of course, I do not know from just what kind of veins the bismuth smelted in Utah comes.

Mr. SMOOT. The Senator knows we are not mining gold with steam shovels.

Mr. WALSH of Montana. We did in Montana.

Mr. SMOOT. Ah, that was a dredge. They never used a steam shovel.

Mr. WALSH of Montana. No. We do our gold mining in glory holes in Montana. However, I seem to have all the information the Senator from Utah has in the matter.

Mr. UNDERWOOD. Mr. President, I desire to present a few comments to the Senate, not because I think the item before the Senate is a very important item, however. I think the

last statistics I have show that the production of bismuth in this country for 1919 was 502,300 pounds, valued at $1,235,500. That may seem to be small, small in commerce, small in industry, but it is not small in principle. There is either a right principle or a wrong principle about this matter.

The only reason I have to discuss it at all is not in regard to the item itself but because I think this item is illustrative in a very clear way of the difference in the principle on which the two great parties of the country levy their taxes at the customhouse. Of course, in one way it is of importance. All manufactured bismuth—not the metal compounds from which it is made but the manufactured bismuth, the item under dispute—is a medicine. It is sold as a medicinal preparation.

Even if I were a protectionist and believed in the doctrine of protection as my friends on the other side of the aisle believe in protection, it seems to me there are some places where I would draw the line of levying taxes for the purpose of producing money for industry. I think I would draw the line at fertilizers, which are necessary to produce cheap food. I think I would draw the line so far as practicable when I entered the domain of medicine, something that the rich and the poor alike must have, something for which the rich and the poor must pay the same price.

What do we find in reference to this particular item? It is not important in reference to the number of pounds produced, not important in the value of the product in this country, but only of great importance because the American people have to use it as a medicine. There may be differences on that score.

Mr. SMOOT. They had to use alcohol.

Mr. UNDERWOOD. The Senator from Utah says they had to use alcohol, but certainly bismuth is not to be excluded from use as a medicine on the same ground on which the Senator would include alcohol.

Analyze the situation. Analyze what is being done. In the past the compound of bismuth, the medicine that we have under consideration, bore a tax of 10 per cent, a tax that produced some revenue to the Government of the United States as a revenue producer. It was one of those little items which, dropped into a tariff bill where not a very excessive rate was levied, gathered in some revenue. It had been carried in the tariff laws of the past, in Republican tariff laws as a rule at 15 per cent ad valorem and in Democratic tariff laws at 10 per cent ad valorem. Now we find, when the present bill is written, that the tax on this medical compound is increased from the present rate of 10 per cent to 25 per cent ad valorem. In other words, if the whole industry responds to the tax at the customhouse, and that is the way our protectionist friends levy the tax in order to make it respond, then when the man who needs this preparation presents his doctor's prescription at the counter he is to be met with a tax of 25 per cent so far as the bismuth is concerned. It is true there may be water in the compound.

Mr. SMOOT. A thousand per cent profit, no doubt.

Mr. UNDERWOOD. The Senator from Utah says a thousand per cent of water in the compound. That is some exaggeration.

Mr. SMOOT. No; I said a thousand per cent profit on the prescription. That is about the way it runs.

Mr. UNDERWOOD. That is probably true, and that is all the more reason why you should not add to that profit a tax.

Mr. SMOOT. It does not make a particle of difference in the retail price.

Mr. UNDERWOOD. If the retailer can make 1,000 per cent, then it goes without saying that the wholesaler has a market for the product on which he can realize.

We ask why the bill increases the tax, and we are told the reason for it is that metallic bismuth, a compound which in this country is a by-product of mining lead, copper, silver, and gold, a refuse matter that has to be thrown off to purify the metals, has been taxed at the customhouse 7½ per cent by this committee. A tax of 7½ per cent has been levied on metallic bismuth at the customhouse, and metallic bismuth is the raw material of the article that is now under discussion—compounds of bismuth for medicinal purposes.

Why should that happen? Metallic bismuth for many years past has been on the free list. It has been untaxed. There is not much coming into this country. I listened to what the Senator from Utah said awhile ago and my information about it is that in metallic bismuth the imports amounted to about one-third of the American production.

Mr. SMOOT. From over 50 per cent down to one-third.

Mr. UNDERWOOD. But at one time less than that, though it is one-third now according to the last figures given. The war did not have much to do with this importation, because, if I am informed correctly, practically all of it came from South America, which was not affected by war conditions. Metallic bismuth has been on the free list during the life of the present law, and if I recollect right it was on the free list under the Payne-Aldrich law. Am I correct about that, may I ask the Senator from Utah?

Mr. SMOOT. The Senator is correct.

Mr. UNDERWOOD. That is my recollection. So that for 15 years, and it may be longer, metallic bismuth has been on the free list. It has not destroyed any industry. It could not destroy the industry, because in this country the product is only gathered as a by-product. Men were going on to mine silver, gold, lead, zinc, and copper, and they had to throw the bismuth out as they would throw the slag out of the iron ore to make a ton of pig iron. There is nothing here to show that the entire production of metallic bismuth was not consumed in the American market. We imported about one-third of all we consumed.

But a new era faces the American people, not growing out of war conditions in Europe, not growing out of war prices, not growing out of the protection of labor, but growing out of the new principle that is about to be established in these United States of protecting profits—protecting the profits of the producers of lead, copper, silver, and gold in the far western mines and their by-products of metallic bismuth, allowing them to raise the price a little higher in order that they can put a little more money in their pockets. That is the reason why this tax is levied.

In the past there have been a number of importations; but it is a small commodity, and if this tax is to be levied for revenue we could not greatly increase it without driving the commodity out of the market, because the imports of the commodity coming into the United States have to stand the high transportation rates into the United States, both by sea and land, to reach the ultimate market of its consumption.

But it is clear that the committee brought in the bill, as I said, not for the purpose of protecting American labor in the industry, because the labor is engaged mostly in the smelting of gold, silver, lead, zinc, and copper. This is merely a refuse which that labor throws off. It is not for the purpose of preventing this industry from being driven out of business, because, admittedly, for 15 or 16 years there has been absolute free trade in the commodity, and yet two-thirds of it continues to be made in the United States.

If you are to levy a tax, you have to let something come through. This is not depriving the American manufacturer or producer of any American market. Admittedly, he has two-thirds of the market for metallic bismuth. But in order that he may possibly have it all, in order that he may possibly be able to put up his price 7½ per cent on metallic bismuth, the Committee on Finance has reached the conclusion that it will be necessary to raise the tax on the finished product of bismuth, which is used for medicinal purposes, from 10 to 25 per cent. I know that the committee in estimating the duty on the finished product usually multiplies by two. The difference between 10 and 25 per cent is 15 per cent, and the tax on the raw material, metallic bismuth, is 7½ per cent, showing that in the estimation of the committee they expect the levying of this tax at the customhouse to put up the price of metallic bismuth 7½ per cent a pound, because they take care of the purchaser of the raw material by giving him an additional duty of 15 per cent of the value of his product.

That is an illustration of the way tariff bills are framed by the party on the other side of the aisle. This tax is admittedly not to protect labor, because the tariff duty has not increased production, and an additional duty will not increase production; admittedly it is not for the development of home production in America, but is solely for the purpose—and it can not be for any other purpose—of protecting the profits of the producer of metallic bismuth in the hands of the smelters of the West. It is proposed to levy an additional tax on the medicine of the people of 15 per cent ad valorem.

Mr. SMOOT. The tax is 7½ per cent ad valorem.

Mr. UNDERWOOD. A duty of 7½ per cent on metallic acid is proposed to be levied, but the duty on medicinal bismuth has been increased from 10 to 25 per cent, which is an increased tax on the bismuth that the American people must consume as medicine of 15 cents on every dollar's worth they buy. That will not be very great; probably it is not enough to break even a very poor man. I am not contending that this is a very serious item. I am only saying that it is illustrative of the methods pursued by the party on the other side of the aisle. As to the very poorest man who carries a prescription to the drug store and has to pay a dollar for having it filled in order to protect the life of his family, the tax that he has to pay of 15 per cent more will not destroy him; but is it just that such a tax should be levied, not for the use of the Government but to increase the profits of the manufacturer not merely in his prin-

cipal line of business but on a by-product which he would otherwise have to discard and on which he is trying to make some additional profit? That is what is proposed in this case. There is the issue.

The party to which I belong is often charged with being a free-trade party. Mr President, so far as I know, from the beginning of the Government the Democratic Party has never abandoned the system of raising taxes at the customhouse. There are absolute free traders in the Democratic Party; sometimes I have known a few free traders in the Republican Party who have voted for that party for other reasons; but the Democratic Party believes that the tax levied at the customhouse should be levied for revenue purposes only; that the customhouse is a place where revenue may be obtained to run the Government; that it is a convenient way of raising a certain amount of revenue; and that if a revenue tax be levied at the customhouse in such a way that it does not unduly dam back competition from abroad, and the person who pays the tax really pays it to the Government, it is a reasonable way to raise taxes. When, however, a tax is levied so high that very few imports come in—and if imports do not pass the customhouse door they leave no taxes behind them—the result accomplished is merely that of raising the price, which goes into the pockets of the home producer.

The effect of protective tariff laws has been to tax the great mass of the American people and to swell the profits of a few. I often hear the ideas of socialism and communism condemned; such condemnation often comes from the other side of the Chamber. I do not believe in socialism or in communism myself, but it is discrimination on the part of the Government against the masses of the people for the benefit of the few that sows the seed from which the tree of socialism and communism has grown in this country. Discontent can not be brought about by unjust laws without reflecting on the whole system of Government.

This is a very small item; but there is no reason for the increased tax on metallic bismuth, which compels an increased tax of 15 per cent on the medical compound, except the greed of monopoly. That suggestion is illustrated not merely by one but by hundreds of items in this bill.

Senators on the other side complain that we are filibustering. We are not. There may be delays involved in the consideration of the bill, and I realize that they are very trying to the Senators who have charge of the bill and have to put it through; but the Republicans command a majority in the Senate; they have the right to reflect their viewpoint into the laws of the country, because the mandate of the American people gave them that power. But we as a minority also have a duty to perform, and a very imperative duty, and that is, if we think the majority are going wrong, to criticize them and let the American people know the situation. This bill is going to stay before the Senate until a sufficient number of speeches have been made, such as the one I am now making, pointing out wherein we think the majority are wrong in levying protective rates for the benefit of a few producers and imposing unnecessary burdens on the backs of millions of people, to make plain to the American people in a manner which they may understand, what is being done here. Then, when we have accomplished that result, when we have presented our case to the American people so they may understand what the majority party is doing, the party in control of the Senate will have a full and free opportunity to vote, and they can go to the American people in the fall elections and the American people may then be the judge. If I am not mistaken, if the majority go to the country on this bill, as they must if they pass it, the people will repudiate them, as they repudiated the Republican Party after the enactment of the Payne-Aldrich bill. And they should repudiate the Republican Party ten times over, because this bill is infinitely more objectionable than the Payne-Aldrich bill ever was in the rates which are levied in favor of the special interests and monopoly, and in the increased burdens which it attempts to place on the backs of the American people.

Mr. SMOOT. Mr. President, I do not want the Senator from Alabama to think that I have in any way charged him with filibustering. The Senator from Alabama has never done that since I have been in public life, and I never expect him to do it. When the Senator from Alabama discusses a question he does so in a fair, frank way; what he says, he means; what he says, he believes with all his heart. No one has ever been heard to criticize the Senator from Alabama, or even to intimate that he ever filibustered upon any kind of a bill. I desire to say that much for the Senator from Alabama.

Now, Mr. President, tears have almost been shed here at the thought of people being taxed on bismuth used as a medicine. It has been stated that in every prescription which is taken to a drug store to be filled will be found a reflex of this duty. Let us see how this works out. Bismuth is worth $2 a pound; a duty of 7½ per cent is equivalent to 15 cents a pound. Suppose there is 1 grain of bismuth in a prescription for which the purchaser pays 75 cents, although the cost of the entire prescription is not to exceed 10 cents. In other words, the purchaser is charged 75 cents for a prescription which costs 10 cents. Of that 10 cents, Mr. President, if it were made up entirely of the cost of the bismuth content, the duty proposed could not exceed one-thirteenth of 1 cent.

Does anyone believe that because of an increase of one-thirteenth of 1 cent in the cost of a prescription on which the druggist is making 750 per cent, representing the difference between 10 cents and 75 cents, the charge for the prescription is going to be 75 cents and one-thirteenth of a cent additional.

Mr. FLETCHER. The charge might be 80 cents.

Mr. SMOOT. No; the drug store would not charge 80 cents, as the Senator from Florida suggests, because it charges all it dares to charge now. So let us wipe off those tears for the person who is compelled to secure a prescription in which bismuth is an ingredient. What I have said concerning bismuth applies equally to nearly every other medicinal commodity that enters into prescriptions. We need shed no tears over the profits which will be made by the druggist, because he is making all he can to-day, particularly in the compounding of prescriptions.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER (Mr. SUTHERLAND in the chair). Does the Senator from Utah yield to the Senator from Florida?

Mr. SMOOT. I was going to yield the floor, because I do not want to take any more of the time of the Senate.

Mr. FLETCHER. I was going to suggest that another important use for bismuth—perhaps the Senator is not so much interested in that as some other people may be—is in connection with cosmetics. What I can not understand is that in the act of 1909 the duty was 25 per cent ad valorem, and in the act of 1913 the duty was 10 per cent ad valorem. The House proposed a duty of 25 per cent ad valorem in this bill.

Mr. SMOOT. That is on the American valuation.

Mr. FLETCHER. The committee now proposes to make that 35 per cent ad valorem—in other words, a 25 per cent ad valorem increase over the duty of 1913—and the statistics show that the imports during 1914 amounted to 588 pounds, most of which came from Germany. The exports are not given, but under the duty of 10 per cent there were only 588 pounds brought into the country, and now you propose to make the duty of 35 per cent.

What is the object? You can not expect any revenue from it; that is certain. Then you must be levying this duty simply to benefit the people who are manufacturing the bismuth and to guarantee them a certain amount of profit.

Mr. SMOOT. The Senator is not speaking of metallic bismuth. The Senator is speaking of the salts of bismuth.

Mr. FLETCHER. Yes; I am speaking of this item in paragraph 20. You propose to change that.

Mr. SMOOT. That is the salts.

Mr. FLETCHER. Yes; mixtures of bismuth.

Mr. SMOOT. Yes. On the salts the House did have a duty of 25 per cent, but it was on the American valuation. The Senate say here that they will not increase the rates of duty of the House because of the fact of foreign valuation; but a duty of 7½ per cent was put upon metallic bismuth, and that is the reason why the Senate committee increased this rate of 25 per cent; and even now it is lower than the House, with free bismuth.

Mr. FLETCHER. Yes; but I am speaking of the act of 1913, where the rate was only 10 per cent ad valorem, and under that act only 588 pounds came in.

Mr. SMOOT. Yes. The Senator very likely voted for that duty, but at that time they had free metallic bismuth.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 7, line 6, it is proposed to strike out the word "preparations" and the comma, and to insert the word "mixtures."

Mr. JONES of New Mexico. Mr. President——

Mr. UNDERWOOD. Mr. President, if the Senator before he starts in will allow me to say just one word. I have listened with much interest to what my friend from Utah has said with reference to the use of these compounds. Of course I realize that the ordinary drug store makes a pretty big profit, but it is based to a certain extent and a large extent on the cost of the medicine that comes into the shop. The Senator overlooks the fact that there is a great increase in the consumption of bismuth. It is almost necessary nowadays for all X-rays. For instance, if there is some doubt about whether a patient has an ulcer in the stomach, his intestines are pumped full of a

bismuth compound before the X-ray is applied. It is almost necessary to the life of the American people.

I said in the beginning that this was not a big item. I said that it was not going to break anybody. The only defense the Senator from Utah makes is that he says the American people will not have to pay the tax; that it will stop somewhere else. Some American person is going to pay the tax, because you are levying it; and what I say is this: I will talk about other items where the amount of the levy will be very much greater, where the burden on the American people will be very much greater, but if I talked about only one item in this bill what I said would be lost. If I am to make a speech that is going to impress the American people as to the adverse effect of this bill upon them, as I think it will be, from time to time I shall have to talk about a number of items.

I am not trying to delay the bill, but when I see a pertinent item I intend to call it to the attention of the Senate, hoping that my voice may go farther than the walls of the Senate Chamber, and this is just one. This is a very, very infinitesimal item; but, as I said in the beginning, the principle is here. The principle is absolutely clear—it rings like a bell—that the only purpose of increasing this tax is to levy it in the interest of some particular favored person, and let the rest of the people of the United States pay it.

Mr. SMOOT. Mr. President, I think the Senator is wrong in stating that this material is used in connection with the taking of X-ray photographs.

Mr. UNDERWOOD. That is my information.

Mr. SMOOT. Barium sulphate is used for that purpose.

Mr. UNDERWOOD. Also bismuth. It is a metallic substance. They have to use a metallic substance, and this is a metallic substance, and therefore they use it.

Mr. SMOOT. It may be possible, but I have never known it. I do know that they use barium sulphate for that purpose.

Mr. UNDERWOOD. Oh, I do not say this is the only thing they use, but this is one of the things they use largely.

Mr. JONES of New Mexico. Mr. President, I believe it will be enlightening for me to undertake to give some information. The information which the Senator from Utah gave did not appear to be very satisfactory, at least to me; but there is some evidence in this record which I think will clarify the situation, and, as briefly as possible, I want to call attention to it.

In the first place, I refer to the so-called Reynolds report.

Mr. SMOOT. What page?

Mr. JONES of New Mexico. Page 5. Senators will remember that a commission was appointed at considerable expense last fall to go out and ascertain the prices of these various commodities and get the comparative prices of domestic products and comparable imported products on all the items in the bill where an ad valorem duty was imposed. That commission went out, and they took up the subject of these compounds of bismuth, and they failed to find any of the imported product. They give the price here of the domestic product at $2 and $2.10 a pound, but they found no imported compounds of bismuth in the American market.

Bismuth has been on the free list under the Payne-Aldrich bill and under existing law; and, so far as I am advised, this is the first time in the history of our country when a duty has been imposed upon it, when a tax has been levied upon it which will be reflected in prices to the consumer.

There is some very enlightening testimony here. No doubt the Senator from Utah had this in his hand when he made his statement in response to my first query regarding the purposes of this item in the bill. I am going to read it, and I am going to read it all.

There are less than two pages of it. It comes from a very distinguished gentleman. I am satisfied that he is a truthful man. I am satisfied that he knew what he was talking about. He is known, perhaps, to every adult citizen of the United States. Therefore, what he says should carry great weight. It is the only testimony, so far as I know, which was submitted to the committee. Just when it was submitted I do not remember, but there are some earmarks here indicating that the figures which were presented were rather stale at the time they were presented. Nevertheless, we can get a good picture of just what this situation is.

I read the statement of William Loeb, jr., vice president of the American Smelting & Refining Co., New York City. Mr. Loeb said:

> Mr. Chairman and gentlemen of the committee, I appear before you this afternoon as spokesman for the producers of bismuth metal. It is free under paragraph 1523 of the House bill.
>
> The production of this metal in the United States in the year 1920 was 269,834 pounds. The imports were 72,771 pounds.

Mark you, without any duty, with a free opportunity to import, the importations in 1920 were 72,771 pounds, and the American production was 269,834 pounds.

Continuing:

> Direct comparison of present consumption in the United States is shown by figures which I am going to submit, with the exception that during the war smaller importations of bismuth were directly due to the consumption abroad for war purposes, and there seems to be no reason why importations should not again increase to pre-war figures.
>
> I have set forth in a table the production in the United States and the imports into the United States from 1912 to 1920, inclusive.

I call attention to the fact that the pre-war figures were just about twice what they were in 1920, according to Mr. Loeb's statement. He gives these figures of the United States production from 1912 down to and including 1920. He gives the importations from 1909 down to and including 1920, and I shall call attention to those figures a little later.

> Senator SMOOT. Those figures will be put in the record?
>
> Mr. LOEB. Yes; I can put them in the record.
>
> The United States producers are the American Smelting & Refining Co. and the United States Smelting, Refining & Mining Co. Those two concerns produce all the bismuth produced in this country and they can produce all that the United States consumes.

Referring again to the report of the Tariff Commission, these two concerns operate only in Utah, and evidently, while their names are a little different, it must be apparent that the same parties are interested in the two concerns. I may be mistaken about that; I am merely assuming it.

Mr. SMOOT. The Senator is wrong.

Mr. JONES of New Mexico. If I am wrong I am glad to have the Senator correct me. I have no doubt, however, that their business associations are very congenial.

Mr. SMOOT. I will say to the Senator that if they were congenial they would charge us a great deal more for smelting than they are charging. There is a fight there, and that is the only reason why we get a fair price.

Mr. JONES of New Mexico. It is a little interesting to me, to say the least, that one of them is called the American Smelting & Refining Co. and the other is called the United States Smelting, Refining & Mining Co.

Mr. SMOOT. It is because they have smelters in other parts of America.

Mr. JONES of New Mexico. Let that go; they are two organizations.

Mr. SMOOT. I do not know whether the Senator knows it or not, but the American Smelting & Refining Co. have smelters from New Jersey to California. I do not know where the United States Smelting Co. have their smelters, but all their smelters are not in Utah.

Mr. JONES of New Mexico. I am seeking to get information on the subject.

Mr. SMOOT. Then there is the International Smelting Co.

Mr. JONES of New Mexico. I read further from this statement of Mr. Loeb:

> As bismuth is produced in the United States entirely as a by-product, the cost of production depends upon the percentage of each operation which is charged against bismuth as compared with the other products recovered from the smelting operations. The cost of production can, therefore, only be stated approximately, as each company's figures are influenced by their accounting methods.

That is all that has been said regarding the cost of production, and the statement is necessarily true as to the cost of production of every by-product. Where you have different articles being produced by the same process, practically, it is, as Mr. Loeb says, just a matter of accounting as to how much you shall charge up as the cost of the by-product. It is a mere matter of accounting. You can not tell what it costs. It is just whatever the accountant sees fit to charge up against it in his books. Then he proceeds:

> The highest cost of production for the year 1920 was $2.14 per pound.

Of course, he does not tell us where he got that cost, whether that is the way his bookkeeper figured it at that time, or whether his bookkeeper would have been justified in figuring it some other way. He does not tell us whether that is a reasonable charge against that or not. He does not tell us how his smelters were operating in 1920. I do not know whether those smelters were busy throughout the year 1920 or not. I do not know what the overhead was that year. I do not know what the other output was, but according to his own statement, you can not tell what his costs are.

He proceeds, however, to make a very optimistic statement. He said:

> It is believed that this cost of production will be materially lowered during the latter part of 1921 and thereafter, and it is hoped to get the cost of production down to approximately $1 per pound.

That is where they hope to get it, and I wonder where the hope comes from. There can be only one source from which it comes, and that is his previous experience. Judging by his previous experience, a fair charge against this item as cost should be limited to a dollar a pound. He continues:

> The cost of production fixed by accounting in such an operation is always below the entire production cost from raw ore to finished metal.

That means that in this production, where you are charging up costs against by-products, you always charge up a less cost to a by-product than where you are making your business the production of the article as a primary product, a chief product.

So it is when you find a concern which is smelting ores for the primary purpose of getting by-products, according to its own statement, the cost must figure greater in such cases than where it is a mere by-product. I proceed with the reading:

This cost is in reality the necessary cost of the last operation of recovery. This is shown by the fact that where the price of the metal falls below the fixed production cost the smelters cease recovery of the metal, preferring to eliminate this item of cost even at the expense of loss of the metal.

Mr. SMOOT. That is what I stated.

Mr. JONES of New Mexico. That means that by their accounting system they can fix the point arbitrarily below which they will not proceed further.

Mr. SMOOT. The Senator is mistaken.

Mr. JONES of New Mexico. What I have read about the cost of the by-products becomes significant in connection with the paragraph which I am going to read now:

The cost of foreign production is unknown, but must be low due to the working of high-grade bismuth ores containing from 25 per cent to 70 per cent bismuth.

That is a little inconsistent with the statement which he had just previously made, that the high cost must come where the production of the commodity is the principal object of the action, but now he says that the cost must be relatively low because of the high percentage of bismuth which is recovered from the smelting of the ores in England. But I proceed—

These high-grade ores are found in Bolivia, China, and Australia, and are smelted in England.

Now we have that situation. England sends out to these different parts of the world for the ore, which only furnishes from 35 to 70 per cent of the metal they are trying to get. They must pay freight for bringing that ore from Bolivia, and from Bolivia to the coast they must pass over the mountains. The cost of transportation is high. The shipping cost from Bolivia to England all must be paid not only upon the metal but upon the ore. He says further:

When these figures were made up the market price was from $1.35 to $1.40 per pound. With the present high rate of exchange the price is about $1.55 to $1.60 per pound.

From that we can judge that when these figures were made up, when the English pound sterling had reached such a low level of value measured in gold, must have been back about 18 months ago, or two years ago, perhaps, in 1920, and these are the latest statistics which we have; but at that the bismuth was selling at $1.55 to $1.60 a pound. That is what they were getting for it. The wholesale price, according to the Reynolds report, was $2 to $2.10 a pound last August. I read further:

In view of the fact that bismuth is produced as a by-product only and is contained in substantial quantities in various lead ores, it is believed that the United States should conserve its raw-material assets by encouraging its smelters to recover this valuable by-product.

Of course, nobody likes to see waste in the world, but so far as the United States is concerned, I would like to know where the waste would be if the other commodity should be brought in here and sold to us cheaper than we can get it at home. As to the mere question of economic waste in the United States, Mr. Loeb is mistaken, in my judgment. He said:

There is every reason to believe that the domestic production can be increased to take care of the domestic consumption.

Not to provide protection which will assure the saving of this metal is to cause a triple economic loss: First, the loss to the industry; second, the loss to the Government in revenue; and, third, the irreplaceable loss of the metal itself.

I think we all agree that he is quite wise in enumerating those reasons in the order of their importance, and in stating that the important reason was the first—the loss to the industry. That is what he was looking after. That was the important feature—his loss, the loss to the industry, and, second, the loss to the Government in revenue. I agree with him that in this bill that is a secondary consideration.

Third. The irreplaceable loss of the metal itself.

So there it falls by the wayside as an important matter for consideration. That is the least important, this question of the waste. The next in importance is the loss of revenue to the Government, but the first consideration is the loss to the industry in which he is interested. He said further:

We ask for a specific duty of 25 cents per pound on refined bismuth metal in order to protect the American producers against the foreign low-cost producers. Bismuth salts and preparations are dutiable at 25 per cent ad valorem against former protection of 10 per cent ad valorem. We suggest that the duty on bismuth salts and other preparations be changed to 20 cents per pound, plus 25 per cent ad valorem, from the fact that 0.8 of a pound of bismuth is used in manufacturing 1 pound of the usual bismuth salt; hence, 0.8 of 25 cents per pound would be 20 cents per pound additional protection for 1 pound of bismuth salts.

Then he gives the list of the United States production for those years, and the imports, which I ask may be inserted in the RECORD as a part of my remarks without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

United States production.

	Pounds.		Pounds.
1912	122,080	1918	266,499
1913	213,554	1919	342,749
1914	251,481	1920	269,834
1915	316,716		
1916	245,667	Total	2,346,767
1917	818,187		

Imports.

	Pounds.		Pounds.
1909	176,729	1916	64,000
1910	200,000	1917	88,000
1911	178,000	1918	85,000
1912	166,000	1919	76,000
1913	151,000	1920	72,771
1914	133,000		
1915	34,000	Total	1,424,500

Mr. JONES of New Mexico. Now, I want to apply that information to what the committee has done. It decided to put a duty of 7½ per cent upon the metallic bismuth. The production of bismuth during 1920 was 269,834 pounds. At $1.60 a pound, 7½ per cent would be 12 cents for each pound of production. Remember, there are only 2 concerns producing this bismuth. It is produced as a by-product, and this means a gift to them of 12 cents a pound upon that product.

Now, let us see what the committee has done for those who make compounds of bismuth. It increased the duty. The House has a rate of 25 per cent upon compounds of bismuth. The price of that in the market is $2 per pound. Now, what does the committee do? It raises the rate of duty from 25 to 35 per cent, a difference of 10 per cent, as compensatory duty for the 7½ per cent levied upon bismuth, far greater than any compensation which would be necessary if it gave them the benefit of the whole duty levied upon the metallic bismuth. Bismuth at the present time is on the free list.

Mr. SMOOT. Mr. President, the Senator surely wants to be correct, but I do not know that it is worth while even for me to interrupt. When Mr. Loeb testified, it was on the basis of the American valuation of 25 per cent and he expected 10 per cent to be added to the American valuation. The committee did not add it. The committee changed it to the foreign valuation and only increased it 10 per cent. The Senator knows what that meant. If the Senator says Mr. Loeb is an honorable gentleman, and everybody in the United States knew him, and he wants to take his testimony in the case and abide by it, I think the Senator ought to know that that is the situation. That is what Mr. Loeb expected at the time, as almost all those who testified before the committee expected. When the Senator says this is an increase over what he asked, he knows there is a decrease as a matter of fact.

Mr. JONES of New Mexico. I would like further to understand what the Senator from Utah is trying to make out of his suggestion. All that I was seeking to make out of it was the disparity between the two rates. Whether the two rates are based upon one valuation or the other, the relative difference would remain the same. So, as I take it, it makes no difference, only if you put it upon the American valuation the relative difference would be much greater, so it would be worse under the American valuation plan.

Mr. SMOOT. The Senator's figures should just be reversed.

Mr. JONES of New Mexico. Not at all.

Mr. SMOOT. Oh, yes; they should.

Mr. McCUMBER. Mr. President, will the Senator yield to me that I may make a request?

Mr. JONES of New Mexico. Certainly.

Mr. McCUMBER. I ask unanimous consent that when we close our session for to-day we shall take a recess until to-morrow at 11 o'clock?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McKELLAR. May I ask the Senator if we are going to have any other vote to-night? We have been in session now over 11 hours and it seems to me——

Mr. McCUMBER. I hope we shall have a vote on this item to-night. Then I shall be ready to move to take a recess.

Mr. JONES of New Mexico. Mr. President, I believe that is all I have to say. I think it now appears in the RECORD just what this means. If Senators with this information before them desire to raise these rates, I want them to take that responsibility with full knowledge. I do not want any Senator to be able to say hereafter that he merely accepted whatever the committee suggested, that he had to rely upon the committee

because he did not have the information himself. I have taken this course to-night deliberately for that purpose and for that purpose only. I want to put the responsibility where it belongs, and I do not want Senators to hide behind the cloak of a committee. I want them to understand just the thing which they are voting when they vote on this item.

This particular item is based upon taking from the free list an article which is used as medicine and imposing a higher duty upon the compound because of this new duty, this new tariff upon metallic bismuth, which has been free in all of the past history of the country. Here is something new. No one has suggested before that this mere by-product of a smelter in Salt Lake City, Utah, which now demands for the first time a tax upon this medicine, should be taken off the free list. I want Senators to vote knowingly, so that each individual must take his individual responsibility. It amounts simply to a gift to two smelting companies of the country. It will not bring any more revenue, because by doing this they undertake to shut out the product. If they do not shut it out, how have they been benefited? On the basis of the present importations, it would amount to a revenue of $7,000 a year, but gives to these two smelting companies $27,000 a year. That is what it amounts to.

Mr. President, with these few remarks I am ready to take a vote.

Mr. McCUMBER. The first vote, I assume, is upon the question of striking out the word "preparations" and inserting in lieu thereof the word "mixtures." I suppose there is no objection to that amendment.

Mr. JONES of New Mexico. On that question the Senator from North Dakota is quite right. There is no reason why a request for the yeas and nays should be made there.

Mr. KING. The Senator from New Mexico accepts that pro forma?

Mr. JONES of New Mexico. Yes; I accept it pro forma. The next amendment is where the change is made from 25 to 35 per cent, and I think I shall move to insert, instead of 25 per cent——

The PRESIDING OFFICER. We have not reached that yet. The question is first upon the committee amendment striking out the word "preparations" and inserting in lieu thereof the word "mixtures."

The amendment was agreed to.

The READING CLERK. The next amendment is on page 7, line 7, to strike out 25 and insert 35 before the words "per centum," so as to make the paragraph read:

Chemical compounds, salts and mixtures of bismuth, 35 per centum ad valorem.

Mr. JONES of New Mexico. Mr. President, I think that I shall not offer any substitute, but shall vote against the increase from 25 to 35 per cent. It is true the House put in 25 per cent in view of what it thought would be the American valuation plan, but it just happens that the 25 per cent on the foreign valuation basis is the present duty upon that product. So I shall content myself with voting against the Senate committee amendment.

Upon the amendment, however, I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). I transfer my pair with the Senator from Montana [Mr. WALSH] to the junior Senator from Oregon [Mr. STANFIELD] and vote "yea."

Mr. HARRISON (when his name was called). I transfer my general pair with the Senator from West Virginia [Mr. ELKINS] to the junior Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. KELLOGG (when his name was called). I transfer my pair with the Senator from North Carolina [Mr. SIMMONS] to the junior Senator from Delaware [Mr. DU PONT] and vote "yea."

Mr. McKELLAR (when his name was called). Making the same announcement as before with reference to my pair and transfer, I vote "nay."

Mr. McKINLEY (when his name was called). Making the same announcement as before regarding my pair and its transfer, I vote "yea."

Mr. MYERS (when his name was called). I have a pair with the Senator from Connecticut [Mr. McLEAN]. I transfer that pair to the Senator from Ohio [Mr. POMERENE] and vote "nay."

Mr. WARREN (when his name was called). I transfer my general pair with the junior Senator from North Carolina [Mr. OVERMAN] to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as hitherto concerning my pair and its transfer, I vote "yea."

The roll call was concluded.

Mr. CURTIS (after having voted in the affirmative). I have a pair on this vote with the Senator from Wisconsin [Mr. LA FOLLETTE]. If he were present, he would vote "nay." If I were at liberty to vote, I would vote "yea." Being unable to obtain a transfer, I withdraw my vote, but desire to be counted for a quorum.

I announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS].

Mr. UNDERWOOD (after having voted in the negative). I understand that the senior Senator from Massachusetts [Mr. LODGE], with whom I have a general pair, has not voted. I transfer that pair to the senior Senator from Nevada [Mr. PITTMAN] and allow my vote to stand.

Mr. STANLEY. I have a general pair with the junior Senator from Kentucky [Mr. ERNST]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. JONES of New Mexico (after having voted in the negative). I desire to make the announcement as to my pair and its transfer which I have previously made this evening and allow my vote to stand.

The result was announced—yeas 33, nays 16, not voting 47, as follows:

YEAS—33.

Ball	Jones, Wash.	Newberry	Sutherland
Brandegee	Kellogg	Norbeck	Townsend
Broussard	Kendrick	Oddie	Wadsworth
Calder	Keyes	Page	Warren
Capper	Lenroot	Phipps	Watson, Ind.
France	McCormick	Rawson	Willis
Frelinghuysen	McCumber	Shortridge	
Gooding	McKinley	Smoot	
Hale	McNary	Spencer	

NAYS—16.

Ashurst	Harrison	King	Sheppard
Dial	Heflin	McKellar	Stanley
Fletcher	Hitchcock	Myers	Swanson
Harris	Jones, N. Mex.	Robinson	Underwood

NOT VOTING—47.

Borah	Elkins	Nelson	Shields
Bursum	Ernst	New	Simmons
Cameron	Fernald	Nicholson	Smith
Caraway	Gerry	Norris	Stanfield
Colt	Glass	Overman	Sterling
Crow	Harreld	Owen	Trammell
Culberson	Johnson	Pepper	Walsh, Mass.
Cummins	Ladd	Pittman	Walsh, Mont.
Curtis	La Follette	Poindexter	Watson, Ga.
Dillingham	Lodge	Pomerene	Weller
du Pont	McLean	Ransdell	Williams
Edge	Moses	Reed	

So the committee amendment was agreed to.

EXECUTIVE SESSION.

Mr. McCUMBER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session, the doors were reopened; and (at 10 o'clock and 25 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Friday, May 12, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate May 11 (legislative day of April 20), 1922.

MEMBER OF THE FEDERAL FARM LOAN BOARD.

Robert A. Cooper, of South Carolina, to be a member of the Federal Farm Loan Board, vice Asbury F. Lever, resigned.

COMMISSIONER OF FISH AND FISHERIES.

Henry O'Malley, of Washington, to be Commissioner of Fish and Fisheries, vice Hugh M. Smith, resigned.

APPRAISER OF MERCHANDISE.

George M. Jameson, of Pittsburgh, Pa., to be appraiser of merchandise in customs collection district No. 12, with headquarters at Pittsburgh, Pa., to fill an existing vacancy.

SURVEYOR OF CUSTOMS.

J. Howard Reed, of Hollidaysburg, Pa., to be surveyor of customs in customs collection district No. 11, with headquarters at Philadelphia, Pa., in place of Charles R. Kurtz, resigned.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY.

AIR SERVICE.

Capt. Richard Henry Ballard, Cavalry, with rank from July 1, 1920.

REAPPOINTMENT IN THE REGULAR ARMY.

Maj. Gen. Frank Winston Coe, Chief of Coast Artillery, to be Chief of Coast Artillery, with rank of major general, for the period of four years beginning May 24, 1922, with rank from May 24, 1918. His present appointment will expire May 23, 1922.

PROMOTIONS IN THE NAVY.

Lieut. Commander Claude B. Mayo to be a commander in the Navy from the 31st day of December, 1921.

Lieut. Commander Henry K. Hewitt to be a commander in the Navy from the 2d day of March, 1922.

Lieut. Commander Felix X. Gygax to be a commander in the Navy from the 19th day of April, 1922.

The following-named lieutenants to be lieutenant commanders in the Navy from the 3d day of June, 1921:

Ernest J. Blankenship.

Alfred Y. Lanphier.

Lieut. Oliver M. Read, jr., to be a lieutenant commander in the Navy from the 28th day of March, 1922.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of July, 1920:

John A. Terhune.

Leonard Doughty, jr.

Willis M. Percifield.

Ensign Willis M. Percifield to be a lieutenant (junior grade) in the Navy from the 29th day of June, 1920.

Lieut. John B. Cooke for temporary service to be a lieutenant (junior grade) in the Navy from the 1st day of July, 1920, in accordance with a provision contained in the act of Congress approved June 4, 1920.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 1st day of July, 1920:

Julian B. Noble.

Charles E. Coney.

Surg. Charles E. Ryder to be a medical inspector in the Navy, with the rank of commander, from the 10th day of November, 1921.

Asst. Surg. Frederic L. Conklin to be a passed assistant surgeon in the Navy, with the rank of lieutenant, from the 22d day of April, 1918.

Asst. Surg. James Humbert to be a passed assistant surgeon in the Navy, with the rank of lieutenant, from the 1st day of January, 1921.

The following-named passed assistant paymasters to be paymasters in the Navy, with the rank of lieutenant commander, from the 21st day of October, 1921:

Harry T. Sandlin.

Stanley M. Mathes.

John D. P. Hodapp.

Asst. Paymaster Charls G. Holland to be a passed assistant paymaster in the Navy, with the rank of lieutenant, from the 30th day of July, 1919.

Asst. Paymaster John O. Wood to be a passed assistant paymaster in the Navy, with the rank of lieutenant, from the 1st day of July, 1920.

The following-named assistant naval constructors to be naval constructors in the Navy, with the rank of lieutenant commander, from the 21st day of April, 1922:

Walter W. Webster.

Beirne S. Bullard.

Ernest L. Patch.

The following-named machinists to be chief machinists in the Navy, to rank with but after ensign, from the 28th day of December, 1920:

George J. Blessing.

Bennett M. Proctor.

Machinist Chauncey R. Doll to be a chief machinist in the Navy, to rank with but after ensign, from the 19th day of January, 1921.

The following-named machinists to be chief machinists in the Navy, to rank with but after ensign, from the 30th day of November, 1921:

Carl S. Chapman.
Andrew C. Skinner.
John C. Richards.
William W. Wilkins.
Benjamin F. Maddox.
Frank W. Yurasko.

Machinist John J. Enders to be a chief machinist in the Navy, to rank with but after ensign, from the 8th day of March, 1922.

Lieut. (Junior Grade) Carl K. Martin to be a lieutenant in the Navy from the 8th day of June, 1918.

Ensign Alonzo B. Alexander to be a lieutenant (junior grade) in the Navy from the 1st day of July, 1920.

The following-named passed assistant paymasters to be paymasters in the Navy, with the rank of lieutenant commander, from the 21st day of October, 1921:

Arthur H. Eddins.

Charles C. Copp.

Asst. Paymaster William A. Best to be a passed assistant paymaster in the Navy, with the rank of lieutenant, from the 1st day of July, 1920.

POSTMASTERS.

ALABAMA.

William C. Starke to be postmaster at Troy, Ala., in place of Emory Folmar, declined.

FLORIDA.

Clement C. Ausherman to be postmaster at Fort Lauderdale, Fla., in place of S. M. Craig. Incumbent's commission expired August 26, 1920.

Jennie L. Cooley to be postmaster at Lynn Haven, Fla., in place of I. F. Titus. Incumbent's commission expired April 1, 1922.

GEORGIA.

Ibbie G. Pearce to be postmaster at Sumner, Ga. Office became presidential July 1, 1920.

ILLINOIS.

Henry Snow to be postmaster at Maquon, Ill. Office became presidential January 1, 1921.

INDIANA.

Herbert A. Milburn to be postmaster at Patoka, Ind. Office became presidential April 1, 1922.

KANSAS.

Anna L. January to be postmaster at Osawatomie, Kans., in place of M. V. Dunlap. Incumbent's commission expired February 4, 1922.

KENTUCKY.

Harvey H. Pherigo to be postmaster at Clay City, Ky. Office became presidential July 1, 1921.

John P. Vanzant to be postmaster at Edmonton, Ky. Office became presidential January 1, 1921.

Zephaniah Harrel to be postmaster at Rockport, Ky. Office became presidential July 1, 1921.

Robert L. Jones to be postmaster at Morganfield, Ky., in place of F. B. Brown. Incumbent's commission expired July 12, 1920.

LOUISIANA.

Levi P. Carter to be postmaster at Bunkie, La., in place of Ewell West. Incumbent's commission expired September 1, 1920.

MASSACHUSETTS.

Luke W. Hemmenway to be postmaster at Bryantville, Mass. Office became presidential April 1, 1922.

Cleon F. Forbes to be postmaster at Stoughton, Mass., in place of C. T. Farrell, resigned.

MICHIGAN.

Florence C. Curtis to be postmaster at Whittemore, Mich. Office became presidential January 1, 1921.

William Wolz to be postmaster at Three Oaks, Mich., in place of G. F. Carrier. Incumbent's commission expired January 24, 1922.

MINNESOTA.

Charles A. Allen to be postmaster at Milaca, Minn., in place of C. A. Allen. Incumbent's commission expired July 24, 1920.

MISSOURI.

Flavius A. Rumbuhl to be postmaster at Leslie, Mo. Office became presidential April 1, 1922.

Walter S. Johnston to be postmaster at Crocker, Mo., in place of W. D. Johnson. Incumbent's commission expired January 24, 1922.

NEW HAMPSHIRE.

Ervin W. Hodsdon to be postmaster at Center Ossipee (late Mountainview), N. H., in place of E. W. Hodsdon. Name of office changed.

NEW JERSEY.

Frank E. Smith to be postmaster at Ridgefield Park, N. J. Office became presidential October 1, 1921.

NEW MEXICO.

Harran H. De Lozier to be postmaster at Texico, N. Mex., in place of S. C. Hunter, resigned.

NORTH DAKOTA.

Fred Fercho to be postmaster at Lehr, N. Dak. Office became presidential January 1, 1921.

OHIO.

Albert D. Owen to be postmaster at Austinburg, Ohio. Office became presidential April 1, 1922.

Edgar R. Holmes to be postmaster at Millersport, Ohio. Office became presidential April 1, 1922.

OKLAHOMA.

Nellie E. Vincent to be postmaster at Mutual, Okla. Office became presidential April 1, 1922.

PENNSYLVANIA.

John C. Wilson to be postmaster at Mercersburg, Pa., in place of H. B. Krebs. Incumbent's commission expired February 4, 1922.

SOUTH CAROLINA.

Paul F. W. Waller to be postmaster at Myers, S. C. Office became presidential January 1, 1922.

TEXAS.

R. Kyle Cross to be postmaster at Cumby, Tex., in place of W. B. Junell. Incumbent's commission expired January 24, 1922.

Richard T. Polk to be postmaster at Killeen, Tex., in place of R. D. Tankerley, resigned.

VERMONT.

Marion C. White to be postmaster at Cavendish, Vt. Office became presidential April 1, 1922.

VIRGINIA.

Bertha Thompson to be postmaster at Ferrum, Va. Office became presidential January 1, 1921.

WISCONSIN.

Ellen E. Hamburg to be postmaster at Winegar, Wis. Office became presidential April 1, 1922.

Maud E. Johnston to be postmaster at Spencer, Wis., in place of Helen Pickett, declined.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 11 (legislative day of April 20), 1922.

RECEIVER OF PUBLIC MONEYS.

Hayward H. Schwoob to be receiver of public moneys at Lander, Wyo.

POSTMASTERS.

FLORIDA.

William W. Zipperer, Jennings.
Charles S. Williams, Key West.
Warren J. Armstrong, Valparaiso.
Leland M. Chubb, Winter Park.

ILLINOIS.

Harker Miley, Harrisburg.
Cyril E. Reed, London Mills.
Richard A. Full, Roanoke.

MASSACHUSETTS.

Myrtice S. King, Upton.

MISSISSIPPI.

George H. Flowers, Kilmichael.
Raymond H. Fairhurst, Lake.
Fred J. McDonnell, Okolona.
Charles W. Boen, Wiggins.

NEBRASKA.

Oscar L. Lindgren, Bladen.
Earl C. Rickel, Edgar.

NEW JERSEY.

Harry M. Riddle, Asbury.
Frederick W. Travis, Fair Haven.
Joseph G. Endres, Seaside Heights.

NEW YORK.

Clarence A. E. Churchill, Ellicottville.
Susie E. Garrison, Wingdale.

RHODE ISLAND.

Mary I. Cummiskey, Crompton.

VIRGINIA.

W. Ingles Harnsberger, Grottoes.
William E. Hudson, Monroe.
William G. O'Brien, Tazewell.

HOUSE OF REPRESENTATIVES.

THURSDAY, *May 11, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

As the mountains are round about the Eternal City, so the Lord is with us, and we stand in His eternal ways. Thy mercy is a wide-open gate. Here we would breathe our thanksgiving and confess our sins. When the pool is bitter, the healing tree is nigh; in the desert-wilderness there are the gushing streams from the broken rock! O sustain us in our effort to live in the upper liberties, where are heard the tones of peace and personal satisfaction. May we express our gratitude in daily trust, in sacrificial service, and in continual beneficent industry. For Thy name's sake we ask. Amen.

The Journal of the proceedings of yesterday was read and approved.

SPEAKER PRO TEMPORE.

The SPEAKER. The Speaker expects to be away to-morrow and possibly one or two further legislative days, and designates the gentleman from Massachusetts [Mr. WALSH] to act as Speaker pro tempore during his absence.

READJUSTMENT OF THE PAY OF THE ARMY, NAVY, ETC.

Mr. McKENZIE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10972.

The question was taken, and the Speaker announced the ayes had it.

Mr. CLOUSE. Mr. Speaker, I was on my feet and I suggest the absence of a quorum. There should be a quorum here, I think, when this motion is put.

Mr. GARRETT of Tennessee. Mr. Speaker, the House divided?

The SPEAKER. Yes; the Chair announced the result, but the gentleman from Indiana makes the point of order that there is no quorum present or voting. The Chair thinks there is no quorum present or voting. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 283, nays 0, answered "present" 1, not voting 146, as follows:

YEAS—283.

Ackerman	Collier	Hadley	Lazaro
Almon	Colton	Hammer	Lea, Calif.
Andrew, Mass.	Connally, Tex.	Hardy, Colo.	Leatherwood
Andrews, Nebr.	Cooper, Ohio	Harrison	Lee, Ga.
Appleby	Cooper, Wis.	Haugen	Lee, N. Y.
Arentz	Cramton	Hawes	Lehlbach
Aswell	Crisp	Hawley	Lineberger
Bacharach	Crowther	Hayden	Linthicum
Barbour	Cullen	Hays	London
Barkley	Curry	Henry	Lowrey
Begg	Dallinger	Hersey	Luce
Bell	Deal	Hickey	Luhring
Benham	Denison	Hicks	Lyon
Bird	Doughton	Hill	McClintic
Black	Dowell	Himes	McCormick
Blakeney	Drewry	Hogan	McDuffie
Bland, Ind.	Driver	Hooker	McKenzie
Bland, Va.	Dunbar	Huddleston	McLaughlin, Mich.
Bond	Dunn	Hukriede	McLaughlin, Nebr.
Bowers	Dupré	Hull	McSwain
Bowling	Echols	Husted	Madden
Box	Elliott	Jacoway	Magee
Brennan	Evans	Jeffers, Ala.	Mapes
Briggs	Fairchild	Johnson, Ky.	Merritt
Brooks, Ill.	Fairfield	Johnson, Miss.	Michener
Brown, Tenn.	Faust	Johnson, Wash.	Miller
Buchanan	Favrot	Jones, Tex.	Mills
Bulwinkle	Fenn	Keller	Millspaugh
Burroughs	Fisher	Kennedy	Mondell
Burtness	Fitzgerald	Ketcham	Montoya
Burton	Focht	Kincheloe	Moore, Ill.
Byrnes, S. C.	Fordney	King	Moore, Ohio
Byrns, Tenn.	Freeman	Kinkaid	Moore, Va.
Cable	French	Kirkpatrick	Moores, Ind.
Campbell, Kans.	Fuller	Kissel	Morin
Cannon	Fulmer	Kline, N. Y.	Murphy
Cantrill	Funk	Kline, Pa.	Nelson, Me.
Carew	Gahn	Knight	Nelson, A. P.
Carter	Gallivan	Knutson	Nelson, J. M.
Chalmers	Garner	Kopp	Newton, Minn.
Chandler, N. Y.	Garrett, Tenn.	Kraus	Norton
Chandler, Okla.	Garrett, Tex.	Kreider	O'Brien
Chindblom	Gensman	Lampert	Ogden
Christopherson	Gernerd	Lanham	Oldfield
Clague	Glynn	Lankford	Oliver
Clarke, N. Y.	Goodykoontz	Larsen, Ga.	Overstreet
Clouse	Greene, Mass.	Larson, Minn.	Padgett
Codd	Greene, Vt.	Lawrence	Park, Ga.
Cole, Iowa	Griffin	Layton	Parker, N. J.

Parker, N. Y.	Rose	Stoll	Voigt
Parks, Ark.	Rossdale	Strong, Kans.	Volk
Patterson, Mo.	Rouse	Summers, Wash.	Volstead
Perkins	Rucker	Sumners, Tex.	Walsh
Petersen	Sanders, N. Y.	Swank	Wason
Pringey	Sanders, Tex.	Sw[illegible]g	Watson
Purnell	Sandlin	Tague	Weaver
Quinn	Schall	Temple	Wheeler
Rainey, Ill.	Scott, Mich.	Ten Eyck	White, Kans.
Raker	Scott, Tenn.	Thomas	White, Me.
Ramseyer	Shaw	Tillman	Williams
Rankin	Shelton	Timberlake	Williamson
Rayburn	Sinclair	Tincher	Wilson
Reece	Sinnott	Tinkham	Wise
Reed, W. Va.	Sisson	Towner	Woodruff
Rhodes	Smith, Idaho	Treadway	Woods, Va.
Ricketts	Sproul	Tucker	Wright
Riordan	Stafford	Tyson	Wyant
Robertson	Steagall	Upshaw	Yates
Robsion	Stedman	Valle	Young
Rodenberg	Steenerson	Vestal	Zihlman
Rogers	Stephens	Vinson	

ANSWERED "PRESENT"—1.

Michaelson

NOT VOTING—146.

Anderson	Edmonds	Kunz	Rosenbloom
Ansorge	Ellis	Langley	Ryan
Anthony	Fess	Little	Sabath
Atkeson	Fields	Logan	Sanders, Ind.
Bankhead	Fish	Longworth	Sears
Beck	Foster	McArthur	Shreve
Beedy	Frear	McFadden	Siegel
Bixler	Free	McLoughlin, Pa.	Slemp
Blanton	Frothingham	McPherson	Smith, Mich.
Boies	Gilbert	MacGregor	Smithwick
Brand	Goldsborough	Maloney	Snell
Britten	Gorman	Mann	Snyder
Brooks, Pa.	Gould	Mansfield	Speaks
Browne, Wis.	Graham, Ill.	Martin	Stevenson
Burdick	Graham, Pa.	Mead	Stiness
Burke	Green, Iowa	Montague	Strong, Pa.
Butler	Griest	Morgan	Sullivan
Campbell, Pa.	Hardy, Tex.	Mott	Sweet
Clark, Fla.	Herrick	Mudd	Taylor, Ark.
Classon	Hoch	Newton, Mo.	Taylor, Colo.
Cockran	Hudspeth	Nolan	Taylor, N. J.
Cole, Ohio	Humphreys	O'Connor	Taylor, Tenn.
Collins	Hutchinson	Olpp	Thompson
Connell	Ireland	Osborne	Tilson
Connolly, Pa.	James	Paige	Underhill
Copley	Jefferis, Nebr.	Patterson, N. J.	Vare
Coughlin	Johnson, S. Dak.	Perlman	Walters
Crago	Jones, Pa.	Porter	Ward, N. Y.
Dale	Kahn	Pou	Ward, N. C.
Darrow	Kearns	Radcliffe	Webster
Davis, Minn.	Kelley, Mich.	Rainey, Ala.	Wingo
Davis, Tenn.	Kelly, Pa.	Ransley	Winslow
Dempsey	Kendall	Reavis	Wood, Ind.
Dickinson	Kiess	Reber	Woodyard
Dominick	Kindred	Reed, N. Y.	Wurzbach
Drane	Kitchin	Riddick	
Dyer	Kleczka	Roach	

So the motion was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Maloney with Mr. Stevenson.

Mr. Atkeson with Mr. Cockran.

Mr. McPherson with Mr. Kunz.

Mr. Kiess with Mr. Martin.

Mr. Michaelson with Mr. Fields.

Mr. Sanders of Indiana with Mr. Logan.

Mr. Butler with Mr. Sullivan.

Mr. Coughlin with Mr. O'Connor.

Mr. Osborne with Mr. Brand.

Mr. Boies with Mr. Taylor of Colorado.

Mr. Graham of Pennsylvania with Mr. Sears.

Mr. Connell with Mr. Mead.

Mr. Kearns with Mr. Ward of North Carolina.

Mr. Newton of Missouri with Mr. Bankhead.

Mr. Shreve with Mr. Collins.

Mr. Snell with Mr. Goldsborough.

Mr. McArthur with Mr. Campbell of Pennsylvania.

Mr. Smith of Michigan with Mr. Wingo.

Mr. Wurzbach with Mr. Dominick.

Mr. Perlman with Mr. Kitchin.

Mr. Gorman with Mr. Sabath.

Mr. Dickinson with Mr. Kindred.

Mr. Winslow with Mr. Drane.

Mr. Bixler with Mr. Mansfield.

Mr. Kendall with Mr. Davis of Tennessee.

Mr. Patterson of New Jersey with Mr. Hardy of Texas.

Mr. Langley with Mr. Clark of Florida.

Mr. Davis of Minnesota with Mr. Humphreys.

Mr. Beedy with Mr. Gilbert.

Mr. Stiness with Mr. Taylor of Arkansas.

Mr. Reed of New York with Mr. Pou.

Mr. Darrow with Mr. Smithwick.

Mr. Roach with Mr. Blanton.

Mr. Browne of Wisconsin with Mr. Rainey of Alabama.

Mr. Kleczka with Mr. Hudspeth.

Mr. Strong of Pennsylvania with Mr. Montague.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The Doorkeeper will open the doors.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10972, with Mr. TOWNER in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10972, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

The CHAIRMAN. At the close of the consideration of this bill on a previous day the first section had been read. It is now open for amendment.

Mr. OLIVER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Strike out the period and insert, on page 5, line 22, after the figures "$5,750," the following:

"*Provided*, That nothing in this section or in any other section of this bill shall authorize the retired pay for a colonel in the Army, captain in the Navy, or corresponding grades to exceed $3,750 per annum; of a lieutenant colonel in the Army, commander in the Navy, or corresponding grades, to exceed $3,375 per annum; of a major in the Army, lieutenant commander in the Navy, or corresponding grades or of any officer below the grade of major in the Army, or lieutenant commander in the Navy, or corresponding grades, to exceed $3,000 per annum."

Mr. OLIVER. Mr. Chairman, I wish to call the attention of the gentleman from Illinois [Mr. MCKENZIE] to the pending amendment, and I hope he will accept it. It seeks to continue as the maximum retirement pay the amounts now fixed by existing law, to wit, $3,750 for a colonel, $3,375 for a lieutenant colonel, and $3,000 for a major, and officers of corresponding grades in the other services. May I ask whether the gentleman has serious objection to it?

Mr. BYRNES of South Carolina. Will the gentleman yield?

Mr. OLIVER. Yes.

Mr. BYRNES of South Carolina. The purpose of the gentleman's amendment is to provide that there shall be no increase in the compensation of the officer who is now retired.

Mr. OLIVER. Or who may hereafter be retired.

Mr. BYRNES of South Carolina. Or who is to be retired hereafter?

Mr. OLIVER. Yes; the amendment simply undertakes to fix as a maximum retired pay for officers below the grade of brigadier general the maximum retired pay now allowed by law. It has relation only to retired pay, and in no way affects the pay or compensation of an officer while on active service.

Mr. BYRNES of South Carolina. I am not speaking for anybody else, and my personal view is the same as his as to those on the retired list. It should remain as it is. As to the future, I disagree with the gentleman.

Mr. NEWTON of Minnesota. It applies not only to those on the retired list but also to those who are to be retired in the future?

Mr. OLIVER. Yes. I question whether the House desires to give increased retired pay to officers at this time. This amendment fully protects the officer as to retired pay now allowed under existing law, and in no way takes from or diminishes his pay or compensation while in active service, and the amendment as drawn will not affect any increase in pay proposed by the pending bill for an officer on active service. When you recall that a large number of officers now in the service have to their credit service which heretofore has counted for longevity pay only, and when you further recall that under existing law a limitation of $1,000 is fixed on the amount of longevity pay for colonels, lieutenant colonels, and majors and officers of corresponding grades, and that under existing law longevity pay is limited to 40 per cent, whereas under this bill the longevity pay is increased to 50 per cent and the limitation of $1,000 removed, I think the House will deem it proper to limit the retired pay to the amounts now fixed by law. Unless a limitation is fixed the maximum retired pay of a colonel will be increased $750, that of a lieutenant colonel, $937.50; and that of a major, $937.50. This will occur on account of the removal of the limitation of $1,000 on longevity pay and the increased per cent from 40 to 50, and because the pending bill undertakes to give to service a further and different purpose from that it has served in the past, to wit: Instead of being counted for longevity pay only, under the terms of this bill, it will hereafter serve to

advance officers now in the service to a pay period higher than the one corresponding to the grade in which they hold commissions.

Under existing law captains of the Navy are retired at the age of 56, if not promoted, commanders at 50, and lieutenant commanders at 45.

The CHAIRMAN. The time of the gentleman has expired.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent for five minutes more. Without objection, it is so ordered.

There was no objection.

Mr. OLIVER. Under the pending bill longevity pay is increased from 40 to 50 per cent and the limitation of $1,000 on longevity pay removed, and service, other than commissioned service, can be claimed by the officers now holding commissions for advancement to higher base pay, thereby increasing their base pay $500.

An examination of Table 1 attached to the minority report will show that there are many officers in the grade of colonel, a limited number in the grades of lieutenant colonel and major, and of corresponding grades who will, by reason of the changes proposed in existing law by the pending bill, be entitled to the maximum increase of retired pay, to wit: For colonels, $750; lieutenant colonels, $937.50; and majors, $937.50. Now, the highest retired pay for a civilian employee is $720, and you would, by this bill, unless this amendment is adopted, give to officers now in the service under the grade of brigadier general an increase in retired pay larger than the total amount of the annual retired pay of any civilian employee. If retired pay is to be increased, let it be done by a subsequent bill, after the pending bill has been tried, and when the House can act with fuller knowledge as to the results that may follow.

The maximum retired pay of a colonel is now $3,750, and should not be increased by this bill to $4,500; that of a lieutenant colonel $3,375, and should not be increased to $4,312.50; that of major is now $3,000, and should not be increased to $3,937.50, as the pending bill would do if not amended.

Mr. McKENZIE. Your statement is that under this bill the retired pay of a colonel would approximate $4,500, instead of $3,500 as at present?

Mr. OLIVER. The maximum retired pay of a colonel is now $3,750, and if the pending bill passes without amendment it will be $4,500.

Mr. McKENZIE. Under the law the retired officer receives three fourths of his base pay?

Mr. OLIVER. You mean three-fourths of his base and longevity pay.

Mr. McKENZIE. What would be the base pay of a colonel at its maximum under this bill?

Mr. OLIVER. The base pay of a colonel is $4,000, and, if he has had 30 years' service, under the provisions of the pending bill his longevity pay would be $2,000, thus making his pay $6,000—three-fourths of which would represent his retirement pay.

The CHAIRMAN. The time of the gentleman has expired.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection. [After a pause.] The Chair hears none.

Mr. McKENZIE. The sixth pay period, when they reach that after 30 years of service, the base pay, which is the maximum, is——

Mr. OLIVER. The base pay of a colonel, as I before stated, is $4,000, and where he has had 30 years' service his longevity pay under the pending bill would be $2,000 instead of $1,000 as under existing law.

There can be no possible difference between the gentleman and myself as to what is the base pay of a colonel and what under this bill his maximum longevity pay would be. Unquestionably, the limitation of $1,000 on longevity pay is removed by the pending bill, so that 30 years' service will now increase the longevity pay of a colonel to $2,000. There are more than 300 colonels and officers of corresponding grades now in the service who will be entitled on the passage of this bill, if not amended, to the maximum longevity pay of $2,000, thereby increasing the retirement pay of these colonels from $3,750 to $4,500.

Table 1 also shows that there are lieutenant colonels and majors with sufficient service to secure under the provisions of this bill, if not amended, an increase of $937.50 on their retirement pay. Is it the purpose of the House, when officers are retired from the service, to provide in this bill these large increases in present retirement pay? The very fact that the gentleman from South Carolina seems unwilling to increase the pay of the officer now retired furnishes an unanswerable reason why the officers to be hereafter retired shall not have increased retired pay. Under this bill he will be given, and should be given, if the bill passes, some increase in pay and compensation while in active service.

If, in accordance with the suggestion of the gentleman from South Carolina, an increased retired pay is given to all officers now in the service and denied to all officers now on the retired list, or who may be placed on the retired list before this bill becomes effective, then you will have an officer retiring during the present month as a colonel in the Army or captain in the Navy with $3,750, and if this bill should pass during June you might have a few days thereafter a colonel in the Army or captain in the Navy retired on a pay of $4,500.

Both of these officers now in the service have 30 years to their credit. Now, why should we make a distinction between the one who retires just before and the one just after the passage of the bill, so as to increase the retired pay of the last during the remainder of his life $750 a year over the retired pay of the one who may retire just before the bill goes into effect?

The fact is that the law in reference to retired pay has always given to retired officers the same retired pay as is provided for the officer in active service when he retires. In other words, where retired pay has been increased for the officers in the service, the law carries a like increase to those on the retired list who were retired in the same grades with the same service. Yet the gentleman from South Carolina objects to giving any increase to men now on the retired list but favors a maximum increase to colonels of $750 and to lieutenant colonels and majors of $937.50 now in the service when they are retired. I am sure that on second thought he will recognize the justice of the amendment offered and, I trust, will give it his support. No increase in retired pay should be carried in this bill for either officers on the active or retired list.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent for just two minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. OLIVER. May I ask the gentleman from Illinois [Mr. McKENZIE] if there is any difference between us as to what this bill provides relative to retired pay?

Mr. McKENZIE. I have not paid very close attention to all the gentleman has said, but I think he has stated the facts very clearly. It is a question of difference of opinion.

Mr. LEA of California. Mr. Chairman, will the gentleman yield?

Mr. OLIVER. Yes.

Mr. LEA of California. I uhderstand the differences of salary prescribed in your amendment are based on existing law.

Mr. OLIVER. No.

Mr. LEA of California. I would like to have the gentleman state the comparative relation of limitations he suggests to the law that is here proposed.

Mr. OLIVER. Under the pending bill, it is proposed to increase the maximum longevity and base pay of a colonel from $5,000 to $6,000, of a lieutenant colonel from $4,500 to $5,750, and major from $4,000 to $5,250. This amendment, if adopted, will not prevent this increase in the longevity and base pay of officers in the service, but will simply serve to limit the retirement pay of all officers under the grade of brigadier general to the maximum retired pay which they are permitted to draw under existing law. In other words, hereafter the retired pay of a colonel will be $3,750, that of a lieutenant colonel $3,375, that of a major $3,000, if the pending amendment is adopted. If not adopted, the maximum retired pay of a colonel will be $4,500, that of a lieutenant colonel $4,312.50, and that of a major $3,937.50.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

Mr. McKENZIE. Mr. Chairman, I shall not detain the committee very long on this amendment, but I want to say a few words. The fact about the case is that this bill involves many propositions, including the matter of retired pay. It does propose a certain graduated increase, reaching its maximum at the end of 30 years. It is true that in the Navy to-day and in the other services covered by this bill many things are counted to make up the length of service. These conditions are the result of legislation by Congress heretofore. We accepted the situation as we found it, and we said, "We will write a law that will require an officer to give to this country 30 years' commissioned service before he can reach the maximum of the fixed pay period of $6,000."

We also said, "We will change the law of longevity from a 10 per cent increase for every 5 years up to 20, which makes a 40 per cent increase, and we will make it 5 per cent for every 3 years over the period of 30 years, making an increase of 50 per cent." So far as that longevity pay is concerned, it does not affect the taxpayer to any great extent whether it is 40 per cent for 20 years or 50 per cent for 30 years.

Now, after having fixed the basis, after having fixed the time that these men must serve before they reach the various pay periods up to 30 years, we then said that hereafter this law shall apply to the retired list. In other words, to-day the law is that the retired officer in any of these services receives three-fourths of his base pay. It was the intention of the committee to raise the pay. Let us be frank about it. I think we are all for the proposition to raise the pay somewhat over the pay scale of 1908; and when we raised the pay scale for the men in the service over that of 1908, in order to be consistent and logical we said, "We will apply this same rule to the retired list," and we went one step further, and this is the only proposition raised by the gentleman from Alabama that may deserve criticism at all. That is where we say in this law that a man now on the retired list who had long service in the Army or Navy should have his retired pay measured by this bill rather than the old law. It will not affect all men retired who had a short time of service, but officers of long service may get some little increase under this bill. I am frank to admit to the gentleman from Alabama and to this House that as a matter of fact this is a gratuity in those cases. The Government has kept its contract with those old men. They have been living through this period when a dollar would buy only half as much as it formerly did, and they are living now on that small amount of retired pay; and we said we believed that this country would be willing and that this Congress would be willing to say that these old retired officers might have a little increase.

Mr. OLIVER. Will the gentleman yield?

Mr. McKENZIE. In a moment. The gentleman from Alabama objects to this. I am sorry that the gentleman did not bring some of these things to the attention of the committee while we were laboring long and hard to write this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McKENZIE. I would like two minutes more, Mr. Chairman.

The CHAIRMAN. The gentleman from Illinois [Mr. McKENZIE] asks unanimous consent that his time be extended two minutes. Is there objection?

There was no objection.

Mr. McKENZIE. But now after the bill has been prepared, after we have given our best thought to it, after we have taken into consideration all of these men in the service, recognizing the inequity that exists perhaps between some of the naval officers and the men in the Army and the Coast Guard—the gentleman from Alabama does not say anything about those in these other services—recognizing all of these things, we feel that with this law on the statute books it will do entire justice and equity to every man in all of these services. It is up to you, my colleagues, whether or not you want to say now that you are ready to say to those old men who are out on the retired list, "We will take care of the future but not of the past." So far as I am personally concerned, I stand for the provision as written in the bill and I hope the House will stand for it. [Applause.]

Mr. BLAND of Indiana. Will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. BLAND of Indiana. I understood the gentleman from Alabama to say that a colonel who retired at the age of 45 under this bill would receive a salary of $4,500, whereas now he would receive $3,750. Is the gentleman in favor of that being done?

Mr. McKENZIE. I understood him to say in the Navy.

Mr. BLAND of Indiana. And at the same time the bill reduces the privates from $30 to $21. Is that a correct statement of fact?

Mr. McKENZIE. I can not say whether it is or not. I do not quite get the gentleman.

Mr. BLAND of Indiana. I understand it to be a correct statement of fact.

Mr. OLIVER. Unquestionably a colonel retiring after 30 years' service is retired at an increased pay of $750; in other words, $4,500; and a captain in the Navy corresponds to a colonel in the Army. He is supposed to retire at 56, and he performs always 30 or more years of service.

Mr. BLACK. Mr. Chairman, I can not believe for a moment that the House will agree to that provision of the pending bill which will increase the retirement pay of the officers already retired. It has not been very long since the Committee on the District of Columbia brought in just such a bill as this to increase the retired pay of all policemen here in the District of Columbia on account of the fact that a year or two ago Congress increased the salaries of policemen of the District and thereby increased the retirement pay of those now in the service when they shall retire. The contention of the proponents of that bill was that inasmuch as Congress had seen fit to increase the salaries of the policemen and firemen now in the service, therefore it ought to go back and increase the retired pay of all those who had been retired under the old law. I do not agree to the logic of that position. I am in favor of the amendment which the gentleman from Alabama [Mr. OLIVER] has offered. It does not affect the base pay provided in the bill to the officer as long as he is in the service. It does not affect the longevity pay provided by the bill; but it does say that the maximum retirement pay of a colonel shall be $3,750 and that the maximum retirement pay of a lieutenant colonel shall be $3,325, and that the maximum retirement pay of a major shall be $3,000.

Now, gentlemen of the House, I have no criticisms or derogatory statements to make concerning the record for service of our Regular Army officers or the officers of our Marine Corps or of the Navy or the Coast Guard or the Public Health Service, but I do think that one of the most liberal laws of all the laws of the United States is the retirement provision for Army and Navy officers. [Applause.] I do not know of any nation in the world that has been so generous as the Congress of the United States has been in making these retirement provisions; and at this time when the taxpayers in my district and yours are having to borrow money to pay their taxes, I can not understand why this committee should come in here with a bill that would provide large increases in retirement pay. Under this bill, as now written, colonels, if long enough in the service, could retire at $4,500 when they reached the retirement age, and a lieutenant colonel could retire at $3,750, I believe.

Mr. OLIVER. Three thousand three hundred and seventy-five dollars plus $750 was the increase.

Mr. BLACK. I thank the gentleman for the more definite figure. I can not conceive how this Republican House, which has pledged itself to economy, and how we Democrats who have pledged ourselves to support the economy program and to go even further than you are willing to go—I can not see how, in the face of these professions which we have made so often in debate, we can stand up for the present provisions in this bill with relation to retirement pay. We must defeat them. Therefore, I am going to support the amendment offered by the gentleman from Alabama, and I believe if it is adopted it will still leave these respective officers with the best retirement law of any nation in the world. [Applause.]

Mr. BYRNES of South Carolina. Mr. Chairman, I want to say a few words in relation to this amendment. I have no objection to—on the contrary, I am in favor of—an amendment providing that no officer now on the retired list shall receive compensation in excess of that which he is now receiving. The law provides that an officer is entitled to three-quarters of the pay of the grade in which he was serving at the time he retired. My contention is that this law should continue to operate, and if it continues to operate there is going to be very little difference between the position advocated by the gentleman from Alabama and myself. I would not want the minds of Members to become confused by the statement which evidently found lodgment in the mind of the gentleman from Indiana [Mr. BLAND] that a colonel who has had 30 years' service can be retired at the age of 45 and receive this enormous amount of money. It follows that if a colonel at the age of 45 can be retired, he entered the service when he was 15 years old, which is impossible.

Mr. BLACK. Will the gentleman yield?

Mr. BYRNES of South Carolina. Yes.

Mr. BLACK. It is possible for a colonel with the necessary amount of service to be retired under this bill at $4,500.

Mr. BYRNES of South Carolina. Yes; if he has completed 30 years' service, but I can not figure out, and the gentleman from Texas, who is a good mathematician, can not figure out how a colonel with 30 years' service could be only 45 years old. It can not be done.

Mr. BLACK. Is it not possible for him to draw $6,000 under this bill?

Mr. BYRNES of South Carolina. No; not for retirement. He can while in the service, provided he has served 30 years, and is a colonel.

Mr. BLACK. Thirty years?

Mr. BYRNES of South Carolina. If he is 45 and he has had 30 years' service, he must have entered the service at the age of 15, and we know he could not enter at 15.

Mr. BLACK. Will the gentleman contend that under the provisions of his bill——

Mr. BYRNES of South Carolina. It is not my bill, but the bill of the gentleman from Illinois.

Mr. BLACK. Under the provisions of this bill that it is not possible for a colonel to draw $6,000?

Mr. BYRNES of South Carolina. I do not see how he can with 30 years of service, and be only 45 years of age.

Mr. BLACK. Will the gentleman explain what this provision means when it says that this sixth period shall include colonels?

Mr. BYRNES of South Carolina. I am talking about the age limit. The gentleman was talking about the colonels going out at the age of 45 with 30 years' service.

Mr. BLACK. The gentleman did not understand my question.

Mr. BYRNES of South Carolina. I was not referring to the question of the gentleman from Texas; it was the question of the gentleman from Indiana [Mr. BLAND]. The fact is that there are only 25 captains with 30 years' service. If we conceive it possible for these officers to have this great longevity service, there would be some ground for the complaint, but their objection is based on the idea that all officers would have the maximum service. The fact is that the average service of an officer in the Army is 20 years. If my friend from Alabama will offer an amendment providing that no officer now on the retired list shall receive compensation in excess of what he is now receiving, my contention is that the Government will have kept the contract with him. He has no complaint because he receives compensation based on the grade in which he was serving at the time he was retired. That is the law, and it stands on the same principle that we apply to this bill.

Mr. OLIVER. Will the gentleman yield?

Mr. BYRNES of South Carolina. Yes.

Mr. OLIVER. The bill repeals two existing laws in order to increase the base and longevity pay of a colonel. The first is it repeals the limitation on base and longevity pay.

Mr. BYRNES of South Carolina. It does repeal it, and for the purpose of protecting the Coast Guard, where promotions have been stagnated for years, and the only way they could receive any relief would be by recognizing length of service. So far as the Army is concerned, they are not interested in it.

Mr. OLIVER. The gentleman does not understand my question.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. BLAND of Indiana. Mr. Chairman, I ask unanimous consent that the gentleman have two minutes more in order that I may ask him a question.

The CHAIRMAN. The gentleman from Indiana asks that the time of the gentleman from South Carolina be increased two minutes. Is there objection?

There was no objection.

Mr. BLAND of Indiana. The gentleman says that a man would not enter the Army at the age of 15 so that he could be retired with 30 years' service at the age of 45. They do enter at 15 and, nevertheless——

Mr. BYRNES of South Carolina. Where do they enter at 15?

Mr. BLAND of Indiana. But suppose he was to retire at the age of 46, then it is possible for him to retire with a salary of $4,500, is it not?

Mr. BYRNES of South Carolina. If he served 30 years, whatever his age in life. As a matter of fact, I do not think there is a record of a man 45, 46, or 47 retiring as colonel, or anything like it. The automatic retirement in the Army is 64. No officer in the Army can retire even though he has served 30 years, without the permission of the President.

Mr. BLAND of Indiana. I am not in favor of giving him $4,500 retirement pay.

Mr. BYRNES of South Carolina. The gentleman's objection is to the principle of retirement.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent to address the committee for two minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. OLIVER. Mr. Chairman, I know it is the desire of the House to at least know the facts and that it is not the purpose of my good friend from South Carolina [Mr. BYRNES] to in any way mislead the House. In order to increase the maximum of longevity and base pay this bill repeals two provisions of existing law. One fixes a limitation on longevity pay of $1,000 for a colonel, lieutenant colonel, and major, and the other limits the longevity pay to 40 per cent of the base pay. Under the pending bill the $1,000 limitation on longevity pay is removed and the 40 per cent on base pay for longevity is increased to 50 per cent. As to the number of colonels that now have 30 years' service turn to Table I, and you will find 434 colonels with more than 30 years' service. You will find 246 with more than 28 years' service and 366 with more than 25 years' service. Practically all of the colonels have had 30 years' service. My friend was entirely in error when he said that this was intended to correct a condition in the Coast Guard, because there is but one colonel in the Coast Guard, and by special provision he has been cared for and given the maximum compensation of a colonel without limitation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The question was taken; and on a division, because the Chair was in doubt, there were—ayes 44, noes 31.

So the amendment was agreed to.

Mr. OLIVER. Mr. Chairman, I have another amendment which is in line with this, which I ask to have considered at this time.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. OLIVER: Page 6, line 5, strike out the period after the word "computation," and add the following: "for computing longevity pay, but only commissioned service shall be counted in computing service for advancement to a higher pay period."

Mr. OLIVER. Mr. Chairman, I have only prepared two amendments to section 1. The first undertook to limit retired pay to amounts now provided under existing law, which the committee has just adopted, and the second seeks to provide that for advancement to a pay grade higher than that corresponding to the grade in which the officer holds a commission, commission service only can be counted. If the facts in reference to this last amendment are made clear to the House, I feel that the amendment will meet with your approval. I know of no body of men more ready to do exact justice in matters of this kind than the Members of this House. No difference can possibly arise between those favoring the bill and myself as to the facts which lead to the offering of this amendment.

The pending bill contains the following provision, commencing on line 23, page 5, and concluding on line 5, page 6, as follows:

For officers hereafter appointed no service shall be counted for purposes of pay except active commission service under Federal appointment and commission service in the National Guard when called out by order of the President.

For officers now in the service all service which is now counted in computing longevity pay and service, as a contract surgeon serving full time, shall be included in the computation.

Service now counted in computing longevity pay and which under this provision is sought to be made available to officers now in the service to increase their base pay as well is not limited to commission service, but includes for all graduates of the academies at West Point and Annapolis prior to July, 1916, the time spent at these academies in school, and a constructive or gift service, credited to many officers appointed from civil life, prior to March 13, 1913, and also enlisted service.

After the passage of the bill, however, for officers hereafter commissioned, it will be noted that only commission service can be counted either for longevity pay or for the purpose of advancing an officer to another pay period higher than that corresponding to the grade in which he is commissioned. What good reason, may I ask, can be assigned for this discrimination in favor of officers now in the service against officers hereafter to be commissioned? In view of the rapid promotion received by so many now in the service, and the certainty of slow promotion hereafter, it would seem equitable to favor the incoming officer rather than many now enjoying high rank by reason of unusual and rapid promotion incident to the war and the favorable officer legislation subsequent thereto.

The amendment will not prevent any officer now in the service from counting all service of every character on longevity pay, and under the bill he is allowed an increase in his longevity pay of 10 per cent. He has never been allowed to count this service for any other than longevity pay purposes, and why should this bill undertake to let other than commission service advance an officer to the next high pay period, if he happens to be now in the service, and deny it to every other officer who comes into the service after the passage of the bill?

Should this bill pass, the officer hereafter entering the service will find the upper grades crowded and promotion slow, and yet he will be limited to commission service both as to longevity pay and as to advancement to pay periods. This amendment seeks to prevent something being given to the men now in the

service which they neither now have nor have ever had and which will be hereafter denied to all officers coming into the service.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent to proceed for four minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. OLIVER. My friend from Illinois [Mr. McKENZIE] can not consistently oppose this amendment, since he has given it his deliberate and unqualified approval on two different occasions. On pages 16 and 17 of the joint hearings the gentleman from Illinois [Mr. McKENZIE], speaking of a tentative bill in reference to the pay of officers, said:

I will allow no service to be computed in determining an officer's pay except commission service rendered under Federal commission. In other words, service as a candidate in a training camp, as a Federal Nationalized Guard, as a cadet in either the Naval or Military Academies. Any similar service would not be computed in determining an officer's pay.

Later he submitted to the committee the draft of a tentative bill, and which formed the basis for the drawing of the pending bill. In the tentative bill so prepared by the gentleman from Illinois, it was provided that nothing but commission service should now or hereafter count to advance an officer to the next pay period, and until the officers conferred in reference to the McKenzie bill no objection had been raised by anyone that advancement to pay periods should not be confined to commission service.

You will note that this amendment will in no way interfere with all service being counted for longevity pay to the officers now holding commissions, and its sole and only purpose is to do what the gentleman from Illinois [Mr. McKENZIE] on two occasions approved; that is, make advancement to a higher pay period depend on commission service only.

I submit again that no sound reason can be advanced why one rule should be applied to the officers now in the service and a different rule to those to be hereafter commissioned.

Mr. McKENZIE. Mr. Chairman and gentlemen of the committee, it is a source of considerable gratification to me to see now the gentleman from Alabama is getting around to the place where he indorses the fundamental principles, at least one of them, of this bill, for which I contended throughout all these long months. I am glad the gentleman from Alabama has reached the place where he recognizes that in the future the young officer who comes into the Army or Navy must give 30 years commissioned service to the Government before he receives the maximum pay. That is what we are trying to do by this bill, and I am glad the gentleman from Alabama indorses that proposition; but while he is willing to do that, although lamenting over the young officer who will come into the service in the years to come, shedding tears over him, he is sticking daggers in the officers now in the service. We give them credit only for the service heretofore recognized by law. He laments over this fact. I do not believe in giving men promotion on the promotion list for any service except commissioned service, and that is what we are fighting for in this bill; but there is such a thing as individual honor and there is such a thing as national honor, and I appeal to the men of this House if we are not justified in saying to these men who are now in the service, who came in with the understanding that their enisted service should count, their service at Annapolis should count, that all of these different kinds of service should count, this service should continue to count. Now, when we write a bill for the future we should say to these men, "We will keep our word with you, but as the years go by and this mighty army that my friend talks of—20,000—moves onward to the beyond, and this young army of officers comes on this country will then see a bill that is founded on the eternal principles of justice. But now in this amendment, when we are trying to make this law, the gentleman from Alabama will get up and quibble and find fault with respect to the 200 men to whom I know he is referring. He is referring to the 200 old salts who went into the North Sea with our fleet and protected our vessels carrying our boys and products, and when the war was over the gentleman was on the committee, along with our good friend Mr. PADGETT, of Tennessee, that wrote a bill which provides that those men who had spent long years of their lives riding the waves of the sea, these men who had nerve and backbone, these men who were ready to die when conflict comes, this Congress provides that the 200 or better of those old veterans should be given commissions, and they should be entitled to count their individual services, enlisted services, if you please, in the Navy. Now, my friend from Alabama comes in here and appeals to you and appeals to me, that while this bill is just for the future, let us now penalize these old men. I hope, my friends, that in the interest of justice and the integrity of our Government that you will vote down this amendment.

Mr. McSWAIN. Will the gentleman yield?

Mr. McKENZIE. I will.

Mr. McSWAIN. I do not quite understand the details. I do not understand whether or not this provision includes all the elements of the service, whether enlisted or commissioned. Is it for the benefit of these enlisted men in the Army and Navy who got commissions as the result of service, or is it for the benefit of the West Point and Annapolis graduates?

Mr. McKENZIE. I would say that the greater percentage in the Army are not from West Point. It is not so in the Navy, because a man can not come in from the cornfield and be an officer in the Navy very well, but in the Army a very small percentage of the officers are West Pointers.

Mr. McSWAIN. I agree with my friend's sentiment, if this is to benefit the emergency officers who got permanent commissions in the establishment.

Mr. McKENZIE. Absolutely.

Mr. McSWAIN. It is for their benefit?

Mr. McKENZIE. Absolutely. It is for the benefit of the 5,000 men that we put in after the World War and for the benefit of about 3,000 that we put in after the Spanish-American War, men who really won our battles for us.

I want to say that I hope the Members of this House will vote down this amendment. I do not claim that this bill is perfect——

Mr. BYRNES of South Carolina. Will the gentleman yield?

Mr. McKENZIE. I will.

Mr. BYRNES of South Carolina. Is not this a fact: That under this amendment the service of an enlisted man could not be counted in determining the period of his pay?

Mr. McKENZIE. Yes. That is, under our bill as written.

Mr. BYRNES of South Carolina. Would not this amendment provide that a man should not compute the service in the enlisted ranks, and every officer who came from the ranks would be denied the compensation which he is now receiving and based on the service in the enlisted rank?

The CHAIRMAN. The time of the gentleman has expired?

Mr. OLIVER. Mr. Chairman, I would like to ask unanimous consent that the gentleman have two minutes more. I would like to ask him a question.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. OLIVER. The gentleman understands that the service which he has referred to will amount, notwithstanding this amendment, for the purpose of increasing the longevity pay, to from 40 to 50 per cent. That is correct?

Mr. McKENZIE. Yes.

Mr. OLIVER. It in no way interferes with the provision which gives longevity pay based on all kinds of service, and increases it from 40 to 50 per cent?

Mr. McKENZIE. I will say——

Mr. OLIVER. Did not the gentleman state in two bills that he prepared that it was right that in order to advance to another pay period only commissioned service should be counted?

Mr. McKENZIE. That is my position.

Mr. OLIVER. And that is all this amendment says, absolutely.

Mr. McKENZIE. I beg to differ with the gentleman.

Mr. OLIVER. This is the same amendment that General Spaulding said before the committee he thought was right, and even the chairman of the committee, Mr. WADSWORTH, thought was right.

Mr. McKENZIE. The way I feel is simply this, that it is a mere matter of justice to the men that are now in the service, and this amendment of my friend from Alabama does not destroy the thing entirely. It is a good deal like picking one pocket and letting the other pocket go.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONNALLY of Texas. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended two minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. CONNALLY of Texas. Let me ask the gentleman from Illinois if it is not true that at present an enlisted man that becomes a captain receives the pay of a captain—$2,400? Then he receives longevity pay based upon the length of time he served as an enlisted man. Now, is it not true that the amendment offered by the gentleman from Alabama [Mr. OLIVER] will leave that condition exactly where it stands now?

Mr. McKENZIE. It would, so far as counting longevity pay is concerned.

Mr. CONNALLY of Texas. If to-morrow an enlisted man should be appointed a captain he would receive the pay of a captain?

Mr. McKENZIE. Yes.

Mr. CONNALLY of Texas. And he would receive the longevity pay for the period during which he was an enlisted man, but under this bill an enlisted man that had been in the Army 10 years and is appointed a captain to-morrow would receive the same pay as a man who had been 10 years a commissioned officer and was promoted at the same time as the enlisted man? Is that true?

Mr. McKENZIE. It is true. But if you will permit me to state, this bill now before us is drawn on the basis that length of commissioned service alone shall count hereafter.

Mr. CONNALLY of Texas. If he is a captain, he is assigned to a regular place, whether he has been in the Army a day or a year.

Mr. McKENZIE. It being based on length of service, that places these officers in the pay period in which they would come by the length of service they have. For instance, if a man has had 14 years of service he is in the period with a major, and so on. That is the theory of the bill.

Mr. CONNALLY of Texas. So far as there being any unfairness is concerned, under the amendment offered by the gentleman from Alabama the man would get exactly what he does now?

Mr. McKENZIE. Except that it takes away from him half of his right, you might say. It takes away from him the right to be placed in the pay period to which the length of his service would entitle him.

Mr. CONNALLY of Texas. The only right he would have would be to be classified as other officers under this bill. This bill provides that new officers that come in shall not have any increase by reason of enlisted service.

Mr. McKENZIE. You are right.

Mr. CONNALLY of Texas. Now, under the present law he is not entitled to an increase of base pay by reason of enlisted service, is he?

Mr. McKENZIE. Under existing law?

Mr. CONNALLY of Texas. Not to base pay?

Mr. McKENZIE. No.

Mr. CONNALLY of Texas. This amendment, instead of discriminating absolutely, puts him on an equality?

Mr. McKENZIE. The rank now fixes the pay.

Mr. CONNALLY of Texas. Yes.

Mr. McKENZIE. The theory of this bill is that length of service shall fix the pay.

Mr. CONNALLY of Texas. You make an exception. You say any man who comes in hereafter shall not have the credit for enlisted service.

Mr. McKENZIE. But that is keeping faith.

Mr. PADGETT. Mr. Chairman, I move to strike out the last two words.

I sincerely hope that this amendment will not be agreed to. In my opinion it will produce very great inconvenience, very great injustice, and very great confusion, especially in the Navy. They have in the Navy the line, and then they have the various staff corps, the Medical Corps, the Construction Corps, and the Pay Corps. In order to equalize and to adjust it as far as possible, we have on the statute books legislation that establishes what we call the "running-mate" provision. This will very seriously discommode and interfere with and destroy the working of that "running-mate" provision.

It will do a very great injustice to the men who have an honorable and long enlisted service, coupled with a commissioned service, and war service as enlisted men, coupled with war service as commissioned men.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. PADGETT. No; let me finish my statement, please.

Now, this proposed amendment will bring confusion and will do very great injustice to the various staff corps, because they have their rank based upon not altogether their length of service, but upon this running-mate provision under existing law, and also being credited with constructive service that they had in preparing themselves for admission to the service. It will do some injustice to the line of the Navy, but especially to the Staff Corps and to the enlisted personnel; and, in view of the confusion and the conflict with existing law and the injustice that it will do, I certainly hope that the House will not agree to the amendment. [Applause.]

The CHAIRMAN. The time of the gentleman from Tennessee has expired. The vote comes on the amendment of the gentleman from Alabama [Mr. OLIVER].

The question was taken, and the Chairman announced that the ayes seemed to have it.

Mr. JEFFERS of Alabama. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 18, noes 74.

So the amendment was rejected.

Mr. JEFFERS of Alabama. I offer an amendment.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JEFFERS of Alabama: Page 6, line 3, after the word "pay," insert "all commissioned service in the National Guard and Organized Militia, whether in State or Federal service, or both."

Mr. JEFFERS of Alabama. Mr. Chairman and gentlemen of the committee, this amendment is one which is designed simply to do justice to a group of officers now in the Army who are ex-National Guard officers and who had actual experience in the National Guard as commissioned officers, and who as such National Guard commissioned officers did give their time and their money, to their own detriment in many cases, for the upkeep of the guard. Officers of this class brought into the service in time of war constitute a large proportion of our first and most valuable fighting men. You will find that it says "all commissioned service in the National Guard and Organized Militia"; "commissioned service."

It is my belief that Congress wants to be fair to those men who went into the service of the National Government through the National Guard.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. JEFFERS of Alabama. Yes.

Mr. STAFFORD. Do I understand the gentleman's contention to be that where a present officer of the Army had prior service as an officer of the National Guard or the Organized Militia the length of service in the National Guard, or number of years, regardless of the number of days he has given each week to the service, shall be computed in the longevity pay and increased pay?

Mr. JEFFERS of Alabama. Yes.

Mr. STAFFORD. At present, as the National Guard is organized under the Army reorganization act, an officer of the National Guard is only obliged to give one day in the week to the work, and yet you propose, in case he goes into the Regular service, to give him credit for the full seven days in the week in increased pay and also longevity pay?

Mr. JEFFERS of Alabama. Yes. But when that man is supposed to give only one day a week to the service in the National Guard he is as a matter of fact giving a great deal more of his time than that, and any man who has ever struggled to keep alive a real efficient National Guard organization knows that he has to give to it so much of his time and so much of his personal expenditure at times to keep the thing going, to properly keep up all its activities, that in a great many cases he can hardly have time to make a living for himself.

Mr. STAFFORD. Mr. Chairman, will the gentleman permit another question in that connection?

Mr. JEFFERS of Alabama. No; I regret that I can not yield.

The CHAIRMAN. The gentleman declines to yield.

Mr. BLAND of Indiana. Mr. Chairman, will the gentleman yield?

Mr. JEFFERS of Alabama. Yes.

Mr. BLAND of Indiana. I understand the gentleman proposes to count the commissioned service in the actual service, whether rendered in the National Guard or in the Regular Army?

Mr. JEFFERS of Alabama. Yes. I do not mean to be discourteous to the gentleman from Wisconsin [Mr. STAFFORD]. I know of my own personal knowledge that a great many officers of the National Guard do, to their own detriment, make a great deal of personal expenditure of money and an expenditure of their time; and when trouble comes, as was the case in the late war, they bring into the service, at very little expense to the Government, a great body of young men ready to take up arms and fight.

Now, when the United States became involved in the World War the guard furnished more than 12,000 officers and 367,000 men. Of the first five divisions sent overseas three were National Guard divisions. These organizations had been organized and kept alive and made ready for service largely by the efforts and personal expenditures of these officers for whom this amendment makes provision now and without much expense to the Government. The nucleus of these organizations had been kept alive under most trying conditions in local communities through the loyality and devotion of these officers. Of the eight divisions cited by the Commanding General American Expeditionary Forces in August, 1918, as demonstrating

their fitness for fighting divisions, four were National Guard divisions.

Now, I want to call attention to this point seriously: The bill, in section 3, makes provision for the officer now in the National Guard and provides that whenever he is on any kind of duty he shall receive just what this amendment provides for.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. JEFFERS of Alabama. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JEFFERS of Alabama. The bill makes provision for the officers now in the National Guard in this respect, and this amendment would, as I have stated, simply give credit to the ex-National Guard officers now in the Regular Establishment for their former commissioned service in the Guard.

These officers are, in my opinion, amongst the very best officers in the Army. They followed the game before the war on account of their loyalty and on account of their love of the game. They are not so far removed from civil life, and they know and understand the relationship which should exist between the Army and the civilian population better than any other class of officers we have. Having gotten into the game during the war, these men decided after the war to continue in the service and are now officers of the Regular Establishment.

During the war, by the way, they were allowed longevity for both enlisted and commissioned service in the National Guard. That shows what Congress then thought they were due. This amendment now gives them credit only for their commissioned service.

During their service with the National Guard as commissioned officers was when they made their greatest sacrifices, both in time and in money, for the upkeep of the guard, and so this amendment will allow them to figure their former commissioned service only.

When the trouble came they stepped into the Army with their companies and battalions and regiments of men behind them, and that was made possible by their long-continued loyalty and effort.

I have compiled a list of officers affected by States, and they come from practically every State in the Union. I want to state right here that the idea that 50 or 60 per cent of the officers in the Army would be affected by this amendment is preposterous. When you come to examine the register and directory and go through it man by man you will find, as I have found, about 496 officers. Only about 5 per cent would be affected, and some of them have only about one year or a few months or two years, or some such short time as that, for which they would be allowed credit.

The States are represented as follows:

Alabama	26	Montana	2
Arizona	4	Nebraska	6
Arkansas	6	New Hampshire	2
California	19	New Jersey	4
Colorado	7	New Mexico	5
Connecticut	6	New York	34
Delaware	5	North Carolina	10
District of Columbia	11	North Dakota	4
Florida	6	Ohio	18
Georgia	15	Oklahoma	6
Idaho	5	Oregon	8
Illinois	19	Pennsylvania	27
Indiana	11	South Carolina	5
Iowa	8	South Dakota	9
Kansas	13	Tennessee	35
Kentucky	12	Texas	28
Louisiana	1	Utah	1
Maine	6	Vermont	5
Maryland	18	Virginia	7
Massachusetts	22	Washington	9
Michigan	6	West Virginia	5
Minnesota	16	Wisconsin	3
Mississippi	3	Wyoming	2
Missouri	21		

These officers, a total of 496, are scattered through these various States. In figuring their longevity they would simply get credit for their commissioned service in the National Guard, in which service, as I said before, they do not simply give up one night or two nights a week, but they labor from one end of the year to the other, as I know, and as every ex-National Guard officer in this House knows, to keep a real, live, efficient National Guard organization ready to step into the breach at any time in case of trouble.

Mr. BURTNESS. Will the gentleman yield?

Mr. JEFFERS of Alabama. I yield to the gentleman from North Dakota.

Mr. BURTNESS. Are not these National Guard officers given credit for service in the National Guard when actually called out for duty?

Mr. JEFFERS of Alabama. The bill itself does that for the National Guard officers when the National Guard are called out, but I am talking of the ex-National Guard officers now in the regular service, and want credit given to them for their National Guard service.

Mr. BURTNESS. I understand that the gentleman wishes to cover officers in the regular service who were formerly National Guard officers; but my question is whether the present bill does or does not give them credit for such time as they may have put in when the National Guard was actually called out for national defense.

Mr. JEFFERS of Alabama. It does.

Mr. NEWTON of Minnesota. As I understand it, if an officer served 10 years in the National Guard, then he would be entitled to 10 years' service credit in connection both with base pay and longevity pay.

Mr. JEFFERS of Alabama. I will read the section. It is all in this sentence:

For officers now in the service all service which is now counted in computing longevity pay—

And I insert the words—

all commissioned service in the National Guard and Organized Militia, whether in State or Federal service, or both—

And then it goes on—

and service as a contract surgeon serving full time shall be included in the computation.

Mr. NEWTON of Minnesota. So it puts National Guard service on a direct parity with service in the Regular Army.

Mr. JEFFERS of Alabama. Remember, that service, when a boy is at West Point, is counted as a part of a commissioned officer's service.

Mr. NEWTON of Minnesota. Not since 1912.

Mr. JEFFERS of Alabama. But the man who takes his own time and money and develops and builds up a National Guard company, and who was educated at his own expense, not at Government expense, is entitled to as much credit for his services as the other fellow is entitled to, because the officer of the National Guard has actually produced something without much expense to the Government. He is certainly entitled to credit for time spent in doing that.

Mr. STAFFORD. Is it not a fact that since 1912 service at the Military or Naval Academy has not been credited in computing longevity pay?

Mr. JEFFERS of Alabama. How is it in the proposed bill?

Mr. STAFFORD. And now by your amendment, even though the bill gives credit to a man for commissioned service in the National Guard when under Federal appointment, you now intend to extend it to any kind of service before there was any federalized service.

Mr. JEFFERS of Alabama. The service which a captain or lieutenant or other officer in the Organized Militia performed in keeping those organizations together and to bring them into the service ready to fight, a service which he performed at his own expense and out of his own time, is something for which credit should be given him.

The CHAIRMAN. The time of the gentleman from Alabama has again expired. The question is on the amendment of the gentleman from Alabama.

The question being taken, on a division there were—ayes 29, noes 49.

Mr. JEFFERS of Alabama. Mr. Chairman, I demand tellers.

Tellers were refused, not a sufficient number seconding the demand.

Mr. NEWTON of Minnesota. Mr. Chairman, I offer an amendment.

Mr. OLIVER. Will the gentleman yield to me just a moment?

Mr. NEWTON of Minnesota. Yes.

Mr. OLIVER. I should like to offer an amendment in line with the one which the gentleman from Alabama offered, so that the House may at least——

Mr. NEWTON of Minnesota. I do not yield to the gentleman to offer an amendment. I thought he wished simply to make a statement.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. NEWTON of Minnesota moves to amend in line 5, page 6, by striking out the period after the word "computation," in line 5, and inserting in lieu thereof a semicolon and the following language:

"*Provided*, That every officer whose first appointment in the Regular Army was in a grade above that of second lieutenant shall receive as

much pay as the junior officer of the same grade in the same pay period, originally appointed in the Regular Army in the grade of second lieutenant, whose commission ranks from the nearest date to that of the officer so originally appointed in a grade above that of second lieutenant."

Mr. NEWTON of Minnesota. Mr. Chairman, we have just had up for consideration an amendment in reference to the National Guard officer who has entered the Regular Army and who is now a Regular Army officer. The purpose of many of those who voted for that amendment was to deal justly by the man who in civil life had believed in preparedness to the extent that he was willing to devote his time and his money in preparing not only himself but the youth of the land for military service.

No one in this House wants to discriminate against a man who entered the Army from civil life as a National Guard officer or as an ordinary civilian who entered during the war, either from a military school or a training camp or otherwise. And yet this very bill we are now considering discriminates against the man who entered the Army from civil life whether as a graduate of a training camp, a military school, or from the National Guard. For example, we have this question of longevity pay. We had it under the 1908 pay law. An officer could get so much money as base pay, and every five years he would get longevity pay in addition, the limit of longevity being $1,000. So the emergency officer who, during the war, entered the service and because of ex-service remained, after the war finds himself doing the same work as the regular in the same rank but at less pay. We had a right to expect that this joint committee that has been working on the question of Army and Navy pay would at least try to equalize the pay and not to emphasize the difference already existing between the emergency officer, the National Guard officers, and the man who went into the Army early to make a military career his life's work.

Let me state some of the differences. Here is a colonel in the Regular Army. Under the 1908 schedule as colonel he would draw $4,000 base pay, and his longevity pay would be $1,000. The allowances for heat, light, and extras would be $1,334, making a total under the old 1908 base pay of longevity and allowances to a colonel $6,334. Now, under this present bill the old regular colonel would be entitled to $7,472, but there is a limitation placed in the bill so that no colonel under any circumstances can get more than $7,200. So you have the old colonel under the present bill now before us drawing $7,200. The increase is about $1,000.

Now, what about the emergency colonel; what is he getting? He is the man that was called in because of his special fitness. He is doing the same work. We authorized in the Army reorganization act of 1920 the putting in of men from civilian life into the Army, and only five colonels were appointed. That shows what discrimination there was on the part of the examining board in admitting men in that high office into the Army. There were something like 17 lieutenant colonels, a little over 100 majors. The examining boards were extremely careful, admitting only the best qualified men to the service.

Mark you, these men passed an examination and were admitted under these circumstances. We find, then, a colonel, for example, draws pay under the proposed bill as follows: Base pay, $4,000; longevity pay, $200; and allowances, $1,872; or a total of $6,072. So you have two colonels, one an old-timer in the service and another who came in during the war, both doing the same work, both having the same responsibilities, one educated at Government expense, the other educating himself, with a difference in pay in favor of the old officer of about $1,200.

Now, it seems to me, gentlemen of the House, that this is not fair. There was a discrimination under the 1908 base pay, and it caused criticism all over the country; it created ill feeling in the Army. Now, we are about to pass a bill which is supposed to establish a new base pay. It seems to me the first thing we ought to do is to remove the present discrimination. Certainly we ought not increase it.

Mr. KRAUS. Will the gentleman yield?

Mr. NEWTON of Minnesota. I will.

Mr. KRAUS. I fear that the gentleman from Minnesota is overlooking the theory on which this bill is framed—that it is in the main the length of service and not the character or quality of the service.

Mr. NEWTON of Minnesota. I am glad the gentleman calls attention to that, because I am not omitting that. I believe in the general principle of the bill in basing pay on length of service, but I say where the Army thinks sufficiently well of a man to induce him to leave civil life and enter the Army to do important work that it owes to that man the same compensation it gives to the regular who is performing the same service. We should recognize the fact that they have had the experience and that they are doing the same work as the old-timer, with the same responsibilities, and give them the same pay. [Applause.]

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. NEWTON of Minnesota. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. The gentleman from Minnesota asks that his time be extended five minutes. Is there objection?

There was no objection.

Mr. LAYTON. Will the gentleman yield?

Mr. NEWTON of Minnesota. Certainly.

Mr. LAYTON. The gentleman's idea is that if a member of the Supreme Court of the United States should happen to die, the new appointee should have the same salary as his predecessor.

Mr. NEWTON of Minnesota. I do; and I think that is the law now. It seems to me that we must not as we make new legislation for the Army discriminate to the extent of $1,000 to $2,000 a year in the compensation given to the emergency officer and the National Guard officer who is entering the Army.

Mr. VAILE. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. VAILE. Under the proposed bill an officer in the lower grade, if the gentleman's amendment be not adopted, might actually receive higher compensation than an officer in the higher grade?

Mr. NEWTON of Minnesota. If I had the time, and I tried to get it under general debate, but there was no time left, I could show where a major under this bill would draw more pay than an emergency colonel will get, although the emergency colonel is doing in every way the work of a colonel, and was induced to enter the Army because of solicitation on the part of the officers of the Army and because of our passage of the reorganization act.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. WILLIAMSON. It seems to me that the gentleman's argument is against the principle of longevity altogether, and if we are not going to recognize the principle of longevity, what incentive is there for a man to remain in the Army anyway? The gentleman's argument seems to be against that proposition.

Mr. NEWTON of Minnesota. Oh, my friend is misinterpreting what I am saying. I believe in the general principle of longevity, but the principle of longevity is one thing when we have an Army where no one is permitted to enter except as a second lieutenant. That is the way it used to be. It is another thing where men enter from the ranks, the National Guard, or from civil life after having previously demonstrated their fitness. These generally do not start in as second lieutenants. Their experience has been such that they are wanted in a higher capacity. Such a man ought not to be penalized because he has the qualifications for entering the Army as a captain or a major or a colonel. Upon entering the Army he should receive the same general compensation as for his rank as the man who had made the Army his profession, because the man who comes in from civil life must work with the others and he must bear similar responsibility.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. MADDEN. I suppose the gentleman's idea is that the education received by the man who comes in from civil life is received at his own expense, and that it ought to be counted as much as the education received by the man who went to the Military Academy at the expense of the Government, where his longevity service begins from the time he enters the academy. Here you are handicapping the man who pays his own expense of education in favor of the man who is educated by the Government, and the qualifications of the man who is self-educated may perhaps be higher than those of the man who has been educated at the expense of the Government.

Mr. NEWTON of Minnesota. Exactly. The gentleman has it exactly. Here is an engineer, for example, who has gone through college at his own expense, who has taken a post-graduate course at some highly technical school at his own expense, and who goes into civil life and engages in great construction work. Along comes the war. He forgets his own business. He turns his whole service over to his country, and he is put into the Army as an engineer, as many of them were, and many of them did the greatest kind of work in this country and in France. The Army liked him; they want to keep this man in the service. They induce him to stay. We pass legislation permitting him to stay, and then along comes a

committee engaged in revising the pay of the Army, and that committee gives an old Regular $7,200 a year, and then takes this civilian engineer and gives him $6,000 a year. Is there any equity in that?

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. Yes.

Mr. SUMNERS of Texas. Does the gentleman also have in contemplation the fact that the man who comes in from civil life with that ability has been compelled to scrap all of the business that he has built up prior to the time he changes from civil to military life?

Mr. NEWTON of Minnesota. Yes.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. NEWTON of Minnesota. Mr. Chairman, I ask unanimous consent to proceed for three minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. NEWTON of Minnesota. Mr. Chairman, this is a situation that I have attempted to correct. Here is the general proviso with reference to this kind of pay:

Provided, That every officer whose first appointment in the Regular Army was in a grade above that of second lieutenant—

That takes in the exceptional man; that takes in the man from civil life whose qualifications are such that they do not let him start at the bottom. I seek to provide that every officer who starts in a grade above that of second lieutenant shall receive as much pay as the junior officer of the same grade in the same period. That does not mean his senior officer. He does not receive as much pay as the senior officer, but he receives as much as the junior officer of the same grade in the same pay period who was originally appointed in the Regular Army in the grade of second lieutenant. Suppose that two men entered the service as colonels. One of them starts in from civil life on the 1st day of May as a colonel without going through these lower grades, while the other is commissioned on the same day by promotion from the grade of lieutenant colonel to the grade of colonel. These two men, both holding the same rank, one from civil and the other from military life, they would then receive the same pay. That is all this amendment does, and it is something that this Congress in enacting this new legislation ought to do.

We ought not to discriminate against the accomplished and qualified emergency officer. I hope the amendment will prevail. I almost hope that my good friend from Illinois will do what he really ought to do, and that is to join with me in this amendment.

Mr. OLIVER. Will the gentleman yield?

Mr. NEWTON of Minnesota. I will yield.

Mr. OLIVER. What credit does the amendment seek to give to these officers?

Mr. NEWTON of Minnesota. It gives them the pay of the officers of the Regular Army possessing the same rank and whose commission bears practically the same date. For example, we will take the rank of a colonel, which I used. If a regular who gets a commission as colonel on the 1st day of May has 20 years to his credit, then the civilian would get pay based upon 20 years of credit.

Mr. McKENZIE. Mr. Chairman, I dislike very much to find myself not in agreement with my good friend from Minnesota, but on this proposition I think he is entirely wrong. I appreciate the force of personal friendship. I know what it means to have a good friend who wants you to do something for him. We all go as far as we can to do those things which give us a certain gratification in helping out some one whom we think has been misused. But, gentlemen of the House, it is a most important question he is raising, and I want you to bear with me a few moments until I undertake to make it clear to you. This complaint does not come nor has it come from the men who faced the German bullets on the front. This complaint has not come from the men who spent long weary years on the Mexican border. It has not come from any man who has started in perhaps as an enlisted man and finally gets a commission as a second lieutenant and through long years of service got up to the grade of colonel. That is not it. That complaint and this demand that asks this amendment comes from a department over which our old friend General Crowder presided so long. This demand comes not from soldiers, not from men of iron. It comes from men who for long years of their lives were, as my friend suggested, coining money as engineers or as lawyers in some courtroom where it was possible to make more out of a week's work than an officer of the Army could make out of a year's work.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. NEWTON of Minnesota. Does not the gentleman appreciate this fact, that there are men in the office of the Judge Advocate General and Engineer Corps who saw service as combatants over in France during the late war?

Mr. McKENZIE. Absolutely.

Mr. VAILE. Most of them did.

Mr. McKENZIE. I say now these men, most of them, were in the noncombatant corps.

Mr. LAYTON. Will the gentleman yield for a question?

Mr. McKENZIE. Yes.

Mr. LAYTON. Does not the gentleman believe that there is something in this amendment that has been made by the gentleman from Minnesota that means a good deal in the future to the public service of the country. Does not the gentleman think that it is a good proposition in order to secure in the hour of emergency the very best talent to know that when you secure them they will not be discriminated against but will be given an equal right and equal grade?

Mr. McKENZIE. Well, I do not know how the gentleman from Delaware——

Mr. LAYTON. I want to say I do not know any colonel, lieutenant colonel, captain, or anybody else in the United States whom the amendment will affect.

Mr. McKENZIE. I realize we have to have some good men over there. I am not criticizing them in their position. Now, let me point out in the national defense act——

Mr. LAYTON. Would the gentleman advocate a proposition that the men in Congress with 25 or 30 years' service should have advanced pay over some man who came in last year?

Mr. McKENZIE. That is the point of my friend; I am not advocating it. The gentleman from Minnesota has stated the facts quite clearly in regard to the commissioned emergency men. We who were concerned in the writing of that law provided in section 24:

Not less than one-half of the total number of vacancies caused by this act, exclusive of those in the Medical Department and among chaplains, shall be filled by the appointment, to date from July 1, 1920, and subject to such examination as the President may prescribe, of persons other than officers of the Regular Army who served as officers of the United States Army at any time between April 6, 1917, and the date of the passage of this act.

Just get the point: We provided that 50 per cent of the men appointed should be from men who served in the great World War.

A suitable number of such officers shall be appointed in each of the grades below that of brigadier general, according to their qualifications for such grade as may be determined by the board of general officers provided for in this section; no such person above the age of 50 years shall be appointed in a combatant branch.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McKENZIE. I ask for five mjnutes additional.

The CHAIRMAN. Is there objection? [After a pause] The Chair hears none.

Mr. McKENZIE (reading):

No such person above the age of 50 years shall be appointed in a combatant branch, or above the age of 58 in a noncombatant branch. No such person as below the age of 38 years shall be appointed to the grade of colonel, or below the age of 45 in the grade of lieutenant colonel, or below the age of 36 years in the grade of major. No less than three such persons shall be appointed to the grade of colonel in the Judge Advocate General's Department and no less than eight to the grade of lieutenant colonel in the Judge Advocate General's Department, provided a sufficient number of applicants for such appointments are legally eligible and are found by the board provided for in this section to be properly qualified.

Now, what happened under that, gentlemen? Under that we commissioned in the service of the United States 5,270 of the boys who came in to serve their country during that war—5,270 of them. Now, how were they commissioned? In that number there were six colonels commissioned. My friend criticizes that, but there was a reason for it. It was our contention that the Army should not be loaded up with old men. It is a mistake to put old men into the Army, and we provided that it should be filled up with commissioned men of younger years, although we did make some exceptions.

Mr. NEWTON of Minnesota. I was not criticizing the appointment of only this number. I was calling the attention to the small number of them as indicative of the great care that was taken in selecting men that were qualified.

Mr. McKENZIE. I agree with the gentleman. Twenty-one lieutenant colonels were appointed, 394 majors, 1,495 captains, 1,933 first lieutenants, and 1,401 second lieutenants, making 5,270. Out of that number of 6 colonels, 1 was commissioned in the Infantry, 4 in the Judge Advocate General's Department, and 1 in The Adjutant General's Department. Of the lieutenant colonels, three were commissioned in the Infantry and eight were commissioned in the Judge Advocate General's Department, and none of the other services at all. Of the majors commissioned

97 were commissioned in the Infantry and 44 in the Judge Advocate General's Department, and so on down through the list. So, my friends, in my judgment we took good care of these men, and under this bill, carrying out the wishes of the American people as I believe them to be, we have provided that these men, regardless of the fact that they only have 5 or 6 or 7 years' service, shall be permitted to remain in the pay period where we found them, in the period of lieutenant colonels and of colonel.

Now, what is the complaint? It is simply this, that the old Regular colonel who spent 25 years in the service, climbing up to that place, is drawing a little more longevity pay than this officer who came in from civil life and got a commission as colonel in the Judge Advocate General's office. It is the theory of this bill, and we have been trying to repeat it over and over again, the very fundamental principle underlying it, that officers in the Army shall give to this country so many years of their experience before they get an increase of pay, and we give them the longevity pay to induce them to remain in the service. Now, I want to ask you if you believe it is fair and right when a man from my town in Elizabeth, Ill., has practiced law for 23 years, and who has made some money, while another man from the same town went into the Army and spent part of his time in Alaska, with the long winter nights up there, spent part of it on the Mexican border, and part of it in Cuba, and a number of years in the Philippines, struggling along to make a livelihood for his wife and children out of the little competence that he received, we should say to him that we will give him this little increase of a very few dollars in his pay, while this other fellow who goes into the service in the Judge Advocate General's office now asks that he be given longevity pay by this Government for the time he did not serve?

The CHAIRMAN. The time of the gentleman has expired.

Mr. NEWTON of Minnesota. Mr. Chairman, I ask that the gentleman be given two more minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. NEWTON of Minnesota. Let us see if we understand each other. The gentleman admits, then, as I understand it, that under his bill an emergency colonel, for example, or an emergency lieutenant colonel, might very easily, and in most circumstances would, draw less money than what some captains and some Regular majors would draw?

Mr. McKENZIE. Absolutely. I think he should.

Mr. NEWTON of Minnesota. And the gentleman thinks that is just?

Mr. McKENZIE. Absolutely.

Mr. MURPHY. Will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. MURPHY. Would anyone be hurt if the amendment offered by the gentleman from Minnesota [Mr. NEWTON] carried? Would anyone be hurt in the event that the amendment does not carry? Some one does lose, does he not?

Mr. McKENZIE. No.

Mr. MURPHY. Of course they do. They lose the difference in pay. No one is hurt but the feelings of the colonel who has been educated at the cost of this Government. No one is hurt, if this amendment carries, but the major who has been educated at the cost of this Government. You are content to do an injustice to those who pass all the boards and come into the service of this country, and your committee is asking this Congress to do just what American fair play does not stand for. [Applause.]

Mr. McKENZIE. I think the gentleman is entirely mistaken. If you call it fair play——

The CHAIRMAN. The time of the gentleman has expired.

Mr. McKENZIE. Mr. Chairman, I ask unanimous consent for one minute.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. McKENZIE. If the gentleman from Ohio considers it fair play to take money out of the Treasury of the United States and give it to a man who has rendered no service for it I might agree with him. But I can not understand the principle or policy of saying that you ought to pay a man for something which he has never rendered to the Government.

Mr. MURPHY. I will put it in this way: In the event of the passing of one member of the Supreme Court, on your theory the gentleman coming in and taking the appointment would be entitled to the same salary as the gentleman who just died. The same service is rendered by the gentleman that comes into the service of the United States in time of war as that rendered by the other one that you want to pay more money to.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MURPHY. Mr. Chairman, I ask that the gentleman be given five minutes.

The CHAIRMAN. The gentleman from Ohio asks that the gentleman from Illinois be given five additional minutes. Is there objection?

There was no objection.

Mr. MURPHY. No one is hurt, is the point that I am making; no one is hurt if this amendment carries. There is an injustice done in the event that the amendment does not carry. You are only hurting the feelings and the pride of the man who is in the Army now. He can afford to have his feelings hurt when his pocket is not touched, but if you carry on as you are going here you are touching the pocket of a man of equal ability, perhaps of superior ability, because before going into the service he had the nerve to educate himself at his own expense and become big enough to pass prejudiced boards and get into the service of his country. I am surprised at the committee bringing in such a law as this, that is so unfair and un-American. That is what it is.

Mr. STEPHENS. Will the gentleman yield?

Mr. McKENZIE. I want to ask the gentleman from Ohio [Mr. MURPHY] a question. These gentlemen he is complaining about came into the service knowing the law; they understood the situation. They are not getting this longevity pay now. What does the gentleman think of the sportsmanship of those gentlemen now coming in?

Mr. MURPHY. The gentleman's question is perfectly proper and right. They understood, yes; but they did not know what was in the mind of the committee that was going to prepare and bring forth this bill. They had not any idea that the American spirit would be so overwhelmed and eclipsed in the committee as to bring in such a bill.

Mr. STEPHENS. Will the gentleman from Illinois yield for an observation?

Mr. McKENZIE. I will.

Mr. STEPHENS. Of these gentlemen who came in in the recent years the majority, I understand, are in the Judge Advocate General's office and in the Engineer's office, and so on. Is there any reason why they could not quit their jobs at any time if they did not like them?

Mr. McKENZIE. They have my permission.

Mr. STEPHENS. They do not, whether they get $6,000, $5,000, or $4,000.

Mr. NEWTON of Minnesota. I want to suggest to the gentleman this, that there is a wide discrepancy between the pay of the emergency officer and the old regular under the 1908 base pay, is there not?

Mr. McKENZIE. I suppose so.

Mr. NEWTON of Minnesota. Now, that discrepancy has been increased by the legislation proposed in this bill, has it not?

Mr. McKENZIE. No; it has been wiped out.

Mr. NEWTON of Minnesota. I mean longevity pay. You have increased the longevity pay from 40 per cent to 50 per cent, and he used to have a limit of $1,000, and there now is no limit to it, so that the difference now between the pay of the emergency officer and that of the regular has been increased, has it not, under the proposed bill, and the gentleman thinks that this bunch of new officers contemplated that a committee of Congress, headed by the distinguished gentleman from Illinois, who has always been known for his fairness to the emergency officer, contemplated anything of that kind?

Mr. McKENZIE. If that is what stirred the gentleman up, this provision as to the longevity pay, I will admit that we have made a mistake. [Laughter.]

Mr. NEWTON of Minnesota. You have made a mistake, and I am glad that the gentleman admits the possibility of having done that.

Mr. BYRNES of South Carolina. Mr. Chairman, I am glad at length to have secured my time. I do not expect to consume more than a few minutes.

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield right there?

Mr. BYRNES of South Carolina. Yes; I will yield to the gentleman.

Mr. GREENE of Vermont. I just want to follow up the discussion with this one suggestion: We are under no compunction of duty or of obligation to make the pay of the man who comes into the Army as a second thought, after following a civilian occupation for 10 or 15 years, equal to that of the man who has remained in the service continuously and rendered faithful and valuable service to the Government.

Mr. VAILE. Mr. Chairman, will the gentleman yield? I want to ask the gentleman one question.

Mr. GREENE of Vermont. First listen to what I was going to say. You have thrown me off my gear, and I forget which side I was on. [Laughter.]

Mr. CARTER. Start in on low. [Laughter.]

Mr. BYRNES of South Carolina. Mr. Chairman, not having been thrown off my gear in what I have to say, I simply want to call the attention of the House to the situation as I see it in reference to this question. The House should understand that this is an attempt to correct what my friend from Minnesota [Mr. NEWTON] believes is an injustice to certain officers in the Judge Advocate's corps, more than anything else, that has precipitated this discussion. I think he will agree with me that that is the object sought to be accomplished.

Now, suppose I entered the Army from civil life. I have been a lawyer—at least I flatter myself that I was—but I believed when I came out of civil life into the service and came into the Judge Advocate General's office I could do better there than I could do outside. If I did not follow that policy I would not be doing justice to myself or to my family. I went there knowing what the law was and what I was to get. I entered into a contract. I did so only because I believed it was to my interest to do so. Now, I come before you gentlemen and I say that under this bill I will get as much money as I am getting to-day. The gentleman from Minnesota will not contradict that statement.

Mr. NEWTON of Minnesota. But the gentleman——

Mr. BYRNES of South Carolina. Pardon me a moment; otherwise you might get me off my gear. [Laughter.] My appeal to you is not that I should receive compensation equal to what I am getting to-day, but that you should give me more, because, forsooth, there is in the department some man who has been in the Army 26 years, and will get longevity for those 26 years, and therefore he will get more compensation than I; not that I shall lose a dollar from what I am getting to-day, with the bonus, but I complain because another fellow who has served 26 years in the service will get credit for that service and get more money than I do. No war was on; no patriotic appeal. I could have remained at home, but went into the Army and received a commission in the Judge Advocate General Corps at a certain salary. I shall continue to receive that salary, but I complain because somebody in the Judge Advocate General's office with long service gets more, and for that reason I want you to adopt this amendment.

Discuss it and disguise it as you will, that is the case. It gives 26 years' constructive service, imaginary service, to the colonel who entered the Army from civil life. It gives him the imaginary service for the time he was in his law office, as lawyers in this House have worked, building up a practice, making some money, perhaps, and investing it, possibly unwisely, and losing some of it, perhaps, but taking the chances in life, whereas the other man could take no chances, but was limited to his salary, and stayed there 26 years. If you give constructive service to the man for having served in the National Guard or elsewhere, there is more justice in that. That is service rendered in the military service, even if it was to the State and not the National Government. But this service was rendered in a law office.

Mr. LAYTON. I suggest to the gentleman that he should not look at me so much. [Laughter.]

Mr. BYRNES of South Carolina. My good friend from Delaware could not prevent anybody from looking at him. [Laughter.] Personally, I always love to look at him. What did we do for these gentlemen? My friend from Delaware [Mr. LAYTON] is evidently afraid that I will convert him to my way of thinking, but I assure him that I am not endeavoring to hypnotize him. We put in a special provision, because they had been emergency officers, that they should be put in the pay period where they are. We gave them an advantage over the officer who had been in the service. The major who was an emergency officer gets base pay under this bill of $3,000; he gets $300 longevity; he gets $1,200 for rental; and he gets $657 for subsistence—in all, $5,157. Now, how about the major who graduated at West Point, the man who served six years and was made a major? He gets base pay of $3,000. It is saved to him for the present by this saving clause. He gets $300 longevity and $960 rental and $438 subsistence, making in all $4,698, or $459 less than is received by the emergency officer who came in the regular service of the Government only in 1920.

The man who has been in the service six years gets $4,698, while your emergency officer gets $5,157, or $459 more.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNES of South Carolina. I ask an extension of time, Mr. Chairman, because my time was occupied by interruptions.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that his time be extended five minutes. Is there objection?

There was no objection.

Mr. NEWTON of Minnesota. The gentleman has spoken about the Judge Advocate General's office. Does not the gentleman feel that the country gets far more service out of the civilian lawyer who is in the office than out of the six-year major who is in the office?

Mr. BYRNES of South Carolina. It may or may not, depending on the individual. But because his service in civil life should be of value we discriminated in his favor, and he is going to get $459 more a year, and that is one of the reasons why we justify our action.

Mr. NEWTON of Minnesota. But why ought not he to get the same money instead of $1,200 a year less, when he is doing the same work?

Mr. GREENE of Vermont. In other grades they do not get as much.

Mr. BYRNES of South Carolina. As already explained, in no other grade do they get as much. Not one dollar is taken from this emergency officer, this lawyer who has been given an appointment in the Judge Advocate's Department. His only complaint is that you should credit him with 26 years' imaginary service, when the other man was actually serving in the Army. The additional amount he gets comes to him because of his long service in the Army, while the other lawyer had in civil life a chance to make more. It is a principle that applies in every service in all the Governments of the world. Shall we take it from him? No. Then should we add to every civilian who has entered the service under the reorganization act an amount for longevity and let him imagine that he was in the service for 26 years when in fact he was not?

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. BYRNES of South Carolina. No; I want to call attention to another matter. The emergency officer who is a major receives $5,157 and every three years a 5 per cent increase. But the six-year West Pointer who is a major will get only $4,698 now and will get no increase until he has served 14 years, so that as the years go by there will be a greater difference than the $459 until he has served 14 years. This is due to the fact that the emergency officer was by a special provision placed in certain pay periods. As my good friend from Minnesota [Mr. NEWTON] says, we wanted to recognize his age and his experience, and all that, because of its value to the Government; but we can not give him imaginary longevity service for 26 years. No one has ever been given it. There is but one departure from the longevity principle in this bill where men are credited with constructive service, and I am sorry that it is there, because if it was not there we could stand up and say that no man is given any constructive service in this bill. That one departure is as to a few doctors in the Navy Department. It was unanimously agreed to, as I understood, with the exception of one gentleman on the committee, because of the manifest injustice that would be done them. When in 1912 Congress provided that in future service in the academies should not count for longevity, it excluded the classes to graduate in 1913, 1914, and 1915. No provision was made for the staff officers of the Navy who were the running mates of these officers. It affected only a few. With that exception, there is no imaginary service given to anybody. If you give it in the language of this amendment, you will add a tremendous amount to these officers by reason of constructive service, service never performed. You might as well realize that you will absolutely disrupt this bill.

Mr. NEWTON of Minnesota. Will the gentleman yield there?

Mr. FROTHINGHAM. Will the gentleman yield?

Mr. BYRNES of South Carolina. I yield first to Governor FROTHINGHAM.

Mr. FROTHINGHAM. I have listened to the gentleman with great attention, and he has absolutely persuaded me. I think he is entirely right, and I should like to ask him, where are we going to stop if we start in doing something like this?

Mr. BYRNES of South Carolina. I congratulate the gentleman, who is an emergency officer, but who is fair enough to appreciate that we have done our level best to be fair to the emergency officers, because the Lord knows I had no other desire, and I contend that there is a positive discrimination against others. I am glad my friend from Massachusetts agrees with me.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. NEWTON].

The question being taken, on a division (demanded by Mr. NEWTON) there were—ayes 12, noes 71.

Accordingly the amendment was rejected.

Mr. BULWINKLE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from North Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BULWINKLE: That section 2, on page 7, be amended——

The CHAIRMAN. The gentleman's amendment refers to section 2, which has not yet been reached.

Mr. JEFFERS of Alabama. I have an amendment to section 1.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JEFFERS of Alabama: Page 6, line 5, after the period in line 5, insert: "*Provided*, That all officers now in the Regular service, or who shall hereafter be appointed, who have former commissioned service in the National Guard or Organized Militia, shall be given the same credit for service in the National Guard or Organized Militia as is given in this bill to officers of the National Guard when they are authorized by law to receive Federal pay: *Provided*, That in no case shall such longevity credit exceed 15 years.

Mr. STAFFORD. I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Wisconsin reserves a point of order on the amendment.

Mr. HICKS. How does this amendment differ from the one offered by the gentleman a few minutes ago?

Mr. JEFFERS of Alabama. This amendment puts in a limiting clause.

Mr. HICKS. Is that the only difference between this amendment and the one offered a little while ago?

Mr. JEFFERS of Alabama. No; this will not only put in a limiting clause, but it makes it exactly the same as what is in section 3 of this bill provided for National Guard officers, only the amendment that was offered before was a little bit more liberal. Gentlemen of the committee, several ex-service men in the House, including men from both parties, appeared a short time ago at the request of the committee which had this measure in charge and discussed this bill. Ex-service men of the House on both sides were there at that time and have agreed since that this credit to the former National Guard officers for actual services rendered is only fair and just. You see that the committee has no objection to raise to the amendment. The committee did not have this put in the bill, because it was suggested to the committee after the bill was ready to report. But they have expressed no objection to this amendment. There is a fear in the mind of some that this amendment will run longevity credit back to the Spanish-American War and before that, so we put in a limitation providing that the longevity shall not exceed 15 years. There are men to-day in the Regular service who have put in many years of hard labor as officers in the National Guard. When they came into the World War they not only brought themselves but they brought the regiment, the battalion, or the company. We are not asking for any longevity pay except for services as an officer. We have gone through the register to show you that there is not a large percentage involved, only a small percentage—these ex-National Guard officers in the Regular Army who had former commission service in the National Guard.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. JEFFERS of Alabama. I will.

Mr. GREENE of Vermont. Is this going to affect anything but the pay; will it affect the promotion?

Mr. JEFFERS of Alabama. No.

Mr. GREENE of Vermont. How long before they will be here asking to change the promotion list on exactly the same basis?

Mr. JEFFERS of Alabama. I do not understand it that way. Now, I want to call attention to section 3 of the bill, which provides that when officers of the National Guard are authorized by law to receive Federal pay for any kind of service at all, even on special duty at Washington or otherwise, they shall receive credit in figuring the longevity of their former service in the National Guard. For instance, if a colonel in the National Guard is detailed on duty at Washington for 12 months, he comes here, draws his pay as a colonel, and rightfully draws longevity pay for his former service in the National Guard.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. JEFFERS of Alabama. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JEFFERS of Alabama. When he is detailed on duty for any length of time and draws his pay he gets credit for his commissioned service in the National Guard.

Now, it does not run back to such a long time as you might think. The majors, for example, will average only about five years and eight months. The captain only about two years and six months on an average.

Section 3 provides for the National Guard officers in any of the Federal services, and all this amendment seeks to do is to ask the same thing as the bill now provides for the National Guard officers in the Federal service. The service men in the House on both sides were before the committee, as I have said, and suggested that this should go in, and they know it is right.

Any service man on either side of the House will tell you that they know that this proposition is a matter of right and justice. As I have said, section 3 provides that in computing the increase of pay in the Federal service officers shall be credited with full time for all periods they have held commissions as officers in the National Guard, and all we are asking is that this group of men, the National Guard officers now in the Regular Establishment, shall have the same credit.

Mr. FROTHINGHAM. Will the gentleman yield?

Mr. JEFFERS of Alabama. I will.

Mr. FROTHINGHAM. As I understand, the gentleman's idea is that these men shall get the same pay for the time they were in the National Guard that they would have had if they had been in the Regular Army?

Mr. JEFFERS of Alabama. It is limited.

Mr. FROTHINGHAM. In the National Guard they served only once or twice a week.

Mr. JEFFERS of Alabama. Oh, but they served more than that; they sometimes served every day, and they were subject to personal expenditures in building up the guard.

Mr. FROTHINGHAM. The officer of the National Guard does not give his life to it; he has other business. I have been in the National Guard, and I know what the service is, and you do not give your life to it.

Mr. McSWAIN. He does not give his life to it in the Regular Army; he is not tied to it; he can resign.

Mr. JEFFERS of Alabama. The gentleman knows that many an officer in the National Guard gave his time and very often his money.

Mr. FROTHINGHAM. Well, then, the State ought to pay him.

Mr. JEFFERS of Alabama. Oh, I beg the gentleman's pardon—they received no pay commensurate with the services rendered.

Mr. GREENE of Vermont. Does the gentleman expect the Federal Government is going to give a man a higher rate of pay when he goes into the service because, forsooth, in some employment he had in the past his other employer did not give him enough?

Mr. JEFFERS of Alabama. No; I am merely contending for the ex-National Guard officer now in the Regular service what section 3 provides for to-day.

Mr. GREENE of Vermont. That means that you would take a man who has adopted the profession as a life work and put him at a disadvantage.

Mr. JEFFERS of Alabama. Oh, no; it would not.

Mr. GREENE of Vermont. Yes; it would. You give one man credit for an imaginary time or service, while the other man has had to mark his time by actual physical existence in it.

Mr. JEFFERS of Alabama. This is limited to 15 years; so that he can not get over that.

Mr. BLAND of Indiana. Mr. Chairman, will the gentleman yield?

Mr. JEFFERS of Alabama. Yes.

Mr. BLAND of Indiana. There has been some objection to giving full credit for the time that a National Guard commissioned officer serves?

Mr. JEFFERS of Alabama. Yes.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. JEFFERS of Alabama. Mr. Chairman, I ask unanimous consent to proceed for three minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLAND of Indiana. Would the gentleman have any objection to a modification of his amendment to say that he should have, say, credit for one-half the time served? I want to give them credit for some of the service.

Mr. JEFFERS of Alabama. A captain would get only two and a half years, approximately, and under the provision the gentleman suggested it would give the captain credit for one year and two and a quarter months. Seventy-five per cent of the time would be more nearly commensurate, and I would accept a modification of the amendment to that extent, and I think in doing that it is yielding a great deal.

Mr. BLAND of Indiana. I do not think he ought to have full credit, to the extent that an officer would if he is serving in the Army, but I do think that he ought to have some credit. I think there should be a fair compromise on that proposition.

Mr. JEFFERS of Alabama. Mr. Chairman, I ask unanimous consent to modify my amendment to have it provide for 75 per cent.

Mr. STAFFORD. Mr. Chairman, I withdraw the reservation of the point of order on the original amendment.

The CHAIRMAN. The Clerk will report the proposed modified amendment.

The Clerk read as follows:

Modified amendment by Mr. JEFFERS: Page 6, line 5, after the period, in line 5, insert: "*Provided*, That all officers now in the regular service or who shall hereafter be appointed, who have had former commissioned service in the National Guard or Organized Militia, shall be given the same credit for 75 per cent of such service in the National Guard or Organized Militia as is given in this bill to officers of the National Guard when they are authorized by law to receive Federal pay: *Provided*, That in no case shall such longevity credit exceed 15 years."

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama to so modify his amendment?

There was no objection.

Mr. OLIVER. Mr. Chairman, I wish to make just a short statement in connection with the pending amendment, and which was suggested by the question asked by the gentleman from Vermont [Mr. GREENE]. This bill in a subsequent section gives credit for certain service to National Guard officers when serving with a Federal recognized National Guard, but it fails to allow an officer commissioned from such National Guard in the Regular Army to further claim credit for the service that he was entitled to claim credit for while serving as an officer of such Federal National Guard. The amendment as modified claims less service for an officer in the Regular Army commissioned from the National Guard than this bill allows to the same officer when serving as an officer with the National Guard and drawing Federal pay.

Mr. GREENE of Vermont. What does the gentleman mean by Federal pay? Under the National Guard act they get Federal pay without Federal mobilization. They get the monthly Federal pay.

Mr. OLIVER. Yes; and they are entitled to increased pay by reason of certain service, as set out in section 3 of the pending bill.

Mr. GREENE of Vermont. Is that what the gentleman means by Federal pay?

Mr. OLIVER. Yes; it is the pay that they receive from the Federal Government while serving as officers of the National Guard when recognized by the War Department.

Mr. GREENE of Vermont. But they are not called into the national service.

Mr. OLIVER. The gentleman falls into the mistake of not remembering that this bill proposes to give these officers while serving with National Guard organization, when recognized for Federal pay, credit for certain service in the National Guard before and subsequent to 1916, as shown by section 3 of the bill. Now, when an officer thus draws Federal pay in the National Guard and has that Federal pay increased by service under section 3 of this bill as proposed, why should that same officer, if commissioned in the Regular Army, be denied credit for the same service that he was entitled to while serving with the National Guard under Federal recognition?

Mr. McSWAIN. Mr. Chairman and gentlemen of the committee, the reason for longevity pay, as I understand it, or at least one of the reasons, is to increase a man's pay upon the assumption that duration of service makes him more efficient. I submit that the officers of the National Guard have developed by their experience in the National Guard the indispensable qualities of leadership to an extent greater even than the officers in the Regular Army; and why? Because the man in the Regular Army has the enlisted men under him, and they are tied to him, and he can say, in the language of the Bible, "Go and do," and the men must; but the man who is an officer in the National Guard must have the quality of inspiring men, of leading, of inducing the civilians to come out to his drill once a week, to join his organization, to stay by the organization during all the dull, monotonous years of peace—to soldiers—in order that they may have an organization to serve their country in time of war. The gentleman from Vermont suggests that it is unfair to put the National Guard officer upon an equality of pay with the Regular officer, in respect to the matter of longevity pay, because the Regular officer, as the gentleman said, has made the Army his life's work, whereas the national guardsman goes into the Army as an afterthought.

Why is he here? Not as an "afterthought" but on account of the emergency of his Government. When the service was expanded, when they wanted more officers than the Regular Establishment could furnish, then what did the Regular Establishment do? Why, they had the pick, and they hand picked the men from the emergency officers who asked for commissions in the Regular outfit; and I submit to you, gentlemen, that the men in the Regular Establishment who were drafted as a result of this emergency, or at least who came in as a result of this emergency when the establishment was expanded, are among the very best men in the service. Now, why? Because they have got back of them a broad idea of the business of civil life. They have something more than a narrow-gauge idea. They know something more than the particular details of military routine that starts in the morning with reveille and ends with taps at night. They know something about our life from which the Army is drawn, for which the Army exists, for which the Army is paid; they know something about the people, about the people's homes from whom the boys come. They also know, too, the source from which the money comes upon which the Army lives and how to earn and save money. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. LINEBERGER. Mr. Chairman, I think the gentlemen who just preceded me, the two gentlemen from Alabama and the gentleman from South Carolina, particularly, have touched on the very crux of this situation. These men who are affected by the amendment of the gentleman from Alabama [Mr. JEFFERS] are undoubtedly the picked men of the National Guard. They are the men who for years past in this country have been associated with the rank and file of the young Americans who made up the fighting forces in the great World War, and who will make up the fighting forces in any future emergency that may arise. I do not think it is fair to penalize these men for the patriotic and efficient services which they have rendered in the past in the great scheme of national defense. I believe that there is perhaps at this time in the country just a little feeling that the citizen-soldier element of the Army, a part of which is composed of ex-National Guard and the reserve officers, is being somewhat discriminated against in Army legislation coming before Congress. I do not believe that the Congress and the country can afford to have this feeling spread throughout the great mass of patriotic young Americans who have been ever ready in the past, and will be ever ready in the future, to come to the defense of their country in an hour of emergency.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. LINEBERGER. I will.

Mr. GREENE of Vermont. The gentleman does not mean to look upon employment in the Regular Army as in any sense a reward for patriotic services?

Mr. LINEBERGER. I understand the views of the gentleman from Vermont thoroughly, I think, and, as he knows, I am in accord with him on the general proposition which he has stated. As I started to say, I have never been an officer in the National Guard. I never got beyond the grade of a buck private before the war, but I do know something of the services that the men affected by this amendment have rendered, both as officers of the National Guard organizations which served in the World War and as men who have had practical experience in dealing with men, and those who have gone into the Regular service, as very aptly stated by my friend from South Carolina [Mr. McSWAIN], were the pick of the National Guard officers. I think when the gentleman from Alabama [Mr. JEFFERS] amended his amendment to read three-fourths pay instead of full longevity pay he went a long way. I do not pretend nor claim to the House to have intimate knowledge of this subject, but I do believe if the amendment is passed that the millions of ex-citizen soldiers in this country would feel that those who have gone into the ranks of the Regular service after having served patriotically in the National Guard were at least getting a square deal. [Applause.]

Mr. GREENE of Vermont. Mr. Chairman, I do not believe it is a question of whether anybody gets a square deal in the Army any more than if he went into the plumbing business, or the jewelry trade, or anything else. We must not look upon the Regular Army as an institution that is particularly holding out rewards to people for something they did before they went into it. The Regular Army is an institution, an every-day, present-day service, an agency of the Government that assists to operate——

Mr. LINEBERGER. Will the gentleman yield?

Mr. GREENE of Vermont. Certainly.

Mr. LINEBERGER. Does not the gentleman think that morale is an element in the Regular Army the same as it is in any other walk of life?

Mr. GREENE of Vermont. Well, it should be carried into it by the individual, and not a grouch.

Mr. LINEBERGER. Does the gentleman feel morale would be maintained when men who form a certain element of the

force of the Regular Army feel they are not getting a square deal?

Mr. GREENE of Vermont. Why, if they have a just cause and not a propaganda.

Mr. LINEBERGER. Are they the ones to decide it or not?

Mr. GREENE of Vermont. No; the Government is to decide, and one of the troubles——

Mr. JEFFERS of Alabama. What does the gentleman have reference to when he speaks of men going into the Army with a grouch?

Mr. GREENE of Vermont. I was taking him at his word. The gentleman stated——

Mr. JEFFERS of Alabama. I think the gentleman from Vermont misunderstood the gentleman. These men coming into the service brought battalions and regiments with them, not grouches.

Mr. GREENE of Vermont. Oh, no. Nobody brought any regiment into the war with them. The regiment that got there came either voluntarily or by draft.

Mr. JEFFERS of Alabama. They did bring them in. Certainly National Guard outfits that came into the World War came in under the same old organizations from my State and other States, and the men who built them took them to France and fought with them there, and to them is due some credit for that former struggle to build that National Guard.

Mr. GREENE of Vermont. It is all right as to the National Guard. When you read over to-morrow morning what you said to-day, you will think twice about some of the sentences. The gentleman did not make the accurate statement he had in mind.

Mr. JEFFERS of Alabama. I know very well what I said, and I stand on my statements.

Mr. BLAND of Indiana. The gentleman will concede that the National Guard officers that came into the service and entered the Regular Army must be the pick and must have much merit to stick as against the Regular Army machine?

Mr. GREENE of Vermont. I do not concede any such thing, because, in the first place, I know something about the facts, and I know about the facts under conditions and circumstances that perhaps the gentleman from Indiana [Mr. BLAND], with his most excellent discretion, might not have had the same chance to learn as I have had.

Mr. BLAND of Indiana. It is your opinion that these men who are good enough to stick ought not to have any credit for their long years of service in the National Guard?

The CHAIRMAN. The time of the gentleman has expired.

Mr. LINEBERGER. Mr. Chairman, I ask that the gentleman have five minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. GREENE of Vermont. I want to say that we are in duty bound, as people who are intrusted with the Government of the United States, to regard its agencies as matter of fact, practical business institutions and not try to invest employment in them with any sentiment or any features of reward for something that somebody did at some other time. We must not confuse the nature and design and spirit of a war-time citizen army with the professional army maintained in both peace and war. Nor must we feel that we have an obligation to change the rules of an existing institution in order that somebody that wants to get into it or is in it already can have an advantage that he otherwise would not have and that those already in it before his time do not have. When people seek admission to an institution they should expect to meet the institution's demands for qualifications, not to have the order of the institution changed to suit their qualifications. These Regular, or professional, soldiers hire themselves out to us as guardians of the peace and other activities that the Army is instituted for. That is a cold-blooded business proposition, and these men adopted it as a profession and life occupation for hire. When you assemble the candidates that want these positions, then you take into consideration what every private concern does—their qualifications.

Mr. FROTHINGHAM. Will the gentleman yield?

Mr. GREENE of Vermont. I will.

Mr. FROTHINGHAM. The thing I can not understand is, provided it is an obligation, whether it is on the Federal Government or on the States.

Mr. GREENE of Vermont. I would like to get an opportunity to discuss some phase of it, but I find my time is slipping away.

Mr. FROTHINGHAM. I would be glad to give you some more time. I do not understand why it should not apply to the enlisted man as well as the other.

Mr. GREENE of Vermont. The time the gentleman is giving me is like getting me to put up a swing so that some other boy can swing in it. [Laughter.]

Now, I do not care how much exception anybody takes to the statement. When we come to consider just exactly what we are maintaining these agencies for, it resolves itself into a matter of men who are professional soldiers letting themselves out to us for hire and making a life-time occupation of it. It is their business and trade. We are talking of the professional standing Army of the United States in peace time as well as in war. When you come to canvass the candidates who present themselves for commissions in this Army, it is proper you should take into consideration the qualifications they possess, and consideration was given to those qualifications of these young men when they applied for admission to the Regular Army in 1920 by the grade they went into then. That is the point that you folks are not paying attention to here. They were canvassed at the time, and the boards who heard their qualifications and canvassed them put them into the grade they were thought best qualified to serve in.

Now, then, another thing. For the first time in the history of the country men were, by the Army organization act of 1920, taken into the Regular Army at a grade above second lieutenant. Now, mind you, all the old-time Regulars—using the word "old-time" in the sense of pre-war or during the war—began as "shave-tails," second lieutenants, every one of them. They developed from "shave-tails" into different grade or rank afterwards, during the war or since.

Their records are made up on actual time served in their profession, and in most instances, with the exception of some men that were taken in after the Spanish War some 24 years ago, these young men began their life at 21 or 22 years as commissioned officers in the United States Army, just the same as a man who goes out and practices law, or becomes a dentist, or follows any other business, starts it as his occupation when he has arrived at his manhood. Now, we see men who started out in life in this occupation or another one, engaged in that or the other one, and finally getting acquainted with military life in its different aspects by reason of the war, at the end of the war say, "I like the Army so well I would like to stay in it." It is all right, and the Army is glad to get such men if they are good men. But the question is whether the obligation on the part of the Government is to say to these men now as a second——

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREENE of Vermont. Mr. Chairman, I would like to have three minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GREENE of Vermont. This candidate says, "Now, as a second choice in my life"—keep that in mind, if you please, gentlemen—"as a second choice in my life, having been engaged heretofore in another occupation, having come by some accidental circumstances to make application and enter this one as a second choice in my life, I will go into the Regular Army; but the Government, to be fair to me, must make up to me the years I was not in its Army, because of the fact that I was following another choice."

That is what the effect of this thing is as a general principle. And I also realize that, if you come to apply that same idea and theory, you must not trust to the law of averages here, if you please, Mr. Chairman.

People can show what the "law of averages" does apparently to prove their point, because they can show you that from this extreme or that one the range is only a certain percentage, but they do not show you the high places that stick up in range and where the advantage is that comes to certain groups or classes of men who may be behind the legislation. Look out for it. You can not reduce this thing to a law of averages. The only thing to do is to take a fairly safe and reasonable general principle. In no other occupation in the world would you say to a man who came into it as a second choice that he should have laid up for him the longevity that represented all the time that he put in another business before he came into that one. It would not make any difference whether he had had some opportunity to acquire some experience or not.

Mr. OLIVER. Mr. Chairman, will the gentleman yield there?

Mr. GREENE of Vermont. I regret I can not. I do not mean to be discourteous.

That is true even if he had experience as a National Guard officer. I was a National Guard officer myself at one time and wound up by serving in the war with Spain. I am not against the citizen soldier. No. But we are dealing here with something besides sentiment and a spirit of gratitude. We are dealing with one of the agencies of our Government, one of the most highly specialized occupations in the Government service, and we can not fool around with special instances to arrange something so that some men who voluntarily came into this business will be satisfied after they have gotten in. If after they have

voluntarily come into this business they find they are not satisfied with the occupation they have chosen as a second resort, let them go voluntarily out.

Mr. LAYTON. But did they come in voluntarily?

Mr. GREENE of Vermont. Certainly.

Mr. LAYTON. Oh, no. They were driven away from their accustomed occupation by an emergency. [Applause.]

Mr. GREENE of Vermont. If that is true, the gentleman would have a hard time in demonstrating it. They preferred to go into the Regular Army after the war, and they expressed that choice. They never were under compulsion for one moment.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Vermont has again expired.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for one minute more.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OLIVER. Without expressing my own opinion one way or the other——

Mr. GREENE of Vermont. But the gentleman wants to get me to [laughter]——

Mr. OLIVER. I would like to know how the gentleman differentiates between the service proposed to be given by this bill to an officer while serving in the National Guard drawing Federal pay and not giving such service to him, if he is commissioned in the Regular service?

Mr. GREENE of Vermont. He is in two different institutions entirely.

Mr. OLIVER. In both he is drawing Federal pay.

Mr. GREENE of Vermont. That does not make any difference.

Mr. OLIVER. And the very service that counts on his Federal pay as a National Guard officer is asked to be counted when he is commissioned in the regular service.

Mr. GREENE of Vermont. In the one instance the Federal Government has to offer an inducement to the man who has a gainful occupation in peace times to occupy some of his spare time——

The CHAIRMAN. The time of the gentleman from Vermont has again expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for three minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. GREENE of Vermont. I do not care for more time. I have no desire to be vain and display myself out here.

The CHAIRMAN. The gentleman from Vermont has three minutes.

Mr. GREENE of Vermont. I will say that in the one instance the policy of the Government is to be generous enough in the maintenance of the National Guard, so that the right kind of men, who are otherwise following gainful occupations in their peace-time life as citizens, will be induced to give some part of their leisure and take some part of their other time in attempting to build up military instruction in civil life. The pay does not represent alone actual service in instructing or in training men. It means that the young citizen who undertakes to train as an officer has other things to do. But he can not bring that into the Regular Army as part of his service as a soldier. When he goes into the Regular Army, then his pay roll is made up not on the idea of any sacrifice he makes to serve the Government but by what he actually does to earn his living, because it is his duty to serve the Government night and day. There is no sacrifice about it. It is his occupation. It is a widely dissimilar thing.

You do not expect a National Guard officer to claim—and the best ones I ever saw never pretended—that they knew as much about the details of the military business as the Regular officers. They can not be expected to and nobody does expect it of them. But the qualities that make for leadership in the National Guard, under the conditions that obtain in the National Guard, are splendid qualifications for service in the Regular Army. I was a Volunteer officer once, but I was exceedingly glad to get back to my old job again when my service terminated.

Mr. LAYTON. That may be true, but then you were not in the Regular Army.

Mr. GREENE of Vermont. No. But these men, I say, were glad to get into the Regular Army.

Mr. CHALMERS. Mr. Chairman, will the gentleman yield?

Mr. GREENE of Vermont. Yes.

Mr. CHALMERS. I may mention the fact that in normal schools and similar institutions the board of education and superintendent have been appealed to sometimes to designate pupils in the senior class to act temporarily as substitutes in the absence of the regular teachers, but it is not the custom, when such seniors have rendered that service as substitutes, to credit them with that time in computing their record for the salary schedule afterwards as teachers.

Mr. GREENE of Vermont. No.

Gentlemen, in this matter we ought not to allow sentiment to get the better of our good judgment.

Mr. PARKER of New Jersey. Mr. Chairman, longevity pay as proposed in this bill is needed in the Regular Army. This amendment practically destroys the whole principle of longevity pay there. Longevity pay in needed in the Regular Army not merely because of the greater efficiency of an old officer but because of the injustice of fixing pay solely by rank when promotion is sometimes slow.

It was as long ago as 1896, 30 years after the Civil War had ended, that I had occasion to look into this subject, and found that because the Army had been filled with young men after the Civil War, and because few died and none resigned, it was true at that time that 11 lieutenants in the Artillery and 4 in the Infantry had served 30 years before in the Civil War and had never got any promotion. Nearly half of the captains were in the same position; about two-thirds of all the majors, including all who were in the line except two, were in the same plight. All the lieutenant colonels and all the colonels were also Civil War veterans.

In 1896 I reported the facts as follows:

> It suffices to say that of the 71 colonels appearing in the Army Register (p. 266), only 1, a staff officer, did not serve in the war. The same is true of the 91 lieutenant colonels. Of the 209 majors, 150 served in the Civil War, including all officers of the line, except 1 each in Cavalry and Infantry, the other exceptions being staff appointments. There are 29 veteran captains in the staff, 32 in the 10 regiments of Cavalry, 36 in the 5 regiments of Artillery, and 127 in the 25 regiments of Infantry, all of whom likewise served in the war. No less than 11 war veterans are still first lieutenants in the Artillery and 4 in the Infantry. Of the higher grades, about half were Volunteers in the war. Of the captains and lieutenants, almost all were taken for their merit from the Volunteer regiments of the Army, the few exceptions being in the Artillery, where the promotion appears to have been slower than in the other branches.

During those 30 years there had been almost no promotions.

Now we have had another great war and have officered our Army from top to bottom with young men. The number of officers is likely to be decreased rather than increased in the years to come. No promotion is in sight; and it is right that some arrangement should be made by which long service should be paid by longevity pay. I proposed this in 1907 and said that it was then, as I believed, right; that it should be introduced as the only mode of pay. It is now introduced as a part of the mode of pay.

Now a second reason lies in the differences between the various services. I found in 1907 that by reason of the greater proportion of higher ranks in the Navy and by reason of the different arrangement of the grades over 40 per cent of the naval officers received the pay of major, and less than 16 per cent of the Army officers received the same pay. Promotion was fast in the Navy, because there were more high officers in that service and low in the Army. Instead of giving officers the same pay for the same rank, this bill will give them pay for their length of service, which is right.

In 1907 I suggested that longevity pay might be the cure of the evil. It would likewise give an opportunity that was much needed by the Army. We have abolished promotion by regiment, which used to keep regiments together, so that a man stayed in the same regiment until he was a captain. We abolished that, because promotions were unequal in different regiments. If the pay were raised because of length of service, we could restore regimental promotion, because if officers got the same pay they would not need the extra rank.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. PARKER of New Jersey. I ask for five minutes more.

The CHAIRMAN. The gentleman from New Jersey asks unanimous consent that his time be extended five minutes. Is there objection?

Mr. STAFFORD. Mr. Chairman, reserving the right to object, I should like to inquire of the gentleman having charge of the bill whether we are going to read any line of the bill to-day?

Mr. McKENZIE. I should hope so.

Mr. STAFFORD. We have been in session three hours and a half and have not read one line. When may we expect to

vote on the amendment offered by the gentleman from Alabama, which had been virtually rejected earlier in the day?

Mr. McKENZIE. I will say to the gentleman from Wisconsin that I am ready to vote at any time. I should like to have about one minute.

The CHAIRMAN. The gentleman from New Jersey asks unanimous consent that his time be extended five minutes. Is there objection?

There was no objection.

Mr. PARKER of New Jersey. Mr. Chairman, I would not have taken time except that I think the principle upon which longevity pay is to be granted to officers of the Army has been forgotten. The principle is threefold; first, because experienced officers are the best; second, because promotion is so unequal and likely to be so unequal; third, because it is so unequal in the different branches of different services, and the pay ought to be according to length of service. Now, this amendment takes away all of that system. I was an officer of the National Guard for 10 years. It did not interfere with my practicing my profession. Many men are officers of the National Guard. Many men serve as privates in the National Guard. Unless they see service in the field they are not entitled to be considered in the service of the United States, and therefore to draw longevity pay. They get the glory of a place in the National Guard. It is considered by a great many people as a very pleasant thing to be an officer in the National Guard. They are put on governors' staffs. They go from place to place in the State. They wear uniforms. There are rewards of that sort that come from service in the National Guard, and it is not the regular, hard service which entitles a man to increase of pay whether he receives promotion or not; especially when in time of peace a man remains in the lower ranks of the Regular Army, as some officers did at one time for over 30 years. It was so bad then that at one time, in order to give them some chance, President McKinley adopted the plan of promoting a colonel to be a general and retiring him, and then another and then another, so as to provide pay on the retired list for the old colonels who had been officers in the Civil War. This bill will prevent the need of any such remedy as that, and will see that the officers of the Army and the Navy and the other corps mentioned in this bill are happy in their work and are properly rewarded for the service that they have performed in the Regular Army, not for service that they performed elsewhere.

The CHAIRMAN. Debate on this amendment has expired.

Mr. BLAND of Indiana. Mr. Chairman, in what manner has the debate on this amendment expired?

The CHAIRMAN. Because the Chair refuses to recognize anyone else.

Mr. BLAND of Indiana. A point of order, Mr. Chairman. I must insist on my rights. Until debate is closed by the committee I have a right to be recognized.

The CHAIRMAN. The Chair has been very liberal.

Mr. BLAND of Indiana. It is not in the province of the Chair to shut off debate until the committee does it.

The CHAIRMAN. Then the Chair is certainly unacquainted with the rule. The rule says that when an amendment is offered there is one speech allowed in favor of it and one against it. If debate is continued beyond that, it is because of the fact that the Chair thinks the debate ought to continue longer, and the Chair has allowed this debate to continue for a very long time. So the Chair does not recognize the gentleman. The question is on the amendment offered by the gentleman from Alabama [Mr. JEFFERS].

The question being taken, on a division (demanded by Mr. JEFFERS of Alabama) there were—ayes 21, noes 49.

Mr. BLAND of Indiana. Mr. Chairman, I object to the vote and make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Indiana makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and eleven Members present, a quorum.

Mr. STRONG of Kansas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STRONG of Kansas: Page 7, line 3, strike out the period, insert a colon, and the following: "*Provided*, That no payment shall be made to any person under the provisions of this act which will increase the pay and allowances of such person to an amount greater than now provided by the act of May 11, 1908, with the addition thereto of the bonus pay provided by the act of May 18, 1920."

Mr. STRONG of Kansas. Mr. Chairman and gentlemen of the committee, the purpose of this amendment is to make sure that the provisions of this bill will not increase the pay of the officers of the Army beyond that to which it was raised by Congress in May, 1920, when we had the highest peak of the high prices on account of the war.

The various provisions of this bill regarding the pay of officers of the Army make it so complicated that unless one has been a member of the committee and given much study, not only to all the provisions of this bill but to all the provisions of existing law, it is impossible to determine what pay is given to the various officers of the Army by this bill.

It does seem to me that when we are trying to reduce expenses, when we are trying to get the salaries and prices down, when we are trying "to get back to normalcy," we should not increase the salaries of the officers of the Army beyond what the Congress determined they should be when the living costs in this country were the highest in its history. In May, 1920, we granted additional compensation to officers of the Army in view of the increased cost of living. It does seem to me now that we ought not to pass any legislation which would increase that salary or compensation.

Mr. LAYTON. Will the gentleman yield?

Mr. STRONG of Kansas. I will.

Mr. LAYTON. Do I understand the gentleman to assert without contradiction on the part of the committee that this does actually increase the pay of the Army officers over that of the act of 1920?

Mr. STRONG of Kansas. I am informed that it does increase the compensation of many in the Army beyond the act of 1920. We saw a schedule the other day presented by the gentleman from South Carolina [Mr. BYRNES] in which the salaries were shown to go far beyond what I think the Members of this House thought the officers of the Army could draw. I am not familiar enough with this bill; I am not expert enough in legislation concerning the Army to determine from its various phrases and paragraphs what salary will be paid, and I am introducing this amendment, which, if adopted, will make sure that the salaries of the officers of the Army are not increased beyond that provided by the act of 1920. I am not asking to reduce the salaries of anyone. I am only trying to make sure that they will not be increased.

Mr. McKENZIE. Mr. Chairman and gentlemen of the committee, I think you probably clearly understand the purport of the amendment offered by the gentleman from Kansas, my good friend Mr. STRONG. That amendment, I am inclined to think, in his mind is aimed at the colonels and lieutenant colonels in the Army. It is true that under this bill, constructed as it is, with the progressive raise in pay from the commission of the second lieutenant up to colonel, after 30 years' service will raise the pay of lieutenant colonel and colonel to some extent over the bonus. If you have examined the chart in the Speaker's lobby, you have noticed how the lines run indicating the pay provided by the bonus—that it jumps the majors way up out of all proportion whatsoever and drops down and hits the grade of lieutenant colonel and colonel. I understand something about the prejudice that rests in the minds of some against the higher officers, but I want you to think of this: That this does not only affect the colonels and lieutenant colonels in the Army; this amendment is more far-reaching than that. If that was all that it did, we might be willing to concede that the Army should be penalized, but this amendment strikes at the very heart of the one service that I think every man in this House loves, and that is the Coast Guard Service. It is up to you gentlemen now, if you want to vote for this amendment and say that the old boys that have been riding the Coast Guard ships on the stormy Atlantic, up in Alaska, and all over the world shall be limited to the pay that they are now receiving, because they are denied the right to be promoted beyond the grade of colonel, you can do it. They can not get up into the grade of brigadier general or admiral or rear admiral. They are limited to the grade of colonel, and this amendment not only hits the men in the Army but strikes the death blow to the old veterans of the Coast Guard, some of whom have been in the service for 40 years.

Now, how much will it save? There are only a few men who will reach the grade of colonel. I have contended from the beginning that the bill is founded on principles that are as solid as the eternal hills, and there is not one line in it that is intended to take advantage of the people of this country. It is simply to keep faith with the men who have made our country grand and glorious, the men upon whom we rely. I want to appeal to you to lay aside your prejudices and let this thing go on, and let these few men who will soon go out of the service get the benefit of it, and hereafter those men will have to serve 30 years as commissioned officers and attain the grade of colonel before they can get the maximum pay provided for in this bill.

Mr. KRAUS. Mr. Chairman, I want to take one minute to have the question presented here clearly defined. My friend from Illinois has appealed to you in the interest of the Coast Guard. The Coast Guard, the Army, and every one of these services receives the benefit of the act of May 18, 1920. Now, what is the question here? It is clear and well defined. The gentleman from Kansas stated that he wants the question settled—are you willing to increase the wages, the pay, above the peak of 1920? His amendment fixes as a maximum in every instance the pay provided by the act of 1908, together with the additional pay under the bonus act of 1920. Now, the question is, Does the House propose to have it possible that pay may be secured above the peak of 1920?

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. KRAUS. I will.

Mr. NEWTON of Minnesota. If I may suggest, the case of the Coast Guard is somewhat different from that of the Army and the Navy, for their rank has been much lower and consequently their pay has been much lower for years. Under this bill with the limit off they get the benefit of the bill, but under the gentleman's amendment they can draw no more money than under the old plan.

Mr. LINEBERGER. Mr. Chairman, I make the point that no quorum is present.

Mr. KRAUS. Will the gentleman wait until I get through?

Mr. LINEBERGER. I will withdraw the point.

Mr. KRAUS. The Coast Guard to-day gets the benefit of the act of 1920, and this amendment does not prevent them from getting the bonus. Promotion in the Coast Guard has been inordinately slow, unfair, as a matter of fact, but that is not a matter that should be corrected by pay legislation. It should be corrected by basic legislation. Further, it is not fair and just to either the taxpayer or to the members of the Coast Guard to place upon the shoulders of the Coast Guard the burden of carrying the advanced pay for all of these other services.

Mr. NEWTON of Minnesota. I am speaking about the gentleman's amendment, and a man in the Coast Guard ranking as lieutenant, senior grade, if he was in the Navy would be either a commander or be up on the list of lieutenant commanders, and this bill by going to the basis of years of service would correct that injustice, and along comes the amendment of the gentleman from Kansas [Mr. STRONG], sweeping in its nature, and not only the Army and the Navy but the Coast Guard is wiped out from getting the benefit of this act.

Mr. MADDEN. The gentleman from Kansas simply provides in his amendment that no person shall get more pay under this act than he is getting under the 1920 bonus act, and they are all getting that now, and does the gentleman from Minnesota realize that it costs $70,000,000 a year to carry that bonus? That is what we are doing.

Mr. NEWTON of Minnesota. The purpose of this committee is to correct some of the injustices growing out of the discrimination against the Coast Guard.

Mr. KRAUS. I understand the position of the gentleman from Minnesota, and in order to take care of slow promotion in the Coast Guard he is willing to saddle on the Treasury an enormous expense for all of these other services, instead of really undertaking to solve the particular problem by proper legislation. As a matter of fact, the Coast Guard to-day right on this floor is carrying on its back all these services, because it has been recognized that there is an inequitable situation there.

Mr. NEWTON of Minnesota. And the gentleman's committee has been trying to correct it by basing it upon years of service, but the amendment of the gentleman from Kansas destroys that principle.

Mr. STRONG of Kansas. Mr. Chairman, will the gentleman yield?

Mr. KRAUS. Yes.

Mr. STRONG of Kansas. Of course, my amendment was not directed to any special class of officers. My amendment is an attempt to have the House say that it does not intend to raise the pay of the officers of the Army beyond the peak of 1920. If there is any class of the service which is underpaid, it would be a good thing to bring in a bill to increase their pay. I think this amendment ought to pass. If my friend wants to offer an amendment to my amendment excluding the Coast Guard, I should be very glad to accept it. I think, however, that there ought to be a limitation now in respect to the salaries that we are going to pay.

Mr. MADDEN. Mr. Chairman, I move to strike out the last two words. The act of 1920 did this. It raised the compensation of captains, $840 a year, if I recollect correctly, and the pay of colonels $600 a year, and it raised other men with varying ranks in proportion. It cost the people of the United States $70,000,000 a year. That is what it costs. The amendment of the gentleman from Kansas does not attempt to reduce that cost, but by the amendment he desires to prevent a higher cost. Are you ready to go higher, or are you ready to limit the cost? There is a time coming when we must report our action to somebody other than the Members of the House. The amendment of the gentleman from Kansas [Mr. STRONG] is fair. It is fair to everyone. It does not take away from the men in the Coast Guard anything they are getting to-day—not a dollar. It does not increase their pay, regardless of rank, for the years to come, but it does give them what they are getting now. Because you think the Coast Guard is not getting what it ought to have, do you want now to give more pay to men who are getting more pay to-day than I believe they ought to have? We have to account to somebody. Shall we account to the Army and the Navy and to the Coast Guard and to the Public Health Service, or shall we account to the American people? This bill as it is written will cost the people $55,000,000 a year. There is a reduction under the 1920 act of $14,000,000 a year, but where is the reduction made? Not in the commissioned officers' pay. Oh, no. The reduction is made in the pay of the enlisted men. That is where it is made, and every dollar that this bill carries less than the current law, which, by the way, expires by limitation on the 30th of June, if you let it alone, is taken from the pay of the enlisted men.

Can you justify that? Can you say that you are willing to cut the man who is getting $20 or $30 a month and increase the man who is getting $6,000 a year? Where is the justice in that? Are you willing to say that you are going to do that or are you willing to admit the justice of the amendment offered by the gentleman from Kansas? We do not ask you to reduce the pay of these men below what the 1920 act gives them. We ask you to leave them where they are. It costs $70,000,000 a year to leave them where they are. What have you to complain about, and what have they to complain about? Have you any thought of those who can not go on anybody's pay roll? They are not employees of the Government, either in the Army, the Navy, or in any other branch of the Government service. They are tilling the soil and working the plow; they are digging the sewers; they are operating the coal mines; they are running the trains on the railroads, carrying the passengers from one section of the Nation to another, and the products in the same way, here and there and yonder. When the time comes for them to retire from active duty, whose pension roll do they go on? Is there anyone anywhere who will pension these men? No. There is no pension roll for them. They are needed only to pay the bills. When the hour comes that they are no longer able to function, their families may sit in the corner of a fireless room on a cold winter's night while we who are voting their money away by the millions continue to live in luxury. Gentlemen, you can not justify the defeat of the amendment offered by the gentleman from Kansas and then say that you are prompted by the justice of the cause, for there is no justice in the cause.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BYRNES of South Carolina. Mr. Chairman, I regret that I can not agree with my friend from Illinois [Mr. MADDEN]. The fact is, that under this bill there is a reduction in the total appropriation for the commissioned personnel below the current law, and the entire saving of $14,000,000, to which he has referred, will not come out of the reduction in the enlisted personnel.

Take the Army. Under the act of May 18, 1920, we will appropriate for 1926 for the commissioned personnel $53,309,748.08. Under this bill it is $48,768,507.40, and throughout the years to come, down to and including 1941, for which I have figures here, there is a reduction of the amount necessary to pay the commissioned personnel under this bill as compared with the present law. That being true, the question is, How the amount that is to be appropriated for the commissioned personnel shall be distributed. Out in the lobby there is a chart which shows you that fact. It shows you that this committee is attempting to distribute the total appropriation for the commissioned personnel in such a manner as to equitably distribute it, and in such a manner as to afford a gradual promotion during the years and offer to the young man who goes into the commissioned service the hope of a career. Now, let us see what happens. In the lower rank it is not a fact that every officer is going to receive as much under this bill as he is receiving to-day. Hundreds will receive less. If the gentleman from Kansas would say that no man shall receive more than he is receiving to-day under the bonus, and also that no man shall receive less than he is receiving to-day, then one would say that would be fair. The fact is many of the officers, where there has been a rapid promotion, as in the Army, by reason of the reorganiza-

tion act and by reason of the war, will lose in their compensation——

Mr. JOHNSON of Mississippi. Will the gentleman yield?

Mr. BYRNES of South Carolina. I can not yield to my friend.

Mr. JOHNSON of Mississippi. I would like to ask an important question.

Mr. BYRNES of South Carolina. I am sorry I can not yield. In the grades of the organization where there has been rapid promotion there will be a reduction in the compensation for those officers. Now, at the end of the line, as shown by the chart, there is an increase—for whom?

I want to tell you because gentlemen at times are apt to think that when colonels receive an increase over the present compensation that it means old West Pointers. Of the colonels who will receive a slight increase and who would be affected by this amendment, there are 121. Who are they? One hundred and five of them are volunteers who fought in the Spanish-American War, men who never saw West Point, and out of that 121 there is not one West Point graduate. They are the men who are to be affected by this amendment. Of the 704 lieutenant colonels, 603 were volunteers of the Spanish-American War——

Mr. McSWAIN. What became of the West Point volunteers? Have they all got to be generals already?

Mr. BYRNES of South Carolina. No; my good friend knows there are not enough generals for that. What became of them I do not know, but I know this, that they are not among those affected by this amendment. There are 704 lieutenant colonels, and of them 603 were volunteers of the Spanish-American War. Then there are 41 West Point graduates. And of 200 majors, 105 came from the Spanish-American War and only 95 came from West Point. These are the men whose service places them in the fifth pay period and who would be affected by this amendment. Down at the other end of the line man after man will receive less than he receives to-day. If we are going to say that no man receives one dollar more than he is now receiving, should we not say that no man shall receive one dollar less? The purpose of this bill is to take the total appropriation, which is $14,000,000 less next year than this year, and distribute it in such a manner as will be equitable and enable the officer who enters the service to have a gradual line of promotion through the years to come and induce him to stay, instead of having the pay scale in such an unscientific manner as it is to-day, where an officer at one stage of his career can look forward 14 years and see no hope for an increase greater than $200 or $300. Now, because this amendment will enable one man at the end of this line with 26 or 30 years of his life in the service to receive a few hundred dollars more, is it fair to destroy the whole principle of the bill, which provides a gradual promotion through the years to come? I submit it is not and that the principle of the bill is good and I hope will be adhered to and that this amendment will be defeated.

Mr. PADGETT. Will the gentleman yield?

Mr. BYRNES of South Carolina. I yield to the gentleman from Tennessee.

Mr. PADGETT. I wanted to suggest that the act of May 20 was not upon any scientific principle. It was irregular and it increases certain lower ranks out of all proportion to the others, and to make that the standard by which this is to be limited is to destroy the whole symmetry of the bill, as it is based upon scientific promotion.

Mr. BYRNES of South Carolina. Absolutely.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. STRONG].

Mr. MAPES. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Michigan rise?

Mr. MAPES. To move to strike out the last three words for the purpose of asking a question.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. MAPES. May I ask the gentleman from Illinois a question? Would this amendment, if adopted, apply for all time no matter to what grade the man in the service might subsequently be promoted?

Mr. McKENZIE. I presume that is the intention. I so understand it.

Mr. MAPES. The language of the amendment is that no person shall receive any pay under the provisions of this act greater than that which the temporary pay law gives him, without any qualification at all. Is that the way the gentleman from Illinois interprets the amendment?

Mr. McKENZIE. I think it is fair to assume—I do not know how the amendment reads—but I think it is fair to assume that the gentleman from Kansas [Mr. STRONG] undoubtedly intended to have it apply only to the two or three grades that get some increase. He has those in mind, and I am sure my good friend from Kansas, if he realized how far his shot was going if it is fired, would not do it.

Mr. MAPES. If I read the language of the amendment correctly, it provides that a man who is a first lieutenant now can never receive any more pay than he is now receiving, no matter to what grade he may afterwards be advanced.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. MAPES. I will be glad to do so.

Mr. STRONG of Kansas. That is not the intention of the amendment.

Mr. MAPES. Is not that what the amendment provides?

Mr. STRONG of Kansas. Here is a bill by which no man on this floor, except, perhaps, the committee, is able to say what pay these officers shall receive, and I simply try to establish by this amendment that there shall be no increases in the different grades in the service beyond that now paid.

Mr. MAPES. But the language of the gentleman's amendment is this, that no payment shall be made to any person under the provisions of this act which will increase the pay or allowances of such person to an amount greater than that now provided by the act of May 11, 1908, plus the bonus that is added by the temporary pay law. I think I am in sympathy with what the gentleman is aiming at, but his amendment I do not believe will accomplish it.

Mr. McKENZIE. Is it not your purpose to hold down the pay of the contract surgeons, three in number, one of whom is a lady and held to be one of the finest physicians in this country? And I want to further ask my good friend if it is not a fact that he has not really investigated this matter before offering this amendment, but simply offers it without knowing what it means?

Mr. STRONG of Kansas. I offer it for the purpose of being assured that this bill will not increase the pay of any officer of that kind. I do not direct it to any lady or to any officer. I do not know of any person it will affect personally, except it affects the plain increase of pay of any officer of the Army now.

The CHAIRMAN. The question is on the amendment of the gentleman from Kansas [Mr. STRONG].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. STRONG of Kansas and Mr. MADDEN demanded a division.

The committee divided; and there were—ayes 21, noes 64.

So the amendment was rejected.

Mr. BLAND of Indiana. Mr. Chairman, I object to the vote, and I make the point of order there is no quorum present.

The CHAIRMAN. The gentleman from Indiana makes the point of order there is no quorum present, and the Chair will count. [After counting.] One hundred and twenty-four gentlemen are present, a quorum.

Mr. NEWTON of Minnesota. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

Mr. NEWTON of Minnesota. I move to amend, in line 5, page 6, by striking out the period after the word "computation" and inserting in lieu thereof a colon, and following that the following language:

Provided, That every officer whose first appointment in the Regular Army was in a grade above that of second lieutenant shall receive as much pay as the senior officer of the next lowest grade in the same pay period originally appointed in the Regular Army in the grade of second lieutenant.

The CHAIRMAN. The gentleman offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. NEWTON of Minnesota: Page 6, line 5, after the word "computation," strike out the period, insert a semicolon, and add the following: "*Provided*, That every officer whose first appointment in the Regular Army was in a grade above that of second lieutenant shall receive as much pay as the senior officer of the next lowest grade in the same pay period originally appointed in the Regular Army in the grade of second lieutenant."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order on that until the gentleman explains it.

Mr. NEWTON of Minnesota. Mr. Chairman, the amendment differs from the amendment previously offered in that the amendment previously offered gave the emergency officer the same pay as that of the junior officer of that rank in the same pay period. This amendment gives him the same pay as the senior officer of the next lowest grade.

Mr. McKENZIE. Will the gentleman please explain to the House just how that will occur?

Mr. NEWTON of Minnesota. Yes. For the purpose of saving time I shall refer to the proposed pay of the emergency colonel,

for example. The emergency colonel from the date of the war, with allowances, longevity, and so on, would get $6,072 under this bill. The old Regular Army lieutenant colonel under the proposed bill here would be entitled to draw pay amounting to $6,988—in other words, $900 more than the emergency colonel. So that under the bill as it is now drawn we have the anomaly of a colonel—just because he is drawn from civil life—a colonel who is doing all of the work of any other colonel, drawing less pay and less compensation in every way than not only a Regular Army man ranking as colonel but less pay than a Regular Army lieutenant colonel. This amendment seeks to correct that injustice. I offer it at the suggestion of some of those who could not vote, or did not feel that they could vote, for the previous amendment.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Minnesota. I yield to the gentleman from Wisconsin.

Mr. STAFFORD. I understand that the proposed amendment is similar in principle but different in degree?

Mr. NEWTON of Minnesota. Yes.

Mr. STAFFORD. Although it may be subject to a point of order as not being germane, I will withdraw the reservation of the point of order, but I hope it will be defeated.

Mr. NEWTON of Minnesota. In offering this, I am keeping strictly in accord with the principles of this bill.

Now, I want to call the attention of the House to the second paragraph of page 2 of the bill. Take this provision:

> The pay of the sixth period shall be paid to colonels of the Army, captains of the Navy, and officers of corresponding grade who have completed 26 years' service."

Now comes the first disjunctive "or":

> Or whose first appointment in the permanent service was in a grade above that corresponding to captain in the Army.

In other words, to get some certain individuals into the sixth period, the highest-paying period, they say that a man shall put in 26 years in order to get some certain individuals into this highest-pay period. They say he does not have to have put in 26 years, because he commenced his service as a captain and not as a second lieutenant. This provision of the bill is a specific exception to years of service as sole basis of pay and is in line with my amendment.

That is all this does, to try and carry into effect the principles set forth in the second paragraph of the second page of the bill in so far as it applies to emergency officers, whether from the universities, the training camps, or the National Guard, who fought in the late war and then decided to remain in the service. [Applause.]

Mr. McKENZIE. Mr. Chairman, I simply wish to state that my good friend from Minnesota [Mr. NEWTON] has offered a proposition that has the same principle behind it as the other proposition.

Mr. BYRNES of South Carolina. Mr. Chairman, will the gentleman yield just there?

Mr. McKENZIE. Yes.

Mr. BYRNES of South Carolina. The former amendment gave him 26 years' service, and this would give him a service of 25 years and 364 days. [Laughter.]

Mr. NEWTON of Minnesota. The gentleman does not mean that.

Mr. McKENZIE. I know the gentleman from Minnesota is sincere, and I pay him the compliment of being sincere. I ask for a vote.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Minnesota [Mr. NEWTON].

The question was taken, and the Chairman announced that the "noes" appeared to have it.

Mr. NEWTON of Minnesota. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 5, noes 37.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

> SEC. 2. That every commissioned officer while on field or sea duty shall receive an increase of 5 per cent of his base pay. Field duty shall be defined for the purposes of this act as service in mobilization, concentration, instruction, or maneuver camps, service in campaign, in simulated campaign or on the march, and service under similar conditions. Such field service in each case shall be announced in orders published by the President. Sea duty shall be sea service as defined in section 1571, Revised Statutes.

Mr. BULWINKLE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from North Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

> Amendment offered by Mr. BULWINKLE: Amend section 2, page 7, by striking out lines 4 to 12, inclusive, and inserting in lieu thereof the following:
>
> "SEC. 2. That from and after the 1st day of July, 1922, no commissioned officer of the Army, Navy, or any of the other services named herein shall receive any additional compensation or any increase in pay for field or sea duty."

Mr. BULWINKLE. Mr. Chairman, my understanding of this bill is that it was designed to equalize salaries in the various branches of the service; and yet here, right at the first dash out of the box, an increase is given to the Army and Navy officers for field and sea duty. I remember that the other day the chairman of the committee spoke in glowing terms of the Coast Guard; how those men were always on duty. Yet, under this section of the bill they would not get any increase in pay at all. It is unjust.

Again, it is wrong to pay men extra for just what you have hired them to do; to pay an extra amount in percentage. It creates cumbersome bookkeeping and it is absolutely unnecessary. If we ought to pay them more, let us pay them more.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. MADDEN. Until recently no allowance was made to officers for family quarters when on field duty. Now an allowance is made to them for that. The family would not suffer any hardship while the husband was on field or sea duty, because quarters are now furnished, and there ought not to be any additional pay given to a man because he goes to the field.

Mr. BULWINKLE. No.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. COOPER of Wisconsin. What the gentleman said, if I understood him correctly, amounts to a statement that there is discrimination in this bill against the Coast Guard.

Mr. BULWINKLE. It would be, if this bill passes.

Mr. COOPER of Wisconsin. That is a very important statement that has not been denied. Can the gentleman demonstrate the accuracy of his statement?

Mr. BULWINKLE. Yes; I can. If you will read section 2 you will see that for sea and field duty officers of the Army and of the Navy will receive 5 per cent increase in pay. You can not find any provision of that kind which will apply to the officers in the Coast Guard.

Mr. MERRITT. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. MERRITT. Is it not true that officers in the Army and Navy when on duty have to furnish their subsistence, whereas in the Coast Guard it is furnished by the United States? That is just the distinction. That is why there is no injustice here.

Mr. BULWINKLE. There is no provision under existing law at the present time for officers of the Army to get 5 per cent for field duty.

Mr. KRAUS. Mr. Chairman, will the gentleman yield?

Mr. BULWINKLE. Yes.

Mr. KRAUS. As I understand the gentleman, he means that the Coast Guard is discriminated against because the language of this section defines field duty for the Army, and then he refers to a place where sea duty is defined for the Navy, and therefore as a matter of construction there would be no allowance made for sea duty under this section for the Coast Guard. Because of the definition in two instances and the insertion of other definitions there I understand therefore the discrimination would exist?

Mr. BULWINKLE. That is correct.

Mr. BLAND of Indiana. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Indiana makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and two Members present—a quorum. The question is on the amendment.

Mr. McKENZIE. Mr. Chairman, I should like to make just a brief statement, and then I will move that the committee rise.

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. McKENZIE. Gentlemen of the committee, I wish to state that when the question of pay for service at sea came up we felt that sea-service pay should be reduced. In a tentative statement that I have made I said I felt that the base pay should be raised, and these additions to the pay should be done away with. We found that in the Navy and the Coast Guard and the Marine Corps, as I remember—and I think I am right about it—they received 10 per cent additional pay for sea duty. Nothing of the kind has ever existed in the Army. About 70 per cent of the men in the Navy serve at sea and about 30 per cent on shore. It is estimated that about 5 per cent of the officers in the Army would perhaps have what would be known as field service.

In this bill we also provide for the repeal of all foreign-service pay, which heretofore has been 10 per cent. We felt that a reduction of 50 per cent in the sea pay of the Navy and the Coast Guard was a pretty fair reduction. We simply included the Army along with the Marine Corps and the Navy for the sake of parity and to comply with one of the policies in this bill to treat all services alike and put them all on a level.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman permit an interruption there?

Mr. McKENZIE. Yes.

Mr. COOPER of Wisconsin. I notice in line 6, page 7, section 2, the beginning of the definition of field duty, and then in lines 11 and 12 these words—

Sea duty shall be sea service as defined in section 1571 of the Revised Statutes.

Now, this whole controversy turns on the construction which the gentleman from North Carolina [Mr. BULWINKLE] gave to that section. What is the definition of sea duty in section 1571, and does it include the Coast Guard?

Mr. McKENZIE. Section 1571 is as follows:

No service shall be regarded as sea service except such as shall be performed at sea under the orders of a department and in vessels employed by authority of law.

Of course, that would take in the Coast Guard. That would be in vessels employed by authority of law.

Mr. COOPER of Wisconsin. I would like to ask the gentleman this question. Since I interrupted the gentleman from North Carolina [Mr. BULWINKLE] I have been told that this exact question was submitted to the comptroller, and that he decided that the Coast Guard was included within section 1571 of the Revised Statutes. Is that so?

Mr. McKENZIE. It was included. Of course, I have not talked with the comptroller; but I want to say this——

Mr. COOPER of Wisconsin. The gentleman from South Carolina [Mr. BYRNES] told me that.

Mr. BYRNES of South Carolina. When the bill was submitted to the comptroller it was submitted to him to have him pass on all the provisions of the bill, and my understanding is that he construed it as applying to all the services in the bill.

Mr. McKENZIE. If the gentleman will permit me, surely the committee never had any intention of discriminating against the Coast Guard.

Mr. COOPER of Wisconsin. I know that.

Mr. McKENZIE. We would not do that, and it was not our purpose; but we felt that if we reduced the sea pay 50 per cent, and if only 5 per cent of the officers in the Army were included in field service, it would not affect the Treasury very much as far as the Army was concerned.

Mr. COOPER of Wisconsin. I would like to say just one word in this connection. I never thought that the committee, of which the gentleman from Illinois is the honored head, had any purpose to discriminate against the Coast Guard.

Mr. McKENZIE. I understand that.

Mr. COOPER of Wisconsin. But I do not want the law to do it.

Mr. McKENZIE. Neither do I.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAFFORD. I ask unanimous consent that the time of the gentleman be extended five minutes.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that the time of the gentleman from Illinois be extended five minutes. Is there objection?

There was no objection.

Mr. McKENZIE. I wish to say for the information of the members of the committee that this involves the Marine Corps; and the officers and men of the Marine Corps are, as you know, stationed in Santo Domingo, Haiti, and places of that sort. Now, with the repeal of all foreign-service pay, which I strenuously advocated, it will give to them 50 per cent of what they heretofore received by the way of foreign-service pay. I want to say, further, to gentlemen of the committee that, so far as I am personally concerned in this matter, I have no feeling one way or the other; if the Members of the House feel that the pay is sufficient without the additional sum, it is up to the House. But the committee felt that in writing the bill it was fair, and after abolishing all foreign-service pay and cutting down the amount 50 per cent, we felt that we had gone a long way in economizing.

Mr. STAFFORD. Will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. STAFFORD. I wish to inquire what additional 5 per cent pay you intend to give the officers of the Army in the so-called service field duty? The gentleman stated that it will only apply to 5 per cent of the commissioned officers. I direct his attention to the definition of field duty:

Field duty shall be defined for the purposes of this act as service in mobilization, concentration, instruction, or maneuver camps, service in campaign, in simulated campaign or on the march, and service under similar conditions.

At Camp Benning, Camp Knox, and various other camps, where many officers are assigned for instruction, will they receive this additional pay?

Mr. McKENZIE. They would not.

Mr. STAFFORD. Why would they not?

Mr. McKENZIE. They are permanent service schools, and not field maneuvers. They are entirely different.

Mr. STAFFORD. But you say that field duty is defined as "service in mobilization, concentration, instruction, or maneuver camps." It is not "and," it is "or." The camp at Plattsburg is an instruction camp; Camp Benning is an instruction camp; Camp Knox is an instruction camp. Why would not the officers in performing service there be entitled to the 5 per cent?

Mr. GREENE of Vermont. Those are permanent posts, regular barracks, not field duty at all.

Mr. STAFFORD. But here is the definition of field duty.

Mr. McKENZIE. Take Camp Knox, in Kentucky, and suppose the National Guard of all that section of the country in the corps area was ordered to that post for maneuvers, and officers stationed at Fort Sheridan were ordered down there to give instruction in maneuvers. They would, in my judgment, get the 5 per cent.

Mr. STAFFORD. But it would not only apply to those officers, under the phraseology here, but it would apply to officers permanently stationed at Camp Benning, Camp Knox, Fort Sill, Fort Leavenworth, all engaged in instruction purposes. Do we propose by this to increase their salary 5 per cent more than what they are receiving to-day? We are going to a great degree in proposing permanent increases, but now you are proposing to increase it 5 per cent more.

Mr. PADGETT. They are getting 10 per cent increase now.

Mr. STAFFORD. Oh, I deny that; the gentleman may be an authority on naval matters.

Mr. PADGETT. I was not talking of the Army.

Mr. STAFFORD. I am directing my inquiry to the military arm of the Government.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FROTHINGHAM. Mr. Chairman, I ask that the gentleman have one minute more; I want to ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FROTHINGHAM. I want to find out, if this amendment prevails and section 2 is stricken out, does that do away with the field pay and sea pay for the Navy, the Marine Corps also, as well as the Army?

Mr. McKENZIE. Absolutely; we never had it in the Army.

Mr. OLIVER. Mr. Chairman, these facts may prove helpful to the House in the consideration of the pending amendment. Prior to 1899 there was a difference of 15 per cent in the pay of naval officers on shore and sea duty. In 1908 naval officers were given the same pay as officers of the Army, and in addition thereto 10 per cent of the base and longevity pay was given for sea service, but no commutation for quarters was allowed naval officers at sea. The 10 per cent was supposed to be in lieu of commutation. There was never any sound reason for denying to a naval officer with dependents commutation for heat, light, and quarters when on sea duty. This bill undertakes to give to the naval officer at sea who has dependents commutation for quarters. No pay has ever been provided for field service in the Army. The present bill undertakes to allow 5 per cent both for sea service in the Navy and for field duty in the Army, and provides commutation for officers at sea and on field duty in these services who have dependents not occupying public quarters. This bill undertakes to increase the commutation for quarters, and in view of that increase it is for the House to say whether it is proper to give additional pay for sea service and field duty.

Mr. GRIFFIN. Would not an instructor at Fort Leavenworth be entitled to 5 per cent under this provision?

Mr. OLIVER. I am not prepared to say what the comptroller would hold.

Mr. STAFFORD. There is no question about that under the phraseology of this bill.

Mr. OLIVER. When the committee came to consider that section it was first written as you now have it in the pending bill, but the joint committee, at the suggestion of some of the consulting officers, put in a provision that the decision of the President as to what constituted field service should be conclusive. The House committee struck out this clause which sought to take from the comptroller all authority to pass on the question of what constituted field duty.

Mr. GREENE of Vermont. If the gentleman will permit, I think the gentleman's explanation is clear. I do not see why a sailor should not go to sea when that is his duty, or why a soldier should not go into the field when that is his duty, but if they are granted commutation of quarters for their family while performing that service away from garrison, it does not seem to me there should be any extra allowance on top of the commutation.

Mr. OLIVER. I agree with the gentleman and feel that it is a matter for the House to determine what is a proper commutation allowance.

Mr. SWING. Mr. Chairman, it seems to me there ought to be some recognition of an acknowledged fact that there is marked difference between the service required of a man at sea and of that of a man on land. It is the difference between having a position which enables you to be at home with your family every night, and one which necessitates you to be away from your family for months at a time, leaving out entirely the question of increased cost. Every time an assignment comes up which involves the appointment of an officer to land duty there is a good deal of competition to see who gets it. Sometimes there is a great deal of feeling against the men who get the preference in the assignment of duties on land, on the part of those who have to go to sea and who have to break up their homes and leave their families. In some way there ought to be a proper recognition of this inequality of service, so that a man will say, "Yes; I would just as soon go to sea, because the extra pay will put me ahead a little at the end of the month, which I can use to pay on the little home that I am trying to buy." In this bill, it seem to me very properly, there has been a recognition of the inequality of service between land and sea.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. SWING. Yes.

Mr. OLIVER. If it be true, for the reason that the gentleman states, since even now in this bill we have given commutation for quarters to officers while at sea, why not give increased pay to every warrant officer and every apprentice and likewise to every private in the Army when serving in the field?

Mr. SWING. So far as the privates are concerned, as the gentleman well knows, there are very few of them who are married. They are mostly young men who have not yet taken on the responsibility of a home. What I was about to say about the Army is simply this: When an officer is maintaining his own home it costs no more to cook and prepare a meal for two than it does for one. Yet the officer when detached from his regular post and sent to some training camp, where he is temporarily assigned, has to pay out of his pocket an additional sum for his board. So there are these inequalities in the service which ought to be recognized and compensated for in pay. This would promote contentment and satisfaction among the men which in turn would contribute to increased efficiency in the service.

Mr. STAFFORD. These training camps, like Camp Benning, Fort Sill, Camp Knox, are not temporary assignments. The officers are there the year around and they get their commutation of quarters.

Mr. SWING. I agree with the gentleman that it ought not to cover permanent posts, but for emergency and temporary assignments there ought to be proper recognition.

Mr. PADGETT. Mr. Chairman, will the gentleman yield?

Mr. SWING. Yes.

Mr. PADGETT. It ought to be borne in mind that they are now receiving 10 per cent in the Navy, Marine Corps, and Coast Guard, and that this reduces it to 5 per cent.

Mr. SWING. Yes. That was pointed out by the chairman of the subcommittee, who showed that this provision of the bill would result in a substantial saving over the pay for sea service provided for by existing law.

Mr. PADGETT. And in addition to that, foreign-service pay is repealed by the bill.

Mr. GREENE of Vermont. If the gentleman will permit, I know when I ask my learned friend a question as to naval affairs I may be getting it wrong. It is true that they got 10 per cent, but they did not then get commutation of quarters. Now they are getting commutation of quarters and 5 per cent, and that 5 per cent is more than they used to be getting.

Mr. PADGETT. I do not know that it is; it depends upon the quarters he got.

Mr. STAFFORD. I ask unanimous consent that the amendment may be again reported.

The amendment was again reported.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The question was taken, and the Chair announced the noes seemed to have it.

On a division (demanded by Mr. BULWINKLE), there were—ayes 26, noes 46.

Mr. BLAND of Indiana. Mr. Chairman, I make the point of order there is no quorum present.

Mr. BULWINKLE. Mr. Chairman, I demand tellers.

Mr. BLAND of Indiana. Mr. Chairman, I object to the vote, because there is no quorum present.

Mr. McKENZIE. Is it the understanding that this bill will be taken up in the morning as unfinished business?

The CHAIRMAN. That is the understanding.

Mr. MADDEN. I do not know; we may have some conference reports.

Mr. McKENZIE. In view of that fact, I move that the committee do now rise.

Mr. MADDEN. Mr. Chairman, I object to the vote, because there is no quorum present.

Mr. HICKS. Mr. Chairman, I make the point of order that the point comes too late.

The CHAIRMAN. The gentleman from Illinois moves that the committee do now rise——

Mr. MADDEN. Do I understand the Chair recognizes the fact that I objected to the vote because there is no quorum present?

The CHAIRMAN. The Chair has not decided that question; he has not passed upon the question. The gentleman from Illinois can be recognized for the purpose of rising.

Mr. McKENZIE. Mr. Chairman, I will withdraw——

Mr. STAFFORD. Mr. Chairman, I demand tellers on the vote.

Mr. BULWINKLE. Mr. Chairman, I have demanded tellers.

Mr. KRAUS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KRAUS. As I understood it, the gentleman from Illinois sought to withdraw the motion, and to that nobody made an objection.

The CHAIRMAN. Does the gentleman from Illinois desire to withdraw his motion? The Chair did not so understand.

Mr. MADDEN. Mr. Chairman, I wish to object to the vote, so as to have a vote to-morrow.

Mr. CONNALLY of Texas. Mr. Chairman, the gentleman from North Carolina demanded tellers on the vote, and that question is now up for decision.

Mr. SWING. And the point of order is made that that comes too late.

Mr. MADDEN. I make the point of order that there is no quorum present, and the vote can come up to-morrow.

The CHAIRMAN. The point of order that there is no quorum will carry the matter over. The Chair will recognize the gentleman from Illinois——

A MEMBER. Has the Chair decided there is no quorum present?

Mr. KNUTSON. Mr. Chairman, there are some Members who abstained from voting on the floor.

The CHAIRMAN. The Chair has not counted yet. [After counting.] One hundred and sixteen gentlemen are present, a quorum.

Mr. BULWINKLE. Mr. Chairman, I demand tellers.

The CHAIRMAN. Thirteen gentlemen have risen, not a sufficient number.

So the amendment was rejected.

Mr. McKENZIE. Mr. Chairman, I move the committee do now rise.

Mr. STAFFORD. Mr. Chairman, I offer the following amendment.

The motion to arise was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TOWNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 10972, had come to no resolution thereon.

EXTENSION OF REMARKS.

Mr. LAYTON. Mr. Speaker, I ask unanimous consent to extend and revise my remarks in the RECORD by inserting as a part thereof a recent opinion delivered by the attorney general of the State of Massachusetts upon the constitutionality of the Sheppard maternity bill.

The SPEAKER. The gentleman from Delaware asks unanimous consent to insert as a part of his remarks in the RECORD an opinion delivered by the attorney general of Massachusetts on the constitutionality of the maternity bill. Is there objection? [After a pause.] The Chair hears none.

Mr. LAYTON. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD, I include as a part thereof a recent opinion delivered by the attorney general of the State

of Massachusetts upon the constitutionality of the Sheppard maternity bill.

The opinion is as follows:

ACT IS UNCONSTITUTIONAL—RULING ON SHEPPARD-TOWNER BILL BY ATTORNEY GENERAL—ALLEN SAYS IT USURPS STATES' AUTHORITY—VIOLATES THE TENTH CONSTITUTIONAL AMENDMENT—DECLARES STATE HAS RIGHT TO RAISE QUESTION—SUGGESTS SUIT AGAINST FEDERAL OFFICERS—ADVISES AGAINST ACCEPTANCE OF THE MEASURE IF LEGISLATURE DESIRES TO BRING SUCH ACTION.

Attorney General J. Weston Allen holds the Sheppard-Towner Act to be unconstitutional in an opinion delivered to the house of representatives this afternoon, in reply to an order adopted by that body more than a month ago seeking his ruling upon several questions directly affecting the acceptance of the act by Massachusetts.

The Sheppard-Towner Act, which is entitled "An act for the promotion of the welfare and hygiene of maternity and infancy, and for other purposes," is described at length by the attorney general, who, in his opening, says it is a matter of considerable delicacy for a State official to venture to pass upon the validity of acts of Congress and the rights of sovereign States before the Supreme Court of the United States, but which apparently is within the statutory duty imposed upon him.

He was asked to answer four questions by the legislature: First, whether the act is constitutional; second, whether Massachusetts, as a sovereign State, has the right to question its constitutionality; third, whether the Commonwealth would waive its rights to question the constitutionality of the act if it accepts it; and finally, what procedure can be adopted in order to raise the question.

Nearly half of his long opinion deals with the first question, in which he finds that the act delegates to the Federal Government police powers specifically reserved to the sovereign States. He finds that: "If the United States possesses no police powers, as the Supreme Court of the United States has often held, it would seem that this act is an attempt to usurp an authority reserved to the States, and to exercise it at the expense of a minority of them, of which this Commonwealth is one."

He states emphatically that in his opinion the Sheppard-Towner Act is unconstitutional, as it violates the tenth amendment to the Constitution of the United States, which specifically reserves to the sovereign States the police power. He finds that the act delegates these police powers to Federal officials, although "There is no grant of power to Congress to regulate the internal affairs of the State, excepting that given by the eighteenth amendment."

The Attorney General finds under the act that if Massachusetts accepts the benefits afforded it will be compelled to pay double the amount which will be received in such benefits. He states that if Massachusetts does not accept the act it will still be taxed to pay for the carrying into effect "of an unconstitutional law in other States," as all payments are to be made out of the Federal Treasury, which is replenished from internal revenue of which Massachusetts contributes 5.66 per cent of the whole.

In reply to the second question, Mr. Allen finds that Massachusetts has the right, as a sovereign State, to raise the question as to the constitutionality of the act. In reply to the third quesion he states that, while Massachusetts might not waive its rights as a sovereign State to raise the question if it accepts the act, it would certainly place itself in a most inconsistent position. He, therefore, advises against accepting the act if Massachusetts intends to proceed to raise the question.

In reply to the fourth question, as to what procedure should be followed if the State wishes to raise the question of constitutionality, Mr. Allen says the direct method, and possibly the only method, is by proceeding in equity in the Supreme Court against those officials of the Federal Government who are acting or preparing to act to carry the provisions of the act into effect.

The complete opinion, which is certain to attract country-wide attention, follows:

SHEPPARD-TOWNER ACT RULED UNCONSTITUTIONAL BY ALLEN—ATTORNEY GENERAL FINDS CONGRESS ATTEMPTS TO USURP POWERS RESERVED TO THE STATES—SAYS MASSACHUSETTS WILL BE TAXED WHETHER IT ACCEPTS ACT OR NOT—DECIDES LEGISLATURE HAS RIGHT TO RAISE QUESTION AND WOULD BRING EQUITY ACTION AGAINST FEDERAL OFFICERS.

To the honorable Senate and House of Representatives, State House:

GENTLEMEN: You have requested my opinion on the following questions:

"(1) Is the act of Congress, approved November 23, 1921, entitled 'An act for the promotion of the welfare and hygiene and maternity and infancy, and for other purposes,' within the constitutional powers of the Federal Government?

"(2) Has the Commonwealth of Massachusetts any right, as a sovereign State, to question the constitutionality of said act?

"(3) Would the Commonwealth of Massachusetts, by the acceptance of said act, waive its rights as a sovereign State, if such rights exist, to contest the constitutionality of said act before the courts of the United States?

"(4) If, in his opinion, said act is unconstitutional, what procedure can the Commonwealth adopt to raise the question of constitutionality?"

It is a matter of considerable delicacy for a State official to venture to pass upon the validity of acts of Congress and the rights of sovereign States before the Supreme Court of the United States, and it is with some hesitation that I undertake to comply with your request. It would seem, however, that it is within the statutory duty imposed upon me, as that duty has been construed by my predecessors in office, to give you an opinion upon questions of law when such opinion is requested in order that you may be informed as to your powers and duties with respect to pending matters of legislation.

I. The act of Congress, approved November 23, 1921, entitled "An act for the promotion of the welfare and hygiene of maternity and infancy, and for other purposes," commonly known as the Sheppard-Towner Act, authorizes annual appropriations "to be paid to the several States for the purpose of cooperating with them in promoting the welfare and hygiene of maternity and infancy." It contains provisions substantially as follows:

It authorizes the appropriation, for the purpose of the act, of $480,000 for the current year and $240,000 for subsequent years, for a period of five years, to be equally apportioned among the several States, and an additional sum of $1,000,000 a year, for a period of five years, to be apportioned $5,000 to each State, and the balance among the States in proportion to their population, with a proviso that no payment out of the additional appropriation shall be made in any year to any State until an equal sum has been appropriated by such State.

The act creates a "board of maternity and infant hygiene," with certain supervisory powers. It provides that the "Children's Bureau of Department of Labor" shall be charged with the administration of the act, and gives the Children's Bureau all necessary powers to cooperate with the States in such administration, for which purpose the Children's Bureau may deduct an amount not exceeding 5 per cent of the additional appropriation in any year.

HOW STATES SECURE ITS BENEFITS.

Every State is required, in order to secure the benefits of the appropriations authorized, through its legislature to accept the provisions of the act and to designate or authorize the creation of a State agency to cooperate with the Children's Bureau.

Any State desiring to receive the benefits of the act is required by its agency to submit to the Children's Bureau detailed plans for carrying out the provisions of the act within such State, such plans to be subject to the approval of the board.

Within 60 days after any appropriation under the act the Children's Bureau is directed to make the apportionment provided for, to certify to the Secretary of the Treasury the estimated expense of administration, and to certify to the Secretary of the Treasury and to the treasurers of the various States the amount apportioned to each State. Within the same period and from time to time thereafter the Children's Bureau is directed to ascertain the amounts appropriated by the several States and to certify to the Secretary of the Treasury the amount to which each State is entitled by reason of such appropriation.

AUTHORITY TO HOLD BACK PAYMENTS.

Each State agency cooperating with the Children's Bureau is required to make such reports concerning its operations and expenditures as shall be prescribed by the Children's Bureau, which may, subject to the supervision of the board, withhold the certificate authorizing payment to any State whenever it is determined that the agency thereof has not properly expended the money paid to it or the moneys required to be appropriated by the State for the purpose of the act, an appeal being given from such determination to the President of the United States.

Thus in effect a system is created by which appropriations are to be made by the Federal Government and the States which accept the provisions of the act; plans are to be submitted to Federal boards, the nature of which appears to be wholly undetermined, except that they must have some relation to the "welfare and hygiene of maternity and infancy" and are subject to certain restrictions stated in the act. Those plans are to be administered by officials, agents, and representatives of the Children's Bureau in cooperation with the different State agencies, and control over the conduct of the State agencies is vested in the Children's Bureau and the board by the provision authorizing the withholding of the Federal appropriation in cases where it is determined as to any State that Federal or State funds have not been properly expended.

The purpose and effect of the Federal Constitution was to secure a Federal Government with limited and enumerated powers, for national purposes, reserving all other powers to the States and the people. (McCulloch *v.* Maryland, 4 Wheat. 316, 405; United States *v.* Cruikshank, 92 U. S. 542, 549–551; Kansas *v.* Colorado, 206 U. S. 46, 81.) The powers expressly granted to Congress, including the power to make all laws necessary and proper for carrying the powers enumerated into execution, are all stated in Article I, section 8, of the Constitution. All powers not granted to the United States by the Constitution are reserved by the tenth amendment to the States or the people. (United States *v.* Cruikshank, 92 U. S. 542, 551.)

The powers given to the Federal Government are only those which are necessary to the existence and effective maintenance of the Nation. There is no grant of power to Congress to regulate the internal affairs of the States, excepting that given by the eighteenth amendment. The police power is a necessary part of the sovereign powers of the States, and was reserved to them by the tenth amendment. Each State has the right and duty to provide for the general welfare of its people, and in those respects the authority of the State is complete, unqualified, and exclusive. (New York *v.* Miln, 11 Pet. 102, 139; In re Rahrer, 140 U. S. 545, 554, 555; Keller *v.* United States, 213 U. S. 138; Hammer *v.* Dagenhart, 247 U. S. 251, 274–276; the Federalist, No. 45.)

"ATTEMPT TO USURP POWERS RESERVED TO THE STATES"—POWERS RELATING TO MATERNITY AND INFANCY CONSTRUED AS POLICE POWERS—ACT PLACES EXPENSE UPON SMALL MINORITY.

The present act vests in the Federal Government certain powers relating to maternity and infancy. These matters manifestly fall within the scope of the police power. Most of the expense will be borne by a small minority of the States, while a majority of the States will receive a corresponding benefit for which they do not pay. If the United States possesses no police power, as the Supreme Court of the United States has often held, it would seem that this act is an attempt to usurp an authority reserved to the States and to exercise it at the expense of a minority of them, of which this Commonwealth is one.

It appears from the debates in Congress that the proponents of this measure attempt to support it upon the ground that it is a provision for the general welfare of the people of the United States. The words "general welfare" occur twice in the Constitution, once in the preamble and once in Article I, section 8.

The preamble is as follows:

"We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

PREAMBLE DELEGATES NO SUCH POWER.

The preamble, however, contains no grant of power. It is a mere statement of the purposes effected by the Constitution itself. (Jacobson *v.* Massachusetts, 197 U. S. 11, 22; Story on the Constitution, sec. 462.)

I pass, therefore, to a consideration of Article I, section 8, of which the first clause is as follows:

"The Congress shall have power—to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States; * * *."

It is plain that the words "to pay the debts and provide for the common defense and general welfare of the United States" are not a substantive grant of power but a qualification of the first enumerated

power "to lay and collect taxes, duties, imposts, and excises." Argument is not needed to support this proposition, because the authority for it is conclusive.

The history of the adoption of this clause is given in George Ticknor Curtis's Constitutional History of the United States, volume 1, pages 518–521, as follows:

In the first draft of the Constitution the power to tax was stated in what was there Article VII, section 1, in the following words:

"The legislature of the United States shall have the power to lay and collect taxes, duties, imposts, and excises." (5 Elliot's Debates, p 378.)

RESTRAINT OF REVENUE POWER.

It was thought that there should be some restraint on the revenue power, with a view to prevent perpetual taxes of any kind. The matter was referred to a committee of detail, which reported the following addition:

"For payment of the debts and necessary expenses of the United States, provided that no law for raising any branch of revenue, except what may be specially appropriated for the payment of interest on debts or loans, shall continue in force for more than —— years." (5 Elliott's Debates, p. 462.) This was referred to a grand committee, which introduced an amendment making the whole clause read as follows:

"The legislature shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts, and provide for the common defense and general warfare of the United States." (5 Elliott's Debates, pp. 506, 507.) This amendment was unanimously adopted. The provision for uniformity was added later. (5 Elliot's Debates, p. 543.)

In Loughborough *v.* Blake (5 Wheat. 317, 318) Chief Justice Marshall said:

"The eighth section of the first article gives to Congress the 'power to lay and collect taxes, duties, imposts, and excises' for the purposes thereinafter mentioned."

Again in Dobbins *v.* Commissioners of Erie County (16 Pet. 435, 448, 449) the court said:

"The revenue of the United States is intended by the Constitution to pay the debts and provide for the common defense and general welfare of the United States, to be expended in particulars in carrying into effect the laws made to execute all the express powers 'and all other powers vested by the Constitution in the Government of the United States.'"

In Ward *v.* Maryland (12 Wall. 418, 428) the power to tax was referred to as existing "by virtue of an express grant for the purpose; among other things, of paying the debts and providing for the common defense and general welfare."

CONCLUSIONS ON "WELFARE" CLAUSE.

In United States *v.* Boyer (85 Fed. 425, it was held that the "general welfare clause" did not confer any distinct and substantial power on Congress to enact any legislation, but constituted a limitation upon the taxing power.

The text writers also are agreed that the words "to pay the debts and provide for the common defense and general welfare of the United States" are to be construed as if they were preceded by the words "in order," or similar words amounting to a declaration of purpose. (Story on the Constitution, secs. 906–911; Miller on the Constitution of the United States, pp. 229–231.)

The form of the Constitution lends strong support to this construction. The document in the rolls of the Department of State shows that in Article I, section 8, each of the enumerated powers is numbered, from 1 to 18, inclusive, the first being the power "to lay and collect taxes, duties, imposts, and excises, to pay the debts, and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States"; and the second the power "to borrow money on the credit of the United States"; and that each power is separated by a semicolon. (Curtis's Constitutional History of the United States, vol. 1, p. 728, note 731.)

OLD CONTROVERSY INVOLVED.

While it seems to be definitely settled that the words "to pay the debts and provide for the common defense and general welfare of the United States" are not a substantive grant of power, there has been from the time the Constitution was adopted a controverted question regarding the interpretation of those words and their bearing on the power of Congress to appropriate money. Hamilton held that Congress had a power to appropriate as broad as the power to tax, and that the revenues of the United States could be appropriated for any public purpose connected with the general welfare of the United States. This doctrine was stated by Hamilton in his Report on Manufactures in 1791. It was adopted and followed by Story (secs. 975–992) and by President Monroe in his message respecting the bill for the repairs of the Cumberland Road, May 4, 1822. On the other hand, Madison held that the general-welfare clause is merely descriptive of and limited by the specific grants of power to Congress contained in section 8, and that the power to appropriate money is also confined to the enumerated powers. Madison expressed this view in the Federalist, No. 41, and the statement there made must be presumed to have had some effect in obtaining the ratification of the Constitution by the States. He renewed the same statement in his message vetoing the bill for internal improvements, March 3, 1817, and in a letter to Speaker Stevenson, dated November 27, 1830. Madison's view was supported and emphasized by Jefferson, as stated in his opinion on the constitutionality of a national bank, February 15, 1791. (See Tucker's Constitution of the United States, secs. 222–231.)

The view that the general-welfare clause is merely descriptive of the substantive grants of power which follow it in section 8 is supported by the circumstance that provisions for the common defense are contained in the grants of power to declare war, to raise and support armies, to provide and maintain a navy, to make rules for the Government and regulation of the land and naval forces, to provide for calling forth the militia to execute the laws of the Union, suppress insurrection, and repel invasions, and to provide for organizing, arming, and disciplining the militia, while the other powers granted in that section are clearly provisions for the general welfare of the United States.

NO DEFINITE APPROPRIATION MADE.

The question as to the extent of the general welfare clause in its application to appropriations of money was expressly reserved by the Supreme Court in United States *v.* Realty Co., 163 U. S. 427, 440, where the court said:

"It is unnecessary to hold here that Congress has power to appropriate the public money in the Treasury to any purpose whatever which it may choose to say is in payment of a debt or for purposes of the general welfare. A decision of that question may be postponed until it arises."

But the question which I have to determine does not depend for its answer upon a solution of the controversy concerning the limits of the power of Congress to appropriate money. In fact, the Sheppard-Towner Act makes no appropriation of money. It merely purports to authorize sums to be appropriated, thereby announcing, it seems, an intention to appropriate at some future time. It does, however, establish a system by which States desiring to secure the benefits of promised appropriations are required to submit plans for carrying out the provisions of the act to designated Federal authorities for their approval, to make appropriations to match Federal appropriations, and to cooperate with the Federal authorities in the administration of the act, subject to the supervision of those authorities who, if they determine that either Federal or State funds have not been properly expended, may withhold the Federal appropriation.

This, in my judgment, is not an appropriation bill, but an attempted exercise of power over the subject of maternity and infancy, and thus an incursion into the field of the local police power, reserved to the States by the tenth amendment. The objections to the act go further in that the proposed appropriations are not general in their application, but are confined to those States which accept the act and appropriate their own funds to be used for its purposes. Hamilton, in his report on manufactures cited above, although contending for the broad power of appropriation, says that "the object to which an appropriation of money is to be made must be general and not local." For this reason the appropriations, if made, in my opinion would not be for the "general welfare of the United States," even if those words are given the broadest signification. Indeed, it is yet to be determined that Congress has the power to appropriate to the States, according to any method of apportionment, revenues raised from the people of the United States for national purposes.

STATE LEGISLATURES CAN NOT YIELD POWERS RESERVED TO THEM—SUCH POWERS CAN ONLY BE GRANTED TO CONGRESS BY AN AMENDMENT TO THE CONSTITUTION.

If the powers attempted to be exercised by the Sheppard-Towner Act are outside the powers conferred upon Congress by the Constitution and within the field of the powers reserved to the States, the act is not made constitutional and valid by the circumstance that those powers will only be exercised in or with respect to those States whose legislatures accept it; for Congress can not assume and the State legislatures can not yield the powers reserved to the States by the Constitution. They can only be granted to the Federal Government by an amendment to the Constitution. On this precise subject President Monroe, in his message vetoing the Cumberland Road bill, referred to above, holding that Congress had not the power, even with the consent of the States affected, to establish turnpikes with gates and tolls as internal improvements, said:

"I am of opinion that Congress does not possess this power; that the States, individually, can not grant it; for, although they may assent to the appropriation of money within their limits for such purposes they can grant no power of jurisdiction or sovereignty by special compacts with the United States. This power can be granted only by an amendment to the Constitution and in the mode prescribed by it."

THE ACT IS UNCONSTITUTIONAL.

In reply to your first question, I am therefore constrained to say that I am of opinion that the act referred to is not within the constitutional powers of the Federal Government.

II. Your second question, whether the Commonwealth of Massachusetts has any right as a sovereign State to question the constitutionality of the act, and your fourth question, what procedure can be adopted to raise the question of constitutionality, will be considered together.

It is well established that any person whose rights are directly affected by an act of Congress may question its constitutionality before the court, and that it is the court's duty in a proper case, where an act of Congress infringes upon the provisions of the Constitution, to declare that act unconstitutional and void. (Vanhorne's Lessee *v.* Dorrance, 2 Dall. 304, 308, 309; Marbury *v.* Madison, 1 Cranch, 137; McCulloch *v.* Maryland, 4 Wheat. 316, 400, 401.)

But the right to declare an act unconstitutional can be exercised only when proper parties are before the court in an actual controversy involving the constitutional question in the determination of the rights of litigants. (Steamship Co *v.* Emigration Commissioners, 113 U. S. 33, 39; Muskrat *v.* United States, 219 U. S. 346, 361; Fairchild *v.* Hughes, No. 148—October term, 1921.)

SUGGESTS EQUITY PROCEEDINGS AGAINST FEDERAL OFFICIALS—DIRECT METHOD OF CONTESTING CONSTITUTIONALITY OUTLINED BY ATTORNEY GENERAL.

The most direct method of testing the constitutionality of the Sheppard-Towner Act, if not the only method, is by proceedings in equity against those officials of the Federal Government who are acting or preparing to act to carry its provisions into effect. By United States Constitution, Article III, section 2, the Supreme Court has original jurisdiction of all cases in which a State shall be a party. The inquiry, therefore, is in the first instance whether the Commonwealth may maintain such a suit in the Supreme Court as party plaintiff, and, secondly, whether the suit will lie against Federal officials as parties defendant.

There are instances of suits brought by States which the Supreme Court has declined to entertain on the ground that they called upon the court to determine questions which were political and not judicial. The most noteworthy of these cases is Georgia *v.* Stanton (6 Wall. 50), where the State brought an original bill to restrain the Secretary of War and other officers of the Government from carrying into effect the so-called reconstruction acts. The court held that the rights for which protection was sought were rights of sovereignty, that no rights of persons or property were being infringed, and that the questions were political, and they dismissed the bill for want of jurisdiction. The decision, however, seems to go no further than Luther *v.* Borden (7 How. 1) and Pacific Telephone Co. *v.* Oregon (223 U. S. 118), holding that it is for Congress and not for the court to decide what is the established government in a State and to enforce the constitutional guaranty of a republican form of government, the questions involved being political and beyond the judicial power.

SUITS TO ENFORCE SOVEREIGN RIGHTS.

On the other hand, the court has from early times entertained suits to determine which of two States had political jurisdiction over disputed territory, since such a controversy is clearly justiciable. (Rhode

Island *v.* Massachusetts, 12 Pet. 657, 736–738; Virginia *v.* West Virginia, 11 Wall. 39.) More recently the jurisdiction has in many cases been sustained in suits by States to enforce their sovereign rights and as parens patriæ or representative of their citizens.

The question whether a State may sue as representative of its citizens was presented but not settled in Louisiana *v.* Texas (176 U. S. 1, 19). But in later decision this question has been answered in the affirmative, and the distinction made in Georgia *v.* Stanton (6 Wall. 50) between rights of property and rights of sovereignty has been disregarded. These decisions have made it plain that suits by States will lie for the protection both of their own sovereign rights and of the personal and property rights and welfare of their citizens generally. On these grounds suits have been sustained to restrain interference with the flow of rivers and water supply and pollution of the air. Jurisdiction is accepted broadly wherever the controversy is justiciable in its nature, in recognition of the fact that the States in joining the Union relinquished the right they would otherwise have had to seek remedies by negotiation or force, that there should be some remedy for the settlement of disputes, and that one may be found in the constitutional provisions giving the Supreme Court jurisdiction of suits by States. (Missouri *v.* Illinois & Chicago District, 180 U. S. 208, 241; Kansas *v.* Colorado, 185 U. S. 125, 206 U. S. 46, 83, 84, 99; Georgia *v.* Tennessee Copper Co., 206 U. S. 230, 237; Virginia *v.* West Virginia, 220 U. S. 1, 27; New York *v.* New Jersey, 256 U. S. 296, 301, 302.)

QUESTION "CLEARLY JUSTICIABLE."

The question whether an act of Congress is in violation of the reserved powers of the States and therefore unconstitutional seems clearly justiciable, and the Supreme Court has so decided in Hammer *v.* Dagenbert (247 U. S. 251). In that case the court held that a United States district attorney should be enjoined from enforcing an act of Congress prohibiting the transportation in interstate commerce of products of child labor, on the ground that the law was an invasion of the local police power, reserved to the States by the tenth amendment.

Where an act of Congress encroaches upon the rights reserved to the States by the tenth amendment any State affected thereby must have the right to resort to some tribunal for the protection of those rights or be without remedy. That the States themselves are entitled to such protection by the judicial power, and that it is the duty of the court, in a proper case, to hold such an act unconstitutional and to grant relief, has several times been declared. (Ableman *v.* Booth, 21 How. 506, 519, 520; Gordon *v.* United States, 117 U. S. 697, 700, 701, 705; Matter of Heff, 197 U. S. 488, 505; South Carolina *v.* United States, 199 U. S. 437, 448.)

STATE HAS RIGHT TO ACTION.

If, for the reasons stated, the Sheppard-Towner Act is unconstitutional as representing an attempt by Congress to exceed its constitutional powers and to usurp the rights reserved to the States by the tenth amendment, it follows that the Commonwealth in a proper case can raise the question of constitutionality by bringing suit in the Supreme Court, if and when it is affected by the act.

The act does not confer upon the Federal agencies created or designated by it any authority which operates in Massachusetts unless and until its legislature accepts the act and makes the required appropriation. If the legislature purports to accept the act, the right of the Commonwealth subsequently to complain that the act is unconstitutional, as hereafter stated in reply to your third question, will be open to serious question. If the act is not accepted and does not become operative within the Commonwealth, there would be no encroachment upon the police power of Massachusetts if the act should be put into effect in other States.

SEES TAX ON STATE WHETHER ACT IS ACCEPTED OR NOT—IF MASSACHUSETTS ACCEPTS ACT IT WILL RECEIVE LESS THAN HALF AMOUNT IT PAYS.

It does not follow, however, that the Commonwealth is not affected if the act is put into effect in other States. The grants to such States are to be paid out of the Federal Treasury. That Treasury is replenished by internal revenue taxes paid by the people of the several States. It has been estimated that 5.66 per cent of those taxes are paid by the citizens of Massachusetts. If Massachusetts can and does accept the act, it has been estimated that the return to it thereunder will be less than half the amount collected from its citizens. If Massachusetts does not accept the act, its citizens will be taxed in order to carry into effect an unconstitutional law in other States. Assuming that a Federal tax, otherwise lawful, imposed to raise revenues for lawful purposes does not become unconstitutional because it taps and diminishes a source of revenue available to the States (Knowlton *v.* Moore, 178 U. S. 41; New York Trust Co. *v.* Eisner, 41 Sup. Ct. Rep. 506), it does not follow that a State whose revenues are diminished by Federal taxation imposed in order to execute an unconstitutional law is not so affected thereby that it can not attack that expenditure in the Supreme Court of the United States. If the State is without remedy it is under the dilemma of consenting to be stripped of a power reserved by the tenth amendment in order to share in such unconstitutional benefits as Congress may choose to accord, or else of bearing unheard and without redress a part of the burden of conferring such alleged benefits on other States.

RIGHTS OF TAXPAYERS EVADED.

The right of Massachusetts to bring suit may be supported upon the further ground that the rights of its taxpaying citizens are invaded. It is doubtful whether taxpayers can maintain suits in their individual capacity to restrain an unconstitutional expenditure. (See Bradfield *v.* Roberts, 175 U. S. 291; Millard *v.* Roberts, 202 U. S. 427, 438.) There is, however, in my opinion, strong argument for the view that the State can present the question on their behalf as parens patriæ, following the analogy of the nuisance cases already cited. If neither the State nor the taxpayer can sue, then there can be no remedy against such an unconstitutional exercise of power by Congress, although the issue is plainly justiciable.

The novelty of the question prevents a more definite answer to your inquiry. It is for the legislature, in its wisdom, to determine whether a question of such vital importance to the State involving, as it does, a principle capable of indefinite application in the broad and paternalistic field of social welfare should not be submitted for adjudication to our highest court.

2. It remains to be considered whether suit may be brought against the Federal officials whose duty it is to administer the act.

In Mississippi *v.* Johnson (4 Wall. 475) the Supreme Court denied leave to file a bill against President Johnson to restrain him from putting the reconstruction acts into force. In Georgia *v.* Stanton (6 Wall. 50) the Supreme Court dismissed a similar bill, as already stated. The circumstances which led to the passage of these bills, which were designed to create a temporary government for the seceded States, and the effect of later decisions afford ground for belief that those decisions would not govern in the present case.

MAY ACT AGAINST OFFICIALS.

Later cases hold that suit will lie where rights of property are unlawfully invaded by Federal officers and where the United States is not a defendant or a necessary party. (United States *v.* Lee, 106 U. S. 196, 204–208; Noble *v.* Union River Logging R. R., 147 U. S. 165, 171, 172; Belknap *v.* Schild, 161 U. S. 10, 18; School of Magnetic Healing *v.* McAnnuity, 187 U. S. 94; Lane *v.* Watts, 234 U. S. 525, 540.) Furthermore, the court has frequently held broadly that State officers clothed with some duty in regard to the enforcement of the laws of the State may be enjoined from proceeding under an unconstitutional statute which they are about to enforce to the plaintiff's injury, and that a suit for such injunction can not be regarded as a suit against the State. (Osborn *v.* United States Bank, 9 Wheat. 738, 840, 857; Davis *v.* Gray, 16 Wall. 203; Pennoyer *v.* McConnaughy, 140 U. S. 1, 10; Smyth *v.* Ames, 169 U. S. 466, 518, 519; Ex parte Young, 209 U. S. 123, 149, 155, 156; Western Union Telegraph Co. *v.* Andrews, 216 U. S. 165; Truax *v.* Raich, 239 U. S. 33, 37; Greene *v.* Louisville & I. R. R. Co., 244 U. S. 499, 506, 507.) Recently this same principle has also been extended to suits against Federal officers seeking to restrain them from acting under statutes alleged to be unconstitutional. (Philadelphia Co. *v.* Stimson, 223 U. S. 605, 619, 620; Wilson *v.* New, 243 U. S. 332; Hammer *v.* Dagenhart, 247 U. S. 251.) Federal jurisdiction does not depend on diversity of citizenship, but exists because such suits arise under the Constitution or laws of the United States. (Ex parte Young, 209 U. S. 123, 143–145.)

CITES PROHIBITION RULING.

In the National Prohibition cases (253 U. S. 350) two of the cases were suits by the States of Rhode Island and New Jersey against the Attorney General and the Commissioner of Internal Revenue, seeking to have the eighteenth amendment and the Volstead Act declared unconstitutional and void and to enjoin the enforcement of the act. The main ground on which unconstitutionality was claimed was that the amendment and the act constituted an interference with the sovereign rights of the States to govern their internal affairs; that is, the local police power. Original bills in each of the two cases were permitted by the court to be filed (252 U. S. 570), and no question of jurisdiction was raised or reserved in the opinion by which all the suits were dismissed on the merits.

The opinion in the recent case of Texas *v.* Interstate Commerce Commission, No. 24 Original, October term, 1921, contains an intimation that the original jurisdiction of the court over suits where States are parties may be somewhat narrow, but the decision of the case goes on the ground that necessary parties were not before the court.

I conclude, therefore, that assuming that the Commonwealth may bring the suit as party plaintiff, the fact that the defendants would be Federal officials would not defeat it.

INCONSISTENT TO ACCEPT ACT.

III. Your third question is whether the Commonwealth by accepting the act would waive any right it may have to contest the constitutionality of the act before the courts of the United States.

The act provides that any State in order to secure the benefit of Federal appropriations must accept the provisions of the act, designate the State agency with which the Children's Bureau is to cooperate, and submit to the Children's Bureau detailed plans for carrying out the provisions of the act within the State. It contemplates also appropriations by the State to match Federal appropriations. These provisions, it seems to me, must be construed as a proposal for a contract with the several States which, when accepted by any State, would constitute an agreement by the State to be bound by the terms of the act, if such an agreement could be made. Whether the State, acting by its legislature alone, or in any manner other than that provided by the Constitution itself, can contract away its sovereign rights is a matter of grave doubt. But apart from any question of the validity of such a contract, there would appear to be an inconsistency in accepting the benefits of the act and then bringing suit to avoid its obligations and effect.

I am, therefore, of opinion that the passage of an act by the general court accepting the provisions of the Sheppard-Towner Act would place the Commonwealth in a less favorable position to contest its validity.

Very truly yours,

J. WESTON ALLEN,
Attorney General.

Mr. TUCKER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Liberian bill.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The extension of remarks referred to are here printed in full as follows:

Mr. TUCKER. Mr. Speaker, this resolution is before the House because it is recognized that no legal liability on the Government of the United States to grant this loan has arisen out of the negotiations between the two countries; but the initial principle upon which the advocates of this resolution ask for its passage is that the negotiations between the two countries constitute an equitable or moral obligation on the part of the United States to carry out the loan. If such a moral obligation exists, whether I approved the original proposition or not, I would feel bound to aid in carrying it out by my vote for this measure. To this question, therefore, I invite the attention of the House.

The second Liberty loan act, approved September 24, 1917, authorized the President to extend the credit of this Government to any country that was engaged in war with Germany. The language of the act is as follows:

That for the purpose of more effectually providing for the national security and defense and prosecuting the war the Secretary of the Treasury, with the approval of the President, is hereby authorized, on

behalf of the United States, to establish credits with the United States for any of the foreign Governments then engaged in war with the enemies of the United States.

But with this distinct limitation:

With the limitation that this authority should cease upon the termination of the war between the United States and the Imperial German Government.

The act was passed, as the above language indicates, to provide for our "national security and defense" and for the more vigorous prosecution of the war, and the extraordinary authority granted the President, which he could only possess by reason of the act, was limited to the duration of the war. This being so, if a moral obligation has been created by anything done or accomplished from the passage of this act, September 24, 1917, to the close of the war, it is our duty to carry it out. The act was passed as a war measure. Its object was to aid in its prosecution, and it was properly limited to the duration of the war. Now, there is no question about the fact that the Liberian Government was informed that a credit for $5,000,000 had been granted that country, for on September 19, 1918, the Liberian Government, through its President, expressed its most grateful sentiments of appreciation for the act; but it must not be forgotten that the United States gave the credit on conditions, and the President of Liberia accepted it without complying with the conditions. The minds of the two parties, therefore, never met. On September 12, 1918, Secretary Lansing sent the following telegram to the American Legation at Monrovia:

AMLEGATION, *Monrovia:*

The Treasury has established credit of $5,000,000 in favor of Liberia. Before any part of the money is available, however, department must have the following:

(a) Copy of portion of Liberian constitution providing for legislation authorizing the Liberian Government to borrow money.

(b) Copy of law authorizing loan enacted in accordance with said provision of constitution.

(c) Copy of proceedings on the part of the executive branch of the Liberian Government in accordance with said law.

(d) Copy of full powers given Liberian representative in United States authorizing him to sign such obligations as may be necessary and to receive the advances or take such other steps as the Liberian law may require.

You are instructed to inform the Liberian Government immediately of the establishment of this credit and the legal formalities this Government considers necessary.

LANSING.

Lansing's telegram admits that the United States had established a credit of $5,000,000 in favor of Liberia, but that same telegram, as you notice, declares, "before any part of this money is available, however, department must have the following," and so on, quoting the necessary conditions upon which the credit is to be available, and then, to leave the matter without doubt, he adds:

You are instructed to inform the Liberian Government immediately of the establishment of this credit and the legal formalities this Government considers necessary.

These conditions contained in the telegram announcing the establishment of the credit were never complied with until October, 1921, after the close of the war. Liberia needed money. If, as gentlemen say, the establishment of this credit was *fait accompli*, why did Liberia, urging and pleading for the loan, fail to draw the money which was to her credit in the Treasury of the United States? Clearly because these conditions had never been complied with, and were only complied with three years afterwards, in October, 1921. But to get the advantage of this loan that compliance had to be made before the close of the war, and it is admitted that such conditions were not complied with up to that date. How stands, then, the moral obligation? We may have agreed in order to get Liberia's influence against Germany to loan her this money in order to prosecute the war successfully. That was the principle laid down in the law; that was the object of the law which gave the President the right to create the loan. But it was clearly a war purpose, and the limitation in time under the law was the termination of the war with Germany. Suppose an agreement in which I agree to do a thing for a certain man for a certain purpose; the purpose fails, and the man attempts to hold me on an equitable or moral obligation to do the thing for another purpose which I do not approve of. Clearly no moral obligation attaches to me in such a case. I may agree to loan a friend $100 to take care of his family afflicted with smallpox; but suppose that friend, when his family have recovered from the disease, comes and demands that I loan him the $100 for business purposes that I failed to let him have though I had agreed to it. Is there any moral obligation on me to loan that man the money? My agreement was based on my sympathy for him and his family afflicted with a loathsome disease. The sickness is past, the children are well, the wife is out, and for some unexplained reason he never came to get the money. Why should I feel compelled to loan the man $100 for business purposes simply because I was willing to loan him $100 for humane purposes? Can there be any moral obligation there? My condition may have changed. My family may by that time have contracted smallpox themselves. And this proposition to-day is pressed to passage in this House, based on a supposed moral obligation on the part of the United States growing out of a conditional agreement to loan Liberia money for carrying on the war against Germany. But the war is over; so Liberia and her advocates on this floor say we must pay it for "the proper protection and promotion of American commercial interests on the west coast of Africa." (Secretary Hughes, p. 123 of hearings before the House Committee on Ways and Means.) The occasion which produced the need of the money, the war, is past. It was sought for war purposes, and now the aim is to hold the United States by a moral obligation to lend this money to Liberia for other purposes. Could an agreement by the United States to grant the loan to Liberia in order to prosecute the war *against* Germany be held by any sane man to constitute a moral obligation on the part of the United States to make a loan to Liberia now *in order to make war on Great Britain?* Is not the purpose of the loan the key that unlocks the door to the moral obligation? If that be changed, does not all obligation fade away?

Secretary Hughes says unequivocally he believes the United States is under a moral obligation to carry out this loan, but his opinion is weakened by his further statements—found in hearings before the Ways and Means Committee on pages 121, 122, and 123—on the subject in a letter to Senator Penrose of June 22, 1921, as follows:

In view of the time which has elapsed since the establishment of the credit and *the questions which might well be raised as to the propriety at this time of advancing money to Liberia as a war measure*, it is hoped that Congress will by joint resolution authorize specifically the proposed loan.

And further in a communication to the President, July 29, 1921:

The negotiations were had and proceeded to the point of an announced commitment at a time when the broad authority conferred in connection with the prosecution of the war was adequate to the consummation of the plan, and the fact that this authority may not be deemed longer to exist, while making it impossible to proceed without congressional sanction, does not, in my judgment, change the fact that assurances were given which should be made good.

And again in the same communication he says:

In view of these circumstances and the obligation to which they give rise, to which we can not fail to be sensitive, I need not dwell upon the facts that the extension of this loan is highly important from the standpoint *of the proper protection and promotion of American commercial interests on the west coast of Africa.*

In these statements the Secretary practically admits it is too late to claim authority for the loan under the Liberty loan act of September, 1917, as a war measure, for, as above quoted, he says:

In view of * * * the questions which might well be raised as to the propriety at this time of advancing money to Liberia as a war measure, it is hoped that Congress will by joint resolution authorize specifically the proposed loan.

Too late, thinks the Secretary, to carry out the loan as a war measure. The President no longer has power to act, as the war is over. So he pathetically appeals to Congress to "authorize specifically the proposed loan"; and for what purpose? To carry on the war against Germany? No; that is over, but for the "proper protection and promotion of American commercial interests on the West Coast of Africa." He wants Congress to start *de novo*, eliminating legal and moral obligations of the past, and with a clean slate asks us to go into a colonization scheme thousands of miles across the seas, with boundary disputes with every country of Europe, that must lead us into untold entanglements with them. Is not the slogan of the Republican Party "No entangling alliances abroad"?

This is the most remarkable proposition ever presented to the American Congress. It is an attempt under the guise of a moral obligation to do a certain thing, to give this money for an entirely different purpose, and thereby add to our possessions abroad, Liberia, when we are trying to get rid of some of those we have; to create another obstacle to international peace by extending our possessions instead of curtailing them. And all this, too, when to-day the immense debt of twenty-odd billions of dollars growing out of the war is upon us; with the majority on the Republican side of the House appealing day by day to us for economy; with the Secretary of the Treasury announcing the practical certainty of half a billion dollars deficiency next year, with its probable increase to a billion; with the necessity of sending a part of our already reduced Army and Navy to Liberia for police purposes.

The final agreement signed by the Secretary of State and the Liberian commissioner, October 28, 1921, in the city of Washington, as seen on page 124 of the hearings before the Committee on Ways and Means, "lets the cat out of the bag." I will not analyze it, but will content myself with making the simple

statement that it is an agreement for this country to take over Liberia, as we have taken over the Philippines; take charge of their revenues; providing for the appointment of a commission to control the country at enormous cost; the appointment of a financial commissioner, at a salary of $15,000 per annum; deputy commissioner, at $10,000 per annum; auditor, at $6,000 per annum; three administrative assistants of class 1, at $6,000 per annum; ten administrative assistants of class 2, at $4,000 per annum; two administrative assistants of class 3, at $3,000 per annum. These, of course, are to be appointed practically by the President of the United States. And we are to send our Army officers there to train their people to be soldiers, as they have none now. We are reducing our Army and Navy at home to lessen the chance of war, and we are to send the representatives of our Army to Liberia to increase the chances of war.

At this time, at any time, this proposition, should it pass, will receive, as it will deserve, the condemnation of the American people.

ENROLLED BILLS SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 4069. An act authorizing the Secretary of the Interior to sell certain lands on the Wind River Reservation, Wyo.

ANNOUNCEMENT.

Mr. GREENE of Vermont. Mr. Speaker, I am requested by the chairman of the Committee on Military Affairs to ask permission of the House to give notice that to-night at 8 o'clock, in the caucus room of the House Office Building, Colonel Davis, of the United States Cavalry, who was an observer on the staff of General Allenby during the campaign of the World War in Palestine, Syria, and so forth, will speak and give an illustrated lecture on his experiences in that part of the campaign.

ADJOURNMENT.

Mr. McKENZIE Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 56 minutes p. m.) the House adjourned until to-morrow, Friday, May 12, 1922, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. FOCHT: Committee on District of Columbia. H. R. 10390. A bill to amend the act entitled "An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia," approved June 20, 1906, and for other purposes; without amendment (Rept. No. 1002). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII the Committee on Interstate and Foreign Commerce was discharged from the consideration of the bill (H. R. 11335) for the relief of the widows of certain officers and enlisted men of the United States Navy, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. WALSH (by request): A bill (H. R. 11623) incorporating the Veterans of Foreign Wars of the United States; to the Committee on the Judiciary.

By Mr. FOCHT: A bill (H. R. 11624) to tax motor-bus companies and other transportation companies operating in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

Also, a bill (H. R. 11625) to provide for the widening of Nichols Avenue between Good Hope Road and S Street SE.; to the Committee on the District of Columbia.

By Mr. FAVROT: A bill (H. R. 11626) to extend the time for constructing a bridge across the Mississippi River at or near the city of Baton Rouge, La.; to the Committee on Interstate and Foreign Commerce.

By Mr. LONDON: A bill (H. R. 11627) granting amnesty in certain cases; to the Committee on the Judiciary.

By Mr. GRIFFIN: A bill (H. R. 11628) granting amnesty in certain cases; to the Committee on the Judiciary.

By Mr. RYAN: A bill (H. R. 11629) to prevent open conflict between various State and Federal officers and to allay the present unrest of labor in every State of the Union, and to amend the national prohibition act; to the Committee on the Judiciary.

By Mr. WALSH: A resolution (H. Res. 346) for the immediate consideration of H. R. 11450, "A bill to provide for printing and distributing of the Supreme Court Reports, and amending sections 225, 226, 227, and 228 of the Judicial Code"; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LAMPERT: A bill (H. R. 11630) granting a pension to Clara E. Cady; to the Committee on Invalid Pensions.

By Mr. NEWTON of Minnesota: A bill (H. R. 11631) granting a pension to Ella A. Record; to the Committee on Invalid Pensions.

By Mr. SMITHWICK: A bill (H. R. 11632) granting a pension to Angie Scanks; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5559. By Mr. APPLEBY: Affidavits to accompany House bill 11593, granting an increase of pension to Philip Hawk; to the Committee on Invalid Pensions.

5560. By Mr. BECK: Petition of Adolph Malmke and other residents of Wisconsin, urging the passage of House bill 8086 relative to filled milk and oleomargarine; to the Committee on Ways and Means.

5561. By Mr. BIXLER: Petition of residents of Warren, Pa., opposing the passage of Senate bill 3083, which threatens the best interest of Lucy Webb Hayes Training School and Sibley Memorial Hospital; to the Committee on the District of Columbia.

5562. By Mr. CULLEN: Resolution adopted by the New York Chapter, Military Order of the World War, relative to the Army appropriation bill; to the Committee on Appropriations.

5563. Also, resolution adopted by the members of Homestead Aerie, No. 769, Fraternal Order of Eagles, urging the modification of the existing prohibition laws; to the Committee on the Judiciary.

5564. By Mr. HAYS: Petition of Elmer Davis and eight other citizens of Ava, Mo., protesting against the passage of House bills 9753 and 4388 and Senate bill 1948; to the Committee on the District of Columbia.

5565. By Mr. KISSEL: Petition of Scarsdale Post, No. 52, Scarsdale, N. Y., relative to the personnel of the Navy; to the Committee on Appropriations.

5566. Also, petition of United Mine Workers Journal, Indianapolis, Ind., relative to coal miners; to the Committee on Labor.

5567. Also, petition of Mississippi Valley Association, St. Louis, urging the acceptance of Ford's offer for Muscle Shoals; to the Committee on Military Affairs.

5568. By Mr. RAKER: Petition of George Triantopoulos, San Francisco, Calif., relative to American assistance for the Greeks in their war with Turkey; to the Committee on Foreign Affairs.

5569. Also, petition of D. Ghiradelli Co., of San Francisco, Calif., relative to the tariff on cocoa and chocolate, and the Homer Knowles Pottery Co., of Santa Clara, Calif., indorsing the American valuation plan in the tariff bill; to the Committee on Ways and Means.

5570. Also, petition of the California Commandery, Naval and Military Order of the Spanish-American War, Los Angeles, Calif., protesting against any reduction of the naval and military forces of this country below the strength recommended by the War and Navy Departments; to the Committee on Appropriations.

5571. Also, petition of Chamber of Commerce of the State of New York, N. Y., relative to Federal legislation for the export trade; to the Committee on Interstate and Foreign Commerce.

5572. Also, petition of F. Louise Gianetti, president, American Women's Overseas League, of Pasadena, Calif., urging passage of House bill 7299, to incorporate the Women's Overseas Service League; to the Committee on the Judiciary.

5573. By Mr. SUMMERS of Washington: Petition of numerous voters of Yakima, Wash., protesting against the passage of House bill 9753 or Senate bill 1948; to the Committee on the District of Columbia.

5574. By Mr. WALSH: Petition of Priscilla S. Covington, of Bridgewater, Mass., opposing legislation to secure Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia.

SENATE.

FRIDAY, *May 12, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

PETITIONS AND MEMORIALS.

Mr. McCUMBER. I ask to have printed in the RECORD and appropriately referred a telegram, in the nature of a memorial, signed by A. L. Martin, protesting against a certain amendment to the packers and stockyards act.

There being no objection, the telegram was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

SENTINEL BUTTE, N. DAK., *May 4, 1922.*

Hon. P. J. McCUMBER,
United States Senate, Washington, D. C.:

Stockgrowers of North Dakota object strenuously to Kellogg amendment to packers and stockyards act (S. 3298). Secretary of Agriculture should have complete control in all things at South St. Paul, putting that market on a par with other markets.

A. L. MARTIN.

Mr. McCUMBER presented resolutions adopted by members of the North Dakota Cooperative Marketing Agencies, favoring extension of the agricultural credit powers of the War Finance Corporation for one year, and also the imposition of an adequate tariff duty on linseed oil, which were referred to the Committee on Finance.

He also presented resolutions of the Devils Lake (N. Dak.) Rotary Club, favoring a 10-year holiday in the enactment of legislation adverse to the railroads, which was referred to the Committee on Interstate Commerce.

He also presented resolutions of the Kiwanis Club and the Rotary Club of Minot, both in the State of North Dakota, protesting against repeal or amendment of the transportation act of 1920, and in general against adverse railroad legislation, which were referred to the Committee on Interstate Commerce.

Mr. ROBINSON presented a letter, in the nature of a petition, from O. J. Hawkins, of Fort Smith, Ark., praying for more drastic restriction of immigration, which was referred to the Committee on Immigration.

He also presented an additional paper, to accompany the bill (S. 3183) granting renewal and extension of certain patents to I. H. Larr, which was referred to the Committee on Patents.

Mr. CAPPER presented a petition of sundry citizens of Kansas City, Kans., praying for the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. SHEPPARD presented a petition of sundry citizens of Dallas, Tex., praying for the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. WILLIS presented petitions of S. E. Brandenburg, of Latty, and sundry other citizens of Latty, Haviland, Payne, and Scott; Guy Yeagley and sundry other citizens of Ney, and Charles T. Dunn and sundry other citizens of Curtice, all in the State of Ohio, praying for the imposition of a tariff duty of $2 per hundred pounds on imported Cuban sugar, which were referred to the Committee on Finance.

Mr. TOWNSEND presented a resolution adopted by the Presbytery of Detroit, at Detroit, Mich., favoring an amendment to the Constitution prohibiting polygamy, which was referred to the Committee on the Judiciary.

He also presented a memorial of sundry wholesale grocers and food dealers in Detroit, Mich., remonstrating against the imposition of a tariff duty of 55 per cent ad valorem on mushrooms as being excessive and prohibitive, which was ordered to lie on the table.

He also presented a resolution adopted by the Presbytery of Detroit, at Detroit, Mich., favoring an amendment to the Constitution providing for uniform marriage and divorce laws, which was referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Mt. Pleasant, Shepherd, St. Louis, Detroit, Bay City, Highland Park, Saginaw, Freeland, Swan Creek, Hemlock, Gratiot, Clifford, Caro, Fairgrove, Vassar, Reese, Charlevoix, Ironton, Clio, Montrose, Marion, Owendale, Sebewaing, Bach, Gagetown, Colling, Alma, Edwell, Sandusky, Gilford, Coleman, Clare, Rosebush, Weidman, Cass City, Brown City, Yale, Melvin, and Carsonville, all in the State of Michigan, praying for the imposition of a tariff duty of $2 per hundred pounds on imported Cuban sugar, which were referred to the Committee on Finance.

Mr. JONES of Washington presented resolutions adopted by the Presbytery of Bellingham, at Anacortes; the Presbytery of Olympia, at Tacoma; the Presbytery of Columbia River, at South Bend; and the Presbytery of Spokane, at Spokane, all in the State of Washington, favoring an amendment to the Constitution prohibiting polygamy, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Presbytery of Bellingham, at Anacortes; the Presbytery of Olympia, at Tacoma; the Presbytery of Columbia River, at South Bend; and the Presbytery of Spokane, at Spokane, all in the State of Washington, favoring an amendment to the Constitution providing for uniform marriage and divorce laws, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Presbytery of Bellingham, at Anacortes; the Presbytery of Olympia, at Tacoma; the Presbytery of Columbia River, at South Bend; and the Presbytery of Spokane, at Spokane, all in the State of Washington, favoring the enactment of legislation to regulate Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. SHEPPARD. I ask to have inserted in the RECORD a memorial from Greek-American ex-service men of Houston, Tex., protesting against the violation of the allied nations' solemn pledges given to President Wilson in 1916, and asking for my "support to champion the cause of those unfortunate Greeks and Armenians who are sold to Turkey by the allied nations merely for commercial and political reasons." I will say that I join in the protest, and I ask that the memorial with the signatures be printed in the RECORD and referred to the Committee on Foreign Relations.

There being no objection, the memorial was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, with the names, as follows:

HOUSTON, TEX.

Senator MORRIS SHEPPARD,
Washington, D. C.

HONORABLE SIR: We, the undersigned Greek-American ex-service men, who fought in the World War under the colors of this our adopted land for the liberation of small nations, beg to inform your excellency that our mothers, fathers, brothers, and sisters in Asia Minor and Thrace are about to be turned over to Turkish misrule.

The bloody history of the invasion and conquest of the southwestern Europe by these Asiatic hordes several centuries ago is no doubt well known to you, the still bloody history of recent years, of the barbarities and massacres committed on all Christian races, left to their tender mercies has been shocking the entire world.

We, only a very small part of the 63,000 Greek-American veterans, strongly protest against the violation of the allied nations' solemn pledges given our former President Wilson in 1916, and ask for your support to champion the cause of those unfortunate Greeks and Armenians who are sold to Turkey by the allied nations merely for commercial and political reasons.

Shall America, the greatest champion and exponent of international justice, not even raise her powerful and just voice as a protest against this decision of the allied nations, which is tantamount to a "sentence to death," appointing Turkey executor?

After all, what was the use for America, who so generously spent several millions of dollars feeding and clothing those unfortunate Christian refugees of Asia Minor and Thrace, if this was going to be the outcome?

Will you, without protest, let Turkey return and execute the sentence to death? We can not believe.

Theo. D. Pappas, Fifty-third Ammunition Train, Coast Artillery Corps; Stergios Pappas; Mrs. Panagiota Vlachos, mother of Leonidas Vlachos, who was killed in action; Emanuel Vanveris; Aristitelis Grinjos; Alexandros Kanakis; Spiros Martylos; Panagiotis Mpaikuis; George Vallas; George Spillios; Evangelos Profitis; Guss Lazaros; Angelos Lambos; Sam Glanoukos; Sam Kourmadas; Panagiotis Vassiliou; George Kostas; John Sinathis; George Samios; Christ Catehis.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McCUMBER:

A bill (S. 3587) granting a pension to Ole Anderson (with an accompanying paper); to the Committee on Pensions.

By Mr. KING:

A bill (S. 3588) granting certain lands to the city of Ogden, Utah, to protect the watershed of the water-supply system of said city; to the Committee on Public Lands and Surveys.

By Mr. BURSUM:

A bill (S. 3589) granting a pension to Nellie Thornton; to the Committee on Pensions.

By Mr. CALDER:

A bill (S. 3590) authorizing the erection of an addition to the Federal building, Brooklyn, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. McKELLAR:

A bill (S. 3591) for the relief of Katherine Southerland (with accompanying papers); to the Committee on Claims.

By Mr. MYERS:

A bill (S. 3592) to authorize repayment in certain cases; to the Committee on Public Lands and Surveys.

By Mr. McCUMBER:

A joint resolution (S. J. Res. 196) authorizing and directing the accounting officers of the General Accounting Office to allow credit to the disbursing clerk of the United States Veterans' Bureau in certain cases; to the Committee on Finance.

TARIFF BILL AMENDMENT.

Mr. BROUSSARD submitted an amendment intended to be proposed by him to House bill 7456, the tariff bill, which was referred to the Committee on Finance and ordered to be printed.

ADJUSTED COMPENSATION FOR WORLD WAR VETERANS.

Mr. BURSUM submitted an amendment, in the nature of a substitute, intended to be proposed by him to the bill (H. R. 10874) to provide adjusted compensation for veterans of the World War, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

AMENDMENT TO DEFICIENCY APPROPRIATION BILL.

Mr. McCUMBER submitted an amendment proposing to appropriate $65,000, or so much thereof as may be necessary, to be immediately available, for the purchase of additional land for the Wahpeton (N. Dak.) Indian School, intended to be proposed by him to the deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following acts and joint resolutions:

On May 8, 1922:

S. 2186. An act granting certain lands in Hot Springs, Ark., to the Leo N. Levi Memorial Hospital Association.

On May 9, 1922:

S. 2440. An act extending the period for homestead entries on the south half of the Diminished Colville Indian Reservation.

On May 11, 1922:

S. J. Res. 132. Joint resolution to authorize the printing of journals, magazines, periodicals, and similar publications, and for other purposes; and

S. J. Res. 186. Joint resolution authorizing the transfer to the jurisdiction of the Joint Committee on the Library certain reservations in the District of Columbia for use in connection with the Botanic Garden.

REPORT OF ALIEN PROPERTY CUSTODIAN.

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read:

To the Congress of the United States:

In accordance with the requirements of section 6 of the trading with the enemy act, I transmit herewith for the information of the Congress a communication from the Alien Property Custodian, and a copy of Senate Document No. 181, Sixty-seventh Congress, which document contains a report of all proceedings had under the trading with the enemy act by the office of the Alien Property Custodian during the present administration as well as proceedings under the previous administration from the passage of the trading with the enemy act October 6, 1917.

WARREN G. HARDING.

THE WHITE HOUSE,
May 12, 1922.

The VICE PRESIDENT. The Chair is in doubt as to the committee to which the message and accompanying papers should be referred. Unless the Senate has some suggestion to offer, the Chair will refer it to the Committee on Finance.

Mr. SMOOT. It should go to the Committee on Finance.

The VICE PRESIDENT. It will be so referred.

VISIT OF 1881 NAVAL CLASS TO JAPAN.

Mr. McCORMICK. Mr. President, I would like to invite the attention of the Senate to the report that the great transport *Henderson* is to proceed from the United States to Japan for the sole purpose of conveying thither the Annapolis classmates of Admiral Uriu.

It is an excellent idea that the classmates of the admiral, including the Secretary of War and the Secretary of the Navy of the United States, should go to Japan in the interest of comity between the nations, but inasmuch as the Navy complains of a shortage of fuel, I venture to suggest to the Committee on Commerce, the Committee on Naval Affairs, and the Committee on Appropriations that possibly there is a vessel operating under charter from the Shipping Board which could find 27 berths for the 27 classmates of Admiral Uriu, to carry them to Japan without the great expenditure involved in the navigation of the *Henderson* from this country across the Pacific.

Mr. ROBINSON. May I ask the Senator a question?

Mr. McCORMICK. Certainly.

Mr. ROBINSON. Does the Senator state that it is the purpose of the authorities of this Government to provide transportation and the expenses incidental to the same for the purpose of transporting students, who are Japanese, and citizens of the United States——

Mr. McCORMICK. Oh, no, Mr. President; these are American naval officers, retired or in active service, who were classmates of Admiral Uriu when he was at Annapolis in 1881. I note in the press that the *Henderson* is going to Japan for the purpose of affording that transportation, and in view of the shortage of coal available for the Navy, I merely suggest that, as vessels are crossing the Pacific under charter from the Shipping Board, they might travel comfortably as first-class passengers on a Shipping Board vessel.

Mr. ROBINSON. Has the Senator investigated the press report to ascertain its accuracy or reliability? I will say in connection with the question I have just submitted to him that it seems astonishing to a degree almost unreasonable if such a purpose is in the mind of any agency of the Government. I can not comprehend it.

Mr. McCORMICK. I have not made inquiry of the department, but let me say to the Senator that before I read the report in the press I had heard it remarked by Senators who know some of the officers who are likely to make the voyage that it was to be made under these conditions. I want the matter called to the attention of the committees responsible for the maintenance of the Navy and the merchant marine and the appropriations therefor.

Mr. ROBINSON. I am very glad the Senator has made the statement, and I may say, since he has done it, that the course which he says is in contemplation will not be taken.

Mr. WATSON of Georgia. Mr. President, I would like to say, in connection with what has been said by the Senator from Illinois, that this is no time to be extending a special courtesy to Japan. Japan broke her word with us and with Korea. Her course of perfidy in regard to Korea is unparalleled in history.

Japan broke her word with us, in that she has not taken her troops out of Siberia. She was under her word of honor to withdraw her troops when the American troops were withdrawn. The American troops were withdrawn some two years ago, and Japan has not only not withdrawn her troops but has recently reinforced them.

Japan has not abandoned to Russia that part of the island of Sakhalin which belongs to Russia. She is now exploiting the natural resources of that vast island. She stands before the world dishonored, and it is not a time for this Government to be going out of its way to pay a special compliment to Japan.

CALL OF THE ROLL.

Mr. ROBINSON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gerry	McCumber	Shortridge
Ball	Hale	McKellar	Simmons
Borah	Harreld	McKinley	Smoot
Brandegee	Harris	McLean	Spencer
Bursum	Harrison	McNary	Sutherland
Calder	Hitchcock	Moses	Swanson
Capper	Johnson	Nelson	Townsend
Caraway	Jones, Wash.	Newberry	Underwood
Colt	Kellogg	Nicholson	Wadsworth
Culberson	Kendrick	Oddie	Walsh, Mass.
Curtis	Keyes	Overman	Watson, Ga.
Dial	King	Pittman	Watson, Ind.
Dillingham	Ladd	Rawson	Weller
Elkins	La Follette	Robinson	Willis
Fletcher	McCormick	Sheppard	

Mr. McKINLEY. I wish to announce that the Senator from Nebraska [Mr. NORRIS], the Senator from Kansas [Mr. CAPPER], and the Senator from South Dakota [Mr. NORBECK] are engaged in a hearing before the Committee on Agriculture and Forestry.

Mr. SHEPPARD. The Senator from Montana [Mr. WALSH] is detained on official business.

Mr. DIAL. I desire to state that my colleague [Mr. SMITH] is unavoidably detained. I ask that this announcement may continue through the day.

The VICE PRESIDENT. Fifty-nine Senators have answered to their names. A quorum is present.

MERGER OF STEEL COMPANIES.

Mr. LA FOLLETTE. Mr. President, on the 8th day of May I introduced Senate Resolution 286, which I now read:

Whereas definite reports in the daily press and in financial journals state that there is about to be consummated a merger of seven of the largest iron and steel corporations, namely, Midvale Steel & Ordnance Co., Republic Iron & Steel Co., Lackawanna Steel Co., Inland Steel Co., Youngstown Sheet & Tube Co., Steel & Tube Co. of America, and Brier

Hill Steel Co., having a total annual capacity of more than 10,000,000 tons of steel; and

Whereas it is also reported that the Bethlehem Steel Corporation, while not a part of the present merger, will join the combination when it has been successfully accomplished; and

Whereas the complete consummation of this plan will result in the creation of a billion dollar corporation, controlling substantially all of the steel-producing capacity of the country which is not now controlled by the United States Steel Corporation; and

Whereas this will create a complete monopoly of the steel industry in the hands of two gigantic corporations, resulting inevitably in the suppression of such competition as now exists in the manufacture and sale of this essential product and in the restraint of trade and commerce among the several States and the District of Columbia and with foreign nations; and

Whereas experience has shown the impossibility of dealing effectively with such combinations and mergers after they have been consummated, regardless of the damage which they may inflict upon competitors and of the injury to the public welfare; and

Whereas section 4 of the Sherman antitrust law (act of July 2, 1890) specifically provides:

"The several circuit courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act, and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations";

Resolved, That the Attorney General of the United States and the Federal Trade Commission be requested to inform the Senate as soon as possible what steps they have taken or propose to take to ascertain the purposes and probable effects of the proposed merger; what have been the results of any investigations which they may have conducted; and what actions they have instituted to protect the public interest;

Resolved further, That the Attorney General be further requested to inform the Senate whether or not it is advisable, in his opinion, to proceed under the appropriate provisions of the Sherman law and the Clayton law to prevent and restrain this impending combination.

Mr. President, I am constrained to press this resolution for consideration at this time, for the reason that the impending merger of seven or more of the largest iron and steel corporations is now upon the point of being consummated. I should not ask the Senate to divert its attention from the pending legislation if I did not sincerely believe that only by prompt action at this ttime can the Nation be saved from irreparable injury. Immediate action is necessary.

The New York Times of Thursday, May 11, 1922, carries the following authoritative interview with the counsel for the merger, indicating that its consummation is now only a matter of days and hours:

STEEL MERGER NOW SEEN AS NEAR FACT—PLANS EXPECTED TO BE AGREED TO AT CONFERENCES THAT BEGIN HERE TUESDAY—RETURN FROM INSPECTION—OFFICERS OF SEVEN COMPANIES AND LEGAL ADVISER BACK AFTER TEN-DAY TRIP AMONG MILLS.

The chances for consummation of the plan calling for the consolidation of seven of the largest independent steel companies in the United States are now "2 to 1 in favor of," as against "10 to 1 against it" two months ago, according to Thomas L. Chadbourne, of the law firm of Chadbourne, Babbitt & Wallace. Mr. Chadbourne returned to this city yesterday on "the steel merger special," which left New York a week ago Sunday, carrying officials of the various companies on an inspection trip of the plants and properties in the proposed combination.

Mr. Chadbourne said he was almost sure the merger would be accomplished soon and that a company second in size only to the United States Steel Corporation would be formed. "Six months ago the chances were ten to one against us," Mr. Chadbourne said; "now I believe they are two to one in our favor. Do I think there is no doubt about it going through? No; but I am reasonably certain that it will go through."

A meeting will be held next Tuesday, Mr. Chadbourne said, at the offices of Kuhn, Loeb & Co., who have been acting in this deal in the capacity in which J. P. Morgan acted in the formation of the Steel Corporation. Officers of the various companies concerned will be present. Details of the arrangement will be gone over in preparation for a final settlement. After that, Mr. Chadbourne intimated, there would be little time lost in putting the merger into effect, although the legal formalities and physical labor of the task would take from 60 to 90 days.

In order that the Senate may be informed as to the details of the pending merger, I desire to read a brief summary published in the Christian Science Monitor of May 1, 1922, and to ask the permission of the Senate to insert at the end of my remarks, in 8-point type, a somewhat longer and more detailed account published in the New York World of April 28, 1922.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LA FOLLETTE. The statement in the Christian Science Monitor, which is confirmed by numerous articles in various financial journals, is as follows:

BIG MERGER UNDER WAY.

The big development of the week was the apparent progress made toward the merger of the seven steel companies, namely, the Midvale Steel & Ordnance Co., the Lackawanna Steel Co., the Republic Iron & Steel Co., Brier Hill Steel Co., Inland Steel Co., Youngstown Sheet & Tube Co., and Steel & Tube Co. These companies produce in the aggregate about half the total of the output of the United States Steel Corporation. The annual production figures are 14,000,000 tons of ore, 10,000,000 tons of ingots, and 7,000,000 tons of finished products. They employ more than 100,000 workers. Officers of the companies, engineers, attorneys, and bankers are now making an inspection tour of the seven companies. Kuhn, Loeb & Co. are intrusted with the financing. Thomas L. Chadbourne, of Chadbourne, Babbitt & Wallace, New York, has direct supervision of the plans. Definite announcement is expected within the next fortnight. There has been talk of such a merger for the last 10 years. The war interrupted active negotiations, because each plant was concentrating on maximum production. The United States Steel Corporation produces half of the country's steel. These merging companies turn out one-quarter. It is hinted that the Bethlehem Steel Co. may join if the merger of the original seven companies goes through.

In this morning's Baltimore Sun I find the following dispatch, headed:

Lackawanna Co. and Bethlehem Steel to unite. Pennsylvania corporation soon will absorb New York concern. Cuts independent merger firms to six. Consolidation will create organization with nearly $300,000,000 capital.

I judge, Mr. President, that since the active movement for this merger was resumed some two weeks ago the plans have changed and that the merger is to be consummated on the installment plan, perhaps as tending to provoke or excite less opposition on the part of the public if made in that way than as though made by all of the independent steel companies at one time.

NEW YORK, May 11 (Special).—One step ahead of the "seven-company" steel merger that was to include the Lackawanna Steel Co., announcement was made to-night of the practical completion of a deal by which that property will be merged into the Bethlehem Steel Corporation. The official statement is as follows:

Mr. E. G. Grace, president of the Bethlehem Steel Corporation, Mr. Moses Taylor, chairman of the board of directors of the Lackawanna Steel Co., and the committee appointed by it to deal with the matter, have reached an agreement as to terms to recommend to their respective boards of directors and stockholders for the purchase by Bethlehem of the Lackawanna properties.

The transaction involves the use of Bethlehem 7 per cent preferred and class B common stocks in payment for the properties.

The details are being prepared for prompt presentation to the stockholders of the respective companies.

SIX LEFT TO MERGE.

This reduces to six the number of properties that are lined up for merger at this time as the result of the recent negotiations carried on through Kuhn, Loeb & Co. The list as it stands now includes the Midvale Steel and Ordnance Co., Youngstown Sheet and Tube Co., Republic Iron and Steel Co., Brier Hill Steel Co., Steel and Tube Co., America and Inland Steel Co.

The directors of both Bethlehem and Lackawanna will meet next Tuesday and are expected then to make definite statements for their respective companies, naming the exact terms agreed upon.

Controlling interests in the Lackawanna Steel Co., it is understood, include the estate of Cornelius Vanderbilt, Pickands, Mather & Co., and the Ogden Mills party. If any financing is carried out in connection with the merger it will be done through the Guaranty Co. of New York and the Bankers' Trust Co.

This financial institution is the clearing house for the big financial interests.

INGOT CAPACITY 5,000,000 TONS.

Mr. Grace, in commenting on the merger, stated that it will bring up the total ingot capacity of the Bethlehem plants to 5,000,000 tons, capacity supplied by the Lackawanna being 1,800,000. The United States Steel Corporation has a total ingot capacity of 22,000,000 tons.

The president of the Bethlehem Steel explained also that the deal will give that company certain lines which are supplementary to its present output. Lackawanna has a large business in what are known as "commercial ordinary bars" and certain special forms of steel plates.

There will still be lacking a wire-producing unit, and it is rumored that some property of this type may be taken over at a fairly early date.

It was stated emphatically that the deal between Bethlehem and Lackawanna has nothing to do with the seven-company or, at present, six-company merger under negotiation. There appears, however, to be nothing in the situation to prevent the enlarged Bethlehem Steel Corporation from joining forces with any other consolidation later on.

SCHWAB VISITED INLAND PLANT.

A development of interest in connection with to-day's announcement was the statement that Charles M. Schwab, chairman of Bethlehem Steel, some time ago looked over the Inland Steel plant, at Indiana Harbor, with a view to acquiring it, but owing to freight rates and geographical conditions, such a decision was not reached. The acquisition of Lackawanna is the outcome of eastern markets. The Lackawanna plant is near Buffalo and has an important business in New England.

The Bethlehem Steel Corporation has now outstanding $30,000,000 of 8 per cent cumulative nonvoting preferred stock, $14,908,000 class A 7 per cent noncumulative preferred, $14,862,000 voting common stock, and $45,000,000 class B common, which is nonvoting. There is also $30,000,000 of unissued class B common stock reserved for conversion of 8 per cent cumulative preferred.

ISSUES TO BE INCREASED.

The issues to be increased by the Lackawanna acquisition are the 7 per cent noncumulative preferred and the class B, or nonvoting, common. Funded debt of the company, at last report, is $137,508,000, making total outstanding capitalization $242,508,000.

Capital stock of the Lackawanna Steel Co. is outstanding to the amount of $35,108,000, all common, though the company has an authorized issue of $10,000,000 preferred. Bonded debt of the company and subsidiaries is $21,174,000, bringing total capitalization to $56,282,000.

In this connection, Mr. President, I read also a brief excerpt from a dispatch sent out by the International News Service:

NEW YORK, N. Y., May 12.—The stock of the Lackawanna Steel Co. leaped from $65 per share to $75 on the stock exchange early to-day, while Wall Street excitedly discussed the bomb-shell announcement of the merger of that great concern with the Bethlehem Steel Co., the young giant constructed through the force of Charles M. Schwab, following his retirement from the United States Steel Corporation 19 years ago.

It is seldom that Wall Street is called upon to absorb such important news as that of this merger without advance rumors, and the market was rather sensationally influenced.

Lackawanna had been supposed to be one of the prime movers in a merger of seven independent steel corporations.

Apprehension existed to-day in some quarters that the sudden absorption of the Lackawanna Co. by the Schwab interests would have an unfavorable effect on the proposed general independent merger. Thomas L. Chadbourne, organizer of the independent combine, however, was emphatic in his statement that the withdrawal of the Lackawanna—

That is, from his announced list of companies that would combine—

That the withdrawal of the Lackawanna would in no way affect the merger of the other companies, which would now be on a six-company basis.

But, Mr. President, I venture the prediction that after these two mergers are consummated, and the public has recovered from its first shock and is in a state of mind to be further imposed upon, these two new combinations will be united in one.

Mr. HITCHCOCK. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. LA FOLLETTE. I yield.

Mr. HITCHCOCK. A little while ago the Senator estimated that the proposed combination being engineered by Mr. Chadbourne represented an output of about one-quarter of the steel product of the United States. Did he include the Lackawanna in that estimate?

Mr. LA FOLLETTE. Yes; that included the Lackawanna, but did not include the Bethlehem.

Mr. HITCHCOCK. Can the Senator state what the Bethlehem output was?

Mr. LA FOLLETTE. With the Bethlehem included, the new combination would have an output of about 15,000,000 tons.

The total output of all the steel plants of the country is in round numbers 40,000,000 tons.

Of this amount, the United States Steel Corporation produces 20,000,000 tons.

The seven-company merger would produce, on the present basis of the output of the seven companies, 10,000,000 tons. Adding the output of the Bethlehem, which is 5,000,000 tons, would make a total output of the new merger 15,000,000 tons. And this 15,000,000 tons, added to the 20,000,000 tons produced by the United States Steel Corporation, would make a total of 35,000,000 tons which the two big monopolies would produce. This practically covers the entire field of the steel production of the country, there being but 5,000,000 additional steel tonnage, which is produced by the small plants scattered over the country.

Mr. HITCHCOCK. The Senator's view is that unless some effort is made in advance to stop this proposed consolidation, it will be too late after it is formed to act?

Mr. LA FOLLETTE. That is exactly my view, as I shall develop it in the few moments that I am going to speak to the Senate—that under the decision of the Supreme Court in the United States Steel Corporation case we shall be told, after this thing is done and this new merger is in operation, that it is too late to deal with it. What I am asking and what I am hoping is that the Department of Justice may be sufficiently aroused at this time, by the passage of this resolution calling upon it for information, to take speedy action under section 4 of the Sherman Act and enjoin this merger before it shall be consummated.

Mr. HITCHCOCK. May I ask the Senator whether he has been able to connect to any extent the existing effort to increase the tax upon the products of these companies by the pending tariff bill with this proposed effort substantially to create a monopoly in the production of steel and iron products in the United States?

Mr. LA FOLLETTE. I have not gone into that; but, Mr. President, in the consideration of the pending tariff bill, as we come to the metal schedule, special point may be made in the discussion of the activity of these great interests in bringing about such a combination of their various organizations as to altogether eliminate competition in the field of steel production.

Mr. HITCHCOCK. It certainly has been very significant in the past that as legislation has created a wall around the country to exclude foreign competition, the formation of trusts inside of the wall has accomplished the purpose of creating a monopoly under the protection of the tariff legislation.

Mr. LA FOLLETTE. Yes, Mr. President; and that is the fault, I find, with the excessive rates of the pending bill. They can not be defended on the basic principle laid down by Hamilton, Clay, and McKinley, that competition between protected industries will protect the consumer against monopoly. Trusts and combinations now destroy competition and leave the consumers at the mercy of monopoly. The situation has radically changed since McKinley said that "the spur of competition pricking the sides of the competing industries in the different States will always operate in the end to reduce the cost to the consumer and protect him against the effects of monopoly." But, Mr. President, I must confine myself strictly to the subject in hand.

Mr. HITCHCOCK. One more word. Certainly the political organization which steps forward and demands the exclusion of foreign competition ought to be the party to take the lead in insuring domestic competition.

Mr. LA FOLLETTE. I quite agree with that statement. I say now that the only way the protective system can be maintained and live is by equalizing the difference between the cost of producing here and abroad by maintaining domestic competition among the beneficiaries of the protective tariff.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from North Carolina?

Mr. LA FOLLETTE. I yield.

Mr. SIMMONS. May I supplement what has just been said with this thought: Of course, we all know, and it does not require any statement with reference to it, the extent to which the products of the country have come under the control of the trusts, and that these trusts do dominate the market, fix prices, and stifle competition. They are now proceeding unmolested in the accomplishment of that purpose. They have accomplished that purpose; and, in violation of the law of the land, in violation of the public policy of the land, they have stifled competition, destroyed the operation of the law of supply and demand in the domestic markets; and the people have no protection against this combination and this stifling of competition except through the importation of foreign competitive products. That is the only remedy the people have left to them.

This condition has been created by the trusts in violation of the statute law of the United States and in violation of the public policy of the country. If we shall, under those conditions, further aid these trusts—and I think it can be and has been shown that the pending tariff bill extends special favors to the trust-controlled products—if we shall, as provided in this bill, lend aid to the trusts in their scheme of suppressing competition by removing the only remaining obstacle in their way, namely, the importation of foreign competitive products, will we not, by that legislative act, by removing the only remaining competition, put the people absolutely at the mercy of the trusts, and will we not by that act aid these trusts in carrying out this conspiracy against the law of the land and against the public policy of the land? Are we, the representatives of the people, here for the purpose of helping these unlawful combinations to make effective and carry out their conspiracies in restraint of trade—in violation of the public policy and statute law of the land? I simply wanted to contribute that thought to this discussion.

Mr. LA FOLLETTE. Mr. President, I think it is sufficient for me to say upon that point at this time that the pending tariff bill furnishes another reason why action should be taken at once by the Senate upon the resolution which I have presented, the effect of which I trust will be to awaken the Department of Justice to prompt action, since the only action which can be taken for the protection of the public must be taken before this merger is consummated.

The press reports indicated that for diplomatic reasons the Bethlehem Steel Co. was not to be taken into the seven-company merger as first planned, but that it would come in later. The press reports of this morning inform us that this plan has been changed and that the Bethlehem and Lackawanna will first be merged and the other six corporations will then be taken in. The result is the same. The new merger will include the eight great corporations as finally consummated.

When this has been accomplished, every so-called independent steel corporation of any consequence in the United States will have been merged into one gigantic combination and almost the entire output of iron and steel products will then be under the control either of the United States Steel Corporation or of its twin brother, which is yet unnamed.

The purpose of this merger is clear. It is the elimination of whatever competition now exists in the steel industry and the creation of a situation where prices may be fixed on a monopoly basis without fear of detection. The Wall Street Journal of May 4, 1922, states:

I invite the attention of Senators to this paragraph, because it is the view of the organ of the Wall Street interests as to the effect of this merger. I quote:

The United States Steel Corporation, according to steel manufacturers, will not look with disfavor on a merger of seven or more independent steel companies. A combination would tend to stabilize the in-

dustry and benefit shareholders as well as employees. * * * Chairman Gary, of the United States Steel Corporation, has always adhered to his original policy of what he terms reasonable prices and reasonable wages. He realized that without fair prices there would be unemployment and low wages. When the depression began, certain of the independents entered into a cut-throat price war, and steel was sold far below cost of production. The industry needed a stabilizer, but with a dozen or more big companies competing against each other demoralization was in order, not only for the companies but for the employees as well. * * * With two big steel combinations in the field prices should be more uniform.

It would appear from this account that during the past year there has actually been some competition in the steel industry, and that this strange phenomenon, which had been unknown since the formation of the Steel Trust and the inauguration of the Gary dinners, has greatly discommoded the steel magnates. Believing that the Sherman Antitrust Act is a dead letter, they have determined to eliminate this competition by bringing all the so-called independents together in one great combination, where they will no longer be tempted to cut prices in order to keep their plants in operation.

Of course, the United States Steel Corporation does not object to this merger. Why should it? As a matter of fact, there are strong indications in what is already known about this proposed merger that the same financial forces which formed and now control the United States Steel Corporation are also in charge of the creation of this new merger. I call your attention to the fact that the financing of this new Steel Trust is in the hands of Kuhn, Loeb & Co. The Committee on the Concentration of Control of Money and Credit, generally known as the Pujo Committee, reported in 1913 that the most active agents in forwarding and bringing about the concentration of control of money, credit, and industry are J. P. Morgan & Co., First National Bank of New York, National City Bank of New York, Lee, Higginson & Co., of Boston and New York, Kidder, Peabody Co., of Boston and New York, and Kuhn, Loeb & Co.

The report showed that these great financial groups never acted alone on any large transaction, but invariably acted in combination and shared the spoils. This was admitted by Mr. George F. Baker in his testimony before the committee, under the examination of Mr. Samuel Untermyer, as shown by the following excerpt from the testimony:

Q. (Mr. UNTERMYER.) But among these banking houses that we have named, is there not a strong and continuous community of interest in the purchase and sale of securities?—A. (Mr. BAKER.) I think there is. We have always tried to deal with our friends rather than with people we do not know.

There is every reason to believe, therefore, that, while Kuhn, Loeb & Co. is the nominal financial agent in the creation of this consolidation, they are acting in concert with the financial interests which control the United States Steel Corporation. Reports in the financial journals demonstrate that the merger has already proceeded far enough to result in the elimination of competition and the fixing of prices upon a monopoly basis. The Wall Street Journal of April 28, 1922, says:

While actual business placed with steel companies has shown some falling off in the past 10 days, prices continue strong, with some companies getting higher prices daily. * * * Carnegie Steel advancing plates to $1.60 a hundred pounds will fix minimum price at this figure, compared with $1.50 a week ago. Other mills for the past week have not been willing to take new business under $1.60, not only on plates but on all other heavy rolled products as well.

Here we have concrete evidence of the fixing of prices on a monopoly basis. "Actual business," says the Wall Street Journal, "has shown some falling off in the past 10 days," but prices are advancing. Every business man, every child, in fact, knows that when business is falling off prices can not be advanced except by combination and conspiracy. Thus we see that even before the merger is completed a mere understanding between the different groups is sufficient to eliminate the competition which had been stimulated during the industrial depression and to bring about on a small scale the exploitation of the public through monopoly prices, which will be continued on a huge scale as soon as the merger is actually perfected.

Wall Street knows that this will be the result, for the prices of the stocks of the corporations which are to be absorbed have been steadily rising ever since the merger was announced. The New York Times of April 29, 1922, says:

The stocks traded in on the New York Stock Exchange of the independent steel companies which are to be included in the "seven-company merger" advanced sharply yesterday in connection with reports in Wall Street that the deal might be consummated by the middle of May. Republic Iron and Steel, which is expected to take a leading part in the merger, jumped 3¼ points net in yesterday's market on fairly active dealings and at 61¼ registered a new high price for the year. Lackawanna Steel rose 1¼ points and Midvale Steel 1½. Stock of other steel companies not included in the proposed merger rose in sympathy.

The consummation of this merger must be prevented, I say to the Senate. This is the age of steel. Iron and steel to-day lie at the base of every human activity. Without steel our farms can not be cultivated, our railroads would cease to operate, our industries would be prostrated, and our very homes could not be built. The men who control this basic commodity control the Nation. A little more than 20 years ago they secured complete control of one-half the industry by the formation of a corporation so great that it staggered the Nation. They could control the other half of the industry only by agreements and understandings with the so-called independent companies. These agreements, arrived at through the medium of the Gary dinners, worked well during the periods of prosperity; but they were inconvenient and, like all these gentlemen's agreements, were apt to be broken when in periods of depression there was a scramble for business. To-day they are proposing to bring the other half of the industry under one consolidated control; so that in future, instead of operating through the medium of understandings to which there were a dozen or more parties, they will be able to make firm and binding agreements between the two great corporations which will dominate the industry. Gary dinners will no longer be necessary. Instead, the heads of the two great corporations will be able to sit down at a lunch table and without fear of detection fix the price of every pound of steel sold in the United States. On this point the New York Commercial of May 10, 1922, says:

The effect would be to place the steel business of the country in the hands of two large concerns in the ratio of about 60 and 40.

Mr. President, at this point I wish to read an extract from a letter received this morning from a prominent banker. I regret that I have not permission to use his name in that connection, at least not at this time, because I am certain that it would strongly impress the Senate and the country. In this letter, dated May 11, 1922, he says:

DEAR SENATOR LA FOLLETTE: I have read with much interest in the CONGRESSIONAL RECORD of May 8 the resolution offered by you in regard to proposed plans for the further consolidation of leading steel and iron corporations, and in the interest of the country I earnestly hope that ways and means may be found to prevent this further stride toward complete monopoly of the steel and iron interests of the United States.

In my opinion the object aimed at by the promoters of this consolidation is not the securing of a higher efficiency in the production of steel and iron through the use of more modern processes and improved machinery, but the prime object is, I believe, to place in the hands of a small executive committee or a few men the power, first, to control the selling price of these essentials of life, and, second, to control more effectively the wages to be paid to the workingman.

If this scheme goes through it will be very much easier for the head of the United States Steel Corporation and the head of a new trust about to be formed to control the prices of steel and iron and the wages of labor than it would be if the boards of directors and executive officers of half a dozen or more corporations had to be consulted. I have had practical experience with steel and iron manufacturers, and I know whereof I speak.

Mr. WATSON of Georgia. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Georgia.

Mr. WATSON of Georgia. Has the Senator investigated the labor situation to ascertain whether or not the Steel Trust still works its men on Sunday?

Mr. LA FOLLETTE. I have no information on that subject of later date than the report of the interchurch investigation which was issued something like a year or a year and a half ago. At that time it is my recollection that they found that something more than one-third, possibly it was as much as one-half, of the total number of the employees of the corporation were required to work 12 hours a day, 7 days in the week, and at a wage which the investigators found to be below the standard fixed by the Labor Department of the Federal Government as necessary to maintain a family in health and decency.

Mr. BORAH. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Idaho.

Mr. BORAH. In view of the question asked by the Senator from Georgia, I will say that within the last two or three days I have had a letter, in the form of a petition, from the employees of some of the steel companies, asking the Committee on Education and Labor to investigate conditions of working hours and of labor in steel plants. They stated in this letter or petition that they were now working 12 hours a day. I do not know what the real facts are. I only state what the petition or letter stated. I was greatly surprised to find they were working 12 hours a day. I never had understood it had been limited, but the letter stated that they are now required to work 12 hours a day.

Mr. LA FOLLETTE. I think the practice has been continued. I think if an investigation is conducted by the committee of which the distinguished Senator from Idaho is chairman it will be found that the United States Steel Corporation now enforces and for many years has required thousands of its employees to work 12 hours a day and 7 days a week. Where labor has been able to secure better conditions under which to work and a more near approach to a sufficient wage upon which to maintain a family in health and decency, it has

not been through the willing concessions of the employer but it has been secured in all cases by collective bargaining through organization which the employees have maintained that they have been able to force or exact these improved conditions and shorter hours.

I think I will say right at this time and in this connection that the same thing is true whether the employees are working in protected or nonprotected industries.

Mr. WATSON of Georgia. Mr. President——

Mr. LA FOLLETTE. I yield with pleasure to the Senator from Georgia.

Mr. WATSON of Georgia. I wish to ask the Senator if his investigation has developed this fact, which is alleged to be true, that under the administration of Judge Gary there has been from time to time something like a special reward offered for special efforts, for the purpose of seeing how much the men could do if they speeded up on a certain day, and after that extra exertion in the hope of that extra reward, when they had speeded up all day the product of that day was fixed as the standard of what they must produce thereafter, because of the fact that they had proven they could produce that much?

Mr. LA FOLLETTE. It is my recollection that the testimony taken in a number of investigations and the reports based thereon furnish ample confirmation of the suggestion made by the distinguished Senator from Georgia.

Mr. President, the formation of the United States Steel Corporation was illegal, and should have been prevented when it was first announced 20 years ago. This is not merely my opinion. It is an inescapable inference from the opinion which the Supreme Court of the United States rendered on March 1, 1920, dismissing the suit against the United States Steel Corporation, one of the most remarkable and, to my mind, indefensible decisions ever rendered by any judicial tribunal. The majority opinion of the court is too long to be quoted, but I ask leave to print in the RECORD, in 8-point type, as an appendix to my remarks, the majority and dissenting opinions in this case.

The PRESIDING OFFICER. Without objection, that order will be made.

(See Appendix B.)

Mr. LA FOLLETTE. It will be sufficient for present purposes to quote the summary of the majority decision contained in the dissenting opinion of Justice Day, concurred in by Justices Pitney and Clarke. Justices Brandeis and McReynolds did not participate in this case. Justice Day, in summing up the majority opinion, used the following words:

> As I understand the conclusions of the court affirming the decree directing dismissal of the bill, they amount to this: That these combinations, both the holding company and the subsidiaries which comprise it, although organized in plain violation and bold defiance of the provisions of the act, nevertheless are immune from a decree effectually ending the combinations and putting it out of their power to attain the unlawful purposes sought, because of some reasons of public policy requiring such conclusion.

I digress just to say, parenthetically, Mr. President, that this is not my interpretation of the decision of the Supreme Court; it is the interpretation of the dissenting judges, and I am quoting the language of Mr. Justice Day. I quote further, and ask Senators to listen to this:

> I know of no public policy which sanctions a violation of the law, nor of any inconvenience to trade, domestic or foreign, which should have the effect of placing combinations, which have been able to thus organize one of the greatest industries of the country in defiance of law, in an impregnable position above the control of the law forbidding such combinations. Such a conclusion does violence to the policy which the law was intended to enforce, runs counter to the decisions of the court, and necessarily results in a practical nullification of the act itself.

That is the end of the comment of Mr. Justice Day and his associates who concurred in the dissenting opinion as to the meaning of the decision of the court in the United States Steel Corporation case.

Justice Day, in this admirable summary of the majority decision, has omitted what is, to my mind, a most important and startling feature of the majority decision. As a matter of fact, the majority of the court not only held that the United States Steel Corporation was formed for the illegal purpose of achieving a monopoly but that it was operated in defiance of law and for the suppression of competition and the fixing of prices down almost to the very day when the suit for its dissolution was filed. I quote from page 7 of the opinion of the majority of the Supreme Court, delivered by Justice McKenna:

> Monopoly, therefore, was not achieved, and competitors had to be persuaded by pools, associations, trade meetings, and through the social form of dinners, all of them, it may be, violations of the law, but transient in their purpose and effect. They were scattered through the years from 1901—the year of the formation of the corporation—until 1911, but after instances of success and failure were abandoned nine months before this suit was brought.

Mr. Justice McKenna had reference, of course, to the Gary dinners.

Combining this passage from the majority opinion with Justice Day's summarization, we find in substance that although the Supreme Court held that the United States Steel Corporation was "conceived in sin" and operated for the purpose of completely controlling prices down almost to the very day when it was dragged before the court, nevertheless the court held that it had grown so large and its ramifications were so extensive that its dissolution could not be contemplated.

I will not pause to comment upon this decision. No man can read it without being convinced that the remarkable doctrines which it advances, if consistently applied, would not only annihilate the Sherman Act, as Justice Day says in his dissenting opinion, but would destroy the very foundations of justice and reduce the Nation to a condition of anarchy, in which the only law would be the law of might.

I am quoting the decision now only to prove to you the necessity of acting to prevent the consummation of this new merger and to forestall the creation of an institution which the courts may be unwilling to dissolve on grounds of alleged public policy after the deed is accomplished.

For a generation the Department of Justice in its administration of the Sherman Antitrust Act has proceeded upon the theory of locking the barn door after the horse has been stolen. They have permitted great trusts and combinations to be formed and become a part of the commercial life of the Nation, and have then sought at rare intervals by ineffectual processes to secure their dissolution. Even where the courts have ordered dissolution, this method has been ineffective. Even if the processes of dissolution had been drastically applied by the courts, it would have been, in all probability, without avail, for when competition has once been suppressed in an industry it is almost impossible effectively to restore it.

I will digress for a moment to say, sir, that there never was a more perfect statute drawn by the hands of the statesmen of this Government than the Sherman antitrust law. I supplement that statement with this—and I invite contradiction—that since the law was written upon the statute books there never has been an honest attempt upon the part of any administration to enforce it.

Mr. KING. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. KING. There are records now in the Department of Justice, as I am advised, showing flagrant violations of the Sherman antitrust law, which call not only for civil suits but for criminal indictments. When those indictments will be brought, when injunction proceedings will be instituted for the purpose of dissolving these criminal organizations I can not say. I have offered a resolution asking the Attorney General to tell us how much money he has received for this purpose, whom he has employed, their names, what he is paying them, and what steps are being taken to enforce the Sherman antitrust law against criminal organizations that are throttling competition and imposing their dominant and cruel will upon the people.

Mr. LA FOLLETTE. Mr. President, I have gone into this matter heretofore in the Senate; I have laid before the Senate the list of prosecutions under each administration since the enactment of the law, and fully analyzed the proceedings taken in the several cases, and I arrived long ago at the conclusion, which I have previously asserted and now assert again, that there never has been an honest, sincere attempt on the part of any administration, Republican or Democratic, since the enactment of the Sherman antitrust law to enforce it.

I say now, Mr. President, the procedure intended by John Sherman and his colleagues in Congress when they enacted the Sherman Antitrust Act in an attempt to protect the Nation from the growing power of monopoly was that action should be taken in advance of the complete formation of trusts and combinations. At least, that was one of the strongest provisions of the law, and, from some familiarity with the debates which took place at the time that law was enacted, I assert that it was strongly in the minds of the statesmen who framed and wrote that law upon the statute books that section 4 would be probably the most useful section of the statute.

They prescribed a simple and effective method of procedure. They well knew that an ounce of prevention is worth a pound of cure, so they wrote into section 4 of the act a specific authorization and direction for the Department of Justice to prevent and restrain monopolies and restraints of trade. Let me read this section to you:

> The several circuit courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act; and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney General, to institute proceedings in equity to prevent and restrain such violations.

It will be noted that this section of the law does not merely empower the district attorneys to institute proceedings to pre-

vent combinations in restraint of trade but specifically provides that it is their duty so to do.

In this connection it may be called to the attention of the Senate that it is not necessary for the Department of Justice in seeking the prevention of such a combination in restraint of trade to prove the commission of specific acts in violation of the statute. The Supreme Court itself has held in dealing with the packers' combination in Swift & Co. *v.* United States (196 U. S. 396) that where an intent to achieve monopoly exists it is not necessary to wait for the commission of specific illegal acts. In the words of the court—

When that intent and the consequent dangerous probability exist, this statute—Sherman Act—like many others, and like the common law in some cases, directs itself against that dangerous probability as well as against the completed result.

The intent to suppress competition in this case is clear and the dangerous probability of irretrievable injury to the Nation through the restraint of trade and commerce is imminent.

It is with this sense of the dangerous probability of immense and inescapable injury to the Nation that I have drafted a resolution calling upon the Federal Trade Commission and the Department of Justice, the two branches of the Government which have jurisdiction in this field, to inform the Senate what action they have taken, or do now propose to take, with reference to this matter. I have been careful in drafting this resolution to avoid any encroachment by the Congress upon the functions of the executive department. The resolution calls merely for information and for the opinion of the Attorney General as to the preventive line of action which I have outlined above.

I feel that I can not too strongly urge the importance of the immediate passage of this resolution. The people of the United States are fast losing their faith in the efficacy of law and their confidence in our governmental institutions. If we fail to pass this resolution, it will be a notice to the people of the United States that their Representatives are not concerned to protect them from the encroachments of monopoly and are indifferent to their interests.

I ask, therefore, at this time, Mr. President, unanimous consent for the present consideration of the resolution. I am certain that it will not provoke debate and that it can be disposed of in a few moments.

Mr. McCUMBER. Mr. President, with that understanding I will make no objection. I hope the resolution will be passed, and passed immediately.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

The resolution was considered by unanimous consent and agreed to.

APPENDIX A.

[From New York World of April 28, 1922.]

MERGER OF SEVEN BIG STEEL COMPANIES NEAR COMPLETION—BILLION-DOLLAR COMBINE OF INDEPENDENTS EXPECTED WHEN 14 OFFICERS END INSPECTION TRIP—THEY AND ENGINEERS GO ON SPECIAL TRAIN SUNDAY—NEW COMPANY WOULD RIVAL UNITED STATES STEEL—KUHN, LOEB & CO. WILL DIRECT FINANCING OF IT.

Fourteen of the biggest independent steel manufacturers in the country, representing, through their companies, aggregate wealth of from $800,000,000 to $1,000,000,000, will leave here in a private train Sunday night for personal inspection of the plants and properties of seven companies.

When the "billion-dollar special" gets back to New York, 10 days later, it is practically certain that the formation of a steel-producing organization second only to the Steel Trust itself will be officially announced.

The financing of the operation, which is one of the most important in recent years, is being handled by Kuhn, Loeb & Co.

MERGER LONG CONSIDERED.

The movement toward the combination of independent companies, dictated by the "big-business" urge for efficiency and reduced overhead expense, has been under way in one form or another for a decade. Merger talk almost ceased during the prosperous war years, when the independents had as much business as could be handled, but revived with the coming of lean times.

This "seven-company" merger began to be considered seriously following the organization of the Midvale Steel & Ordnance Co., a combination of several properties. It remained for Thomas L. Chadbourne, however, to bring the idea to a successful issue.

Mr. Chadbourne is a member of the law firm of Chadbourne, Babbitt & Wallace, No. 14 Wall Street, and has been prominently identified with the formation of several successful industrial combinations. He was designated by the various steel independents interested in the combination to complete negotiations. The seven-company combination was his idea originally, and he has been responsible for putting it into execution.

THE SEVEN COMPANIES.

The companies whose properties will make a formidable rival for the United States Steel Corporation are Midvale Steel & Ordnance Co., Youngstown Sheet & Tube Co., Republic Iron & Steel Co., Brier Hill Steel Co., Lackawanna Steel Co., Steel & Tube Co. of America, and the Inland Steel Co.

The 14 executives who will make the trip, all of whom have made millions for themselves and their communities in the production of steel, are: William Ellis Corey, chairman, and A. C. Dinkey, president, of Midvale; John A. Topping, chairman, and Thomas Bray, president, of Republic; J. A. Campbell, president, and C. A. Robinson, vice president, of Youngstown Sheet & Tube; Moses Taylor, chairman, and George F. Downs, president, of Lackawanna; F. B. Kennedy, chairman, and James H. Grose, president, of Brier Hill; Clayton Mark, chairman, and Clarence Mark, vice president, of Steel & Tube; and L. E. Block, chairman, and P. D. Block, president, of Inland Steel.

ENGINEERS TO ACCOMPANY THEM.

The representatives of each of the seven companies will be accompanied by their own engineering staffs. Mr. Chadbourne, active sponsor of the entire plan, will also make the trip.

The special train will be made up of two compartment cars, a dining car and baggage car. The first stop will be at Buffalo, where the Lackawanna plant is. Then the party will go to Youngstown, Ohio, to look over the properties of the Republic Iron & Steel Co., Youngstown Steel & Tube Co., and Brier Hill Steel Co.

From Youngstown the special will go to Johnstown, Pa., and Coatesville, Pa., at both of which places the Midvale Co. has plants. Chicago will be the next stop, the plants of Inland Steel and Steel & Tube being there. Then will come along a jump to Birmingham, Ala., where the Republic Iron & Steel has a plant.

HITCH WAS OVER VALUATIONS.

The chief stumbling block in the way of effecting the combination heretofore has been difficulty in coming to agreement regarding the valuation of the various properties. It is understood that this obstacle has been practically surmounted. Valuation and financing have been considered at meetings held almost daily for several months. Although no official announcement has been made, it is known that Mortimer L. Schiff has been active in the plan.

No name has yet been selected for the new organization, although several have been suggested. It may be called the North American Steel Co. or the Federated Steel Companies. Organization is still far from complete and officers have not been selected. Headquarters will be in this city.

EMPLOY MORE THAN 100,000.

The companies making up the group produce 14,000,000 tons of ore annually, 10,000,000 tons of ingots, and 7,000,000 tons of finished products. More than 100,000 workers are employed in the various mills. Estimated annual business of the companies is more than $500,000,000, with estimated profits $50,000,000.

In recent conferences on the merger the name of the Bethlehem Steel Corporation has been mentioned. This corporation will not be a part of the combination at this time, but it is said that the way is open for Bethlehem to come in later, if the seven-company plan is carried through successfully. The Bethlehem valuation runs into several hundred millions. Should Bethlehem come in, the organization would closely approach the United States Steel Corporation in size and importance.

The combination is held in general favor, since it would undoubtedly increase production and sales efficiency. The United States Steel Corporation has the advantage of mills situated all over the country, while its independent competitors have had to confine themselves to territories within reasonable distance from their respective mills. In this way the United States Steel Corporation has been able to bid anywhere for business. The independents have had to take freight rates and problems of traffic into consideration in submitting estimates.

Supreme Court of the United States.

No. 6.—OCTOBER TERM, 1919.

The United States of America, appellant, *v.* United States Steel Corporation et al. Appeal from the District Court of the United States for the District of New Jersey.

[March 1, 1920.]

Mr. Justice McKenna delivered the opinion of the court.

Suit against the Steel Corporation and certain other companies which it directs and controls by reason of the ownership of their stock, it and they being separately and collectively charged as violators of the Sherman Antitrust Act.

It is prayed that it and they be dissolved because engaged in illegal restraint of trade and the exercise of monopoly.

Special charges of illegality and monopoly are made and special redresses and remedies are prayed, among others, that there be a prohibition of stock ownership and exercise of rights under such ownership, and that there shall be such orders and distribution of the stock and other properties as shall be in accordance with equity and good conscience and "shall effectuate the purpose of the antitrust act." General relief is also prayed.

The Steel Corporation is a holding company only; the other companies are the operating ones, manufacturers in the iron and steel industry, 12 in number. There are, besides, other corporations and individuals more or less connected in the activities of the other defendants that are alleged to be instruments or accomplices in their activities and offendings; and that these activities and offendings (speaking in general terms) extend from 1901 to 1911, when the bill was filed, and have illustrative periods of significant and demonstrated illegality.

Issue is taken upon all these charges, and we see at a glance what detail of circumstances may be demanded, and we may find ourselves puzzled to compress them into an opinion that will not be of fatiguing prolixity.

The case was heard in the district court by four judges. They agreed that the bill should be dismissed; they disagreed as to the reasons for it. (223 Fed. 55.) One opinion (written by Judge Buffington and concurred in by Judge McPherson) expressed the view that the Steel Corporation was not formed with the intention or purpose to monopolize or restrain trade and did not have the motive or effect "to prejudice the public interest by unduly restricting competition or unduly obstructing the course of trade." The corporation, in view of the opinion, was an evolution, a natural consummation of the tendencies of the industry on account of changing conditions, practically a compulsion from "the metallurgical method of making steel and the physical method of handling it," this method and the conditions consequent upon it tending to combinations of capital and energies rather than diffusion in independent action. And the concentration of powers (we are still representing the opinion) was only such as was deemed necessary, and immediately manifested itself in improved methods and products and in an increase of domestic and foreign trade. Indeed, an important purpose of the organization of the corporation was the building up of the export trade in steel and iron, which at that time was sporadic, the mere dumping of the products upon foreign markets.

Not monopoly, therefore, was the purpose of the organization of the corporation but concentration of efforts with resultant economies and benefits.

The tendency of the industry and the purpose of the corporation in yielding to it was expressed in comprehensive condensation by the word "integration," which signifies continuity in the processes of the industry from ore mines to the finished product.

All considerations deemed pertinent were expressed and their influence was attempted to be assigned, and, while conceding that the Steel Corporation after its formation in times of financial disturbance, entered into informal agreements or understandings with its competitors to maintain prices, they terminated with their occasions, and, as they had ceased to exist, the court was not justified in dissolving the corporation.

The other opinion (by Judge Woolley and concurred in by Judge Hunt, 223 Fed. 161) was in some particulars in antithesis to Judge Buffington's. The view was expressed that neither the Steel Corporation nor the preceding combinations, which were in a sense its antetypes, had the justification of industrial conditions, nor were they or it impelled by the necessity for integration, or compelled to unite in comprehensive enterprise because such had become a condition of success under the new order of things.

On the contrary, that the organizers of the corporation and the preceding companies had illegal purpose from the very beginning, and the corporation became "a combination of combinations by which, directly or indirectly, approximately 180 independent concerns were brought under one business control," which, measured by the amount of production, extended to 80 or 90 per cent of the entire output of the country, and that its purpose was to secure great profits which were thought possible in the light of the history of its constituent combinations, and to accomplish permanently what those combinations had demonstrated could be accomplished temporarily, and thereby monopolize and restrain trade.[1]

The organizers, however (we are still representing the opinion), underestimated the opposing conditions, and at the very beginning the corporation, instead of relying upon its own power, sought and obtained the assistance and the cooperation of its competitors (the independent companies). In other words, the view was expressed that the testimony did "not show that the corporation in and of itself ever possessed or exerted sufficient power when acting alone to control prices of the products of the industry." Its power was efficient only when in cooperation with its competitors, and hence it concerted with them in the expedients of pools, associations, trade meetings, and finally in a system of dinners inaugurated in 1907 by the president of the company, E. H. Gary, and called "the Gary dinners." The dinners were congregations of producers and "were nothing but trade meetings," successors of the other means of associated action and control through such action. They were instituted first in "stress of panic," but their potency being demonstrated, they were afterwards called to control prices "in periods of industrial calm." "They were pools without penalties" and more efficient in stabilizing prices. But it was the further declaration that "when joint action was either refused or withdrawn the corporation's prices were controlled by competition."

The corporation, it was said, did not at any time abuse the power or ascendency it possessed. It resorted to none of the brutalities or tyrannies that the cases illustrate of other combinations. It did not secure freight rebates; it did not increase its profits by reducing the wages of its employees—whatever it did was not at the expense of labor; it did not increase its profits by lowering the quality of its products, nor create an artificial scarcity of them; it did not oppress or coerce its competitors—its competition, though vigorous, was fair; it did not undersell its competitors in some localities by reducing its prices there below those maintained elsewhere, or require its customers to enter into contracts limiting their purchases or restricting them in resale prices; it did not obtain customers by secret rebates or departures from its published prices; there was no evidence that it attempted to crush its competitors or drive them out of the market, nor did it take customers from is competitors by unfair means, and in its competition it seemed to make no difference between large and small competitors. Indeed, it is said in many ways and illustrated that "instead of relying upon its own power to fix and maintain prices, the corporation, at its very beginning, sought and obtained the assistance of others." It combined its power with that of its competitors. It did not have power in and of itself, and the control it exerted was only in and by association with its competitors. Its offense, therefore, such as it was, was not different from theirs and was distinguished from "theirs only in the leadership it assumed in promulgating and perfecting the policy." This leadership it gave up and it had ceased to offend against the law before this suit was brought. It was hence concluded that it should be distinguished from its organizers and that their intent and unsuccessful attempt should not be attributed to it, that it "in and of itself is not now and has never been a monopoly or a combination in restraint of trade," and a decree of dissolution should not be entered against it.

This summary of the opinions, given necessarily in paraphrase, does not adequately represent their ability and strength, but it has value as indicating the contentions of the parties and

[1] As bearing upon the power obtained and what the corporation did we give other citations from Judge Woolley's opinion as follows:

"The ore reserves acquired by the corporation at and subsequent to its organization, the relation which such reserves bear to ore bodies then existing and subsequently discovered, and their bearing upon the question of monopoly of raw materials, are matters which have been discussed in the preceding opinion, and with the reasoning as well as with the conclusion that the corporation has not a monopoly of the raw materials of the steel industry, I am in entire accord.

"Further inquiring whether the corporation inherently possesses monopolistic power attention is next given to its proportion of the manufacture and sale of finished iron and steel products of the industry. Upon this subject there is a great volume of testimony, a detailed consideration of which in an opinion would be quite inexcusable. As a last analysis of this testimony, it is sufficient to say it shows that, large as was the corporation, and substantial as was its proportion of the business of the industry, the corporation was not able in the first 10 years of its history to maintain its position in the increase trade. During that period its proportion of the domestic business decreased from 50.1 per cent to 40.9 per cent, and its increase of business during that period was but 40.6 per cent of its original volume. Its increase of business, measured by percentage, was exceeded by eight of its competitors, whose increase of business, likewise measured by percentage, ranged from 63 to 3,779. This disparity in the increase of production indicates that the power of the corporation is not commensurate with its size, and that the size and the consequent power of the corporation are not sufficient to retard prosperous growth of efficient competitors.

"From the vast amount of testimony it is conclusively shown that the Steel Corporation did not attempt to exert a power, if such it possessed, to oppress and destroy its competitors, and it is likewise disclosed by the history of the industry subsequent to the organization of the corporation that if it had made such an attempt it would have failed. It is also shown by the testimony that, acting independently and relying alone upon its power and wealth, great as they were, the corporation has never been able to dominate the steel industry by controlling the supply of raw materials, restraining production of finished products, or enhancing and maintaining the prices of either."

the ultimate propositions to which the contentions are addressed. The opinions indicate that the evidence admits of different deductions as to the genesis of the corporation and the purpose of its organizers, but only of a single deduction as to the power it attained and could exercise. Both opinions were clear and confident that the power of the corporation never did and does not now reach to monopoly, and their review of the evidence and our independent examination of it enables us to elect between their respective estimates of it, and we concur in the main with that of Judges Woolley and Hunt. And we add no comment, except it may be that they underestimated the influence of the tendency and movement to integration, the appreciation of the necessity or value of the continuity of manufacture from the ore to the finished product. And there was such a tendency, and though it can not be asserted it had become a necessity, it had certainly become a facility of industrial progress. There was, therefore, much to urge it and give incentive to conduct that could accomplish it. From the nature and properties of the industry the processes of production were something more than the stage and setting of the human activities. They determined to an extent those activities, furnished their motives, and gave test of their quality, not, of course, that the activities could get any immunity from size or resources, or energies, whether exerted in integrated plants or diversified ones.

The contentions of the case, therefore, must be judged by the requirements of the law, not by accidental or adventitious circumstances. But what are such circumstances? We have seen that it was the view of the district court that size was such a circumstance and had no accusing or excusing influence. The contention of the Government is to the contrary. Its assertion is that the size of the corporation being the result of a "combination of powerful and able competitors" had become "substantially dominant" in the industry and illegal. And that this was determined. The companies combined, is the further assertion, had already reached a high degree of efficiency, and in their independence were factors in production and competition, ceased to be such when brought under the regulating control of the corporation, which by uniting them offended the law, and that the organizers of the corporation "had in mind the specific purposes of the restraint of trade and the enormous profits resulting from that restraint."

It is the contention of the corporation opposing those of the Government and denying the illegal purposes charged against it, that the industry demanded qualities and an enterprise that lesser industries do not demand, and must have a corresponding latitude and facility. Indeed, it is insisted that the industry had practically, to quote the words of Judge Buffington, he quoting those of a witness, "'reached the limit, or nearly, at which economies from a metallurgical or mechanical standpoint could be made effective,'" and "'that instead, as was then the practice, of having one mill make 10 or 20 or 50 products, the greatest economy would result from one mill making one product and making that product continuously.'" In other words, there was a necessity for integration and rescue from the old conditions—from their improvidence and waste of effort—and that in redress of the conditions the corporation was formed, its purpose and effect being "salvage, not monopoly," to quote the words of counsel. It was, is the insistence, the conception of ability, "a vision of a great business which should embrace all lines of steel and all processes of manufacture, from the ore to the finished product, and which by reason of the economies thus to be effected and the diversity of products it would be able to offer could successfully compete in all the markets of the world." It is urged further that to the discernment of that great possibility was added a courage that dared attempt its accomplishment, and the conception and the courage made the formation of the corporation notable but did not make it illegal.

We state the contentions; we do not have to discuss them or review the arguments advanced for their acceptance or repulsion. That is done, in the opinions of the district judges, and we may well despair to supplement the force of their representation of the conditions antecedent to the formation of the corporation and in what respect and extent its formation changed them.

Of course, in that representation and its details there is guidance to decision, but they must be rightly estimated to judge of what they persuade. Our present purpose is not retrospect for itself, however instructive, but practical decision upon existing conditions that we may not by their disturbance, produce, or even risk, consequences of a concern that can not now be computed. In other words, our consideration should be of not what the corporation had power to do or did, but what it has now power to do and is doing, and what judgment shall be now pronounced—whether its dissolution as the Government prays, or the dismissal of the suit as the corporation insists?

The alternatives are perplexing, involve conflicting considerations, which, regarded in isolation, have diverse tendencies. We have seen that the judges of the district court unanimously concurred in the view that the corporation did not achieve monopoly, and such is our deduction, and it is against monopoly that the statute is directed, not against an expectation of it, but against its realization, and it is certain that it was not realized. The opposing conditions were underestimated. The power attained was much greater than that possessed by any one competitor—it was not greater than that possessed by all of them. Monopoly, therefore, was not achieved, and competitors had to be persuaded by pools, associations, trade meetings, and through the social form of dinners, all of them, it may be, violations of the law, but transient in their purpose and effect. They were scattered through the years from 1901—the year of the formation of the corporation—until 1911, but, after instances of success and failure, were abandoned nine months before this suit was brought.

There is no evidence that the abandonment was in prophecy of or dread of suit; and the illegal practices have not been resumed, nor is there any evidence of an intention to resume them, and certainly no "dangerous probability" of their resumption, the test for which Swift & Co. *v.* United States (196 U. S. 396) is cited. It is our conclusion, therefore, as it was that of the judges below, that the practices were abandoned from a conviction of their futility, from the operation of forces that were not understood or were underestimated, and the case is not peculiar. And we may say in passing that the Government can not fear their resumption, for it did not avail itself of the offer of the district court to retain jurisdiction of the cause in order that if illegal acts should be attempted they could be restrained.

What, then, can now be urged against the corporation? Can comparisons in other regards be made with its competitors and by such comparisons, guilty or innocent, existence be assigned it? It is greater in size and productive power than any of its competitors, equal or nearly equal to them all, but its power over prices was not and is not commensurate with its power to produce.

It is true there is some testimony tending to show that the corporation had such power, but there was also testimony and a course of action tending strongly to the contrary. The conflict was by the judges of the district court unanimously resolved against the existence of that power, and in doing so they but gave effect to the greater weight of the evidence. It is certain that no such power was exerted. On the contrary, the only attempt at a fixation of prices was, as early said, through an appeal to and confederation with competitors, and the record shows, besides that, when competition occurred it was not in pretence, and the corporation declined in productive powers—the competitors growing either against or in consequence of the competition. If against the competition, we have an instance of movement against what the Government insists was an irresistible force; if in consequence of competition, we have an illustration of the adage that "competition is the life of trade" and is not easily repressed. The power of monopoly in the corporation under either illustration is an untenable accusation.

We may pause here for a moment to notice illustrations of the Government of the purpose of the corporation, instancing its acquisition after its formation of control over the Shelby Steel Tube Co., the Union Steel Co., and, subsequently, the Tennessee Co. There is dispute over the reasons for these acquisitions which we shall not detail. There is, however, an important circumstance in connection with that of the Tennessee Co., which is worthy to be noted. It was submitted to President Roosevelt and he gave it his approval. His approval, of course, did not make it legal, but it gives assurance of its legality, and we know from his earnestness in the public welfare he would have approved of nothing that had even a tendency to its detriment. And he testified he was not deceived and that he believed that "the Tennessee coal and iron people had a property which was almost worthless in their hands, nearly worthless to them, nearly worthless to the communities in which it was situated, and entirely worthless to any financial institution that had the securities the minute that any panic came, and that the only way to give value to it was to put it in the hands of people whose possession of it would be a guaranty that there was value to it." Such being the emergency it seems like an extreme accusation to say that the corporation which relieved it, and, perhaps, rescued the company and the communities dependent upon it from disaster, was urged by

unworthy motives. Did illegality attach afterwards and how? And what was the corporation to do with the property? Let it decay in desuetude or develop its capabilities and resources? In the development, of course, there would be profit to the corporation, but there would be profit as well to the world. For this reason President Roosevelt sanctioned the purchase, and it would seem a distempered view of purchase and result to regard them as violations of law.

From this digression we return to the consideration of the conduct of the corporation to its competitors. Besides the circumstances which we have mentioned there are others of probative strength. The company's officers, and, as well, its competitors and customers, testified that its competition was genuine, direct, and vigorous, and was reflected in prices and production. No practical witness was produced by the Government in opposition. Its contention is based on the asserted size and dominance of the corporation—alleged power for evil, not the exertion of the power in evil. Or, as counsel put it, "a combination may be illegal because of its purpose; it may be illegal because it acquires a dominating power, not as a result of normal growth and development, but as a result of a combination of competitors." Such composition and its resulting power constitute, in the view of the Government, the offense against the law, and yet it is admitted "no competitor came forward and said he had to accept the Steel Corporation's prices." But this absence of complaint counsel urge against the corporation. Competitors, it is said, followed the corporation's prices because they made money by the imitation. Indeed, the imitation is urged as an evidence of the corporation's power. "Universal imitation," counsel assert, "is an evidence of power." In this concord of action, the contention is, there is the sinister dominance of the corporation—"its extensive control of the industry is such that the others—independent companies—follow." Counsel, however, admit that there was "occasionally" some competition, but rejects the suggestion that it extended practically to a war between the corporation and the independents. Counsel say, "They—the corporation is made a plural—called a few; they called 200 witnesses out of some 40,000 customers, and they expect with that customer evidence to overcome the whole train of price movement shown since the corporation was formed." And by "movement of prices," counsel explained, "as shown by the published prices * * * they were the ones that the competitors were maintaining all during the interval."

It would seem that "200 witnesses" would be fairly representative. Besides, the balance of the "40,000 customers" was open to the Government to draw upon. Not having done so, is it not permissible to infer that none would testify to the existence of the influence that the Government asserts? At any rate, not one was called, but instead the opinion of an editor of a trade journal is adduced and that of an author and teacher of economics, whose philosophical deductions had, perhaps, fortification from experience as deputy commissioner of corporations and as an employee in the bureau of corporations. His deduction was that when prices are constant through a definite period an artificial influenee is indicated; if they vary during such a period, it is a consequence of competitive conditions. It has become an aphorism that there is danger of deception in generalities, and in a case of this importance we should have something surer for judgment than speculation, something more than a deduction equivocal of itself even though the facts it rests on or asserts were not contradicted. If the phenomena of production and prices were as easily resolved as the witness implied much discussion and much literature have been wasted, and some of the problems that are now distracting the world would be given composing solution. Of course, competition affects prices, but it is only one among other influences and does not more than they, register itself in definite and legible effect.

We magnify the testimony by its consideration. Against it competitors, dealers, and customers of the corporation testify in multitude that no adventitious interference was employed to either fix or maintain prices, and that they were constant or varied according to natural conditions. Can this testimony be minimized or dismissed by inferring that, as intimated, it is an evidence of power not of weakness and power exerted not only to suppress competition but to compel testimony, is the necessary inference, shading into perjury to deny its exertion? The situation is indeed singular, and we may wonder at it, wonder that the despotism of the corporation, so baneful to the world in the representation of the Government, did not produce protesting victims.

But there are other paradoxes. The Government does not hesitate to present contradictions, though only one can be true, such being, we were told in our school books, the "principle of contradiction." In one competitors—the independents—are represented as oppressed by the superior power of the corporation; in the other they are represented as ascending to opulence by imitating that power's prices, which they could not do if at disadvantage from the other conditions of competition; and yet confederated action is not asserted. If it were this suit would take on another cast.

The competitors would cease to be the victims of the corporation and would become its accomplices. And there is no other alternative. The suggestion that lurks in the Government's contention that the acceptance of the corporation's prices is the submission of impotence to irresistible power is, in view of the testimony of the competitors, untenable. They, as we have seen, deny restraint in any measure or illegal influence of any kind. The Government, therefore, is reduced to the assertion that the size of the corporation, the power it may have—not the exertion of the power—is an abhorrence to the law, or, as the Government says, "The combination embodied in the corporation unduly restrains competition by its *necessary effect* [the italics is the emphasis of the Government], and therefore is unlawful regardless of purpose." "A wrongful purpose," the Government adds, "is matter of aggravation." The illegality is statical, purpose or movement of any kind only its emphasis. To assent to that, to what extremes would we be led? Competition consists of business activities and ability—they make its life; but there may be fatalities in it. Are the activities to be encouraged when militant and suppressed or regulated when triumphant because of the dominance attained? To such paternalism the Government's contention, which regards power rather than its use the determining consideration, seems to conduct. Certainly conducts, we may say, for it is the inevitable logic of the Government's contention that competition must not only be free but that it must not be pressed to the ascendency of a competitor, for in ascendency there is the menace of monopoly.

We have pointed out that there are several of the Government's contentions which are difficult to represent or measure, and the one we are now considering—that is, the power is "unlawful regardless of purpose"—is another of them. It seems to us that it has for its ultimate principle and justification that strength in any producer or seller is a menace to the public interest and illegal because there is potency in it for mischief. The regression is extreme, but short of it the Government can not stop. The fallacy it conveys is manifest.

The corporation was formed in 1901; no act of aggression upon its competitors is charged against it; it confederated with them at times in offense against the law, but abandoned that before this suit was brought, and since 1911 no act in violation of law can be established against it except its existence be such an act. This is urged, as we have seen, and that the interest of the public is involved and that such interest is paramount to corporation or competitors. Granted—though it is difficult to see how there can be restraint of trade when there is no restraint of competitors in the trade nor complaints by customers—how can it be worked out of the situation and through what proposition of law? Of course, it calls for nothing other than a right application of the law, and, to repeat what we have said above, shall we declare the law to be that size is an offense even though it minds its own business, because what it does is imitated? The corporation is undoubtedly of impressive size, and it takes an effort of resolution not to be affected by it or to exaggerate its influence. But we must adhere to the law, and the law does not make mere size an offense or the existence of unexerted power an offense. It, we repeat, requires overt acts and trusts to its prohibition of them and its power to repress or punish them. It does not compel competition nor require all that is possible.

Admitting, however, that there is pertinent strength in the propositions of the Government, and in connection with them, we recall the distinction we made in the Standard Oil case (221 U. S. 1, 77) between acts done in violation of the statute and a condition brought about which "in and of itself is not only a continued attempt to monopolize, but also a monopolization." In such case we declared, "The duty to enforce the statute" required "the application of broader and more controlling" remedies than the other. And the remedies applied conformed to the declaration; there was prohibition of future acts, and there was dissolution of "the combination found to exist in violation of the statute" in order to "neutralize the extension and continually operating force which the possession of the power unlawfully obtained" had "brought" and would "continue to bring about."

Are the case and its precepts applicable here? The Steel Corporation by its formation united under one control competing companies, and thus, it is urged, a condition was brought about in violation of the statute, and therefore illegal, and

became a "continually operating force" with the "possession of power unlawfully obtained."

But there are countervailing considerations. We have seen whatever there was of wrong intent could not be executed, whatever there was of evil effect was discontinued before this suit was brought, and this, we think, determines the decree. We say this in full realization of the requirements of the law.

It is clear in its denunciation of monopolies and equally clear in its direction that the courts of the Nation shall prevent and restrain them (its language is "to prevent and restrain violations of" the act), but the command is necessarily submissive to the conditions which may exist and the usual powers of a court of equity to adapt its remedies to those conditions. In other words, it is not expected to enforce abstractions and do injury thereby, it may be, to the purpose of the law. It is this flexibility of discretion—indeed, essential function—that makes its value in our jurisprudence—value in this case as in others. We do not mean to say that the law is not its own measure and that it can be disregarded, but only that the appropriate relief in each instance is remitted to a court of equity to determine, not—and let us be explicit in this—to advance a policy contrary to that of the law but in submission to the law and its policy and in execution of both. And it is certainly a matter for consideration that there was no legal attack on the corporation until 1911, 10 years after its formation and the commencement of its career. We do not, however, speak of the delay simply as to its time or that there is estoppel in it because of its time, but on account of what was done during that time—the many millions of dollars spent, the development made, and the enterprises undertaken, the investments by the public that had been invited and are not to be ignored. And what of the foreign trade that has been developed and exists? The Government, with some inconsistency, it seems to us, would remove this from the decree of dissolution. Indeed, it is pointed out that under congressional legislation in the Webb Act the foreign trade of the corporation is reserved to it. And, further, it is said that the corporation has constructed a company called the Products Co., which can be "very easily preserved as a medium through which the steel business might reach the balance of the world," and that in the decree of "dissolution that could be provided." This is supplemented by the suggestion that not only the Steel Corporation "but other steel makers of the country could function through an instrumentality created under the Webb Act."

The propositions and suggestions do not commend themselves. We do not see how the Steel Corporation can be such a beneficial instrumentality in the trade of the world and its beneficence preserved and yet be such an evil instrumentality in the trade of the United States that it must be destroyed. And by whom and how shall all the adjustments of preservation or destruction be made? How can the corporation be sustained and its power of control over its subsidiary companies be retained and exercised in the foreign trade and given up in the domestic trade? The Government presents no solution of the problem. Counsel realize the difficulty and seem to think that its solution or its evasion is in the suggestion that the Steel Corporation and "other steel makers could function through an instrumentality created under the Webb Act." But we are confronted with the necessity of immediate judicial action under existing laws, not action under laws that have not been and may not be enacted. We must now decide, and we see no guide to decision in the propositions of the Government.

The Government, however, tentatively presents a proposition which has some tangibility. It submits that certain of the subsidiary companies are so mechanically equipped and so officially directed as to be released and remitted to independent action and individual interests and the competition to which such interests prompt without any disturbance to business. The companies are enumerated. They are the Carnegie Steel Co. (a combination of the old Carnegie Co., the National Steel Co., and the American Steel Co.), the Federal Steel Co., the Tennessee Co., and the Union Steel Co. (a combination of the Union Steel Co., of Donora, Pa., Sharon Steel Co., of Sharon, Pa., and Sharon Tin Plate Co.). They are fully integrated, it is said, possess their own supplies, facilities of transportation, and distribution. They are subject only to the Steel Corporation, is in effect the declaration, in nothing but its control of their prices. We may say parenthetically that they are defendants in the suit and charged as offenders, and we have the strange circumstance of violators of the law being urged to be used as expedients of the law.

But let us see what guide to a procedure of dissolution of the corporation and the dispersion as well of its subsidiary companies—for they are asserted to be illegal combinations—is prayed. And the fact must not be overlooked or underestimated. The prayer of the Government calls for not only a disruption of present conditions but the restoration of the conditions of 20 years ago, if not literally, substantially. Is there guidance to this in the Standard Oil case and the Tobacco case? As an element in determining the answer we shall have to compare the cases with that at bar, but this can only be done in a general way. And the law necessarily must be kept in mind. No other comment of it is necessary. It has received so much exposition that it and all it prescribes and proscribes should be considered as a consciously directing presence.

The Standard Oil Co. had its origin in 1882, and through successive forms of combinations and agencies it progressed in illegal power to the day of the decree, even attempting to circumvent by one of its forms the decision of a court against it. And its methods in using its power was of the kind that Judge Woolley described as "brutal," and of which practices he said the Steel Corporation was absolutely guiltless. We have enumerated them, and this reference to them is enough. And of the practices this court said no disinterested mind could doubt that the purpose was "to drive others from the field and to exclude them from their right to trade and thus accomplish the mastery which was the end in view." It was further said that what was done and the final culmination "in the plan of the New Jersey corporation" made "manifest the continued existence of the intent * * * and impelled the expansion of the New Jersey corporation." It was to this corporation, which represented the power and purpose of all that preceded, that the suit was addressed and the decree of the court was to apply. What we have quoted contrasts that case with this. The contrast is further emphasized by pointing out how, in the case of the New Jersey corporation, the original wrong was reflected in and manifested by the acts which followed the organization, as described by the court. It said: "The exercise of the power which resulted from that organization fortifies the foregoing conclusions (as to monopoly, etc.), since the development which came, the acquisition here and there which ensued of every efficient means by which competition could have been asserted, the slow but resistless methods which followed by which means of transportation were absorbed and brought under control, the system of marketing which was adopted, by which the country was divided into districts and the trade in each district in oil was turned over to the designated corporation within the combination and all others were excluded, all lead the mind up to a conviction of a purpose and intent which we think is so certain as practically to cause the subject not to be within the domain of reasonable contention."

The Tobacco Co. case has the same bad distinctions as the Standard Oil case. The illegality in which it was formed [there were two American Tobacco Cos., but we use the name as designating the new company as representing the combinations of the suit] continued, indeed progressed in intensity and defiance to the moment of decree. And it is the intimation of the opinion, if not its direct assertion, that the formation of the company (the word "combination" is used) was preceded by the intimidation of a trade war "inspired by one or more of the minds which brought about and became parties to that combination." In other words the purpose of the combination was signaled to competitors and the choice presented to them was submission or ruin, to become parties to the illegal enterprise or be driven "out of the business." This was the purpose and the achievement, and the processes by which achieved this court enumerated to be the formation of new companies, taking stock in others to "obscure the result actually attained, but always to monopolize and retain power in the hands of the few and mastery of the trade; putting control in the hands of seemingly independent corporations as barriers to the entry of others into the trade; the expenditure of millions upon millions in buying out plants, not to utilize them, but to close them; by constantly recurring stipulations by which numbers of persons, whether manufacturers, stockholders, or employees, were required to bind themselves, generally for long periods, not to compete in the future." In the Tobacco case, therefore, as in the Standard Oil case, the court had to deal with a persistent and systematic lawbreaker masquerading under legal forms, and which not only had to be stripped of its disguises but arrested in its illegality. A decree of dissolution was the manifest instrumentality and inevitable. We think it would be a work of sheer supererogation to point out that a decree in that case or in the Standard Oil case furnishes no example for a decree in this.

In conclusion, we are unable to see that the public interest will be served by yielding to the contention of the Government

respecting the dissolution of the company or the separation from it of some of its subsidiaries, and we do see in a contrary conclusion a risk of injury to the public interest, including a material disturbance of, and it may be serious detriment to, the foreign trade. And in submission to the policy of the law and its fortifying prohibitions the public interest is of paramount regard.

We think, therefore, that the decree of the district court should be affirmed.

So ordered.

Mr. Justice McReynolds and Mr. Justice Brandeis took no part in the consideration or decision of the case.

APPENDIX B.

Supreme Court of the United States.

No. 6.—OCTOBER TERM, 1919.

The United States of America, appellant, *v.* United States Steel Corporation et al. Appeal from the District Court of the United States for the District of New Jersey.

[March 1, 1920.]

Mr. Justice Day, dissenting.

This record seems to me to leave no fair room for a doubt that the defendants, the United States Steel Corporation and the several subsidiary corporations which make up that organization, were formed in violation of the Sherman Act. I am unable to accept the conclusion which directs a dismissal of the bill instead of following the well-settled practice, sanctioned by previous decisions of this court, requiring the dissolution of combinations made in direct violation of the law.

It appears to be thoroughly established that the formation of the corporations here under consideration constituted combinations between competitors, in violation of law, and intended to remove competition and to directly restrain trade. I agree with the conclusions of Judges Woolley and Hunt, expressed in the court below (223 Fed. Rep. 161, et seq.), that the combinations were not submissions to business conditions but were designed to control them for illegal purposes, regardless of other consequences, and "were made upon a scale that was huge and in a manner that was wild," and "properties were assembled and combined with less regard to their importance as integral parts of an integrated whole than to the advantages expected from the elimination of the competition which theretofore existed between them." Those judges found that the constituent companies of the United States Steel Corporation, nine in number, were themselves combinations of steel manufacturers, and the effect of the organization of these combinations was to give a control over the industry at least equal to that theretofore possessed by the constituent companies and their subsidiaries. That the Steel Corporation was a combination of combinations by which directly or indirectly 180 independent concerns were brought under one control, and in the language of Judge Woolley (p. 167):

"Without referring to the great mass of figures which bears upon this aspect of the case, it is clear to me that combinations were created by acquiring competing producing concerns at figures not based upon their physical or business values, as independent and separate producers, but upon their values in combination; that is, upon their values as manufacturing plants and business concerns with competition eliminated. In many instances capital stock was issued for amounts vastly in excess of the values of the properties purchased, thereby capitalizing the anticipated fruits of combination. The control acquired over the branches of the industry to which the combinations particularly related, measured by the amount of production, extended in some instances from 80 per cent to 95 per cent of the entire output of the country, resulting in the immediate increase in prices, in some cases double and in others treble what they were before, yielding large dividends upon greatly inflated capital.

"The immediate, as well as the normal, effect of such combinations was in all instances a complete elimination of competition between the concerns absorbed and a corresponding restraint of trade."

The enormous overcapitalization of companies and the appropriation of $100,000,000 in stock to promotion expenses were represented in the stock issues of the new organizations thus formed, and were the basis upon which large dividends have been declared from the profits of the business. This record shows that the power obtained by the corporation brought under its control large competing companies which were of themselves illegal combinations, and succeeded to their power; that some of the organizers of the Steel Corporation were parties to the preceding combinations, participated in their illegality, and by uniting them under a common direction intended to augment and perpetuate their power. It is the irresistible conclusion from these premises that great profits to be derived from unified control were the object of these organizations.

The contention must be rejected that the combination was an inevitable evolution of industrial tendencies compelling union of endeavor. Nothing could add to the vivid accuracy with which Judge Woolley, speaking for himself and Judge Hunt, has stated the illegality of the organization, and its purpose to combine in one great corporation the previous combinations by a direct violation of the purposes and terms of the Sherman Act.

For many years, as the record discloses, this unlawful organization exerted its power to control and maintain prices by pools, associations, trade meetings, and as the result of discussion and agreements at the so-called Gary dinners, where the assembled trade opponents secured cooperation and joint action through the machinery of special committees of competing concerns, and by prudent prevision took into account the possibility of defection and the means of controlling and perpetuating that industrial harmony which arose from the control and maintenance of prices.

It inevitably follows that the corporation violated the law in its formation and by its immediate practices. The power, thus obtained from the combination of resources almost unlimited in the aggregation of competing organizations, had within its control the domination of the trade and the ability to fix prices and restrain the free flow of commerce upon a scale heretofore unapproached in the history of corporate organization in this country.

These facts established, as it seems to me they are by the record, it follows that if the Sherman Act is to be given efficacy, there must be a decree undoing so far as is possible that which has been achieved in open, notorious, and continued violation of its provisions.

I agree that the act offers no objection to the mere size of a corporation, nor to the continued exertion of its lawful power, when that size and power have been obtained by lawful means and developed by natural growth, although its resources, capital, and strength may give to such corporation a dominating place in the business and industry with which it is concerned. It is entitled to maintain its size and the power that legitimately goes with it, provided no law has been transgressed in obtaining it. But I understand the reiterated decisions of this court construing the Sherman Act to hold that this power may not legally be derived from conspiracies, combinations, or contracts in restraint of trade. To permit this would be to practically annul the Sherman law by judicial decree. This principle has been so often declared by the decisions that it is only necessary to refer to some of them. It is the scope of such combinations and their power to suppress and stifle competition and create or tend to create monopolies which, as we have declared so often as to make its reiteration monotonous, it was the purpose of the Sherman Act to condemn, including all combinations and conspiracies to restrain the free and natural flow of trade in the channels of interstate commerce. (Pearsall *v.* Great Northern Railway Co., 161 U. S. 646, 676, 677; Trans-Missouri Freight Association Case, 166 U. S. 290, 324; Northern Securities Case, 193 U. S. 197; Addyston Pipe Co. *v.* United States, 175 U. S. 211, 238; Harriman *v.* Northern Securities Co., 197 U. S. 244, 291; Union Pacific Case, 226 U. S. 61, 88.) While it was not the purpose of the act to condemn normal and usual contracts to lawfully expand business and further legitimate trade, it did intend to effectively reach and control all conspiracies and combinations or contracts of whatever form which unduly restrain competition and unduly obstruct the natural course of trade, or which from their nature or effect have proved effectual to restrain interstate commerce. (Standard Oil Co. *v.* United States, 221 U. S. 1; United States *v.* American Tobacco Co., 221 U. S. 106; United States *v.* Reading Co., 226 U. S. 324; Straus *v.* American Publishers' Association, 231 U. S. 222; Eastern States Lumber Association *v.* United States, 234 U. S. 600.)

This statute has been in force for nearly 30 years. It has been frequently before this court for consideration, and the nature and character of the relief to be granted against combinations found guilty of violations of it have been the subject of much consideration. Its interpretation has become a part of the law itself, and if changes are to be made now in its construction or operation, it seems to me that the exertion of such authority rests with Congress and not with the courts.

The fourth section is intended to give to courts of equity of the United States the power to effectively control and restrain violations of the act. In none of the cases which have been before the courts was the character of the relief to be granted, where organizations were found to be within the condemnation of the act, more thoroughly considered than in the Standard Oil and Tobacco Co. cases reported in Two hundred and twenty-

first United States. In the former case, considering the measure of relief to be granted in the case of a combination, certainly not more obnoxious to the Sherman Act than the court now finds the one under consideration to be, this court declared that it must be twofold in character (221 U. S. 78), "First, to forbid the doing in the future of acts like those which we have found to have been done in the past which would be violative of the statute; second, the exertion of such measure of relief as will effectually dissolve the combination found to exist in violation of the statute, and thus neutralize the extension and continually operating force which the possession of the power unlawfully obtained has brought and will continue to bring about."

In the American Tobacco Co. case the nature of the relief to be granted was again given consideration, and it was there concluded that the only effectual remedy was to dissolve the combination and the companies comprising it, and for that purpose the cause was remanded to the district court to hear the parties and determine a method of dissolution and of recreating from the elements composing it "a new condition which should be in honest harmony with and not repugnant to the law." In that case the corporations dissolved had long been in existence, and the offending companies were organized years before the suit was brought and before the decree of dissolution was finally made. Such facts were considered no valid objection to the dissolution of these powerful organizations as the only effective means of enforcing the purposes of the Sherman Antitrust Act. These cases have been frequently followed in this court and in the lower Federal courts in determining the nature of the relief to be granted, and I see no occasion to depart from them now.

As I understand the conclusions of the court, affirming the decree directing dismissal of the bill, they amount to this: That these combinations, both the holding company and the subsidiaries which comprise it, although organized in plain violation and bold defiance of the provisions of the act, nevertheless are immune from a decree effectually ending the combinations and putting it out of their power to attain the unlawful purposes sought, because of some reasons of public policy requiring such conclusion. I know of no public policy which sanctions a violation of the law, nor of any inconvenience to trade, domestic or foreign, which should have the effect of placing combinations, which have been able to thus organize one of the greatest industries of the country in defiance of law, in an impregnable position above the control of the law forbidding such combinations. Such a conclusion does violence to the policy which the law was intended to enforce, runs counter to the decisions of the court, and necessarily results in a practical nullification of the act itself.

There is no mistaking the terms of the act as they have hitherto been interpreted by this court. It was not intended to merely suppress unfair practices, but, as its history and terms amply show, it was intended to make it criminal to form combinations or engage in conspiracies or contracts in restraint of interstate trade. The remedy by injunction, at the instance of the Attorney General, was given for the purpose of enabling the courts, as the statute states, to prohibit such conspiracies, combinations, and contracts, and this court interpreting its provisions has held that the proper enforcement of the act requires decrees to end combinations by dissolving them and restoring as far as possible the competitive conditions which the combinations have destroyed. I am unable to see force in the suggestion that public policy, or the assumed disastrous effect upon foreign trade of dissolving the unlawful combination, is sufficient to entitle it to immunity from the enforcement of the statute.

Nor can I yield assent to the proposition that this combination has not acquired a dominant position in the trade which enables it to control prices and production when it sees fit to exert its power. Its total assets on December 31, 1913, were in excess of $1,800,000,000; its outstanding capital stock was $868,583,600; its surplus $151,798,428. Its cash on hand ordinarily was $75,000,000. This sum alone exceeded the total capitalization of any of its competitors, and, with a single exception, the total capitalization and surplus of any one of them. That such an organization thus fortified and equipped could if it saw fit dominate the trade and control competition would seem to be a business proposition too plain to require extended argument to support it. Its resources, strength, and comprehensive ownership of the means of production enable it to adopt measures to do again as it has done in the past—that is, to effectually dominate and control the steel business of the country. From the earliest decisions of this court it has been declared that it was the effective power of such organizations to control and restrain competition and the freedom of trade that Congress intended to limit and control. That the exercise of the power may be withheld, or exerted with forbearing benevolence, does not place such combinations beyond the authority of the statute which was intended to prohibit their formation, and when formed to deprive them of the power unlawfully attained.

It is said that a complete monopolization of the steel business was never attained by the offending combinations. To insist upon such result would be beyond the requirements of the statute and in most cases practically impossible.

As we said in dealing with the packers' combination in Swift & Co. *v.* United States (196 U. S. 396):

"When acts are not sufficient in themselves to produce a result which the law seeks to prevent—for instance, the monopoly—but require further acts in addition to the mere forces of nature to bring that result to pass, an intent to bring it to pass is necessary in order to produce a dangerous probability that it will happen. (Commonwealth *v.* Peachie, 177 Mass. 267, 272.) But when that intent and the consequent dangerous probability exist, this statute [Sherman Act] like many others, and like the common law in some cases, directs itself against that dangerous probability as well as against the completed result."

It is affirmed that to grant the Government's request for a remand to the district court for a decree of dissolution would not result in a change in the conditions of the steel trade. Such is not the theory of the Sherman Act. That act was framed in the belief that attempted or accomplished monopolization or combinations which suppress free competition were hurtful to the public interest, and that a restoration of competitive conditions would benefit the public. We have here a combination in control of one-half of the steel business of the country. If the plan were followed, as in the American Tobacco case, of remanding the case to the district court, a decree might be framed restoring competitive conditions as far as practicable. See United States *v.* American Tobacco Co. (191 Fed. 371). In that case the subject of reconstruction so as to restore such conditions was elaborated and carefully considered. In my judgment the principles there laid down if followed now would make a very material difference in the steel industry. Instead of one dominating corporation, with scattered competitors, there would be competitive conditions throughout the whole trade which would carry into effect the policy of the law.

It seems to me that if this act is to be given effect the bill, under the findings of fact made by the court, should not be dismissed, and the cause should be remanded to the district court, where a plan of effective and final dissolution of the corporations should be enforced by a decree framed for that purpose.

Mr. Justice Pitney and Mr. Justice Clarke concur in this dissent.

ADDRESS BY JUDGE ALTON B. PARKER.

Mr. SHORTRIDGE. Mr. President, on January 14, 1922, Judge Alton B. Parker, former chief justice of the Court of Appeals of New York and one-time candidate for President of the United States, delivered a masterly address at the opening of the Marshall-Wythe School of Government and Citizenship at the College of William and Mary, at Williamsburg, Va. The high purpose of that school and the reasons for its establishment are very clearly set forth in this masterly address by Judge Parker. The subject matter of his address was "American Constitutional Government." It had been called to my attention as a splendid defense of our form of government, and I had intended weeks ago to present it here in the Senate in order that it might be further distributed and preserved for future days. Hon. W. W. Morrow, of California, one of the circuit judges of the ninth circuit, writes me suggesting that this scholarly and patriotic address be printed in the RECORD and be also printed as a public document.

Mr. SMOOT. The Senator should request that either course be taken—whichever he desires—but not both.

Mr. SHORTRIDGE. I will adopt whichever course may seem to Senators best adapted for the wide distribution of this splendid address.

Mr. SMOOT. If the Senator desires to have extra copies of it printed for distribution by Senators themselves, it would be very much better to have it printed as a public document; but if the Senator only wants it to go into the RECORD, to be read by the readers of the RECORD, it should be printed in the RECORD.

Mr. SHORTRIDGE. For the moment, then, I suggest that this address be printed in the RECORD. Perhaps hereafter other disposition may be made of it. I ask that it be printed in the RECORD in the regular RECORD type.

The VICE PRESIDENT. Without objection, it is so ordered.

The address is as follows:

AMERICAN CONSTITUTIONAL GOVERNMENT.

[By Alton B. Parker, LL. D., former chief justice, Court of Appeals of New York.]

The Federal Constitution, the prize of every intelligent and patriotic American, and which Gladstone referred to as the greatest work ever struck off at a given time by the brain and purpose of man, had safe deliverance from the Philadelphia Convention of 1787. Over that convention the greatest American from the beginning of government to this day, George Washington, of Virginia, at one time a student of this college and later its chancellor, presided.

The Constitution was not popular with the majority of the people at its birth. Indeed, the Articles of Confederation, which constituted whatever of Federal Government there was in existence—a helpless apology for a government, which could not compel from any source the raising of money to support itself or pay the national debt—were in greater favor with the people than the proposed new Federal Government, which was given all needed power, as 134 years of experience under it demonstrates. The people, however, were suspicious of the Constitution before they ever saw it. For three months and a half the convention sat with locked doors. James Madison, afterwards President, kept the Journal, but agreeably to the wishes of the delegates it was not published until after his death, which occurred about 50 years later. Moreover, the resolution of Congress providing for a convention on the second Monday of May, 1787, recited that it was "for the sole and express purpose of revising the Articles of Confederation," whereas the convention in fact reported an entirely different plan of government, a government which could enforce the powers conferred upon it by the Constitution, whether the people of some State disliked the exercise of the power or not. That was alarming to the majority of the people of many, if not all, of the States that had been accustomed to raise moneys for Federal uses or not, as they chose, and quite frequently, it may be said, they did not choose. All that the Continental Congress could do was to make requisition for funds upon the thirteen members of the confederacy in proportion to the assessed value of their real estate, for it was without power to enforce these requisitions. Nor were these requisitions responded to as they should have been during the War of the Revolution, when the people of the States were struggling to secure their liberty. One of the results was that the troops who were fighting for the freedom of the country were poorly fed, ill clothed, and rarely paid the trifling compensation which was promised them. The shabby treatment of the Army was hard for General Washington to bear, who understood right well that their loyalty to him as well as to the cause induced them to suffer and still fight on.

The inability to finance the Government created by the Articles of Confederation was not the only illustration of its impotence to safeguard the interests of all the people. Most of the States issued at will paper currency, and the brokers and merchants of cities in other States charged such discount as they chose in receiving it for goods. The time came when the bills thus issued would be received, if at all, in other States at a very small percentage of their face value. In 1781, according to Jefferson, notes issued by Congress "fell to 1,000 for 1." The debts of the States and of the Confederation seemed large in that day, and, coupled with the chaotic financial condition, plus the indebtedness of individuals at home and abroad, led to demands by large numbers of the people for a repudiation of all debts, public and private. Moreover, the States passed tariff laws against one another as well as against foreign nations, and indeed, so far as commerce was concerned, each State treated the others as foreign nations.

It may be said in passing that the selfish spirit of that day, which prompted the people of one State to put up bars against the people of other States, still exists. As I write, there lies before me a paper of to-day's issue, referring to two contemporaneous decisions of the Supreme Court of the United States. In the one the transportation of oil through an underground pipe line was taxed by West Virginia as a "privilege tax," thus attempting to impose a burden upon interstate commerce in oil and in gas going into other States, and for that reason it was held to be invalid under the interstate commerce clause of the Constitution. In the other a milling corporation made a contract with a citizen of Kentucky which he refused to perform. Being sued, his defense was that the milling company had not registered in Kentucky as required by the statute of that State, hence it could not sue the Kentuckian. The Kentucky court sustained his contention, but the Supreme Court of the United States reversed the judgment of the State court, holding in effect that the transaction was one in interstate commerce and the State statute as applied to it was void. Before the Federal Constitution came into existence, however, there was no redress. Now, the Federal courts can relieve the citizens of other States from attempted wrongful exactions by the people of sister States.

Fortunately, in the condition of public demoralization tending in the direction of dishonor and even anarchy in the year 1787, the 55 men who had been chosen to represent the several States assembled in Independence Hall. It was a wonderful body of men. Never since that day has a body of like numbers been their superiors in ability, courage, industry, and patriotism. I wish the occasion permitted a reference to each of them, and especially here where it would be most appropriate to speak of them. The convention adjourned on the 17th of September, 1787, and a draft of the new Constitution which it had created—the governmental masterpiece of the ages—was transmitted with a letter from Washington, the president of the convention, to the Continental Congress. Strong opposition was made to it by several of the members of the Continental Congress, but it was soon overborne, and eight days later Congress resolved that the new Constitution, together with a letter from Washington, should be "transmitted to the several legislatures in order that it might be submitted to a convention of delegates in each State chosen by the people thereof in conformity to the resolves of the convention."

Immediately there were born two parties, one supporting, the other opposing the adoption of the new Constitution by the conventions of the several States, and a fierce struggle was waged in several of the States, with brilliant men for the leaders of the antagonistic parties. Those opposing attacked the convention for holding its sessions in secret. Even the mighty press of that day was not permitted to have representatives present. Moreover, the members of the convention and each of them obligated themselves not to tell anyone what was going on within Independence Hall; and what is more, no one of them ever did tell. The question up for decision by the several State conventions, to be called after the Constitution was reported, was whether the proposed form of government was sound and therefore should be adopted—not who planned it, nor even how the votes stood in the first instance on the several propositions. Nevertheless, it is a fact that many of the demagogic orators of that day successfully aroused the passions of many of the people against the convention and all its works, because the secrecy of the deliberations was assumed to be due to an attempt to wrong the people and rob the States of their sovereignty.

The zeal of certain members of the Legislature of Pennsylvania in introducing a resolution for the election of delegates to a State convention to ratify the proposed Constitution before the Continental Congress had passed upon it, and thereafter seizing hostile absentee members and bringing them by force to the statehouse, thus creating a quorum, served, with the aid of eloquent debaters, to arouse public indignation and increase the popular tide which was running against the new plan of government. Nevertheless, the convention was called, and Pennsylvania ratified the Constitution on the 12th day of December, the State of Delaware having ratified six days earlier. New Jersey followed with ratification on the 18th, Georgia on the 2d day of January, 1788, and Connecticut one week later. The Massachusetts convention came next, and the outcome was very much feared by the constitutionalists, as those were called who favored the adoption of the Constitution. But those in charge of the effort to ratify comprised the strongest and most highly cultivated men of the State and they displayed tact throughout. One bit of evidence of that fact is to be found in the election of John Hancock, one of the most popular signers of the Declaration of Independence, for the presiding officer of the convention. And yet, out of 355 votes in the convention, the majority in favor of ratification was only 19. New Hampshire came next, and the constitutionalists, fearing the outcome, secured an adjournment until June.

Virginia's convention met June 2. No State was represented in its convention by so many delegates who had already achieved high station in the public service, nor by an equal number of delegates who were to serve the people in exalted positions in the future. But let Senator Beveridge speak of them, as he does in his masterly work entitled "The Life of John Marshall" (p. 322): "While the defense of the Constitution had been very able in Pennsylvania and Massachusetts, and later in New York was to be most brilliant, the attack upon it in the Virginia convention was nowhere equaled or approached in power, learning, and dignity. Extravagant as the assertion appears, it nevertheless is true that the Virginia contest was the only real debate over the whole Constitution. It far surpassed, especially in presenting the reasons against the Constitution, the discussion in the Federal convention itself.

in weight of argument and attractiveness of presentation, as well as in the ability and distinction of the debaters."

Virginia was in that day the greatest of the States. She had one-fifth of the population of all the States and at least one-fifth of the wealth. Moreover, only 18 years before her house of burgesses had passed an act prohibiting slavery, which failed to become a law only because of King George's direction to the colonial governor to withhold his signature from the enactment, which was obeyed. The letter of protest to the King from the house of burgesses was a brilliant paper, which at the same time bore a sad prophecy of that which later happened. I quote a single sentence from it: "We are sensible that some of Your Majesty's subjects in Great Britain may reap emoluments from this sort of traffic; but when we consider that it greatly retards the settlement of the colonies with more useful inhabitants, and may in time have the most destructive influence, we presume to hope that the interest of a few will be disregarded when placed in competition with the security and happiness of such numbers of Your Majesty's dutiful and loyal subjects." That letter in its entirety should be known to all men in our beloved country, to the end that they may realize that slavery in that State was not due to the majority of Virginians but to the King and the profiteers of that day, who were not at all different from our war profiteers.

Virginia's son, Thomas Jefferson, wrote the Declaration of Independence, and in it, as he first presented it to the convention, there was a stinging indictment of the King for enforcing slavery upon this country. That indictment was not accepted by the convention, and it was the only change of moment it made in the declaration as he proposed it. Jefferson was later to become governor of Virginia, minister to France, Vice President of the United States, and President for two terms. Another of Virginia's sons, George Washington, had been commander in chief of our armies. His great ability and popularity, plus the universal confidence in his ability to lead, commanded his selection as chairman of the Philadelphia convention. He was not a member of the Virginia convention chosen to pass upon the Constitution, for it was his act, in common with his associates, that was about to be considered by that convention. But his striking influence was there, for he had not hesitated to let people know how vital it was in his judgment that the new national government should be ratified by the several conventions.

In Virginia, as elsewhere, there were strong leaders of men and able debaters who were opposed to the new plan of government, and in considerable numbers they were present at the Virginia convention, for both parties strove with might and main to obtain mastery there. Let Senator Beveridge speak of the strength, ability, and character of members of the convention and their leaders. He said: "In Virginia's convention the array of ability, distinction, and character on both sides was notably brilliant and impressive. The strongest debaters in the land were there, the most powerful orators, and some of the most scholarly statesmen. Seldom in any land or age has so gifted and accomplished a group of men contended in argument and discussion at one time and place. And yet reasoning and eloquence were not the only or even the principal weapons used by those giant adversaries." (Vol. 1, p. 356.)

Patrick Henry, with his great eloquence, known to every schoolboy of the land from that day to this, was the leader in the mighty struggle against ratification. Edmund Randolph, then the governor of Virginia and afterwards President Washington's first Attorney General, a most popular man and an eloquent debater, was the flower of the speaking force favoring ratification. Chancellor Edmund Pendleton was chosen president of the convention and George Wythe, the first great teacher of law in this country, was made chairman of the committee of the whole. He, like many others in that convention of giants, was an alumnus of William and Mary, later her great law teacher and one-time chancellor of Virginia. James Madison, afterwards President of the United States, took a prominent part in the debate and in support of the Constitution. John Marshall was there, only 32 years of age, a former student and alumnus of the same college, and little dreaming that he was to be the greatest expounder of all time of the Constitution he was working to ratify, or that the thousands of great lawyers of this day, looking back over more than a century and a quarter, would all agree that his service to the country as Chief Justice of the Supreme Court of the United States has not been equaled by any other member of that wonderful court, of which every American citizen is justly proud. His participation in the debate came toward the close of the convention. But it was timely and, as we who have read his opinions would naturally expect, it was a clear and strong presentation of the merits of the proposed new plan of government. Indeed, his participation was especially strong on the judiciary feature.

But enough of the personnel of the convention, although it was so rich in master minds and the debate so strong on each side that it seems almost unfair not to mention all of the participants. The necessary brevity of this address makes that impossible. I should say in passing, however, that the constitutionalist leaders from other States, such as Hamilton, of New York, King, of Massachusetts, and others who believed that Virginia would settle the fate of the Constitution, were making appeals to their Virginia friends to save the day. And they did, but only by the narrow margin of 10 votes out of 168. Hamilton's assurance that a constitutionalist victory in Virginia would secure the adoption of the Constitution proved to be right. His brilliant arguments in that behalf were most persuasive in the New York convention, which gave a substantial majority in favor of the adoption of the Constitution.

The Continental Congress provided that presidential electors should be chosen the first Wednesday in January, 1789, and that the electors should meet and cast their votes for President on the first Wednesday in February, and that the Senate and House should assemble on the first Wednesday in March, which was in that year the 4th day of the month. Hence, Congress fixed upon the 4th of March for the beginning of each new administration thereafter.

The counting of the electoral votes took place on the 6th day of April, and each and every one of them was cast for George Washington, of Virginia. He wisely selected two great men of widely different political views to be the leaders of his Cabinet—Jefferson for Secretary of State and Hamilton for Secretary of the Treasury. The inauguration took place on the 30th day of April in Federal Hall, at the cornor of Wall and Nassau Streets, in New York City. The oath was administered by Chancellor Livingston, who, at the conclusion, shouted, "Long live George Washington, President of the United States!" Answering shouts came from all the vast assemblage. So, after a mighty travail, the National Government was born, amidst the execrations of the great uninformed majority of the people and the enthusiastic plaudits of the wiser minority.

No one, not even the wisest of the brilliant leaders among the constitutionalists, had the vision to see that before 134 years should pass away a fierce war would be fought between two sections of the country which should decide once for all that ours is a Union of States, one and inseparable; that the 13 States would be increased to 48; that our territory would be broadened so as to extend from the Atlantic to the Pacific and from the Great Lakes on the north to the Gulf of Mexico on the south; that the population of three and one-half millions would grow to over 100,000,000; that the wealth of the Nation at the outbreak of the World War in 1914 would exceed by far that of Great Britain and Germany put together; that we should enter that World War, raising 4,000,000 of troops, sending 2,000,000 of them across the ocean to fight Germany on French soil before the war was ended; that we should lend our allies in the war about ten and one-half billions of dollars in order to enable them successfully to prosecute the war; that during the war we should have a President who thought he saw at the close of the war an opportunity to bind the nations of the world together in a covenant to keep the peace of the world; that into that league, after it was drafted, would enter all the great States of the world with the exception of Russia, Germany, Mexico, and the United States, the Senate of the latter refusing to follow the President's leadership in that respect; further, that in this year of our Lord 1922 there would be gathered in our Capital City of Washington, upon the invitation of his successor President, delegates from several foreign States to consider ways and means of lightening the overpowering burdens of the people of the world by halting the building of warships of various kinds and striving incidentally for the ultimate peace of the world; nor that all the world would look longingly on this unique assemblage with hopeful hearts and prayerful lips. All that, and much more, we of this day know has happened. To the more our President hopes may be accomplished in the near future the people say "Amen," regardless of differing political beliefs and the less kindly treatment accorded by some people to his immediate predecessor, for, without regard to party, the people press on and on with him toward that day when international differences shall be settled as peacefully as are the differences between man and man in countries of high civilization.

Lord Bryce, at one time Great Britain's ambassador to the United States, and at all times our friend, as we were all his friends, nearly a century after the creation of the National Government, in his masterful work "The American Common-

wealth," paid this tribute to the Federal judiciary: "Few American institutions are better worth studying than this intricate judicial machinery, few deserve more admiration for the smoothness of their working, few have more contributed to the peace and well-being of the country." One of the serious objections made in several of the State conventions called to determine whether the requisite number of States would ratify the proposed Constitution was that it did not require the National Government to protect the people in the enjoyment of the great principles of English liberty, which had cost the people of England a struggle of nearly 500 years to secure. About 91 per cent of the population of the States were descended from Great Britain, and they treasured those principles of liberty and regarded them as essential to the comfort and happiness of the people. In their several State constitutions, therefore, the people had undertaken to protect themselves and those who should come after them in the enjoyment of those principles of liberty, together with the benefits of the English common law. To that end those States, and each subsequent State with one exception as it has come into the Union, have, through their several constitutions, made the common law of England the law of the State, subject to amendment by statute.

In the course of debate the assurance was given by more than one of the great leaders supporting the effort to adopt the proposed Constitution that appropriate amendments to accomplish that result should be promptly submitted to the people. At the very first session of Congress, in 1789, in pursuance of that promise, 12 proposed articles of amendment to the Constitution were submitted to the State legislatures by appropriate resolution of Congress. Only 10 of them were ratified by the requisite number of States. Thus was the fear entertained by many that the National Government might not regard itself as bound to follow the wishes of the people as expressed in their several State constitutions put at rest.

There were no precedents for the State and Federal Governments created. Each of the States had its own constitution, made it own laws, and provided for their due execution. Its powers within its boundaries were only limited by the new Federal Constitution. Should a State attempt to trespass upon the rights and powers which the States accorded to the Federal Government when they adopted the Constitution, the latter possessed the power to terminate the trespass, and exercised it.

The theory of the constitutional form of government which the fathers—of whom we are justly proud—created was that the National Constitution was created by the people and can be changed only by the people; that within that instrument must be found all the power that may be exercised by it, until and unless the people shall grant to that Government additional powers. And from time to time, since the adoption of the first 10 amendments, other amendments to the Constitution have been made, conferring powers upon the National Government which were not granted in the beginning. It is quite likely that other amendments may be made in the future, giving to the Federal Government still greater powers than it possesses to-day. But those powers can only be acquired by the Federal Government through the method the people have provided, which method finally results in having three-fourths of the States ratify the proposed amendment to the Constitution, either by the legislatures of such States or by a convention chosen by the people of those States.

But there are those in these later days who advocate the breaking down of the safeguards which the people secured by their constitutions. Some of them would strip the owners of property, secured by years and sometimes by generations of hard work, and divide it as the Soviet Government in Russia has attempted to do. One result of an effective attempt to take away from those who live economically, work hard, earn, and save, and divide it among people who do none of these things, is to be found in the starving millions in Russia, to whom we are sending free many millions of dollars' worth of food to save their lives. But that effort to serve the Russian people does not alter the ambition of the Soviet Government and of the hordes of sympathetic Russians who have come to this country for the purpose of helping to overthrow the best Government on earth from continuing their efforts. Nor does the fact of the great suffering and threatened death of many millions restrain the longings of those vast aggregations of enemies of work from seeking that which, according to their philosophy, is their proportionate share of the property, real and personal, of the world. A government which seeks to educate all of the youth of its country, stimulate all the people to work, and encourages thrift, is anathema to them.

As people of this class have been coming to us in large numbers from nearly every quarter of the globe, we must take up the task of so educating all classes of our vast population as that they shall fully understand the importance of maintaining in its integrity our constitutional plan of government. They should be taught in the first instance why it was that the people in the formative period of our Government were bound to have, and did at last secure, a Government which the people could control despite their legislatures, whether representing the States or the Federal Government. Vast powers are given to the executive, the legislative, and the judicial departments of the Government, but not all of the power possessed by the people, by any means. In that fact rests the ability of the people to hold in check each of the several departments of government which might on occasion wish to have it otherwise. Occasionally the legislative department of the State or Federal Government passes an act which upon its very face defies the Constitution which the people created and under which the legislative department of government acquires all the power it possesses. This has been done so often as to demonstrate that the legislative bodies can not always be trusted to obey the people's Constitution in times of popular stress. And, of course, at the same time it is proved that the plan of the fathers in saying in effect through a rigid Constitution, "Thus far and no farther can you go," is absolutely essential to the maintenance of our form of government.

Nevertheless in this time of selfishness, of agitation, and loose thinking, there are those who seek acclaim through a denunciation of the courts for judicially declaring that certain statutes offend against the people's Constitution. In other words, the courts say in such decisions that the legislative body has attempted to exercise a power denied to it by the people through their Constitution. Addresses have recently been made from purely selfish purposes with a view of creating the impression in the public mind that the courts have in the past and without warrant seized this power. The authors assert that such a thing as judgment of a court declaring an act void was unknown in Great Britain, from whence came our knowledge of the common law and of equity jurisprudence. But, as Lord Bryce points out with great clearness in his "American Commonwealth," the British constitution is not to be compared with ours. He says: "What are called in England constitutional statutes, such as Magna Charta, the Bill of Rights, the Act of Settlement, the Acts of Union with Scotland and Ireland, are mere ordinary laws, which could be repealed by Parliament at any moment in exactly the same way as it can repeal a highway act or lower the duty on tobacco."

Our National Constitution, on the contrary, was not created by Congress or by any legislative body, nor has Congress the power to amend or change a single word of it or to render its powers ineffective by either direct or indirect methods. A proposed amendment can only become effective to change the Constitution by the affirmative action of three-fourths of all the States.

The famous lawyers who drafted our Constitutions, State and National, knew that attempts by inferior magistrates to adjudicate upon matters over which authority had not been granted to them by statute were void, and if action was taken to enforce them, the courts would refuse their assistance to that end, because such adjudications, being without authority, were invalid. Again, municipal bodies having certain powers granted them by Parliament to enact local rules and regulations sometimes extended their attempts at making rules and regulations beyond the authority conferred upon them by the laws of Parliament, and they were in turn void, and so the courts held whenever attempt was made to enforce them against the protest of the citizen affected.

Such holdings were, as Lord Bryce points out, made by the courts in England, and the decisions of the courts there were followed here in the colonial days. Now, our acts of Congress are inferior in authority to that of the Constitution, and hence the draftsmen of the Constitution, as well as the people generally, knew that under the practice in England an act of Congress offending against a superior law would be void, and they further knew that in England it was the courts that held them to be invalid and unenforceable.

This general subject is very admirably discussed by William M. Meigs in his recently published book, "The Relation of the Judiciary to the Constitution." It appears from the instances which he cites that between the time of the adoption of the State constitutions and the National Constitution it was generally assumed that an enactment which violated the State consitution was not only void but that it was the duty of the courts in a proper case so to adjudicate. Among the cases was one in which Judge Wythe, chairman of the committee of the whole of the Virginia convention, which ratified the Federal Constitution (and whose name is to be coupled with that of Chief Justice Marshall in founding the chair of government in

this college), was a member of the court which considered a Virginia statute of 1776, which, it was claimed, though not so held by the court, infringed upon the State constitution of Virginia. Several members of the court announced their views upon the general question and were in agreement as to the power of the court and duty to hold a statute unconstitutional in a proper case. But Judge Wythe said in his opinion, among other things: "Nay, more, if the whole legislature, an event to be deprecated, did attempt to overleap the bounds prescribed to them by the people, I, in administering the public justice of the country, will meet the united powers at my seat in this tribunal, and, pointing to the Constitution, will say to them, 'Here is the limit of your authority, and hither shall you go, but no further.'"

After the close of the Revolutionary War States unmindful of the Central Government passed laws which offended against treaties with foreign nations. Countries thus wronged, and nearly all of them were, made protest which was indeed alarming, so much so as to lead Madison to say in the convention which drafted our National Constitution that unless it could be prevented it must involve us in the calamities of foreign wars. This situation contributed, doubtless, toward leading many of the strong-men of the country to consider the method of getting rid in the future of these unfortunate State laws which were being passed without paying any heed to the Central Government or to the other State governments. Naturally, the fact that the judiciary was the instrument used in England to get rid of unauthorized acts of inferior municipal bodies and magistrates contributed in no small degree toward the plan ultimately adopted of making a central or national Constitution which should be the supreme law of the Nation with the executive, legislative, and judicial departments of government in subordination thereto. Following the precedents in England and in this country, so far as the State constitutions are concerned, there would devolve upon the judiciary the duty of declaring acts hostile to the commands of the Constitution, whether executive or legislative, to be void and of no effect.

In passing, let me say that the first decision of the Supreme Court of the United States holding an act of Congress to be unconstitutional was in Marbury *v.* Madison, although statements to the contrary by careful students may be found. The actual decision in that case is correctly stated in the syllabus as follows: "Congress have not power to give original jurisdiction to the Supreme Court in other cases than those described in the Constitution. An act of Congress repugnant to the Constitution can not become a law." It will thus be seen that the first decision of the Supreme Court of the United States declaring a statute unconstitutional concerned one which undertook to confer upon that court a larger original jurisdiction than it was authorized to enjoy by the language of the Constitution. Hence the effect of its decision was to refuse to exercise authority which the Congress without constitutional permit undertook to confer upon it. That opinion was written by a man who will be known as "the great Chief Justice Marshall, the expounder of the Constitution," as long as our Government shall live. It is fitting that the name of the foremost jurist in all our history shall stand at the head of the chair of governmental history in this college. It is most appropriate also that the name of another of William and Mary's students and jurists, the first great law teacher in this country, Judge Wythe, should be connected with that of Marshall in the naming of the chair.

The fact that assaults are being made upon the judiciary for deciding, as they are compelled to do now and then, that a statute is void because it violates either a State or the Federal Constitution, by an element of our population who are without roots in the revolutionary days and the formative period of our Government, makes it necessary that the colleges, and even the high schools, shall teach the youth of our land both to know and to cherish the history which inspired the fathers to build the most wonderful Government ever created by man—a Government of the people, by the people, and for the people. Such a Government, for continued success, must depend upon an educated electorate, who, because of their trained minds, can not be deceived by the ambitious and selfish leaders whose eloquent tongues seek to persuade the people to travel in dangerous paths. Never in the history of this country were there here so many descendants of non-English-speaking peoples, brought up to hate the Governments of which they were subjects, and who are wholly without knowledge of the principles upon which our Government was so wisely builded. If their children are made to understand by careful instruction the aims of the fathers, the principles which actuated them, and the wisdom which inspired their governmental building, they will come in time to be a helpful addition to our vast population. But if they are not thus educated it is quite likely that great numbers of them will be led by the anarchists, the I. W. W.'s, the Russian reds, and others of like character to join the forces which openly seek the overthrow of our Government that they may fatten upon the fruits of the people's labors.

Jefferson was the first, and through all generations down to now the foremost, of all our great statesmen in his efforts to bring about the education of all the people, to the end that they should intelligently perform their governmental duties. It is most fitting that William and Mary College is to found a school for that purpose, which is to bear the name, as I have already stated, of Marshall and Wythe. The purpose is to have the teaching of our governmental history so thoroughly done that the hundreds, and in a little while perhaps the thousands, who go out each year from this old college, famous for its long line of great Presidents and professors and its illustrious students, will in turn make the people understand the sources from which our leaders in the early days of our country's history drew the principles and the precedents which enabled them in their wisdom to build the best governmental system that the world ever saw.

AFFAIRS IN HAITI.

Mr. KING. Mr. President, reference was made by the Senator from North Dakota [Mr. McCUMBER] day before yesterday to our trade with the Latin American Republics, and he predicted with the great force and earnestness which characterizes his utterances that within a very short time we would be driven from the South American trade by Germany. I do not propose to discuss that matter at this time, but merely to impress the fact that our trade with South America will be strengthened and expanded if we pursue toward those nations a policy that will inspire confidence and good will. I apprehend that we are now dealing with Haiti and San Domingo, which do not belong to the United States, and with Porto Rico, which is a part of the territorial possessions of the United States, in a manner which tends to provoke misgiving, not to say resentment, on the part of those who would be our friends in those countries. On day before yesterday I offered a resolution, which is lying upon the table, by which I called attention to the committee which had been appointed by the Senate to investigate conditions in Haiti and in San Domingo. This committee, as recited in the resolution, has made an investigation and will soon make a report. I have suggested in that resolution that the Senate respectfully request the President of the United States to direct the financial adviser of the Haitian Government and the receiver of customs to withhold taking any action for the consummation of a new loan to the Haitian Government or the issue of Haitian bonds until the report of this committee shall have been submitted to the Senate.

Mr. President, I am not going to discuss the Haitian matter at this time, but shall offer some observations in regard to it. My investigations have led me to the conclusion that our treatment of San Domingo and Haiti has tended to cause suspicion in Latin America as to the ambitions and purposes of the United States in our Latin American relations.

We have declared that we entertain no designs for territorial conquest, that we are content with our national domain, that we have no desire to annex Haiti or Santo Domingo, or to take any territory of our neighbors, but unfortunately our position in Haiti and Santo Domingo is regarded as indicative of an imperialistic policy, and that view, which is widely entertained in South America, provokes suspicions which retard our trade and otherwise impair the relations of amity which should exist between ourselves and the southern Republics. If we want an expanding trade in South America, in Central America, and in Mexico, we must cultivate the good will of these countries.

I shall not inquire into the cause for our military occupation of Haiti and Santo Domingo, but I do aver that whatever excuse existed for our landing marines in those countries does not exist to-day, and can not justify the further military intervention in their affairs.

The United States should withdraw its marines from Haiti and from Santo Domingo. I do not regard it an excuse for the maintenance of our marines in those States that wrongs and cruelties may be perpetrated by revolutionary forces. That is their business, as it is the business of China and other nations to determine their own internal policy, and to make their own arrangement for public order.

We had a civil war in the United States. We resented, and many resent to this day, the suggestion that was made in Great Britain at that time, that there might be some intervention in the domestic affairs of the United States. We have not become the policemen of Latin America, nor can we assume to take care of these countries.

Only recently 24 of our marines came home as prisoners because of infractions either of the municipal law of Guatemala or of military or naval regulations.

Mr. President, the people of Haiti are opposed to our military occupation of the island. They are opposed to the authority exercised over them by those whom we have sent from the United States. They resent the President of the United States sending General Russell there, denominating him an ambassador extraordinary and minister plenipotentiary. They resent his assumption of power in respect to their internal and domestic affairs. They resent the efforts of the State Department and its representatives to impose a loan upon the Government the effect of which will be to perpetuate the control of Haiti for an indefinite period. It is true that Haiti owes a considerable sum of money, and that its bonds are outstanding for payment. The purpose is to refund some of the obligations of Haiti, including the French loan, and to use the residue of the loan for alleged internal improvements; but I repeat that the people of Haiti are opposed to this loan, and they resent the efforts of officials in Haiti to impose the loan upon the Government.

Recently President Dartiguenave refused to sanction the loan. Another man was elected President, and within a few days he will assume his office under the new constitution which was adopted after we occupied the country. The new President, as I have stated, has been elected under this new constitution, and I do not think he speaks the voice or the will of the people. It is represented that he will approve the loan; that it will be ratified by the de facto government, but that this Government does not represent the wishes of the majority of the Haitian people.

The Haitian newspapers are against the loan, the Haitian people are against it, and in mass meetings participated in by thousands of people resolutions have been adopted protesting against the loan and expressing disapproval of the policy adopted by the United States in dealing with Haiti.

In the testimony which was given before the Senate committee, the financial adviser stated that he had no authority to negotiate the loan, but my advices are that the new President has been placed there for the purpose of carrying through that loan.

I am advised, too, that the State Department is urging the Haitian Government to accept the loan, notwithstanding the protests of the people. They have already warned one or more banking houses of the United States that the loan is not desired, and that they will not recognize this loan which is being imposed upon them.

Mr. JONES of Washington. Has there been testimony before this committee showing that our State Department is urging this loan?

Mr. KING. I think the testimony is susceptible of that; but if it is not, I will state that, in my opinion, the State Department is advising the loan.

Mr. JONES of Washington. I asked that, having noted the Senator's statement, because I have been told that the testimony before the committee was clear and positive to the effect that the State Department is urging the loan, and I knew the Senator was a member of the committee.

Mr. KING. I am not a member now. I resigned from the committee because of press of duties.

Mr. JONES of Washington. I did not know that. Does the Senator know whether the committee has been taking testimony since he resigned?

Mr. KING. Oh, yes. I resigned early in the activities of the committee, but I have made some inquiry of the State Department, and I understand that the State Deparment is advising the loan, and that General Russell, who was sent there, is doing all he can to bring about the loan, and I know that Dartiguenave, the President, who was a candidate for reelection, opposed the loan, and for that reason, I have been advised, he was not reelected, and that Mr. Bobo, the new President, will put through the loan.

There is a council of state which claims to exercise the legislative functions of the Government, and that council of state and the President are largely in the hands of American representatives and do not express the will of the people.

Mr. President, I say that our conduct in Haiti and Santo Domingo is not consistent with the ideals of this Republic. We have no business in these countries. This island belongs to the people of Santo Domingo and to the people of Haiti. We have no right to keep our marines there, and I give notice now to the committee and to the Senate that when the naval appropriation bill comes before the Senate I shall offer an amendment that not one dollar of the appropriation shall be utilized for the purpose of maintaining our marines in Haiti or in Santo Domingo.

Mr. President, that is all I care to say at this time upon this matter, and I am now willing to permit the Senate to come to the subject which the Senator from North Dakota [Mr. MCCUMBER] desires to bring to our attention.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. I ask now that we may return to paragraph 4, on page 3.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On page 4, line 14, after the word "butyl," the committee proposes to strike out "isopropyl, and," and to insert "and propyl, 3 cents per pound," so as to read:

Alcohol: Amyl, butyl, and propyl, 3 cents per pound.

Mr. KING. Mr. President, does the Senator from North Dakota desire now to make a final disposition of this paragraph?

Mr. McCUMBER. Yes; I should like to do so. I want to offer a further amendment a little farther down. We have reconsidered the matter this morning before the majority members of the committee and determined that we would make no change except to strike out the word "proof" in line 17.

Mr. KING. I shall be glad if the Senator will pass that for a few moments to give me a further opportunity to examine it. May I inquire what amendments the Senator desires to suggest to the text of the Senate bill?

Mr. McCUMBER. The only amendment that I ask is, on line 17, to strike out the word "proof." It should be "10 cents per gallon," and not "10 cents per proof gallon." The effect, of course, would be to reduce the rate.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

Mr. KING. As I understand, the Senator desires to strike out the word "proof." Is that the only amendment?

The VICE PRESIDENT. That is not now the question.

Mr. McCUMBER. The present question is on the amendment on line 14.

Mr. PITTMAN. Mr. President, a parliamentary inquiry. What is the pending amendment?

The VICE PRESIDENT. The amendment of the committee on lines 14 and 15, page 3.

Mr. KING. Will the Senator consent to laying this aside temporarily to give me a little further opportunity to examine it, and permit the consideration now of the cyanide schedule, to which I called the Senator's attention this morning?

Mr. McCUMBER. I do not wish to have the cyanide schedule passed upon at this time.

Mr. KING. No; we do not, either; but there is to be some discussion of it.

Mr. McCUMBER. There can be discussion, of course, on any feature of the bill at any time, and if the Senator desires to discuss cyanide further there is nothing in the rules that prevents his doing so; but I want this to be the pending amendment.

Mr. ODDIE. Mr. President, I should like to ask that the vote be not taken this week on the cyanide amendment. Is there any objection to that course being pursued?

Mr. KING. I will join with the Senator from Nevada in asking that if we should reach the cyanide amendment this week a vote on it be postponed until next Monday or Tuesday.

Mr. McCUMBER. I will try to accommodate the Senators when we reach it. I do not know just what the condition may be at that time.

Mr. KING. There will be no trouble about it, I think I can assure the Senator.

Mr. McCUMBER. We are some distance from cyanide now.

The VICE PRESIDENT. The question is on the amendment of the committee on line 14, page 3.

Mr. KING. I suggest that we temporarily lay that aside. The Senator from Nevada [Mr. PITTMAN], I understand, desires to discuss cyanide.

Mr. McCUMBER. It is not necessary to lay it aside. The Senator can proceed.

Mr. PITTMAN obtained the floor.

Mr. KING. Mr. President, this cyanide matter is very important, and I suggest that we have a quorum in its discussion.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Harris	McLean	Smoot
Borah	Heflin	McNary	Spencer
Broussard	Hitchcock	Moses	Sutherland
Bursum	Johnson	Nelson	Swanson
Calder	Jones, Wash.	Newberry	Townsend
Capper	Kellogg	Nicholson	Underwood
Caraway	Kendrick	Norbeck	Wadsworth
Colt	Keyes	Oddie	Walsh, Mont.
Culberson	King	Overman	Watson, Ga.
Curtis	Ladd	Page	Watson, Ind.
Dillingham	La Follette	Pittman	Weller
Elkins	Lenroot	Rawson	Williams
Fletcher	McCormick	Robinson	Willis
Gerry	McCumber	Sheppard	
Gooding	McKellar	Shortridge	
Harreld	McKinley	Simmons	

Mr. HEFLIN. I desire to announce that the Senator from Nebraska [Mr. NORRIS] is in attendance upon a hearing before the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Sixty-one Senators have answered to their names. A quorum is present.

Mr. PITTMAN. Mr. President, my colleague [Mr. ODDIE] just stated that he would like to have the cyanide item not voted on this week. I agree with him that it would be advisable not to have it voted upon this week, although I am ready to vote on it now. In fact, I expected that it would be voted on to-day, but I understand there are a number of Senators who did not believe the item could be reached to-day; and, in fact, I doubt if it can be reached to-day if it is taken up in its regular order. I would like to know from my colleague if he has any idea with regard to a date next week when it would be satisfactory to vote on this matter, or to take it up for final determination?

Mr. ODDIE. Mr. President, I feel that some time in the early part of the following week would be satisfactory, and I would suggest Tuesday morning, if that is satisfactory to my colleague and to the committee.

Mr. PITTMAN. That would be entirely satisfactory to me.

Mr. ODDIE. Not before Tuesday morning, I would suggest.

Mr. McCUMBER. If we reach it before Tuesday morning, then, I will say to these Senators, I will ask to have it passed over for their accommodation.

Mr. PITTMAN. Suppose, acting on that suggestion, we ask unanimous consent that the item be voted on at the convening of the Senate on Tuesday morning, or as soon thereafter as the chairman of the committee desires to have it voted on.

Mr. McCUMBER. That is satisfactory, but it is not necessary to have unanimous consent. If we are prepared to take it up Tuesday morning, we can do so, and if not, we can fix a time which will be satisfactory to the Senate.

Mr. PITTMAN. I withdraw the request. I was just trying to get it definitely fixed.

Mr. McCUMBER. Very well.

Mr. PITTMAN. Mr. President, this matter was discussed the other day, and there seemed to be only one defense to the imposition of the duty on this article. That defense was brought forward by the senior Senator from Utah [Mr. SMOOT]. He admited that there was only one institution in this country which manufactured cyanide. There never has been more than one institution in this country which manufactures cyanide. The Senator from Utah admits, and all those defending this duty admit, that there is a monopoly in the manufacture and sale of cyanide in the United States by this one concern, the Roessler & Hasslacher Chemical Co. The Senator from Utah says that while this Roessler & Hasslacher Co. were robbers during the war, he is afraid that this single institution in this country will be driven out of business by German competition, and therefore that we will be at the mercy of the German trust.

That is perfectly absurd; and I hesitate to denominate anything the Senator from Utah presents as being absurd, because he is rarely in that position. But this monopoly in this country is the monopoly also in Germany. It is inconceivable that there can be competition between the same people. It is inconceivable that one company is going to drive its subsidiary, which it established here, out of existence.

The whole history of this thing is plain. There is no denial of it in the record. There never has been more than one concern in Germany which sold or manufactured cyanide, and that is the parent of the Roessler & Hasslacher Chemical Co. in this country.

The hearings disclose the fact that there are just four concerns in the world which supply any substantial amount of this product, and those four concerns have divided the world between them. There is the old German concern, which has been in existence for a great many years. In 1895 the German Cyanide Trust decided that they would establish an agency in the United States. They sent over Roessler, who was joined by Hasslacher. Both of those gentlemen had been agents in the German concern. They were given the exclusive selling agency in the United States and Mexico of the German product.

After they had been here a few years the German house realized that unless they established a manufacturing institution here in the United States some other institution might do it under a high-protective tariff. Consequently, they incorporated a subsidiary in this country known as the Roessler & Hasslacher Chemical Co., and they took unto themselves the control of the stock of that company. They started to manufacture a part of the cyanide used in this country and in Mexico at their subsidiary here, making up the demand, however, by exporting from Germany.

Sometimes they export a part of the raw material from Germany and have it refined here. Whenever the tariff was high enough to make it unprofitable to ship the German product in, having the whole market here, they sold from this factory and when it was not high enough they sold from their German factory. That is the situation which always existed, and there never was any competition in this country against that concern, although it was established here in 1895.

The Government tried to establish competition against it during the war under what was known as the Bucher patent for making cyanide, but it did not work. It is not a successful process, and the Government now knows it.

This concern is protected in the United States by its patent. It is protected against any competition from the outside by contracts. What are those contracts? There is a big English concern which makes cyanide, and this big German concern which makes cyanide, and its subsidiary in the United States, which makes cyanide. Those are the three great cyanide producers of the world. They entered into an agreement, so it is charged in these hearings—and not denied anywhere—that the British concern should not sell in the United States or Mexico and that the German concern could not sell in South America. Therefore, there is no competition between them.

That was not all the combination did which controlled the cyanide of the world. They went further. When the Roessler & Hasslacher Chemical Co. started to build its chemical plants in this country they went to Niagara Falls, where they could get cheaper power. There they manufactured cyanogen. Through electricity they take the nitrogen out of the air and fix it with some substance, either potash or common salt. If it is fixed in potash it is called potassium cyanide; if it is fixed in common salt it is called sodium cyanide; but the active solvent agent in it is cyanogen.

They went further in the monopoly of the world, and the British concern said, "There is one thing we will insist on. We must have a third interest in this plant at Niagara Falls." So it was granted to them. What was the result? The British concern has a third interest in the Niagara Falls company, which was a subsidiary of the Roessler & Hasslacher Chemical Co. The German concern had a third interest in it and the Roessler & Hasslacher Chemical Co. had the other third; but the Roessler & Hasslacher Chemical Co. was absolutely controlled by the German concern. So we find here an interlocking control winding up in the German hands. How on earth the senior Senator from Utah or anyone else could fear that the German trust would attempt to run out of business its own subsidiary, which it deliberately established in this country, is beyond my comprehension.

Why should they run it out of business? It only makes as much as the German trust wants it to make. It sells it only when the German trust wants it to sell it. It was established here so that the parent company in Germany could use it in case we put the tariff wall up or use the German product through the subsidiary, the sales agency, if we take the wall down. It is their own possession. They had it running here for 15 or 20 years without any competition.

The control of the stock of the Roessler & Hasslacher Co. has been in the hands of the Alien Property Custodian practically ever since we went into the war. It is true that about two weeks before we went into the war they tried to disguise the German control of it.

But the Alien Property Custodian has letters in his possession which he has set forth in his report, which is now in the hearings, showing that to-day they only lack probably 80 shares of still having control, and that just before we went into the war they fraudulently conveyed enough shares to give German-

American citizens a bare control of the proposition. As is stated by the Alien Property Custodian, the evidence is clear that it was a fictitious sale and absolutely fraudulent.

It is admitted that there is not a raiser of citrus fruit in this country, or one who mines gold and silver, or one who does electroplating or casehardening who can get a pound of cyanide from Germany. The hearings disclosed the fact that the users of cyanide in this country have corresponded directly with the parent company in Germany and have been referred back to the firm of Roessler & Hasslacher, with the statement that that concern was the exclusive agency in the United States for the sale of that product.

In 1920 the Roessler & Hasslacher Chemical Co. imported five or six million pounds of cyanide from the German concern, although at that time they testified that they had the capacity to supply the United States. Why did they do it? They did it because the export value placed on it was 10 cents a pound, and they turned around and sold that to the consumer in this country at from 21 to 23 cents a pound. Of course, the German concern got their part of the profit in the difference between the 10 cents and the 23 cents a pound. They got it through the stock in the Roessler & Hasslacher Chemical Co., and they will continue to do it.

The only competition that has arisen in the world against this world trust on cyanide is the little company started at Niagara Falls, in Canada, called the Cyanamid Co. The Cyanamid Co. has a different process of fixing the cyanamid. It is a cheaper process, it is a better process, and there is no doubt about that. It is a new process. They started in 1917. It is an American concern from top to bottom, not only an American corporation, but the stockholders are American citizens. All of the coal they use for making coke and all of the coke they use in this process comes from the United States. The other materials come from the United States.

It is true that their plant is just across Niagara Falls, in Ontario, but why? Because the British Government controls its monopolies better than we do in the United States. There is no question about that. Wherever there is Government control in Canada it is better than any Government control we have in the United States. I speak from experience because I have lived in both places quite awhile. Their criminal law is better enforced in Canada than it is ever enforced in the United States. They punish people up there no matter how important they may be or how wealthy they may be.

When the agent and treasurer of the Roessler & Hasslacher Chemical Co. was here and was asked about the difference in cost of manufacture in Canada and the United States, he said that it was practically impossible to compare the difference in cost. That was his answer. The only fact he gave was that they could get power cheaper on the Canada side than on the American side. In the House hearings this was answered by Congressman GARNER, who said it looked like a question of legislation with regard to power rather than legislation to protect against the difference in the cost of production. The cost of labor on each side is the same, the cost of material is the same, but in the testimony here Mr. Rigner, who was down here as an expert for the Roessler & Hasslacher Chemical Co., said: "Yes; but they are imposing upon the people of the United States a cheap product."

There is no difference in cyanogen one place and another. You may have 50 per cent of cyanogen or you may have 96 per cent of cyanogen in salts, but it is sold on the basis of its cyanogen content, and Mr. Rigner was compelled to admit that. Not only that, but 50 per cent of cyanogen has proved just as effective in fumigation, in the treatment of scales on fruit trees, and in the reduction of gold and silver ore, as the 96 per cent. It does not make any difference at all. What the people buy is cyanogen, and the price is based upon the amount of cyanogen content.

These same people were down here in 1913 when the Underwood-Simmons bill was being considered in the House. They came here with the same proposition, that they were about to be run out of business by the German concern. That was in 1913. They said if they did not have a tariff the German concern would run them out of business, and the House gave them a duty. They came over to the Senate, and some of us here who knew something about the subject and who had known something about the Roessler & Hasslacher Chemical Co. for years, who knew that they were selling cyanide in the United States in 1913 for 4 cents a pound more than they were selling it in Mexico, brought that to the attention of the Finance Committee of the Senate with the result that they put it on the free list. The concern did not go out of business, and the German concern did not run them out of business. Run them out of business? No.

Mr. Rigner, before the House committee, said:

When the Payne-Aldrich Tariff Act passed the industry was very much encouraged in this country, because of the fact under that act sodium cyanide was dutiable at 25 per cent ad valorem, and under that protection the industry forged ahead—

That is, under the Payne-Aldrich tariff law—

and was almost in a position to meet foreign competition—

Mind you, almost in a position to meet foreign competition on account of the Payne-Aldrich tariff law—

on an equal footing, but when the present tariff act was passed and this commodity put on the free list the industry received a very serious setback. Had it not been for the intervention of the war, it is very hard for us to say just what would have become of the cyanide industry in this country.

Now, mind you, when we placed it on the free list in 1913 it was almost in a position to meet foreign competition on an equal footing. They only had one year of free trade to interrupt that growth, and six years of war embargo, and yet that infant concern, which has paid as high as 900 per cent profit, is still too weak to meet foreign competition.

A distinguished Senator the other day came to me and said:

The thing that disheartens me is this: I am getting letters from a number of consumers of cyanide who want this duty put on the product which they buy, and there must be some reason for it. They must think that it would help them.

He was a Senator who on the floor showed me a number of letters of that character. Now, here is a letter which explains that proposition perfectly. Here is a letter from a man who worked for these people and knows them, and he is also in the business of using cyanide. This is from one of the agents of the Thomas Buchanan Co., polishing and grinding machinery, at Cincinnati, Ohio. Here is what he says in this letter to me:

Our firm has already addressed a communication to Hon. P. J. McCUMBER, as well as other members of the Senate Finance Committee and the Senators from the State of Ohio, and attached hereto you will find a clipping from the Cincinnati Commercial Tribune of May 4 relative to the debate on the floor of the Senate.

The writer was connected with the Roessler & Hasslacher Chemical Co. for five years, severing his connections last November, and is rather familiar with the cyanide situation. As you know, the Roessler & Hasslacher Chemical Co. are selling agents for the German cartel, on cyanide, and it really makes little difference to them, so far as the sale of cyanide is concerned, whether there is a duty or not, since they will continue to practically hold the monopoly in this country. In fact, we understand that for some considerable time now they have been importing their cyanide from Germany and remelting the same at their Perth Amboy, N. J., plant and selling it to the trade as their own sodium cyanide, which they call cyanegg.

As far as citrus fruit growers and miners are concerned—

Here is the character of the propaganda. If Senators will grasp this point, they will see what happened.

As far as citrus fruit growers and miners are concerned, we understand that the company in question is selling their cyanide practically at cost, even at a slight loss, which they make up on the electroplating and casehardening industry, and they do this to fight the competition of the Canadian producers.

There is the way they get the propaganda. They are telling the electroplaters and casehardeners that the reason why they charge them so much for the product is because they have to sell it to the citrus fruit growers and miners at less than cost, and they say to them, "Just let us have a little duty on this proposition and we will be able to sell it to you cheaper." At the very time that they represented that state of facts to the electroplating people, they were selling to the miners at 23 cents a pound a product which was valued at 10 cents a pound when shipped from Germany to this agency. They were selling at 23 cents a pound a product which they then admitted only cost them 14½ cents a pound—that is, the imported product. They admitted they could make 6 cents a pound more by selling the imported stuff than they could by selling their own manufactured article, and did it. Yet they tell the electroplating people and the casehardeners that the reason why they had to charge them so much is that they are selling it to the miner and the fruit grower below cost.

The whole thing is a miserable, greedy, selfish fraud on the face of it. The company was conceived in fraud by the Germans a long time ago. The whole business is underlaid with fraud. It is not only a trust in the United States but it is a trust throughout the world, a combine between the British trust and the German trust. That is all there is to it.

They have made enormous profits, as is shown by the hearings, and has never been denied. Then they come in here and say that unless they get a tariff on this commodity they can not sell it at a profit. It is such a palpable fraud on its face that it is astonishing that Senators who know it is a fraud, who know the circumstances, are willing, for the purpose of helping two or three Senators who have these great trusts located in their States, boldly and deliberately to make a present of so much money to those trusts, and to take that money out of the pockets of the people who have got to buy the commodity.

I do not know whether or not the conditions surrounding this item also surround all of the other items in the chemical schedule. If they do, then all of those items should be placed on the free list. The Republican Members of the Senate will not dare to sustain the Finance Committee in the imposition of this duty.

The Republican members of the committee will have to vote for the duty, because they are pledged to vote for it, but there is no doubt that a majority of the Republican members of the committee were opposed to the imposition of the duty on this item. However, pressure was brought to bear. This concern is one of the great and powerful corporations in the State of New Jersey. There is not any doubt that it has been a very generous and patriotic contributor to the Republican Party in New Jersey. A Republican Senator will run for reelection in New Jersey in the approaching fall campaign, and, if reports may be believed, he will need help and will need it badly. So the majority of the Finance Committee, although they know the situation and understand the wrong which is involved in the proposed tariff duty on cyanide, have compromised with the minority of Republican members of the committee. They have stated, "This concern asks for a duty of 33⅓ per cent, but we only gave them 10 per cent." That is the whole influence which is back of the proposal.

Mr. WALSH of Montana. Let me inquire of the Senator from Nevada if he supposes a similar situation in the State of Pennsylvania induced the Committee on Finance to put manganese on the free list?

Mr. PITTMAN. It is very reasonable to suppose so. This is a year in which those who desire to elect Republican Senators have got to be very generous to those who elect them.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. LENROOT in the chair). Does the Senator from Nevada yield to the Senator from Utah?

Mr. PITTMAN. I yield.

Mr. SMOOT. The Senator from Montana should not have stated that the Committee on Finance had put manganese on the free list, but that they had kept it on the free list.

Mr. WALSH of Montana. I meant to state that the committee had taken manganese off the dutiable list, where it was put by the other House, and had put it on the free list.

Mr. SMOOT. Manganese is now on the free list.

Mr. PITTMAN. Cyanide is a product which is used by the farmers, by the prospectors, and by the miners; it is used by people, particularly in the mining industry, who can not pass the duty on to the consumer, because there is a fixed price for their product. Cyanide is not used by the great steel corporations or by other great industrial institutions in Pennsylvania. However, manganese, which they do use, and which is the product of an industry that hardly existed in this country at all before the World War, but which was destroyed during that war for the purpose of meeting war conditions, goes on the free list.

Mr. SMOOT. Mr. President, I wish to say to the Senator from Montana [Mr. WALSH] and also to the Senator from Navada [Mr. PITTMAN] that they will have an opportunity to vote on the question of the imposition of a duty upon manganese before the pending bill shall have been concluded, and we shall then see how they will vote.

Mr. PITTMAN. It is very generous of the Senator from Utah to allow us an opportunity to vote. That is very much more generous than the treatment of the Democratic members of the Finance Committee by the majority members of that committee. The Democratic members of the Committee on Finance never had an opportunity to vote on anything.

Mr. SMOOT. In that action the majority members of the Committee on Finance merely followed the example which had been set in the past when the Democrats were in the majority.

Mr. PITTMAN. I am afraid that it will not do us any good to vote on the question anyway.

I admire the Republican organization on the other side of the Chamber. It is a wonderful thing. It is improving all the time, too. It is in such shape now that it not only controls a Senator's prejudices, his conservatism, or his radicalism, as the case may be, but it also dominates his morals, his social life, and everything else connected with him. I know Senators on the other side of the Chamber who do not agree with their Republican colleagues at all. They are good friends of mine, and I am sorry for them. There is one Senator on the other side of the Chamber who every time he votes, following the leadership of the Senator from Utah [Mr. SMOOT] or the Senator from Massachusetts [Mr. LODGE], nearly has a paralytic stroke, and he comes out and explains to me for an hour why he voted as he did, although I am not a member of his party and have no interest whatever in the matter.

Let me read just a few conclusions from a witness on behalf of the Cyanamid Co. The extract is very brief, but it is pretty good; and the thing which is good about it is that after the brief was filed on behalf of the Cyanamid Co. the Roessler & Hasslacher Chemical Co. had two opportunities to deny it, but they could not do so. The statement to which I refer reads as follows:

"Aero Brand" cyanide is manufactured by the American Cyanamid Co., at Niagara Falls, Ontario.

Per pound of content, "Aero Brand" cyanide is cheaper than the "R. & H."—

That is, the Roessler & Hasslacher Co.—

cyanide manufactured by the Roessler & Hasslacher Chemical Co., at Perth Amboy, N. J.

The cheapness of "Aero Brand" cyanide has saved in 1920 (1) more than $250,000 to the citrus growers of California; (2) more than $100,000 to the American gold industry; (3) more than $125,000 to the American silver industry; and (4) in the years to come competitive cyanide will save many times these sums to these industries, and also to the casehardening industry, the electroplating industry, the Florida citrus industry, the work of disinfection and sanitation of foreign ships arriving in American ports, the extermination of the pink boll weevil, and other activities.

The industries represented employ directly 50,000 people and indirectly many thousands more. The cheapness with which these workers produce their results benefits the whole country.

The Roessler & Hasslacher Chemical Co. demand a tariff of 33⅓ per cent ad valorem on cyanide. This company is the only manufacturer of cyanide in the United States, and what it asks is a monopoly.

The wages paid labor in cyanide production at Niagara Falls, Ontario, are as high and sometimes higher than those paid labor in comparable industries at Niagara Falls, N. Y. Not more than 250 men in the United States are employed in cyanide production.

I will interject at this point that that shows the tremendous profit of this industry, when the labor of 250 men can produce a product which sells for millions upon millions of dollars in the United States.

Cyanide manufacture is a matter of machines and methods. Men play but little part, and by a cut in the price of cyanide thousands gain for every one who loses. The total pay roll of all American cyanide workers is a mere fraction of the saving to American consumers through the use of "Aero Brand" cyanide.

"Aero Brand" cyanide is not inferior to other cyanides. It sells on the basis of actual cyanide content, and on that basis costs less and is just as efficient. There has never been the slightest misrepresentation of "Aero Brand" cyanide by its manufacturers.

The cyanide process of the American Cyanamid Co. is simpler and more modern than that of the Roessler & Hasslacher Chemical Co., and it is for these reasons that it underbids the latter.

The raw materials in "Aero Brand" cyanide are plentiful and come mostly from the United States.

No tariff is needed to protect the Roessler & Hasslacher Chemical Co. against German cyanide, for the German cyanide comes from its parent company, the Scheide-Anstalt. The United States Alien Property Custodian sequestered the stock of the former company because of this relationship, and yet the relationship still continues, for the Roessler & Hasslacher Chemical Co. in 1920 substituted under some of its contracts the German product and acts as agent of the German company.

The findings of the Alien Property Custodian of the United States were:

1. That the Roessler & Hasslacher Chemical Co. was the American branch of the great German Scheide-Anstalt.

2. That prior to the war three-fourths of its stock was owned by the German company and its officers.

3. That two-thirds of its Niagara subsidiary, in which metallic sodium is made, was owned by the German-American parent.

4. That its subsidiary at Perth Amboy, in which sodium cyanide is made, was owned entirely by Germans and German-Americans.

5. That just before America entered the war, and in order to avoid the sequestration of the stocks of these companies as the property of alien enemies, a "not genuine" sale was consummated giving majority control to the German representatives in America, and that 47 per cent of the Roessler & Hasslacher Chemical Co. was admittedly still German owned.

And so the Alien Property Custodian took over both the 47 per cent "admittedly German owned" and also "the stock ostensibly transferred" but "in fact still German owned."

This relationship of the Roessler & Hasslacher interests to the German company is not mentioned because Germany was our enemy in the late war, but because of its bearing on the demand by the Roessler & Hasslacher Chemical Co. for a tariff on cyanide, on the ground that the company needs protection against German competition. (P. 58, Tariff Information, 1921, hearings Jan. 6, 1921.)

Under the rate of tariff proposed, practically all cyanide imports would cease and the former odious monopoly of the Roessler & Hasslacher Chemical Co. would reappear and cause the loss of hundreds of thousands of dollars each year to industry in America.

The game which this German company are playing is clear to everyone. If they can secure a tariff on this commodity, they will sell this product—a German product, too—for less than the Cyanamid Co. of Canada can sell it. They will continue to sell that product at lower and lower prices until they run the Cyanamid Co. out of business, and then they will bring the price up again. They simply desire this duty for the purpose of assisting them in crushing the Cyanamid Co. which a year ago came into competition with them. What has been the result of that competition? The testimony shows the result plainly. The German company were asking the miners of this country 24 cents a pound for cyanide.

They could always get any price that they wanted to until this year, and then what happened? The Cyanamid Co. came in and underbid them 4 cents a pound and got the contracts. Now what do they want to do? The Cyanamid Co. got these contracts under free trade. Now they want to place a duty on this material, so that this company that has cut the price

of cyanide 4 cents a pound will have to pay a duty that did not exist at the time it entered into the contract.

Of all the evidence here of the monopoly of this concern, of the monopoly throughout the world of the whole business, of the fact that the company here is simply a subsidiary of the German syndicate, the only argument we hear in favor of this duty is that this German concern is going to run the company here out of business—going to run its own child out of business; going to take its right hand and cut off its left hand; going to place itself in a weaker position than it has ever been. The thing is totally absurd; and the Senator from Utah is driven to the desperate position of being compelled to say: "While this concern in the United States is a robber, and robbed us during the war, I am afraid the German concern will run it out of business."

If there were 8 or 10 manufacturers of cyanide in Germany, then the Senator would have some excuse; but no one knows better than the Senator that there never has been more than one manufacturer of cyanide in Germany; that it is an absolute monopoly in Germany as well as in the United States. He knows that there is no competition with the British concern, because it already has a trade agreement with the German concern, and he knows that the German concern owns the American concern. That ends the whole thing. The record is plain and clear here. There is but one thing to it. The majority of the Republicans on the Finance Committee have been politically intimidated into placing on this article a duty that they themselves did not believe in; that is all.

They know that. They know that this concern has made 900 to 1,000 per cent per annum. The Senators say: "Yes; but they did not make it out of cyanide." Their plant at Niagara Falls, that made 900 per cent per annum, manufactured nothing but cyanide, and it was owned one-third by the British trust and one-third by the German trust and one-third by the German trust subsidiary in the United States. The very reason why they compromised with this matter is that this is a powerful institution in the State of New Jersey and a powerful institution in the State of New York, and there is a Senator from New Jersey who has fought strongly and appealingly for this duty, and something had to be given to him. It has been given to him, but it will never stand. There are enough Senators on the other side who will not vote to perpetuate a monopoly in this country even to elect a Republican Senator from New Jersey.

Mr. SIMMONS. Mr. President, I want to take a little of the time of the Senate this morning to keep the record straight in some particulars.

I have said, and I now repeat, that this bill is not a bill in the interest of the consumers or the legitimate industries of the United States. It is a bill in the interest of profiteering and in the interest of the monopolized industries of the country. The profiteers and the trusts are the beneficiaries of this bill, and they are its chief sponsors.

In discussing this question a few days ago I read to the Senate a letter stating that already the Wool Trust had marked up their goods an average of 10 per cent in anticipation of the passage of this measure. I now find, upon further investigation, that on many of the articles produced by that trust they have marked up their prices as much as 25 per cent; but the Wool Trust people are not the only people who have already increased their prices. The process of marking up and getting ready to mark up prices has gone steadily, if stealthily, along in anticipation of the passage of this bill, which the profiteers evidently believe is clearly a guaranty of present prices in this country of protected products and furnishes the opportunity for maintaining those prices at at least the present high and exorbitant level.

In confirmation of the statement that these protected industries, these industries that are to get ample protection in this bill to guarantee them against foreign competition at present or even higher prices, are getting ready for higher prices, I want to read from the Philadelphia Record. I have not the copy of the Record, but I quote this from another paper which credits it to the Philadelphia Record. It is as follows:

The Philadelphia Record says: "The woolen men, the cotton men, the steel and the aluminum men, every class that is eager for protection are already marking up prices, or awaiting a little further progress with the Fordney-McCumber bill before doing so. The sugar interests are using Congress in their project for a pool that shall suppress competition in sugar, and milk the American people $32,000,000 exclusive of the duties that go to the Government, and in due time the people will find they have got the increased cost of living for which they voted in 1920."

These present evidences of the protected industries' intention to avail themselves of the opportunity which this bill will afford if it becomes a law are everywhere to be found, but they will not reveal themselves to the full extent until the bill passes. Admonished that an election is about to occur, some of them as a matter of precaution will wait until after the election; but as soon as the political restraints are removed we shall see in this Nation a wholesale advancement in the prices of the articles protected in this bill, and the people will have an increase in the cost of living such as they never have had before, such as will weigh upon them much more heavily than the high prices of the cost of living during the war. Then every person was getting high prices for everything he had to sell; but in the conditions of artificially high prices that will grow out of the enactment of this legislation, and which will be foisted upon the people, a large class of our people, possibly more than half of them, will not derive and can not possibly derive any benefit whatever from these duties in the way of enhancement of their daily earnings.

Upon this very line I wish to read into the RECORD an editorial from the New York Tribune. It is short. It is to the point that I am now discussing.

The New York Tribune, I suppose everyone will admit, is one of the oldest and most steadfast Republican and protection organs in the United States. Whenever that great paper turns upon the proposed legislation of the Republication Party with reference to the tariff, you may be very certain that there is something radically and monstrously wrong with the bill.

This Tribune editorial is headed "Tariff rates and housing." The date of it is May 12, 1922. It says:

The appeal of the Lockwood committee for tariff legislation allowing building materials to enter the country on reasonable terms illustrates one of the weaknesses of the tariff-making methods followed in the Fordney and McCumber bills. If domestic prices, often artificially maintained, are taken as a basis to work on excessive protection may easily result.

The very thing I have been saying all during these discussions here, that the basis upon which these rates are fixed is the wholesale selling price of the American product in the American market, as compared with the selling price at the port of entry of the foreign product.

Housing construction, which is a nation-wide need—

Says this great protection organ—

is being held up by overhigh building material costs. Mr. Untermyer says that the price of brick is now from $24 to $25 a thousand, whereas the cost of manufacture is only $11.

Mr. President, it is this $24 or $25, the wholesale selling price of brick which now obtains, to which the foreign price, under the fixing of these rates, is to be brought, and not the $11, which represents the cost of manufacture of the product. We are to substantially guarantee, as far as legislation can do that—and protective legislation can go a long way toward doing it—we are to guarantee, by the method of fixing rates in this bill, that this great combination against which this commission was leveling its inquiry shall be protected from foreign competition up to the extent of the extortionate prices which it has been found to be charging upon this essential material, material out of which we build the houses in which the people live. I proceed:

Whether these figures are accurate or not, building material prices are abnormal enough to check the desired revival of home building. A tariff which would assist this holdup would injure nearly everybody for the benefit of a tiny group of manufacturers who have shown themselves more than able to protect themselves.

Mr. MCCUMBER, in his curious apology on reporting out the Senate tariff bill, said that its rates were high. He ingenuously asked American producers not to take full advantage of them. He appealed to the manufacturer to be self-denying, to accept narrow margins of profit, and to increase production so that the consumer should not feel the weight of increased duties.

The chairman of the Finance Committee has the patriotic citizen's point of view. He believes in protection as an instrument of general benefit. He deplores its use for private benefit. But is it safe to subject the domestic producer and manufacturer to overtemptation? The greedy spirit shown by the building materials industry challenges Mr. MCCUMBER'S touching faith. He preaches altruism. But why write into a tariff bill rates which may be an aid to profiteering on the part of the nonaltruistic?

Just as I said in this Chamber some time ago, Mr. President, the men to whom he is appealing will not be very likely to accept his advice to content themselves with small profits, when this bill is an invitation to them to charge excessive profits.

Mr. President, I have here a letter, printed as an advertisement in the New York Times by a great retail house, the house of James McCutcheon & Co., Fifth Avenue, Thirty-fourth and Thirty-third Streets, New York. It reads:

The Senate committee has reported to the Senate the new tariff bill. This bill would raise the duties on linens from 30 and 40 per cent to 50 and 60 per cent; or, in other words, would almost double them. This will, of course, mean that the prices of these goods will have to be advanced.

By way of illustration, a towel 18 by 32 inches, which now sells at $6 per dozen, would have to sell at $7.25 or $7.50 a dozen under the new tariff. Handkerchiefs, which to-day are selling around $3.85 a dozen, would have to sell for about $4.50 a dozen.

If this change was going to protect the American workingman and American manufacturer, we would have nothing to say. But it does not, for the simple reason that, except for the lower end huck towels and

crashes, there is practically no linen manufactured in the United States. More than 98 per cent of the linen you use comes from abroad.

We have been making strenuous efforts in the last year and a half to reduce the prices of all of our goods and are most distressed at the thought of having to advance them at a time like this. If you agree with us that such a change in the tariff on linens is unwise and that prices should not be forced up, won't you write to your Senators and Representative in Congress and protest against this uncalled-for advance in rates?

As I said in discussing the pongees and silks of China and the habutai silks of Japan, none of which are produced in this country, the high rates of duty levied on them are not for the purpose of aiding any American industry in their manufacture, but they are for the purpose of preventing these cheaper silks, which the common people of the country, persons of moderate means in the United States, must buy from coming in and taking the place of the higher-priced goods which are manufactured in this country. In other words, these pet industries do not want any obstacle in the way of making still further advances in their prices. They do not want any product brought in here which can take the place of their product. They want the entire market to themselves.

Mr. President, scarcely any linens are manufactured in this country, but these linen handkerchiefs which come into this country and these linen towels which come in will serve the same purpose as the goods of some big trust in this country, perhaps the Silk Trust in some instances, perhaps the Cotton Trust in other instances, but they take the place of the goods of certain favored interests, and persons who are engaged in the manufacture of other products than linen are here demanding that a tariff be put on linen in order that the high prices of their own products may be protected, which means that the people of this country shall not be permitted to buy linens, because linens are not produced in this country, and shall be forced to buy at high prices a substitute product which is produced in this country. That is carrying protection to the extreme, I think, and yet that very theory runs all through this bill.

Mr. WALSH of Massachusetts. Mr. President——

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Massachusetts?

Mr. SIMMONS. I yield.

Mr. WALSH of Massachusetts. Will the Senator permit me, while he is reading clippings, to interrupt him to call attention to an interview by Arthur Balfour in regard to the effect of this tariff bill upon the payment to us of our foreign debts? May I ask the Senator if he has inserted anything in the RECORD to that effect?

Mr. SIMMONS. No; I have not.

Mr. WALSH of Massachusetts. This is very brief, and I would like to read it.

Mr. SIMMONS. If the Senator will pardon me, I shall now discuss something to which I think that would be more pertinent than to the subject I have just been discussing.

Mr. WALSH of Massachusetts. The Senator would prefer that I wait until a later time?

Mr. SIMMONS. I would.

Mr. WALSH of Massachusetts. I thought the Senator was introducing clippings, and that now was the appropriate time to read this one.

Mr. SIMMONS. I do hope that before we get through with the consideration of this bill we shall induce the newspapers of the country—not only the great metropolitan newspapers from which I have been reading, and from which I am going to read more, but the smaller papers throughout the States—to study this bill and understand it; and when we succeed in doing that we shall find the same protests welling up not only from New York and from Chicago and from the other big centers where the big dailies are published, and where they have experts who are examining these tariff schedules and finding out what they mean and exposing them, but also from the small cities and towns and the rural districts, where the editors of the newspapers of smaller circulation, not having the aid of experts, require a bit more time to fully recognize and realize what outrages and iniquities are embraced in the pending bill. I do hope that we may get all the papers of the country, both Democratic and Republican, to study this bill and understand what it means; and when they do that, Mr. President, we shall find that Republican and independent papers all over this country will be joining the Democratic papers, as they are in New York and as they are in Chicago, in denunciation of the unpardonable and indefensible rates in this bill.

Mr. President, with reference to the trusts, I think if Senators will examine and carefully study this bill they will find that it bestows its favors principally and most prodigally upon those industries in this country which are to-day trust controlled, which are to-day operating in violation of the antitrust laws of the United States.

These combinations are outlaws already. By their methods they have succeeded in defeating one of the fundamental public policies of this country, namely, that there shall be free competition, a policy which my good friend from Wisconsin said McKinley argued strongly would be in force under the protection he advocated. Major McKinley never meant that competition should be destroyed in the domestic market. But these trusts have come together in violation of the statute law of the land, in violation of the public policy of the land. They have combined. They control the prices. They stifle competition. They have absolute dominion of the domestic market. There is but one fly in the ointment. The only thing that restrains them from raising their prices to the utmost limit in the exploitation of the American consumer is the possibility of foreign competition. If we destroy foreign competition by tariff duties, then, of course, we shall leave these unlawful combinations without any restraint at all.

Senators, when we, the representatives of the people, we, who are supposed to protect the interests of the people, to protect them in their rights to a competitive market, by our votes here remove by our tariff duties that last competitor with the trusts of this country, do we not by that act become, morally, confederates with the trusts in their conspiracy in restraint of trade and in violations of the laws and of the policies of the land? Is it not a deliberate, premeditated lending of our aid to these unlawful combinations in carrying out and making effectual their conspiracy against the people? These trusts and monopolized industries are the chief beneficiaries of this bill. The newspapers even of New York and other great commercial centers are pointing that out, and they have begun to declare that fact and to denounce the bill as not only not helpful to labor and not helpful to the honest industries of the United States but as fraught with untold danger to American prosperity and to the happiness of the American people.

Mr. President, are we by our legislation here to build up a class of institutions in our country which can, by the domination of prices in trade, disregard all the fundamental laws of supply and demand, and exact from the people all the tribute that their greed may suggest or inspire? If such a system as that shall prevail and shall endure for a sufficient length of time, it can not mean anything but the commercial enslavement of the masses of the people. That conclusion is inescapable.

I wish to read another article from the New York Tribune of April 22, 1922, in which that great Republican newspaper pays its compliments to the bill. I am not reading now from a Democratic paper, not reading from an organ of the importers.

Mr. SMOOT. Oh, yes; it is.

Mr. SIMMONS. The Senator from Utah says it is. The Senator charges, then, in his desperation, that all the Republican newspapers of New York, the great newspapers which have formulated and advanced the thought of Republicanism in this country, are the mere emissaries of the importer. The Senator does not think there is any other interest that has its habitat in New York except the importer. I will say to the Senator that there are great exporters there, handling and exporting the products of American farms, factories, and mines that furnish work and wages for the American workingman, and you are about to destroy their business also, and when you destroy their business you destroy the prosperity of the country. You may, as the junior Senator from Alabama [Mr. HEFLIN] said to you the other day, "Put that in your pipe and smoke it." You have also the great captains of industry, who stand at the head of our great manufacturing industries in this country, located in New York, having their principal offices in New York. It is the greatest commercial center in the world.

The New York Tribune, driven by the sheer folly of this bill for once to remonstrate with you and to condemn a Republican measure, is speaking for the interests of New York and the interests of the whole country in a broad way, as it sees it, and not for the interests of any one group or class. Here is what it said:

[From the New York Tribune, Saturday, April 22, 1922.]

THE VERY WORST TIME.

Senator MCCUMBER dropped into apology when he presented the Finance Committee's revision of the Fordney tariff bill. He pleaded for sympathy and leniency of judgment, in view of the perplexities with which the Senate tariff makers have had to wrestle. In this he differed—for the better—from Mr. FORDNEY, who is never assailed by hesitations or doubts.

The North Dakota Senator said truly:

"Never before have the Finance Committees of Congress had presented to them such a difficult task as that involved in the framing of this bill. We have been often advised, and the advice is well founded, that of all times in our history this is the very worst time to formulate and put into effect a new tariff measure."

Why is this the very worst time to draft and pass a new permanent tariff? The answer is simple. A permanent tariff should respond to

relatively stable conditions in trade and industry both at home and abroad. But everyone knows that world trade conditions are abnormal—almost chaotic—and that the process of postwar readjustment is still far from finished in this country. Foreign exchange values and currencies are deranged. Foreign prices are variable. There are no fixed standards of production elsewhere to which American fixed standards of production may be intelligently related by a tariff differential.

A permanent tariff now is a leap in the dark—a rash discounting of the unknowable. The advice given to the Congress committees to hold off from permanent tariff making for the present was rudimentary common sense. The country knows as well as Mr. McCUMBER does that this is the worst possible time for wholesale tariff revision. How is it to be persuaded that there is any real advantage in doing now a thing which it is most difficult to do well, even when the time is exceptionally favorable?

There was such an exceptionally favorable time in 1909. But the Payne-Aldrich bill was a ghastly political failure.

This bill apes the Payne-Aldrich law to some extent, but after it climbs the wall to the top of the Payne-Aldrich rates, then it undertakes to go to further and dizzier heights.

The editorial continues:

The country turned the Republicans out of power in the House the following year, and the House remained Democratic until 1919. Congress passed an emergency tariff bill last year to protect the industries disturbed by abnormal postwar foreign competition. That was the suitable remedy. Foreign competition is still an indeterminate, evasive factor. Why counter against it at this juncture by a long-term, full schedule tariff?

That is exactly what I have contended, Mr. President. We have a measure here for determining the amount of protection which should be accorded to an industry, and that measure is changing every day. We have a yardstick that has changed tremendously since it was employed. In August, 1921, the Reynolds Commission ascertained as best they could the prices of foreign imports coming to the United States, and they advised the Finance Committee as to prices as of last August. My information is that the committee acted upon those August, 1921, prices. My further information, obtained from the tariff experts who assisted the committee in the making of those rates, and I name them—Mr. Fix and Mr. Davis—is that since that time, and before those rates were fixed by the Finance Committee, those prices had advanced enormously, and yet the difference between those prices and the domestic wholesale prices was the yardstick by which the rates of duty are fixed in this bill.

Since that time what has happened with reference to our domestic prices? In some directions possibly they have gone down, but the tendency recently and the tendency to-day is to lift them higher and higher. The foreign prices have been lifted higher and the domestic prices have been lifted higher. The producers of the protected articles in this country saw that the foreign prices had advanced from the time when the rate was fixed, and that therefore under that theory of measurement they could with impunity advance their prices to the extent that the foreigner had advanced his prices.

These are some of the questions which confront a committee undertaking to measure tariff rates in this way. I submit to the common sense of this body and of the country that to frame a tariff upon this rule, with these constant changes going on in the prices here and prices abroad, prices which form the basis of the measurement, is not only a wrong to the people of the United States but is an outrage, and there is no theory under the sun, in logic or in morals or in law, by which a tariff based upon any such principle can be justified at a time like this.

Mr. President, I have here another editorial which I desire to read. I am reading these editorials, and I am going to continue to read them, because I want the newspapers of the country to begin to study this question. I want the people to begin to study this question. I have said this morning to some of the correspondents of the newspapers in my State that I hope the North Carolina dailies, which reach the people, will not take simply the Associated Press dispatches which are going out from Washington. I am not now criticizing the Associated Press. Of course, their dispatches have to be very brief and, of course, they have to avoid the appearance of taking sides in politics. The Associated Press report of what is happening here and of the information disclosed in the debates here is so meager that it furnishes no real information to the people of the United States.

What we want and all we want—and that is the sole purpose of the discussion which we are having now and the sole purpose for which I am reading these editorials from newspapers—is to try to stimulate a study on behalf of the people by the newspaper men and publishers of the country of all parties, my party as well as the Republican Party, and also the independent press, to the end that the people may be informed before we act, and therefore have an opportunity to advise their representatives what they think about this bill, whether of good or of evil. I do not want this bill to pass without the people knowing in advance just what is in it, without their having an opportunity to protest to their representatives in Congress, if they think their representatives are about to do a thing of which they disapprove. I am just as certain as that I live this minute that if the newspapers of the country, of all parties, could but understand the bill they would advise the people about it; and if they advise them in time, so that the people might know how their interest is jeopardized and menaced, there will be such an outpouring of indignation and wrath against the measure that the majority will not dare to enact it into law.

This editorial from the New York Tribune has the heading "McCumber's profiteers' tariff," and reads as follows:

To Senator McCUMBER the opposition of the New York newspapers to his profiteers' tariff bill—Republican, Democratic, independent, and financial alike—admits of the simplest possible explanation. "The policy of the newspapers of New York," he says, "is dictated by the counting room and the big advertisers, especially the importers." Mayor Hylan himself could hardly have done it better.

In former days all protests against extortionate tariff schedules were presumably bought and paid for by the Cobden Club. Now the evil influence is exerted by American importers. In this connection it is worth while recording the fact that the importers have already begun to debauch the exporters.

While the Senator from North Dakota was disposing of the "loud-mouthed denunciations" of his tariff the president of the United States Steel Corporation was appealing to the National Foreign Trade Convention in Philadelphia for "greater prosperity through greater foreign trade." To make a bad matter worse the president of the National Bank of Commerce of New York warned the delegates not to be deceived by the argument that foreign trade was unimportant because it represented only 10 per cent or 15 per cent of the total trade of the country. "The difference between normal business conditions and depression is no more than 15 or 20 per cent in volume," he said.

Manufacturers know this, but how should a Senator be expected to recognize such sordid business considerations in framing a tariff bill? The thing to do with a tariff is to take care of all the responsible contributors to the campaign fund, and then placate the particular classes of voters who might make trouble for the framers of the bill. This is what Mr. FORDNEY and his committee did in the House, and it is what Mr. McCUMBER and his committee did in the Senate. In consequence the country is threatened with the highest tariff it has ever known, regardless of the fact that the United States has become a creditor Nation and its prosperity is dependent on foreign commerce.

In order that all the evils may be adequately distributed the Fordneys and the McCumbers have produced schedules which will provide no needed protection for any legitimate industry, but which will play into the hands of speculators up and down the line and boost the cost of living everywhere.

If Senators will read this bill carefully and study it, they will find that it is written in the interest of speculators and exploiters of the people; in the interest of that class of manufacturers who, having got their grip upon the throat of the American market and stifled competition in the domestic market, want to make secure their monopoly and make it possible for them to continue the profiteering processes which they began during the World War and which they have not ceased since the war.

By the time they get through with it 90 per cent of the American people will be penalized to benefit 10 per cent, and the benefits even to the 10 per cent are dubious.

If the American consumer understood what this Fordney-McCumber tariff bill was letting him in for, no Congress would ever have the courage to enact it. The bill, if it passes, will slide through only because the country does not grasp its meaning.

That is the danger against which I wish to guard; and when I undertake to provide against it by insisting upon full and free discussion in the open here upon the floor of the Senate of the United States so that the true facts may be made plain to the American people I am charged with filibustering. I am making a filibuster, the majority leaders say, because I do not sit down meekly and quietly and permit Senators on the other side of the Chamber without reasonable discussion to pass these items one after another, forging one fetter after another upon the feet and hands of the American people.

The McCumbers in Congress are manipulating the tariff just as they are manipulating the bonus, in order to carry the next Congress. They have forgotten all about 1924. As neither bill will be fully in operation by the November elections of this year, they assume that the opposition will not have had time to organize, while all the beneficiaries will be duly grateful at the polls.

Mr. McCUMBER. Mr. President, does the Senator agree with the expression in that editorial about the bonus?

Mr. SIMMONS. Oh, I am in favor of the bonus; but I do not want the bonus bill to be rushed through Congress without due discussion, and if a sales-tax provision shall be attached to it for the purpose of raising the money to pay it I shall fight such a tax to the end. I shall never consent to that method of raising the money.

Mr. McCUMBER. Let me suggest to the Senator that the same interests that are opposing the "bonus," as they call it, are also furthering the enormous profits that are being made by the great importing houses.

Mr. SIMMONS. I suppose the Senator refers to the Secretary of the Treasury?

Mr. SMOOT. The Secretary of the Treasury is not importing goods.

Mr. SIMMONS. But he belongs to the class that we have been talking about, whether he is importing or exporting.

Mr. McCUMBER. I referred to the class from whose utterances the Senator has just been reading.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from North Carolina yield to the Senator from Utah?

Mr. SIMMONS. I yield.

Mr. KING. I think in the interest of accuracy it should be stated that one of the strongest proponents of the bonus is Mr. Hearst, with his newspapers, and he is also advocating very earnestly the sales tax.

Mr. SIMMONS. The little statement about the bonus in the editorial from which I have read amounts to nothing in this discussion. Senators upon the other side are merely seizing upon that to divert attention from the sore subject under discussion. I am not to be diverted at this time by any such issue.

Mr. KING. The Senator knows that our friends upon the other side are always glad to divert attention from the pending bill.

Mr. SIMMONS. I understand that, and they have reason for such action.

Mr. McCUMBER. The point which I desired to make was that all such stuff is good doctrine so long as it agrees with the ideas of the Senator, but the moment it touches upon another subject in a manner contrary to the views of the Senator it ceases to be good doctrine.

Mr. SIMMONS. The Senator knows very well that when I read an editorial from a Republican paper or Democratic paper I do not vouch for everything it says; but the Senator from North Dakota and his party can not ignore the fact that these great organs of the Republican Party as well as of the Democratic Party located in the centers of commerce and trade and business in the United States are denouncing the Republican tariff bill as an iniquitous measure, and one of them went so far the other day as to pronounce it thievery. I do not agree with that designation, and I said so at the time.

Mr. McCUMBER. Let me suggest to the Senator that never since the great department stores became thoroughly established in this country have any of these great metropolitan papers ever been really Republican upon the tariff issue.

Mr. SIMMONS. The Senator from North Dakota made an argument the other day that, because Marshall Field & Co. happened to be located in Chicago and conducts a great store in that city, a great Republican newspaper there, which is accepted as being orthodox upon partisan subjects and which heretofore has been regarded as absolutely orthodox upon the tariff, should not be given credence. The Senator said that the reason that newspaper is to-day denouncing this tariff bill is that it is under the influence of that department store. The suggestion is too petty, Mr. President, it is too small to rise to the dignity of an answer or even a pretense of an answer to the indictment which these newspapers are making against this bill.

I read now from the New York Times an editorial headed, "Revolt against the tariff." The editorial is published in the issue of May 12, 1922.

Mr. SMOOT. That is also a Republican paper, is it?

Mr. SIMMONS. I do not think it is. It is a Democratic paper of much independence and sound sense, but may I say to the Senator that a Democratic paper can tell the truth about the tariff as well as can a Republican paper.

Mr. SMOOT. Sometimes.

Mr. SIMMONS. Then, Republican papers can also tell the truth about it sometimes. The Senator will admit that?

Mr. SMOOT. Yes.

Mr. SIMMONS. The newspaper from which I read a few moments ago, the New York Tribune, said that the revolt is not confined to the newspapers of one party. The editorial from the New York Times reads:

REVOLT AGAINST THE TARIFF.

It is little to say that the Senate tariff bill is not popular with the country. Many of its expected defenders are suspiciously lukewarm in approving it, while a large number of newspapers hitherto stanchly protectionist are openly in revolt against it.

Mr. President, can there be any question about that statement? Although the statement is made by a Democratic newspaper, can there be any question about the fact that in this country there are a "large number of newspapers hitherto stanchly protectionist," and to-day as strong in their Republicanism as they ever were, which are in revolt against this bill? Is it not true, as stated in this editorial, that a large number of newspapers which are to-day strong advocates of a tariff properly levied upon just and reasonable basis and imposing rates that are fair to the people as well as to industries—newspapers which are now advocating that sort of a tariff—are now denouncing the pending bill just as are the New York Tribune and the Chicago Tribune, from both of which I have read? Let me proceed:

They declare—

That is, these Republican papers that have hitherto stanchly stood for whatever protection the Republican Party prepared and offered—

They declare it at the best untimely, and at the worst a result of the demands of selfish interests. Senator SIMMONS on Wednesday read into the RECORD extracts from some of these erstwhile high-tariff newspapers, which are now attacking the Senate tariff bill. Included were the Chicago Tribune, that great Republican champion of the Middle West; the Journal of Commerce, of New York, and others.

The chairman of the Finance Committee, Senator McCUMBER, had a short and easy reply. He asserted that the department stores through their advertising control the policies of "metropolitan papers," which, he affirmed, had become "the mouthpieces of the department stores in favor of free trade." The innocent North Dakota Senator was blissfully unaware that at least one of the newspapers mentioned carries almost no advertisements of the kind he specifies. Moreover, the other Republican papers which are now urging the Senate to drop its tariff bill altogether, or radically to cut down its high protective duties, have had the department store advertising for many years. This did not prevent them from advocating a protective tariff when they thought it was good for the country. The present bill they consider out of date and harmful, and are frank to say so. In neither instance is there any evidence that they were in the slightest degree moved by department store advertising, or any other kind. Senator McCUMBER is as weak in his facts as he is in his logic.

There are other ominous forms of revolt against the Senate tariff bill. It is every day being assailed indirectly by men whose sympathies have always been Republican in politics, but who are now deeply concerned about the question of trade revival. To a man they agree that this depends largely upon the restoration of our foreign commerce. There lies the main hope of stimulus for American industry and agriculture. This is clearly the position taken by the president of the United States Steel Corporation. And in Philadelphia, on Wednesday, at the meeting of the National Foreign Trade Convention, bankers, business men, and manufacturers were of one mind in arguing the necessity of a return to "normal world trade conditions." As was declared by the president of the National Bank of Commerce, of New York, "without the foreign trade the domestic consumption would shrink and national prosperity wane."

It is true that none of these financial and business authorities alluded directly to the pending tariff bill. They did not need to do so. The whole spirit of what they said was openly in conflict with the spirit and tendency of the bill. The latter proceeds on a policy of national self-sufficiency and exclusiveness. It goes squarely against the manifest commercial and industrial needs of the country at the present time. That is the reason why so many Republican newspapers and influential members of the party are saying what they do in condemnation of a bill based upon theories which, whatever may have been said for them in years past, are as out of date to-day as is the Ptolemaic astronomy.

Mr. President, I have not up to this time spent one minute in the general discussion of this bill or in the discussion of any item in it that was intended by me to delay action. Such a thing has not been considered by me. On the contrary, I have advised Senators on this side that we ought to make our position clear and make the meaning of this bill clear to the people of the country, and as soon as we shall have done that, if these gentlemen persist, let them pass the bill, although we disapprove it and will register our disapproval by our votes against the schedules and the items and the bill itself when it shall be put upon its final passage. But, Mr. President, I can not too often repeat—for the fact must be driven home—that this is a measure in the interest of the profiteer and in the interest of monopoly in this country. It ignores the rights of the people, and is not framed upon any principle that could be or is demanded by legitimate industry or even orthodox protectionists in this country. I will make this prediction: If this bill shall be passed as it was written, it will lead the business of this country into a debacle from which it will take us a quarter of a century to rescue it, and the direful consequences of which to the American people can not be measured in words or in figures.

Mr. KING. Mr. President, may I inquire of the Senator from North Dakota whether it is his purpose now to return to the alcohol schedule? Before doing so I want to make just a few observations upon a matter somewhat cognate to the tariff question, if he will pardon me for a few minutes.

Mr. McCUMBER. Mr. President, I simply want to say, in answer to the question of the Senator, that it is my intention to ask for a vote whenever we reach it, and when we get through with the editorials, which, of course, will be presented daily and read into the RECORD, which are being furnished by a propaganda. When that matter is completed, I shall try to get a vote each day on one or two of these items.

Mr. KING. Let me say to my good friend that he ought not to be disturbed about a little propaganda consisting of a few editorials from Republican newspapers. I think he should be delighted to find such unmistakable evidences of clarity of judgment and of superior knowledge upon the part of Republican editorial writers and Republican newspapers. So many of our Republican newspapers have been in the dark upon so many

questions for so long a time that I confess to experiencing some pleasure to perceive occasionally an adumbration of light breaking through their colossal ignorance upon economic questions, so that they are discussing this question in an intelligent and in a rational way. I am sure the Senator from North Dakota ought not to try to stem the fountain of light and of inspiration coming from Republican newspapers.

Speaking of propaganda, though, if the Senator goes out into the lobbies here he will find the propagandists of the protected industries, consisting of lobbyists and their representatives, in large numbers. They grace the galleries from day to day, and look down upon us with approval or disapproval, according to the sentiments which we echo. I suppose it is their right. They are profoundly interested in these schedules. They are here demanding their pound of flesh—not of their own flesh, but the pound of flesh to be carved in strips from the bodies of the American people. These lobbyists are here now interviewing and hounding Senators and making the consideration of this bill more difficult for honest Republican Senators and honest Democratic Senators, as all are and try to be, because they are interrupted by these importunities, which do not facilitate the disposition of these questions upon rational and upon proper lines.

Mr. KING addressed the Senate on affairs in Haiti. His remarks appear elsewhere in to-day's proceedings. On concluding he said:

I understand the first amendment offered by the Senator from North Dakota is to strike out the word "proof," in line 17, page 3.

Mr. McCUMBER. It is not the first, but it is one of the amendments. I stated that it is the only change the committee, after further consideration, deemed it advisable to make.

Mr. KING. I understand the effect of the amendment is to reduce the rate fixed in the bill.

Mr. McCUMBER. The reason why I make the statement is that it was a mistake. It was intended to be so much per gallon and not per proof gallon, just the same is in the preceding line, where we fix a rate on the gallon and not on the proof gallon.

Mr. KING. The Senator knows there is a difference between gallon and proof gallon.

Mr. McCUMBER. Certainly; and that is the reason why I am moving to strike out the word "proof."

Mr. KING. I ask whether "proof gallon," according to the Senator's interpretation, is stronger than "gallon"?

Mr. McCUMBER. A proof gallon may be 50 per cent pure and still be a proof gallon.

Mr. KING. It must be 50 per cent pure or more.

Mr. McCUMBER. It may be 90 per cent, and the duty would be the same, although it was as high as 90 per cent; therefore it would be a reduction.

Mr. KING. Of course, striking out the word "proof" does affect the rate upon that particular item.

Mr. McCUMBER. Certainly; it reduces it.

Mr. KING. I have no objection to that amendment and am willing that pro forma it may be adopted.

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). The pending amendment is to strike out the two words found in line 14, page 3, "isopropyl and" and to insert the words appearing in italics.

Mr. KING. We could adopt that pro forma. I have no objection.

The PRESIDING OFFICER. If there is no objection, the amendment is agreed to.

The READING CLERK. The next amendment is on page 3, line 15, following the words "fusel oil," to strike out "6" and insert "2," so that it will read:

Fusel oil, 2 cents per pound.

Mr. KING. I ask whether the preceding amendment, striking out "isopropyl and" and inserting the other words, has been acted on?

The PRESIDING OFFICER. The Chair so stated.

Mr. KING. I beg the Chair's pardon; I did not so understand. I understood that we inserted the words "and propyl," but I did not assent to inserting the words "3 cents per pound."

The PRESIDING OFFICER. The amendment was to strike out and insert, and the Chair understood that there was no objection to the amendment, and so stated.

Mr. KING. I think perhaps the Chair is right, but the amendment went further than I anticipated. I have no objection to striking out the words "isopropyl and" and inserting the words "and propyl." If I may segregate the entire amendment, then we can consider "3 cents per pound" as a separate amendment.

Mr. McCUMBER. It seems to me that what the Senator wants to do is to amend the Senate committee amendment by striking out the numeral "3" and inserting some other figure?

Mr. KING. Exactly.

Mr. McCUMBER. That is all that is necessary to accomplish the Senator's purpose.

Mr. KING. That is what I intended to do. I move to strike out "3 cents," in line 15, page 3, and insert in lieu thereof "one-fourth of 1 cent," so that it will read:

Amyl, butyl, and propyl, one-fourth of 1 cent per pound.

The PRESIDING OFFICER. Without objection, the vote on agreeing to the committee amendment will be reconsidered, and it will be open to amendment. The amendment to the amendment will be stated.

The READING CLERK. Amend the committee amendment, in line 15, page 3, by striking out "3 cents" and inserting in lieu thereof "one-fourth of 1 cent," so as to read:

Amyl, butyl, and propyl, one-fourth of 1 cent per pound.

Mr. KING. Mr. President, I am not able quite to understand the significance of the amendment which has been offered by the Senator from North Dakota. I wish to discuss briefly this entire paragraph 4, which deals with the alcohols, amyl, butyl, and propyl, fusel oil, methyl, or wood alcohol, commonly known now as methanol alcohol, and ethyl alcohol.

The most objectionable feature in this paragraph is found in the action of the Senate committee or of the House committee, for that matter, in putting this high tax upon ethyl alcohol. When we dispose of the present amendment and when we reach that item, I shall offer an amendment with respect to it.

Coming to the first item, amyl alcohol, I find that in the Underwood law the rate was one-fourth of 1 cent per pound, and the Payne-Aldrich law carried the same rate. The House bill carries a rate of 6 cents a pound, but upon the American valuation plan has a specific rate. The Senate committee bill lowers, as I concede, the rate fixed in the House bill to 3 cents per pound. I think the committee amendment is wise, but I think the rate is still entirely too high.

The survey shows that this product is manufactured from fusel oil and is of some importance in our industries. Fusel oil, which is the basis of the amyl alcohol, is obtained as a by-product in the fermentation processes chiefly of distilled liquors and industrial alcohol. The output as a by-product of the distilleries in 1918 was more than 800,000 pounds, and that supplied a very considerable proportion of the domestic requirements for this oil. The imports from 1910 to 1914, inclusive, averaged about 5,300,000 pounds annually, 75 per cent coming from Russia, the United Kingdom, and Germany in about equal proportions. The imports declined to about 1,600,000 pounds in 1917, accounted for by the cessation of imports from Russia. In 1918 Canada furnished a small quantity of this product.

The imports as shown by the Tariff Commission are as follows: 1918, 2,000,000 pounds plus; 1919, 3,000,000 pounds plus; 1920, 3,000,000 pounds plus; 1921, first nine months, 713,000 pounds.

The unit value in 1921—that is, the foreign export price—was 22 cents per pound. The domestic price on April 24 of this year of fusel oil was $1.45 to $1.50 per gallon, and amyl alcohol, or refined fusel oil, was $2.10 to $2.25 per gallon.

This product is made by the United States Industrial Chemical Co., which is a subsidiary of the acknowledged trust which we denominate the United States Industrial Alcohol Co. Now, we are increasing this rate and imposing this high duty in the interest of this trust. We are making a gift of hundreds of thousands of dollars annually to a trust, and, of course, the American people will be compelled to pay for it.

That this product is important in our economic or our industrial life is evidenced from a consideration of the purposes for which it is used. In its use it is converted into amyl esters, which are used as flavors and for perfume materials and as a solvent in the arts. Why there should be a tariff upon this I must leave to my friends upon the other side of the Chamber to explain. Probably it is for revenue. If it is for revenue, then I concede that they may obtain some little revenue from the duty. But it is obvious that the purpose of it is, as I read the facts in connection with this item, to meet the demands of the corporation to which I referred.

Mr. Warner, representing the Commercial Solvents Corporation, testified in regard to this item, and he wanted 20 cents per pound as a tariff rate. Think of it—20 cents per pound!

Mr. SMOOT. Mr. President, I want to say to my colleague that the Industrial Alcohol Co. wanted it free. They import more than they make, and they are on the opposite side of the question.

Mr. KING. They want fusel oil free.

Mr. SMOOT. They want fusel oil and also amyl alcohol free.

Mr. KING. They want fusel oil free?

Mr. SMOOT. Yes; they want both of them free. Of course, they are about the same.

Mr. KING. One is made from the other. Fusel oil is the base of the alcohol product.

Mr. SMOOT. But they want both free.

Mr. KING. The Senator may be right in regard to that. My understanding is that that organization wanted fusel oil free, but as to any of the products which might be manufactured from fusel oil either they or their subsidiary organizations desired a different policy.

Mr. SMOOT. The Industrial Alcohol Co. very much prefer to have both of them free. They do not want any duty on them at all.

Mr. KING. My understanding was that they wanted fusel oil free, but that it was not contemplated that they were to enter into the production of any of the esters of which fusel oil forms a base, and that therefore they wanted a tariff upon what might be denominated the intermediate or finished product.

Mr. WATSON of Indiana. Mr. President——

Mr. KING. I yield to my friend from Indiana.

Mr. WATSON of Indiana. I have not any desire to induce the Senator to speak any longer than he otherwise will, but I may say in passing that amyl alcohol is nothing in the world but refined fusel oil.

Mr. KING. I know. It passes through a sort of distillation process.

Mr. WATSON of Indiana. Yes. It is not an ester.

Mr. KING. It is an ester in the sense that it is a combination with alcohol.

Mr. WATSON of Indiana. It is an alcohol; it is not an ester.

Mr. KING. The Senator does not contend that it is fusel oil, but that it is a product of distillation?

Mr. WATSON of Indiana. It is refined fusel oil, and the Industrial Alcohol Co. want both free, of course, because they import far more than they make. That is why they want it free.

Mr. KING. Will the Senator explain why there should be this large tariff upon it, and why it should be increased from one-fourth cent per pound to 3 cents per pound?

Mr. WATSON of Indiana. In the first place, this is a small tariff duty, not a large one.

Mr. KING. But it is larger than one-quarter of a cent a pound. It is an increase above the Underwood-Simmons rate by more than 1,000 per cent.

Mr. WATSON of Indiana. I will answer the Senator's question, though I do not intend to be drawn into a discussion, for I want the Senator from Utah to occupy the floor wholly and alone. We manufacture in this country what is called "butyl alcohol"; fusel oil displaces butyl alcohol and is a by-product. Sometimes it comes in very large quantities and sometimes in very small quantities.

Mr. KING. Fusel oil is a product of our distilleries. It is a by-product, as the Senator from Indiana has stated.

Mr. WATSON of Indiana. Yes; and because of its displacement value as against butyl oil a tariff is levied. Butyl oil is made at one or two manufacturing establishments in the United States. During the World War there came a great need of this product and the British and American Governments united and erected a factory at which butyl oil is produced. That factory purchased very large quantities of corn, because butyl alcohol is made from corn. Fusel oil directly competes with it. Fusel oil, I repeat, is a by-product, and it is its displacement value that caused the committee to put the tariff on this article. We think it is entirely proper to do so. The duty is also imposed for revenue purposes.

Mr. KING. As I understand, the Senator from Indiana wants to put this tariff on the article to protect the Commercial Solvents Corporation, of Terre Haute, Ind.

Mr. WATSON of Indiana. Yes; because at present they are the only concern which produces it, though I understand that some other establishment in West Virginia is about to enter upon its production.

Mr. KING. The Senator does not mean that there was no production of this article in the United States anterior to the war, does he?

Mr. WATSON of Indiana. There was not the slightest production in the United States.

Mr. KING. But fusel oil was produced here?

Mr. WATSON of Indiana. But fusel oil was a by-product.

Mr. KING. And the production of fusel oil by distillation was rather a simple process.

Mr. WATSON of Indiana. Of course, fusel-oil production will almost cease in the United States on account of the enforcement of prohibition. That is all there is to the proposition.

Mr. KING. As I understand the Senator, it is desired to put a tariff on amyl alcohol, because it competes with butyl alcohol, and the corporation to which I have referred, the Chemical Solvents Corporation, of the Senator's State, is the manufacturer of amyl alcohol.

Mr. WATSON of Indiana. The Senator from Utah is entirely right.

Mr. KING. Mr. President, the Payne-Aldrich law provided a rate of one-fourth of 1 cent a pound upon both amyl and butyl alcohol. This bill proposes to increase the rate from a quarter of a cent to 3 cents, which would be equivalent to an increase of 1,000 or more per cent.

Mr. WATSON of Indiana. The Senator from Utah is in error in saying that the Payne-Aldrich law imposed a tariff on butyl alcohol. Except to chemists butyl alcohol then was not known at all. It never entered into commerce and none of it was ever made in the United States until its manufacture was introduced here because of war conditions. It is what we call in the Finance Committee a "war baby."

Mr. KING. It was recognized in the Payne-Aldrich law as a product of fusel oil, and carried a duty of a quarter of a cent a pound, as I have indicated; and the duty was the same under the Underwood-Simmons law. If it is simply a product of fusel oil by distillation, I do not quite see how the Senator from Indiana can say that I was in error in declaring that the tariff duty was a quarter of a cent a pound, because it was classified in the basket clause, as I recall, of the Payne-Aldrich law, or at least under the heading of fusel oil, at one-quarter of a cent a pound.

Mr. WATSON of Indiana. Of course, it would have gone under the basket clause if there had been any imported, but there was not a pound imported. However, I am not going to pursue the matter further. The Senator from Utah may make all the assertions he pleases.

Mr. KING. In the act of 1909 fusel oil, or amylic alcohol, bore a duty of one-fourth of 1 cent per pound. It was denominated amylic alcohol.

Mr. WATSON of Indiana. But that is not butyl alcohol.

Mr. KING. I am speaking of amylic alcohol.

Mr. WATSON of Indiana. And I was speaking about butyl alcohol.

Mr. KING. I am speaking about the two interchangeably.

Mr. WATSON of Indiana. But they are not the same.

Mr. KING. I know that they differ. Butyl came in as fusel oil under that paragraph because of its relationship to fusel oil, so that it would be classed under the heading "fusel oil" and would come in under the tariff at one-quarter of a cent a pound. I am sure the Senator from Indiana can not controvert the statement that both in the Payne-Aldrich law and the Underwood law it was classified as fusel oil and subject to a tariff of one-quarter of a cent per pound. It is now proposed to increase the duty from a quarter of a cent a pound to 3 cents per pound, or more than 1,000 per cent.

Mr. President, I have made a motion, and I am willing to take a vote upon the motion which I have submitted.

The PRESIDING OFFICER. The question is on the motion of the Senator from Utah to amend the committee amendment on page 3, line 15, by striking out "3 cents" and inserting in lieu thereof "one-fourth of 1 cent."

Mr. KING. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. SHIELDS (when his name was called). I have a pair with the Senator from Maine [Mr. HALE], which I transfer to the Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. STANLEY (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. ERNST], which I transfer to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the Senator from Arizona [Mr. CAMERON]. I transfer that pair to the junior Senator from Alabama [Mr. HEFLIN] and vote "yea."

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

The roll call was concluded.

Mr. COLT. I transfer my general pair with the junior Senator from Florida [Mr. TRAMMELL] to the junior Senator from Washington [Mr. POINDEXTER] and vote "nay."

Mr. OVERMAN. I inquire whether the Senator from Wyoming [Mr. WARREN] has voted?

The PRESIDING OFFICER. The Senator from Wyoming has not voted.

Mr. OVERMAN. I have a general pair with that Senator, and, not being able to secure a transfer, withhold my vote.

Mr. UNDERWOOD (after having voted in the affirmative). The senior Senator from Massachusetts [Mr. LODGE] is out of the city to-day. I have a general pair with him, which I transfer to the senior Senator from Ohio [Mr. POMERENE] and allow my vote to stand.

Mr. CURTIS. I desire to announce the absence of the Senator from Wyoming [Mr. WARREN] on account of a death in his family. I ask that this announcement may stand for the day.

I also desire to announce the following pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR]; and

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH].

Mr. JONES of New Mexico (after having voted in the affirmative). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and allow my vote to stand. I ask that this announcement may stand for the day.

Mr. WALSH of Montana. I transfer my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. DIAL. I transfer my pair with the Senator from Colorado [Mr. PHIPPS] to the Senator from Georgia [Mr. HARRIS] and vote "yea."

Mr. DILLINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. In his absence I transfer that pair to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. MCKINLEY (after having voted in the negative). I transfer my pair with the senior Senator from Arkansas [Mr. CARAWAY] to the junior Senator from Oregon [Mr. STANFIELD] and allow my vote to stand.

The result was announced—yeas 19, nays 41, as follows:

YEAS—19.

Ashurst	Jones, N. Mex.	Sheppard	Underwood
Dial	King	Shields	Walsh, Mass.
Fletcher	La Follette	Simmons	Walsh, Mont.
Gerry	Myers	Stanley	Watson, Ga.
Harrison	Robinson	Swanson	

NAYS—41.

Ball	Gooding	McNary	Smoot
Borah	Johnson	Moses	Spencer
Brandegee	Jones, Wash.	Nelson	Sutherland
Bursum	Kellogg	Newberry	Townsend
Calder	Kendrick	Nicholson	Wadsworth
Capper	Keyes	Norbeck	Watson, Ind.
Colt	Ladd	Norris	Weller
Curtis	Lenroot	Oddie	Willis
Dillingham	McCumber	Page	
Elkins	McKinley	Rawson	
France	McLean	Shortridge	

NOT VOTING—36.

Broussard	Fernald	McCormick	Pomerene
Cameron	Frelinghuysen	McKellar	Ransdell
Caraway	Glass	New	Reed
Crow	Hale	Overman	Smith
Culberson	Harreld	Owen	Stanfield
Cummins	Harris	Pepper	Sterling
du Pont	Heflin	Phipps	Trammell
Edge	Hitchcock	Pittman	Warren
Ernst	Lodge	Poindexter	Williams

So Mr. KING's amendment to the amendment reported by the committee was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. KING. Mr. President, before the committee amendment is agreed to I want to call the attention of the Senate to the fact that by this vote they have indicated that they were willing to give an increase of 1,100 per cent instead of four or five hundred per cent, as I stated a moment ago, in the duty upon butyl alcohol and amyl alcohol—1,100 per cent!

Mr. WALSH of Massachusetts. Increase over what?

Mr. KING. Increase over the rates of the Payne-Aldrich bill and the Underwood bill.

Mr. MCCUMBER. Mr. President——

Mr. KING. I yield.

Mr. MCCUMBER. The Senator has made that statement so often, and has been corrected so often, that it seems to me he ought not to reiterate it. There was no duty whatever upon butyl alcohol. It did not come in. Therefore it bore no duty; and the Senator will not find that it came in either under any basket clause or under any other clause and bore any duty whatever. The Senator can just as well say that we have given a million per cent increase as he can say that we have given a thousand per cent increase or 1 per cent increase. We have simply given one that amounts to just about 15 per cent ad valorem duty now.

Mr. KING. I do not agree with the Senator there; but may I inquire of the Senator under what clause it was found in the Payne-Aldrich law?

Mr. MCCUMBER. It was not found under any clause in the Payne-Aldrich law. None was coming in, and it was not in a basket clause, and I can not find that any came in, and the experts of the Tariff Commission say that none came in.

Mr. UNDERWOOD. Mr. President, the Senator from North Dakota made a statement that surprised me about the Payne-Aldrich bill, as I was a member of the minority of the committee that wrote the bill. Everything that was not named in the free list fell into a basket clause in the Payne-Aldrich bill.

Mr. MCCUMBER. Yes; but none of this product came in under that law.

Mr. UNDERWOOD. Still, it would have been covered if it had come in.

Mr. MCCUMBER. If there was any such thing at that time; but I do not think there was.

Mr. UNDERWOOD. There was some basket clause that covered it.

Mr. MCCUMBER. But if none came in, it could not come in under a basket clause.

Mr. UNDERWOOD. It may not have come through the customhouse, but it was subject to a tax of some kind if it was not on the free list.

Mr. SMOOT. I will say to the Senator that when it did come in under the present law, the Underwood tariff law, it was held by the Treasury Department to be fusel oil, and came in as fusel oil.

Mr. KING. Exactly.

Mr. UNDERWOOD. That was simply because that was the nearest commodity to which it could be likened.

Mr. SMOOT. It is only refined fusel oil.

Mr. UNDERWOOD. To be sure; but that fixes the duty on it.

Mr. SMOOT. But, Mr. President, the tariff bills that have been enacted into law in the past have never put a protective duty on fusel oil or the products of fusel oil. It never has had a protective tariff. It never was intended to have. When the Payne-Aldrich bill passed it was given simply a revenue duty, and when the Underwood bill passed it was given a revenue duty at the same identical rate; but, of course, since the war this butyl alcohol has developed. Before the war, as the Tariff Commission reports, butyl alcohol was of scientific interest only and was not used for commercial purposes anywhere, but now it is used everywhere. It is produced in this country; it is produced in foreign countries; it came about through the necessities of the war, and, of course, it is an entirely different proposition now from what it was in 1909, when the Payne-Aldrich bill was passed, or in 1913, when the Underwood tariff bill was passed.

Mr. KING. Mr. President, I submit that the Senator from North Dakota was inaccurate in his statement, and, while not desiring to be unfair, was manifestly unfair in challenging my statement. The senior Senator from Utah [Mr. SMOOT] agrees, as I understood him, with the position which I took some time ago, that butyl alcohol came in either under a basket clause, or, if it came in, it came in as fusel oil, and would be subject to the tax imposed upon fusel oil.

Mr. MCCUMBER. But my statement was that it did not come in, and therefore it could not come in under a basket clause if it did not come in at all. In that I am correct.

Mr. KING. Mr. President, as the Senator from Alabama [Mr. UNDERWOOD] has just stated, all of those products were subject to an ad valorem duty, a specific duty, or they came in under some ad valorem basket clause. This came in, as I stated in the beginning, under the fusel-oil clause, if it came in at all, and if any had been tendered it would have been subject to the tax imposed upon fusel oil, to wit, one-fourth of a cent per pound.

Mr. MCCUMBER. If it came in, of course; but it did not.

Mr. KING. I stated that it was subject to that tax, and I repeat it; and now you have raised it from a quarter of a cent a pound to 3 cents per pound, or 1,100 per cent over the rate of the Payne-Aldrich law. You can not disguise it, and no amount of camouflage will hide the fact that you have increased the tariff upon this article 1,100 per cent as you have increased the tax upon amyl alcohol 1,100 per cent, and it is done because the Commercial Solvents Corporation, which has a plant in Indiana, demands it. The representative of the Commercial Solvents

Corporation, Mr. Warner, came before the committee, as you will find by reference to his testimony upon page 835, and asked for a tariff upon butyl alcohol.

Mr. SMOOT. Mr. President, I think my colleague ought to be perfectly fair in this matter. I think I stated the matter just exactly as it was. The company that he refers to now asked for 20 cents.

Mr. KING. That is what I read into the record.

Mr. SMOOT. The Senator knows that this item never was in commerce heretofore, but now it is in commerce and is worth about 21 cents a pound. All the world has fusel oil. We imported hundreds of millions of pounds of fusel oil, and it had a duty of virtually a quarter of a cent a pound for revenue purposes. Now a new product comes into the world, not known at all when the Payne-Aldrich bill was passed. Fusel oil could be purchased anywhere in the world as cheaply as it can be here, and now that prohibition is in force we will have to import all that we use. Fusel oil is the kick that was left in liquor. In other words, it is the poison. Now it is not taken out, and we will import all that we use, I suppose, outside of that that is made for simply medicinal purposes and legitimately made. That is the only thing from which we can get our fusel oil.

As to this item that we are talking about, the Senator is absolutely correct as to the increase of 1,100 per cent over the Payne-Aldrich bill, but the rate in that bill was not a protective rate. Butyl alcohol was not known in the commerce of the world at the time. Now it is an item that takes the place of fusel oil, and it is manufactured not only here but in other parts of the world, and it is necessary to have about 14½ per cent duty to equalize the difference in the cost. We have to pay the freight rates upon all the fusel oil that we get in here, and under this bill we will pay 2 cents per pound if the Senate amendment is adopted. The House bill provides a duty of 6 cents per pound on fusel oil. The Senate committee cut it 200 per cent, down to 2 cents; and of course this rate means on to-day's price about 14½ per cent ad valorem duty upon a product that was not known and not made in the world, outside of a laboratory, in 1909, when the Payne-Aldrich bill passed, or 1913, when the Underwood bill passed; and they both carried a duty of a quarter of a cent for revenue purposes only.

Mr. KING. Mr. President, I am glad that my colleague has corroborated the statement I made that these two items, butyl and amyl alcohol, carry in the Senate bill a tariff duty of 1,100 per cent. I congratulate the Senate committee——

Mr. SMOOT. No; the Senator must not say that. They do not carry a rate of duty of 1,100 per cent.

Mr. KING. No; an increase of 1,100 per cent.

Mr. SMOOT. Oh, well, the Senator did not say that.

Mr. KING. The Senator alluded to my statement. I was connecting one with the other. I stated that the rate in this bill was an increase of 1,100 per cent over the rate of the Payne-Aldrich bill. That statement was challenged by the chairman of the committee, and my distinguished colleague corroborated what I said, and I was just thanking him and congratulating him upon reaching the right conclusion, in contradistinction to the position occupied by the chairman of the committee, and I was going to go further and congratulate the Senate committee upon their regard for the people.

The House, as the senior Senator from Utah states, levied a duty 2,300 per cent above the duty carried by the Payne-Aldrich tariff bill. That was too much for even the distinguished Senator from North Dakota [Mr. McCUMBER] and the distinguished Senator from Indiana [Mr. WATSON], and generously and magnanimously they reduced it to 1,100 per cent above the rate of the Payne-Aldrich tariff bill. My colleague stated quite accurately that anterior to the war butyl alcohol was not known generally in commercial activities. Amyl alcohol was known. Amyl alcohol was of importance in the industrial world, and there is carried in this bill a duty 1,100 per cent above the duty carried by the Payne-Aldrich tariff bill.

Of course the Republicans will support it. The purpose is to maintain that industry, which seems to have taken refuge under the protecting wing of the distinguished Senator from Indiana. If you can put 1,100 per cent additional duty over the Payne-Aldrich bill upon butyl alcohol, you must have a high tariff rate upon ethyl alcohol and also upon fusel oil, I suppose, because we come next to that, with a rate of 2 cents per pound on it, although my distinguished friend, the senior Senator from Utah, has just admitted that we can not produce that here because of our devotion to prohibition and we will have to import it. If we have to import it, the only reason for a duty would be for revenue purposes only.

Mr. SMOOT. Not necessarily.

Mr. KING. What is the other reason?

Mr. SMOOT. There is no need of giving a protection on butyl alcohol and letting fusel oil come in free.

Mr. KING. I am speaking of fusel oil now.

Mr. SMOOT. That would be perfectly useless.

Mr. KING. That is what I am coming to.

Mr. SMOOT. That is exactly what the Senator from Indiana said in his answer to the Senator.

Mr. WATSON of Indiana. Exactly.

Mr. SMOOT. In the first place, they are interchangeable commodities. If you allow the fusel oil to come in free, it would not make any difference if you had a duty of a hundred dollars a pound on butyl alcohol. It would make no difference at all. Fusel oil would come here, but no butyl alcohol would ever come into the country. The Senator knows that in making a tariff bill there ought to be some relative duties imposed, or one or the other of the duties imposed would be perfectly useless.

Mr. KING. The Senator is right, and that is just what we are doing. We are going to take care of butyl alcohol because that is made in the State of Indiana, and in order to protect it and to make it profitable we raise the Payne-Aldrich rates 1,100 per cent, and then, in order to prevent any possible foreign competition, we are going to put a tariff rate of 2 cents a pound upon fusel oil, so that there can not be any competition with that industry which we are establishing in Indiana. There are some gains in Indiana. We lose a distinguished Republican, Senator NEW, whom we love, but we are going to take care of butyl alcohol even though it carry 1,100 per cent above the Payne-Aldrich Act and we will put a tax upon fusel oil of 2 cents, though we have to import it and there is no competition here, in order to protect Indiana.

Mr. President, I have said all I care to. Let us protect Indiana though the heavens fall.

Mr. SMOOT. We will protect the Treasury, too, and get more money into it.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. KING. Is that the committee amendment dealing with fusel oil?

The VICE PRESIDENT. It is on the committee amendment.

Mr. KING. Let it be stated for the record, so that when the vote is taken it will be indicated.

The VICE PRESIDENT. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 3, line 14, the committee proposes to strike out "isopropyl, and" and to insert in lieu thereof the words "and propyl, 3 cents per pound," and a semicolon.

The amendment was agreed to.

The next amendment of the committee was, on page 3, line 15, after the words "fusel oil" and the comma, to strike out "6" and insert in lieu thereof "2," so as to read:

Fusel oil, 2 cents per pound.

Mr. KING. Mr. President, when we reach the free list, I shall move to transfer the item of fusel oil to the free list, but in the meantime I move to amend the committee amendment by striking out "2 cents" and inserting "one-half cent," so that it will read:

Fusel oil, one-half cent per pound.

On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "nay."

Mr. McKELLAR (when his name was called). I have a general pair with the senior Senator from Indiana [Mr. NEW], which I transfer to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as to my pair and its transfer as heretofore, I vote "nay."

The roll call was concluded.

Mr. McKINLEY. Making the same announcement as before, I vote "nay."

Mr. DILLINGHAM. Making the same announcement as to my pair and its transfer as on the last vote, I vote "nay."

Mr. ELKINS. I have a general pair with the junior Senator from Mississippi [Mr. HARRISON], which I transfer to the junior Senator from Delaware [Mr. DU PONT], and vote "nay."

Mr. WALSH of Montana. I transfer my pair with the senior Senator from New Jersey [Mr. FRELINGHUYSEN] to the senior Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. WATSON of Georgia. I transfer my pair with the junior Senator from Arizona [Mr. CAMERON] to the senior Senator from Arizona [Mr. ASHURST] and vote "yea."

Mr. DIAL. I have a general pair with the senior Senator from Colorado [Mr. PHIPPS]. I transfer that pair to the senior Senator from Ohio [Mr. POMERENE] and vote "yea."

Mr. ROBINSON (after having voted in the affirmative). I have a general pair with the Senator from West Virginia [Mr. SUTHERLAND]. I have just been informed that that Senator has not voted. I therefore withdraw my vote.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH];

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY]; and

The Senator from Massachusetts [Mr. LODGE] with the Senator from Alabama [Mr. UNDERWOOD].

The result was announced—yeas 17, nays 37—as follows:

YEAS—17.

Dial	Hitchcock	Myers	Walsh, Mont.
Fletcher	Jones, N. Mex.	Sheppard	Watson, Ga.
Gerry	King	Simmons	
Harris	La Follette	Swanson	
Heflin	McKellar	Walsh, Mass.	

NAYS—37.

Ball	Gooding	McLean	Smoot
Borah	Harreld	McNary	Spencer
Brandegee	Johnson	Moses	Townsend
Calder	Jones, Wash.	Nelson	Wadsworth
Capper	Kellogg	Newberry	Watson, Ind.
Colt	Keyes	Nicholson	Weller
Curtis	Ladd	Norbeck	Willis
Dillingham	Lenroot	Oddie	
Elkins	McCumber	Page	
France	McKinley	Shortridge	

NOT VOTING—42.

Ashurst	Fernald	Owen	Smith
Broussard	Frelinghuysen	Pepper	Stanfield
Bursum	Glass	Phipps	Stanley
Cameron	Hale	Pittman	Sterling
Caraway	Harrison	Poindexter	Sutherland
Crow	Kendrick	Pomerene	Trammell
Culberson	Lodge	Ransdell	Underwood
Cummins	McCormick	Rawson	Warren
du Pont	New	Reed	Williams
Edge	Norris	Robinson	
Ernst	Overman	Shields	

So Mr. KING's amendment to the committee amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the committee was on page 3, line 16, after the words "methyl or wood (or methanol)," to strike out "15" and insert in lieu thereof "10," so as to read:

Methyl or wood (or methanol), 10 cents per gallon.

Mr. KING. Mr. President, I feel so much solicitude for the poor, struggling trusts of the United States with respect to this item that I am tempted to join in the action of the Senate committee. But first let us see who are interested in this item. This morning I examined Moody's Manual, page 663, and I find the name of the National Wood Chemical Association, which comprises substantially 69 firms or corporations who seem to be profoundly interested in this particular item.

Among those who are directly interested are the Cleveland Cliffs Iron Co., a large corporation, and the Wood Products Co., which is owned by the Republic Distilling Co., which is a subsidiary of the United States Industrial Alcohol Co., and has a capital of $30,000,000, the common stock $24,000,000, and the preferred stock $6,000,000. Keep in mind the fact that the Wood Products Co. is owned by the Republic Distilling Co., and the Republic Distilling Co. is a subsidiary of the United States Industrial Alcohol Co.

All of these interlocking companies manifest themselves in this item as other interlocking trusts and combinations and corporations are interested in other items found in the tariff bill. Very seldom do we find the people interested, very seldom do we find an individual interested. We find some huge corporation, some trust, some combination backing these—I will not say infamous schedules, because the Senator from North Dakota seems to object to that term—these blessed schedules.

Next is the General Chemical Co., which is a part of the great Allied Chemical Corporation, which has a capital stock of approximately $300,000,000, and which has put its tentacles out and absorbed a large number of other independent corporations. So we find, next to the Du Pont Co., the largest chemical corporation in the United States, and perhaps the second largest in the world, unless it is the Carbide Trust, is interested here in this particular product, according to all that I can learn.

Mr. SHORTRIDGE. Mr. President——

Mr. KING. I yield to the Senator from California.

Mr. SHORTRIDGE. May I ask the Senator a question? All of the companies he is naming are American companies, are they not?

Mr. KING. I think so.

Mr. SHORTRIDGE. They are not Swiss companies or German companies or English companies?

Mr. KING. I think not.

Mr. SHORTRIDGE. They are all subject to the laws of our country, are they not?

Mr. KING. They are. I am not sure what the Senator means by that. Let us pause for a moment. "They are all subject to the laws of our country." The Standard Oil Trust is supposed to be subject to the laws of our country, but within the past one or two days it has increased the price of gasoline more than 1 cent per gallon. It is subject to the laws of our country. The Steel Trust is subject to the laws of our country, but it has gathered into its capacious hand practically the entire output of the steel products of the United States.

The Carbide Trust is subject to the laws of our country, let me say to the distinguished Senator from California, and it has a capital of $300,000,000. The Federal Trade Commission instituted an investigation more than a year and a half ago in regard to its pernicious and odious activities, and the former administration and the Department of Justice, as I am advised, made an investigation. The evidence conclusively established that it is a trust, and before we conclude the debate I shall convince Senators who are willing to accept the truth that it is a trust and is profoundly interested in the item of carbide which we have in the pending bill.

I suggest to the Senator these are all American corporations. They are all American trusts. They and others in the United States would come within the category of predatory interests of which a former great Republican President spoke. I suppose the inference the Senator wished to convey was that if they are American corporations they were immune from prosecution if they defied the people and preyed upon them. If they are foreign corporations, then we prosecute them. That, of course, is the only inference that can be drawn from the remarks of the distinguished Senator from California.

Mr. SHORTRIDGE. Upon the contrary——

Mr. KING. We will prosecute the foreigner, but we will let our domestic corporations reign regnant and trample upon the interests of the people and write tariff bills with such schedules as their greed and their avarice may demand.

Mr. SHORTRIDGE. The Senator from Utah is so profound that I am sure he will be able to advise us just how he would proceed against the German cartel which has control of the dye industry in Germany. I can in my poor way see how the laws of this country could be made to apply to and be enforced against any American domestic monopoly or trust, so called, but I do not perceive how we could reach out to Switzerland or to Germany or to England and control the forming of monopolies there. Perhaps, however, we can get that information from Utah.

Mr. KING. I can assure the distinguished Senator from California that he can get a great deal of information from my State.

Mr. SHORTRIDGE. From the senior Senator or the junior Senator from Utah?

Mr. KING. From both. I pay tribute to my friend the distinguished senior Senator from Utah [Mr. SMOOT] upon the complex questions which are presented in this bill. I only regret the Senator from California does not know as much about it as the senior Senator from Utah.

Mr. SHORTRIDGE. Will the Senator indulge me this thought? The Senator from Utah has repeatedly, again and yet again, spoken about trusts, conveying the idea that a big company or a big corporation is a trust. The Senator is a lawyer and knows that corporations may or may not form a trust, or that they may combine so as to be violative of the law. But why say that each and every company is a "trust," attaching to that word an offensive or a criminal meaning? The Senator will be, I think, more helpful to the discussion if he will define what he means by the word "trust" when in the course of his argument he accuses various companies of being trusts.

I asked the question not to engage in controversy merely, but, recurring to the main question, I did ask the Senator how he expected us to control the foreign corporations. Of course we can control domestic corporations. They are subject to the law, and when they violate the law they should be prosecuted and punished. So I again ask the Senator to give us a definition of the word "trust" as he uses it in the course of his discussion.

Mr. KING. Mr. President, there will be no controversy upon the floor of the Senate or elsewhere between the distinguished junior Senator from California and the junior Senator from Utah if the Senator from Utah has his way. I do not like controversies.

When we come to discuss an amendment to the Sherman antitrust law or to the Clayton Act, to both of which I have given some little consideration—and may I say parenthetically I have a bill pending before the Senator's committee which in my opinion strengthens the Sherman antitrust law and more effectually clarifies its definition of what a trust is—when we come to the consideration of the Sherman antitrust law and the Clayton law and how to amend them and make them more potential and put stronger teeth into them, if I may be permitted the expression, I shall be very glad to discuss with the Senator, and I am sure we will nearly agree as to what is a trust, how to define it, and what limitation should be placed upon the power of corporations to acquire and to hold and to operate any business activities in the United States.

I use the word "trust" generally in the sense, may I say to the Senator, of a corporation that is controlling in the particular industry with which it is identified, either directly and alone or indirectly and connected with other organizations and corporations engaged in the same industry. Take the Standard Oil. I denominate that a trust. It was dissolved by the Supreme Court of the United States into its constituent parts, and yet we know now that if we touch one part we touch the other corporations. They are so bound together by a cord stronger than an umbilical cord that if we touch one we touch them all. They constitute a trust, and there are others in the United States.

I am not opposed to big business. If the Senator had done me the courtesy and the honor to listen to one or two of the speeches which I have made here in regard to business, he would have discovered that I have uniformly said that I had no objection to big business. I have stated repeatedly that in our industrial development we produce large industrial organizations, and I called attention only the other day to the fact that many of these large corporations may produce economies in their operations which warrant, for the common good, their coming together. Yet there is a stage beyond which those large corporations may not, in my opinion, efficiently operate, as was so conclusively shown by Mr. Justice Brandeis in an able argument which he presented before he went upon the Supreme Bench.

I am speaking of organizations or groups of organizations engaged in the same enterprise, having the same purpose in view, and so collaborating as that they do constitute a trust; that is, they dominate and control the industry, they fix the prices, they stifle, if they please, competition, or they permit, if they please, competition.

The Senator has adverted to foreign corporations. When we come to discuss the dye monopoly or the dye industry we may have occasion to talk about the German cartel and foreign corporations. The United States may deal with them, I have no doubt, of course in a different way than it would deal with a domestic corporation.

But to return—and the Senator will pardon me if I do not spend further time in a discussion of that question, because it is rather far afield from the matter before us—I had referred to the Du Pont Co., which is interested in this item. The Du Pont Co. has an enormous capital invested in the production of chemicals, dyes, powders, and a multitude of things. I shall show in a few minutes, when we come to the item of pyroxylin, that the huge Du Pont Co. is chiefly interested in that and is asking for a very high tariff upon that product.

The other companies are the Graeselli Chemical Co. and the Sherwin-Williams Co. The Republic Distilling Co., which owns all of these companies which I have named, owns them outright.

I wanted to call attention to the number of these corporations and to the fact that they were large going concerns, and that at least some of them have been engaged in business in the United States for many years, though some may have been more recent in their origin and have been absorbed by other concerns.

Now it is proposed to place a duty on wood alcohol or methanol of 10 cents per gallon. I congratulate the Senate Committee on Finance on reducing the rate from the rate fixed by the other House.

There may be reasons, Mr. President, for the imposition of this rate of duty. If so, I shall be very glad to receive them; but I want to call attention briefly to some information supplied by the Tariff Commission in order that we may learn the facts and determine whether or not there are sufficient reasons to warrant the imposition of the proposed duty:

Wood alcohol or methanol is one of the primary products of the hardwood distillation industry.

May I say here, Mr. President, that we have not too much hardwood in the United States? I wish we had more. I regret that we have not adopted a more scientific forestry system, both nationally and in the States, for the development of our forests, for if we do not pay more attention to our forests in a few years we may be in a condition something like existing in China. We need more timber in our mountains and hills and valleys.

Mr. SMOOT. Mr. President, I wish to say to my colleague that wood alcohol involves an economic question, because it is manufactured in this country out of the waste products of the mills, and it is about the only thing for which those waste products can be used. So, whatever wood alcohol may be made in this country is virtually that much gain commercially and economically.

Mr. KING. But unfortunately there is a disposition to convert some of our hardwoods into commercial uses before their maturity, to the disadvantage of our forests and ultimately to the disadvantage of the country.

The commercial grades vary from 82 per cent to pure methyl alcohol, acetone being the chief impurity. The largest uses of wood alcohol are in the manufacture of formaldehyde and of dimethylaniline, an important intermediate for coal-tar dyes, both uses requiring pure methanol. Next in importance is its use as a solvent in manufacturing pyroxylin plastics.

And we shall discuss them a little later and see how important they are to the people.

It has many other uses as a solvent and is used for denaturing grain alcohol.

Production: The distillation of wood produces a raw liquor containing acetic acid and alcohol; the acid is neutralized with lime and the alcohol distilled from the solution, and then purified by redistillation. The output of crude wood alcohol in 1909 and 1914 was slightly in excess of 9,000,000 gallons with a marketed output in 1914 of 7,197,000 gallons, valued at $1,605,900. The marketed production of refined wood alcohol in 1914 was 6,235,113 gallons, valued at $2,709,369. Production increased during the war because of the demands by the dye industry and a larger production of formaldehyde. Preliminary figures for 1919 indicate a marketed output practically equal to that of 1914; the value in 1919, however, was about three and one-half times that in 1914. Michigan, Pennsylvania, and New York have been the principal producers of wood-distillation products. During the war large plants were erected in the southern Appalachian Mountains.

Imports in 1914 and since the war have been less than 1 per cent of domestic production.

Mr. President, the imposition of this duty may be justified as a revenue provision. If the only reason for it is revenue, I concede support may be given to a reasonable tax upon this commodity.

Mr. HITCHCOCK. I should like to ask the Senator from Utah how we can possibly derive any revenue from the imposition of a duty if there are practically no imports?

Mr. KING. I was going to leave it to Senators on the other side of the aisle to explain that.

Mr. HITCHCOCK. Am I correct in assuming that this commodity is now on the free list?

Mr. KING. Yes.

Mr. HITCHCOCK. I should like to have some Senator explain what possible reason there is for putting on the dutiable list this article, which is now upon the free list, when there are practically no imports?

Mr. KING. Mr. President, I said that if it were done for revenue purposes it might be justified.

Mr. HITCHCOCK. But what justification can there be for imposing a tariff duty so that the local manufacturer may increase his price when he appears to have been doing a satisfactory business with the commodity on the free list and has held the market?

Mr. KING. Of course, no revenue will be derived from the imposition of the duty, if we are to judge the future by the past; so I am at a loss to determine the justification for it.

Exports of wood alcohol in 1909 were 11.8 per cent of domestic production and 16.6 per cent in 1914. Prior to the war, exports were about 1,500,000 gallons, chiefly to Germany, the United Kingdom, and the Netherlands.

Apparently Germany is not to be the specter that is to affright us with respect to this item.

Between 1914 and 1918 they decreased somewhat, due to the blockade of Germany. Later statistics for calendar year 1918 follows: Quantity (gallons), 2,624,312; value, $2,035,950.

Our exports have decreased. During the first nine months of 1921 we only exported 308,287 gallons.

In postwar years exports were chiefly to England, Switzerland, Japan, and the Netherlands.

There is no tariff upon this commodity imposed by the Underwood law. The Payne-Aldrich law, in paragraph 480, carried a duty of 20 per cent ad valorem. The House bill imposed a duty of 15 cents a gallon, as I have said, and the Senate committee proposes to reduce that to 10 cents a pound.

Mr. President, I can not understand the reason for this rate. We imported in 1921 only 1,030 gallons, and I presume that small quantity came from Canada or some contiguous country, and the importation was perhaps in the nature more or less of an accident.

Mr. President, unless some reason can be assigned by the committee I shall move to transfer this commodity to the free list, but in the meantime I shall move to reduce the tax from 10 cents a gallon to 1 cent a gallon.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Utah to the amendment reported by the committee, which the Secretary will state.

The ASSISTANT SECRETARY. On page 3, line 16, after the words "or methanol," it is proposed to strike out "10 cents" and in lieu thereof to insert "1 cent."

Mr. KING. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. MCKELLAR (when his name was called). Making the same announcement as heretofore with regard to my pair and its transfer, I vote "yea."

Mr. UNDERWOOD (when his name was called). The senior Senator from Massachusetts [Mr. LODGE] is absent from the city to-day, and I have a general pair with him. I transfer that pair to the senior Senator from Ohio [Mr. POMERENE] and will vote. I vote "yea."

Mr. WALSH of Montana (when his name was called). I transfer my general pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to the Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

Mr. WATSON of Georgia (when his name was called). Making the same transfer of my pair as before, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. OVERMAN. I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. I transfer that pair to the junior Senator from Rhode Island [Mr. GERRY] and will vote. I vote "yea."

Mr. COLT. I have a general pair with the junior Senator from Florida [Mr. TRAMMELL]. I transfer that pair to the junior Senator from Washington [Mr. POINDEXTER], and will vote. I vote "nay."

Mr. DILLINGHAM. Making the same announcement as before, I vote "nay."

Mr. ELKINS. Making the same announcement as before, I vote "nay."

Mr. DIAL. I have a pair with the Senator from Colorado [Mr. PHIPPS]. I am unable to get a transfer, and therefore withhold my vote.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Kentucky [Mr. ERNST] with the Senator from Kentucky [Mr. STANLEY];

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS];

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR]; and

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH].

The result was announced—yeas 17, nays 37, as follows:

YEAS—17.

Fletcher	King	Sheppard	Walsh, Mont.
Harris	McKellar	Simmons	Watson, Ga.
Heflin	Myers	Swanson	
Hitchcock	Overman	Underwood	
Jones, N. Mex.	Robinson	Walsh, Mass.	

NAYS—37.

Ball	Capper	Elkins	Kellogg
Borah	Colt	France	Kendrick
Brandegee	Cummins	Gooding	Keyes
Bursum	Curtis	Johnson	Ladd
Calder	Dillingham	Jones, Wash.	Lenroot
McCormick	Nelson	Spencer	Weller
McCumber	Newberry	Sutherland	Willis
McLean	Page	Townsend	
McNary	Shortridge	Wadsworth	
Moses	Smoot	Watson, Ind.	

NOT VOTING—42.

Ashurst	Frelinghuysen	Norbeck	Reed
Broussard	Gerry	Norris	Shields
Cameron	Glass	Oddie	Smith
Caraway	Hale	Owen	Stanfield
Crow	Harreld	Pepper	Stanley
Culberson	Harrison	Phipps	Sterling
Dial	La Follette	Pittman	Trammell
du Pont	Lodge	Poindexter	Warren
Edge	McKinley	Pomerene	Williams
Ernst	New	Ransdell	
Fernald	Nicholson	Rawson	

So Mr. KING's amendment to the amendment of the committee was rejected.

Mr. HITCHCOCK. Mr. President, I should like to ask any one of the 37 Senators who voted against this amendment to attempt to explain to the Senate why he insists on putting a protective tariff on an article of which there are no importations.

It seems to me amazing that apparently Senators will vote here deliberately to promote trusts. Here is an article of which the United States is by all odds the greatest manufacturer. Here is an article of which there are no importations, practically speaking. Here is an article that we export to other countries. Here is an article that is on the free list, and has been on the free list for many years; and yet, in spite of being on the free list, no importations come from another country. To put it on the dutiable list, as is now proposed by the Senate, and charge a 10 per cent duty, can not possibly yield any revenue. All it can do is to give a license to the American manufacturers to unite and raise the price to the American consumer.

I think it is amazing that in a great bill of this sort no advocate of these schedules will even take the floor to defend them. Is the Republican Party without any defense? Is it a fact that Senators here have deliberately banded together to stand by each other's schedules without stating to the country why they cast these votes?

I challenge any Senator to deny the fact that a tax of 10 per cent on wood alcohol, as is now proposed, can have any other possible effect than to erect a barrier against any possible importation in order to permit the existing manufacturers in this country to combine and raise the price to the American consumers. No answer can be made to that assertion. If this article has been on the free list since 1913 and no imports have come into the country during that time, nobody can explain why it is necessary now to put on a tariff for protective purposes, and no Senator can explain how any revenue for the benefit of the Government can be derived by a tariff of 10 per cent; and yet Senators sit here and vote for it in silence, just as the members of a city council vote for a gas franchise after a majority has been secured for it, and leave the opposition, in the interest of the people, to do the discussing.

I can not understand how a party dare impose an outrage of this sort upon the country without even attempting to explain it or apologize for it.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On page 3, line 17, it is proposed to strike out "15" and insert "10," so that if amended it will read:

Ethyl for nonbeverage purposes only, 10 cents per proof gallon.

Mr. MCCUMBER. Mr. President, I preferred to have a vote while there was an opportunity of having a vote on this matter rather than to discuss it just at that time.

It is true that very little wood alcohol is now being imported. The growth of the industry in Canada, as I am informed, is very rapid, and a large industry is being built up in that country. It may startle some of the Senators to know that the Canadian duty on wood alcohol coming from the United States to Canada is $3 on an imperial gallon, which means $2.40 on the American gallon. In other words, if we export a gallon of wood alcohol to Canada we pay $2.40. If Canada desires to export a gallon of wood alcohol to the United States she can export it for 10 cents. There is the difference in the matter of protection. I have no doubt but that the time is near at hand when the Canadian output, growing as it now is, I am informed, will be such that they will be able to put their wood alcohol in the United States and sell it in competition with the

American wood alcohol. They certainly have a pretty good leeway.

Mr. President, I want to make just one little statement with reference to the attitude of some of these metropolitan papers whose editorials are being read into the RECORD every day. I expect that they will continue during the entire discussion of this bill. I expect that Senators will be enabled to delay the bill for many weeks just by reading those articles. I call attention to the fact that we opened our session at 11 o'clock this morning. It is now 20 minutes to 5. We have been on an amendment for 5 hours and 40 minutes and we have just succeeded in passing over five lines of this bill.

That the time is taken in the discussion of other matters, everyone fully understands. Senators on the other side disclaim any purpose whatever to delay the consideration of this bill, and they speak earnestly of their desire to facilitate its progress. They remind me of the poem of Kipling's bear, as they look at us and speak to us like a man in the attitude of prayer, professing their innocence of any intention to filibuster.

One of the most able speakers in the United States to-day is my good friend the junior Senator from Utah [Mr. KING]. Even though he speaks eloquently of general theories of government, and although he may understand thoroughly the Haitian question and speak of San Domingo with a great deal of learning, I am unable to connect up any of those arguments with butyl alcohol, the subject that was under consideration. I know the ability of the junior Senator from Utah. I know that there is no Senator who can present an objection to a bill more succinctly and clearly than can the junior Senator from Utah, and I pay him the compliment of saying that he could present in five minutes anything that he has ever said on any one of these subjects in an hour. He has the ability to do it, and if he so desired he could do it, and make his points as clearly as he is making them to-day.

I have listened to the criticisms of some of these New York papers. It is said that they are Republican papers. It is said that they believe in the principles of protection. They say that this is a monstrous bill. That does not mean anything. What we want to know is whether or not we have laid a duty that is more than reasonable as a protective duty.

I assume that those papers supported the candidacy of both Senators from New York, both of them believe in protection. I think those Senators, one of whom is a member of the Committee on Finance, are just as honest, just as sincere, as the editor of any one of these papers, who I do say, and say candidly, represent the views of the importers.

If these papers think that this bill is unjust in any particular, then let them point it out, but not by calling it names. Let them take one of their industries in the State of New York, the glove industry, for instance, of Gloversville, of Johnstown, and of half a dozen more of those cities in the northern part of New York. Let them show to their Senators and to the country that the duty we have placed upon gloves is more than necessary to protect the glove industry of the State of New York.

If it is more than necessary, then let them be honest and straightforward, and present to us what they believe it costs to produce those gloves in the State of New York, and what it costs to produce them in a foreign country and lay them down in the city of New York. Let them point out wherein the duty is too heavy, and if they say that we can not produce them cheaply enough in this country, and that they are paying too high wages in Gloversville, then let them say what the wages should be. Let them be honest and say, "We want to cut down the laborer's wages in the manufacture of gloves in New York." If they think that the manufacturers' profits are too high, let them so state. Let them present the matter to us in such a form that we can, with pencil and paper figure out whether or not we have made any duty so high that it will amount to an embargo or afford more than reasonable protection. We can assure them that if they will establish that to the satisfaction of the Finance Committee, the committee will be more than glad to revise its duty upon any schedule. But it is the facts that we want and not the mere charges against the bill that it is monstrous.

I believe that we want to pay the American laborer reasonable wages and at the same time not produce an article that must be sold at so high a price that the American public can not purchase it. We are pledged to the policy of protection. If these papers do not believe in protection, let them come out and say so honestly. If they do believe in it, and think that we have made a duty too high, let them find out what it costs to manufacture it in the United States, and give the manufacturer an honest hearing, as the committee gave him, and give the importer an honest hearing, as the committee gave him, and then inform us wherein we have made any error. If it can be established that we have done so, we will be more than glad, I repeat, to correct the error.

Ah, Mr. President, we know what is back of this fusillade against this tariff bill. I exhibited a watch here the other day, gold-filled, 10-jeweled, and with two adjusted movements, I think, guaranteed for 20 years, the invoice price of which was 60 cents apiece. I doubt if one could buy that watch at any department store in the city of Washington for $20, and yet it is invoiced for 60 cents. I repeated to the Senate what had been presented before the committee as to razors, invoiced and purchased at 59 cents a dozen, and marked to sell in the United States for $3 apiece, or $36 a dozen.

Of course they do not want to divide any of that enormous profit. Of course we are committing an offense against them if we say, "If you buy an article in the foreign country for 5 cents and sell it for $3 in the United States, as against the American workman, you ought to pay a reasonable duty."

Mr. President, my voice can not reach all the people, neither can I present these facts every day as the papers can present their condemnation, but I shall from time to time present to the Senate the awful spread between the purchase price of some of these foreign articles and the price for which they are sold in these department stores, and it will show a profit not ten but fifty and a hundred and five hundred times as great as any of these excess profits which it is claimed will be made under the rates of this bill.

We lay a duty of 10 cents a gallon on alcohol, and they say they think the public is being robbed because of that rate. Mr. President, I want the American manufacturer to continue in business. I do not want him to make an unreasonable profit. I know that he is not making an unreasonable profit at this time. If he were, the mills would be in operation and not idle.

I recall that the same people who are inveighing against what they call excessive tariff rates, the same department stores, in 1920 raised the retail prices of their commodities 500 per cent in many instances. I know that carpets and rugs sold on the average in 1920 on the western coast for just five times the price of what the same article sold for in 1914.

I say to these great metropolitan papers, find out just what the American price ought to be, if you will, and present the facts. Find out, if you will, what it costs to produce the articles in this country, and what it costs to lay the same article down at our ports of entry, and then criticize us if we have made a mistake upon any one of these items. But this mere condemnation means nothing except the attempt to sow poison.

The Senator from North Carolina [Mr. SIMMONS] has prophesied the dire results which are going to follow to the Republican Party if we put this bill through. Ah, Mr. President, that may be startling, but it is not a hundredth part as startling as the results which would befall this country if you were to continue your own tariff bill for another year. Then the whole country would suffer. It might be well for us to so legislate that we would allow that condition to be brought about before we threw out the life line, but we are going right ahead trying to give you a protective tariff. We expect to put a protective tariff bill upon the statute books, and we will take the consequences.

Mr. HITCHCOCK. Mr. President, I am delighted that my remarks seem to have elicited a statement from the chairman of the committee in defense of the proposed tax of 10 cents a gallon on wood alcohol. Before I come to consider that defense, however, let me refer to his criticism of this side of the Chamber because we have insisted on some discussion of the schedules of this bill.

Does the Senator from North Dakota or any other member of the committee criticize the Senate for a reasonable discussion of this bill when, as a matter of fact, the committee had that bill in its possession from July, 1921, until April of this year? What excuse does the committee present to the country for holding that bill from the 22d day of last July until the 10th of April of this year? The time was not taken up in hearings. The hearings were comparatively short, as far as they have been published. The time was largely taken up in secret meetings of the majority of the committee, and if there is any delay in the passage of this bill it is due to the unprecedented length of time consumed by the committee in considering it, and when it is brought in here, filled with several thousand amendments, and an amendment is read to the Senate, instead of some member of the committee rising in his place and explaining to the Senate the reasons for the amendment, it is left to a vote without any explanation, and because Senators on this side of the

Chamber then undertake to discuss it and to prod the majority to give their reasons for the proposed amendment, we are charged with filibustering and an undue delay of this bill.

Mr. President, as I recall it, when the Payne-Aldrich bill was before the Senate some courageous Republicans then stood upon the floor challenging its outrageous schedules—Senator Dolliver, Senator Beveridge, and the senior Senator from Iowa [Mr. CUMMINS]. It was charged that they were delaying the bill, and it was necessary for them to defend themselves among their own colleagues for objecting to the extortionate schedules proposed. But they made the fight and they convinced the country that the Payne-Aldrich bill meant extortion, that it meant the promotion of trusts, that it meant an inordinate increase in the cost of living to the people, that it meant a virtual tax upon the consumers of the country for the benefit of comparatively few manufacturers.

I will say to the members of the committee that if there is no Republican who will stand up and make that sort of a fight against the present bill the fight will be made at least on this side of the Chamber, and it will be made until the finish, until the bill is passed. We have not any idea of defeating the bill. We know you have arranged to vote for it. We know you have a combination on your side of the Chamber to put it through. We know that you do not even consider the schedules. But we propose, by the fight made from this side of the Chamber, to demonstrate to the country in a campaign of education that the schedules are without warrant and that the tariff rates are without excuse even from the Republican standpoint of protection. They are designed only to promote a few industries, designed only to enrich them at the expense of the people, and their inevitable effect is going to be to increase the cost of living to the people of this country without bringing into the Treasury of the United States any more money than the present tariff law brings.

What excuse does the chairman of the Committee on Finance, in answer to my challenge, offer for this tariff rate of 10 cents per gallon upon wood alcohol? Does he cite any hearings before the committee?

Mr. BORAH. Mr. President——

Mr. HITCHCOCK. I yield to the Senator from Idaho.

Mr. BORAH. There are a number of Senators in the Senate who labor under the embarrassment of not having any facts. We are not members of the committee which framed the bill.

Mr. HITCHCOCK. We all labor under that embarrassment. The committee refuses to give any facts.

Mr. BORAH. But if the item upon which we have just voted is such as is described by the Senator from Nebraska, and there ought not to be any duty upon it at all, then why does not the Senator offer to put it upon the free list?

Mr. HITCHCOCK. That is impossible at this time. The Senator from Utah [Mr. KING] did the next best thing by proposing to substitute a tariff of 1 cent per gallon instead of 10 cents, announcing that he would move to put it on the free list when the proper time comes. At the present parliamentary stage it is not possible to do that.

Mr. KING. The Chair has ruled against that motion at this particular parliamentary stage. I made the motion with reference to another item, and if I could have done so I would have made it as to this one.

Mr. BORAH. The difficulty is with those of us who believe in protection and want reasonable rates, that we are compelled either to take the rate, whether it is satisfactory or not, or to take the proposition which is based upon the opposite theory of free trade. If the Senator can present a reasonable reduction in these rates he is going to get some votes; but we are not going to vote for free trade, and we are not going to vote for anything near free trade. We do not believe in that doctrine. We want reasonable protection based upon the principles of protection as they have always been advocated by the true friends of protection.

Mr. HITCHCOCK. I think the Senator has voted for free trade on many articles.

Mr. BORAH. Oh, no.

Mr. HITCHCOCK. I believe I can demonstrate to the Senator from Idaho that there is just as much reason why he should vote to put wood alcohol upon the free list as to put other articles upon the free list.

Mr. BORAH. As to the particular item, the Senator may be correct, and I may have voted for free trade upon that proposition; but I am speaking of the drafting of the bill generally. In getting through with these items there are a number on which I think the rates are too high, but it is the most difficult thing in the world for one to get all the facts in regard to it. We are not on the committee. We have not been upon the committee. It is practically impossible to get the facts and we have to take to some extent the conclusions of the committee.

Mr. HITCHCOCK. Let me state to the Senator from Idaho that if he will use his great ability upon the floor of the Senate to compel members of the Finance Committee, who had the bill in the nursery for nearly a year, to give a reason for the schedules they have imposed here he will confer a great benefit upon the country. If he will make the same sort of fight that was waged here by a few courageous Republican Senators, and I think he was among the number, while the Payne-Aldrich bill was before the Senate, he will accomplish a great good. While they did not prevent Congress from passing that iniquity, they at least so educated the country as to the facts that it resulted in a change in the majority membership of the Senate.

Mr. BORAH. Let me say another thing while I am in this controversy. I do not think there are any facts to be had upon which to base an intelligent tariff bill at this time. That is my opinion.

Mr. HITCHCOCK. The answer to that is that they should not pass a bill.

Mr. BORAH. I would vote unhesitatingly to postpone consideration of the bill and to take care of the situation, as far as I think it needs to be taken care of, by a simple addition to the emergency tariff law. I do not know where we could get any facts as to the cost of production abroad. I have not been advised of any such facts. I do not see how it is possible to secure them. The facts which would be available to-day would be utterly swept away to-morrow by the conditions throughout the world. So there are no facts upon which we can base an intelligent opinion as to the cost of production of these articles abroad. I do not believe it is possible to make a tariff law of permanent worth under such conditions.

Mr. HITCHCOCK. The Senator does not think for a moment that the Committee on Finance is attempting to do that? They deny that they are attempting to do that.

Mr. BORAH. The Committee on Finance, I have no doubt, have worked earnestly and sincerely in regard to this matter. But the facts do not exist; they are not available.

Mr. HITCHCOCK. It was a well-known Republican doctrine. It was a doctrine preached here upon the floor of the Senate by the Senator from Idaho himself, by the Senator from Iowa [Mr. CUMMINS], by former Senators Dolliver and Beveridge, and others who made the fight against the Payne-Aldrich bill. Then they stood for the Republican idea of having a tariff to compensate for the difference in the cost of manufacture abroad and in the United States. But they have abandoned that principle. What they want now is a tariff which will so restrict importations as to enable manufacturers in this country to maintain excessive prices, whether they are right or whether they are wrong, or to raise those prices to any point they please.

That is the policy of the Committee on Finance at the present time. It is not attempting to bring in a bill which will compensate for the difference in the cost of manufacture at home and abroad. There is no pretense of that. There is no Senator who will go out before the people and argue that that is the basis of the pending bill.

Mr. BORAH. I do not think the facts are available.

Mr. HITCHCOCK. I want to call attention of the Senate to this particular schedule of wood alcohol. The United States manufactures one-half of all the wood alcohol made in the world, and Canada and Europe manufacture the other half. That competition has been open all the time. Canada has exported wood alcohol to us before. We have, however, as is shown from the statements, the most firmly established wood-alcohol industry in the world. The tariff survey contains this statement:

> The United States possesses by far a larger and more firmly established wood-distillation industry than any other country. It is stated that European and Canadian production of wood-distillation products is about equal to the total output of this country.

Think of it. Here we are manufacturing one-half of all the wood alcohol used in all the nations in the world and it has been on the free list for years. There is $50,000,000 invested in the industry, and it has developed to a great extent, and the product is on the free list. There are no imports and there have not been any imports for years, and yet a tariff rate of 10 per cent is proposed to be levied on imports. Why?

It is to give a license to the concerns in this country to raise the price, and shortly after the proposed tariff rate has been established we will see, as we have seen in the steel industry, as the Senator from Wisconsin [Mr. LA FOLLETTE] showed to-day, the inevitable tendency to unite these industries in this country and to put exorbitant prices on the American people, and grow rich. The 10-cent tariff rate on wood alcohol can not

have any other result, whatever the purpose is, than to induce the American concerns to get together and enjoy monopoly free from any possible restriction.

Mr. BORAH. I understand the Senator, then, is in favor of free trade as to this item?

Mr. HITCHCOCK. I am in favor of leaving it at least where it is until there is some danger of importations.

Mr. BORAH. On the free list?

Mr. HITCHCOCK. It is on the free list now, as it has been on the free list for years. There is not the slightest danger from imports. It seems to me one of the most brazen attempts to create a condition favorable to the nurturing of the trusts, and yet it was proposed to put that schedule through here without explanation. There has been no explanation offered before this time except that Canada, next door to us, might send some in. Canada has had the opportunity for years to send it in, but she has sent it to other markets of the world and has not attempted to enter this market to any extent.

I would like to see some courageous Republicans develop here, as were developed when the Payne-Aldrich bill was before the Senate, who would stand up and make a fight for the old style Republican protection based upon the difference in the cost of labor and production here and abroad.

Mr. BORAH. If we do that, will the Democrats vote with us?

Mr. HITCHCOCK. No; I do not believe in that.

Mr. BORAH. Then, there you are.

Mr. HITCHCOCK. But in order to be consistent with your Republicanism, as I am consistent with my Democracy, you ought to do it and not permit this headless and bastard character of Republicanism to be put upon the statute books. You ought to stand up and fight for the old style Republicanism which stood for a legitimate, definite tariff, based upon the difference in the cost of manufacture at home and abroad; but you admit that there is no difference in cost between the United States and abroad, or that you do not know what it is, and that you propose to raise these great schedules to exorbitant heights and simply give an opportunity for the developments of trusts in this country.

Mr. BORAH. I frankly confess that I do not know what the difference is in the cost at home and abroad, and I am in exactly the same boat as every other Senator in the Chamber, so far as being able to determine the question. There are no facts in regard to it. There are no facts presented, and there are no facts to present.

Mr. NELSON. Mr. President, I have noticed that a great many people who have not been able to get any liquor now drink wood alcohol. Will this duty repress the use of wood alcohol?

Mr. SMOOT. Mr. President, I am well aware that the Senator from Nebraska [Mr. HITCHCOCK] would like to see the Republicans on this side of the Chamber attack the tariff bill the same as Senator Dolliver did in 1909. Of course every one of the Democrats in this Chamber would be delighted if that would happen. That is what the Senator wants and that is what he is hoping for.

Mr. HITCHCOCK. I am wondering if the Republican Party is so decadent that it has not any live Republican in it.

Mr. SMOOT. Let me say right here that Senator Dolliver himself offered an amendment which carried the highest rate that was incorporated in the Payne-Aldrich law. The highest rate which that law carried was brought about through an amendment offered by Senator Dolliver, of Iowa. I am not going into a discussion of it at this time. I do not ask any Senator on this side of the Chamber to vote for any rate that is overprotective, but a fair protective rate under the conditions existing to-day.

I want to say that before this bill is disposed of we will recognize that there is a filibuster on here with reference to the chemical schedule. I will say to the Senator from Idaho that days and days, even weeks, have been spent here upon rates more than half of which did not contemplate a higher rate than 15 per cent ad valorem. A rate of 15 per cent is not what they are fighting. There is a filibuster on. I told the Senators on the other side of the Chamber the other day that if I were fighting the bill and was honest in the fight, I would take some of the rates which are high rates and fight them. Do Senators on the other side think that the American people are very much alarmed over a rate of 14 per cent ad valorem? Our attention was called to-day to a rate that was an increase of 1,100 per cent over the Payne-Aldrich law rate, and the inference was that that was what was taking place in rates on other items of the pending bill.

The commodity was one not known to commerce when the Payne-Aldrich bill was passed, nor was it known when the Underwood-Simmons law was enacted. What induced its production? It was a "war baby." The Committee on Finance have put a duty of about 12 per cent on it, and there is a howl now that the duty has been enormously increased. Under the Underwood tariff bill it would have had a duty imposed upon it of a quarter of a cent, and a similar duty would have been imposed under the Payne-Aldrich bill. For what? Not for protective purposes at all, for I repeat that it was not known at the time those bills were passed, but under a decision of the Treasury Department it would have fallen under that rate if it had been made at that time.

What is the rate of duty proposed on pure wood alcohol? The House passed the bill imposing a duty of 15 cents a gallon, but the Senate Finance Committee cut that duty of 15 cents a gallon to 10 cents a gallon. The price of pure wood alcohol to-day is 72 cents a gallon. A duty of 10 cents a gallon on wood alcohol at that price is 14 per cent ad valorem; and yet there is all this fuss made about it.

Mr. President, Canada, which produces wood alcohol, imposes a duty of $3.20 a gallon on it, and yet Canada is just as close and, indeed, closer to the center of consumption for wood alcohol than are the manufacturers of that article in this country. Canada has more wood than have we, and the article is made from the branches which are taken off the trees when the logs are hauled to the sawmill.

Mr. HITCHCOCK. Mr. President, can the Senator from Utah explain why Canada has a tariff on wood alcohol?

Mr. SMOOT. I am not trying to explain what Canada does.

Mr. HITCHCOCK. Is it not because she is afraid of the competition of the United States?

Mr. SMOOT. I do not know the reason why Canada has put a duty on wood alcohol.

Mr. HITCHCOCK. Is not the fact that she imposes such a tariff evidence that we do not need one?

Mr. SMOOT. No; that is no evidence whatever that we do not need one. I can point to 50 or 60 commodities on which Canada has placed a duty confronting goods shipped from the United States into Canada but as to which she has free access to the American market. Can the Senator from Nebraska tell me why, on harness, for instance, Canada places a duty, and that if we undertake to send any harness into Canada our manufacturers upon this side are met with a duty of, I think, about 35 per cent? Canada wants the entire American market open to her and her market closed to America.

Mr. BORAH. I should not think Canada would treat us in that way in view of our relationship with Great Britain.

Mr. SMOOT. If the Senator from Idaho will take the time to read the pending bill he will find, I think, at least 10 or 15 items as to which we have inserted a proviso to the effect that in case a foreign country imposes a higher rate of duty upon the items named than the duty which the United States imposes upon goods coming to the United States, then the higher duty shall apply to the goods coming to this country from such country.

Mr. SIMMONS. Mr. President, if the Senator from Utah will pardon me, I should like to say to the Senator from Idaho [Mr. BORAH] that we have put a prohibitive duty upon nearly all of the things which Canada exports to this country, and it is but natural that she should retaliate.

Mr. SMOOT. If the Senator from North Carolina will examine the Canadian tariff act and compare it with our tariff legislation he will not make that statement.

Mr. BORAH. I am not so much concerned about that tariff now, but I am afraid we are going to have trouble with our British friends.

Mr. SMOOT. No; I do not think so, Mr. President.

Mr. BORAH. I hope not. I should be very much disturbed to think so.

Mr. SMOOT. I do not think so. The Senator from North Carolina [Mr. SIMMONS] rose in his seat to-day and read editorials from metropolitan newspapers. Let the metropolitan newspapers answer the challenge which was made to them to-day by the chairman of the Finance Committee [Mr. McCUMBER]. If they should, I predict now that they would start to attack, as they did attack in the first place, the duties that are placed upon farm products. The Senator from North Carolina does not rise in his seat when the New York papers and other metropolitan papers complain bitterly of the imposition of duties upon farm products. Why? Because he will vote for them.

Mr. SIMMONS. Mr. President, in view of my statement to the Senator from Utah the other day, he should not now make the statement which he has just made. I told the Senator the other day when he asserted that I would vote for the high rates which the bill carries on agricultural products that I would no sooner vote for an excessive duty upon an agricultural

product than I would vote for the imposition of an excessive duty upon a manufactured product; and if there were any duty on an agricultural product that was excessive or which would violate the principles of my party—not his party—that I would not vote for it. The Senator from Utah, therefore, has no right to make the assertion which he has just made.

Mr. SMOOT. We shall see how the Senator from North Carolina will vote.

Mr. SIMMONS. Oh, the Senator from Utah said the same thing the other day.

Mr. SMOOT. I have not any more doubt how the Senator will vote when the question arises than I have that I stand here upon the floor. The Senator is now bitterly complaining of the rate of 12 per cent ad valorem on a manufactured product, one which is made in Canada, and with the advantage which her producers have over the producers of wood alcohol in this country; but wait and see, Senators, when there are duties higher than 12 per cent proposed to be placed on farm products how the Senator from North Carolina will then vote. The Senator from North Carolina also referred to bricks, and made the statement that common bricks that enter into the construction of buildings in this country have advanced about $10 a thousand.

Mr. SIMMONS. Mr. President, I myself made no statement about bricks at all. I read a statement——

Mr. SMOOT. Yes.

Mr. SIMMONS. From a metropolitan paper of New York to the effect that it had been ascertained by a commission appointed to investigate the matter, that bricks are selling at $24 a thousand, when they can be manufactured for $11 a thousand. I myself did not make that statement.

Mr. SMOOT. But what did the Senator read the statement for? What idea did he have in his mind when he presented it to the Senate? It was so pleasing to him that he would not have it printed in the RECORD without reading, and he wanted to read it himself; and how he read it and what emphasis he placed upon it! Oh, if the American people could only have heard and followed the Senator they would have thought in their heart that he approved of every word that was written in that editorial. Now, what is the rate of duty on bricks? It is 10 per cent. Has that duty anything to do with the price of the commodity as set forth in the article which he read?

Mr. HITCHCOCK. Mr. President, I should like to ask the Senator if there is any tariff proposed on gold bricks? We are handing the farmers a great many such bricks in the agricultural tariff bill, and we ought to put a duty on gold bricks.

Mr. SMOOT. I have heard the Senator from Nebraska talk about gold bricks here every time the question of a duty upon farm products has been mentioned in this Chamber, but I do not know of anybody, Mr. President, who would draw dividends upon gold bricks sooner than would the Senator from Nebraska. He expects to draw dividends from the gold bricks he seems to think appear in the pending bill. I doubt whether he will do so.

Mr. HITCHCOCK. I will say to the Senator that it will not be the first time that I have been disappointed; I have lived on disappointment all my life.

Mr. SMOOT. We all have, I presume.

Mr. CUMMINS. Mr. President, the Senator from Utah probably forgets that the Senator from Nebraska has a newspaper from which he can draw his dividends. I do not say, however, that it is a gold brick.

Mr. SMOOT. I have heard that it is a very profitable investment, and I congratulate the Senator.

Mr. HITCHCOCK. It could only be profitable by the support of a large Republican constituency which does not like the way the Republican Party in the East is being operated.

Mr. SMOOT. Then the Senator ought to be thankful for that, if that is the case; but I want to say that the Republicans are open-minded enough to read Democratic papers. I never knew before in my life that a Democrat could only read a Democratic paper and a Republican could only read a Republican paper. That may be the case with the Democrats, but I assure Senators upon the other side that it is not the case with Republicans. I do not think that there has been a time since I began to read newspapers when I have not subscribed to a Democratic newspaper, and that very fact has made me a Republican.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. SMOOT. Yes; I yield.

Mr. ROBINSON. The Senator by his assertion that he never knew before that a Democrat could not read a Republican newspaper has invited the assertion that many Republicans do not read any newspapers.

Mr. SMOOT. That may be the case; but I want to say to the Senator from Arkansas that, so far as ability to read newspapers is concerned, he ought not to refer to such a thing in view of conditions in the South.

Mr. HEFLIN. The Senator from Arkansas probably had reference to some of the members of the Republican Party down there.

Mr. SMOOT. I think the Senator takes it for granted then that Democrats are not expected to read newspapers.

Mr. ROBINSON. They do not read the Wall Street Journal.

Mr. SMOOT. I do not read the Wall Street Journal and I never mention the word Wall Street in the Senate, because the Senator from Alabama [Mr. HEFLIN] has an absolute monopoly on that word. Nobody ought to mention Wall Street in this Chamber in the presence of the Senator from Alabama.

Mr. HEFLIN. The Senator from Arkansas ought not to have mentioned Wall Street in the presence of the Senator from Utah. The Senator from Utah is all "fussed up" and excited now. Wall Street is a touchy subject with him.

Mr. SMOOT. The Senator from Utah is not "fussed up" in the least.

Mr. BORAH. What about wood alcohol, Mr. President?

Mr. WATSON of Georgia. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Georgia?

Mr. SMOOT. I yield.

Mr. WATSON of Georgia. It is only fair that the Senator from Utah should be given the facts as to the southern situation.

Mr. SMOOT. The Senator need not even take the time to make that suggestion. The Senator from Utah would never have thought of referring to it if it had not been for the Senator from Arkansas, and this is the first time in my life that I ever have referred to the educational situation in the South.

Mr. McCUMBER. Mr. President, I inquire what is the pending amendment?

Mr. SMOOT. Just a moment.

Mr. WATSON of Georgia. If the Senator will allow me, it is the colored Republicans in Georgia who can not read.

Mr. SMOOT. Mr. President, I only take the statistics as to literacy. I do not want to go any further into the matter, I will say to the Senator from Georgia, and if I were the Senator from Georgia I would not even invite it.

Mr. President, the act of 1913 imposed a duty of $2.60 per proof gallon on alcohol. What was that for? Of course, Senators on the other side can take a little item like the one now under consideration and talk about it and make all manner of assertions as to it; but I wish to say that if the conditions in this country were the same as the conditions in Canada, and if the markets were of equal accessibility, there would not be any need of 10 cents a gallon on wood alcohol. They are not equal, however, and if anyone has any idea that there is going to be any political gain to the party that criticizes a duty of 12 per cent ad valorem on a manufactured article, I think he will be woefully disappointed.

Mr. JONES of New Mexico. Mr. President, if anyone in the Chamber is to be singled out as a filibusterer, I suppose I am subject to that criticism as much as anyone else. During the discussion of this bill I have consumed a good deal of time. I had just about reached the conclusion that my efforts and the time I had spent would be of no avail; but if I ever doubted a republican form of government—a government by the people—that doubt has been removed by what has occurred here this afternoon.

During the discussion of this bill I have endeavored to point out the enormities which it contains. I have tried to discuss the terms of this bill as honestly and sincerely as I could, in the hope that Senators on the other side of the Chamber would realize what they were doing. I did not believe that they did. This discussion has at least resulted in this: The attention of the country is now being brought to this bill; the press of the country is studying this bill, and the result of that study is that Republicans are complaining against the bill and characterizing it in terms equally as expressive as any that I have been able to utter on this floor. My hope is that the words that came to us from the Senator from Idaho [Mr. BORAH] will make an impression upon this Chamber. No man yet has sized up the situation more clearly than it has been expressed by the distinguished Senator from Idaho.

From the first day of this discussion I have tried to find out the basis of this bill. It is at last becoming manifest; and I want to say to you good Republicans who have believed in the doctrine of protection for the purpose of building up this country that this bill is not founded upon any principle which you have ever advocated in the past. To me it is no wonder that the great metropolitan Republican papers are proclaiming against this measure.

This is not a Republican measure such as I have heard about in the past. The Senator from Idaho was quite right when he

told us that you could not ascertain the difference between the cost of production at home and abroad at this time.

He is eminently correct. I have made that statement on the floor I do not know how many times. I realized that coming from me it might have little effect upon the other side of the Chamber; and I want to say to you Senators—and I know you love your country—that this is a deviation from every principle for which you have stood in the past.

Those who framed this bill did not seek to ascertain the difference in the cost of production at home and abroad. We are told that that can not be done. We are told in the next breath that all they have sought to do is to ascertain the difference in prices.

Bear in mind that statement, and consider what it means—a difference in prices, not to protect the difference in the cost of production, but to protect the existing prices and whatever price the producer of the country may see fit to fix. That means nothing more nor less than that this bill is framed for the purpose of creating monopolies in this country. If you raise your duties high enough to protect these prices, it necessarily follows that the man who has the commodity for sale can absolutely control the American market.

It means that if you put your tariff duties up to what he says is a proper price now—and he is not at all modest, judging from the testimony presented to the committee, in saying what his profit should be—when you do that, there is no reason on earth why the American producer or the American seller for a short time can not reduce his prices a little, drive the foreign competitor entirely out of the American market, destroy his business arrangements, destroy his sales agencies, and leave to the American vendor the absolute monopoly of the American market.

I appeal to you Republicans here: Are you willing to stand for a tariff bill framed upon any such basis as that? The distinguished Senator from North Dakota this afternoon, in inveighing against these metropolitan Republican papers for criticizing this bill, invited them, if they had any proof, to bring it on.

Time and again I have asserted that he who proposes to levy a tax upon the consumers of his country ought first to assume the burden of proof; that he should be able to state the fact; but in a confession either of incompetency or of weakness in the framing of this bill, the distinguished chairman of the committee calls upon these papers to prove that this bill ought not to be passed; that these duties are too high.

I again assert that no man or set of men has any right to levy tribute upon the consumers of this great country unless he knows why it is done. It is for him to make out a case. It is not for us on this side of the Chamber to assume any such burden. No paper which through any examination reaches the idea that this bill is an enormity is called upon for proof. The burden is here, and nobody has a right quietly and complacently and serenely to impose these enormous burdens upon the American people without knowing what he is doing.

In an endeavor to demonstrate that I have labored during the days that we have been discussing this bill. I think now I have seen evidence of some fruition. I do not intend to engage in any filibuster. I never have done it in my life, and I do not intend to begin now; but if by this discussion we can bring the Senator from North Dakota to realize what he is doing, if we can bring the Senator from Utah to realize what he is doing—I am not at all misled by what I have said; I realize that I can not do it—if we can keep presenting facts here from day to day, if we can keep discussing this situation and let the Republican papers of the country take up the cause, then we will get under the hides of these Senators, of which we have had evidence here this afternoon.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. JONES of New Mexico. I gladly yield.

Mr. LENROOT. May I ask the Senator if it is the purpose of Senators on his side of the aisle to proceed throughout the consideration of the bill as they have proceeded thus far upon the bill?

Mr. JONES of New Mexico. Mr. President, I can state very frankly to the Senator that we do not expect to consume anything like as much time on the remaining items of the bill as we have consumed thus far in proportion to the number, and I will state very frankly to the Senator why. In the discussion of these items we have been trying to develop just what we have been talking about now. When the very first item in the bill was taken up, the Senator from North Dakota, the chairman of the Committee on Finance, when I asked him why they put that rate upon acetic acid, said, "For the same reason that the other items in the bill were given the rates which we have placed on them," and that the same principle permeated the bill. I do not use his exact language, but that is the substance of what he said. Upon that statement from him I tried to develop what the reason was which permeated the bill, and I have been trying ever since to find that out, and the statements have varied from day to day. They accepted the good old Republican doctrine that these rates should be levied in order to equalize the difference in the cost of production at home and abroad. When I asked them for the evidence they had on which these rates were based, they admitted that they did not have any evidence, that it could not be had.

In various cases I have tried to find out how they ascertained the rate on the particular item. At one time we were told that they took the prices at which the commodities were sold in this country and the prices at which they were sold abroad. Then I commenced trying to find out the dates of the prices which they took, and sometimes they would have one date and sometimes another. The last time any date was referred to the Senator from North Dakota stated that they took the prices which prevailed prior to the war. At other times they tried to get prices as nearly current as possible.

They took prices which prevailed prior to the war. Is it possible that this country has not moved since before the war? Is it possible that any Member of this great body has been asleep during the last few years and has failed to realize what has transpired in an economic way throughout the world? The picture has changed. You can not longer follow the old landmarks and have your country economically prosperous.

When you talk about fixing tariff rates based upon mere prices in a pre-war period you admit that you are out of touch, out of tune, with present-day conditions, and being so, and having that frame of mind, are you qualified, in all earnestness I ask, to levy taxes? These rates are increased, not by 10 per cent or 15 per cent, but in many cases more than a hundred per cent, and in some cases more than a thousand per cent. Awhile ago the Senator from Utah tried to minimize a small increase of taxes. If that small increase of taxes is levied to enable some concern to take the money out of the pockets of the people of this country, I do not care how small it is, it should be condemned. The most contemptible creature on earth is the man who commits petty larceny. I have heard some Senators here, especially the distinguished Senator from Utah, talk about some concern robbing the people. He himself called it robbery. I have more respect for the man who is entitled to be called a robber than I have for the petty thief.

Senators talk to me and talk to the people of this country about the small things, stating that they are not taking much away from them, and try to justify this bill because they are taking only a little here and a little there. Has it come to that, that we are going to justify petty larceny and justify becoming a small thief?

Mr. President, this great power of taxation which the American people have placed in this body ought to be considered a sacred trust. We are expected, as trustees of the people, to do these things conscientiously and in the interest of our country. We are not here to minimize the effect of what we do, but it is for us to face this situation as it is and feel that we are sacredly responsible to the great masses of the people who are trusting us.

Mr. President, on the next item I want to say just a word. The next item is in regard to industrial alcohol. It is true that the Senate committee amendment reduces the rate provided by the bill as it came from the House. The House put it at 15 cents per gallon. The Senate committee makes it 10 cents per gallon. I do not think there is any reason which can be given for such a duty as that. In fact, there should be no duty at all.

I want to read the figures as to the domestic production, the imports, and the domestic exports of that commodity. In the year 1910 we produced in this country 68,000,000 gallons. We imported 16,000 gallons. We exported 231,000 gallons. I am giving just the round figures.

In 1911 we produced 68,000,000 gallons; we imported 39,000 gallons, and we exported 35,000.

In 1912 we produced 73,000,000 gallons; we imported 42,000, and we exported 25,000.

In 1913 the production was 78,000,000 gallons, the imports 44,000, and the exports 151,000.

In 1914 the production was 78,000,000 gallons, the imports 41,000, and the exports 187,000.

I will skip the war period and begin with the year 1919, when the production was 98,000,000 gallons, the imports none, and the exports 20,000,000.

In 1920 the production was 98,000,000 gallons, the imports 17 gallons, and the exports 25,000,000 gallons.

For the first six months of 1921 we exported nearly 4,000,000 gallons. We have not the figures of the production for that year.

I could give a good deal more information upon the subject, but apparently the giving of information does not seem to impress it upon Members of the Senate. Therefore, in the absence of authority to move to put this item on the free list, I move to substitute for the figure "10" the figure "1," so that the duty shall be 1 cent per gallon, instead of 10 cents, as proposed by the Finance Committee, and 15 cents, as proposed by the bill as it came from the House.

Mr. SMOOT. Mr. President, I wish Senators were in the Chamber, because I notice there is not a spasm of revolt on the other side as to this item, as there was in regard to the item just passed.

I want to call the attention of the Senate to the fact that the Underwood tariff law rate on this item is 5,200 per cent increase over the rate which we imposed. Remember that, 5,200 per cent increase. Now, the Senator from New Mexico moves to strike out 10 and increase it to 1, which would be ten times more. In other words, he wants an increase of 52,000 per cent. That is all.

The Senator real a long list of importations and productions of ethyl alcohol. Why did they not have any importations? It was because the Democratic Party built up this great Alcohol Trust in the United States by putting a tariff of $5.20 per gallon on it. But now what a change of heart! They only want 1 cent now. Why? That is in order to criticize the 10-cent rates which we propose to put upon it instead of the $5.20 rate applied under the Underwood law.

Mr. President, I am ready to vote.

Mr. JONES of New Mexico. I merely wish to say, in answer to what the Senator from Utah has said, that my motion indicates that at least Senators on this side of the aisle are willing to deal with present conditions, that conditions have changed, and that is evidenced by the fact that the Finance Committee reduced this rate of duty from $5.60 per gallon to 10 cents per gallon. I am calling attention to the fact also that the importations of ethyl alcohol are prohibited.

Mr. SMOOT. Only for beverage purposes, and the Senator knows that.

Mr. JONES of New Mexico. I understand that, and that is what this is for.

Mr. SMOOT. There is alcohol used in all the industries of the United States——

Mr. JONES of New Mexico. We levy a tax on it for medicinal purposes after it gets in.

Mr. SMOOT. The Senator now says that conditions have changed. Have they not changed as to butyl alcohol? There is no butyl alcohol made in the world for commercial purposes. All that was made was in laboratories for laboratory use, but we were to be criticized for an 1,100 per cent increase there, yet here the Senator from New Mexico is talking about an item which carries a rate in the present law 5,200 per cent more than the rate we propose.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from New Mexico [Mr. JONES] to the committee amendment.

Mr. JONES of New Mexico. I ask for the yeas and nays.

The yeas and nays were ordered, and the principal legislative clerk proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "nay."

Mr. DIAL (when his name was called). Making the same announcement as before with reference to my pair and my inability to obtain a transfer, I withhold my vote.

Mr. McKINLEY (when his name was called). Making the same announcement as before, I vote "nay."

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. In his absence I withhold my vote.

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. McKELLAR. Making the same announcement as before as to my pair and its transfer, I vote "yea."

Mr. DILLINGHAM. Making the same announcement as on the previous vote with reference to my pair and its transfer, I vote "nay."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH];

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS];

The Senator from Massachusetts [Mr. LODGE] with the Senator from Alabama [Mr. UNDERWOOD]; and

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH].

The result was announced—yeas 12, nays 39, as follows:

YEAS—12.

Ashurst	Harrison	Jones, N. Mex.	Robinson
Fletcher	Heflin	King	Simmons
Harris	Hitchcock	McKellar	Swanson

NAYS—39.

Ball	Gooding	McKinley	Shortridge
Borah	Johnson	McLean	Smoot
Brandegee	Kellogg	McNary	Spencer
Bursum	Kendrick	Moses	Sutherland
Calder	Keyes	Newberry	Townsend
Colt	Ladd	Norbeck	Wadsworth
Curtis	La Follette	Oddie	Watson, Ind.
Dillingham	Lenroot	Page	Weller
Elkins	McCormick	Rawson	Willis
France	McCumber	Sheppard	

NOT VOTING—45.

Broussard	Frelinghuysen	Overman	Stanley
Cameron	Gerry	Owen	Sterling
Capper	Glass	Pepper	Trammell
Caraway	Hale	Phipps	Underwood
Crow	Harreld	Pittman	Walsh, Mass.
Culberson	Jones, Wash.	Poindexter	Walsh, Mont.
Cummins	Lodge	Pomerene	Warren
Dial	Myers	Ransdell	Watson, Ga.
du Pont	Nelson	Reed	Williams
Edge	New	Shields	
Ernst	Nicholson	Smith	
Fernald	Norris	Stanfield	

So the amendment of Mr. JONES of New Mexico to the committee amendment was rejected.

Mr. SIMMONS. Mr. President, with reference to the suggestion made by the Senator from Utah [Mr. SMOOT] to the effect that there is now a duty upon this product, ethyl alcohol, as the present bill deals with it, of $5.20 a gallon, the Senator failed to differentiate properly.

Mr. SMOOT. Oh, no; I have not.

Mr. SIMMONS. Well, just let me explain. The section of the Underwood bill to which the Senator refers is section 237. That is Schedule 8 and is entitled "Spirits, wines, and other beverages," and it reads:

Brandy and other spirits, manufactured or distilled from grain and other materials, not specifically provided for in this section, $2.60 per proof gallon.

That was dealing with this subject just exactly as it deals with brandy and liquors of all kinds, to carry out the spirit of our law. It was in pursuance of our internal-revenue taxes upon spirits.

I understand the chemist says that the department has so construed this brief section, "brandy and other spirits manufactured or distilled from grain and other materials," as including ethyl alcohol. If so, then it was ethyl alcohol as an intoxicant, as compared with brandy and other spirits manufactured or distilled from grains and other materials not specifically provided for, and to carry out the intention of the revenue law with reference to the duties imposed upon spirituous liquor.

Mr. SMOOT. The revenue law imposes a tax upon this very item in addition to what the tariff law may impose, and I wish to assure the Senator that alcohol is a spirit distilled from grain and carried a rate of $5.20.

Mr. SIMMONS. I understand what the Senator says, and I am merely stating the fact that if ethyl alcohol comes under this provision of the tariff act of 1913 it is by the result of a departmental decision which I have never before heard anything about. I do not question that the department so decided, but when they rendered that decision they put this commodity upon a parity with brandy and other manufactured spirits. This provision of the Underwood law was merely for the object of carrying out the purposes of our internal-revenue laws with reference to the importation of intoxicants.

Mr. SMOOT. No; the Senator is wrong there.

Mr. SIMMONS. Just let me read the schedule in which the Senator says this is included:

SCHEDULE H. SPIRITS, WINES, AND OTHER BEVERAGES.

237. Brandy and other spirits manufactured or distilled—

Mr. SMOOT. "From grain."

Mr SIMMONS. Yes—

from grain or other materials, $2.60 per proof gallon.

That was provided in order to put into effect against those intoxicants and spirits our internal-revenue taxes, and for

the purpose of preventing the importation of these spirituous liquors.

Mr. SMOOT. No; the Senator is wrong. Internal-revenue taxes are imposed outside of that; and that was a tax that was imposed upon ethyl alcohol. Ethyl alcohol is a spirit which is distilled from grain, and the rate was $5.20.

Mr. SIMMONS. I have made my explanation and the Senator from Utah has made his. Mr. President, the article with which we are now dealing is ethyl alcohol for nonbeverage purposes.

Mr. SMOOT. The law so requires. It could not be included here.

Mr. SIMMONS. If that commodity were imported into this country to-day as a spirit—as a liquor—of course, it would carry the high duties which are imposed in the Underwood law.

Mr. SMOOT. We can not impose a duty upon it so long as we have prohibition in the United States. Therefore the words "for nonbeverage purposes only" were inserted because we could not have done otherwise.

Mr. TOWNSEND AND OTHER SENATORS. Vote!

Mr. KING. Mr. President, if I may make an observation at this juncture, I desire to say that it seems to me that the point which the Senator from North Carolina [Mr. SIMMONS] has made is one which ought to be patent to everyone. The Senator is attempting to make the point, as I understand him—but I have only just come into the Chamber—that there ought to be in all fairness a different rate upon alcohol which is made from grain and is imported for beverage purposes, because it then has a higher value than when it is imported for industrial or mechanical purposes, in which case it has a lower value. We all concede that alcohol for beverage purposes has a higher value than alcohol for mechanical purposes; so that the Senator from North Carolina is right. He is attempting to justify a differential between alcohol which is used for industrial and mechanical purposes and alcohol which is used for beverage purposes.

Mr. SMOOT. Mr. President, when the Underwood bill was passed there was no difference at all. The duty was $5.20 a gallon, whether the alcohol was for beverage purposes or for mechanical purposes.

Mr. SIMMONS. But, Mr. President, the Senator from Utah loses sight of the fact that the language of the act was leveled at spirituous liquors, but the department afterwards held that ethyl alcohol, so the chemist says, was a spirituous liquor.

Mr. SMOOT. The department did not have to hold that. If the Senator from North Carolina knew what was intended by his bill he knew that the paragraph to which I referred covered ethyl alcohol, because ethyl alcohol is a spirit which is distilled from grain. The department did not have to so hold it, for it was the fact. The article could not have fallen anywhere else in the law, and it was not intended to fall anywhere else. Besides the $5.20 a gallon, the alcohol had also to pay the internal revenue duty. It pays the revenue to-day. Under the pending bill it will also pay the revenue duty besides paying the 10 cents a gallon proposed to be levied by the bill.

Mr. SIMMONS. Mr. President, in the act of 1909 and the act of 1913 there are very high duties upon spirituous liquors, but if those liquors are denaturized, so that they are not usable for beverage purposes, then of course a different situation is presented.

Mr. SMOOT. No; no difference is made at all. On ethyl alcohol, the result of distillation from grain, the rate applies whether it is in any way changed by being denatured or not. The Treasury Department have so held, and they could not have held otherwise under the wording of the law.

Mr. KING. Mr. President, if I may be pardoned for the observation, I think my distinguished colleague, the senior Senator from Utah [Mr. SMOOT], is not presenting this proposition with that absolute frankness which ought to characterize our consideration of this matter. Technically speaking, he is correct that the rate under the Underwood law for alcohol, as he has stated, was $2.60.

Mr. SMOOT. Per proof gallon.

Mr. KING. Yes; per proof gallon; but I do not care whether it be called proof or otherwise.

Mr. SMOOT. There is twice the difference, however.

Mr. KING. The point I am trying to make is this: It seems to me it is clear as a pipestem that there ought to be a difference in the rate of duty imposed upon alcohol when it has a higher intrinsic value because of its use or possible use for beverage purposes than when, because of the prohibition law, that use is denied and it must be subjected to what might be denominated an inferior use. If a given article has a certain value because it may be used for certain purposes and a less value because it may be used for a different purpose, and the law prohibits its use for the more valuable purpose, but it is still imported, though only for the less valuable purpose, then, in all conscience and in all justice, the lower rate of duty ought to be imposed upon it when it is imported for that less valuable purpose only. We can indulge in all the casuistry we please, but when he comes to applying the principles of justice—and they ought to have some application, although they do not, in tariff legislation—it would seem to me that we should at once confess that if it is less valuable because it may not be used for the more valuable purpose the rate of taxation ought to be lower. That is all there is to this question.

When grain alcohol could be imported for beverage purposes it had a high value. When it may not be imported for that purpose, but may be used for some other purpose, when its value is less, then it ought to carry a less rate; but our Republican friends in this bill, because of the interest of corporations whose names I have given—and doubtless they were given by my associates during my absence—because the great corporations that are engaged in the manufacture of these alcohols desire it we are imposing this high rate of duty, which swells their illicit gains.

Mr. SMOOT. Mr. President, I wish to say that if my colleague and the Senator from North Carolina will turn to paragraph 802 they will find that the Finance Committee recognized that difference and provided different rates. Of course, the Alcohol Trust, to which reference has been made, was built up under a rate of $5.20, as I have suggested heretofore.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The PRINCIPAL LEGISLATIVE CLERK. On page 7, line 11, after the word "forms," it is proposed to insert "including powders put in medicinal doses," so as to make the paragraph read:

PAR. 21. Chemicals, drugs, medicinal and similar substances, whether dutiable or free, when imported in capsules, pills, tablets, lozenges, troches, ampoules, jubes, or similar forms, including powders put up in medicinal doses, shall be dutiable at not less than 25 per cent ad valorem.

Mr. KING. May I inquire of the chairman of the committee whether he construes the words "including powders put up in medicinal doses" as embracing any drug or medicinal compound that is not included in the general terms of the paragraph?

Mr. McCUMBER. Those words are inserted there to make certain that they are included; that is all.

Mr. KING. Perhaps I did not make myself clear, if the Senator will pardon me. It was not for the purpose of importing into this section articles or commodities or compounds of a medicinal character, or what might be denominated drugs, that find a resting place under a lower schedule in some other part of the bill?

Mr. McCUMBER. If they do not fall under this paragraph, they would fall under another paragraph at the rate of 25 per cent ad valorem.

Mr. KING. That is what I am trying to get at. Will the Senator assure us that by transferring to this paragraph from some basket clause or from some other clause in this bill the items or commodities which may be included within the words which are italicized as an amendment a higher tax is not imposed?

Mr. McCUMBER. If the Senator will turn to paragraph 5, he will find that—

All chemical elements, all chemical salts and compounds, all medicinal preparations, and all combinations and mixtures of any of the foregoing, all the foregoing obtained naturally or artificially and not specially provided for, 25 per cent ad valorem.

In this instance a question might arise possibly whether a medicine put up in papers and folded would fall within the term "similar forms," and in order to make it certain that it would be included in the paragraph, whether in the form of a capsule or in the form of a dose which is prepared in folded paper, the amendment was proposed. But I want to say to the Senator that if it were not included, and if by any possibility it should be regarded as not falling within the paragraph, if we should leave it out here, it would fall in the basket clause and carry exactly the same rate.

Mr. KING. I think I know the purpose of it, as that purpose would be reflected in the mind of the Senator from North Dakota, but I want to watch, so far as I can, the amendments when they are not suggested directly by members of the committee, because I can easily perceive how an item which falls in some other schedule under, say, an ad valorem duty of 10 or 15 per cent, by these words might be imported into this sec-

tion or into some other paragraph and carry a higher rate of duty.

Mr. McCUMBER. That is a possibility, but it is not so intended.

Mr. KING. I know it is not so intended, but I want to be absolutely sure.

Mr. McCUMBER. Our experts have gone over it carefully, and we are sure that it can not happen.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

Mr. KING. Mr. President, may I inquire of the Senator if he is going to recur to the item of chalk?

Mr. McCUMBER. Why can we not dispose of paragraph 6, aluminum hydroxide or refined bauxite?

Mr. KING. I suppose we can.

Mr. SIMMONS. Mr. President, the controversy we have just had with reference to the basket clause becomes very interesting upon further investigation. I have been reading this bill. I find that section 802 of the present bill covers the very paragraph to which the Senator referred a little while ago in the Underwood law—paragraph 237. Let me read it, Mr. President. This shows conclusively that I was right in my statement a little while ago and that the Senator was wrong.

Here is what he has now as a substitute for the section of the Underwood law that he relied upon a little while ago:

Paragraph 802 of the present bill reads as follows:

Brandy and other spirits manufactured or distilled from grain or other materials, cordials, liqueurs, arrack, absinthe, kirschwasser, ratafia, and bitters of all kinds containing spirits, and compounds and preparations of which distilled spirits are the component material of chief value—

The word "part" in the House bill is changed to "material" in this bill—

and not specially provided for, $5 per proof gallon.

Instead of $2.60 per proof gallon in the Underwood bill.

Mr. SMOOT. If that is all the Senator wants to say—Oh, I thought the Senator was through.

Mr. SIMMONS. That is all I want to say.

Mr. SMOOT. Then, Mr. President——

Mr. SIMMONS. Just a minute.

Mr. SMOOT. The Senator's explanation does not explain.

Mr. SIMMONS. Here is the section of the Underwood law that the Senator read a little while ago and contended that it imposed a duty of $5 per proof gallon upon liquors, and that this section which we have acted upon with reference to liquors for nonbeverage purposes was to be construed as a substitute for that particular provision of the Underwood law.

The Underwood law says:

Brandy and other spirits manufactured or distilled from grain or other materials, and not specially provided for in this section, $2.60 per proof gallon.

This bill, as amended by the Senate, provides upon the very same things—brandy and other spirits manufactured or distilled from grain and other materials—$5 per proof gallon.

Mr. SMOOT. Mr. President, of course the Senator has not given any study to this matter, or else he would not have made that point. I know the Senator wants to be fair, and the Senator is not right.

Mr. SIMMONS. I am right, and the Senator from Utah is wrong; but that does not settle anything.

Mr. SMOOT. But the bill itself will settle it, Mr. President. This bill says, "material of chief value and not specially provided for"; but it is provided for here. In paragraph 4 ethyl alcohol is provided for, and therefore everything that I say is absolutely correct. Ethyl alcohol fell under paragraph 237 of the Underwood law, and ethyl alcohol was not provided for anywhere else in the Underwood law. The Senator ought to acknowledge now that he is wrong.

Mr. SIMMONS. That is exactly what I said—that in the imposition of the Underwood rates we were treating it as a brandy, as an intoxicant. In this bill you are treating it as a nonbeverage proposition, and when you treat it as an intoxicant you charge $5 a proof gallon.

Mr. SMOOT. Evidently the Senator does not want to know; but treating it, as I said, as a nonbeverage—and we could not treat it in any other way under the amendment to the Constitution and the prohibition law; that could not be done—notwithstanding that, Mr. President, there is not any question in the world but that the statement I made is correct.

Mr. McCUMBER. Mr. President, I do not think the Senate has yet passed upon my amendment to strike out the word "proof," on line 17 of paragraph 4, so that it will read "10 cents per gallon" and not "10 cents per proof gallon." It is generally understood that it was agreed to, but I do not think the record shows it.

Mr. KING. It was agreed to pro forma.

Mr. McCUMBER. I know it was.

The PRESIDING OFFICER. The Chair is advised that it has not been agreed to. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KING. Mr. President, may I ask the Senator if he is willing to take up the item of chalk now, and pass over for a moment the aluminum paragraph?

Mr. McCUMBER. The Senator asks if I am willing to take up the paragraph which includes bleaching powder, and so forth?

Mr. KING. May I inquire whether chalk is in the same paragraph as bleaching powder?

Mr. SMOOT. Yes; that is the same paragraph.

Mr. KING. No; it is not the same paragraph.

Mr. McCUMBER. We will take up chalk now, if the Senator wishes.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. In paragraph 18, page 6, line 21, after the words "dry, ground, bolted, or precipitated," it is proposed to strike out "15" and insert "35," so as to read:

Chalk or whiting or Paris white: Dry, ground, bolted, or precipitated, 35 per cent ad valorem.

Mr. McCUMBER. Mr. President, on behalf of the committee, I move to amend the committee amendment by striking out "35" and in lieu thereof inserting the figures "20," so that it will read "20 per cent ad valorem" instead of "35 per cent ad valorem."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Dakota, on behalf of the committee, to the committee amendment.

Mr. JONES of New Mexico. Mr. President, I want to make just a very short statement regarding the items in this paragraph. I do not believe that we are justified in imposing any duty on these items, and I do not believe there is any evidence before the Senate or that there was any evidence before the committee which would justify these duties.

I want to make just a short statement.

There is no natural chalk in the United States. The crude material is not here. It is on the free list. We are rather large exporters of manufactured chalk. The crude material itself is brought in here from England, a great deal of it, and from France, and we manufacture this chalk and export a considerable quantity of the manufactured chalk back to England and France, from whence we get the crude material. The Tariff Commission tells us about this. The consumption in the United States is about 200,000 tons annually, and this comes from England and France. The Tariff Commission tells us that the United States exports considerable quantities of manufactured chalk, primarily to England and Canada. It gives us the value of these exports of chalk. We do not need to fear anything in the way of competition. It is a very common material, and, unless there is some reason for it, I can not understand why we should impose a duty upon it.

So far as I know, there was only one witness who wanted this duty on chalk, and that was one man up in New Jersey, who wanted to manufacture the crude material out of lime, a new industry, and if he can get a tariff upon this item large enough to give him a profit, of course he would like to do it, so that he can manufacture it out of his lime business. He is a great producer of lime and he wants to purify some of his lime production to take the place of this natural crude chalk which is imported into this country.

I can not see any necessity for it. The crude material comes in here, and we are able to ship the manufactured product abroad to the very place from whence we get very much of this material. I do not believe the duty is justified. I do not want to delay this vote at all, but if the Senate is willing to accept this duty I want it done in full knowledge of the conditions. It simply enables the manufacturers of chalk in this country to monopolize the American market, and not only to monopolize it—because they are doing that now; the importations amount to nothing—but it enables them to raise the price to the consumers of the country just to get more profit, that is all. They can compete with the world. They import the raw material from England and manufacture it and ship back the manufactured product; and to put a duty on this material simply enables these people to charge that additional price. I have not the slightest doubt that they sell what they ship abroad for less than they sell the commodity for at home. At any rate, putting this duty here will enable them to do that.

With that statement, I have nothing further to say. I do not think it wise to offer an amendment. Apparently it would do no good.

Mr. McCUMBER. Mr. President, here is another case where we have fixed a rate of duty less than that carried by the Underwood law. The equivalent ad valorem rate of duty under the Underwood law ranged from 15.82 per cent ad valorem up to 34.30 per cent ad valorem. These rates were between 1913 and 1916. The rate that we are giving is 20 per cent ad valorem, which is considerably less than the average equivalent ad valorem under the present law.

Why do we give 20 per cent ad valorem? All of the crude material must come from England or France, from the chalk cliffs. The material is brought over here in the raw state. It is manufactured here. There is considerable of a loss in the manufacture and in the freight rates in bringing over the crude material instead of the finished product. I think it can all be summed up in a single sentence in the testimony that was given before the committee, and I will quote that:

> The foreign manufacturer has his factory adjoining the chalk quarry. There is not extra handling of raw material. His freight to the United States is on his finished product, whereas the American manufacturer, in importing crude chalk, pays freight upon the full weight, although 75 per cent only can be used, the remaining 25 per cent being flint, sand, and moisture, which are absolutely worthless.

Taking into consideration the difference in the cost and wages in the United States, taking into consideration the fact of this waste of 25 per cent of the material on which the freight is to be paid, to put the American manufacturer on a substantial equality on the finished product with the foreign manufacturer, the committee came to the conclusion that about 20 per cent ad valorem, which is about the equivalent of the present law, would be fair and just.

Mr. JONES of New Mexico. Mr. President, just a word further. The statement made by the Senator as to these facts is unquestionably true. Those conditions arise out of the very nature of the situation. Nevertheless, our manufacturing processes are such that we are able to import that crude material with the wastage of which the Senator has spoken; and, by the way, that wastage is not much. We are able to manufacture it and stand the wastage and the cost of transportation, and then export right back to the same country from which we got it.

Mr. McCUMBER. I think if we exported it back at any time there certainly must have been some unique circumstances. Of course, we can not always account for certain small exports between countries, and we often export a very small quantity to a country from which we are generally importing. That sometimes happens; but there are some particular circumstances which govern it. The fact still remains that under the present law there is an equivalent duty averaging about 20 per cent, and I am fearful that if we take away that percentge of difference, then the foreign product—which, by the way, is not coming in in any serious quantities at the present time, we will admit—might seriously menace the American business and the manufacture of chalk in the United States.

Mr. JONES of New Mexico. I am presenting my information from the report of the Tariff Commission, which says:

> The United States exports considerable quantities of manufactured chalk, principally to England and Canada.

That is what the Tariff Commission reports to us, and I do not see how the Senator arrives at 20 per cent as a basis for a duty. He says that that was about the average duty imposed in the Underwood law, but I do not think the Senator is willing to accept the Underwood law as a proper basis for levying duties. If he is, there is no necessity for passing this bill, because the Underwood law is already on the statute books, and I have not heretofore understood that the Senator felt that the Underwood law was a very sacred document.

Mr. McCUMBER. I do not think it is yet, Mr. President, but it seemed to have given sufficient protection, and therefore we did not raise the protective duty.

Mr. KING. Mr. President, this duty, as I understand this discussion and as I understand the subject, throws a light on the attitude of the Republicans in drafting this bill. It is not tariff for protection, and it is not tariff for revenue; it is tariff for prohibition. We may, as the Senator says, import; we might in the future have some imports. Who ever dreamed of drafting tariff schedules in anticipation of the possibility, exceedingly remote, of having some imports, particularly where we were exporting the product? Mr. President, it can not be defended in morals, and I say that without any offense to my friends, and it can not be defended upon any principle of the scientific consideration of tariff rates or of political economy. If I were a protectionist, a high protectionist, I could not defend the imposition of tariff rates where there was no competition, and where we were exporting.

My friends on the other side may complain about our discursiveness as much as they please; we shall reiterate it. It reveals the animus back of this bill, namely, a determination to give the domestic market absolutely to the domestic producer and to so intrench and buttress it behind these schedules as that there will be no possible foreign competition, and if prices here become tolerable, so that the people can live under them, it will only be because of the force of public opinion driving like an irresistible tide against the intrenched ramparts of the vested and the protected interests. It is a dangerous power, Mr. President, to commit to people who in the past have shown so little conscience in dealing with the interests of the people.

American business men are no better and no worse than American statesmen or business men anywhere. Whenever they get a chance to combine and to confederate and to raise prices they will do it, and your pleas for charity and for justice and for righteousness and for ethics do not seem to cut much figure when business men have unrestricted opportunity to fix their own prices. That is what you are doing, my friends, in this bill. I say without any passion and without any feeling that I warn you gentlemen on the other side that you are doing a great injustice to the American people. You are putting it into the hands of manufacturers of the United States to exploit and to rob and to oppress the American people. The Senator from North Dakota may object to my adjectives, but those adjectives fail to describe the evils that are bound up in this bill.

When we are exporting they say, "Let us put a tariff on." When there is no evidence as to the price of labor here or abroad, when the question of protection even is not involved, when a home industry is not involved, they say, "Let us put a tariff up, because there may be in the future some competition." Yet they do it with respect to articles as to which the world can not compete with us because of our inexhaustible supplies of the primary products.

What is the good of talking, however? My friend did me the compliment to say that I had made some observations which perhaps were worthy of some consideration, but that we had talked too long upon some of these items. He will discover that most of our protracted talk was the result of interrogations from the other side. When we confine ourselves to this bill, as we are trying to, Mr. President, it does not mean that we stand up and simply say, "That rate is wrong." We are going to show why it is wrong, and we are going to show the inevitable consequences of it and the inevitable results, and if it requires nouns, and verbs, and adjectives, and exclamations, and pronouns, and interjections, we are going to employ them all until this bill shall be properly labeled and characterized, and if the newspapers will be just and do the fair thing by the American people, they will report to them the infamies of this bill as they are pointed out upon the floor of the Senate.

Mr. McCUMBER. Mr. President, of course, when the rate under the Underwood law was 63 per cent ad valorem in a part of 1913, and 26 per cent in 1914, and 34 per cent in 1915, it was not iniquitous, and the people were not being robbed at all; but when the Republican committee reports in favor of reducing that to an ad valorem, which amounts to 20 per cent, all of a sudden it becomes iniquitous and a robber tariff, and the Senator from Utah is mourning because he has not a sufficient number of adjectives to apply to it.

Mr. KING. I hope the Senator will give me a few more, because if he will, I shall use them in describing this bill.

Mr. McCUMBER. I think we ought to put up on a blackboard all that the Senator uses, so that they would be always ready for quick reference if some of us forget them.

Mr. KING. I think the adjectives I have used are so truthful that some Senators do not like them; but that is not what I rose to say. If the Underwood law contained a rate which permitted an injustice, I would denounce it more quickly than I would a rate in a Republican tariff bill, because we ought to have known better, but I do not expect the Republicans to know better on this matter. I can conceive that conditions 10 or 15 years ago might have warranted the imposition of such rates for revenue purposes, but I do not think this could be justified for revenue purposes from what I have heard. Schedules ought to change because of changing conditions, as the Senator knows, and I do not see that rates fixed 8 or 10 years ago ought to be perpetuated forever. Changes occur which call for great changes in schedules in tariff bills.

Mr. McCUMBER. Mr. President, I do not think that the people, about whom the Senator speaks so much, have really found out that they have been robbed on chalk for the last 10 years.

The PRESIDING OFFICER (Mr. HARRELD in the chair). The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. McCUMBER] to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment of the committee was, on page 6, line 22, to insert the words "one-half of 1 cent per pound," so as to read:

Ground in oil (putty), one-half of 1 cent per pound.

Mr. McCUMBER. For the committee I wish to offer the following amendment. I move to strike out "one-half," in line 22, and to insert in lieu thereof "three-fourths," so that it will read, "ground in oil (putty), three-fourths of 1 cent per pound."

My reason for moving this amendment is that we have raised the duty upon flax and upon linseed oil, and that difference of one-fourth of 1 cent per pound just equals the extra duty that is levied upon the linseed oil that goes into the manufacture of the putty, and is purely a compensatory duty.

Mr. KING. Mr. President, may I inquire of the Senator from North Dakota how much of an increase it is over the rate fixed by the bill?

Mr. McCUMBER. I propose to change it from one-half to three-fourths. Putty was 25 per cent ad valorem on the American valuation plan, which was equivalent to about 1 cent per pound, and we have reduced, therefore, one-fourth of 1 cent per pound from the House rates.

Mr. JONES of New Mexico. But may I remind the Senator that the Underwood law carries a rate of 15 per cent and that seemed to be the criterion for the fixing of the previous item?

Mr. McCUMBER. I answered the question of the Senator from Utah, if I understood it, as to what change is made in the House rate, not in the present law.

Mr. JONES of New Mexico. I thought he referred to the present law.

Mr. McCUMBER. In the Underwood law there was not as high a rate of duty upon the linseed oil.

Mr. KING. May I inquire of the Senator what would be the ad valorem rate, converting the specific into ad valorem, if the amendment just tendered shall be adopted?

Mr. McCUMBER. Putty is worth about 10 cents per pound at the present time. That would be three-fourths of 1 cent, which would be less than 10 per cent ad valorem.

Mr. KING. May I inquire of the Senator the pre-war price?

Mr. McCUMBER. It averaged about 3 cents a pound.

Mr. KING. I had some quotations showing 2½ cents a pound. I want the RECORD to show that the pre-war price of this product was a maximum of 3 cents a pound, and I think it was lower. We are now giving a specific rate of three-fourths of 1 cent per pound, which would be approximately 30 per cent or more tariff upon a product in which we ought to be and are supreme in its manufacture, because we have all of the constituent parts here.

Mr. McCUMBER. If the Senator will allow me, he must remember that is based upon the foreign selling price, and in the foreign selling price there is no extra duty upon the linseed oil that goes into it. Of course, if he gives a duty on the linseed oil, as he must, he necessarily must give a compensatory duty upon the putty into which the linseed oil goes in making the product, and the linseed oil rate is 3½ cents per pound.

Mr. KING. Of course, the quantity of linseed oil employed in the production of putty does not constitute the major ingredient. I do not know exactly the ratio that linseed oil would bear to all the component parts of putty.

Mr. McCUMBER. I will give it to the Senator. There is 84 per cent of whiting, and that carries a rate, remember, of 20 per cent ad valorem.

Mr. KING. We are protesting against that.

Mr. McCUMBER. But we have just adopted that rate. There are 16 pounds of linseed oil. I said 84 per cent of whiting. One hundred pounds of putty will be made up of 84 pounds of whiting and 16 pounds of linseed oil, and the 16 pounds of linseed oil at 3½ cents a pound would be 56 cents.

Mr. KING. Per hundred pounds?

Mr. McCUMBER. That would be in a hundred pounds. Then there is the 11 cents duty, which is 20 per cent upon the whiting, that must be added to it. We will then get a compensatory rate of about three-fourths of 1 cent additional for the linseed oil, without figuring the cost of conversion at all, and the extra duty of 20 per cent upon the whiting.

Mr. KING. Mr. President, that reveals what I regard as a very imperfect, not to say unfair, method of framing a tariff law. They give a duty on one commodity, and that becomes the pretext for a tariff on another and a tariff on another and a tariff upon a fourth or fifth or sixth, and those fourth or fifth or sixth or dozen commodities are brought into amalgamation and form a seventh or eighth product, and that has to bear all of these accumulated burdens which are passed on to the ultimate consumer. We have just fixed a tariff rate of 20 per cent on whiting, which constitutes, as the Senator said, 84 per cent of the product of putty. Then we have an increased tariff on linseed oil, as the Senator said, and there is a good deal of justice in his contention.

Mr. McCUMBER. May I ask the Senator if he would abandon that method? Suppose we take wool. Wool is made into yarn. We give a duty upon the wool. If we give a duty upon the wool, we must give a compensatory duty upon the yarn, otherwise the wool would come in as yarn. Then if we give a duty upon yarn we must give a compensatory duty upon the cloth into which the yarn enters, otherwise the yarn would enter in the form of cloth. I can not see how we are going to abandon the practice of giving a compensatory duty wherever there is any duty upon what constitutes the manufactured raw product.

Mr. KING. I think, perhaps, generally speaking, the Senator is inaccurate in that statement; but the thing of which I complain is that we make a tentative rate and then that tentative rate becomes the basis of a rate upon some other products of which the first article forms a constituent part. Then the tentative rate is added, and that then attaches to the second commodity, and that rate is increased. The trouble is that we do not sufficiently take into consideration the fact that these various rates have pyramided and finally culminate in a very high duty or rate in the aggregate upon the product which finally reaches the consumer.

Mr. McCUMBER. That must necessarily follow. We can not escape that. The only way to escape it is to levy no duty on the raw material.

Mr. KING. No; I would not go that far, but I will say that where various commodities form constituent parts of some very important commodity, which in its finished state passes to the consumer, there ought to be the utmost care in laying the rate upon what might be denominated primary or intermediate commodities. We ought to keep in mind the fact that these various rates carried to the finished product so pyramid that product as to become a burden to the people.

We will always have a tariff system. We will always obtain some revenue from tariff duties. We will always have selfish men and corporations who will insist upon the utilization of the tariff scheme to impose higher rates than are needed for adequate protection, if we believe in protection, but as a basis for inordinate charges upon their products.

I come back to the item of putty. It goes into our building operations. We have a shortage of houses in the United States. Building operations have been materially interfered with because of the enormous prices.

I called attention yesterday to the fact that in New York building operations have been suspended in part. In Washington there is a dearth of buildings, and prices here to-day exceed pre-war prices more than 100 per cent, though some say it is 160 per cent. Extortion is practiced here, as elsewhere, in building operations. What does that mean? A tariff on putty, a tariff on panes of glass, a tariff upon doors, upon shingles, and upon everything else that goes into the houses—what does it mean? It means an interruption of building operations. It means that thousands of people will go without homes and become tenants in cramped quarters, living under insanitary and unhygienic conditions. We ought to try to make these rates reasonable, if we are going to have tariff rates at all, and not make them an impediment to building, to home acquisition, to the getting of clothes, and food, and those things necessary for the preservation of life and the preservation of the health of the people.

I protest against the policy which my good friend, the able Senator from North Dakota, has advocated in the laying of the rates as we find them in this bill.

Mr. JONES of New Mexico. Mr. President, I merely want to call attention to one clause in the report of the Tariff Commission, where it is said that "the imports of putty have been sporadic and negligible."

Mr. KING. Does the record show that putty is a product of any of the paint and varnish concerns, like Sherwin-Williams or any of the big corporations which have a good deal of a monopoly in these products?

Mr. McCUMBER. I will say, to the credit of those who make paint, that I hope it is not true that they put chalk in it.

Mr. KING. I do not mean to imply that; but one big corporation may manufacture putty and it may manufacture paint and varnish. Linseed oil, as the Senator knows, is employed in the manufacture of paints, varnishes, shellac, and so on. So I imagine that putty is manufactured by some of the same organizations.

Mr. McCUMBER. It is such a very simple process that I imagine almost anyone could manufacture putty. Therefore it

would not be the exclusive product of any one company. All on earth there is to do is to mix some linseed oil with some chalk or whiting and you have putty.

Mr. KING. That is true, but I will say to the Senator——

Mr. McCUMBER. Anyone can make it.

Mr. KING. A great many now make their own putty. In my younger days I made it; but my information is that putty is made by some of these large establishments and shipped as they ship paint and other similar products in which they are interested.

Mr. McCUMBER. That is probably true.

The PRESIDING OFFICER. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McCUMBER. I send to the desk also another amendment which is a part of the same amendment. It is to strike out the word "or," which should not be in the paragraph.

The PRESIDING OFFICER. The amendment to the amendment proposed by the Senator from North Dakota to the committee amendment will be stated.

The READING CLERK. On page 6, line 22, it is proposed to strike out the word "or."

Mr. WILLIS. The word "or" does not occur in the print of the bill which I have before me.

Mr. McCUMBER. The word "or" was inadvertently dropped out in the printing, but in the original bill it does appear. As the original bill is the one on which the Senate acts, it will be necessary to make the amendment which I have suggested.

The PRESIDING OFFICER. The amendment proposed by the Senator from North Dakota will be stated.

The READING CLERK. On page 6, line 22, after the word "putty," it is proposed to strike out the word "or" and insert "three-fourths of 1 cent per pound."

Mr. JONES of New Mexico. That does not appear in the print of the bill which Senators have before them.

Mr. McCUMBER. But the printed bill as it passed the House of Representatives has the word "or" in it.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The next amendment of the Committee on Finance will be stated.

The next amendment of the Committee on Finance was, on page 7, line 1, before the words "per centum," to strike out the numeral "25" and to insert in lieu thereof the numeral "35," so as to read:

put up in the form of cubes, blocks, sticks, or disks, or otherwise, including tailors', billiard, red, and manufactures of chalk not specially provided for, 35 per cent ad valorem.

Mr. McCUMBER. I ask that the committee amendment may be rejected.

Mr. WILLIS. Mr. President, I desire to ask the Senator from North Dakota for an explanation of this amendment, in which I am interested.

I call attention to the fact, if I am not misinformed as to the matter—and the Senator from North Dakota will correct me if I am—that we have just increased the rate of the present law on chalk or whiting or Paris white from 15 per cent ad valorem to 20 per cent ad valorem; in other words, we have increased the tariff on the raw material. Now, if the amendment be disagreed to, as requested by the Senator from North Dakota, it would fix the tariff on the finished product at the rate which it bears now—that is 25 per cent.

I happen to know that in some places, at least in the State which I have the honor in part to represent, the industry is in a pretty serious condition. I think the compensatory duty for which the Senator seeks to provide in the amendment is not sufficient.

Mr. McCUMBER. But the Senator from Ohio must all the time remember that the House bill is based upon an American valuation, while the Senate committee amendments are all based upon the foreign valuation. Therefore, what may appear to be the same rate will produce an entirely different duty. The Finance Committee at one time suggested an amendment raising the rate from 25 per cent to 35 per cent, but on a reconsideration of the matter it was decided that would be too high a rate, but we allowed a compensatory duty. We have just now adopted a rate of duty which is 20 per cent ad valorem upon the chalk itself, and a compensatory duty of three-fourths of 1 cent instead of one-half of 1 cent a pound upon the putty. Now, when it is put in the form of cubes, blocks, sticks, or disks, or otherwise, including tailors', billiard, red, and manufactures of chalk not specially provided for, there is an additional cost; and the committee felt that in allowing a differential of the 5 per cent over the precipitated chalk, on which the duty is 20 per cent, we had given about the proper differential.

Mr. WILLIS. Mr. President, I do not desire to take any time on the matter, but I call the attention of the Senator from North Dakota to the fact that the House, in the bill as passed by that body, thought there should be a differential of 10 per cent, so it fixed the rate at 15 per cent on the raw material and 25 per cent on the manufactured product. As I recall, the act of 1909 also provided substantially the same differential. It seems to me that the differential provided of 5 per cent is scarcely sufficient. However, I do not desire to delay the consideration of the matter, and am willing that a vote shall be taken.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was rejected.

The PRESIDING OFFICER. The next amendment proposed by the Committee on Finance will be stated.

The next amendment reported by the Committee on Finance was, on page 7, paragraph 22, line 14, after the word "distilled," to strike out "and" and to insert "or," so as to read:

PAR. 22. Chemical elements, and chemical and medicinal compounds, preparations, mixtures, and salts, distilled or essential oils——

Mr. JONES of New Mexico. Mr. President, the Senator from North Dakota has agreed temporarily to pass over bleaching powder. I think we might as well dispose of that matter now, which is dealt with in paragraph 13.

Mr. McCUMBER. I, too, think so, Mr. President.

Mr. JONES of New Mexico. There is an increase of 100 per cent over the present duty; but——

Mr. McCUMBER. Let me say to the Senator that my attention has just been called to the fact that the Senator from New York [Mr. WADSWORTH] asked that that paragraph might be passed over if it was reached during his absence.

Mr. JONES of New Mexico. Very well.

Mr. McCUMBER. I therefore prefer that it now be passed over.

Mr. KING. Does the Senator from North Dakota desire to take up paragraph 6?

Mr. McCUMBER. Let us go back to paragraph 6.

Mr. KING. Let me say to the Senator from North Dakota that he had better send for Republican Senators, as I shall ask for a record vote on that amendment in a moment.

Mr. McCUMBER. I think if the Senator will ask for a record vote we shall give it to him, and it will develop that a quorum is present without having two roll calls.

Mr. KING. Very well.

Mr. McCUMBER. Let me call the Senator's attention to the fact that on ammonia alum the amendment providing a rate of three-fourths of 1 cent per pound was agreed to.

Mr. KING. I did not so understand.

Mr. McCUMBER. I think it was agreed to when the Senator was not giving his attention, and I am disposed, therefore, to ask unanimous consent that the vote by which the amendment was agreed to may be reconsidered, with the hope that we can vote on it again right away.

Mr. KING. I have no objection.

The PRESIDING OFFICER. Is there objection to reconsidering the vote by which the amendment was agreed to? The Chair hears none, and the vote is reconsidered. The amendment will be stated.

The READING CLERK. On page 4, line 4, after the word "alum," it is proposed to insert "three-fourths of."

Mr. KING. Mr. President, this item I regard as of considerable importance. Paragraph 6 provides in part that aluminum hydroxide or refined bauxite shall bear a rate of one-half of 1 cent per pound, and potassium aluminum sulphate, or potash alum, and ammonium aluminum sulphate, or ammonia alum, shall bear a rate of three-fourths of 1 cent a pound. I shall move in a moment, Mr. President, to amend the rate fixed in the bill.

Paragraph 6, as it relates to these two items, provides eo nomine for potash alum and ammonia alum at a rate of duty of three-fourths of 1 cent per pound. The Underwood bill provides for these two commodities under the generic and unqualified designation of alum at 15 per cent ad valorem. I hope Senators will bear that in mind. These two items are dealt with under a generic term and given a duty of 15 per cent ad valorem in the Underwood bill.

Frequently where we transfer from an ad valorem to a specific rate and the ad valorem rate is 15 or 25 per cent and the specific rate is three-fourths of a cent or 1 cent per pound on per ounce, or what not, to the superficial observer it bears the

appearance of a reduction, whereas it may be a tremendous advance, and that is the case here.

During the fiscal year ending June 30, 1914, only 152,808 pounds of potash alum were imported into the United States, and the unit price—and this is the important aspect of this case—was 1 cent per pound. It is apparent now what we are doing by this transfer from the ad valorem Underwood rate of 15 per cent to the specific rate of three-quarters of a cent per pound. In other words, we take an item that now bears a rate of 15 per cent and by an innocent transposition we give it a rate of 75 per cent, or an increase of 60 per cent over the rates provided by the Underwood law.

During the same fiscal year—and I hope Senators will keep this in mind—less than $100 worth of ammonia alum was imported into the country, and yet we are giving this enormous tariff rate against a product the importations of which are so small as to be infinitesimal. The specific rate in the Senate bill of three-quarters of 1 cent a pound on potash alum is, as I have stated, the equivalent of an ad valorem rate of 75 per cent, based on the pre-war import price of 1 cent per pound. Inasmuch as the present domestic wholesale selling price of ammonia alum is the same as the domestic wholesale price of potash alum, it is logical to assume that the pre-war import price of ammonia alum was the same as of potash alum, namely, 1 cent per pound. If that conclusion is correct, the Senate committee rate of three-quarters of a cent per pound on ammonia alum is equivalent to 75 per cent ad valorem, based on the pre-war import price of the commodity. Since these commodities are provided for in the Underwood law at 15 per cent ad valorem it is to be noted that the Senate committee rate of three-quarters of 1 cent per pound represents an increase of 400 per cent.

The domestic production of ammonia and potash alum for 1915, no statistics of production for 1914 being available, were 24,915 tons. The total imports of these alums for the year 1914 were 75 tons, constituting less than one-half of 1 per cent of the domestic production for the year 1915.

There are no specific statistics available showing the importations of these two alums other than for the fiscal year 1914. It is evident that the import and production statistics of these two commodities do not justify any increase over the Underwood rate of duty, but they indicate that domestic manufacturers have a monopoly of the domestic market for these two commodities. Potash alum and ammonia alum, therefore, should be placed on the free list. All other aluminum salts and compounds not specifically provided for in this tariff act are assessed at a rate of duty of 35 per cent ad valorem in the Senate bill. Inasmuch as this same basket clause in the Underwood bill carried a rate of 15 per cent ad valorem, it is noted that this is an increase of 133⅓ per cent.

From an examination of the Miscellaneous Series Publication No. 82, to which I have alluded heretofore, published by the Department of Commerce, under the title of "Chemicals and Allied Products Used in the United States," it will appear that the only aluminum compounds other than those specifically provided for in the tariff bill imported into this country during the fiscal year ended June 30, 1914, in commercial quantities were aluminum chloride, aluminum nitrate, aluminum palmitate, and aluminum silicate. The largest quantity of any of these aluminum compounds imported into the United States during that last pre-war fiscal year was 17,238 pounds. This represents the total importations of aluminum palmitate. Upon an examination of the list of 4,000 commodities which were imported into this country in individual quantities having a value of less than $100 each, and listed in the series publication which I have exhibited to the Senate upon a number of occasions, it will be discovered that 28 aluminum compounds which will be provided for in this paragraph at an increased rate of 133⅓ per cent are found, which in the Underwood bill carried the rate of 15 per cent.

In other words, Mr. President, by the transfer from that basket clause to another basket clause this enormous increase takes place. Just think of the fact that out of the aluminum compounds embraced within the subject under consideration, directly or indirectly, 28 of them were imported in 1914 to the extent of $100 or less for each of the 28, and yet we increase the rate of duty 133⅓ per cent!

It is therefore evident that this increase on all other aluminum compounds could serve no protective purpose, for there are only four aluminum compounds of any commercial importance which would be provided for in this basket clause. Furthermore, this increase could not be for revenue purposes, for some 28 of these aluminum compounds were imported for the fiscal year ending June 30, 1914, in the insignificant quantities to which I have heretofore alluded.

Mr. President, I do not know who asked for this increase. The House hearings, on page 111, show that the Merrimac Chemical Co. made some sort of a presentation. I can find no evidence anywhere in the hearings upon which these increases could be justified. The chemical company referred to is a manufacturer of dyes. I do not know, and therefore I shall not state, the extent of the alliance of this organization with the huge Allied Chemical Co. and the Du Pont Co.; but it is manifest that these huge corporations engaged in the production of these aluminum compounds are determined to extort, by this tariff bill, unjust prices from the people.

Upon examination of the Oil, Paint, and Drug Reporter, and from information that I have been able to obtain, I discover that the Monsanto Chemical Works, of St. Louis, Mo., are interested in the production of these commodities; likewise the Powers, Weightman & Rosengarten Co., of Philadelphia; E. I. du Pont de Nemours & Co. (Inc.); the Grasselli Chemical Co., of Cleveland, Ohio; the Pennsylvania Salt Manufacturing Co., of Philadelphia. The Oil, Paint, and Drug Reporter, the green book for buyers, gives the names of these concerns, and the information which I have been able to obtain ties the corporations to which I have just referred to these products. They are engaged in their manufacture.

There is no testimony justifying this duty, Mr. President. We are increasing the rates upon these products far beyond what any reasonable protective theory would warrant.

Mr. McCUMBER. Mr. President, I have to leave the Chamber in just a moment.

Mr. KING. I yield.

Mr. McCUMBER. May I call the Senator's attention to the fact that while he says that the pre-war price of these commodities on the foreign basis was about 1 cent per pound, and they are all put in together under the old law, he did not mention the fact that the present importing value is 3 cents, or three times that. Of course, three-fourths of a cent a pound on a 1-cent basis would be equivalent to a 75 per cent ad valorem duty; but if the Senator will look in the information given in the Summary of Tariff Information for 1921, he will find that practically 92 per cent of this product comes from England. The Senator knows that wages have gone up on a percentage basis even higher in England than in the United States, and in all probability we never shall go back to the 1 cent per pound which we had prior to the war.

The Senator will find that the present quotations in the United States range from 3½ to 4¼ cents per pound, while the import price of the nine months of 1921 was 3 cents per pound. Three-fourths of a cent per pound on a basis of 3 cents would give us 25 per cent ad valorem, which is a modest ad valorem rate; but on the basis of what they are selling for now on the American basis it would be an equivalent of 21 per cent ad valorem.

I do not think we shall go back again to the 1 cent per pound, taking into consideration the country from which we have had our imports, and the fact that the wages have so immensely increased, and that the cost of production has consequently increased in England. Therefore, if the Senator will also take into consideration the fact that while in 1919 we imported only 686,000 pounds, it jumped to nearly 3,000,000 pounds in 1920 and to 1,280,000 pounds in the first nine months of 1921——

Mr. KING. Mr. President, if the Senator will pardon me, the Senator is not now, as I understand, giving the importations of the two items which I am discussing. Is he not giving all aluminum compounds?

Mr. McCUMBER. It includes all, as all were included under the old law.

Mr. KING. The Senator is giving all of the aluminum compounds?

Mr. McCUMBER. I am giving all of the aluminum compounds. It does not seem to me that the Senator can claim, upon that basis, that three-fourths of 1 cent per pound is an excessive ad valorem duty. It is only 6 per cent higher than the present rate upon the prices which probably will prevail for the next few years.

Mr. KING. Mr. President, the Senator has confirmed what has been so eloquently and forcefully stated by my distinguished leader, the senior Senator from North Carolina [Mr. SIMMONS], namely, that this bill is for the purpose of confirming the title of our manufacturing institutions to continue their present level of prices. It is to perpetuate high prices. It is to act as a scaffold to maintain existing prices, unless there shall be possible competition at home that may lower them. At any rate, however, the Senator has given warning that there is going to be no return to pre-war prices, certainly not for many years to come.

What does that mean? The selfish interests, the manufacturing corporations that are seeking pretexts for the maintenance of these high levels, will read with great joy and gratification the statement which is made by the able Senator, the chairman of the committee. They do not want to return to legitimate and reasonable profits or to pre-war profits.

A good many Democrats—and I did not join in that criticism—found fault with President Harding because he spoke about a return to "normalcy." I attempted to interpret that statement of his as a desire to get back to fair prices—to pre-war prices—so far as that was possible. In that regard I think President Harding was right, and he sought to get away from the inflated and superficial conditions that prevailed in the country. My good friend the chairman of the committee is opposed to President Harding's sane policy, as I interpret the meaning of that statement of his. He wants to keep up these prices, maintain them, strike down any possible competition from abroad, turn over the domestic market to the domestic producers, and guarantee to them by these tariff rates the license, the free and unrestricted opportunity, to continue their high prices, even if in so doing there is an exploitation of the American people.

I am opposed to that policy. I think that no tariff bill should be framed upon that theory, and I warn the Republican Party that that theory of framing a tariff bill will not meet with the approval of the thinking people of the United States.

The evidence shows that this particular product of which I have been speaking was sold for 1 cent per pound before the war, and the imports of these two articles before the war were less than $100 each, and the price, as I said, was 1 cent per pound. The rate fixed by the Underwood law was 15 per cent, and, as I recall, the Payne-Aldrich rate was one-quarter of a cent a pound, which would be, as I figure it, 25 per cent ad valorem. But we are now proposing to raise the rate from 15 per cent ad valorem, the rate of the present law, to a rate of 75 per cent ad valorem, and it would constitute an increase in the tariff rate above the present rate of more than 300 per cent. It can not be justified, and the Senator, in replying to me, said, "Oh, well, we are not going to get down to pre-war prices." Of course we will not get down to pre-war prices, Mr. President, if we pursue that policy, if we announce to the manufacturers, "We have given you a rate now which guarantees you high prices, buttressed by a tariff rate giving you 300 per cent more than the rates in existing law." How are you going to get down to normal conditions? How can you expect a reasonable reduction in the prices of commodities which the people of the United States require?

Mr. President, our manufacturers ought to realize that they are killing the goose that lays the golden egg. They will arouse indignation at home, they will diminish purchases, they will provoke buyers' strikes, they will shut mills instead of opening them, and close mines instead of making them operate. They will pave our streets with sorrow and with tears instead of with joy and gladness.

I protest against these rates as absolutely indefensible. The rates on these two items are higher than the basket-clause rate, but, all in all, as I have indicated, they can not be sustained.

Mr. SIMMONS. Mr. President, in commenting upon an editorial which appeared in the New York Journal of Commerce a few days ago, I made a statement to which the editor of that paper takes exception. The statement which I made was that "this paper," meaning the New York Journal of Commerce, "represents chiefly the great moneyed interests of the country and the great industrial interests of the country."

Taking exception to that, the editor of the Journal of Commerce states:

> The Journal of Commerce, as its habitual readers well know, serves no "interests" whatever and is absolutely independent. It has invariably made national welfare its first aim in all economic, social, and political discussions. The open market, fair competition, and just dealing are its first principles. Class legislation and legislation seeking Government aid it deems unsound—bad business as well as bad politics. Monopoly, whether of capital or labor, it regards as destructive of American ideals.

I accept what the Journal of Commerce says about its aims. If anything I said in referring to it as representing the moneyed interests and the industrial interests of the country implied that I thought the Journal of Commerce was improperly representing those interests, I did not so intend it and I regret it. I read the editorial of the Journal with approval and commendation. I did not understand it was defending gratuities or subsidies to capital or to the industries. On the contrary, I understood the Journal as condemning that and as denouncing such benefactions, and my remarks were intended to be not derogatory but complimentary to the attitude of the Journal in respect to the excessive and indefensible rates of the pending bill.

If what I then said was even by implication unjust to the Journal or its editor, I am glad of this opportunity to make this acknowledgment.

Mr. KING. Mr. President, I move to strike out, in line 4, page 4, the language "three-fourths of 1 cent per pound," and to insert in lieu thereof "15 per cent ad valorem."

That would apply the Underwood law rate to those compounds. I will say frankly that they ought to be on the free list, in view of the fact that there are no importations. The Senator from North Dakota referred to some importations of alum products, but my information is that the products of which he spoke do not embrace the products as to which I am offering the amendment. My amendment relates only to potash alum and ammonium alum, and not to the other alums, of which there were slight importations; but these two items to which I am directing my amendment were imported into the United States before the war in quantities of less than $100, and my information is that the imports of these two items have been inconsequential, not exceeding that amount since the war. Yet these two items, important to the people, without any reason in the world except that the du Ponts want it, and the Allied Chemical Co. wants it, and a few others of these great chemical organizations want it to swell their profit, is raised from the rate of the Underwood law 300 per cent, and the rate is increased above that of the Payne-Aldrich law in the neighborhood of from 100 to 200 per cent.

I suppose, though, that these appeals will be in vain, but I wish the people could know that upon these two important items we propose to help the trusts by increasing these rates 300 per cent above the present tariff rates. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico (when his name was called). I transfer my pair from the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and vote "yea."

Mr. McKELLAR (when his name was called). I have a general pair with the senior Senator from Indiana [Mr. NEW], which I transfer to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. OVERMAN (when his name was called). Transferring my pair with the senior Senator from Wyoming [Mr. WARREN] to the junior Senator from Massachusetts [Mr. WALSH], I vote "yea."

Mr. SHIELDS (when his name was called). I am paired with the junior Senator from Maine [Mr. HALE]. I transfer that pair to the Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. UNDERWOOD (when his name was called). The senior Senator from Massachusetts [Mr. LODGE] is out of the city. I have a general pair with him. I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. COLT. Making the same announcement as before, I vote "nay."

Mr. McKINLEY. Making the same announcement as before, I vote "nay."

Mr. BALL. Has the senior Senator from Florida [Mr. FLETCHER] voted?

The PRESIDING OFFICER (Mr. BROUSSARD in the chair). That Senator has not voted.

Mr. BALL. I transfer my pair with the senior Senator from Florida to the junior Senator from Delaware, my colleague [Mr. DU PONT], and vote "nay."

Mr. DIAL. I transfer my pair with the Senator from Colorado [Mr. PHIPPS] to the Senator from Ohio [Mr. POMERENE], and vote "yea."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH]; and

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN].

The result was announced—yeas 16, nays 37, as follows:

YEAS—16.

Ashurst	Heflin	McKellar	Shields
Dial	Jones, N. Mex.	Overman	Simmons
Harris	King	Robinson	Swanson
Harrison	La Follette	Sheppard	Underwood

NAYS—37.

Ball	Harreld	McLean	Smoot
Brandegee	Johnson	McNary	Sutherland
Broussard	Jones, Wash.	Moses	Townsend
Bursum	Kellogg	Newberry	Wadsworth
Calder	Keyes	Nicholson	Watson, Ind.
Colt	Ladd	Norbeck	Weller
Curtis	Lenroot	Oddie	Willis
Dillingham	McCormick	Page	
Elkins	McCumber	Rawson	
France	McKinley	Shortridge	

NOT VOTING—43.

Borah	Fletcher	New	Spencer
Cameron	Frelinghuysen	Norris	Stanfield
Capper	Gerry	Owen	Stanley
Caraway	Glass	Pepper	Sterling
Crow	Gooding	Phipps	Trammell
Culberson	Hale	Pittman	Walsh, Mass.
Cummins	Hitchcock	Poindexter	Walsh, Mont.
du Pont	Kendrick	Pomerene	Warren
Edge	Lodge	Ransdell	Watson, Ga.
Ernst	Myers	Reed	Williams
Fernald	Nelson	Smith	

So Mr. KING's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question now recurs on the amendment of the committee.

The amendment was agreed to.

Mr. SMOOT. Mr. President, on line 19, page 6, I move to strike out "50" and insert in lieu thereof "35."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 6, line 19, after the word "trichloroethylene," in lieu of the numeral "50" insert "35," so that it will read:

Trichloroethylene, 35 per cent ad valorem.

Mr. JONES of New Mexico. Will the Senator please give us a reason for that high rate?

Mr. SMOOT. I can tell the Senator why I think the rate should be reduced. I thought, in the first place, the rate was too high when it was fixed at 50 per cent, and I have the same opinion now that I had about it then. In the reconsideration of it the committee decided that that was too high a rate.

Mr. JONES of New Mexico. Were there any reasons given?

Mr. SMOOT. Oh, yes. The Senator knows this is a new industry in the country. Perhaps I may be mistaken in claiming that they can get along with 35 per cent, but I think they can. I will say that if the Senator will take the Reynolds report and consider it he will concede that there should be a great deal higher rate than 50 per cent imposed.

Mr. JONES of New Mexico. I must confess we have not very much information about it that I know of.

Mr. SMOOT. Is the Senator objecting to the reduction?

Mr. JONES of New Mexico. I simply do not know about it. I was asking the Senator from Utah.

Mr. SMOOT. I have not any doubt at all that they can get along with 35 per cent. I never had any doubt, although it is a new industry in the country. It was a question in the House as to whether they could get along with that rate. The House fixed the rate at 25 per cent on the American valuation, and the Senate committee fixed it at 50 per cent on the foreign valuation, but I think 35 per cent on the foreign valuation is sufficient, and it is a lower rate than 25 per cent on the American valuation plan.

Mr. JONES of New Mexico. I believe the Senator will probably agree that it is more or less a personal estimate as to what the rate should be.

Mr. SMOOT. We have had no industry of this kind in the past. We do not know to what extent it is going to go. We have nothing in the past on which to judge this item. I will frankly say to the Senator that I think it is rather an experimental rate.

Mr. JONES of New Mexico. That is what I supposed it was.

Mr. SMOOT. I have not any doubt of it at all.

Mr. JONES of New Mexico. It was my idea about it that it was experimental.

Mr. SMOOT. Does the Senator feel that he could do any better?

Mr. JONES of New Mexico. I have not expressed any such idea. I simply wanted to know what we are acting on. In this matter I am inclined to think the judgment of the Senator from Utah is as good as that of anybody. He is a pretty good guesser, I think, and as long as we are guessing about this matter I think we might as well let him guess as some one else.

Mr. WILLIS. Mr. President, as a basis for the remarks which I wish to make at this time, I ask permission to have inserted in the RECORD a letter, without reading. I think I can give the substance of it, which will answer the purpose at this time.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

The letter is as follows:

CLEVELAND, *August 31, 1921.*

Senator FRANK P. WILLIS,
Senate Office Building, Washington, D. C.

DEAR SIR: The proposed tariff bill, known as H. R. 7456, paragraph 17, page 3, provides an increase tax of 10 per cent on trichloroethylene. We use this product in our decaffeinisation of coffee and in the refining of caffeine. If there is a further increase in this duty, as contemplated at the present time, it only amounts to increasing the price which one must pay to the English manufactnrer or a European manufacturer for this chemical, because there is not one American chemical company which makes trichloroethylene.

The writer personally is interested in the Grasselli Chemical Co. of Cleveland, and Dow Chemical Co. of Michigan, and even with their cooperation he has not been able to find one manufacturer of this chemical. Therefore it seems a great injustice to have any duty on this article.

The Kaffee Hag Corporation erected a large 3-story plant in Cleveland, within the city limits, based on the use of this chemical because it does not explode like benzol. It already costs us five times what benzol does, but, of course, there is no danger in its use and no fire regulations are necessary. But if there is an increased duty on this article it will work a serious hardship with our plant.

The writer appreciates the fact that Congress is now in recess, but if after you return you can give us the opportunity to appear before the Senate Finance Committee, it will be greatly appreciated.

Yours very truly,

KAFFEE HAG CORPORATION,
GEORGE G————, *President.*

Mr. WILLIS. Mr. President, this item is perhaps not of very great importance to the country, and yet it is of great importance, too. It is of very great importance to an industry in my State. As Senators will observe, if they will look in the Summary of Tariff Information, this article, trichloroethylene, is used principally in the decaffeinization of coffee. So far as I know, we have in Ohio the largest and perhaps the only plant of that kind in the world. I invite the attention of the Senators to the fact that, up to date at least, there is no protection upon the finished product of the company. They use this material in the decaffeinization of coffee. Since it is not produced in this country at all, so far as I am able to ascertain——

Mr. SMOOT. Oh, yes; I will say to the Senator it is produced in this country.

Mr. WILLIS. Does the Senator have information to that effect? My information is to the contrary.

Mr. SMOOT. Oh, yes; the Senator from Utah has definite information.

Mr. WILLIS. I will give the Senator my information, and then I want to hear what his information is.

Mr. SMOOT. The Madison Chemical Works are making these products in the United States, I will say to the Senator, and have been for some time.

Mr. WILLIS. Of course I accept the Senator's statement on a matter of fact, only I want him to hear my statement of fact.

Mr. SMOOT. They are shut down right at this time on account of the present situation. The Senator has stated exactly what the items are for. They are used to take the caffeine out of coffee, and I think it is called by the German name of Kaffee Hag.

Mr. WILLIS. That is correct. I did not use the name, because I did not want to advertise our products, although we are very proud of them.

Although I accept the Senator's statement of fact and do not mean the Senate to be misled, the statement I have is from the Grasselli Chemical Co., which is one of the largest in the country, to the effect that they have not been able to find anywhere in the country that the product is manufactured. I accept the Senator's statement. If it is manufactured, all well and good. At all events, there was not very much imported last year, only some $4,300 worth.

There is another angle to this matter. The plant of this company has been constructed within the corporate limits of the city of Cleveland, Ohio. If they use this material, trichloroethylene, they can continue to operate their plant there. If they use another material, namely, benzol, which can be used as a solvent, they must destroy their plant at that place, because it is within the fire limits. In other words, this would be a very great hardship upon the company.

Without going into a general discussion of the product, I think it is a desirable sort of product. It does not seem to me that we ought to put this additional burden upon the company. I hope the amendment offered by the Senator from Utah will be agreed to, and then that the amendment, as amended, will be rejected. In other words, inasmuch as the present law pro-

vides 15 per cent ad valorem, and the House raises that to 25 per cent ad valorem, it seems to me under the present conditions that is sufficient protection.

Mr. SMOOT. The Senator understands that the 25 per cent rate in the House bill is on the American valuation, while my amendment of 35 per cent is on the foreign valuation.

Mr. WILLIS. But if the Senate will follow the advice I have just given and agree to the Senator's amendment and then reject the amendment as amended, it will be 25 per cent on the foreign valuation, which I think would be about right.

Mr. SMOOT. If the Senator will advise the Grasselli Chemical Co. to write to the Madison Chemical Co., Niagara Falls, N. Y., they will get an answer no doubt as to whether the product is made in this country. I will say, however, as I said before, that to-day on account of importations they are closed down. The rate placed in the bill by the House was for the very purpose of seeing if they would not resurrect the manufacture of these items in this country.

Mr. WILLIS. My plea, of course, is for 25 per cent, which I think would be sufficient protection. I am ready to vote.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on the committee amendment as amended.

Mr. JONES of New Mexico. Mr. President, I rise to make a parliamentary inquiry. Can not the Senator from Ohio now move to substitute such rate as he sees fit?

Mr. WILLIS. That undoubtedly would be in order. I am inclined to the view, however, that the rate which will be had in the bill if we now defeat the Senate committee amendment as amended will be about fair. That would be 25 per cent on the foreign valuation.

Mr. JONES of New Mexico. In other words, the Senator from Ohio is content to have a duty of 25 per cent?

Mr. WILLIS. Yes; I think we can stand that. I think 35 per cent is too high. I think 25 per cent on the foreign valuation would not be unreasonable. So if we can now defeat the Senate committee amendment as amended we shall have accomplished what we wish to accomplish.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended. [Putting the question.] The Chair is in doubt. Those opposed to the amendment as amended will rise.

Mr. SMOOT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ball	Heflin	McKinley	Shields
Brandegee	Johnson	McLean	Shortridge
Broussard	Jones, N. Mex.	McNary	Smoot
Calder	Jones, Wash.	Moses	Spencer
Colt	Kellogg	Myers	Sutherland
Curtis	Kendrick	Nicholson	Swanson
Dial	Keyes	Norbeck	Townsend
Dillingham	Ladd	Oddie	Underwood
Elkins	La Follette	Overman	Wadsworth
Fletcher	Lenroot	Page	Watson, Ind.
Gooding	McCormick	Rawson	Weller
Harris	McCumber	Robinson	Willis
Harrison	McKellar	Sheppard	

The PRESIDING OFFICER (Mr. SPENCER in the chair). Fifty-one Senators have answered to their names. A quorum is present. The question is on agreeing to the amendment of the committee as amended.

Mr. JONES of New Mexico. Mr. President, I observe that quite a number of Senators are now present who were not present when this matter was being discussed a few moments ago, and I am quite sure that they would like to understand just what the question is. These are new items. The Secretary even seems to have some difficulty in pronouncing the names, but they are "tetrachloroethane" and "trichloroethylene." The House put a duty upon these items of 25 per cent ad valorem. The Finance Committee increased it to 50 per cent in the first instance. I think the reason why that was done was merely on the general assumption that the House rates are based upon the American valuation plan, and the committee thought, in view of the change from that plan to the foreign valuation plan, the rate ought to be doubled. So the rate is the result of a mere guess.

The Senator from Utah says that the Finance Committee had a second guess about it and thought the rate ought to be 35 per cent instead of 50 per cent. The Senator from Ohio seems to have a constituent who is personally interested in the matter and he wants an opportunity to guess. He wants us to guess that the House rate is just about right. Inasmuch as we have been relying so often on the guessing of the Senator from Utah, I am inclined to think we had better change this time and guess with the Senator from Ohio. That is all there is to it. The 35 per cent guess now becomes an amendment proposed by the committee. The question is on agreeing to the committee amendment. The Senator from Ohio wants us to disagree to that amendment, which would leave the House rate of 25 per cent. I believe we had better take a chance on guessing with the Senator from Ohio.

Mr. WILLIS. Mr. President, I greatly appreciate the compliment implied in the statement by my friend from New Mexico; but I wish to add this to his statement: The present law provides a rate of 15 per cent. At that rate only $4,300 worth of this material—trichloroethylene—was imported. If we shall increase the rate as provided in the House bill, which is 25 per cent, certainly that will be adequate protection for this new industry, and at the same time will let the industry which is engaged in the decaffeinization of coffee continue. I hope the advice of the Senator from New Mexico in this instance may be followed.

Mr. JONES of New Mexico. I think I might add the further suggestion that at the present time this article is under an embargo. If the general embargo provision shall remain in the bill, I am inclined to think that my friend from Ohio will not get much relief for his constituent; but, at any rate, I think we had better stay with the Senator from Ohio.

Mr. SMOOT. The Senator from New Mexico thinks that anybody who suggests any kind of a reduced rate is right. Does the Senator from New Mexico know anything about whether or not the 35 per cent rate is sufficient? According to the Reynolds report, 50 per cent would not be sufficient. The committee felt that on these chemicals we should try to get as low a rate as we could; but this is absolutely a new industry in the United States, and if we are going to have it continue here 35 per cent is not too high a rate to allow.

Mr. JONES of New Mexico. If the Senator from Utah has at last got some real information about this item, I think we ought to have it.

Mr. SMOOT. I have already given the Senator the information, but he does not care anything about what anybody says. He simply arises and asks the same question over again when Senators who have been absent return to the Chamber, not knowing that he has previously asked the question.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended. [Putting the question.] The "ayes" seem to have it.

Mr. WILLIS. I ask for a division, Mr. President.

The PRESIDING OFFICER. A division is requested.

Mr. SMOOT. Let us have the yeas and nays, Mr. President.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as before, I vote "yea."

Mr. DIAL (when his name was called). I transfer my pair with the Senator from Colorado [Mr. PHIPPS] to the Senator from Ohio [Mr. POMERENE] and will vote. I vote "nay."

Mr. DILLINGHAM (when his name was called). Making the same announcement as before, I vote "yea."

Mr. McKELLAR (when his name was called). Making the same announcement as to my pair and its transfer, I vote "nay."

Mr. McKINLEY (when his name was called). Making the same announcement as before, I vote "yea."

Mr. OVERMAN (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "nay."

Mr. UNDERWOOD (when his name was called). I transfer the general pair I have with the Senator from Massachusetts [Mr. LODGE] to the Senator from Rhode Island [Mr. GERRY] and will vote. I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. STERLING. Transferring my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Delaware [Mr. DU PONT], I vote "yea."

Mr. SHIELDS. Making the same transfer as before, I vote "nay."

The result was announced—yeas 32, nays 24, as follows:

YEAS—32.

Ball	Curtis	Johnson	Lenroot
Brandegee	Dillingham	Jones, Wash.	McCormick
Bursum	Elkins	Kellogg	McCumber
Calder	France	Kendrick	McKinley
Colt	Gooding	Keyes	McLean
Moses	Rawson	Spencer	Townsend
Nicholson	Shortridge	Sterling	Wadsworth
Page	Smoot	Sutherland	Watson, Ind.

NAYS—24.

Ashurst	Heflin	McNary	Shields
Broussard	Jones, N. Mex.	Myers	Simmons
Dial	King	Oddie	Swanson
Fletcher	Ladd	Overman	Underwood
Harris	La Follette	Robinson	Weller
Harrison	McKellar	Sheppard	Willis

NOT VOTING—40.

Borah	Fernald	Newberry	Reed
Cameron	Frelinghuysen	Norbeck	Smith
Capper	Gerry	Norris	Stanfield
Caraway	Glass	Owen	Stanley
Crow	Hale	Pepper	Trammell
Culberson	Harreld	Phipps	Walsh, Mass.
Cummins	Hitchcock	Pittman	Walsh, Mont.
du Pont	Lodge	Poindexter	Warren
Edge	Nelson	Pomerene	Watson, Ga.
Ernst	New	Ransdell	Williams

So the amendment of the committee, as amended, was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On page 6, paragraph 13, which reads as follows:

Bleaching powder or chlorinated lime—

The committee proposes to strike out "three-fifths" and insert "one-fifth," so that it will read:

One-fifth of 1 cent per pound.

Mr. WADSWORTH. Mr. President, I desire to make a comparatively brief statement on this paragraph. It affects bleaching powder or chlorinated lime; and perhaps for the purpose of clarity I will be permitted to refer to these products as chlorine, inasmuch as chlorine is the base for both of them.

The House passed its bill imposing a tariff duty of three-fifths of a cent per pound on this product, and the Senate committee reports that duty cut to one-fifth of 1 cent. I regret the cut made by the Senate committee, and I feel sure that it has been made under a misapprehension of the facts. My recollection also is that one-fifth of a cent per pound is the present rate under the Underwood tariff law.

Mr. SMOOT. One-tenth of a cent. This is the same as the rate provided by the act of 1909.

Mr. WADSWORTH. Mr. President, chlorine is used in bleaching paper and textiles, in purifying water supplies for municipalities, in many laboratory undertakings, and it is also the base for all the gases that have been used in warfare. In fact, it may be said, I think, with absolute accuracy that every chlorine factory in the world is potentially an arsenal of immense importance to the country in which the factory is located.

I call attention also to the fact that this paragraph does not include any mention of liquid chlorine, and, as I understand, the bill does not treat with liquid chlorine at all, although liquid chlorine is interchangeable in its use with chlorine in other forms. When former tariff bills were enacted, the use of liquid chlorine was not general. It was not known commercially to any extent, and its presence did not constitute any economic problem; but to-day liquid chlorine has gained an important place in commerce involving these products.

The Senator from Utah states that one-fifth of a cent per pound was the 1909 rate. If conditions had not changed in any respect since 1909, I could make no complaint concerning that as an adequate protective rate; but I desire to call the attention of the committee and of the Senate to the astonishing changes that have taken place since that time.

Before the war the freight rate on chlorine from Niagara Falls, which is one of the places in this country where it is manufactured, to New York City, for example, was $2.20 per ton. At the same period—that is, before the war—the freight rate from Liverpool, England, to New York City was $3.12 per ton. Other things being equal, manufacturing and labor costs being equal, the freight rates of those days gave the manufacturer in the United States an advantage of nearly a dollar per ton in reaching this large market. Since the war that situation is reversed. The freight rate between Niagara Falls and New York, in 1921, was $5 per ton and the freight rate between Liverpool and New York was $4.36 per ton; so that instead of the American manufacturer having an advantage of nearly a dollar a ton in freight rates, to which he normally would be entitled under normal transportation conditions of the old days, it actually costs him more to reach his principal market to-day than it costs the manufacturer in England to reach the same market—that is, New York. The spread between the pre-war and the postwar rates in transportation alone constitutes a loss of advantage of $1.36 per ton to the American manufacturer.

This one item alone displays the complete change in the situation over which the American manufacturer has no control.

If we will turn to the labor costs, we will find an even more extraordinary change. Prior to the war, with bleaching powder or chlorine selling at $25 per ton, the American labor cost per ton was $18. That was the amount of money going into the pockets of American workingmen for every ton produced and sold at $25. At that same period, with chlorine imported from abroad selling at the same price of $25 per ton, $12 per ton went into the pockets of German workingmen. The German manufacturer had an advantage in labor costs of $6 per ton. The one-fifth cent per pound duty of that period amounted to $4 per ton, which went far toward equalizing the labor costs. The situation, however, has completely changed in that regard.

To-day the American labor cost, instead of being $18 per ton, is $30 per ton, and the German labor cost is $4.08 per ton only. So that the American manufacturer, with the present scale of American wages, is at a disadvantage of $25.92 on every ton he produces in the matter of labor cost.

It must become perfectly apparent that the duty of one-fifth of a cent per pound, which is the equivalent of $4 a ton, is utterly inadequate to maintain American wages in this industry, and either the industry must slow down or the wages must be reduced, for with $4 per ton assessed as an import duty, the American wage cost would still be $21 per ton greater than the foreign wage cost, and there is no getting away from that situation. One of two things must happen; either we abandon the industry or reduce our wage costs very largely. Such a thing, of course, is unthinkable.

I know that our Democratic friends take great delight in referring to these tariff duties as oppressive upon the consumers, and whenever we impose a duty which actually protects American workingmen in this matter of wages and living conditions they say we are taking vast amounts of money out of the pockets of the people, and that every individual consumer is thereby taxed unduly.

In concluding this brief statement, Mr. President, I want to call attention to one phase of this problem which is so often overlooked. We talk about a duty of one-fifth of a cent per pound or a duty of three-fifths of a cent per pound, and three-fifths of a cent being three times as much as one-fifth of a cent some people are apt to jump to the conclusion that the imposition of a rate three times higher than the lower rate means an excessive tax on the consumer. We forget, however, the enormous quantities of this product which are used and the tremendous field in which it is used. For example, I referred in the beginning of my remarks to the fact that chlorine is used for the purification of the water supplies of great cities. My information is to the effect that the city of New York, for example, has a contract with an American concern to purify its great water supply, the greatest in the world, on which 6,000,000 people are dependent for pure water every day, without interruption. The amount of liquid chlorine used is exceedingly small. About eight-tenths of a pound of chlorine is used in purifying the New York City water supply for every million gallons used daily. The normal consumption of water is about 100 gallons daily per capita.

Mr. TOWNSEND. A day?

Mr. WADSWORTH. One hundred gallons daily per capita. The normal consumption in a great city like New York is approximately 100 gallons per capita daily. That means that 0.8 of a pound of liquid chlorine purifies the water daily for 10,000 people. At 10 cents per pound, that means 0.8 of a cent to protect 1,000 people every day. The cost is infinitesimal; it might be said to be invisible. It amounts to nothing when scattered over such a tremendous field as that.

If the duty were 3 cents per pound it would mean that the cost for 1,000 people would be only one-third of a cent per day. So it is absurd to insist and argue that a duty of this kind imposes oppressive taxation upon consumers. It does no such thing. The product is scattered in such huge quantities over such an immense field of consumption that the matter of 3 cents per pound duty amounts to nothing, and can not possibly be reflected in the actual cost of the product to the consumer in a case of this kind.

It does, however, have a most profound effect upon the existence of the industry as a whole—the manufacture of the product in this country. As I have already stated, with a duty of one-fifth of a cent per pound, as proposed by the Senate committee, after that duty is assessed the difference in the labor cost as between Germany and the United States is $20 per ton. The one-fifth of a cent duty amounts to nothing in the way of protection. It will do nothing for the industry It is utterly impossible, as shown by mere statement, which I am certain is correct, for any industry in this country to survive a situation of that kind.

Three-fifths of a cent per pound would reduce the difference in cost from $20 to about $5 or $6, and still the American manu-

facturer would be at that disadvantage plus his disadvantage in freight rate. Actually, here in the United States he pays a greater freight rate to reach his eastern market from his point of production than is paid by the manufacturer in England who ships his stuff from Liverpool to New York.

One thing I wanted to emphasize before the Senate, and especially to members of the committee, was that whereas it is perfectly true that this country is now one of nine nations which have agreed, as among themselves, not to indulge in chemical warfare, nevertheless, there are many other great and powerful nations in this world, some of them distinctly inclined toward militarism and aggression, who are not parties to that agreement and who, in my humble judgment, will never abide by it or live up to it if they are once engaged in some great, vital war, and if we, by permitting the shrinkage of this industry, rob this country of facilities to manufacture chemical-warfare gases in case of need, in case they are used against our soldiers, and in case we are compelled, in order to save our lives, to reply to that attack in kind, if we are stripped of facilities for meeting that attack we shall find ourselves, as a Nation, in a desperately dangerous condition. This industry, which produces a product which is the base of every gas used in war, is potentially an arsenal of defense for the United States. I plead with my colleagues in the Senate that it be not permitted to die.

I think a duty of three-fifths of a cent per pound is actually not high enough to cover the actual differences in the cost of labor and transportation, and I think I have shown that by the figures; but with three-fifths of a cent, as fixed by the House, there is a chance that it will live.

I know this is a committee amendment, and very naturally the Members of the Senate, in large numbers, have confidence in the judgment of the committee. I am not going to ask a roll call on this. I wanted to call attention to this situation as emphatically as I could, in the hope that perhaps the members of the Senate Finance Committee might change their minds about it, or at least meet the conferees of the House with fairly open minds, for in some respects, Mr. President, this matter may become vital to the United States.

Mr. FLETCHER. Mr. President, I rose to ask the Senator how he could harmonize his statement that this industry required this additional protection, in order that it might live, with the statistics as to imports and exports. For instance, the duty under the act of 1913, which continues up to this time, was one-tenth of a cent per pound. The main plants appear to be at Niagara Falls, two in Michigan, and one in California, manufacturing chlorine, and they were able to manufacture so that under the duty of one-tenth of a cent a pound the importations in 1918 were only 540,131 pounds, in 1919 they were 341,812 pounds, in 1920 they were 2,474,617 pounds, and in 1921 they were 6,154,912 pounds, whereas in 1918 we actually made and exported to other countries under that duty of a tenth of a cent a pound 13,060,401 pounds; in 1919 a total of 21,619,736 pounds, in 1920 a total of 48,826,348 pounds, and for the first nine months of 1921 we exported 12,045,336 pounds, most of that going to Argentina, Canada, Brazil, and Spain; so that under the present duty of one-tenth of a cent a pound we are almost keeping out all importations, and at the same time we are exporting these vast quantities, ranging in 1920 to 48,826,348 pounds.

Mr. WADSWORTH. What is the figure for the first nine months of 1921?

Mr. FLETCHER. Twelve million pounds.

Mr. WADSWORTH. Surely the Senator sees the significance of the difference in the importation. That is at the rate of sixteen million a year instead of forty-eight million for 1920. It has dropped 200 per cent in one year, according to those figures.

Mr. FLETCHER. There were very much larger exportations than importations.

Mr. WADSWORTH. If the Senator will look at the increase of the importations he will find that they have increased twenty times.

Mr. FLETCHER. It may be that they are actually selling in foreign markets cheaper than in the home market. I do not know as to that.

Mr. WADSWORTH. The importations, starting from next to nothing, something like 300,000 pounds, have jumped to 6,000,000 pounds in two years.

Mr. FLETCHER. They appear to be increasing.

Mr. WADSWORTH. The exportations have dropped from 48,000,000 pounds to a basis of 16,000,000 in one year.

Mr. FLETCHER. According to these figures; but they gradually increased from 13,000,000 in 1918 to 48,000,000 in 1920.

Mr. WADSWORTH. During the war and for the first two years after the war, before Europe had a chance to get on its feet, and some of these chemical industries began operating again, it is perfectly true that we had about the only free commerce and free credit. We built up in this country during the war a chlorine industry almost twice as great as we possessed before the war, but the figures which the Senator has read show very clearly the tendency to-day. The importations since Europe had a chance to get on her feet have increased twenty-fold and the exportations in the last year have decreased 200 per cent. It will not take more than a year longer to have those two lines cross, the American exportation constantly going downhill, and the foreign importations constantly going uphill. It is utterly impossible to keep it up at that rate.

Mr. McCUMBER. Mr. President, I shall cite just a few figures concerning this. In 1914 the United States production was 310,000,000 pounds. That was at a time when we had one-tenth of a cent duty. At the same time I think we were importing about 80,000,000 pounds, or somewhere near that. In 1919 the production fell off to 177,000,000; but I think that may be attributed to the importation of liquid chlorine, which is to quite a considerable extent taking the place of the powder. The commercial importance of the bleaching was promoted by imposition of a duty of one-tenth of a cent per pound in October, 1897.

The industry supplies the greater part of the domestic consumption. The imports were 6,155,000 pounds during the first nine months of 1921, and that, of course, with only this very small rate. The committee took all of these matters into consideration, including the present rate of one-tenth of 1 per cent per pound, the rather small proportion of the importations, and a comparison of the importations with a like law. Under the Payne-Aldrich law the duty was also one-fifth of 1 cent, and even at that time the imports of bleaching powder ranged only from 80,000,000 to 100,000,000 pounds, while our domestic output was about 310,000,000 pounds. Therefore we thought that one-fifth of 1 cent would be sufficient protection at this time.

Mr. SMOOT. Mr. President, I think I can tell the Senator from New York and the Senate why the importations increased in the first nine months of 1921.

In the first nine months of 1921 the foreign price, the invoice price, was 2 cents a pound. The American manufacturers did not try to meet that cut price, because the foreign valuation in 1920 was 3 cents a pound. The American manufacturers have not only met the price but they are selling to-day for 1.6 cents per pound. That is the generally quoted price for which anybody in the United States can purchase it. The pre-war price was 1¼ cents, so that the rate we have given, one-fifth of 1 cent, is 25 per cent ad valorem duty. It is demonstrated that they can make this commodity about as cheaply here as anywhere in the world. I have not any doubt that the rate we have put on here, one-fifth of 1 cent a pound, will protect the industry in the United States.

Mr. President, I fully recognize the importance of the industry, and I would not like to support any kind of a rate that would in any way destroy the industry of the United States. If I did not believe that one-fifth of a cent per pound would be ample to take care of it, I would not vote for it upon the floor of the Senate. But from all the information that we have about it the committee believe that one-fifth of a cent a pound is sufficient.

Mr. JONES of New Mexico. Mr. President, I can not help feeling that the Senator from New York is unduly alarmed about the situation.

Mr. FLETCHER. Mr. President, will the Senator permit me to interrupt him?

Mr. JONES of New Mexico. I yield.

Mr. FLETCHER. One-fifth of a cent a pound, according to the present valuation of 2 cents a pound, would be 50 per cent ad valorem. The unit value given now on importations is two-tenths of a cent a pound, or one-fifth, so that a one-fifth of 1 cent duty would be 50 per cent ad valorem.

Mr. JONES of New Mexico. The commodity is a very important one in the country, and I believe, unless some good reason be shown for imposing a high duty, that we ought not to impose it. I call attention to the fact that this commodity is used for the purpose of bleaching pulp and paper stock and cotton and linen in the textile mills and laundries. That is a general consumption.

Of course, the Senator from New York makes a very strong appeal. He puts it upon the basis of preserving a war material, but I can not feel that the Senator is justified in his view that the industry is in danger. Before the war we were producing this commodity in very large quantities, and now we are not only producing it in very large quantities but we are export-

ing it. The production during the last year for which we have any information, as I recall, was over 300,000,000 pounds, and the importations were about 6,000,000 pounds for the first nine months of 1921. The price of the importation was 2 cents per pound. One-fifth of 1 cent makes quite a large percentage. I have not been able to find anything in the information which we are able to get through the usual sources giving any reason for apprehension about the industry. On the contrary, the Tariff Commission says:

The fact that we are now supplying our own consumption and that during the 1918 fiscal year we exported over 13,000,000 pounds is sufficient indication of the development of the bleaching-powder industry in the United States.

Another item:

The pre-war price of bleaching powder was practically constant at about $25 per ton.

That is 1¼ cents per pound, making it, as the Tariff Commission says, one of the cheapest chemical products. The last imported price of which we have any information was 2 cents per pound, or $40 per ton.

Mr. SMOOT. I will say to the Senator that the foreign price has been cut.

Mr. JONES of New Mexico. That is the latest we have in the statistics furnished.

Mr. SMOOT. That is the latest the Tariff Commission report has given, but in the Monthly Summary of Foreign Importations for March, I will say to the Senator, he will see that the price has been cut.

Mr. JONES of New Mexico. To what amount?

Mr. SMOOT. I think I can give it to the Senator, but it will take a little time to look it up. I think it is either 1 cent or a little over 1 cent per pound.

Mr. JONES of New Mexico. The price of this commodity became very high during the war and it has not been reduced to pre-war prices so far as I am advised. The Senator from Utah doubtless will find the later figure in a moment, but the latest information I have is that it is still considerably higher than the pre-war price.

I would like to call to the attention of the Senator from New York the extent to which the importations have decreased. In 1910 the imports amounted to about $750,000, and they kept decreasing until in 1914 they amounted to only $416,000 and in 1915 $197,000. Then during the war period the situation was practically nominal. In 1919 the imports were only $6,787 and the duty was only $341. In 1920 the value of the importations was $6,834 and the duty only $488. The price given was 1.04 cents per pound, which would be about $30 per ton. That was the foreign valuation. Of course, there is transportation on that, the landing charges, and the profit on it after it reaches here. It strikes me that instead of increasing this above the committee recommendation we had better retain the present duty.

The industry has gotten along satisfactorily, and to increase the rate to one-fifth of a cent per pound, as the committee proposes, is an increase of 100 per cent over the present rate. The industry has thrived under the present rate of one-tenth of a cent per pound. I had intended to move to amend the rate suggested by the committee and put it back where it is now. The industry is thriving. Our production is over 300,000,000 pounds a year. We are exporting it by the millions of pounds. It strikes me we had better let well enough alone and let it stay where it is now. The price is higher now than it was before the war, and whatever little competition there may be will have a tendency to get the price back to pre-war figures.

After the amendment proposed by the Senator from New York is voted upon, unless it be adopted, I shall then propose to reduce even the amount proposed by the committee.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

Mr. HEFLIN. Let us have the amendment reported.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On page 6, lines 3 and 4, the paragraph reads as follows:

Bleaching powder or chlorinated lime, three-fifths of 1 cent per pound.

The committee proposes to strike out "three-fifths" and insert "one-fifth."

Mr. WADSWORTH. Mr. President, I have offered no amendment. I simply expressed the hope that the committee amendment would be agreed to.

Mr. JONES of New Mexico. I thought the Senator had proposed an amendment.

Mr. WADSWORTH. Oh, no.

Mr. FLETCHER. The vote comes on the adoption of the committee amendment.

Mr. SMOOT. If we reject the committee amendment, then the three-fifths of a cent remains in the bill.

Mr. JONES of New Mexico. I thank the Senator for making clear the parliamentary situation. Then I would move at this stage to strike out one-fifth and insert one-tenth.

Mr. McCUMBER. That can be done, of course. That is an amendment to the committee amendment.

Mr. HEFLIN. That would be in order now.

Mr. JONES of New Mexico. I wish to state, from information which I have just had called to my attention, that the pre-war foreign price was 1 cent per pound or $1 per 100.

The present foreign price ranges from $1.60 to $1.75 per hundred. To that must be added, of course, the cost of transportation and the duty, whatever it may be, and the profits of the importer. We are using in this country about 300,000,000 pounds of it and are exporting it in large quantities. Therefore, I move to strike out "one-fifth" and to insert "one-tenth."

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the Committee on Finance was in paragraph 22, on page 7, line 14, after the word "distilled," to strike out "and" and insert "or"; and in line 15, after the word "expressed," to strike out "and" and insert "or," so as to read:

PAR. 22. Chemical elements, and chemical and medicinal compounds, preparations, mixtures, and salts, distilled or essential oils, expressed or extracted oils,

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 8, paragraph 24, line 9, before the words "per centum," to strike out the numerals "25" and to insert the numerals "35," so as to read:

PAR. 24. Chloral hydrate, terpin hydrate, thymol, urea, and glycerophosphoric acid, and salts and compounds of glycerophosphoric acid, 35 per cent ad valorem.

Mr. McCUMBER. I ask that that amendment may be passed over, at the request of the Senator from Missouri [Mr. SPENCER].

The VICE PRESIDENT. Without objection, the amendment will be passed over.

Mr. WADSWORTH. I desire to address a question to the Senator from North Dakota [Mr. McCUMBER], referring again just for a moment to paragraph 13. I referred in my remarks on that paragraph to the absence of any reference to liquid chlorine. I believe that the question of liquid chlorine should be taken into consideration by the conferees on the bill, at least.

Mr. SMOOT. Liquid chlorine, I will say to the Senator from New York, is provided for in paragraph 5 under a rate of 25 per cent.

Mr. WADSWORTH. If that is correct I am, of course, satisfied.

The next amendment of the Committee on Finance was, on page 9, paragraph 25, line 14, to strike out the word "toluylenediamine" and to insert "tolylenediamine."

Mr. KING. Mr. President——

Mr. SMOOT. I will say to my colleague that that amendment is simply to change the spelling of the word in order to get it correct. Of course, I know the Senator has no objection to that.

Mr. KING. I have no objection to that, but I desired it understood that we were not to proceed with the consideration of paragraphs 25 and 26 at this time.

Mr. McCUMBER. There are a number of words in the bill, the Senator from Utah will observe, where the letters are thrown together indiscriminately and a word is supposed to result therefrom, but in some cases the admixture is not properly made, and it is therefore necessary to make corrections.

Mr. KING. I have no objection to that, if the understanding is that after disposing of those inconsequential matters the paragraphs will be passed over.

Mr. McCUMBER. All of paragraph 26 may be passed over.

Mr. KING. I desire that both paragraphs 25 and 26 may be passed over.

Mr. McCUMBER. Let all of paragraph 26 be passed over and also let the remainder of paragraph 25 be passed over.

Mr. KING. I understood the paragraphs relative to the coal-tar products and their derivatives would be passed over until we reach those provisions in the bill which deal with the embargo.

Mr. McCUMBER. I do not know that I desire to go that far at the present time, but I am inclined to think probably that may be the best way to dispose of them. Anyway, we may pass them over for the present. I will ask if the amendment correcting the spelling of the word on page 9, line 14, has been agreed to?

The VICE PRESIDENT. The amendment has not yet been agreed to.

Mr. KING. If the Senator will pardon me for a moment——

Mr. McCUMBER. Let us agree to the amendment correcting the spelling.

Mr. KING. Very well; of course, I have no objection to that.

Mr. HARRISON. Is section 25 going to be passed over now?

Mr. McCUMBER. When the amendment shall have been agreed to, I ask that paragraph 25 be passed over.

The VICE PRESIDENT. The question is on agreeing to the amendment on page 9, line 14.

The amendment was agreed to.

The VICE PRESIDENT. The next amendment proposed by the Committee on Finance will be stated.

The next amendment reported by the Committee on Finance was, on page 15, paragraph 27, line 17, before the word "linoleate," to strike out the word "sulphate" and to insert "sulphate and."

Mr. KING. I desire to suggest to the chairman of the committee, with respect to paragraphs 25 and 26, in view of the fact that they are inseparably connected with the dye embargo, that they go over until we reach that subject, because if the paragraphs be taken up now I shall be compelled to enter into a discussion of the dye embargo and then perhaps to discuss it later on, and it will not be in the interest of saving time.

Mr. McCUMBER. I think that we shall probably either do that or advance the dye embargo for a discussion before we reach it regularly, so that we may connect them in some way. I do not wish, however, at the present time to say positively which would be the better way; but we can go right on now to paragraph 27 and dispose of that.

Mr. KING. When that is done, shall we take a recess until to-morrow?

Mr. McCUMBER. I desire to proceed until 10 o'clock.

The VICE PRESIDENT. The question is on agreeing to the amendment on page 15, line 17, which has been stated. [Putting the question.] Without objection, the amendment is agreed to. The next amendment proposed by the Committee on Finance will be stated.

The next amendment proposed by the Committee on Finance was, on page 15, paragraph 27, line 10, after the word "linoleate," to insert "10 cents per pound."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. JONES of New Mexico. Mr. President, I did not understand the action which was being taken. I supposed that the amendment was merely a correction of the spelling of a word in the other paragraph about which we were talking. Is this a correction in paragraph 27?

Mr. SMOOT. The amendment correcting the spelling of a word was agreed to, and now we have proceeded to another amendment.

Mr. JONES of New Mexico. The amendment now pending is to strike out the word "sulphate" and to insert the words "sulphate and," and after the word "linoleate" to insert the words "10 cents per pound."

Mr. SMOOT. The first amendment was agreed to. The second amendment is to insert the words "10 cents per pound." That is the amendment which is now pending. Instead of having a 30 per cent ad valorem duty, we provide a specific duty.

Mr. FLETCHER. To what ad valorem duty would 10 cents a pound be equivalent?

Mr. SMOOT. The price of this commodity is about 52 cents a pound, and a specific duty of 10 cents would be a 20 per cent ad valorem duty.

Mr. FLETCHER. There is another amendment to increase the House rate on cobalt salts from 25 per cent to 35 per cent.

Mr. SMOOT. The duty on all other cobalt salts is fixed at 30 per cent ad valorem. In the House bill the same rates were provided for the sulphate and linoleate as for the salts, but we did not think that there ought to be as much on the sulphate and linoleate as on the cobalt salts, and we increased the duty on the salts, and on the other items decreased the equivalent ad valorem.

Mr. JONES of New Mexico. I merely want to make a very short statement about this duty and call attention to the fact that the price for the first nine months of 1921 was nearly twice what it was in 1918. This seems to be a commodity the price of which not only has not come down since the war but has gone up. The raw material is found in Canada.

Mr. SMOOT. The Senator is referring to cobalt oxide. There is no amendment to that item.

Mr. JONES of New Mexico. I was merely calling attention to it as the base material out of which the other commodities are made. It is the basic material from which sulphate and linoleate are made.

Mr. SMOOT. Of course, if the Senator is laying a foundation for his observations, then I have nothing further to say.

Mr. JONES of New Mexico. That was my purpose in calling attention to it. The basic material comes from Canada, and it seems to me we ought not to put a duty on it, which would have a tendency to keep up the price. The oxide has risen in price already, and there is no reason why we should put up the price, so far as I can see, when the oxide is a material out of which the sulphate and linoleate are made. At any rate, Mr. President, there is not, so far as I am advised, any testimony anywhere to be found to justify this increase in the duty. Only one witness appeared before the committee, and his testimony did not take up over about an inch and a half of the printed record, and all he had to say about it was the amount of the duty which he thought he ought to have. That is all that I can find out about it in this record. Just one witness appeared and stated that he would like to have an increase in this duty, and he stated the amount that he wanted. There is no great flood of importations. The price of the basic material, cobalt oxide, is rising, and I do not see how there could be any flood of importations. It is a small matter, but I simply want to call attention to the circumstances under which this bill is written.

Mr. McCUMBER. Mr. President, possibly it will enlighten the Senate a little upon this subject to quote from the Summary of Tariff Information:

> Since Canada began producing cobalt in quantity the production of oxide in the United States has been very small. Canada furnishes nearly all of the world's supply. The output in 1919 (preliminary figures) of cobalt salts was valued at $104,970.
>
> The imports are almost entirely from Canada. They increased from 28,729 pounds in 1913 to 109,484 pounds in 1914 and to 238,934 pounds in 1916. The import during 1918 was 220,863 pounds.
>
> The large increase in imports of cobalt oxide has been accompanied by a marked decrease in imports of cobalt ore, which was free of duty under the acts of 1909 and 1913.

It will be seen, therefore, that, as Canada's output has supplied the United States market, we have ceased to be a manufacturer, and the question arises, with cobalt ore free, whether it is better to manufacture the articles here or whether they should be almost solely manufactured in Canada rather than in the United States.

Mr. JONES of New Mexico. May I call the attention of the Senator to the fact that he has been giving us the figures as to oxide, and not sulphate or linoleate?

Mr. McCUMBER. The first amendment relates to oxide, and that is the reason I discussed it.

Mr. JONES of New Mexico. The first amendment does not relate to the oxide, Mr. President. It relates to the sulphate and the linoleate. There is no change suggested by the committee in the rate fixed by the House on the oxide.

Mr. SMOOT. That is right, but I will say to the Senator that the rate on the oxide is only about 10 per cent. The oxide to-day is worth about $2.

Mr. JONES of New Mexico. Twenty cents a pound.

Mr. SMOOT. That would be just about 10 per cent.

Mr. JONES of New Mexico. About 10 per cent.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On page 15, line 19, after the word "cobalt," it is proposed to insert the words "salts and," so as to read:

> and all other cobalt salts and compounds.

The amendment was agreed to.

The ASSISTANT SECRETARY. After the word "compounds" on line 19, and after the comma, the committee proposes to strike out "25" and to insert "30," so as to read:

> and all other cobalt salts and compounds, 30 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I realize that the amendment is going to be adopted. There is no suggestion of information at all about it, and I do not care to take up time in referring to these matters. They may appear very small to us, but they are of very considerable consequence to the people directly interested in them.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On page 15, line 24, after the word "known," it is proposed to insert within parentheses the words "except compounds of cellulose known as vulcanized or hard fiber," so as to read:

Compounds of pyroxylin, of other cellulose esters or ethers, or of cellulose, by whatever name known (except compounds of cellulose known as vulcanized or hard fiber), etc.

Mr. KING. Mr. President, I presume that the committee have transferred the words found in lines 24 and 25, "except compounds of cellulose known as vulcanized or hard fiber," to paragraph 29a.

Mr. SMOOT. That is correct.

Mr. KING. I should like to ask the chairman of the committee the reason of the change there, unless it was for the purpose of increasing the rate to be carried by the product, and I will not say to conceal, but to avoid, full disclosure as to the comprehensiveness of the amendment?

Mr. SMOOT. The object of the amendment is to decrease the rate, and not only that, but to have this vulcanized or hard fiber in a paragraph by itself, so that we can find out through the reports from the Treasury Department just how much of it is imported into the United States. The object is first to decrease the rate, and then, for statistical purposes, a new paragraph is made. If this amendment had not been made, it would have carried a duty of 40 cents a pound, or 60 per cent ad valorem. On the hard fiber that is all out of reason. Therefore the committee, as I say, took out this item and made a new paragraph for the purposes I have already stated.

Mr. KING. I am inclined to think there was some propriety in excising those words from paragraph 29 and constituting them a new paragraph; but I am somewhat in doubt as to the effect of the words "made wholly or in chief value of cellulose" in the new paragraph.

Mr. SMOOT. If the product was not made from cellulose, we would not want to give it this amount of duty. You see, it has to have a compensatory duty, because it is made from camphor, and camphor has a rate of 6 cents a pound; and not only that, but if it were not made from cellulose the hard fiber would not carry this rate of duty.

Mr. KING. I am inclined to think that if we are not very careful there will be some interpretation placed upon paragraph 29, or the following one, not designed by the committee, but that will enable the manufacturers of certain products which are very important to the lives of the people to claim a higher rate of duty than the article should carry, for the reason that some part of it, and only a small part of the value of the product, consists of any form of celluloid.

To illustrate what I mean, take toothbrushes. One would suppose that the important part of the cost of a toothbrush would be the bristles, and I fancy that that is the most important part, and the bristles would carry a certain rate, either specific or ad valorem, that might be lower than the rate carried upon the various forms of cellulose or celluloid. If you have a clause in here which makes a rate upon bristles—and I am using that only as an illustration—the rate might be fair, but if you have another provision in the bill under the terms of which, if the bristles are used in connection with celluloid, though the celluloid might constitute but a very small part of the cost of the finished product——

Mr. SMOOT. I will say to my colleague this is not celluloid; this is cellulose.

Mr. KING. I am speaking now, if the Senator will pardon me, of pyroxylin.

Mr. SMOOT. Oh, well, that is another matter.

Mr. KING. I am not speaking of the cellulose alone; I am calling attention now to paragraph 29. I was discussing the two together. The latter part of my remarks related to pyroxylin. So far as I know now, I do not object to the transposition and excision of those words from paragraph 29 and carrying them over to paragraph 29a.

Mr. SMOOT. I want to say to the Senator that if they are not carried over, the rate on hard-fiber goods falling under 40 cents a pound would be 100 per cent; so we took them out and put them in a bracket by themselves, and made the rate only 35 per cent.

Mr. KING. So far as I know now, I have no objection to taking a pro forma vote on the amendment to insert the words "except compounds of cellulose known as vulcanized or hard fiber"; but I do not want to take a vote upon paragraph 29a to-night. I should like a little further opportunity to see the full significance of that provision.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On page 16, line 4, the committee proposes to strike out "65 cents per pound and 25," and to insert "60," so that it will read:

Made into finished or partly finished articles, of which any of the foregoing is the component material of chief value, 60 per cent ad valorem.

Mr. KING. Mr. President, with my information—which I confess is somewhat limited—I am not satisfied with the rates which have been suggested for this paragraph. Undoubtedly they have been greatly increased over those of the Underwood-Simmons law, and I think that an examination of the Payne-Aldrich Act will show an increase over the provisions of that act.

Paragraph 17 of the Payne-Aldrich Act dealing with this subject reads:

Collodion and all compounds of pyroxylin or of other cellulose esters, whether known as celluloid or by any other name, 40 cents per pound; if in blocks, sheets, rods, tubes, or other forms, not polished, wholly or partly, and not made up into finished or partly finished articles, 45 cents per pound; if polished, wholly or partly, or if in finished or partly finished articles, except moving-picture films, of which collodion or any compound of pyroxylin or of other cellulose esters, by whatever name known, is the component material of chief value, 65 cents per pound and 30 per cent ad valorem.

That would seem to indicate that on those products perhaps the rate was higher than in the present bill.

Mr. SMOOT. The Payne-Aldrich rates were higher than those under the present bill, under the Senate amendment.

Mr. KING. Yes; I say, I am inclined to think that is true; but I shall offer an amendment to restore the rates of the Underwood-Simmons law as to this paragraph.

Mr. McCUMBER. May I ask the Senator a question? That is 40 per cent ad valorem, is it not?

Mr. KING. Forty and fifteen.

Mr. SMOOT. Twenty-five.

Mr. KING. It is 15.

Mr. SMOOT. No; partly finished articles, 25 per cent ad valorem.

Mr. KING. No; I think the Senator is wrong. Paragraph 25 of the Underwood Act provides:

Collodion and all other liquid solutions of pyroxylin, or of other cellulose esters, or of cellulose, 15 per cent ad valorem.

Mr. SMOOT. That is a different item entirely. In this bill that is in paragraph 28.

Mr. KING. It is in paragraph 25 of the Underwood Act.

Mr. SMOOT. Read the next provision, please.

Mr. KING. I say it is in paragraph 25 of the Underwood Act and deals with compounds analogous to those considered here.

Mr. SMOOT. No; this deals with liquid solutions, and that is an entirely different thing.

Mr. KING. Oh, well, the language is "solutions of pyroxylin, or of other cellulose esters, or of cellulose."

Mr. SMOOT. But that is the liquid solution.

Mr. KING. To be sure; I understand.

Mr. SMOOT. That is 15 per cent, it is true; but what we are discussing now is the compounds of pyroxylin or of other cellulose esters, of whatever name, and the rate on those is 25 per cent.

Mr. KING. The Senator misunderstood me. I intended to deal with the whole subject together——

Mr. SMOOT. Oh! I thought the Senator was dealing only with the paragraph that was before us.

Mr. KING. And I wanted to call the attention of the Senate to the fact that I shall move to restore the Underwood rates upon all of those items that might be denominated pyroxylin or pyroxylin compounds or divisions or groups.

Mr. SMOOT. If the Senator wants that done, then he will have to wait.

Mr. KING. I will have to move up one or the other of the paragraphs.

Mr. SMOOT. In fact, it would not be in order at this time.

Mr. KING. Oh, I understand that. My idea was to treat the entire subject at one time if we could, and, if we could not, to indicate now in advance to the committee what my view is with respect to the matter, and if I could not offer that amendment now because it dealt with another paragraph, that I would do so at a later date.

Mr. SMOOT. Then I should think the Senator would accept these amendments, because they are all decreases, and then, when we get into the Senate, offer the whole thing as a substitute.

Mr. KING. That might be done, although I am not satisfied with the rate which is provided in the paragraph which is under consideration.

Mr. McCUMBER. I think it might interest the Senator to get the purchasing prices in the foreign countries and in the United States, as shown by the Reynolds report. If he will take paragraph 25, celluloid dressing combs, celluloid in blocks, and hand-finished celluloid, he will find that the foreign value per dozen is $4.57; 36 cents is the landing charge, and there is a 40 per cent duty, making $1.62. The same article is sold for $10.75 in the United States. The American selling price of practically a like article is $9.25, but the foreign selling price is $4.57. The Senator can see that it could easily take the 60 per cent duty to equalize the cost prices at home and abroad.

Mr. KING. Mr. President, I will speak frankly to the Senator and say that there are a good many jokers in this provision. A moment ago, in a sort of an indirect comment to my colleague, I imperfectly pointed out what I conceived to be one of the dangers to be apprehended. Permit me to call the attention of the learned chairman to this language, lines 2 and 3, page 16:

Made into finished or partly finished articles, of which any of the foregoing is the component material of chief value.

It is obvious that under a construction which may be placed upon this language articles of common use may be greatly enhanced in value, to the damage of the people and to the great advantage of the manufacturers of pyroxylin in its various forms. I gave toothbrushes as an instance a moment ago. I refer to that because it is one which is so apt.

Mr. SMOOT. That exact wording has been in not only the Underwood law but in the Payne-Aldrich law as well, and in every law since we began the manufacture of celluloid in this country. I will say frankly to my colleague that I do not see how we could do otherwise. We have to have something of chief value, because these goods are made in connection with at least a half dozen—it may be a dozen—different articles. They are combined with other commodities and made into all sorts of toys and all sorts of articles. We must have a chief value somewhere, or else we would not know how to impose the duty. It is impossible to do it otherwise.

Mr. KING. Mr. President, I do not think my colleague is quite accurate; at least, if he is, I have not been advised of the facts as they exist. Let me call attention to paragraph 17 in the act of 1909, and paragraph 25 in the act of 1913. As I understood my colleague, he stated that the same language to which I called attention was found in the other laws.

Mr. SMOOT. In substance.

Mr. KING. Let us see if it is found there. I call attention to the act of 1909, paragraph 17. I do not think the language is exactly as it is in this bill, nor could it be construed as being the same.

Mr. SMOOT. There is a slight change in the wording. For instance, in the act of 1909 it is provided, "not polished, wholly or partly." That is not in this bill. There is a slight change, but the result is exactly the same.

Mr. KING. It is provided in the bill under consideration, "Articles, of which any of the foregoing is the component material of chief value." That language is not so broad as the language in the act of 1909, or the language in the act of 1913. I will not take the trouble to put the language of those two acts into the record, but even if it were true that the same language was found in a former law, I would regard it as unfortunate to adopt such language. I would regard it as unfortunate that it was adopted then, and I would think we should not adopt it now, particularly in view of the fact that, as I believe, this bill will perpetuate, or is calculated to perpetuate, high prices, and to give to the manufacturers of pyroxylin compounds a superior advantage.

I believe that pyroxylin can be manufactured very much cheaper now and in the future than it has been in the past, because the processes have been developed and improvements will be made, so that economies and cheapness will result in the future. But with the high prices under the provisions of this bill the purchaser would not get the advantage in those articles where any component part of the product was pyroxylin.

Mr. SMOOT. Unless we use those words, I can not conceive how it would ever be classified in entering this country. In the act of 1909 these words were used:

By whatever name known, if the component material of chief value.

That is what we say in this. In the act of 1913 it was provided:

By whatever name known, if the component material of chief value.

As I said to my colleague, there are many articles made of celluloid only partly. We have to decide in what class those goods will fall. That is not only true of celluloid, but it is true of the woolen schedule, it is true of the cotton schedule, it is true of every schedule we have in this bill. We have to impose a duty upon the article according to the component material of chief value.

Mr. KING. Will my colleague permit a question?

Mr. SMOOT. Certainly.

Mr. KING. As I recall, in the Payne-Aldrich law and the Underwood law, brushes, as an illustration, would come under this particular paragraph.

Mr. SMOOT. Yes; because of the very fact that it was so stated there in the paragraph itself.

Mr. KING. Notwithstanding the fact that some component part of the brushes was pyroxylin, or some form of pyroxylin. Under the wording of this paragraph, as I interpret it, brushes would be transferred to this paragraph and bear the duty this paragraph lays, if any part of the brush consisted of pyroxylin, or any of the compounds of pyroxylin.

Mr. SMOOT. If it is the component material of chief value, that is true.

Mr. KING. That is what I was complaining of, and because of the control of these products by the trusts, the chief value will be the pyroxylin products rather than the bristles or the other constituent parts of the brush. That is the danger.

Mr. SMOOT. The Senator refers to what trust? Japan absolutely controls the camphor of all the world. If there is any trust, it is in Japan. The Government there controls it; it controls the price. It says what we have to pay for it whenever it comes from Japan.

Mr. KING. The suggestion just made by my distinguished colleague may not lead us from the issue now under consideration. Conceding all that my colleague says, that Japan has a monopoly of the camphor, we do know that synthetic camphor is being produced in the United States, and that the production of synthetic camphor in the United States will increase tremendously with the development of the chemical industry in our country, so that we are not and will not be dependent upon Japan for camphor, unless we wish to be.

Mr. SMOOT. The camphor plants in the United States are closed down, and are begging for an increase from 6 cents to 25 per cent on camphor, and they will never start up with the rate we have fixed in this bill. I know that the St. Louis concern has made an offer that they want 25 per cent until they produce a certain quantity in the United States. The committee have granted that request.

ORDER FOR RECESS.

Mr. McCUMBER. Mr. President, may I ask both Senators to yield to me? I ask unanimous consent that when the Senate closes its session for this calendar day it agree to recess until to-morrow at 11 o'clock.

Mr. KING. May I supplement the unanimous-consent request just submitted by the Senator by asking that when the minute hand reaches 12 o'clock this evening we recess until 11 o'clock to-morrow?

Mr. McCUMBER. I would ask for a recess right away if we could get a vote upon this proposition.

Mr. KING. I desire to discuss this matter somewhat.

Mr. McCUMBER. The Senator has no objection to a recess until 11 o'clock to-morrow?

Mr. KING. No; I have not.

Mr. McCUMBER. Let us get the unanimous consent.

Mr. KING. I have no objection to it.

Mr. UNDERWOOD. Mr. President, I wish to be perfectly agreeable to the Senator and allow him to regulate the matter of the hours to suit himself. It is his business, as he is in charge of the bill. But I ask him, for information, if he proposes to have a night session to-morrow night?

Mr. McCUMBER. I think not, because some work has to be done in the Senate Chamber to-morrow night, which will take until Sunday night.

Mr. UNDERWOOD. Will the Senator, for the convenience of the Senate, state at what time he expects the Senate to take a recess to-morrow evening?

Mr. McCUMBER. I think about 5 o'clock. I now ask unanimous consent that when the Senate closes its session for this calendar day it agree to recess until to-morrow at 11 o'clock.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

CONTRACTS FOR FUTURE DELIVERY OF COTTON AND GRAIN.

Mr. HEFLIN submitted the following resolution (S. Res. 290), which was referred to the Committee on Agriculture and Forestry:

Whereas cotton and grain are two of the prime necessities of life in more general public use than any other commodities produced in the United States and the welfare of almost every citizen is dependent on the same; and

Whereas it is openly alleged and generally believed that the prices of said necessities of life are fixed and controlled by transactions for future delivery of the same made by the New York Cotton Exchange, New Orleans Cotton Exchange, and Chicago Board of Trade, respectively; and

Whereas it appears that the number of bales of cotton involved in transactions on said cotton exchanges for future delivery and the number of bushels of grain involved in transactions on said Chicago Board of Trade for future delivery in any one year exceeds by ten to fourteen times all the cotton and grain raised in the United States for the same period; and

Whereas it appears that in order to more effectually insure the domination of prices and control of the market for such necessities, the New York Cotton Exchange and New Orleans Cotton Exchange, and Chicago Board of Trade keep a record of every transaction in cotton or grain, respectively, made on such exchanges or board of trade, but refuse to permit continuous quotations of prices on the same to be disclosed to the public except under such circumstances as to be of little value; and

Whereas it appears that said cotton exchanges and said Chicago Board of Trade have entered into contract for the delivery to and transmission by certain telegraph companies of its continuous quotations of prices of said necessities of life sold for future delivery with such restrictions and conditions attached as to even more effectually insure the control of the market of said necessities of life by said cotton exchanges and board of trade; and

Whereas a monopoly or control of the prices and markets of any of the necessities of life by either individuals or corporations is injurious to the public interest; now, therefore, be it

Resolved, 1. That the President of the Senate be, and he is hereby, authorized and requested to appoint a committee of five Members of the Senate to take into consideration the relations of transactions for future delivery on the cotton exchanges and boards of trade in the United States to prices of cotton and grain. Also, whether said cotton exchanges or boards of trade, or either of them, and if so which, attempt to affect the prices of commodities dealt in by their members for future delivery by refusal to give to the public the continuous quotation of prices of the respective commodities dealt in by such exchanges or boards of trade, or in any other way; also, to ascertain whether said exchanges or boards of trade, and if so which, have entered into any contract with any corporation or individual for delivery to and transmission by said corporation or individual of the quotations of prices on said exchanges, and the terms and conditions of the said contract.

2. That said committee shall have power to send for such persons and papers as may tend to throw light on the subject under investigation and to administer oaths to all witnesses.

3. Said committee may hold meetings in the city of New York, New Orleans, or Chicago, in addition to Washington, if, in their opinion, the public interests would be promoted thereby.

4. Said committee shall report their findings of fact and conclusions of law, together with recommendations, to the Senate.

DEDICATION OF THE LINCOLN MEMORIAL.

Mr. CURTIS. Mr. President, I report favorably from the Committee on Rules a resolution regarding the attendance of the Senate on the ceremonies at the dedication of the Lincoln Memorial, and I ask for its immediate consideration.

The resolution (S. Res. 291) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Senate accept the invitation to attend the ceremonies at the dedication of the Lincoln Memorial, May 30, 1922, at 2.30 o'clock p. m.; that a recess be taken at 1.30 o'clock p. m. on the day of May 30 until 11 o'clock on the morning of May 31; and that at the taking of the recess at 1.30 p. m. on May 30 the Senate, accompanied by its officers, shall proceed to the Lincoln Memorial.

Resolved further, That the Sergeant at Arms be directed to make the necessary arrangements to carry out this order.

PROHIBITION OF OPIUM.

Mr. CURTIS. Mr. President, from the Committee on Finance I make a favorable report with an amendment on a bill and ask unanimous consent for its immediate consideration. I will state that it is House bill 2193, the so-called narcotics bill. It is drawn to carry out the provisions of the agreement at The Hague in 1912, and it was passed by unanimous vote in the House.

Mr. UNDERWOOD. Mr. President, I am not familiar with this proposed amendment of the law. I was the chairman of the Ways and Means Committee when we reported the bill which is the present narcotic act, and Congress passed it, and I am heartily in favor of carrying out the treaty arrangements of this country in reference to the importation of opium. But my understanding was that at the time the bill which is the present law was passed it did carry out the terms of the treaty. It was prepared largely by the State Department, and I understood that the treaty arrangement had been complied with. I would like to have some statement as to what is the change in the conditions.

Mr. CURTIS. The existing law does not carry out fully the agreement, and this is simply to go on with the Harrison Act. It does not repeal any part of it, but strengthens it and complies fully with the obligations of the treaty.

Mr. UNDERWOOD. I was asking the Senator to what extent this supplements the treaty where it was not carried out before?

Mr. CURTIS. The bill provides for a commission of three—the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce—to which these matters are referred. It provides for a penalty to all those who violate the narcotic act. It provides for a penalty for the carriage of narcotics in vessels if it is knowingly done. It also provides a penalty to any merchant who handles the narcotics knowingly. I think I have stated briefly the only things that it provides.

The VICE PRESIDENT. Is there objection to the immediate consideration of the bill?

Mr. UNDERWOOD. I will state that I am, of course, in favor of the enforcement of this law. Under other circumstances I would ask that a bill of this importance be given a fuller opportunity for consideration, but I realize, the tariff bill being before the Senate, that if it is not considered in this way the bill will probably be delayed for quite a while, and I have no desire to delay the enactment of it into law. Therefore I shall make no objection to its immediate consideration, although I think under ordinary circumstances a bill of such importance should be taken from the calendar and considered in the usual way.

Mr. CURTIS. I agree with the Senator, and if it were not for the fact that the bill had been unanimously considered in the House, with every member of the House committee favorable to it, every member of the Senate committee favorable to it, and that it has been referred to the three departments for report and they are all favorable to it, I would not ask to have it taken up now.

Mr. UNDERWOOD. I will say to the Senator that I realize the very great importance of the measure to the American people in the enforcement of the law. The peculiar conditions of the bill are such that I am willing to grant unanimous consent, but bills of such importance should ordinarily await their turn on the calendar.

Mr. CURTIS. I agree with the Senator.

There being no objection, the Senate as in Committee of the Whole proceeded to consider the bill (H. R. 2193) to amend the act entitled "An act to prohibit the importation and use of opium for other than medicinal purposes," approved February 9, 1909, as amended, which was reported from the Committee on Finance with an amendment, on page 6, lines 24 and 25, to strike out the words "to a penalty equal to the value of the narcotic drugs" and to insert in lieu thereof: "(1) If the narcotic drug is smoking opium, to a penalty of $25 an ounce, and (2) if any other narcotic drug, to a penalty equal to the value of the narcotic drug"; so as to make the bill read:

Be it enacted, etc., That sections 1 and 2 of the act entitled "An act to prohibit the importation and the use of opium for other than medicinal purposes," approved February 9, 1909, as amended, are amended to read as follows:

"That when used in this act—

"(a) The term 'narcotic drug' means opium, coca leaves, cocaine, or any salt, derivative, or preparation of opium, coca leaves, or cocaine;

"(b) The term 'United States,' when used in a geographical sense, includes the several States and Territories and the District of Columbia;

"(c) The term 'board' means the Federal Narcotics Control Board established by section 2 of this act; and

"(d) The term 'person' means individual, partnership, corporation, or association.

"SEC. 2. (a) That there is hereby established a board to be known as the 'Federal Narcotics Control Board' and to be composed of the Secretary of State, the Secretary of the Treasury, and the Secretary of Commerce. Except as otherwise provided in this act or by other law, the administration of this act is vested in the Department of the Treasury.

"(b) That it is unlawful to import or bring any narcotic drug into the United States or any territory under its control or jurisdiction; except that such amounts of crude opium and coca leaves as the board finds to be necessary to provide for medical and legitimate uses only, may be imported and brought into the United States or such territory under such regulations as the board shall prescribe. All narcotic drugs imported under such regulations shall be subject to the duties which are now or may hereafter be imposed upon such drugs when imported.

"(c) That if any person fraudulently or knowingly imports or brings any narcotic drug into the United States or any territory under its control or jurisdiction, contrary to law, or assists in so doing, or receives, conceals, buys, sells, or in any manner facilitates the transportation, concealment, or sale of any such narcotic drug after being imported or brought in, knowing the same to have been imported contrary to law, such person shall upon conviction be fined not more than $5,000 and imprisoned for not more than 10 years.

"(d) Any narcotic drug imported or brought into the United States or any territory under its control or jurisdiction, contrary to law, shall (1) if smoking opium or opium prepared for smoking, be seized and summarily forfeited to the United States Government without the necessity of instituting forfeiture proceedings of any character; or (2), if any other narcotic drug be seized and forfeited to the United States Government, without regard to its value, in the manner provided by sections 3075 and 3076 of the Revised Statutes, or the provisions of law hereafter enacted which are amendatory of, or in substitution for, such sections. Any narcotic drug which is forfeited in a proceeding for condemnation or not claimed under such sections, or which is summarily forfeited as provided in this subdivision, shall be placed in the custody of the board and in its discretion be destroyed or delivered to some agency of the United States Government for use for medical or scientific purposes.

"(e) Any alien who at any time after his entry is convicted under subdivision (c) shall, upon the termination of the imprisonment imposed by the court upon such conviction and upon warrant issued by the Secretary of Labor, be taken into custody and deported in accordance with the provisions of sections 19 and 20 of the act of February 5, 1917, entitled 'An act to regulate the immigration of aliens to, and the residence of aliens in, the United States' or provisions of law

hereafter enacted which are amendatory of, or in substitution for, such sections.

"(f) Whenever on trial for a violation of subdivision (c) the defendant is shown to have or to have had possession of the narcotic drug, such possession shall be deemed sufficient evidence to authorize conviction, unless defendant explains the possession to the satisfaction of the jury.

"(g) The master of any vessel or other water craft, or a person in charge of a railroad car or other vehicle, shall not be liable under subdivision (c), if he satisfies the jury that he had no knowledge of and used due diligence to prevent the presence of the narcotic drug in or on such vessel, water craft, railroad car, or other vehicle; but the narcotic drug shall be seized, forfeited, and disposed of as provided in subdivision (d)."

SEC. 2. That sections 5 and 6 of such act of February 9, 1909, as amended, are amended to read as follows:

"SEC. 5. That no smoking opium or opium prepared for smoking shall be admitted into the United States or into any territory under its control or jurisdiction for transportation to another country, or be transferred or transshipped from one vessel to another vessel within any waters of the United States for immediate exportation or for any other purposes; and, except with the approval of the board, no other narcotic drug may be so admitted, transferred, or transshipped.

"SEC. 6. (a) That it shall be unlawful for any person subject to the jurisdiction of the United States Government to export or cause to be exported from the United States, or from territory under its control or jurisdiction, or from countries in which the United States exercises extraterritorial jurisdiction, any narcotic drug to any other country: *Provided*, That narcotic drugs (except smoking opium and opium prepared for smoking, the exportation of which is hereby absolutely prohibited) may be exported to a country only which has ratified and become a party to the convention and final protocol between the United States Government and other powers for the suppression of the abuses of opium and other drugs, commonly known as the International Opium Convention of 1912, and then only if (1) such country has instituted and maintains, in conformity with that convention, a system, which the board deems adequate, of permits or licenses for the control of imports of such narcotic drugs; (2) the narcotic drug is consigned to an authorized permittee; and (3) there is furnished to the board proof, deemed adequate by it, that the narcotic drug is to be applied exclusively to medical and legitimate uses within the country to which exported, that it will not be reexported from such country, and that there is an actual shortage of and a demand for the narcotic drug for medical and legitimate uses within such country.

"(b) The Secretary of State shall request all foreign Governments to communicate through the diplomatic channels copies of the laws and regulations promulgated in their respective countries which prohibit or regulate the importation and shipment in transit of any narcotic drug and, when received, advise the board thereof.

"(c) The board shall make and publish all proper regulations to carry into effect the authority vested in it by this act."

SEC. 3. That section 8 of such act of February 9, 1909, as amended, is amended to read as follows:

"SEC. 8. (a) That a narcotic drug that is found upon a vessel arriving at a port of the United States or territory under its control or jurisdiction and is not shown upon the vessel's manifest, or that is landed from any such vessel without a permit first obtained from the collector of customs for that purpose, shall be seized, forfeited, and disposed of in the manner provided in subdivision (d) of section 2, and the master of the vessel shall be liable (1) if the narcotic drug is smoking opium, to a penalty of $25 an ounce, and (2) if any other narcotic drug, to a penalty equal to the value of the narcotic drug.

"(b) Such penalty shall constitute a lien upon the vessel which may be enforced by proceedings by libel in rem. Clearance of the vessel from a port of the United States may be withheld until the penalty is paid, or until there is deposited with the collector of customs at the port, a bond in a penal sum double the amount of the penalty, with sureties approved by the collector, and conditioned on the payment of the penalty (or so much thereof as is not remitted by the Secretary of the Treasury) and of all costs and other expenses to the Government in proceedings for the recovery of the penalty, in case the master's application for remission of the penalty is denied in whole or in part by the Secretary of the Treasury.

"(c) The provisions of law for the mitigation and remission of penalties and forfeitures incurred for violations of the customs laws shall apply to penalties incurred for a violation of the provisions of this section."

SEC. 4. That such act of February 9, 1909, as amended, is amended by adding at the end thereof a new section to read as follows:

"SEC. 9. That this act may be cited as the 'narcotic drugs import and export act.'"

The amendment was agreed to.

The bill as amended was reported to the Senate, and the amendment was concurred in.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

COLLECTION OF TAXES IN THE DISTRICT OF COLUMBIA.

Mr. JONES of Washington. Mr. President, I ask unanimous consent out of order to report with amendments from the Committee on the District of Columbia the bill (S. 3565) relating to the collection of taxes in the District of Columbia, and I submit a report (No. 702) thereon. I desire to say just this much about it. The bill simply provides for the payment of taxes twice a year in the District of Columbia instead of once a year as now, and it would be very helpful to meet the situation which confronts the District. The bill is urged by the District Commissioners. It is a short bill. If there is no objection, I would like to put it on its passage, and I ask unanimous consent for its present consideration.

Mr. UNDERWOOD. Mr. President, I have no objection to the Senator reporting the bill at this time and putting it on the calendar, but I hope he will not undertake to call it up for consideration until we have had the reflection of public sentiment in the District of Columbia with reference to it and have had some chance to consider it.

Mr. JONES of Washington. Very well. I will ask that the bill go to the calendar.

The VICE PRESIDENT. The bill will be placed on the calendar.

APPOINTMENT OF POSTMASTERS IN TENNESSEE.

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD certain letters which I have received from the Civil Service Commission, together with copies of letters which I wrote to them. Inasmuch as I had certain other letters with reference to the matter printed in the RECORD some days ago, I assured the commission that I would also have these incorporated in the RECORD.

There being no objection the letters were ordered to be printed in the RECORD, as follows:

MARCH 15, 1922.

Hon. GEORGE R. WALES,
Civil Service Commission, Washington, D. C.

MY DEAR MR. WALES: Inclosed please find affidavit of G. R. Dickson, of Rutherford, Tenn., that explains itself. Please file this with the other papers.

Very sincerely yours,

KENNETH MCKELLAR.

HOME EXCHANGE BANK,
Rutherford, Tenn., October 21, 1922 (should be 1921).

CIVIL SERVICE COMMISSION,
Washington, D. C.

GENTLEMEN: Knowing that J. W. Akin, of this place, is an applicant for postmaster at Rutherford, Tenn., and as he occupied the position of cashier of this bank for a term of two years, we feel that we are in a position to suggest a few reasons why his application should not have any consideration.

Mr. Akin, while cashier of the Home Exchange Bank, developed to be a financial supporter of the local bootleggers by undertaking to "carry checks as cash items" on these irresponsible parties who had no funds in the bank whatever, and on one occasion he was caught by an official of this bank in substituting a worthless "bootlegger check" for currency in the bank, and was threatened with immediate dismissal.

His actions showed distinct evidence that he was a participator in the bootlegging profits, and many other similar acts of underhand graft such as buying war savings stamps during the war from citizens and patrons of the bank at below par, by discouraging them as to their real value, and then cashing them at full value.

Mr. Akin was dismissed without honor by an overwhelming vote of the stockholders of this bank. Mr. Akin also represented the Continental Fire Insurance Co. at this place, and for reasons of this kind his bondsmen withdrew from his bond. He also represented an estate here as trustee, and his bondsmen withdrew from his bond. These facts can be substantiated by addressing the county court clerk, Hon. J. H. Burress, Trenton, Tenn.

On general principles he is disliked by both political parties, and has made himself repulsive to the people of this community. His appointment as postmaster would meet with an overwhelming disfavor.

I wish to say further that Mrs. Claris E. Akin, while working for this bank, was a partner with her husband, John W. Akin, in buying war savings stamps from the public and the proceeds were deposited to John W. Akin's credit.

G. R. DICKSON.

(Notary's certificate attached, signed by Broeck Cummings, N. P.)

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., March 17, 1922.

Hon. KENNETH MCKELLAR,
United States Senate, Washington, D. C.

MY DEAR SENATOR MCKELLAR: I beg to acknowledge receipt of your letters of March 14 and 15 inclosing copies of affidavits by Mr. Lyle W. Davidson and Mr. G. R. Dickson, of Rutherford, Tenn., in regard to the examination of Mrs. Claris E. Akin for postmaster for that place.

The post office at Rutherford, Tenn., is a third class, at which the salary of the postmaster is $1,600 per annum. The examination consists of the subjects of (1) accounts and arithmetic, (2) penmanship, (3) letter writing, and (4) business training, experience, and fitness. The examination was originally held there on August 13, 1921.

In addition to Mrs. Akin, there were several other competitors in the examination, including her husband, John W. Akin. Mrs. Akin attained ratings in the written subjects as follows: (1) Accounts and arithmetic, 100; (2) penmanship, 82; (3) letter writing, 78.

The papers of all candidates were rated and based upon the evidence obtained as a result of questionnaires sent by mail to references of all the candidates and various citizens of the community listed in the commercial directory. Mrs. Akin and her husband were each assigned a rating of 40 on the subject of business training, experience, and fitness because some of the persons who filled out questionnaires involved Mrs. Akin with her husband in transactions unfavorably in connection with a bank. Mrs. Akin appealed from this first rating, and the commission decided, in order to do justice to all concerned, to send personal representatives there to make an investigation of all of the facts. An investigation was accordingly conducted there on December 17, 1921, the inspectors interviewing 13 representative citizens of the community, among them Mr. G. R. Dickson, whose affidavit you forward with your letter. In regard to Mrs. Akin, all of the persons interviewed agreed that her character and standing in the community are good; that she is a capable, experienced woman, courteous and accommodating, and amply qualified for the position of postmaster. In view of all of the facts as ascertained in the personal investigation, the examiners recommended that her rating be increased from 40 to 83 on the subject of business training, experience, and fitness, which was done, giving her a general average of 87.50 in the examination and placing her name at the head of the eligible list. No change was made in the rating of John W. Akin, her husband. However, the ratings of several of the candidates were raised as a result of the review on the evidence obtained in

the personal investigation. The list of candidates and their ratings on the first examination by examiners was as follows:

ELIGIBLES.

	Per cent.
William W. Taylor (preference)	82.08
Lowell C. Rickman (preference)	79.23
Terrance A. Bone (preference)	76.58
Daniel E. Meadows (preference)	73.95
Lera Page	73.28
Carlos King (preference)	70.05

INELIGIBLES.

Mrs. Claris E. Akin	66.00
John W. Akin	56.83
Drew J. Rion	58.38
Felix M. Flowers	56.38
Joe Zaricor (preference)	65.90

The list made up after investigation and reexamination by the examiners is as follows:

ELIGIBLES.

Mrs. Claris E. Akin	87.50
William W. Taylor (preference)	85.58
Lowell C. Rickman (preference)	82.23
Terrance A. Bone (preference)	81.58
Daniel E. Meadows (preference)	77.45
Carlos King (preference)	75.05
Lera Page	73.78

INELIGIBLES.

Joe Zaricor (preference)	68.40
Drew J. Rion	62.38
Felix W. Flowers	57.88
John W. Akin	56.83

Very respectfully,

G. R. WALES, *Commissioner.*

(Personal.)

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., March 21, 1922.

Hon. KENNETH MCKELLAR,
United States Senate.

MY DEAR SENATOR MCKELLAR: I notice that on pages 4587 and 4588 of the CONGRESSIONAL RECORD, covering yesterday's session, certain statements are made by you involving the integrity of the Civil Service Commission. They cover three principal cases.

As to the first of these, you state that you filed with the Civil Service Commission charges that you had already filed with the Senate against John W. Overall, apparently Republican national committeeman for the State of Tennessee, and that because the Civil Service Commission is "composed entirely of Republicans and anyone can understand that they would not care whether civil-service positions were bought or sold under them or not, if their Republican friends were interested," they took no action in regard to them. Your charges against Mr. Overall relate to what you term "trafficking in civil-service appointments."

I have carefully gone over your letter dated August 29, 1921, addressed to the Civil Service Commission, and the only specific case you mention is that of prohibition officer in the State of Tennessee, a position which is not in the classified service. You were advised in the commission's letter of September 1, 1921, in reply that such position is not in the competitive classified service, and that the case therefore was not within the commission's jurisdiction.

Your letter of August 29, 1921, also referred incidentally to the appointment of a rural carrier at Cheap Hill, Tenn., but gave no names and no testimony or evidence indicating that any one of the three persons whose names had been certified to the department for consideration in filling the position had paid money to Mr. Overall for any purpose whatsoever. You were advised in the commission's letter of September 1, 1921, of the names of these three persons, and that the department had not reported selection from among the three, and also were advised of the provisions of law and rules relating to trafficking in appointments, and that "if a prima facie case is submitted to the commission of violation of the Federal statutes, relating to trafficking or of the civil-service rules, the commission will submit it to the Department of Justice for prosecution or take such administrative action as may be appropriate."

The commission has not since heard from you in this connection, and your statement, therefore, on page 4132 of the CONGRESSIONAL RECORD, as to failure to take action, is not in accord with the facts.

The second case is mentioned on page 4132 of the RECORD, and relates to the presidential postmaster examination for McKenzie, Tenn. I am making inquiry into this case, which was handled in the routine procedure of the office, and will be glad to advise you of the facts within a few days.

As to the third case, mentioned on page 4133 of the RECORD, I quote below the commission's letter of March 17, 1922, giving you the facts:

"MY DEAR SENATOR MCKELLAR: I beg to acknowledge receipt of your letters of March 14 and 15, inclosing copies of affidavits by Mr. Lyle W. Davidson and Mr. G. R. Dickson, of Rutherford, Tenn., in regard to the examination of Mrs. Claris E. Akin for postmaster for that place.

"The post office at Rutherford, Tenn, is a third class, at which the salary of the postmaster is $1,600 per annum. The examination consists of the subjects of (1) accounts and arithmetic, (2) penmanship, (3) letter writing, and (4) business training, experience, and fitness. The examination was originally held there on August 13, 1921.

In addition to Mrs. Akin, there are several other competitors in the examination, including her husband, John W. Akin. Mrs. Akin attained ratings in the written subjects as follows: (1) Accounts and arithmetic, 100; (2) penmanship, 82; (3) letter writing, 78.

The papers of all candidates were rated and based upon the evidence obtained as a result of questionnaires sent by mail to references of all the candidates and various citizens of the community listed in the commercial directory. Mrs. Akin and her husband were each assigned a rating of 40 on the subject of business training, experience, and fitness, because some of the persons who filled out questionnaires involved Mrs. Akin with her husband in transactions unfavorably in connection with a bank. Mrs. Akin appealed from this first rating; and the commission decided, in order to do justice to all concerned, to send personal representatives there to make an investigation of all of the facts. An investigation was accordingly conducted there on December 17, 1921, the inspectors interviewing 13 representative citizens of the community, among them Mr. G. R. Dickson, whose affidavit you forward with your letter. In regard to Mrs. Akin, all of the persons interviewed agreed that her character and standing in the community are good; that she is a capable, experienced woman, courteous and accommodating, and amply qualified for the position of postmaster. In view of all of the facts as ascertained in the personal investigation, the examiners recommended that her rating be increased from 40 to 83 on the subject of business training, experience, and fitness, which was done, giving her a general average of 87.50 in the examination and placing her name at the head of the eligible list. No change was made in the rating of John W. Akin, her husband. However, the ratings of several of the candidates were raised as a result of the review on the evidence obtained in the personal investigation. The list of candidates and their ratings on the first examination by examiners was as follows:

ELIGIBLES.

	Per cent.
William W. Taylor (preference)	82.08
Lowell C. Rickman (preference)	79.23
Terrance A. Bone (preference)	76.58
Daniel E. Meadows (preference)	73.95
Lera Page	73.28
Carlos King (preference)	70.05

INELIGIBLES.

Mrs. Claris E. Akin	66.00
John W. Akin	56.83
Drew J. Rion	58.38
Felix W. Flowers	56.38
Joe Zaricor (preference)	65.90

The list made up after investigation and reexamination by the examiners is as follows:

ELIGIBLES.

Mrs. Claris E. Akin	87.50
William W. Taylor (preference)	85.58
Lowell C. Rickman (preference)	82.23
Terrance A. Bone (preference)	81.58
Daniel E. Meadows (preference)	77.45
Carolos King (preference)	75.05
Lera Page	73.78

INELIGIBLES.

Joe Zaricor (preference)	68.40
Drew J. Rion	62.38
Felix W. Flowers	57.88
John W. Akin	56.83

Very respectfully,

G. R. WALES, *Commissioner.*

It will be observed from this letter that all the persons interviewed at Rutherford, Tenn.—who were the leading citizens and business men of that community—without exception gave favorable testimony as to the good character and standing in the community of Mrs. Claris E. Akin, and these representative citizens included Mr. G. R. Dickson, who furnished you with an affidavit attacking Mr. Akin, the husband of Mrs. Claris E. Akin. The testimony secured by the commission's representatives while at Rutherford corroborated the affidavit of Mr. Dickson that Mr. Akin apparently is not the type of citizen desired for postmaster, but Mr. Dickson and all other persons spoke highly of Mrs. Akin. The department, of course, is not obliged to select Mrs. Akin, as two other eligibles were certified with her, but it seemed clear to the commission that her experience as assistant postmaster and her personal qualifications clearly entitled her to a place among the highest three eligibles.

I am assured that now the matter is brought to your personal attention, you will do the commission the common justice of having this letter presented to the Senate and printed in the RECORD.

Very truly yours,

G. R. WALES, *Commissioner.*

—

MARCH 24, 1922.

Hon. GEORGE R. WALES,
Civil Service Commission, Washington, D. C.

MY DEAR SIR: Your letter of the 21st received and noted. I will take pleasure in putting this in the RECORD and also put at the same time the charges I made to the commission in regard to the Overall matter and your letter of refusal to take cognisance of the charges. In my judgment your explanation of the Rutherford matter is wholly without merit. It seems impossible on the face of it that your examining aids could have found that Mrs. Akin was entitled to only 66 on the examination and 87.50 on the review of the examination. Of course, the inspector on the reexamination heard only one side of it. This is perfectly manifest.

I am called out of the city to-morrow, but as soon as I get back I will take the matter up and will be sure to have your letter go in the RECORD.

Very sincerely yours,

KENNETH MCKELLAR.

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., March 27, 1922.

Hon. KENNETH MCKELLAR,
United States Senate, Washington, D. C.

MY DEAR SENATOR MCKELLAR: We beg to acknowledge receipt of your letter of March 24, 1922, in further relation to the examination for postmaster at Rutherford, Tenn., and to thank you for granting the suggestion in our letter of March 21 that such letter be printed in the RECORD.

In your letter of March 24 you speak of our letter of refusal to take cognizance of charges you made to us in regard to the Overall matter. I shall appreciate it if you will kindly advise me if you refer to our letter of September 1, 1921, although I assume it must be that letter, for I am not able to find any other of the sort. By reference to your letter of August 29, 1921, you will note that the specific case you mention is that of prohibition officer, and in our letter of September 1, 1921, we pointed out that appointment to the position of prohibition officer is by statute entirely outside our jurisdiction.

We endeavored in our letter to you of March 21, 1922, to make clear the fact that the only reason that Mrs. Akin failed of attaining a high place among the eligibles on the first rating was because some of the testimony we have secured by mail seemed to involve Mrs. Akin with her husband in transactions unfavorably in connection with the bank, and that accordingly her rating on the subject of business training, experience, and fitness, as in other cases of personal unfitness because of questionable honesty, had been made as low as 40. Upon Mrs. Akin's appeal from this action the commission, as in other such

cases and in order to do justice to all concerned, sent personal representatives to Rutherford for the purpose of finding the exact facts. The result of this investigation, which included the testimony of 13 representative citizens of the community, showed that Mrs. Akin had suffered an injustice in the rating of 40 on the subject of business training, experience, and fitness, because these 13 representative citizens testified uniformly to her good character and standing in the community. Thereupon the commission, as in other such cases, corrected its previous action and gave her the rating to which she would have been entitled in the first place in the absence of testimony against her honesty.

I am sorry that I can not agree with you that the investigators in the personal examination heard only one side of the case, because the 13 witnesses were representative of the community and leading citizens and business men of the community, and as was previously stated to you, one of such witnesses was Mr. G. R. Dickson. It will be noted further that the personal investigation of the case confirmed the original action taken in Mr. Akin's case.

Very sincerely yours,

G. R. WALES, *Commissioner.*

—

UNITED STATES CIVIL SERVICE COMMISSION,
Washington, D. C., April 13, 1922.

Hon. KENNETH MCKELLAR,
United States Senate.

MY DEAR SENATOR MCKELLAR: The commission has been awaiting publication in the CONGRESSIONAL RECORD of its letter to you under date of March 21, 1922, which you stated in your letter of March 24 would be so published; but inquiries at the Capitol indicate that you are still absent from the city.

In our letter of March 21 we stated that we would advise you of the facts connected with the examination for presidential postmaster at McKenzie, Tenn. They are as follows:

The Post Office Department reported under date of May 19, 1921, the existence of a vacancy in the position of postmaster at McKenzie, Tenn., giving the salary as $1,900 per annum. There were hundreds of other vacancies reported at the same time, and the commission was not able to announce an earlier examination date for the McKenzie vacancy than September 24, 1921.

The salary of $1,900 named by the department placed the office within the third class, and accordingly the examination that was announced included 50 per cent written tests and 50 per cent "business training, experience, and fitness." The examination resulted as follows:

	General average (per cent).
Paul M. Ware (preference; includes a bonus of 5 per cent)	86.25
Jack H. Marshall (preference; includes a bonus of 5 per cent)	84.25
James W. Marshall (preference; includes a bonus of 5 per cent)	80.93
Wallace H. Cannon	77.95
Henry G. Snead (preference; includes a bonus of 5 per cent)	75.83
Elmer T. Sparks	74.75
Andrew Ernest Argo	69.30

Under the former administration the Post Office Department held that it was within its discretion, when an office was advanced from the third class to the second class, to call for a new examination under the somewhat different standards for the latter class of office. In explanation of this it may be stated that at third-class offices the postmaster has considerable clerical work to perform and must himself handle the finances of the office, and for this reason the written tests are given; whereas in the second-class office and the first-class office the duties become more and more administrative and executive, with less personal clerical work, as the office grows larger.

Acting under this practice of the former administration the Post Office Department advised the commission that the salary of the postmastership at McKenzie, Tenn., had been increased to $2,300, thereby making it a second-class office, and requested that a new examination be held under the standard for a second-class office.

In view of this long-standing practice the request of the department was complied with, and examination announced for March 14, 1922, without the case being brought to the personal attention of the commissioners. As soon as it did come to the attention of the commissioners that the first examination had resulted in several well-qualified eligibles, it took the matter up with the Post Office Department and has canceled the second examination, the results of the first examination, namely, September 24, 1921, being recertified to the Post Office Department.

Very truly yours,

G. R. WALES,
Commissioner.

—

AUGUST 29, 1921.

CIVIL SERVICE COMMISSION,
Washington, D. C.

DEAR SIRS: I prefer the following charges against John W. Overall:

FIRST.

My resolution is as follows:

"*Resolved*, That the Post Office Committee of the Senate be, and is hereby, authorized and instructed to investigate the alleged violations of the civil-service act and the alleged selling or trafficking in Federal offices in Tennessee by John W. Overall, Republican national committeeman and alleged referee in patronage matters in that State."

SECOND.

I call your attention to the following letter:

NASHVILLE, TENN., *May 22, 1921.*

DEAR DUDLEY: I have been on the road for past four weeks, and I am in for to-day. Was out to see Mr. Overall last night and suggested to him it would be nice for his friends for him to be in Washington looking after us fellows he had indorsed and was going to indorse, and I suggest we should chip in and pay his expenses, and I, for one, would be glad to do so. I am writing to several I know he is going to indorse and asking them if they feel like it to write Mr. Overall, stating to him I had suggested this and inclose check for small amount if they felt like it. I assure you it will be good money spent, and if you feel able to kick in, say $10, do so. If not, it is all right. If he fails to indorse you I will pay your amount. I know positively he is going to put you over when the time comes if he can, and it is a 20-to-1 bet he can.

However, do as you think best. I never mentioned to him who I was going to write to. With best wishes,

Your friend,

TOM P. MAY.

Mr. May, as the newspaper articles and admissions hereinafter referred to show, is the Tennessee treasurer of the Republican committee, and has his office with Mr. Overall in Nashville, and is virtually the active manager of the office, Mr. Overall being national committeeman. Mr. Dudley J. Shivers is chairman of the Republican committee of Cheatham County, at Ashland City, and is also a member of the Republican congressional committee. He is an applicant for the postmastership at Ashland City. He was also interested in the appointment of a rural carrier at Chapel Hill, Tenn., called in the correspondence Cheap Hill. This letter of May 22, 1921, was written from Mr. Overall's office in Nashville and by his manager of that office. It was written after a talk with Mr. Overall, probably out at his house in Nashville. Evidently he talked about the letter he expected to write to secure these contributions for expenses. I call your especial attention to the last sentence of the letter, "I never mentioned to him who I was going to write to." In other words, this letter was not only written by Mr. Overall's agent but it was written from Mr. Overall's office in Nashville, and after a conference with Mr. Overall on the subject, and evidently after full approval upon the part of Mr. Overall. The only limitation that Mr. May makes as to the conference was "I never mentioned to him who I was going to write to." The relationship between May and Overall is most important, because the May letter is just as much Overall's letter and more than it is May's letter. It was written after full consultation. It was written with the full approval, and it brought the checks which Mr. Overall accepted, as he himself admits, as will be shown hereinafter.

THIRD.

In response to the foregoing letter on July 5, 1921 Mr. Shivers wrote the following letter to Overall:

ASHLAND CITY, TENN., *July 5, 1921.*

HON. JOHN W. OVERALL,
Nashville, Tenn.

MY DEAR SIR: I am in receipt of a letter from Tom P. May, suggesting that we make a contribution to you in order to take care of your expenses while you are in Washington looking after our interests, and I think the suggestion well taken. I am herewith forwarding you a check for $10, which I trust you will accept. I realize that it is quite an expense on you to take these trips and takes up much of your time, and feel that we should show our appreciation in this manner.

Please inform me if you have had any reference to the matter of appointment of a rural letter carrier for the Cheap Hill, Tenn., post office. Examination was held for this vacancy on May 4, and I understand that the applicants have just recently received their grades. Please let me hear from you as soon as possible after receiving reference to this matter.

With kindest personal regards,

Very respectfully,

DUDLEY J. SHIVERS,
Chairman Republican Executive Committee Cheatham County and Member Sixth Congressional Committee.

It will be noted that Mr. Shivers delayed writing to Mr. Overall nearly six weeks. Why, it is not explained. Perhaps Shivers wanted to investigate and see whether he could get his office or not before he gave up his money. At all events, he must have satisfied himself, because on July 5 he sent the check for $10. It was not for a campaign fund, but it was for Overall's "expenses," and for the purpose of showing "appreciation" for the office he expected to get. From my reading of this letter, I am in some doubt as to whether Mr. Shivers intended the $10 as compensation or "appreciation" of the Ashland City post office he expected to get, or the Chapel Hill rural carrier, which he wanted for his friend. It is perfectly evident that Mr. Shivers did not consider that he was giving $10 to the Republican national campaign committee. He took May at his word and supposed that he was paying Mr. Overall for the office or for the two offices, as the case may be.

FOURTH.

That Mr. Overall understood the matter perfectly, that he understood that Mr. May was acting for him in collecting this money, and that Mr. May had explained the situation to him, is perfectly apparent from the following letter:

NASHVILLE, TENN., *July 7, 1921.*

MR. DUDLEY J. SHIVERS,
Ashland City, Tenn.

MY DEAR MR. SHIVERS: I am in receipt of your letter of the 5th instant with inclosure, for which please accept my thanks.

The matter of appointing a rural carrier at Cheap Hill, Tenn., has not been referred to me yet. Perhaps, as you know, the department has been referring to me the three having the highest grades, and I am allowed to select one from the three for appointment.

Whenever this appointment is referred to me I will consult you about the matter and appoint any one of the eligibles that you may desire.

Yours very truly,

JOHN W. OVERALL,
Republican National Committeeman.

Mr. Overall knew that Shivers was an applicant for the Ashland City post office. He knew that Shivers had a friend that he wanted to be rural carrier. Shivers had written to him that his letter inclosing $10 was in answer to a letter from Tom P. May, from Mr. Overall's own office. There can not be any question, after reading this letter, that Mr. Overall understood the situation perfectly, ratified it, and confirmed it, if he had not instigated it. He received the money and agreed to appoint the rural carrier, anyway. He said that he would "appoint any one of the eligibles that you (meaning Shivers) may desire." In other words, he had received Shivers's money, receipted for it, and was going to give the office to whomsoever Shivers wanted to have it. In this way his agent, Mr. May, would not have to return the money under his agreement.

A more barefaced trafficking in petty Federal offices has never come to my notice, and I am sure it has never come to the notice of you or any member of the committee.

FIFTH.

In this connection I call your especial attention to pages 7 and 8, section 47, of Instructions to Applicants for Rural Carrier Examinations, as follows:

"In all cases selections shall be made with sole reference to merit and fitness and without regard to political considerations. No inquiry shall be made as to the political or religious opinions or affiliations of any eligible, and no recommendation in any way based thereon shall be received, considered, or filed by any officer concerned in making selections or appointments. Any such recommendation in writing forwarded to any such officer shall be at once returned to the writer, with atten-

tion invited to the purport of this order, and attention hereto shall be similarly directed in connection with any verbal recommendation. Where it is found that there has been a violation of these provisions by any officer concerned in making selections or appointments, such fact shall be cause for the immediate removal of such officer from the service, and the commission shall make prompt report of any such case for appropriate action to the Postmaster General, or as to presidential appointees, to the President. The appointment of the rural carrier concerned, if effected, shall be canceled."

I want also to call your attention to section 33, on page 5 of the civil service instructions, which is as follows:

"All contracts which involve traffic in public office are illegal, and any consideration paid or accepted or offered or agreed to be paid or accepted to induce the resignation of a public officer, or to secure his influence in procuring or aiding to procure any appointive office or place from the Government of the United States or from any officer of department thereof has been held to constitute bribery and is a felony, rendering both the briber and the person bribed punishable under section 112 or other sections of the Criminal Code of the United States."

The foregoing transactions are shocking violations of the spirit, if not the letter, of these rules. It not only involves trafficking in public office but it is an illegal sale of offices by Mr. Overall. In this connection I will say that on August 29 I wrote a letter to the Civil Service Commission calling attention to these facts.

SIXTH.

Mr. Overall, after a disclosure of these letters by me in the CONGRESSIONAL RECORD, came to Washington and gave out an interview, which was taken down by Jesse S. Cottrell, of Washington, correspondent of the Nashville Banner. In this interview, on August 15, Mr. Cottrell thus quotes Mr. Overall:

"That Colonel Overall is disturbed over the publicity that has been given of what he terms misinterpreted letters and misconstrued statements is evident, and he so admits, but he says he will go before any tribunal or committee and gladly tell all about the situation.

"To-day he talked freely, clarifying the statement issued in Nashville considerably. He says he set about, several months ago, to collect the deficit of $14,000 asked of Tennessee Republicans by the national committee, and did so, and has paid it, and that a small balance remains in banks at Nashville and Memphis which is carried for actual expenses of the Republican organization in Tennessee. Recently while he was on his farm, with instructions that he did not under any circumstances desire to handle matters politically or of a business nature, Tom May, State treasurer—of the Republican committee—sent letters to Republicans over the State, asking for a collection, saying that he thought it would be a generous thing for them to contribute to pay the expenses of Colonel Overall to Washington at various times."

You will note that the May letter, first quoted above, absolutely contradicts Mr. Overall on this subject. Mr. May writes to an applicant for the post office at Ashland City and says to him: "If he—meaning Overall—fails to indorse you, I will pay your amount." In other words, Mr. May says that after going up and talking to Mr. Overall in his home about the matter, that if Mr. Overall does not get the office for this applicant that he, May, will refund the applicant's contribution. You must recall the relationship between May and Overall. They are employees of the same political committee, Mr. May being under Mr. Overall. The two talked the question over, and Mr. May writes to this and other applicants for offices in Tennessee, in which he asks them to contribute, not to the campaign fund, but to Mr. Overall's expenses to Washington. The applicant sent the money to Mr. Overall with this distinct understanding with his agent, Mr. May. In other words, Mr. Overall is to deliver the goods or the money is to be refunded by his agent, Mr. May.

If this is not a barter and sale of offices, if this is not trafficking in office, if this is not the use of political influence in securing civil-service positions, then I would be glad to know what it is and what is considered trafficking in public office.

SEVENTH.

Mr. Cottrell then further quotes Mr. Overall in said published article:

"Colonel Overall was entirely ignorant of this (May's writing to these applicants), he says, and when five or six checks came in, ranging from $5 to $25, he simply indorsed them as national committeeman and had them placed to his credit as such, where the funds now are, thinking they were to meet any future amount charged as a deficit and to other expenses, since small sums were coming in at intervals throughout the year."

We thus have the evidence that Mr. Overall accepted this check; that he still holds this and other checks from other applicants for civil-service positions in Tennessee. There has been no refunding of the money, and it is immaterial whether the money was collected for Mr. Overall personally or for his expenses to Washington, or as contributions to the Republican campaign fund. In any event, it is a corrupt transaction, and under no circumstances, I submit, should the Civil Service Commission permit an office, however humble it may be, to go to this man who seems to have had Mr. Overall's indorsement, or to any other man having his indorsement. From a civil-service standpoint, owing to the inhibitions against the use of political influence contained in its rules, the transaction is more corrupt if the money thus obtained was used for political purposes than if it went to Mr. Overall personally.

EIGHTH.

Again quoting from Mr. Cottrell's published article, Mr. Overall is quoted as follows:

"Not until the Dear Dudley letter began to be talked of and had been shown did he know what was going on, and then he immediately notified Mr. May to cease absolutely such requests."

In other words, no question was asked about these checks, no investigation was made by Mr. Overall, though he had talked it over with Mr. May, until the letters became more or less public. It will be recalled that the letters were dated July 5 and 7. In this connection Mr. Overall convicts himself. He says that as soon as he learned that these letters were being sent out by Mr. May to applicants for civil-service positions and checks were coming in in answer to such letters of Mr. May he immediately gave instructions to Mr. May to cease absolutely such requests. If the requests were right, why did he give Mr. May these instructions? If it was right to receive this money, why did he not continue to receive it? If it was right for him to sell his influence in the Ashland City post-office matter or the Chapel Hill rural carrier matter for $10, why isn't it right for him to sell his influence for all other positions of like kind in Tennessee? Evidently Mr. Overall came to the conclusion it was wrong after it had been found out or he would not have directed Mr. May to cease absolutely such requests. Of course he knew it was wrong, and everybody knows it is wrong, and no civil-service office should be disposed of in this way. But it will be noted that while Mr. Overall stopped the practice he did not refund the moneys that had already been collected.

NINTH.

To Mr. Lewis, the correspondent of the Knoxville Sentinel, Mr. Overall said for publication:

"In a few instances I have received contributions from applicants for office which I have invariably applied to the deficit account, these checks having been sent to defray my expense to Washington, and they were likewise applied to the deficit."

It is thus seen that there could be no question about Mr. Overall receiving the money. The checks that passed through the Broadway National Bank of Nashville contain his indorsement, "John W. Overall, N. C." This admission further makes it apparent that the contributions came from applicants for office. Mr. Overall uses these words: "I have received contributions from applicants for office."

Why is Mr. Overall, a member of the National Republican Committee, receiving contributions from civil-service applicants for office? It is perfectly apparent from these statements of Mr. Overall that civil-service appointments in Tennessee are going to the applicants who send the money to him and not as a result of any civil-service examination that may be held under the auspices of the Civil Service Commission down there.

TENTH.

A man by the name of Bond Harmon, of Memphis, Tenn., wanted to be prohibition officer. He went to Mr. C. B. Quinn, of Memphis. Mr. Harmon likewise made a contribution of $10 to the deficit, giving the money to Mr. Quinn. On June 29, 1921, Mr. Harmon received the following letter from Mr. Quinn:

DEAR BOND: I am returning the $10 you gave me for the deficit I am collecting for the national committee and which you so kindly gave me. I can't support you—meaning for prohibition officer—for reasons best known to us both. I appreciate what you have done for me and will reciprocate when I can. Am sorry matters have so shaped.

Yours truly,

C. B. QUINN.

As to this matter the Knoxville Sentinel of August 15, in the article above referred to, quotes Mr. Overall as saying:

"In regard to the Bond Harmon check at Memphis, I know absolutely nothing about it. I am informed that Quinn collected the $10 from Bond Harmon, applying it to his subscription on the deficit fund. Quinn had subscribed $100 to the fund. I said I thought he had been overgenerous and suggested that he collect among his friends money to cut down his subscription, and this check, I understand, was so applied."

So that it seems that Mr. Quinn was doing in Memphis what Mr. May was doing in Nashville, to wit, taking up a collection from applicants for office. In this statement Mr. Overall says that he suggested to Mr. Quinn that he collect among his friends. In Mr. May's case he said he did not know Mr. May was going to do it. Evidently Mr. Overall could not indorse Mr. Harmon, and so the $10 was returned to him.

ELEVENTH.

In July, 1920, a rural-route carrier living at Smithville, Tenn., which is in Dekalb County, was carrying the mail from Watertown, in Wilson County, to Smithville over a tollgate road owned by said John W. Overall. While driving to Smithville the carrier's horse fell through a bridge, and almost killed himself and threw the carrier out of the buggy and lacerated his arm and injured him very greatly, the arm becoming so inflamed that at one time it looked as if it was very serious. The carrier brought suit against Overall for damages, and thereupon Overall sent his agent to the carrier, and this agent told the carrier that if he did not withdraw his suit against Overall that Overall would have the department to discharge him, that he had it within his power to do so. Overall had refused to pay for the horse hire while the horse was laid up and refused to make any reparation. The carrier, being a poor man and dependent upon his carrier's position for a livelihood for himself and family, was compelled to dismiss the suit in order to hold his place. These facts will be substantiated by proof.

TWELFTH.

Complaints have come in to me that he had a nonresident appointed postmaster at Gallatin, Tenn., notwithstanding the fact that there were several excellent Republican applicants for the place who were residents of Gallatin. A mass meeting of citizens generally was held in Gallatin to protest against the appointment of a nonresident postmaster at this place. Complaints have also come from Lewisburg, in Marshall County, where the postmaster was appointed at the instigation of Overall; and also at Waynesboro, in Wayne County, where Mr. Overall's appointee, it was claimed, was under indictment. Also, complaint has been made respecting the appointment of rural carrier at Murfreesboro.

These complaints which I have and will furnish to the committee, for the most part have come from Republicans.

THIRTEENTH.

Prominent Republicans all over the State have openly and in many cases through the newspapers stated that there should be an investigation and the matter sifted to the bottom. Four of the five Republican Congressmen in the State have given out interviews about these letters, in which interviews they have stated that there should be an investigation. Congressman SCOTT made the following statement:

"If what has been reported in the newspapers is true with reference to certain members of the Republican organization in Tennessee, the matter should be immediately investigated. The Republicans of Tennessee can not afford to let conditions of this character go unchallenged. Out of fairness to the accused, I would suggest that the State executive committee should be reconvened and a special committee designated to investigate these charges. If found untrue, the accused should be vindicated, and if found guilty, resignation immediately demanded."

Congressman CLOUSE, of the fourth district, made the following statement:

"The resolution introduced by Senator MCKELLAR was only called to my attention at a late hour last night, and having no knowledge of the facts upon which the charges are predicated, I hesitate to comment thereon further than to say that it is inconceivable to me that anyone connected with the Republican organization of Tennessee would in any wise be influenced in his recommendations of various applicants, and I truly hope that when the facts are all made to appear that this matter will be cleared up to the entire satisfaction of all concerned. Whatever the facts may be, the charge is of such a character as demands a speedy investigation in order that, if false, the accused may be vindicated, and if found to be true, that the Republican Party, with its hundreds and

thousands of active leaders in different parts of the State, may be purged of any complicity in or countenance of such unworthy tactics."

Congressman REECE, of the first district, gave out the following statement:

"I have no formal statement to give out, but I feel that in the interests of the party and its future there should be an investigation of these reports by the proper tribunal. My district is not locally concerned in the situation, but in the interest of the party in Tennessee we can not afford to pass this matter by unnoticed. In fact, the party welfare demands an investigation, and I hope that such will be held at once."

Congressman BROWN, of the third district, stated as follows:

"I have read the resolution introduced in the Senate by Senator MCKELLAR, and some of the newspaper publications. This resolution, of course, has no reference to post offices in the five congressional districts represented in Congress by Republican Congressmen, because Mr. Overall has no connection with the distribution of such patronage in those districts. As I understand, Mr. Overall has been acting as referee and charged with the responsibility of making recommendations with respect to the appointment of postmasters, rural carriers, etc, in the five Democratic congressional districts. It has always been customary for the national committeeman in Tennessee to do this. I can not believe that John Overall has been trading in the post offices or any other kind of offices. John Overall has been many times honored by the Republican Party in Tennessee and has always borne the reputation of an honest man. I am sure that he will welcome an immediate and complete investigation either by the Post Office Committee of the Senate or by the State Republican committee, or any other responsible authority, and I am sure that such an investigation will not disclose any effort by Mr. Overall to compromise his political influence."

In addition, Mr. Overall himself gave out the following statement to the public:

"I have wired to Washington requesting a thorough examination of the charges preferred against me by Senator MCKELLAR and have also requested our State chairman, Mr. Gore, to call the State committee together and to make a thorough examination of the State."

Thus it will be seen that four out of the five Republican Congressmen in Tennessee, and Mr. Overall himself, desire an investigation.

FOURTEENTH.

In closing, I wish further to suggest that the contention made by Mr. May and Mr. Overall that this money was to be used as expense money to Washington is contradicted by the statement of Mr. Overall in his letter of July 7:

"Perhaps, as you know, the department has been referring to me the three having the highest grades, and I am allowed to select one from the three for appointment."

If Mr. Overall has an agreement with the Post Office Department, as he alleges, whereby he selects the one of the three eligibles for appointment, a trip to Washington about these offices is wholly unnecessary and no applicants for office should be required to pay such expense in whole or in part, even under the barter and sale system which is here shown to exist. Mr. Overall could sit in his office at Nashville or in his home at Nashville and select for appointment these civil-service applicants just as well as he could do it in Washington, and perhaps better. Of course, the statement that it is for expense money to Washington is a subterfuge, and the statement that it was to make up a deficit of the national committee is untrue, as shown in the sixth paragraph hereof by the admission of Mr. Overall himself, who says that such deficit had already been paid. But to whomsoever the money was to go, it was a corrupt collection of money, admittedly from applicants for office, and it has never been restored nor have the receivers of the money been punished.

In making these charges, I am simply repeating charges already widely published in my State. I make them in the interest of an honest administration of the civil-service and other laws and in the hope of preventing a further corrupt trafficking in public offices in my own State.

Very sincerely yours,

KENNETH MCKELLAR.

ELECTION OF SENATORS.

Mr. McKELLAR. I enter a motion to discharge the Committee on Rules from the further consideration of Senate resolution 289, adding to the Standing Rules of the Senate a rule relative to statements of receipts and expenditures of candidates for nomination or election for United States Senator. I understand that the motion will go over under the rule.

The VICE PRESIDENT. The motion will be entered.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened; and (at 10 o'clock and 15 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Saturday, May 13, 1922, at 11 o'clock a. m.

NOMINATION.

Executive nomination received by the Senate May 12 (legislative day of April 20), 1922.

UNITED STATES MARSHAL.

Thomas J. Kennamer, of Alabama, to be United States marshal, northern district of Alabama, vice Henry A. Skeggs, whose term expires May 18, 1922.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 12 (legislative day of April 20), 1922.

MEMBER OF THE FEDERAL FARM LOAN BOARD.

Robert A. Cooper to be a member of the Federal Farm Loan Board.

COMMISSIONER OF FISH AND FISHERIES.

Henry O'Malley to be Commissioner of Fish and Fisheries.

RECEIVER OF PUBLIC MONEYS.

Peter G. Johnston to be receiver of public moneys at Blackfoot, Idaho.

POSTMASTERS.

CALIFORNIA.

William F. Hanell, Patterson.
William E. Edwards, Westmoreland.

FLORIDA.

Thomas Roden, Fort Pierce.
Rhea W. Pherigo, Kissimmee.

IDAHO.

Charles C. Henderson, Kamiah.

ILLINOIS.

Arthur L. Patterson, Grayville.

LOUISIANA.

John A. Moody, Cotton Valley.
Moses Biggs, Grayson.
Maggie E. Jones, Ringgold.

NEW YORK.

G. Frank Van Keuren, Allaben.
Hattie D. Lyon, East Setauket.
Annabel Wood, Hilton.
Anna M. Auch Moedy, Rosendale.
Andrew Wishart, Setauket.

TEXAS.

Hubert L. Ford, Bellevue.
John W. Robbins, Clyde.
William W. Sloan, Falfurrias.
George P. Harden, Groom.
Alice M. Smith, Livingston.
Joe H. Victery, New Willard.
Walter C. Vickers, Omaha.

VIRGINIA.

William D. Austin, Buena Vista.

WASHINGTON.

Frank G. Sanford, Bucoda.
Elva N. Hamilton, Mansfield.

WITHDRAWAL.

Executive nomination withdrawn from the Senate May 12, 1922.

POSTMASTER.

Charles A. Allen to be postmaster at Milaca, in the State of Minnesota.

HOUSE OF REPRESENTATIVES.

FRIDAY, *May 12, 1922.*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore, Mr. WALSH.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Holy, holy, holy, Lord, God Almighty, we most gratefully acknowledge Thy providence to be as the rock of ages that has withstood the tests and testimonies of time. We bless Thee that the broken "rock" shows us the best way to live, namely, the way of sacrifice and service. Be pleased to direct our President with great wisdom. Be with the entire citizenship of our country, and strengthen it with a growing reverence for law and authority. Bless every life with great peace, and lead us in our deliberations. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

READJUSTMENT OF THE PAY OF THE ARMY, NAVY, ETC.

Mr. McKENZIE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10972.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Illinois [Mr. MCKENZIE].

The question was taken, and the Speaker pro tempore announced that the ayes seemed to have it.

Mr. KRAUS. Division, Mr. Speaker.

The House divided; and there were—ayes 37, noes 6.

Mr. KRAUS. Mr. Speaker, I make the point that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Indiana makes the point that there is no quorum present. Evidently no quorum is present. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees. Those in favor of the motion that the House resolve itself into the Committee of the Whole House on the state of the Union will, as their names are called, answer "yea," those opposed will answer "nay," and the Clerk will call the roll.

The question was taken, and there were—yeas 265, nays 2, not voting 162, as follows:

YEAS—265.

Ackerman	Fairchild	Larsen, Ga.	Robsion
Almon	Fairfield	Larson, Minn.	Rodenberg
Anderson	Faust	Lawrence	Rogers
Andrew, Mass.	Favrot	Layton	Rose
Andrews, Nebr.	Fenn	Lazaro	Rossdale
Appleby	Fess	Leatherwood	Rouse
Aswell	Fisher	Lee, Ga.	Rucker
Barbour	Fordney	Lehlbach	Sabath
Bell	Foster	Lineberger	Sandlin
Benham	Free	Linthicum	Schall
Bird	Freeman	London	Scott, Mich.
Black	French	Longworth	Scott, Tenn.
Blakeney	Frothingham	Lowrey	Shaw
Bland, Ind.	Fuller	Luce	Shelton
Bland, Va.	Fulmer	Luhring	Sinclair
Bond	Funk	Lyon	Sinnott
Bowers	Gahn	McClintic	Smith, Idaho
Bowling	Gallivan	McCormick	Speaks
Box	Garner	McDuffie	Sproul
Brennan	Garrett, Tenn.	McKenzie	Stafford
Brooks, Ill.	Garrett, Tex.	McLaughlin, Mich.	Steagall
Brown, Tenn.	Gensman	McSwain	Stedman
Browne, Wis.	Gernerd	Madden	Steenerson
Buchanan	Glynn	Magee	Stephens
Bulwinkle	Greene, Vt.	Mapes	Stoll
Burroughs	Griffin	Michener	Strong, Kans.
Burtness	Hadley	Miller	Summers, Wash.
Burton	Hammer	Mills	Sumners, Tex.
Byrnes, S. C.	Hardy, Colo.	Millspaugh	Swank
Byrns, Tenn.	Harrison	Mondell	Tague
Cable	Haugen	Montague	Taylor, N. J.
Campbell, Kans.	Hawes	Montoya	Temple
Cannon	Henry	Moore, Ill.	Ten Eyck
Cantrill	Herrick	Moore, Va.	Thomas
Carew	Hersey	Moores, Ind.	Thompson
Carter	Hickey	Mott	Tillman
Chalmers	Hill	Murphy	Timberlake
Chandler, N. Y.	Himes	Nelson, Me.	Tincher
Chandler, Okla.	Hoch	Nelson, A. P.	Tinkham
Chindblom	Hogan	Newton, Minn.	Towner
Christopherson	Hooker	Norton	Tucker
Clague	Hukriede	Ogden	Tyson
Clarke, N. Y.	Hull	Oldfield	Upshaw
Clouse	Husted	Oliver	Vaile
Codd	Hutchinson	Olpp	Vestal
Cole, Iowa	Jacoway	Overstreet	Vinson
Cole, Ohio	Jefferis, Nebr.	Padgett	Volstead
Collier	Jeffers, Ala.	Paige	Wason
Colton	Johnson, Ky.	Park, Ga.	Watson
Connally, Tex.	Johnson, Miss.	Parker, N. J.	Weaver
Cooper, Ohio	Johnson, Wash.	Parks, Ark.	Webster
Cooper, Wis.	Jones, Tex.	Patterson, Mo.	Wheeler
Crowther	Keller	Pou	White, Kans.
Cullen	Kennedy	Pringey	White, Me.
Dale	Ketcham	Purnell	Williams
Dallinger	Kincheloe	Quin	Williamson
Deal	King	Radcliffe	Wilson
Denison	Kinkaid	Raker	Wise
Doughton	Kirkpatrick	Ramseyer	Woodruff
Dowell	Kissel	Rankin	Woods, Va.
Drewry	Kline, N. Y.	Rayburn	Wright
Dunbar	Kline, Pa.	Reece	Wyant
Dunn	Knutson	Reed, W. Va.	Yates
Dupré	Kraus	Rhodes	Young
Echols	Lampert	Ricketts	
Elliott	Lanham	Roach	
Evans	Lankford	Robertson	

NAYS—2.

Huddleston	Sisson

NOT VOTING—162.

Ansorge	Connolly, Pa.	Gorman	Kleczka
Anthony	Copley	Gould	Knight
Arentz	Coughlin	Graham, Ill.	Kopp
Atkeson	Crago	Graham, Pa.	Kreider
Bacharach	Cramton	Green, Iowa	Kunz
Bankhead	Crisp	Greene, Mass.	Langley
Barkley	Curry	Griest	Lea, Calif.
Beck	Darrow	Hardy, Tex.	Lee, N. Y.
Beedy	Davis, Minn.	Hawley	Little
Begg	Davis, Tenn.	Hayden	Logan
Bixler	Dempsey	Hays	McArthur
Blanton	Dickinson	Hicks	McFadden
Boies	Dominick	Hudspeth	McLaughlin, Nebr.
Brand	Drane	Humphreys	McLaughlin, Pa.
Briggs	Driver	Ireland	McPherson
Britten	Dyer	James	MacGregor
Brooks, Pa.	Edmonds	Johnson, S. Dak.	Maloney
Burdick	Ellis	Jones, Pa.	Mann
Burke	Fields	Kahn	Mansfield
Butler	Fish	Kearns	Martin
Campbell, Pa.	Fitzgerald	Kelley, Mich.	Mead
Clark, Fla.	Focht	Kelly, Pa.	Merritt
Classon	Frear	Kendall	Michaelson
Cockran	Gilbert	Kiess	Moore, Ohio
Collins	Goldsborough	Kindred	Morgan
Connell	Goodykoontz	Kitchin	Morin
Mudd	Ransley	Smith, Mich.	Underhill
Nelson, J. M.	Reavis	Smithwick	Vare
Newton, Mo.	Reber	Snell	Voigt
Nolan	Reed, N. Y.	Snyder	Volk
O'Brien	Riddick	Stevenson	Walters
O'Connor	Riordan	Stiness	Ward, N. Y.
Osborne	Rosenbloom	Strong, Pa.	Ward, N. C.
Parker, N. Y.	Ryan	Sullivan	Wingo
Patterson, N. J.	Sanders, Ind.	Sweet	Winslow
Perkins	Sanders, N. Y.	Swing	Wood, Ind.
Perlman	Sanders, Tex.	Taylor, Ark.	Woodyard
Petersen	Sears	Taylor, Colo.	Wurzbach
Porter	Shreve	Taylor, Tenn.	Zihlman
Rainey, Ala.	Siegel	Tilson	
Rainey, Ill.	Slemp	Treadway	

So the motion was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Treadway with Mr. Cockran.

Mr. Dickinson with Mr. Briggs.

Mr. Knight with Mr. Smithwick.

Mr. Bixler with Mr. Goldsborough.

Mr. McArthur with Mr. Bankhead.

Mr. Shreve with Mr. Stevenson.

Mr. Perlman with Mr. Hayden.

Mr. Kleczka with Mr. Davis of Tennessee.

Mr. Connell with Mr. Riordan.

Mr. Smith of Michigan with Mr. O'Brien.

Mr. Boies with Mr. Brand.

Mr. Graham of Pennsylvania with Mr. Fields.

Mr. Stiness with Mr. Humphreys.

Mr. Kearns with Mr. Lea of California.

Mr. Davis of Minnesota with Mr. Dominick.

Mr. Beedy with Mr. Barkley.

Mr. Fitzgerald with Mr. Martin.

Mr. Coughlin with Mr. Driver.

Mr. Patterson of New Jersey with Mr. Wingo.

Mr. Kahn with Mr. Taylor of Colorado.

Mr. Griest with Mr. Kindred.

Mr. Perkins with Mr. Logan.

Mr. Kendall with Mr. Drewry.

Mr. Newton of Missouri with Mr. Crisp.

Mr. Langley with Mr. Clark of Florida.

Mr. Strong of Pennsylvania with Mr. Sullivan.

Mr. Maloney with Mr. Hudspeth.

Mr. Atkeson with Mr. O'Connor.

Mr. Winslow with Mr. Sanders of Texas.

Mr. McPherson with Mr. Kitchin.

Mr. Kiess with Mr. Ward of North Carolina.

Mr. Michaelson with Mr. Hardy of Texas.

Mr. Sanders of New York with Mr. Collins.

Mr. Butler with Mr. Rainey of Illinois.

Mr. Reed of New York with Mr. Gilbert.

Mr. Wurzbach with Mr. Blanton.

Mr. Darrow with Mr. Mead.

Mr. Gorman with Mr. Sears.

Mr. Bacharach with Mr. Taylor of Arkansas.

Mr. Osborne with Mr. Mansfield.

Mr. Siegel with Mr. Kunz.

Mr. Kopp with Mr. Campbell of Pennsylvania.

Mr. Volk with Mr. Rainey of Alabama.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. A quorum is present. The Doorkeeper will open the doors.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10972, with Mr. TOWNER in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the purpose of further considering the bill H. R. 10972, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

Mr. STAFFORD. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. STAFFORD: Strike out section 2 and insert in lieu thereof:

"SEC. 2. That any commissioned officer in any of the services mentioned in the title of this act who receive allowances for quarters as provided herein shall not receive any increase of pay for sea duty."

Mr. STAFFORD. Mr. Chairman, under existing law persons connected with the Navy and the Coast Guard Service are en-

titled to 10 per cent additional pay while on sea duty. There is no additional pay allowed under existing law, so far as the Army is concerned, for field duty. The section reported by the committee attempts to reduce the pay for sea duty from 10 per cent to 5 per cent. The amendment that I propose is to eliminate entirely any pay for sea duty.

Under existing law commissioned officers connected with the Navy and the Coast Guard Service receive no allowance for quarters. In this bill they receive allowance in addition to the $1,000 or more of increased pay—allowances ranging from the lowest grade, period 1, of $480 a year to $1,500 in some instances. We are giving that increased allowance for quarters to the Navy and to the Coast Guard Service, which they do not have to-day.

We are also giving them additional allowance for rations, amounting to several hundred dollars a year. Now, this provision for field duty in the Army is absolutely unworkable, and if you increase the pay, as you do or are doing in committee, not only the base pay, amounting in many instances to several thousand dollars, but adding to that allowances for quarters ranging from $480 to $1,500, why should you increase their pay still more under the guise of sea and field duty? In the Postal Service, when you send men out in the Railway Mail Service you do not give them any additional pay for being away from their homes on field duty. In the inspectors' service you do not provide anything additional to them for doing their duty away from their offices. The place of duty for the Coast Guard and for the Navy is on the sea. Seventy or eighty per cent of the officers connected with the Navy perform their duty at sea.

Now, let us be a little reasonable. If by this act we are increasing the base pay of all these Coast Guard officers and naval officers several hundred dollars, and in some instances several thousand dollars, and adding to that allowances for quarters in varying amounts running from $480, the lowest, up to $1,500, which is going pretty far, why should the committee attempt to graft on the military service an extra percentage of pay for field duty when in war commissioned officers get an additional rating? When that emergency comes we can provide for that just as we did in the late war.

Mr. SCOTT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. SCOTT of Michigan. Under what condition does the Coast Guard get the additional allowance?

Mr. STAFFORD. I have taken the authority of those who have stated it on the floor that section 1571 is broad enough to cover that.

Mr. SCOTT of Michigan. I understand, if the gentleman will permit, that the ruling of the comptroller was to the effect that the Coast Guard might come under that, but I have never known of an instance where the Coast Guard came in under it.

Mr. STAFFORD. I am glad the gentleman called that to my attention. We are giving the Coast Guard a higher increased pay than any other branch of the service, and yet it is proposed here to add to the pay of naval officers for sea duty a million dollars additional. The expense for quarters alone will run into several million dollars in allowances to naval officers.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to proceed for five minutes longer in order to answer questions.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. McKENZIE. Mr. Chairman, I would like to ask the gentleman from Wisconsin a question.

Mr. STAFFORD. I will be glad to answer.

Mr. McKENZIE. Of course, the gentleman heard my statement in connection with this question yesterday?

Mr. STAFFORD. Yes.

Mr. McKENZIE. I want to ask the gentleman if in his amendment he does not provide that naval officers at sea, not receiving commutation allowance, may have the right to draw 5 per cent sea duty?

Mr. STAFFORD. Yes. I understand that there is no person under this bill at sea or at home who will not receive commutation of quarters.

Mr. McKENZIE. One moment. I do not understand that it is the gentleman's purpose to add to this bill expenses which we do not incur. This bill provides that officers at sea without dependents shall not receive commutation of quarters.

Mr. STAFFORD. I beg the gentleman's pardon. Every person, whether he has dependents or not, gets commutation of quarters, both at sea and at home. I thought the gentleman was acquainted with his own bill. Section 6 provides for an allowance for quarters to every person; and every person, whether he has a dependent or not, receives the minimum allowance of two rooms, at $20 per month each, or $40, namely, $480 a year. Will the gentleman dispute that?

Mr. BYRNES of South Carolina. Yes. If I understand the gentleman correctly, and if he will read to the end of the section, he will see the language "but no rental allowance shall be made to any officer without dependents by reason of his employment on field or sea duty."

Mr. STAFFORD. I notice that provision, yes; and I have that marked for elimination. [Laughter.]

Mr. BYRNES of South Carolina. I am glad the gentleman has it marked. That provision as I read it is a saving clause only, so that no additional allowance for quarters will be granted him if he has no dependents by reason of his sea duty.

Mr. STAFFORD. We are seeking by the proposed amendment to prevent any increase of pay being granted to any commissioned officer in the service who is receiving an allowance for quarters. Grant what the gentleman says is true. Nevertheless, does the committee contend that in addition to allowing them from $480 to $1,500 for quarters we are to add to that 5 per cent for pay?

It is true that I should have preferred the amendment offered by the gentleman from North Carolina [Mr. BULWINKLE] yesterday evening, but with the few Members here, it was not given that consideration which should have been given to it. I have drafted it in this form. If it is adopted you may rest assured it will be in the proper form, so that no one shall get sea-duty pay who gets an allowance for quarters.

Mr. EVANS. What does the gentleman propose to do as to field duty?

Mr. STAFFORD. It eliminates field duty altogether. The members of the Army never receive anything for field duty.

Mr. EVANS. Does the gentleman's amendment cure the difficulty?

Mr. STAFFORD. Yes; it eliminates it entirely.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. MONDELL. Mr. Chairman, there is very considerable doubt as to the advisability of a provision under which the Army is to receive an increase of 5 per cent for what is called field duty. It seems to me rather questionable as a matter of principle and quite impossible as a matter of administration. I think it would be very difficult, indeed, to draw any regulation under the provisions of this section for that class of duty. The bill provides that field duty shall be defined for the purposes of this act as "service in mobilization." Well, such services might be very temporary.

Concentration.

I do not know just what that includes. It might be a service of a few days, whatever concentration is.

Instruction.

Many officers, including retired officers, are engaged in the work of instruction in educational instructions. Are they entitled to field pay, 5 per cent? Undoubtedly they would be under this language.

Service in campaigns.

Of course, if there is to be any field pay, that is the condition under which it would be justified—service in campaign. But it covers also service—

In simulated campaign or on the march.

An organization leaves a post for a two, or three, or four, or five, or six day practice march, or it may from its post engage in a simulated campaign. Just when does the field pay begin and when does it end? It strikes me that unless the committee has it very clearly in mind how this provision shall be administered, and can make that very plain, we should be very slow in adopting a provision of this kind. This is entirely new, and not urged by the Army, as I understand, but for the purpose of equalizing, it is said.

Mr. McKENZIE. Equalizing upward.

Mr. MONDELL. We always equalize upward, never equalize downward. It is said it is for the purpose of equalizing conditions between the Army and the Navy. Now, I do not know enough about naval service to have a very clear idea as to whether the Navy should in time of peace have 5 per cent or any per cent extra for sea duty. I am very glad to listen to any argument gentlemen can make, but as the matter now appeals to me I do believe this provision for 5 per cent additional field pay for the Army is not only very questionable as a matter of

policy, but I believe it is absolutely unworkable as a matter of practice and administration.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. MONDELL. I yield to the gentleman from Vermont.

Mr. GREENE of Vermont. I quite agree with what the gentleman has said, and I understand that the Army never solicited this thing, but that it has been put in here in an attempt to equalize between the two services. But let us go back of that. Why would it not be the right idea to strike both out? Why should not a sailor go to sea?

Mr. MONDELL. That is his business.

Mr. GREENE of Vermont. A sailor should go to sea, just the same as a soldier should go into the field. That is his business. Why can we not equalize as between the two services by striking both out?

Mr. MILLS. I think the gentleman from Vermont is right.

Mr. MONDELL. I want to make clear my attitude in regard to this bill. We must have legislation on this subject. I desire to support the committee, but I think it is incumbent upon the committee to prove the wisdom of every provision in their bill. I think this is of very doubtful wisdom.

Mr. McLAUGHLIN of Michigan. Will the gentleman yield to me?

Mr. MONDELL. If I have the time.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to withdraw my amendment and submit in lieu thereof the following, which will obviate all question as to the condition called to my attention by the gentleman from South Carolina [Mr. BYRNES]. I propose as a modification of my amendment to strike out section 2 and in lieu thereof insert the following:

SEC. 2. That no commissioned officer, while on field or sea duty, shall receive any increase of his base pay by reason of such duty.

Mr. MONDELL. Will the gentleman yield? Is that substitute necessary?

Mr. GREENE of Vermont. That is just what I was going to ask.

Mr. STAFFORD. Yes; because under existing law naval officers receive 10 per cent additional for sea duty, and there must be some positive enactment of law in order to rescind that legislative provision.

Mr. OLIVER. Mr. Chairman, let the amendment offered by the gentleman from Wisconsin be reported.

The CHAIRMAN. The Clerk will report the proposed modification.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Strike out section 2 and insert in lieu thereof the following:

"SEC. 2. That no commissioned officer, while on field or sea duty, shall receive any increase of his base pay by reason of such duty."

The CHAIRMAN. Is there objection to the gentleman modifying his amendment?

Mr. PADGETT. Mr. Chairman, I do not desire to lose the right to make a point of order against the amendment.

Mr. STAFFORD. What is the point of order?

Mr. PADGETT. That it is substantially what was voted down yesterday evening under the Bulwinkle amendment.

The CHAIRMAN. The question is, Is there objection to the gentleman modifying his amendment?

Mr. PADGETT. If I make no objection to the modification, does that preclude me from making my point of order?

The CHAIRMAN. It does not.

Mr. PADGETT. All right.

The CHAIRMAN. Is there objection to the requested modification?

There was no objection.

Mr. PADGETT. Now, I make my point of order that this is substantially the same amendment that was voted down yesterday evening.

The CHAIRMAN. The gentleman from Tennessee [Mr. PADGETT] makes the point of order that the amendment as now modified is the same amendment in substance that was voted down yesterday.

Mr. STAFFORD. If there is any modification, as I take it, it is not for the Chair to pass upon the effect of the amendment. It has been ruled frequently that if there is any change in the phraseology of the amendment, that is sufficient to make it in order.

Mr. OLIVER. The amendment that the gentleman has offered would be absolutely meaningless, for the reason that you have no existing law that gives——

The CHAIRMAN. The question is on the point of order.

Mr. MONDELL. I move, as a substitute for the amendment of the gentleman from Wisconsin, to strike out the paragraph.

Mr. BYRNES of South Carolina. I make the point of order that that is the same amendment.

The CHAIRMAN. If no gentlemen desires to be heard, the Chair will rule on the point of order.

The objection of the gentleman from Tennessee [Mr. PADGETT] is to the amendment to his amendment offered by the gentleman from Wisconsin. In the judgment of the Chair the point of order is not well taken. It is not in substance or in form like the one decided yesterday.

Mr. MONDELL. Mr. Chairman, I have offered a substitute to strike out the section, and I understand the gentleman from South Carolina has made a point of order.

Mr. BYRNES of South Carolina. I did; that it is the same amendment that was considered and voted upon yesterday afternoon.

Mr. MONDELL. Mr. Chairman, I was not present when the amendment was debated last evening, and so I am not informed as to the parliamentary situation.

The CHAIRMAN. The Chair is informed that there was no motion to simply strike out the section; the motion was to strike out the section and insert, so that point of order is not well taken.

Mr. MONDELL. The point of order is overruled?

The CHAIRMAN. Yes.

Mr. MONDELL. Mr. Chairman, I do not desire to take up the time of the committee, but it does seem to me very clear that the provisions of this section are questionable, of doubtful wisdom and propriety. I think they should go out.

Mr. McKENZIE. Mr. Chairman, I wish simply to state that the committee in writing this section was trying to do what we believed the fair thing to both services. We put them on a parity; we cut down sea pay by 50 per cent. If it is the judgment of the House that this section should be eliminated from the bill, that is one thing. It would be logical to strike it out; but it is illogical and inconsistent to undertake to discriminate, as does the amendment of the gentleman from Wisconsin.

Mr. KING. What does the gentleman want?

Mr. McKENZIE. I am for the bill.

Mr. BYRNES of South Carolina. Will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. BYRNES of South Carolina. If the amendment of the gentleman from Wyoming should carry, the existing law will prevail.

Mr. McKENZIE. Certainly; and that is 10 per cent sea pay.

Mr. KNUTSON. I would like to ask the gentleman from Illinois a question.

Mr. McKENZIE. I yield.

Mr. KNUTSON. Did the committee give careful consideration to this particular phase of the bill?

Mr. McKENZIE. We certainly did.

Mr. KNUTSON. That is good enough for me.

Mr. MONDELL. The committee has admitted that no one asked for this provision so far as the Army is concerned, and the reading of the paragraph itself makes it very clear that it would be utterly impossible to administer it. There is no question about that.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. NEWTON of Minnesota. As I understand, the committee provides for 5 per cent increase in pay for field service and does away with the 10 per cent additional pay for foreign service and sea service.

Mr. McKENZIE. Yes.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. McKENZIE. I will.

Mr. GREENE of Vermont. If you are going to take away from the Army officer something you have not given him yet—the 5 per cent—why do you insist that the naval officer shall keep it? Where is the fairness in it? Both men are supposed to go into the service for the sake of performing their duty, and when one goes to sea and the other goes into the field one gets something for it and the other does not.

The CHAIRMAN. The question is on the modified amendment of the gentleman from Wisconsin.

Mr. STAFFORD. May we have it again reported.

The CHAIRMAN. Without objection, the Clerk will read the amendment.

The amendment was again read.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I move to strike out the last word. It seems to me that the amendment offered by the gentleman from Wisconsin ought to prevail. It seems to me that no commissioned officer ought to receive this additional pay. If the amendment offered by the gentleman from Wyoming should prevail, it would leave on the books a provision by which the officers of the Navy would re-

ceive additional pay of 10 per cent for duty at sea. If the amendment offered by the gentleman from Wisconsin prevails, it will wipe from the books that provision allowing a naval officer extra pay. I do not see why any naval officer or land officer should receive extra pay for doing his plain duty—for doing the very things he enlisted to do and that he is commissioned to do. [Applause.] This bill provides for additional pay for field duty, and it names a number of things that shall constitute field duty, every one of which is a duty that these officers should perform even in peace times. In time of peace there should be no extra pay for these ordinary duties. If he is not to do these things, for God's sake what is he to do? Absolutely nothing. We propose by this bill to give him extra pay for doing the plain simple thing that he has enlisted to do. [Applause.]

Mr. MONDELL. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. MONDELL. I have no objection to the adoption of the amendment of the gentleman from Wisconsin. My only reason for offering the substitute was that personally I am not sufficiently clear as to the wisdom in regard to the sea pay. But that is a matter that can be considered later. Certainly there should be no such thing as field pay.

Mr. McLAUGHLIN of Michigan. I am willing to receive information, but, as it appears to me, I can see no reason for giving officers extra pay for doing their duty. Why should not naval officers go to sea? What are they commissioned for? To sit around the clubs in Washington; to sit in the barracks and quarters? What is a naval officer expected to do?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. McKENZIE. Mr. Chairman, I ask for a vote.

Mr. OLIVER. Mr. Chairman, I ask for recognition for two minutes.

Mr. PADGETT. Mr. Chairman, I ask for recognition in opposition to the motion of the gentleman from Michigan [Mr. McLAUGHLIN].

The CHAIRMAN. The Chair will recognize the gentleman from Alabama.

Mr. OLIVER. Mr. Chairman, I want to call the attention of the gentleman from Wisconsin [Mr. STAFFORD] to the fact that his amendment as drawn does not accomplish the purpose he has in mind. In other words, no naval officer, under existing law, is now entitled to any increase in base pay by reason of sea service. He is now entitled to 10 per cent on his longevity and base pay for sea service, but this 10 per cent is not a part of his pay, either base or longevity, but is additional compensation, the term "compensation" being an inclusive word embracing all pay and allowances. Pay is one thing in naval law and compensation another, and in the drafting of the gentleman's amendment he has overlooked the fact that he is dealing with a technical subject; and what he should do, if he wishes to accomplish his purpose, is to provide that it shall not operate to increase pay or compensation. Then he will have covered the subject.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to again modify my amendment by striking out the word "base" and, after the word "pay," inserting the words "or compensation."

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to again modify his amendment in the manner in which the Clerk will report. Is there objection to the proposed modification? [After a pause.] The Chair hears none.

Mr. KING. Mr. Chairman, may we have it now reported.

The CHAIRMAN. The Clerk will report the modified amendment.

The Clerk read as follows:

Modified amendment by Mr. STAFFORD: Page 7, line 4, strike out section 2 and insert in lieu thereof the following:

"SEC. 2. That no commissioned officer while on field or sea duty shall receive any increase of his pay or compensation by reason of such duty."

Mr. PADGETT. Mr. Chairman, I rise in opposition to the amendment. I hope that the amendment will not prevail. For many years there has been the sea pay of officers, recognizing that there is an equity, a justice in allowing a little more pay to an officer at sea than on shore. That applies to the marines, to the Navy, to the Coast Guard. It is 10 per cent at the present time. In making the general adjustments the committee in apportioning and adjusting these different changes and rates which they have made in the bill reduced this from 10 per cent to 5 per cent. It is fair and just that it should go as it is now to the Navy, the Marine Corps, and the Coast Guard. If there is objection to its going to the Army, the whole proposition should not be killed and this injustice done to these three services that are required to leave home, to shift from place to place, from time to time, and have additional expense piled upon them because the committee, in a sense of justice and equity, have attempted to assimilate the Army to the conditions of the Navy, the Marine Corps, and the Coast Guard. I hope the amendment, in all justice and fairness, will be voted down.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. PADGETT. Yes.

Mr. GRIFFIN. Is the gentleman aware that the officers of the Navy are now getting commutation of quarters, which amounts in certain cases to over $1,000 a year, that they never got before?

Mr. PADGETT. That depends on where they are getting it, and who. There are some who do not get it.

The CHAIRMAN. The question is on the amendment as modified offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. PADGETT) there were—ayes 73, noes 44.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk proceeded to read.

Mr. WALSH (interrupting the reading). Mr. Chairman, there is a motion pending to strike out the paragraph.

Mr. MONDELL. Mr. Chairman, I withdraw that motion.

Mr. WALSH. I object to its being withdrawn.

The CHAIRMAN (Mr. FESS). The amendment agreed to was in the nature of a substitute, and, therefore the motion to strike out has no effect.

Mr. WALSH. The amendment which was agreed to was a perfecting amendment. It struck out the text and inserted some new text, and there was pending at the time that that was voted upon a motion to strike out the entire section.

The CHAIRMAN. A motion to strike out a paragraph being pending and the paragraph then being perfected by an amendment in the nature of a substitute, a motion to strike out necessarily follows. That precedent is to be found in 5792, Hinds' Precedents.

Mr. MONDELL. Mr. Chairman, I am willing to withdraw the substitute, because I am satisfied with the amendment.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3. That when officers of the National Guard or of the reserve forces of any of the services mentioned in the title of this act are authorized by law to receive Federal pay, those serving in grades corresponding to those of colonel, lieutenant colonel, major, captain, first lieutenant, and second lieutenant of the Army shall receive the pay of the sixth, fifth, fourth, third, second, and first periods, respectively. In computing the increase of pay for each period of three years' service, such officers shall be credited with full time for all periods during which they have held commissions as officers of any of the services mentioned in the title of this act, or in the National Guard, or in the Organized Militia prior to July 1, 1916, or in the Naval Militia, or in the National Naval Volunteers, or in the Naval Reserve Force or Marine Corps Reserve Force, when confirmed in grade and qualified for all general service, with full time for all periods during which they have performed active duty under reserve commissions, and with one-half time for all other periods during which they have held reserve commissions.

Mr. GREENE of Vermont. I think, Mr. Chairman, it is only fair to say that the earnestness of the gentleman from Mississippi has caused him to overlook a few facts. The fact is that in the present constitution of the Regular Army men have not been retained in their war-time rank; nothing of the kind whatever. It was specifically provided in the war-time legislation that whatever temporary rank was given to officers of the Regular Army because of their increased command during the period of the war, they should upon the arrival of peace revert to their old status and files in the Regular Establishment. And everyone of them did.

Mr. SISSON. The gentleman does not contend that these officers got no promotion in the war?

Mr. GREENE of Vermont. I do not know anything about the indirect causations of the war any more than I can figure out what the mathematics of war may be as to the question of high prices. I say, as a matter of law, the law did not give any permanent advance in commission.

Mr. SISSON. For example, you take the second lieutenants, and there are only 77 in this whole Army.

Mr. GREENE of Vermont. The answer to that is as simple as A B C. In 1920 we passed in this Congress the Army reorganization act, which increased the commissioned personnel of the United States Regular Army at least double, or very nearly double. And there were 5,000 or 6,000 or 7,000 vacancies to fill, and it was provided in that Army reorganization act that at least 50 per cent of those vacancies should go to the emergency officers of the World War, and that the remaining 50 per cent should be taken by the officers of the regular service already in the Army. There were advancements and promo-

tions, and that leads to the very thing I want to speak of in behalf of this bill.

These advancements and promotions came after the war as a result of the increase of the commissioned personnel of the Army and do not relate to the war at all. It was specifically laid down in all war-time legislation that no matter what the temporary rank or promotion any officer of the Regular Army got during the war, he must at the close revert to his old status in the files, and he did. What promotion he got was because of the Army reorganization act. If you had had this bill in operation when the Army reorganization act went into effect, these men whose increases in salaries you are talking about as being too much, considering their years and length of service, would never have received those raises, because it is one of the fundamentals of this bill that mere promotion and grade in the Army do not increase the pay, but there must go with it longevity of service, so that officers must earn that increase in pay as well as the increase in grade. That is where the contrast is. You would have saved millions of dollars if this very law had been in effect then.

What is the effect of it? Under this law, if a man gets an advanced grade through accelerated promotion before he has had sufficient length of service, he will not thereby get his pay increased, but must wait until his service in years has brought him into a higher-pay grade. On the other hand, in cases of long-continued service without promotion, if the policy of this Congress in years to come should be that we would diminish the Army, for instance, it would mean that good men, getting along 35 or 40 years of age, who had gotten no further than the captaincy, and who might never be promoted through the remainder of their service, would get an increase in pay for longevity which is reasonable and just. Everybody will concede it. There is the explanation of the whole thing. It works both ways.

If we had had this law in operation two years ago we would have saved money, and there would not have been all this talk about the acceleration of promotion and the raid upon the Treasury that came from it.

The CHAIRMAN. The time of the gentleman from Vermont has expired.

Mr. GREENE of Vermont. Mr. Chairman, may I have three minutes more?

The CHAIRMAN. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. GREENE of Vermont. I think, gentlemen, if you will permit me to say it in all frankness—because, after all, I think it is simply a reminder; you intended to do it, and will do it—we ought to look at this matter of pay of the Army as a purely impersonal one, and regard the Army as a purely impersonal permanent institution. We are not simply providing pay here for men whom we personally identify as having recently received accelerated promotions. We are not by this bill simply passing out money to some fellow of whom we say he has got his pay raised too fast and ought not to have any more now. We are providing for the men in the service now and for the generations of unknown men who are to follow them. If it does so happen that a few of these young men have, by reason of accelerated promotion, which was brought about by the increase of the Army by reason of the enactment of the Army reorganization act, got into grades and pay that are beyond their years, you may take it as a certainty that from that very fact they will stay in their grades in what is called "a hump" in the service for many years to come, without rapid promotion hereafter.

The very fact that they started out with rapid promotion means, in accordance with any actuary's tables, that they will remain for a long time in suspense in the grades they are in now. So that this question is not that of paying some men whom we now identify as having been too rapidly promoted, but it is laying down a basis of pay for the Army as an institution, so that when these men pass out one by one the flow of their successors will be compensated on a reasonable and just basis, and it will prevent our having the perhaps unusual and unfair allotment of pay in some instances, judging by years of service, that is now possible under existing law.

Mr. KING. Mr. Chairman, will the gentleman yield?

Mr. GREENE of Vermont. Yes.

Mr. KING. I am very glad to hear this explanation of the gentleman. Then we shall have some officers of the same grade receiving different amounts of pay for doing the same service.

Mr. GREENE of Vermont. If the gentleman will consult the philosophy of the bill he will find——

Mr. KING. I have consulted the bill, but not the philosophy.

Mr. GREENE of Vermont. Let me pose, then, for a moment as a philosopher. [Laughter.] The theory is that it is not mere grade that determines pay. In fact, the grade may not determine the pay at all if a man lacks years of service for the change in the pay period. So that when one man may be at the foot of the majors and the other at the top, they are both majors, but they have a different degree of longevity of service, and they get pay accordingly. [Applause.]

The CHAIRMAN. The time of the gentleman from Vermont has again expired.

Mr. BLAND of Indiana. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. BLAND of Indiana offers the following amendment as a new section: "That all persons who have entered the Regular Army as commissioned officers shall be entitled to compute 50 per cent of their commissioned service in the National Guard and Organized Militia, whether in State or Federal service, or both, for longevity pay."

Mr. STAFFORD. Mr. Chairman, I reserve a point of order, or make a point of order, whichever the gentleman would like me to do.

Mr. BLAND of Indiana. I would like the gentleman to reserve the point of order.

Mr. STAFFORD. Very well.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The committee informally rose; and Mr. WALSH having resumed the chair as Speaker pro tempore, a message in writing from the President of the United States, by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bills and joint resolutions of the following titles:

On March 26, 1922:

H. R. 10559. An act making appropriations for the Departments of Commerce and Labor for the fiscal year ending June 30, 1923, and for other purposes.

On March 31, 1922:

H. R. 9606. An act to authorize the Secretary of the Interior to extend the time for payment of charges due on reclamation projects, and for other purposes.

On April 1, 1922:

H. J. Res. 263. Joint resolution authorizing the purchase of land for cemeteries for American military dead in Europe and the improvement thereof.

On April 6, 1922:

H. R. 9979. An act to amend an act entitled "An act granting a charter to the General Federation of Women's Clubs";

H. J. Res. 282. Joint resolution to authorize the Secretary of War to incur obligations for construction and maintenance of roads, bridges, and trails in Alaska, said obligations to be paid from the appropriation for the fiscal year ending June 30, 1922; and

H. R. 9633. An act to extend the provisions of section 2305, Revised Statutes, and of the act of September 29, 1919, to those discharged from the military or naval service of the United States and subsequently awarded compensation or treated for wounds received or disability incurred in line of duty.

On April 7, 1922:

H. R. 8815. An act to amend the act of March 1, 1921 (41 Stat. 1202), entitled "An act to authorize certain homestead settlers or entrymen who entered the military or naval service of the United States during the war with Germany to make final proof of their entries"; and

H. J. Res. 257. Joint resolution to appoint a commission for the exchange of sites for a post-office and courthouse building at New York, N. Y., between the Federal Government and the officials of the city of New York;

H. R. 9604. An act for the acquisition of a post-office site at Madison, Wis.; and

H. R. 10297. An act to extend the limitations of time upon the issuance of medals of honor, distinguished service crosses, and distinguished service medals to persons who served in the Army of the United States during the World War.

On April 11, 1922:

H. R. 2558. An act for the relief of Richard P. McCullough;

H. R. 7870. An act for the relief of I. C. Johnson, jr.; and

H. R. 8832. An act to provide for the exchange of certain lands of the United States in the Tahoe National Forest, Calif., for lands owned by William Kent.

On April 14, 1922:

H. J. Res. 7. Joint resolution to amend section 2 of the joint resolution entitled "Joint resolution to authorize the opera-

tion of Government-owned radio stations for the use of the general public, and for other purposes," approved June 5, 1920.

On April 15, 1922:

H. J. Res. 249. Joint resolution authorizing the Secretary of the Interior to donate and grant certain buildings in Alaska to the Woman's Home Missionary Society of the Methodist Episcopal Church.

On April 20, 1922:

H. R. 10864. An act to authorize an appropriation to enable the Director of the United States Veterans' Bureau to provide for the construction of additional hospital facilities and to provide medical, surgical, and hospital services and supplies for persons who served in the World War, the Spanish-American War, the Philippine insurrection, and the Boxer rebellion, and are patients of the United States Veterans' Bureau.

On April 21, 1922:

H. R. 10429. An act authorizing the Comptroller General of the United States to allow credits to and relieve certain disbursing officers of the War and Navy Departments in the settlement of certain accounts;

H. R. 2556. An act to advance Maj. Benjamin S. Berry to the permanent rank of major;

H. R. 7589. An act for the relief of Maj. Ellis B. Miller; and

H. J. Res. 309. Joint resolution appropriating $1,000,000 for the preservation, protection, and repair of levees under the jurisdiction of the Mississippi River Commission.

On April 25, 1922:

H. J. Res. 274. Joint resolution authorizing the commissioning in the Marine Corps of midshipmen under certain conditions;

H. R. 7234. An act for the relief of Miles Swift;

H. R. 8460. An act to authorize the occupation and use of certain lands in Alaska by Ketchikan Post, No. 3, American Legion, and for other purposes;

H. R. 9710. An act authorizing extensions of time for the payment of purchase money due under certain homestead entries and Government-land purchases within the former Cheyenne River and Standing Rock Indian Reservations, N. Dak. and S. Dak.; and

H. R. 927. An act for the relief of Capt. Fred S. Johnston.

On April 26, 1922:

H. R. 2004. An act for the relief of Frank Ferrin;

H. R. 3057. An act for the relief of George Van Derburgh Brown;

H. R. 3270. An act for the relief of Estella Barnett; and

H. R. 8342. An act to empower the Attorney General of the United States to fix the compensation of clerks of the United States district courts.

On April 28, 1922:

H. J. Res. 57. Joint resolution making the provisions of section 2296 of the United States Revised Statutes applicable to all entries made under the homestead laws and laws supplemental and amendatory thereof;

H. R. 1009. An act for the relief of H. C. Mullins, his wife, and minor children;

H. R. 2393. An act to provide for the establishment on the Mississippi River of a fish-rescue station, to be under the direction of the Bureau of Fisheries of the Department of Commerce;

H. R. 3346. An act for the relief of the heirs of Oscar Chrysler;

H. R. 5762. An act providing for a municipal park for the city of Butte, Mont.;

H. R. 5820. An act to place Albert Hamilton on the retired list of the United States Marine Corps;

H. R. 6686. An act for the relief of George Ciszek and Anna Ciszek; and

H. R. 7415. An act to correct and amend the service and military record of Herbert Langley, United States Marine Corps.

On April 29, 1922:

H. R. 10740. An act authorizing the use of special canceling stamps in certain post offices; and

H. R. 5588. An act to repeal section 5 of an act entitled "An act to establish the Lassen Volcanic National Park in the Sierra Nevada Mountains, in the State of California, and for other purposes," approved August 9, 1916.

On May 1, 1922:

H. R. 9671. An act to amend section 87 of the Judicial Code; and

H. R. 8690. An act to add a certain tract of land on the island of Hawaii to the Hawaii National Park.

On May 2, 1922:

H. R. 7272. An act for the relief of Monroe B. Shealy; and

H. J. Res. 319. Joint resolution making available funds for preserving and protecting, in the present flood emergency, the levees on the Mississippi River, its tributaries and outlets, not under the jurisdiction of the Mississippi River Commission.

On May 3, 1922:

H. R. 2158. An act to provide for the monthly payment of pensions.

On May 6, 1922:

H. R. 10240. An act to extend the time for the construction of a bridge across the Savannah River near Halleys Ferry and between the counties of Anderson, S. C., and Hart, Ga.; and

H. R. 10407. An act authorizing the counties of Jasper, S. C., and Chatham, Ga., to construct a bridge across the Savannah River at or near Savannah, Ga.

On May 8, 1922:

H. R. 10007. An act for the relief of certain persons to whom, or their predecessors, patents were issued to public lands in the State of Minnesota under an erroneous survey made in 1876.

On May 11, 1922:

H. R. 10730. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1923, and for other purposes;

H. R. 11547. An act making an appropriation for additional hospital facilities for patients of the United States Veterans' Bureau;

H. R. 10941. An act authorizing the Postmaster General to grant permission to use special canceling stamps or postmarking dies; and

H. J. Res. 268. Joint resolution extending the operation of the immigration act of May 19, 1921.

READJUSTMENT OF THE PAY OF THE ARMY, NAVY, ETC.

The committee resumed its session.

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. BLAND of Indiana. Mr. Chairman and gentlemen, I am convinced that in determining the service upon which to base the pay of a Regular Army officer several different kinds of experience should count. I understand that you compute the service of the West Point graduate. There are something like 400 men, officers, to-day in the Regular Army that were officers of the National Guard. These men necessarily are hand picked. They had to stand the test. You men who were here in Congress during the war will understand that there was a very decided sentiment over this country to the effect that the National Guard officers were being discriminated against and that the test made for them was of the hardest. Be that as it may, they have stood the test, and they are in the service by virtue of their efficiency.

Do you mean to contend that 20 years of service in drilling a company, in keeping the boys together and interested in the service, in intimately learning to know the soldier and his life, and in caring for him and getting him ready for the great conflict that came upon us suddenly—do you mean to say that that service does not qualify him as an officer of the United States Army? And if it does, and if a man is given pay on account of length of service, why should you not give him credit for his service in the National Guard when you give him credit for his service in the Regular Army? To deny that credit is to do him wrong.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. BLAND of Indiana. In a moment. Now, it is true that the officer of the National Guard was not in actual training duty all the time. But while he only drilled twice a week, his mind was constantly with his company and his heart was constantly with it, and it was his guidance that made it possible for the National Guard to be ready when this war came on to furnish the Rainbow Division to the Allies.

Mr. LINEBERGER. Mr. Chairman, will the gentleman yield?

Mr. BLAND of Indiana. I promised to yield first to the gentleman from Massachusetts.

Mr. WALSH. Do you compute this service and duty as a state of mind or active duty?

Mr. BLAND of Indiana. It was active duty as well as a state of mind, if you wish so to characterize it. It was active duty on the part of the National Guard officer in drilling his company and there were a lot of other duties aside from the mere drilling of his company. That service was given before the war, and it is given now. [Applause.]

You say we ought to give a Regular Army officer more pay on account of his length of service. Do you mean to say that the National Guard is not entitled to a similar kind of consideration when it comes to a matter of pay? You say he was serving the State. Well, if he was serving the State the Government should not complain. That service and experience is now

given to the Government. If that special and unselfish experience goes to the Government we ought to be proud of it and not discriminate against him on account of it.

Mr. LINEBERGER. Will the gentleman yield now?

Mr. BLAND of Indiana. Yes.

Mr. LINEBERGER. Is it not a fact, as was stated here yesterday, that the average term affecting all these officers is less than three years—two years and a half—and is it not a fact that many of these National Guard officers served on the border for as much as two years?

Mr. BLAND of Indiana. I think that is true.

Mr. LINEBERGER. That service was just as active as any Regular Army service, and most of the men affected were picked from among the officers who had had the most experience with troops.

Mr. BLAND of Indiana. As it is now, gentlemen, you are going to be charged with having written this bill at the behest of the Regular Army West Point officers, and I will tell you that you ought at least to show some sympathy for the man who voluntarily, without being bound by any shackles, has been serving his country and State. And surely in making a proper and just pay for our Army officers, the man who has not been drawing a salary, who has not been hooked up with the Government, the man who put his heart into the work voluntarily, the man who has given the best that is in him to the service, ought to be taken care of also. When the Government picks him out as a Regular Army officer and retains him, those who make the selection know that they are getting good record of service and a good service. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. LINEBERGER. I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. The gentleman from California asks unanimous consent that the time of the gentleman from Indiana be extended five minutes. Is there objection?

There was no objection.

Mr. GREENE of Vermont. When the gentleman praises the National Guard officers, we all join him in that praise.

Mr. BLAND of Indiana. You are willing to praise them but you are not willing to help them when the time comes to do so.

Mr. GREENE of Vermont. I want you to find some standard by which you can judge a National Guard officer. The words "National Guard" do not mean all that they imply. Some of the National Guard is not national, and some of it is not a guard in some States. You know it and I know it, and that is one of the troubles; because where are you going to get an absolute standard by which you shall compute and compare the service of one National Guard officer with that of another?

Mr. BLAND of Indiana. Those who compute the service of the National Guard officer and give him credit for 50 per cent of it will have no trouble in determining what is service and what is not.

Mr. GREENE of Vermont. You have got to do it under a general law.

Mr. BLAND of Indiana. I have little doubt that in case of doubt, the doubt will be resolved against him.

Mr. GREENE of Vermont. Would you call service in some inside office job, which under the national defense act is given a commission, comparable with service with troops of the line?

Mr. BLAND of Indiana. I would no more want to pass on the technical details of what is National Guard service than I would want to pass upon what is certain kinds of service of a Regular Army officer under certain provisions of this bill.

Mr. GREENE of Vermont. But the Regular Army officer is in constant employment, night and day. It is his job. The National Guard officer serves a few days at a time. Where will you get your standard? We must enact the standard into law.

Mr. BLAND of Indiana. It is not difficult to tell whether a man is or is not an officer in the National Guard or Organized Militia.

Mr. COOPER of Ohio. Can the gentleman give the House some information along this line? I have been told that only about 2 per cent of the officers who lost their lives or were wounded during the World War were Regular Army men; that the others were National Guard officers and Volunteers.

Mr. BLAND of Indiana. I do not know the percentage, but I know that the gentleman's thought is correct. The Rainbow Division went out from the National Guard. They saw the elephant. They were put in the line early, and they kept them there until the war was won. [Applause.] And I want to say to you that some of the officers of the Rainbow Division very nearly lost the privilege of bringing their regiments home, because the Regular Army fellow wanted the honor of bringing them home. I think some of them were deprived of the privilege. [Applause.] We had men stand up here yesterday and say that the National Guard officers had the honor of being the head of the National Guard. I want to say that honor is all they ever did get, and if you leave it to the Regular Army officers, honor is all they ever will get. [Applause.]

Mr. LINEBERGER. Is it not a fact that the cynical, cold-blooded attitude of the Regular Army men and of those gentlemen who are eternally defending them in that attitude had a great deal to do with the difficulties that the National Guard experienced in France?

Mr. BLAND of Indiana. I have no doubt of it. Gentlemen, I do not mean to say that the regulations of the Army should be measured by the standard of the National Guard or the Organized Militia, but I do feel that when you go to pay these 400 men you certainly can give them credit for a part of their service. I am only asking you to give them 50 per cent credit for their National Guard commissioned service, and I think the House ought to grant it.

Mr. STAFFORD. Mr. Chairman, I make the point of order.

Mr. GREENE of Vermont. I rise in opposition.

Mr. STAFFORD. Let the point of order be disposed of first. I make the point of order that the amendment is not germane to this portion of the bill.

The gentleman from Wisconsin, my colleague Mr. COOPER, says it is a new section. True, but that does not destroy the rule that in the consideration of bills amendments offered must be germane to that part of the bill which is under consideration. I wish to call the Chair's attention to the fact that on yesterday when section 1 was under consideration, that part which provides for longevity pay to which this amendment directly relates, this amendment in substance was offered twice in a different form and rejected by the committee. Twice was it offered and by this committee rejected. It is substantially the same amendment.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. STAFFORD. I will.

Mr. CONNALLY of Texas. Were the amendments in the identical language?

Mr. STAFFORD. Not the identical language, and it would have been in order to offer this after the rejection of the other amendments.

Mr. CONNALLY of Texas. But the gentleman a short time ago said that if there was any change in the language it would make it in order.

Mr. STAFFORD. My position is still in harmony with the statement I then made. We are not considering to-day section 1; we are making some progress. I say now for the benefit of the gentleman from Texas that on yesterday when section 1 was under consideration, which provides for longevity pay, even after the rejection of similar amendments, if this amendment or a similar amendment had been offered, it would have been in order. But section 1, I call the attention of the Chair to the fact at the bottom of page 5 and the top of page 6, is the only paragraph in this bill that relates to longevity pay. The proposal was offered twice yesterday in connection with that paragraph. The paragraph reads as follows:

> For officers hereafter appointed no service shall be counted for purposes of pay except active commissioned service under a Federal appointment and commissioned service in the National Guard when called out by order of the President. For officers now in the service all service which is now counted in computing longevity pay, and service as a contract surgeon serving full time, shall be included in the computation.

That is the only paragraph in this bill that relates to longevity pay. As I say, a similar amendment was offered twice to that paragraph during the consideration of section 1, and it was in order at that time. No point of order was made against it, because it was properly in order and germane to that paragraph of the section. Now, however, it is offered as a new section. I call the attention of the Chair to section 5822, Hinds' Precedents, where it says "an amendment inserting an additional section should be germane to the portion of the bill where it is offered." The Chair in making that ruling used this language:

> The Chair decides that we have passed the point in the bill at which it might have been offered. We shall never finish the bill unless some rule of this kind is observed. There is a provision in the bill for the completion of marine hospitals, and after that clause of the bill was passed the Chair ruled that amendments properly applicable to that clause of the bill at the time it was under consideration could not be received or entertained by the committee afterwards.

That is the logic of my objection.

The CHAIRMAN. What does the gentleman say as to the next section, 5823, of Hinds' Precedents?

Mr. STAFFORD. That is not applicable to this case. That says "an amendment germane to a bill as a whole but hardly germane to any one section may be offered at an appropriate

place with notice of motion to strike out the following section which it would supersede." That is not a parallel case.

Mr. Chairman, on yesterday this amendment was offered twice in substance at its proper place where it provides for longevity pay. If the Chair will examine the amendment, he will see that it provides for longevity pay. It would have been in order if it had been offered to section 1.

The CHAIRMAN. Does not the section relate to National Guard pay?

Mr. STAFFORD. It does not deal with longevity pay. Section 1 is the only provision in the bill that relates to longevity pay. This amendment relates exclusively to longevity pay. It seeks to increase the pay of these commissioned officers in the Army who have had prior National Guard service to the extent of 50 per cent of the service they performed while connected with the National Guard or Organized Militia. That amendment, substantially, was offered yesterday at the proper place in the bill. If there was nothing in this bill that related to longevity pay, and it being a general bill, then it would be in order to offer the amendment of this purport as a new section. But there being a provision in the bill as reported relating to longevity pay, it is not in order at this place. If we are going to make any progress at all, it should have been presented at the time when we were considering the paragraph in section 1. It was considered yesterday and rejected, and the fact remains that the House can never make any progress if after the proponents of an amendment have been defeated when the paragraph was under consideration they can offer it subsequently as a new section. We will never make any progress in bills of the Committee of the Whole if that fundamental rule is to be violated, that in consideration of a paragraph of the same general purport, after it has passed the section to which it is germane, it can again be considered.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. GREENE of Vermont. I direct the gentleman's attention to the fact that section 3 does not relate to permanent officers of the Regular Army. It relates to officers of the National Guard and reserve forces.

Mr. STAFFORD. Section 3 has nothing to do with longevity pay of permanent officers.

Mr. BLAND of Indiana. Mr. Chairman, I do not seek to attach this provision to any particular portion of the bill, as the Chair has noted. It is an amendment to the bill. If an amendment in the way of a new section is germane to the bill, and is within itself a subject matter that can well be in a separate section, there is no logic in excluding it as a separate section. On the contrary, the logic rests with making it a separate section. The gentleman from Wisconsin [Mr. STAFFORD] has stressed the proposition that it should have followed section 1, because there was where the longevity pay was under consideration.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. BLAND of Indiana. Not now. If I had offered this as a separate section, to follow section 3, the gentleman's argument could only apply in so far as that it would not be germane to the section. I ask the Chair to look at the amendment and look at section 3. If we desired to attach it to section 3 it can very well go on there, because we are discussing the question of the National Guard pay. It could well go on there, I think, as an amendment, but we are not going that far. But we are not contending that it is attached to section 3. We offer it as a separate matter and contend that it is entitled to take a place in the bill.

The CHAIRMAN. Does the gentleman's amendment apply to the National Guard officers or the Regular Army officers?

Mr. BLAND of Indiana. The service of National Guard officers as National Guard officers.

The CHAIRMAN. The amendment refers to all persons who had entered the Regular Army. They are Regular Army men, considered as coming from the National Guard?

Mr. BLAND of Indiana. Yes.

The CHAIRMAN. Then, are they National Guard officers or Regular Army officers?

Mr. BLAND of Indiana. They are Regular Army officers, but the subject that we are considering is the matter of giving credit for their service as National Guard officers. Congress has the right to amend the bill by inserting a separate section, if that section is a subject matter that can be well made a separate section.

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield?

Mr. BLAND of Indiana. Yes.

Mr. GREENE of Vermont. That section deals with the pay of National Guard officers. How can the gentleman introduce into it a provision in respect to the pay of permanent Regular Army officers?

Mr. BLAND of Indiana. Because we are discussing the question of credit for service. We are not discussing the question of the National Guard pay.

Mr. HUSTED. Mr. Chairman, I think the gentleman from Wisconsin is advocating a very rigid and inelastic construction of the rule, which is not supported by the decisions of the House. Of course, an amendment must be germane to the section to which it is offered, or germane to the portion of the bill to which it is offered, if the amendment be offered in the form of a new section, but that is not construed so rigidly as the provision that the amendment must be germane to the section to which it is offered. If it is generally germane to the portion of the bill to which it is offered, it is sufficient.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. HUSTED. In a moment. This is an amendment which relates to pay, and this is the portion of the bill which relates to pay. This is an amendment which is not covered in any form by any preceding section of the bill. It is not in the first section. There is nothing relating to longevity pay for National Guard officers in that section. This, as a matter of fact, is really new matter and should properly be brought in as a separate section. Where is it offered? It is offered after section 3 which relates to National Guard officers, which relates to the pay of National Guard officers, which relates to pay based on length of service, and this is a mere modification. The fact that section 1 relates to longevity pay should not make any difference. This is in the portion of the bill relating to pay, and section 3 itself provides that in computing the increase of pay for each period of three years' service the officers shall be credited with full time for all periods during which they have held commissions as officers of any of the services mentioned in the title of the act. I contend that to hold so strictly as to say that this separate section must be offered only after the section particularly referring to longevity pay is too strict and rigid a construction of the rule.

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield?

Mr. HUSTED. Yes.

Mr. GREENE of Vermont. The gentleman will remember that the first section relates to pay, longevity or what not, of permanent officers. The third section relates to pay of such as are temporary officers, like National Guard folks. The amendment relates to the pay of permanent officers.

Mr. HUSTED. Oh, yes; it relates to the pay of permanent officers, but they want to include one-half of their services as commissioned officers of the National Guard in computing that pay, and that in itself is enough to let this amendment in as a separate section at this point.

Mr. STAFFORD. Mr. Chairman, the gentleman from New York stated that in section 1 there is no provision for the pay of officers now in the service.

Mr. HUSTED. I did not say anything of the kind. The gentleman is mistaken. I said that there was no provision in section 1 relating to longevity pay for officers of the Regular Army who had been officers of the National Guard, based on their service in the National Guard, and there is nothing there relating to it.

Mr. STAFFORD. Section 1 is all pervading, if the Chair will permit, because on page 6 in the paragraph to which I directed the attention of the Chair it provides, and it is the only paragraph in the bill that does so provide, for the pay of officers now in the service. That section provides:

> For officers now in the service all service which is now counted in computing longevity pay, and service of a contract surgeon serving full time, shall be included in the computation.

The purpose of this amendment is longevity pay. I call the attention of the Chair to the Manual, section 777:

> Under the later practice an amendment should be germane to the particular paragraph or section to which it is offered, and an amendment inserting an additional section should be germane to the portion of the bill to which it is offered.

There is no question whatsoever that this amendment provides for the increase of pay of those Army officers who have had National Guard service. Increase of pay how? By longevity service. The amendment was presented yesterday, and properly so, but was rejected twice. I repeat again, if the committee is going to adopt a rule that after we have passed one section of the bill which covers the subject of pay of those now in the service it will be permissible to offer an amendment which was germane to the paragraph under consideration in a prior portion of the bill, and to again consider it, we will never make headway; we will never make progress.

The main purpose that any Member of the House should have in offering an amendment is that he should have oppor-

tunity to have it considered. They have had that opportunity, they have tested the sense of the House. They have not been asleep at the switch and the House has expressed itself twice on this very amendment or a similar previous amendment. Suppose the House now rejects it, will it be in order hereafter every time a section is read to offer the amendment anew? The Chair will realize we will never make headway after the sense of the House has been tested on an amendment and it is rejected if you may offer it anew on succeeding sections or paragraphs in the bill, when the only paragraph in the bill to which it relates is covered by another section which has been read.

Mr. COOPER of Wisconsin. Will the gentleman permit a question?

Mr. STAFFORD. I will.

Mr. COOPER of Wisconsin. Does the gentleman allege that the pending amendment is not germane to the bill?

Mr. STAFFORD. It is germane to section 1, because it deals specifically with longevity pay, with the pay of officers now in the service who have had prior service.

Mr. COOPER of Wisconsin. Then the amendment offered by the gentleman from Indiana [Mr. BLAND] is germane to the bill?

Mr. STAFFORD. Germane to section 1; yes.

Mr. COOPER of Wisconsin. Well, it is germane to some portion of the bill?

Mr. STAFFORD. That is the purpose of the rule.

Mr. BLAND of Indiana. Just a minute. If this amendment were adopted, would it in effect or by implication repeal or modify any other provision of this bill?

Mr. STAFFORD. It would modify directly section 1 of the paragraph to which I have called attention time and time again, and which relates to officers now in the service so far as longevity pay is concerned. It would directly qualify that. It was voted upon yesterday.

Mr. BLAND of Indiana. It does not necessarily repeal; it merely widens the scope of the longevity of service of an officer to determine the pay; that is all.

Mr. STAFFORD. We have had the matter up, and the proper time was when we were considering that subject matter.

Mr. BLAND of Indiana. It is not in conflict.

Mr. NEWTON of Minnesota. I want to call the attention of the gentleman to page 19, section 14, that has reference to the National Guard, and I would like to get the opinion of the gentleman if it should be voted down, each section following, whether it could be again offered following section 14.

Mr. STAFFORD. I prefer not to consider that question in connection with this discussion. If the Chair is going to hold this amendment is in order, then the Chair will have to hold that every time it is offered in a modified form it can be so modified and offered, but the time for its consideration was under section 1, and it was offered then and the House rejected it.

Mr. BLAND of Indiana. It is not the contention of the gentleman that if it is offered and defeated as a separate section that it could be offered as a separate section——

Mr. STAFFORD. That is the logic of the gentleman's position.

Mr. BLAND of Indiana. It is not.

Mr. STAFFORD. I will say the gentleman offered it where it was proper to offer it and it was rejected, and now he wishes to contradict himself and say it can be offered at any time.

The CHAIRMAN (Mr. FESS). The Chair is ready to rule. The gentleman from Wisconsin [Mr. STAFFORD] makes the point of order on the amendment offered by the gentleman from Indiana [Mr. BLAND] on the basis that the amendment which would have been in order after section 1 is not in order here because there is not anything mentioned in section 3 in regard to longevity, and also on the basis that section 3 deals with National Guard pay, while the amendment deals with longevity pay of Regular Army officers. The question is an exceedingly close one. There is no question that the amendment is in order if offered at the right place on the general rule that if the amendment would be germane to the bill it might be introduced at any point, without waiting for the complete reading of the bill and then introducing it at the end.

Mr. STAFFORD. If the Chair will permit, I think, with all deference to the Chair, he did not understand my position. I said it would not be in order following section 1, but only in order as qualifying the paragraph at the bottom of page 5 and top of page 6 that relates to longevity pay.

The CHAIRMAN. If the amendment is germane to the bill it is not necessary to introduce it at any particular point in the bill. That very question is set out in paragraph 5823 of Hinds' Precedents, volume 5:

An amendment germane to a bill as a whole, but hardly germane to any one section, may be offered at an appropriate place—

And so forth.

On the matter of germaneness, therefore, the Chair is clear that the amendment does not need to be introduced at any particular point. On the question of continuous operation of permitting the amendment to be introduced time after time after it has been voted on, if this were a case of that sort, there would be no doubt as to the rule, but this amendment is not the amendment which was introduced yesterday. The Chair has read the amendment introduced yesterday as printed in the RECORD, and while it has the same principle it is different in its details. The Chair is of the opinion that it would be a strained construction of the rule of germaneness to say that you could not introduce this amendment as a new section at any place except after section 1. The Chair is also not convinced that there is delay in legislation by permitting the amendment to be introduced in a different form from that of the day before. Therefore the Chair will overrule the point of order.

Mr. McKENZIE. Mr. Chairman, I desire to make a brief statement in connection with this matter. The argument was made on yesterday, so it is not necessary to have further argument, in my judgment. I simply wish to state that in the consideration and preparation of this bill by the joint committee and later on by the special committee of the House this question did not come up for consideration.

It was not brought to our attention. We simply wrote the bill along the line of taking in all the character of service now given to officers in counting for longevity. After the bill was written our attention was called to this matter by some of the ex-service men in the House, who seemed to be very much interested in it, and who came and conferred with some of us on the committee in regard to it. And I said to them, as I have stated now, that we did not have the matter up for consideration; that it was not considered by the committee; that I had no prejudice in the matter, however, and if they wanted to submit their amendment in the House, that was up to them; but I could not accept any amendment to this bill, being chairman of the committee, and hoping to see the bill go through without any amendment. I want to make this statement in justice to these gentlemen and in justice to the committee, and I hope the House will vote upon it as quickly as possible in order that we may proceed with this bill, which we hope, above all things, to get completed to-day.

Mr. LINEBERGER. Will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. LINEBERGER. As I understand, the gentleman himself has no prejudice against the amendment. He simply desires to see his bill go through, like all chairmen of committees on the floor of the House, without any amendment?

Mr. McKENZIE. I made a statement of the facts.

Mr. NEWTON of Minnesota. Will the gentleman yield there?

Mr. McKENZIE. I will.

Mr. NEWTON of Minnesota. Yesterday the House took action upon the question of civilians entering the Army above the rank of second lieutenant, whether by way of the National Guard or from the training camps or from any other source, and turned down the proposition. Now, does the gentleman think that it would be dealing fairly and equitably with an emergency officer who did not happen to have National Guard service to his credit not to provide him with the compensation that he would be entitled to because of the work that he is doing?

Mr. McKENZIE. I would say to my good friend that I do not think the cases are parallel. But I want the gentleman to understand that I am not making an argument for or against the proposition.

Mr. NEWTON of Minnesota. The gentleman says the cases are not parallel. They are to this extent, that under the present bill the Regular is cared for and the emergency officer, whether he is from the National Guard or from other service, is not cared for.

This amendment would take care of the National Guard officer, but would still leave the other emergency officer out on the limb. Is not that it?

Mr. FISH. Mr. Chairman, as I understand this amendment, it provides that 50 per cent credit shall be given to National Guard officers for their former commissioned service in the National Guard. We have already voted down an amendment providing 100 per cent credit and also voted down one for 75 per cent credit. Although I voted with my colleagues, my service-men colleagues, yesterday in favor of the 75 per cent amendment, I did so with a mental reservation. But I do believe that former National Guard officers should have some credit for their service in the guard. [Applause.] This amendment that we are about to vote on provides for 50 per cent credit, and I think we should be able to agree on giving at least that amount of recognition to the former National Guard officers now in the Regular Army. I desire to point out, Mr.

Chairman, that 82 per cent of these National Guard officers came from seven large States, like Ohio, Massachusetts, New York, Wisconsin, California, and Pennsylvania, and one or two others. It seems a matter of simple justice that we should give them some credit, and why can we not agree on this amendment providing for 50 per cent? Mind you, the best men in the National Guard went into the Regular Army. They had to be the best officers, or the Regular Army would not have taken them. Most of these officers served on the border in 1917. And are you going to say to them that they can not get any credit for that service when they were actually serving the Federal Government on the border, although under the bill it is not computed as such?

Mr. FROTHINGHAM. Will the gentleman yield?

Mr. FISH. No; I can not yield.

Mr. FROTHINGHAM. I have not talked at all.

Mr. FISH. This is the first time that I have opened my mouth on this bill. I hope that we can agree on this 50 per cent amendment.

Mr. GREENE of Vermont. Mr. Chairman, I move to strike out the last word.

I do not believe any principle ought to be compromised, whether it is 50–50, or anything else. I do not believe any proposition of that kind ought to prevail in this House. I want to call attention to one practical thing about this. We know, in the first place, that in no organized profession in the world do people bring in with them as candidates any longevity that they may get by reason of something that they did previous to going into that profession. You would not do it in the case of the bar or any other place where it required certain qualifications to make candidates competent. Where has the National Guard ever been standardized so that we can tell what service to count? A governor may give a commission to a man, he may have a nice honorary position on his staff, and then when he goes into the United States Army immediately he gets years of alleged service credited to him for pay purposes.

I do not deny, nobody can deny, that there was some splendid material in the National Guard that did go into the Regular Army. There is more outside that did not. But you have got to have a law with some justice. If a man goes into the profession of arms at 21 from the outside, nobody gives him credit for any time that he was actually in business. But if he goes in at 30 or 35 as second choice, you want Uncle Sam to pay him for all the time he was outside before he made up his mind the second time.

If you once recognize the proposition that you can give these men constructive service for pay purposes that puts them ahead of other men in the same files with them, the next move will be to put those men ahead of those same fellows in the same files for promotion purposes. And the Army reorganization act is based on the fact that a man must go up the line for promotion only according to his actual longevity as provided by that law. If you add this longevity to it for pay, the logic of it will be one more amendment, and you add longevity to it for promotion, and he jumps over those he used to serve behind.

Mr. LINEBERGER. The gentleman, I think, is perhaps right; but there are a great many Members of the House who think that the Regular Army might be improved somewhat thereby. I know the gentleman is sincere in what he says, and I admire his frankness.

Mr. GREENE of Vermont. The gentleman has caused me to say something that out of good feeling I would not have said. He can not but feel that there is somewhere in the air, not far from Washington, an organized attempt to bring comment to bear on the Regular Army which would not bring credit to one of the institutions of our Government. And it also runs to the intention of injecting something into the Regular Army that would be like a burr under the saddle. It is also plain that it is not the intention to benefit the Regular Army as a whole as an American institution, but 400 men.

Mr. LINEBERGER. The gentleman has spoken in riddles. I am sure I have no idea whatsoever as to what the gentleman refers. And I think we would be glad to have him elucidate in order that we may find out at what he is driving.

Mr. GREENE of Vermont. I will. If you come into my nursery, I can make it plain.

Mr. LINEBERGER. I would like to have it in the record.

Mr. GREENE of Vermont. You introduced this subject on the question of improving the Regular Army. Some gentlemen who preceded you on this question also suggested remarks about the Regular Army that were not particularly complimentary.

Mr. LINEBERGER. Well, I think as American Congressmen we ought to be interested in improving every activity of the Government, the Army included.

Mr. GREENE of Vermont. So do I, but I believe in doing it the right way.

Mr. McSWAIN. Mr. Chairman, the genial and able and valuable gentleman from Vermont has just finished the same speech that he made yesterday on the same proposition. I am not going to take up the time of the committee to make the same speech on the same subject that I made yesterday. [Laughter.]

Mr. GREENE of Vermont. And I got just as much applause then as you did now.

Mr. JEFFERS of Alabama rose.

Mr. McKENZIE. Mr. Chairman, I move that the debate close on this amendment at the expiration of five minutes.

The CHAIRMAN. The gentleman from Illinois moves that the debate on this amendment close at the expiration of five minutes. The question is on agreeing to that amendment.

The motion was agreed to.

The CHAIRMAN. The gentleman from Alabama [Mr. JEFFERS] is recognized.

Mr. JEFFERS of Alabama. Mr. Chairman, I spoke yesterday on the amendment that I offered to the bill and I wish now to take a few minutes further in connection with this new section that has been offered by the gentleman from Indiana [Mr. BLAND].

I want to say that this proposition is not entirely new. It has been presented to Congress before, in different ways. I remember that a bill was introduced some months ago by our colleague, Mr. HILL, of Maryland, which bill provided that Army officers who had previous commissioned service in the National Guard should be allowed to compute that service in figuring longevity pay. His idea, as expressed in his bill, is the idea we have in fighting for this amendment, which I trust will carry.

The point has been raised here that men who are now in the Regular service, who are ex-National Guard officers, came into the Regular service of their own free will and accord and could have left it off had they wanted to. I want to call attention, my friends, to the fact that many of these valuable officers in the service to-day broke all the threads of their civil life, broke down their professions, cut loose from their positions in civil life and entered the service in time of stress; and I want also to again emphasize the point that I made yesterday, that when they entered the Army in time of need they not only entered it themselves, but they brought into it companies and battalions and regiments, and in organizing these companies and battalions and regiments they had, in many cases, consumed their own time and money; and if longevity pay is going to be given to anybody, some credits for longevity pay should be given to these men who gave themselves loyally to the development of the National Guard, and when the zero hour had come and there was fighting to be done those troops were ready to stand in the breach until our Army could be made ready. They not only stood in the breach, but they fought through the war with distinction. Now, their credit has been limited to only 50 per cent, and, God knows, that is little enough consideration. [Applause.]

Gentlemen talk here about their having gone in purely of their own volition, voluntarily forsaking civil occupations. They went to France and when they came back many of them found it impossible to get back their old jobs. They found mossbacks sitting on their jobs. When they went to France they were assured that their jobs would be open to them on their return, but they found themselves not able to get their jobs back again, notwithstanding all the promises that had been made to them. They suffered, therefore, very great loss and were under a distinct economic handicap.

Having broken completely the thread of civil life and finding, in many cases, only broken promises in place of former jobs, they looked over the field and decided to reenter the Army. They knew the Army game and loved it, but they reentered the Army not only because they loved the game but because their former professions had been lost to them and they were not able to get them back. Take the case of physicians, for example. They were promised their practice when they came back, but when they came back those promises were in many cases forgotten. And take young lawyers, just getting a little practice built up. They gave up their start in life, and when they came back they found that their practice was in the hands of others, and people forgot to see that they got that practice back again, as had been so fervently promised.

We have heard it stated that there is a propaganda on foot to have uncomplimentary things said about the Regular Army, and mention has been made of a "burr under the saddle." When the legislative representatives of the Army come to know and realize that there are people here who will check them in their deceitful methods it will be a good thing for the Army and for the country. They are not going to be able to put things

over as they have in the past, either by their own efforts or through cold-blooded spokesmen here.

I do not know anything of the "plain" propaganda that has been referred to by the gentleman from Vermont [Mr. GREENE], but I freely predict here that there will be more "burrs" inserted "under the saddle" all along the line until they come to recognize the fact that there are men here who have gained knowledge by experience in the Army game and who are going to check them right along. For the good of the Army organization of this country those men whose business it is to suggest Army legislation must not try to deceive this Congress and discriminate against any certain class or classes in the Army, but they must be fair and honest with Congress and the people of this country, and they must deal squarely with all those in the Army, and not continually try to take care especially well of certain classes in the Army and discriminate against others. Now, that is plain talk, but it is straight.

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield right there?

Mr. JEFFERS of Alabama. I can not yield; I have not time. The gentleman was not interrupted by me, and I can not yield to him now.

These ex-National Guard men now in the Regular Army were already economically handicapped, many of them, and now you want to leave them handicapped by this bill.

They deserve better consideration and more nearly a square deal. They are amongst the most valuable and most desirable Army officers we have to-day. They are closer to the civilian population than any other set of officers that we have in the Army. They are not so far removed from the people and have a better conception of the relationship of the Army to the people of the country. They are not in the Army simply on account of having been picked up and educated at West Point. They were educated by their own people or by themselves. They served in the guard for the love of the soldier game and through loyalty to the country and to their communities. In developing these National Guard outfits they produced something—they produced the goods, and they also delivered the goods when the time came. They are well balanced; they are good officers. They are now in the service, and certainly are due this consideration that this new section would give them. I ask your support on this proposition. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the "ayes" appeared to have it.

Mr. STAFFORD. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 40, noes 30.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 5. That each commissioned officer on the active list, or on active duty below the grade of brigadier general or its equivalent, in any of the services mentioned in the title of this act, shall be entitled at all times, in addition to his pay, to a money allowance for subsistence, the value of one allowance to be determined by the President for each fiscal year in accordance with a certificate furnished by the Secretary of Labor showing the comparative retail cost of food in the United States for the previous calendar year as compared with the calendar year 1922. The value of one allowance is hereby fixed at 60 cents per day for the fiscal year 1923, and this value shall be the maximum and shall be used by the President as the standard in fixing the same or lower values for subsequent years. To each officer of any of the said services receiving the base pay of the first period the amount of this allowance shall be equal to one subsistence allowance, to each officer receiving the base pay of the second, third, or sixth period the amount of this allowance shall be equal to two subsistence allowances, and to each officer receiving the base pay of the fourth or fifth period the amount of this allowance shall be equal to three subsistence allowances: *Provided*, That an officer with no dependents shall receive one subsistence allowance in lieu of the above allowances.

Mr. MADDEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MADDEN: Page 9, line 2, after the word "years," strike out all of lines 2 to 12, inclusive.

Mr. KRAUS. Mr. Chairman, I suggest the absence of a quorum.

The CHAIRMAN. The gentleman from Indiana suggests the absence of a quorum. The Chair will count. [After counting.] One hundred and fourteen gentlemen are present—a quorum. The gentleman from Illinois [Mr. MADDEN] is recognized.

Mr. LONGWORTH. Mr. Chairman, I ask unanimous consent that the amendment may again be reported.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that the amendment be again reported. Without objection, the Clerk will again report the amendment.

There was no objection.

The amendment was again read.

Mr. MADDEN. Mr. Chairman, the effect of the amendment I have offered, if adopted, would be to reduce the number of subsistence allowances to any single officer to one, whereas the section as it reads provides that there may be anywhere from one to three, and the argument is made by those who favor the additional number of subsistence allowances that men with families are entitled to better consideration than men who have no families.

To that I reply that when you employ men in any walk of life you do not employ them because they have families or because they have not families. You employ them for the ability which they possess, and whether a man is married or not, he is expected to perform the duties for which he is employed, and no additional consideration is given to the man in the performance of the duties because he is married. The cost of these allowances under the section as it is presented by the committee would be $10,054,000 a year. We are entering upon a new field by granting allowances to officers in the Army.

Mr. BLACK. Will the gentleman yield for a question?

Mr. MADDEN. In just a moment. Up to this time they have not been given rations, and my contention is that they ought not to be given rations.

Mr. BLACK. Will the gentleman yield just there?

Mr. MADDEN. Yes.

Mr. BLACK. Is it not the view of the gentleman that the whole section ought to go out; that we ought not to start any of this ration business?

Mr. MADDEN. I would be perfectly willing to accept such an amendment.

Mr. BLACK. I will be very glad to offer one.

Mr. MADDEN. But I thought I would go along the lines of least resistance. I am frank to say that in the exercise of my own judgment I would move to strike out the entire section; but I was even willing to do something which I feel I ought not to do, and that the House ought not to do, in order to get something done, for up to the present time we have not been able by any argument to produce any effect on the bill leading in the direction of economy.

It is not denied that the intention of section 5 is to increase the pay of commissioned officers. But they do not come here and ask for increased pay in the bill. They come and ask you to give these men rations, and they fix the ration allowance at 60 cents a day, with the further provision that at some time in the dim, distant future the Secretary of Labor may ascertain the cost of the ration and certify that to the President of the United States, who will then be called upon to certify it to the Army, and thereby fix the cost from time to time through that circumlocution. Now, why should we pay $10,000,000 and more a year to start on a new activity which it has never been thought necessary to indulge in before? If the pay of the officers in the Army is not sufficient, why not say so in plain language? Why should we use the subterfuge of rations? Why should we call upon the President from year to year to fix the amount that may be allowed for rations?

The CHAIRMAN. The time of the gentleman has expired.

Mr. MADDEN. I would like five minutes more.

The CHAIRMAN. The gentleman asks an extension of five minutes. Is there objection?

There was no objection.

Mr. MADDEN. Now, let us see where we are "at." In the first place, we grant to the officers of the Army housing facilities for their families when the officer is in the field. We grant them housing facilities, lighting, heating, and all that. We do more than that. We transport their children from place to place at the expense of the Treasury. That is a new engagement that we have taken on recently. Up to a short time 'ago there were no housing facilities allowed to the families of officers in the Army when the officer was away on duty. But we have changed that. Until very recently there was no transportation allowance made for the family of an officer, but we have changed that. And now we propose to feed the officer in addition to his pay. Are we ever going to stop? Is there no line to be drawn anywhere? Are we to continue forever to increase the expense of the Government in connection with the Army officer?

Mr. JOHNSON of Washington. This is money, not rations.

Mr. MADDEN. It is money, not rations, but it means the same thing.

Mr. JOHNSON of Washington. Will the same officer who gets money in lieu of rations be permitted to continue to buy rations at the Army rate?

Mr. MADDEN. Yes; that goes without saying. The gentleman from Washington would have to buy at the regular market rate, while the Army officer is permitted to buy at Government cost. We might just as well hand him the money as a new addition to his salary.

Mr. McLAUGHLIN of Michigan. Will the gentleman yield?
Mr. MADDEN. Yes.
Mr. McLAUGHLIN of Michigan. The wrong impression ought not to be given as to the advantage that the officer or enlisted man gets by buying at the commissary.
Mr. MADDEN. I do not want to give a wrong impression.
Mr. McLAUGHLIN of Michigan. He is charged the ordinary price. He is not buying from one who profiteers and charges an unreasonable price, but he has to pay, and everyone who buys at the commissary has to pay, a reasonable price.
Mr. MADDEN. I am making no complaint about that. I was simply stating a fact. It is a fact, is it not, that the gentleman from Michigan is not permitted to enjoy that privilege? It is also a fact that the Army officer is allowed to enjoy that privilege. Does anybody deny that? Is there any reason in the world why we should give an Army officer rations? I ask anybody here to answer. If it is to be increased pay, why do we not say so?
Mr. McLAUGHLIN of Michigan. Does the gentleman ask that as a question?
Mr. MADDEN. Yes.
Mr. McLAUGHLIN of Michigan. I am under the impression that this was allowed because the base pay was fixed accordingly, with the idea that this would be allowed. Otherwise the base pay would have been higher.
Mr. MADDEN. The base pay has already been increased by the bill.
Mr. McLAUGHLIN of Michigan. But the increase takes this into consideration.
Mr. MADDEN. Oh, yes. You add this on the top of that, and then you add something else on top of both, and before you get through nobody knows what the pay will be.
Mr. McLAUGHLIN of Michigan. The chairman of the subcommittee or of the commission, the gentleman from Illinois [Mr. McKENZIE], says I am right in that; that in fixing the base pay the committee took into consideration the fact that these allowances would be made.
Mr. MADDEN. Oh, yes; they did take that into consideration, undoubtedly; but in taking it into consideration they always equalize upward.
Mr. McLAUGHLIN of Michigan. But the gentleman from Illinois has approved the base pay which the other gentleman from Illinois, his colleague [Mr. McKENZIE], says was based taking into consideration that subsistence would be allowed also.
Mr. MADDEN. Well, but it never has been allowed. We have always had the base pay. There is no reason why we should add this to it. It is not justified. It can not be defended. It ought not to be permitted. I protest against it. [Applause.]
Mr. CONNALLY of Texas. Mr. Chairman, I offer an amendment to strike out the section.
The CHAIRMAN. That is not in order now.
Mr. CONNALLY of Texas. Very well, I will offer it later. Mr. Chairman and gentlemen of the committee, I think the views of the gentleman from Illinois [Mr. MADDEN] are well founded. Of course, everybody who knows anything about this bill knows that this allowance purports to be for rations but is not intended for rations at all. The committee desires this provision in order to increase the base pay. It seems to me that if the committee had really wanted to increase the base pay it should have increased it and not come before the House with the pretense that officers in the Army are to be furnished with rations by the Government, when everybody knows that they are not going to be furnished rations; that it is not intended that rations be supplied. Never in recent years, so far as I know, have commissioned officers been furnished rations. Enlisted men are furnished rations, but commissioned officers have always borne their living expenses out of their pay. If the base pay in this bill is not high enough, the committee should have had the frankness to have made it high enough and not presented a device to raise it and yet not seem to raise it. It is provided under this bill, gentlemen will argue, that this makes a 60-cent ration, which means $219 a year.
Mr. MADDEN. Six hundred and fifty-seven dollars for certain officers.
Mr. CONNALLY of Texas. Certain officers would be allowed three rations, which would be $657 additional pay.
But the committee says it has a provision in the bill whereby the Secretary of Labor will certify the cost of the rations, and that every time the cost of a ration goes down 1 per cent the Secretary of Labor will certify to the President, and the President will reduce the allowance. That is a beautiful theory, but everybody knows that it is not practicable. Suppose the cost of living goes down 2 per cent, how much will it amount to? Not enough to pay for the bookkeeping. Everybody knows how the allowance is to be made. It is provided that the President shall make it. Of course, the President does not know anything about it; he is not going to make it. The Secretary of War will make it for the President. The Secretary of War is not going to fool with fixing rations, and so the Chief of Staff will make it for him. The Chief of Staff has no time to fool with fixing rations, so some major or captain down in the department will fix it for the Chief of Staff, and perhaps some second lieutenant will do it for him.
Mr. McKENZIE. Will the gentleman yield?
Mr. CONNALLY of Texas. I will.
Mr. McKENZIE. The gentleman does not want to be unfair. The bill provides the value of the rations shall be fixed on the certification of the Secretary of Labor to the President of the United States.
Mr. CONNALLY of Texas. Here is what the bill provides. The bill provides that the Secretary of Labor shall certify to the President the comparative cost of food in future years as related to that cost for 1922, and upon that the ration is to be determined. That is what is in the gentleman's bill.
Mr. JOHNSON of Washington. Does the gentleman make the prediction that the cost of the ration will ever be less than 60 cents?
Mr. CONNALLY of Texas. Of course, it will not, practically; it might be a fraction of 1 per cent.
Mr. JOHNSON of Washington. The maximum is 60 cents.
Mr. BLACK. And if the tariff bill passes it may be more.
Mr. OLDFIELD. Four and three-quarters per cent.
Mr. CONNALLY of Texas. I do not think it will differ over one-half of 1 per cent.
Mr. ARENTZ. The passage of the tariff bill will depend upon when the Democrats run out of words, will it not? [Laughter.]
Mr. CONNALLY of Texas. As long as the gentleman's party is in power there will be no tariff on words. Now, I am not antagonistic to the Army officers. I want them to have just compensation. But what I object to in this Army bill here is having to look on almost every page to see what the compensation is going to be. We have the base pay here on one page; turn over four or five pages and you have the longevity pay.
Somewhere else there is allowance for quarters; turn over three or four pages more and you find an allowance for rations which we do not intend to furnish, and which they do not want and would not eat if we did furnish them; and then further along, in another place, there is 5 per cent increase for field service. Somewhere else, if they are ordered away, they get 8 cents a mile allowance for travel and $7 per day for food. That is what is wrong with this bill, and the committee ought to have the courage to frame a bill so that the country will know what the pay is.
Mr. BYRNS of Tennessee. Will the gentleman yield?
Mr. CONNALLY of Texas. Yes.
Mr. BYRNS of Tennessee. How many bookkeepers does the gentleman think will be needed to keep these accounts?
Mr. CONNALLY of Texas. The gentleman from Tennessee, with his long service on the Committee on Appropriations, has a vivid idea of what it would take to do this bookkeeping.
Mr. McKENZIE. Will the gentleman yield?
Mr. CONNALLY of Texas. Certainly.
Mr. McKENZIE. Does the gentleman think it will require any more clerks to keep these accounts than it has on commutations in the different zones in the whole country?
Mr. CONNALLY of Texas. Commutation is not affected by zones; it is the heat and light; that is a good suggestion, to equalize the heat and light. I do not object to it. Take the quarters under the gentleman's bill. A major general, if he happens to be a single man—what does he do? He gets an allowance for six rooms.
The CHAIRMAN. The time of the gentleman from Texas has expired.
Mr. CONNALLY of Texas. I ask for three minutes more.
The CHAIRMAN. The gentleman from Texas asks that his time be extended three minutes. Is there objection?
There was no objection.
Mr. CONNALLY of Texas. There are not many major generals, but there are some of them, and a major general who is a single man is allowed nine rooms. Is not that right?
Mr. McKENZIE. Under the present law.
Mr. CONNALLY of Texas. What under this bill?
Mr. McKENZIE. Six.
Mr. CONNALLY of Texas. A major general?

Mr. McKENZIE. Yes. The gentleman would better read the bill.

Mr. OLIVER. That is correct.

Mr. CONNALLY of Texas. I thought I was going to somebody who knew what is in his own bill.

Mr. OLIVER. The amount, however, for six rooms is larger than the amount that he is allowed now for nine.

Mr. CONNALLY of Texas. Yes; I was about to call attention to that. He gets six rooms at $120 a month—$20 a room. An officer in the first pay period gets only two rooms.

Mr. OLIVER. In the first period. In order that the gentleman may remember the rooms, a man with dependents gets one more room than the period which he is in. If in the first period, he gets two rooms; if in the second period, three rooms; on up to the sixth period, and then he gets six rooms.

Mr. CONNALLY of Texas. Of course, what I had in mind was to draw the attention of the committee to the fact that these allowances are really not intended to supply rooms, but are devices for increasing the compensation. A major general is allowed six rooms under this bill, and was allowed nine under the other. I submit that no major general who is single has any business with six or nine rooms, but in order to get the increased compensation they create a fictitious allowance for six or nine rooms in order to give him the increase in pay.

Mr. MADDEN. And getting nine rooms he is allowed only $108 a month, while with six rooms he is allowed $120 per month.

Mr. CONNALLY of Texas. Of course, under the present law the room allowance is $12 a room and under this bill it is $20 a room.

Mr. KNUTSON. Is it not a fact that a six-room apartment in Washington that rented for $50 before the war rents now for $150 a month?

Mr. CONNALLY of Texas. Oh, I would say to the gentleman that I do not think the gentleman from Minnesota [Mr. KNUTSON], who is a single man, is entitled to as much allowance for rooms as some gentlenman on the Republican side who has a large family. I have no objection to giving reasonably increased compensation, but I do object to making the fictitious allowances merely for the purpose of increasing the compensation. The theory upon which this bill is written in a measure tends to destroy ambition among the Army officers. If an officer once gets a place in the Army, his pay thereafter is fixed not by his rank or his efficiency but by how many years he remains in the Army. A man may be a major and get less pay than a captain, because the captain has been in the Army longer than the major has. Where is the incentive to promotion? Where is the incentive for efficiency if all you require for an Army officer to get increased pay is to be able to stay on the pay roll without being cashiered or court-martialed? I believe this whole system of pay is wrong. I believe the basis of pay that is regulated entirely by the length of service is a false basis and does not represent the proper elements that the Congress should adopt in fixing pay. I believe there ought to be an incentive to promotion.

Mr. McKENZIE. Mr. Chairman, I shall not take very much time to answer my friend from Illinois [Mr. MADDEN] or my friend from Texas [Mr. CONNALLY]. It is a matter of grave regret to me to know that my old friend from Illinois, a man for whom I have had the highest admiration, a man whom I have always felt had a big heart, a generous disposition, should take the position that he now does, and I have always thought that my good friend from Texas was animated by similar feelings, by the feelings which have animated heretofore my friend from Illinois. I love my friend from Illinois. We have been friends for many years. I know his condition in life. I know the beautiful home that he has near the city of Chicago, Du Page County, where he can enjoy life when he gets permission to leave this place where we all have to toil. I know the comforts and conveniences of life that he enjoys, and I am glad that he has them. I do not envy him those. I have always been glad to see him enjoy them, because most that he has in this world is the result of his own energy and industry. I envy no man the good things of this life, but I regret that with his experience, with his knowledge, he should take this floor and undertake for the lack of knowledge—I will put it that way—to mislead the Members of the House as to the meaning of this bill. He does not even have a conception of the great fundamental principle expressed in section 5. Neither does my good friend from Texas have the least conception of what the members of this committee were driving at. Is there a man here to-day, except my friend from Indiana [Mr. KRAUS], who would say that we should put the men of the Army and Navy and the Coast Guard and the Public Health Service and all of these services back to the pay of 1908 without an increase at all? That is the proposition submitted by the gentleman from Illinois.

Mr. EVANS. Mr. Chairman, will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. EVANS. Why not add the amount that was estimated here at 60 cents per day to the salary which is fixed as the base pay?

Mr. McKENZIE. I tried to explain that the other day in my opening speech. I said that for many years, since I have been a member of the Committee on Military Affairs, I have felt that it is an unjust thing to take from the Treasury of the United States and give to a major general, such as the one spoken of by the gentleman from Texas, $1,684 a year, this to a man who has not a soul dependent upon him, in order that he may live in luxury down here on Sixteenth Street or in the great clubs of this city. My contention has been all of the time that the base pay of these officers should be alike. This bill puts them on the same level. My contention has further been, when it comes to allowances, that we should not give to the man without dependents the same amount of money and allowances that we give to the man with a wife and little children.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. BLACK. Can the gentleman advance any better reason as to why the Government should pay a military officer 60 cents a day ration allowance than it should pay any civilian employee?

Mr. McKENZIE. I am sure my good friend is not serious when he asks a question like that, when he must realize that the men in the Army and the Navy and in these services are not permitted to go out into the world and make money on the side. They are held to their places, they are moved about from year to year. The prejudice against these men comes from the fact that we see some of them here in the city of Washington.

And I want to say to you, my good friends, these officers you see now in the city of Washington had moved many, many times. They have spent years on the border——

The CHAIRMAN. The time of the gentleman has expired.

Mr. McKENZIE. I ask for five additional minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. McKENZIE. They have spent years in Alaska; and finally after long years they get a term here in Washington. One gentleman of the Coast Guard—a very good officer—who is now serving a term in the city of Washington, told me that he spent 15 years at sea before he had an opportunity to come to the city of Washington. This bill provides that a single officer, like my good old friend, General Crowder, will get $960 less under this bill—$1,684 originally—than that which he has been drawing from the Government. But it goes a little further and says that a young man coming into the first period as a second lieutenant shall get $219. When he gets a little further in life, and perhaps his responsibility is greater, he gets $438, and the maximum he can get is $657. Gentlemen, we are not deceiving you by this bill, and we are not deceived. This is not a fund to buy flour with entirely. This gives an increase in this bill to those officers over the pay of 1908; and you gentlemen to-day, if you now want to turn around and vote against these men who are now in the Army and Navy and Marine Corps and the Geodetic Survey and the Public Health Service and say that while everybody else in the world has been getting some consideration we will not give you any—we will put you back to the pay of 1908. Why, my good friend from Illinois, when he talks about that increase of $10,000,000, he means it is an increase over the pay of 1908. Are you opposed to giving these men some increase over 1908?

Mr. BULWINKLE. Will the gentleman tell the House what the total cost will be for all branches of the service?

Mr. McKENZIE. I can only tell it in this way, that the cost of all branches of the Government will be about $15,000,000 less the first year under the present cost——

Mr. BULWINKLE. For subsistence?

Mr. McKENZIE. I have not figured that up, but I am willing to say it is $10,000,000.

Mr. JOHNSON of Washington. Then why go through the subterfuge of having an estimate by the Secretary of Labor? Can not we fix it at 45 cents or 50 cents or 60 cents? It is salary. It is not a ration to be eaten or in lieu of a ration, but money to be paid out on salary account under the thin guise of ration allowance.

Mr. McKENZIE. The gentleman does not get the fundamental idea of this bill.

Mr. JOHNSON of Washington. I think I have, and also I think this figure will never be less than 60 cents, and that there will be argument before us in a year or two to make it more than that.

Mr. McKENZIE. With the Secretary of Labor making his report and MARTIN MADDEN running the Committee on Appropriations he will see to that. The Secretary of Labor fixes the cost of a ration from year to year, based on cost of living. We fix the cost for this year at 60 cents; it might be 50 cents next year——

Mr. JOHNSON of Washington. But the officers do not get the ration; it is money.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CURRY. I ask unanimous consent that the gentleman may have five additional minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. McKENZIE. I want to say to my friend from Washington that we call this subsistence allowance for a reason; not to give these men bacon and eggs, but to give them money, an increase in pay; I state that very frankly.

Mr. JOHNSON of Washington. I am in accord with the gentleman in the desire to properly pay our officers, but I want it to be done in the open. I am not afraid of the additional pay, but I do not want to see it carried in this disguise.

Mr. McKENZIE. If the gentleman thinks so, I will take the mask off; I want you to see it. We want to fix that as an increase in pay, and we call it subsistence allowance for the reason that subsistence is easily arrived at in the value. The Department of Labor estimates every year the cost of living. It is a fluctuating automatic increase or decrease in the pay of these officers. It will go down, possibly, hereafter, but it will never go up, and can not go up.

Mr. KLINE of Pennsylvania. Are you also increasing the pay of the privates while increasing the pay of the officers?

Mr. McKENZIE. Some enlisted men—I do not know what the gentlemen means when he says the privates. Does he mean men in the seventh grade, the lowest class in the Army and Navy? I will say that we are not reducing them and we are not taking one cent away from them, and the statement made yesterday that we are reducing the enlisted man is not a fact, because we are not reducing any of them. When an enlisted man comes in hereafter he will get $21 when he enters the service——

Mr. JONES of Texas. Will the gentleman yield?

Mr. McKENZIE. I will.

Mr. JONES of Texas. The gentleman said this was an increase over 1908?

Mr. McKENZIE. Yes.

Mr. JONES of Texas. Will the gentleman give the estimate of the added per cent of increase?

Mr. McKENZIE. I think it is about 20 per cent; it is not quite as much as the bonus.

Mr. HARRISON. Will the gentleman yield for this question: Whether in this arrangement as to pay of officers and dependents the subsistence is not made in this way to reflect in the cost of living?

Mr. McKENZIE. Absolutely.

Mr. HARRISON. That when the cost of living is increased the pay of the officers automatically increases?

Mr. McKENZIE. Yes; but not beyond the limit.

Mr. HARRISON. When it goes down the pay goes down?

Mr. McKENZIE. That is it. That is what it means. I thank the gentleman.

I want to say to you, my dear good friends, that this amendment offered by my friend, with all of his plausibility, with all of his talk for economy, and with all that goes with the power of a man at the head of the Appropriations Committee of the House, is an appeal to you men—to do what? To destroy this bill that we have worked on for months and months, harder than I have ever worked in my life, in order to do justice to these men and secure better treatment for them. I want to appeal to you now—it is not anything personal to me—but I want to appeal to you as Americans to stand up and defeat this amendment, because this amendment is offered for no other purpose than to destroy this bill. And if you do not defeat the amendment, you might just as well strike out the enacting clause. I do not want to see a friend of mine from Illinois do that. [Applause.]

The CHAIRMAN. Debate is closed on the amendment.

Mr. OLIVER. Mr. Chairman, I ask for recognition. I move to strike out the last word.

The CHAIRMAN. What is the position of the gentleman on the amendment?

Mr. OLIVER. I am for striking it out. I am opposed to this provision.

The CHAIRMAN. The difficulty is this, that the chairman of the committee ought to have the right to close debate on this amendment. If the Chair should allow the gentleman to speak at this time, he ought to allow some one else to speak. There has been plenty of debate, as it appears to the Chair, on this amendment.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent for five minutes on this amendment.

Mr. BYRNS of Tennessee. Mr. Chairman, a parliamentary inquiry. I would like to know whether the Chairman of the Committee of the Whole is in control of the debate and can determine the question as to whether the debate should proceed, or that the committee should determine it? The committee itself, as I understand, has not placed any limitation on the debate, and I insist that the gentleman from Alabama [Mr. OLIVER] has the right to move to strike out the last word, and continue to make those motions until the committee itself has acted.

The CHAIRMAN. The Chair will act within his rights, and not otherwise. The gentleman from Alabama asks unanimous consent to proceed for five minutes. Is there objection?

Mr. KNUTSON. Mr. Chairman, reserving the right to object, I would ask that the gentleman from South Carolina [Mr. BYRNES] be given an equal amount of time.

Mr. BYRNES of South Carolina. Mr. Chairman, I ask unanimous consent that the debate be continued for 10 minutes, 5 minutes to be given to the gentleman from Alabama [Mr. OLIVER] and 5 to myself.

The CHAIRMAN. Is there objection?

Mr. JOHNSON of Washington. Mr. Chairman, reserving the right to object, I understand that agreeing to that request would not preclude the right to offer additional amendments.

The CHAIRMAN. The Chair thinks not.

Mr. JOHNSON of Washington. I do not object.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina [Mr. BYRNES]? [After a pause.] The Chair hears none. The gentleman from Alabama [Mr. OLIVER] is recognized.

Mr. OLIVER. Mr. Chairman, I wish to emphasize again that the difference between the members of the subcommittee is not one as to whether the pay of the officer and enlisted personnel of the services, affected by this bill, should be increased over the 1908 pay schedule but rather one as to whether any needed increases should be provided for by permanent or by temporary legislation instead.

There is a sharp difference between members of the subcommittee as to a number of the provisions of the pending bill, not that those differences arise from a desire to deny adequate compensation to officers but from a desire to grant only proper and reasonable increases in pay and allowances, free from unjust discriminations, and to simplify officer pay, so that it may be fixed at an amount that you and others may know what in truth is the pay of officers in the several grades.

This bill in no way simplifies the matter of officer pay and allowances. You have added to it many new factors that will make it more difficult to determine. What are some of the factors added? You undertake to now give a ration allowance. Certainly, this has not been attempted for the past 50 years, and the very fact that we may have had it long years ago and abandoned it is good reason why it should not be again drafted on the law. You have added another item that is indefinite, involves unfair discrimination, not only as to officers now in the service but those who may hereafter enter, in that you permit the advancement to higher pay periods by reason of other than commissioned service to some officers and deny it to others. This involves an increase of $500 in the base pay alone of those so advanced.

You have been generous as to longevity pay by increasing the per cent from 40 to 50, and by removing, for the grades of colonels, lieutenant colonels, and majors, the present limitation of $1,000.

Mr. McKENZIE. I wonder if the gentleman has gone over the figures and realizes that for the coming year the longevity pay in this bill will be two hundred and thirty-five thousand and odd dollars less than it would be otherwise?

Mr. OLIVER. Figures are very misleading unless you are permitted to explain them in connection with the facts on which the calculations are made, but we are now discussing a matter altogether dissociated from mere totalities. I am referring to these matters to show the different items that enter into the compensation of officers under this bill, and thereby to demon-

strate that instead of simplifying the pay and compensation of officers, you have really further complicated the matter.

Now, if there be a desire to provide further pay for officers in the service, no good reason, I submit, can be given for providing a ration allowance. It does not comport with the dignity of an officer's commission to say that a part of his pay represents a 60-cents-a-day ration, or two or three 60-cents-a-day rations. Under such a system prior to 1870 it fell into disfavor because of its abuse. We have had nothing of this for 50 years, and I must confess to some surprise to hear it suggested at this late day. Under the old system some officers had worked their allowances up to 40 rations, together with servant assignments. Who knows to what extent this matter will again be abused if we undertake in this cheap, undignified way to provide pay for the commissioned personnel of our military services. Soon the cry will come, "Why, 60 cents will support no one, nor will two rations of 60 cents."

If you desire to provide further increased pay, vote it in a dignified way. Do not undertake to give it under the guise of a 60-cents-a-day ration.

Large additional officer pay will flow from the drastic changes of existing law, provided for in section 1 of the pending bill. As for me, I would much prefer voting gratuity allowances to officers in need rather than a 60-cents-a-day ration.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

The gentleman from South Carolina [Mr. BYRNES] is recognized.

Mr. BYRNES of South Carolina. Mr. Chairman, I think that I am partly responsible for the inclusion in the bill of this section. As has been stated by the gentleman from Illinois [Mr. MCKENZIE] in his opening speech, the purpose of this section is to provide an increase of pay over the pay of 1908.

The question was whether we should do what the gentleman from Alabama [Mr. OLIVER] says, provide for an increase of base pay, or provide for an increase in this way. He says that it is not dignified, but the question of dignity is not involved. If you had done what he suggested, and what the gentleman from Texas [Mr. CONNALLY] and the gentleman from Illinois [Mr. MADDEN] suggests and increased the base pay, then you would have increased the pay that the officer receives when he retires, because it is based upon the base pay. But when you make it a part of the allowance you save money, and the chairman of the Committee on Appropriations ought to be in favor of it.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of South Carolina. I can not yield in five minutes. In my hand I hold a chart showing the increased pay. Here is the 1908 scale, and the scale provided by this bill. If you vote for this amendment you take away from the first and second lieutenants and the captains every dollar of increase over the 1908 pay, and you leave only an increase of pay to the lieutenant colonel and the colonel, who receive it because of their long years of service and longevity pay.

Now, the reason why I advocated the provision in the bill was this: The question was whether or not, in view of the abnormal conditions, this was an opportune time to change the pay. If you increased the pay, and the cost of living decreased, the pay would remain as fixed at this time. On the other hand, if you provided it as an allowance for rations, and the cost of living decreased, then the appropriation would decrease. If you will read the bill you will see that it provides that this is a maximum allowance, but that it shall be changed hereafter every year on the certificate of the Secretary of Labor to the President of the United States if there is a decrease in the cost of living. They say that does not mean anything. You must assume, if you believe that, that the Secretary of Labor will publish statistics that are not true, in order to please the War Department. The Labor Department pride themselves upon the accuracy of their statistics. If the Department of Labor does publish statistics showing a reduction in the cost of living, the gentleman from Illinois [Mr. MADDEN] will have them, and if the President does not certify to a reduction he will attend to it. If there is a reduction of 6 cents it will be 10 per cent, and will save $1,000,000.

My friend from Alabama [Mr. OLIVER] and my friend from Texas [Mr. CONNALLY] told you that a bachelor major general under this law will get six rooms. I suggest that you read the bill on page 10, lines 22 to 25. There you will see that it is specifically provided that such officer shall get only four rooms, and the major general who has been held up to you in order to prejudice the case will get $960, instead of the $1,600 that he gets now according to law.

Mr. OLIVER. Mr. Chairman, will the gentleman yield there? The gentleman is mistaken.

Mr. BYRNES of South Carolina. I regret I can not yield. I am not mistaken. I ask the gentlemen to read the bill, not to take what I say, and not to take what the gentleman from Alabama says. The bill says such officer shall receive four rooms.

Mr. CONNALLY of Texas. This is a colonel, and not a major general.

Mr. BYRNES of South Carolina. The gentleman said major general. I have checked it up with the finance officers of the Army, and he will get four rooms. If you adopt this amendment which has been offered you take out of the bill the only provision that enables us to make a satisfactory distinction between a man with dependents and the man without dependents. We have endeavored to equitably distribute this increase in pay over the 1908 schedule. The young officer, unmarried, receives the smallest allowance. He does not need it. Then we provided that when the officer arrived at that rank and age when he would likely have dependents that he should receive an allowance which would take care of his dependents, and when he grew older and it was assumed that his dependents would be able to take care of themselves the allowance was reduced.

We believed that if an increase was to be made over the scale of 1908 it was better to give a greater proportion of the increase to the man with dependents than to the bachelor with no dependents. [Applause.]

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. OLIVER. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended for one minute in order that he may correct what I know he would not intend to do for anything—make a statement that would mislead the House as to what a provision of this bill provides. I ask unanimous consent that he be allowed one minute.

Mr. BYRNES of South Carolina. If the gentleman is going to ask a question, I shall want more than one minute in which to answer. I want time to answer.

Mr. OLIVER. I want only time to ask the gentleman a question and let him do the answering.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. KNUTSON. I object.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois [Mr. MANN].

The question was taken, and the amendment was rejected.

Mr. BLACK. Mr. Chairman, I move to strike out the section.

Mr. JOHNSON of Washington. Mr. Chairman, I have an amendment to section 5, a perfecting amendment.

The CHAIRMAN. Is it a perfecting amendment?

Mr. JOHNSON of Washington. Yes; I think it is a perfecting amendment. It is to strike out part of it.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Washington: Page 8, line 24, strike out "60" and insert "45," and after the word "day" insert a period and strike out the rest of the line, all of line 25, all of line 1, page 9, and all of line 2 to the period.

Mr. JOHNSON of Washington. Mr. Chairman, the amendment as offered is simple. The preceding amendment, offered by the gentleman from Illinois [Mr. MADDEN], having failed, I desire to place before the House an opportunity to fix the value of one allowance per officer at 45 cents, rather than 60 cents, and to let that figure stand through the various classes and for the future. I can not see that anything will be gained by a roundabout process, based upon a table to be prepared by the Secretary of Labor, to be handed to the President of the United States. It has been stated by the chairman of this select committee that this is a plan to increase the pay of the officers in the various grades. In the amendment I do not offer to strike out these lines by which the officers receive the price of two rations or three rations. I am simply endeavoring to induce the House of Representatives to decide that all ration allowances, which are additions to pay, be 45 cents instead of 60 cents. It is not the price of the ration at all. It is an effort to increase the pay. We can say now by adopting this amendment that the increase is either 45 cents, or 90 cents, or $1.36 per day, or by voting this amendment that the increase disguised as rations is 60 cents, $1.20, or $1.80 per day in the future.

Mr. MCKENZIE. Mr. Chairman, I do not wish to discuss this matter. It was all carefully thought out by the committee.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Washington.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. JOHNSON of Washington. Mr. Chairman, I ask for a division. I ask for a rising vote.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 15, noes 75.

So the amendment was rejected.

Mr. BLACK. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. BLACK moves to amend by striking out all of section 5.

Mr. McKENZIE. Before my friend proceeds, I ask unanimous consent that at the expiration of his five minutes all debate on this section and all amendments thereto be closed.

Mr. OLIVER. I ask that the gentleman extend that to 10 minutes, giving me 5 minutes, so that I can make a statement to the House correcting certain misinformation.

Mr. McKENZIE. I move that at the end of 10 minutes debate be closed on the section and all amendments thereto.

Mr. MADDEN. I raise the question as to whether or not it is in order to move to close debate until after the first five minutes of debate have been had.

The CHAIRMAN. It is not.

Mr. HUSTED. The gentleman asked unanimous consent.

Mr. MADDEN. I make the point of order that it is not in order.

The CHAIRMAN. It is not in order, so the Chair will not put the motion.

Mr. BLACK. Mr. Chairman, the distinguished gentleman from Illinois [Mr. McKENZIE], in discussing this section which we now have under consideration, referred to it as containing a great fundamental principle. Now, the older I grow in experience the more thoroughly do I find out that there are not so many fundamental principles. We Americans have always been taught to think that the Declaration of Independence and the Constitution of the United States contain a few, and now, this afternoon, the distinguished gentleman from Illinois [Mr. McKENZIE] comes along and adds another one to the list, to wit, this provision of law to pay these officers a ration of 60 cents a day. The historian should get out his pen and ink and record this great event. It marks an epoch in American history. What is this great fundamental of which the gentleman from Illinois speaks? Let us analyze the bill a little and find out. In the first place, officers are classified in six periods. The pay of those periods ranges from $1,500 to $4,000 as a base. Added to that is the longevity pay, which may equal 50 per cent of the base pay. Added to that is the pay for commutation of quarters. We will take a colonel for example, whose base pay is $4,000. He may be drawing in addition to that by reason of a sufficient length of service $2,000 as longevity pay, causing him to receive $6,000. He may have added to that $120 a month as commutation of quarters. In addition to all these he may have added this great fundamental contained in section 5, which my friend from Illinois discussed so eloquently, to wit, rations at 60 cents a ration, with a maximum of three a day.

Now, gentlemen of the House, in all seriousness, I submit that at a time when the Congress of the United States is devising such emergency measures as a revival of the War Finance Corporation in order to enable the producers of the country to get the cost of production, if possible; at a time when the Congress of the United States is being called upon to give needed rations to the flood sufferers of the great Mississippi Valley; at a time when the taxpayers of the country are suffering under a load such as they have never been called upon to bear in the history of the Republic, it looks to me as though it is a little bit too much to ask them to have put upon their bended backs the burden of paying officers a 60-cent ration who are already getting as high as $6,000 a year. I am not going to vote for any such provision, and will be certain to vote against the whole bill if it is allowed to remain. [Applause.]

Mr. McKENZIE. Mr. Chairman, I move that all debate on this section and all amendments thereto close in five minutes, the five minutes to be controlled by the gentleman from Alabama [Mr. OLIVER].

Mr. MONDELL. Mr. Chairman, I hope the gentleman will make that 10 minutes. I would like to have a little time on this section.

Mr. McKENZIE. Then I will make it 10 minutes.

The CHAIRMAN. The gentleman from Illinois moves that all debate on this section and all amendments thereto close in 10 minutes, 5 minutes to be used by the gentleman from Alabama and 5 minutes by the gentleman from Wyoming.

Mr. LONGWORTH. Mr. Chairman, that can not be put in the form of a motion.

The CHAIRMAN. That is an explanation by the Chair.

The motion was agreed to.

Mr. OLIVER. Mr. Chairman, there are no two gentlemen in the House for whom I entertain a higher regard and a warmer affection than I do for the gentleman from Illinois [Mr. McKENZIE] and the gentleman from South Carolina [Mr. BYRNES]. I know that neither of them would knowingly mislead the House about any matter connected with this important bill, and that if either has made a statement of fact that is not borne out by the bill, it is simply an error in failing to carefully read or accurately recall in the heat of argument the provisions of the bill affecting the matters to which our differences relate. My friend from South Carolina [Mr. BYRNES] was rather positive in his recollection that this bill gave to a major general but four rooms. This bill, I respectfully submit, on that point is too plain to admit of any difference between the gentleman from South Carolina and myself. The section from which the gentleman got his information relates only to officers holding a grade below that of brigadier general. If he will read the section referred to he will find that it relates only to allowances for officers in grades below that of brigadier general. Section 8 determines the pay and allowances of officers above the grade of colonel and of all corresponding grades. I will read such part of section 8 as is pertinent to the matter under discussion.

SEC. 8. That commencing July 1, 1922, the annual base pay of a brigadier general of the Army and of the Marine Corps, rear admiral (lower half) of the Navy, commodore of the Navy, and Surgeon General of the Public Health Service shall be $6,000; and the annual base pay of a major general of the Army and of the Marine Corps, and rear admiral (upper half) of the Navy shall be $8,000. Every such officer shall be entitled to the same money allowance for subsistence as is authorized in section 5 of this act for officers receiving the pay of the sixth period and to the same money allowance for rental of quarters as is authorized in section 6 of this act for officers receiving the pay of the sixth period.

The money allowance for subsistence as authorized in section 5 is $438 a year, and the money allowance for rental of quarters authorized in section 6 of this act is $1,440 a year; in other words, the allowance is for two rations and six rooms.

No distinction is made between officers in these grades on account of dependents. To my mind there should be no question between lawyers as to the interpretation of this section, but that evidently must account for our differences.

I regret to find my friend from Illinois [Mr. McKENZIE] and my friend from South Carolina [Mr. BYRNES] also inaccurate in their calculations as to the increases given by the pending bill to officers, exclusive of all ration allowances. Take the grade of colonel. This bill provides a maximum pay and allowance for colonels, exclusive of the ration allowance, in excess of the amount which, under the limitation of $7,200, the colonel is allowed to draw. Likewise, there are lieutenant colonels now in the service who under this bill would be entitled to draw the maximum pay of a colonel, to wit, $7,200, even though you deduct from his allowance the entire ration allowance of $438. The increase in pay and allowance of a lieutenant colonel over the 1908 bill, if this bill passes, based on the maximum pay for that grade, will be $2,224. There are lieutenant colonels now in the service who will be entitled to the maximum pay of the grade on the passage of this bill. Likewise, the maximum pay and allowance of a captain in the Army and of corresponding grade in the Navy will be increased $2,197 over the 1908 act and $1,447 over the May 18, 1920, bonus bill. There are now more than 130 captains in the Army and of corresponding grades who will be entitled to the large increases just stated.

The House must not forget that many new factors will enter into the pay of officers if this bill passes, and it will be very difficult for one not well versed in Army and Navy pay schedules to know what the pay or compensation of an officer in any grade is at any particular time. It will be necessary to know his length of service, whether he has dependents or not, what service he is engaged in, whether he is occupying public quarters, whether he is performing duty with the air or the submarine service, and so forth, because all of these matters may very properly enter into his pay and compensation. Since I have shown that there are lieutenant colonels and colonels who will receive under this bill, even if you strike out the ration allowance, the maximum pay of a colonel, to wit, $7,200, I do not think the argument made by the gentleman from Illinois is sound when he says it will ruin the bill to strike it out. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. BYRNES of South Carolina. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. That motion is not in order; the time has been limited.

Mr. MONDELL. Mr. Chairman, in view of the statements made by the gentleman from Alabama who has just taken his seat, I prefer to yield my time to some one with a better knowledge of the technicalities and details of the bill than I. I would be glad to yield my time to the gentleman from South Carolina [Mr. BYRNES].

Mr. BYRNES of South Carolina. If the gentleman is kind enough to include me in that category, I will say that I only desire to be recognized for a few minutes. Mr. Chairman, there is little difference between me and my friend from Alabama and no excuse for getting "het" up about it. It is evident that there was a misunderstanding between us. The gentleman from Texas [Mr. CONNALLY] made a statement about the bachelor major general.

Mr. CONNALLY of Texas. I will state that I quoted from the gentleman from Illinois. [Laughter.] I asked the gentleman from the floor how many rooms a major general was entitled to, and he said six.

Mr. BYRNES of South Carolina. I think the gentleman from Texas is right. The gentleman from Texas believed he was right and proceeded to talk about six rooms that the bachelor major general would get, and I made the statement that he would get but four rooms. I did not specify that I was talking about a man without dependents, because I was replying to the gentleman from Texas, who specifically referred to a bachelor major general. The gentleman from Alabama had in mind a major general with dependents, who gets six rooms. I had reference to the officer referred to by Mr. CONNALLY of Texas, without dependents, who gets four rooms. Section 8, considered in connection with section 6, gives him four rooms. There is no real difference about it at all; he was right as to dependents and I was right as to a major general without dependents.

Mr. OLIVER. The gentleman is in error in one thing. Section 8 makes no difference between a general with or without dependents, or whether he is a brigadier general or an admiral.

Mr. BYRNES of South Carolina. Section 8 says that these officers shall receive rooms provided for in the sixth section. Then if you will look at section 6, page 10, at the bottom, you will see that it provides that where an officer in the sixth period has no dependents he shall receive only four rooms. Then there is the further fact that even if he has dependents he can not get the full amount of the allowance because there is a maximum provision in the bill which prohibits him from receiving the maximum. All he could receive would be $1,262 in the case of a major general and $1,062 in the case of a brigadier general, because of the operation of the maximum provision. In the hope of providing a scientific system of pay we provide that when an officer is young, with less responsibilities, he shall receive less additional pay, but when he has reached the period of life where he has children to support and his responsibilities are greater, he shall receive more; and then when the children are grown up and have been educated there should be a reduction in the allowances. The officers agree that it is fair. No man can complain of that except the bachelors, and I think some of my bachelor friends are willing to admit the justice of this provision. [Laughter and applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

Mr. BLACK. May the amendment again be reported?

The CHAIRMAN. Without objection, the amendment will be again reported.

The Clerk again read the amendment.

The question was taken, and the amendment was rejected.

Mr. JOHNSON of Washington. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 8, line 24, strike out the figures "60" and insert the figures "50."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 6. That each commissioned officer on the active list or on active duty below the grade of brigadier general or its equivalent, in any of the services mentioned in the title of this act, if public quarters are not available, shall be entitled at all times, in addition to his pay, to a money allowance for rental of quarters, the amount of such allowance to be determined by the rate for one room fixed by the President for each fiscal year in accordance with a certificate furnished by the Secretary of Labor showing the comparative cost of rents in the United States for the preceding calendar year as compared with the calendar year 1922. Such rate for one room is hereby fixed at $20 per month for the fiscal year 1923, and this rate shall be the maximum and shall be used by the President as the standard in fixing the same or lower rates for subsequent years. To each officer receiving the base pay of the first period the amount of this allowance shall be equal to that for two rooms, to each officer receiving the base pay of the second period the amount of this allowance shall be equal to that for three rooms, to each officer receiving the base pay of the third period the amount of this allowance shall be equal to that for four rooms, to each officer receiving the base pay of the fourth period the amount of this allowance shall be equal to that for five rooms, and to each officer receiving the base pay of the fifth or sixth period the amount of this allowance shall be equal to that for six rooms. The rental allowance shall accrue while the officer is on field or sea duty, temporary duty away from his permanent station, in hospital, on leave of absence, or on sick leave, regardless of any shelter that may be furnished him for his personal use, if his dependent or dependents are not occupying public quarters during such period. In lieu of the above allowances an officer with no dependents receiving the base pay of the first or second period shall receive the allowance for two rooms, that such an officer receiving the base pay of the third or fourth period shall receive the allowance for three rooms, and that such an officer receiving the base pay of the fifth or sixth period shall receive the allowance for four rooms, but no rental allowance shall be made to any officer without dependents by reason of his employment on field or sea duty.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word in order to inquire of the chairman of the committee having the bill in charge what the present allowance is for rooms for officers?

Mr. McKENZIE. Does the gentleman want any specific grade?

Mr. STAFFORD. No; but what the comparative increases are, as provided in the bill.

Mr. McKENZIE. Let us take a major general in Washington. Under existing law he draws $1,684.85 for quarters, heat, and light. Under this bill, and figuring now for a single officer, he would draw $960.

Mr. STAFFORD. Suppose he is married.

Mr. McKENZIE. Then he would draw $1,440.

Mr. OLIVER. He gets exactly the same if he is married or not married. You would have to change the law.

Mr. McKENZIE. Oh, I challenge the statement of the gentleman from Alabama on that proposition. I want the House to understand that either the gentleman from Alabama is mistaken or I am mistaken; and if I am mistaken I pledge myself to the membership of this House to go before the Senate or anyone else and ask to have it changed.

Mr. OLIVER. Let me say this to the gentleman——

Mr. STAFFORD. Oh, my time is running; and permit me for a moment to control my own time. Will the gentleman give the rates as to the other grades so that the House may know what is done by this bill in this schedule of pay?

Mr. McKENZIE. Let us take a captain.

Mr. STAFFORD. Married.

Mr. McKENZIE. A captain now present in Washington draws $800.50. He would go into the third pay period, and he would be entitled under this bill, if he had dependents, to $960.

Mr. STAFFORD. What would be the subsistence? Would it be additional to what it is here?

Mr. McKENZIE. The subsistence is a different proposition.

Mr. STAFFORD. He gets no subsistence at the present time.

Mr. McKENZIE. A captain would get an increase for rental.

Mr. STAFFORD. How about a first lieutenant, married?

Mr. McKENZIE. Under existing law a first lieutenant draws $623.80. Under the bill he would draw, if he had dependents, $720, and $480 without dependents.

Mr. STAFFORD. And it is the gentleman's contention that the allowance provided in this bill, so far as quarters are concerned, is about the same within a radius of $100 to $200.

Mr. McKENZIE. It would not average over $100. Remember, this is based upon the maximum amount, $20, and that may be reduced from year to year. The existing law provides about $17.

Mr. KRAUS. Mr. Chairman, will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. KRAUS. I take it that the gentleman will concede that there is an average increase of at least $3 per month per room?

Mr. McKENZIE. Yes; but next year, if rentals go down in the city of Washington and the Ball Rent Act is not repealed, it may be made $20, because this is figured on the basis of war prices.

Mr. STAFFORD. Mr. Chairman, I withdraw the pro forma amendment.

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the last two words for the purpose of saying that while I favor good pay for the Navy and Army and officers of the Coast Guard, officers of the Public Health Service, and others, I am afraid that hereafter, if this bill in its present form becomes a law, whenever I meet a colonel of the Army, or an admiral, or a chief surgeon. I shall say to myself that the actual salary of that officer was fixed, not by Congress, but by the Secretary of Labor on some statistician's schedule based on the price of onions and potatoes to the people. Congress, in fixing the actual pay of Army officers, Navy officers, and others,

is passing the buck to the Secretary of Labor. The Secretary of Labor will have the say. And the officers will be around promptly to show him—they will; you know it. The price of onions will mean more to the officer than it will to the man in the street. And then, again, when I meet these officers I shall think of their rent allowances, and I shall never be able to rid myself—no matter how great their achievements—of the thought that part of their pay was fixed on the operation of the Ball Rent Act in the District of Columbia. Is that the way Congress proposes to fix the pay of the officers in these various important services of the great Government of the United States?

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

SEC. 7. That when the total of base pay, pay for length of service, and allowances for subsistence and rental of quarters, authorized in this act for any officer below the grade of brigadier general or its equivalent, shall exceed $7,200 a year, the amount of the allowances to which such officer is entitled shall be reduced by the amount of the excess above $7,200: *Provided*, That this section shall not apply to the Captain Commandant of the Coast Guard nor to the Director of the Coast and Geodetic Survey.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word for the purpose of asking the gentleman from Illinois what the maximum pay is that may be received by the Captain Commandant of the Coast Guard and the Director of the Coast and Geodetic Survey.

Mr. McKENZIE. The pay of the Captain Commandant of the Coast Guard and the man at the head of the Coast and Geodetic Survey is that of a colonel in the Army or a captain in the Navy.. When this matter came up for discussion in committee it appeared that these two men, occupying these exalted positions in comparison to those occupied by the other men in the service, ought to have some distinctive promotion. In other words, that they should have the grade of brigadier general, for example. However, the committee felt that we had no right to enter upon that field of legislation, and we so stated to them; but we put in this provision that, while we hold down all of the other colonels in the Army and captains in the Navy to $7,200 we do permit these two gentlemen, in case their allowance and salaries should overrun $7,200 to some small extent, to retain that, feeling it was better to do that than to undertake to give them an increase in grade.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to withdraw the pro forma amendment.

The Clerk read as follows:

SEC. 9. That commencing July 1, 1922, the monthly base pay of warrant officers and enlisted men of the Army and Marine Corps shall be as follows: Warrant officers of the Army and Marine Corps, $148; warrant officers, Army Mine Planter Service, master, $185; first mate, $141; second mate, $109; engineer, $175; assistant engineer, $120; enlisted men of the first grade, $126; enlisted men of the second grade, $84; enlisted men of the third grade, $72; enlisted men of the fourth grade, $54; enlisted men of the fifth grade, $42; enlisted men of the sixth grade, $30; enlisted men of the seventh grade, $21; and the pay for specialists' ratings shall be as follows: First class, $30; second class, $25; third class, $20; fourth class, $15; fifth class, $6; sixth class, $3. Existing laws authorizing continuous-service pay for each five years of service are hereby repealed, effective June 30, 1922. Commencing July 1, 1922, warrant officers of the Army and Marine Corps, including warrant officers of the Army Mine Planter Service and enlisted men of the Army and Marine Corps, shall receive, as a permanent addition to their pay, an increase of 5 per cent of their base pay for each four years of service in any of the services mentioned in the title of this act, not to exceed 25 per cent. On and after July 1, 1922, an enlistment allowance equal to $50, multiplied by the number of years served in the enlistment period from which he has last been discharged, shall be paid to every honorably discharged enlisted man of the first three grades who reenlists within a period of three months from the date of his discharge, and an enlistment allowance of $25, multiplied by the number of years served in the enlistment period from which he has last been discharged, shall be paid to every honorably discharged enlisted man of the other grades who reenlists within a period of three months from the date of his discharge. Nothing contained herein shall operate to reduce the pay now being received by any transferred member of the Fleet Marine Corps Reserve. On and after July 1, 1922, retired enlisted men of the Army and Marine Corps shall have their retired pay computed as now authorized by law on the basis of pay provided in this act.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word in order to get some information as to the amount the pay of a retired enlisted man of the Army or Marine Corps would be increased by reason of the last sentence on page 14, authorizing those who are now retired to receive the same retired pay as though under the provisions of this bill.

Mr. McKENZIE. I will say to the gentleman that when this bill goes into operation the retired pay will be based upon the grade and length of service. So far as the enlisted men in the Navy and the Marine Corps are concerned, they have special laws covering the retirement in those services. For instance, in the Fleet Naval Reserve men can retire and be subject to call after 16 and 20 years' service, and the same thing in the Marine Corps, with pay at one-third and one-half.

Mr. STAFFORD. We have entered into a contract with these men who have heretofore done service in the Army and Marine Corps. Now you provide to increase their retirement pay. What is the reason for granting them an additional gratuity to that which they are now receiving?

Mr. McKENZIE. I want to say to the gentleman we did not in this bill provide for anything more than a readjustment of the retired pay to correspond with the readjustment of the active pay. We did not change the law.

Mr. STAFFORD. If you do not make an increase in the pay, what is the purpose of the paragraph to which I am directing attention; that—

On and after July 1, 1922, retired enlisted men of the Army and Marine Corps shall have their retired pay computed as now authorized by law on the basis of pay provided in this act.

That certainly means an increase of the retirement pay.

Mr. McKENZIE. I presume that is true in some cases.

Mr. STAFFORD. How much would it amount to in the case of these men?

Mr. McKENZIE. I am frank to say I do not have those figures, but it would be very small.

Mr. STAFFORD. Does the gentleman think we ought to grant this additional grade to men who have separated themselves from the service?

Mr. McKENZIE. I do not think that it will grant them any additional grade.

Mr. STAFFORD. But the gentleman thinks it will require increased pay.

Mr. McKENZIE. If they have the service. It only applies the same principle to these men as to commissioned officers.

Mr. KRAUS. I would ask the chairman if he does not believe as a matter of fact this provision should not be made to conform to the first amendment which was adopted introducing a limitation in the case of officers. As a matter of fact there is a difference in some extent. I do not know to what extent, and it seems to me that the provision for enlisted men should be made to conform to the amendment adopted by the House.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. STAFFORD. I will.

Mr. NEWTON of Minnesota. It occurs to me, from this sentence the gentleman from Wisconsin just read with reference to enlisted men, that if it was adopted it places them on a different basis from the commissioned officer if you limit the retired commissioned officer to be retired with what he is getting under existing law. Now, this retired pay is based upon the proposed law.

Mr. McKENZIE. The gentleman from Minnesota will understand that among the enlisted men their scale of retired pay is different from that of the commissioned personnel.

Mr. STAFFORD. But the committee having already taken the stand that as far as the commissioned officers are concerned their retired pay shall be no higher than they are now receiving, why should we not apply the same standard to the enlisted men?

Mr. McKENZIE. I want to say to the gentleman from Wisconsin I did not agree with the amendment adopted by the committee in respect to commissioned officers. I think it was a mistake.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to withdraw the pro forma amendment and offer a substantive amendment, as follows: Line 4, page 14, strike out all the remaining portion of the section after the word "law."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 14, line 4, after the word "law," strike out the remainder of the section.

Mr. STAFFORD. Mr. Chairman, just a word. I believe the committee has already heard the colloquial discussion with the gentleman from Illinois. On yesterday we passed an amendment limiting the retired pay of officers on the retired list to that which they are now receiving, not granting to them additional pay that would be allowed under this bill. This amendment seeks to require these retired enlisted men to continue to receive the present pay and not to give the additional pay which they would have under the conditions of this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

SEC. 10. That on and after July 1, 1922, the monthly base pay of warrant officers of the Navy and Coast Guard shall be as follows: During the first 6 years of service—at sea, $153; on shore, $135; during the second 6 years of service—at sea, $168; on shore, $147;

after 12 years' service—at sea, $189; on shore, $168. On and after July 1, 1922, for purposes of pay, enlisted men of the Navy and Coast Guard shall be distributed in seven grades, with monthly base rates of pay as follows: First grade, $126; second grade, $84; third grade, $72; fourth grade, $60; fifth grade, $54; sixth grade, $36; seventh grade, $21. Chief petty officers under acting appointment shall be included in the first grade at a monthly base pay of $99. Mates shall receive the pay of enlisted men of the first grade of the Navy. Nothing contained herein shall operate to reduce the pay now being received by any transferred member of the Fleet Naval Reserve. In lieu of all permanent additions to pay now authorized for enlisted men of the Navy and Coast Guard, they shall hereafter receive, as a permanent addition to their pay, an increase of 10 per cent on the base pay of their rating upon completion of the first four years of enlisted service, and an additional increase of 5 per cent for each four years' service thereafter, the total not to exceed 25 per cent. All transient additions to pay of enlisted men of the Navy and Coast Guard are hereby repealed, except as provided for in section 21 of this act.

The rates of pay of the insular force of the Navy shall be one-half the rates of pay prescribed for enlisted men of the Navy in corresponding ratings. Existing laws authorizing a reenlistment gratuity to enlisted men of the Navy and Coast Guard are hereby repealed, and hereafter an enlistment allowance equal to $50 multiplied by the number of years served in the enlistment period from which he has last been discharged, but not to exceed $200, shall be paid to every honorably discharged enlisted man of the first three grades who reenlists within a period of three months from the date of his discharge; and an enlistment allowance of $25 multiplied by the number of years served in the enlistment period from which he has last been discharged, but not to exceed $100, shall be paid to every honorably discharged enlisted man of the other grades who reenlists within a period of three months from the date of his discharge. On and after July 1, 1922, retired enlisted men of the Navy and Coast Guard shall have their retired pay computed as now authorized by law on the basis of pay provided by this act.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. I wish to inquire, the information not having been heretofore given in the discussion of this bill, how the rate of pay of warrant officers of the Army, Navy, Coast Guard, and Marine Corps, as provided in this section of the bill and prior sections, compares with the existing pay?

Mr. McKENZIE. I want to say to the gentleman from Wisconsin in regard to that matter that two years ago, in 1920, there was a most exhaustive study made in reference to pay of enlisted men of the Navy, and at that time an effort was made to increase the pay of the enlisted men of the Navy, but before we got through with it we had this hodge-podge bill known as the bonus or temporary pay bill, and the only thing in it that we ever had under consideration at all was the pay of the enlisted men of the Navy.

It was worked out at that time scientifically, as the gentleman from Alabama will admit, and we accepted that pay as fixed at that time with only two changes which we thought to be just and fair to the enlisted men of the Navy.

Mr. OLIVER. If the gentleman will pardon me, I fully confirm what the gentleman from Illinois [Mr. McKENZIE] has said, and I wish to say this, that no one perhaps deserves as much credit for it as Captain Williams of the Navy. He was before the committee, and the hearings he submitted to it are very elaborate, and give an accurate, detailed description of the Navy and the pay of the Navy.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent to withdraw the pro forma amendment.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none. The Clerk will read.

The Clerk read as follows:

SEC. 11. That warrant officers of the Army, including those of the Army Mine Planter Service, of the Navy, Marine Corps, and Coast Guard, shall be entitled at all times to the same money allowance for subsistence as is authorized in section 5 of this act for officers receiving the pay of the first period, and to the same money allowance for rental of quarters as is authorized in section 6 of this act for officers receiving the pay of the first period. To each enlisted man not furnished quarters or rations in kind there shall be granted, under such regulations as the President may prescribe, an allowance for quarters and subsistence, the value of which shall depend on the conditions under which the duty of the man is being performed, and shall not exceed $4 per day. These regulations shall be uniform for all the services mentioned in the title of this act. Subsistence for pilots shall be paid in accordance with existing regulations, and rations for enlisted men may be commuted as now authorized by law.

Mr. HICKS. I move to strike out the last word.

Mr. Chairman, the committee will soon vote on this bill, and I have no doubt but that the committee will approve of it and the House will pass it. It seems to me this bill should be passed, because it gives to us now three things that are absolutely essential and three things that we have lacked. One has been the lack of uniformity of pay, another has been knowledge as to what the pay is in various branches of the service, and the other has been the fact that we have not based pay largely on length of service but more on rank. This bill provides for those three things being accomplished, and I sincerely hope that in the interest of both officers and men of these services this bill will receive the sanction of the House and the Senate and of the President. I most earnestly recommend, after some careful study of the provisions of this bill, and especially the needed provisions, that the committee see its way to stamp its approval upon it. [Applause.]

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 12. That hereafter officers of any of the services mentioned in the title of this act, when traveling under competent orders without troops, shall receive a mileage allowance at the rate of 8 cents per mile, distance to be computed by the shortest usually traveled route, and existing laws providing for the issue of transportation requests to officers of the Army traveling under competent orders, and for deduction to be made from mileage accounts when transportation is furnished by the United States, are hereby made applicable to all the services mentioned in the title of this act, but in cases when orders are given for travel to be performed repeatedly between two or more places in the same vicinity, as determined by the head of the executive department concerned, he may, in his discretion, direct that actual and necessary expenses only be allowed. Actual expenses only shall be paid for travel under orders outside the limits of the United States in North America. Unless otherwise expressly provided by law, no officer of the services mentioned in the title of this act shall be allowed or paid any sum in excess of expenses actually incurred for subsistence while traveling on duty away from his designated post of duty, nor any sum for such expenses actually incurred in excess of $7 per day. The heads of the executive departments concerned are authorized to prescribe per diem rates of allowance, not exceeding $6, in lieu of subsistence to officers traveling on official business and away from their designated posts of duty.

In lieu of the transportation in kind authorized by section 12 of an act entitled "An act to increase the efficiency of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," approved May 18, 1920, to be furnished by the United States for dependents, the President may authorize the payment in money of amounts equal to such commercial transportation costs when such travel shall have been completed. Dependent children shall be such as are defined in section 4 of this act.

Mr. CONNALLY of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. CONNALLY of Texas: Amend by striking out the word "may," in line 10, and the words "in his discretion," in line 11, and insert in lieu thereof the word "shall."

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen of the committee, I think the gentleman from Illinois [Mr. McKENZIE] will accept this amendment. It simply provides that where the duty of an officer calls him habitually from one place to another, he shall only receive actual expenses instead of 8 cents a mile. It would be ridiculous for an officer who had to go from Washington to Baltimore once a week, say, in the performance of his duty, to be allowed 8 cents a mile instead of his actual traveling expenses. Under this bill as it is drawn, unless the head of the department in his discretion should enter an order limiting the mileage to actual expenses, an officer who traveled from Camp Humphreys to Washington and back each day in the performance of his duty would, in addition to his regular pay, draw 8 cents a mile coming and going.

Mr. McKENZIE. I will say to my friend that that was not the intention. I am certain the comptroller would not permit any such thing to get by him.

Mr. CONNALLY of Texas. If the gentleman will accept this amendment, the comptroller will not have to act on it. The comptroller is going to be governed by the law, and the present bill provides that the head of the executive department concerned may in his discretion allow it.

Mr. McKENZIE. I have not the time to look up the reasons given for the language, but I do know every word of this bill was very carefully considered.

Mr. OLIVER. All of that is worked out by regulations, as I understand, and we understood that they have been very carefully guarded, but I see no objection to accepting the amendment.

Mr. BYRNES of South Carolina. If the gentleman from Illinois will permit, it will only make certain what the gentleman wants.

The CHAIRMAN. The question is on the amendment of the gentleman from Texas [Mr. CONNALLY].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. CONNALLY of Texas. Division, Mr. Chairman.

The committee divided; and there were—ayes 25, noes 42.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 13. That, commencing July 1, 1922, the annual pay of female nurses of the Army and Navy shall be as follows: During the first three years of service, $840; from the beginning of the fourth year of service until the completion of the sixth year of service, $1,080; from the beginning of the seventh year of service until the completion of the ninth year of service, $1,380; from the beginning of the tenth year of service, $1,560. Superintendents of the Nurse Corps shall receive a money allowance at the rate of $2,500 a year, assistant superintendents, directors, and assistant directors at the rate of $1,500 a year, and chief

nurses at the rate of $600 a year, in addition to their pay as nurses. Nurses shall be entitled to the same allowance for subsistence as is authorized in section 5 of this act for officers receiving the pay of the first period, and to the same allowance for rental of quarters as is authorized in section 6 of this act for officers receiving the pay of the first period.

Miss ROBERTSON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The lady from Oklahoma offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Miss ROBERTSON: Page 18, line 23, strike out the word "first" and insert in lieu thereof the word "second," and on page 19, line 2, strike out the word "first" and in lieu thereof insert the word "second."

Miss ROBERTSON. Mr. Chairman, since I came into this House I have never made any appeal as a woman for any special recognition or any legislation for women. I feel it my privilege, my duty, to ask a little recognition for the women of the nursing service, who stand in a class wholly to themselves.

Just a few little figures. The first women came into the Army as the Corps of Nurses in 1901—just of age this year, you see. At first there were only 200 of these pioneers until the border trouble in 1916, and then their number doubled with increased need until there were 400 of them. At the beginning of the war these were in the service. When the armistice came there were 21,408. In all this number of 21,408 devoted women there was not one drafted person. We have heard much to-day of the West Pointer, educated and equipped by his Government, in comparison with the National Army man, who paid his own way—a discussion in which, of course, I took no part. Every woman of these volunteers came to the work trained and equipped at her own cost, after years of the toil and discipline and drudgery which are required to becoming a registered nurse. Every one of those 21,408 had gone through all this drudgery, the scrubbing of floors, the cleaning of sores, the menial, repulsive duties which young women are made to undergo in order to deter them from entering a service which only the bravest, strongest women should go into.

Mr. HICKS. For information, has the lady estimated what the cost will be if this amendment goes into operation?

Miss ROBERTSON. No. I leave that to you men.

To go back to it, all these women had been trained. No one was taken into the service unless she was fully qualified, and some of you men who served overseas or who when wounded or sick over there or here were ministered to by them, know what their work was. In the American Expeditionary Forces there were 10,066 nurses, and God's angels seemed to watch over them, because only three were wounded and only 103 died. The total number who died in the service was 266. There were 257 nurses decorated for their splendid service. To day there remain in the corps 862 nurses, 803 of them being in the number that rank as second lieutenants, 54 as first lieutenants, 4 captains, and 1 major.

I can not give this to you in the hard dollars and cents in which you vote appropriations. I can only think of women, women who must pass through such a fiery test of truth and purity and bravery when they do this work for the men in uniform. I know that in civil life the average life of a woman as a nurse is 10 years, so brief a record after all the stress of years of preparation; but with women nurses in civil life there are so many of them to whom marriage comes when some fortunate man they have brought to health adds to it happiness for nurse as well as patient; but there is very little of this for the Army nurse. She must go into her work governed by the divine-mother impulse that makes the faithful, successful nurse of the woman. One of the most beautiful and appreciative girls that it was my privilege to help educate was a young girl with a slight tincture of Cherokee blood—gifted, talented, educated. I have seen her take a little child, and by sheer force of will of her personal vitality and, it seemed to me, of divine help, bring that little child from the very borderland of death into strong, happy young infancy. Marvelous she was as a nurse; proud of her I was.

The CHAIRMAN. The time of the lady from Oklahoma has expired.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I ask unanimous consent that the lady from Oklahoma may proceed for five additional minutes.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the time of the lady from Oklahoma be extended for five minutes. Is there objection?

There was no objection.

Miss ROBERTSON. When the thousands of the National Guard went through Oklahoma to the border, seeing them, she heard the call to a new service, and she threw aside all else to enlist as an Army nurse. And this is the War Department record:

Miss Olive F. Heath was appointed in the Army Nurse Corps from her home at Muskogee, Okla., July 15, 1916, and was first stationed at the Army and Navy Hospital, Hot Springs, Ark. She was transferred to Walter Reed General Hospital June 3, 1917; served continually until her illness January 28, 1918, which resulted in her death from pneumonia on February 25, 1918. Miss Heath was a very fine woman and an excellent nurse. She contracted pneumonia while awaiting transfer to France.

My last letter from her was from Walter Reed telling me she expected sailing orders at any time. She did not get over to France. But the memory of that beautiful heroic life, ended with pneumonia in the line of duty at Walter Reed, makes me come and ask for a greater recognition to these women, for better pay, for more consideration, so that they may have pay and service consideration that will allow them to look forward to a home of their own when they can no longer work. [Applause.]

Mr. LINEBERGER. Mr. Chairman, I ask unanimous consent that the amendment of the lady from Oklahoma be again reported. I think there are many Members who did not quite understand the import of it.

The CHAIRMAN. Without objection, the amendment will again be reported.

The amendment was again read.

Mr. McKENZIE. Mr. Chairman and gentlemen of the committee, I am sure we all join in the beautiful sentiments expressed by the lady from Oklahoma in connection with the services of the Army and Navy Nurse Corps, but the committee, after hearing the testimony and having the nurses before us, decided to write the provisions of the bill as you now find them.

I want to call your attention to the present law which provides the pay of nurses. It is fixed by the act of July 9, 1918. It is $720 for the first period of 3 years, with an increase of $60 a year for each period of 3 years thereafter until 12 years, when the limit of $960 is reached. These nurses are entitled to $360 a year in addition to their pay as nurses by the act of February 28, 1919. The pay of the superintendent and director of the Army Nurse Corps is $2,400; that of assistant superintendents and directors $1,800, and that of assistant directors, $1,500. The bill repeals this schedule and establishes the new rates found in the bill, which as you will observe are very material increases. The amendment offered by the lady from Oklahoma simply would provide that nurses would receive $219 additional subsistence money, and if they had dependents then they get one additional room, which would mean $240.

Now, I have maintained all the time that the committee tried to write a fair and simple and economical bill, giving to everyone fair pay. This has been indorsed by the heads of the Nurse Corps, whose letter I have in my office, but do not happen to have here. There has been no criticism of the action of the committee, but if the membership of the House feel that we have not gone far enough in our generosity to these most excellent ladies, it is up to the House to change this. The committee felt that we have been generous in what we have done.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I rise to support the amendment offered by the lady from Oklahoma [Miss ROBERTSON].

The chairman [Mr. McKENZIE] has spoken of the compensation for nurses. This bill provides that for the first three years the compensation shall be $840; the next three years, $1,080; the next three years, $1,380; and after that, $1,560, and the gentleman from Illinois speaks of these as liberal rates of compensation. If he will compare them with rates of compensation paid to the trained nurses in private life he will find the rates of compensation in this bill are very low indeed. A trained nurse in private practice gets anywhere from $5 to $10 a day and her subsistence and quarters; that is, room and board and all living expenses are provided without expense to herself. Ten dollars a day is $3,600 a year as a money compensation, and is in addition to all living expense while employed.

Mr. STAFFORD. Oh, $5 a day does not make $3,600 a year.

Mr. McLAUGHLIN of Michigan. Ten dollars a day, I said; and that is not a high compensation, although it is the largest amount I stated. The gentleman can estimate as well as I can what the living expense of the nurses during their service amounts to, so that compensation in this bill is not high. It is very small compared with what is paid in private life.

But the amendment offered by the lady from Oklahoma does not seek to increase compensation. It seeks to increase the amount allowed for subsistence and for quarters. Nurses of the Army and Navy are, almost without exception, provided with quarters and subsistence at or in connection with hospitals or at other suitable Government buildings; both are provided, so that the salary allowed is clear. Thus they usually have

no expense for quarters or subsistence. But some of them find it necessary to go outside and occupy rooms—rent rooms and pay for them, of course—and provide their own meals. Sixty cents a day is the subsistence that one of these women living outside will receive if this bill becomes law. The lady from Oklahoma asks a moderate increase to $1.20. The amount allowed for a room or rooms would be $40 a month under the bill. The lady's amendment would make it $60 a month. In this city or in a city of any size what kind of a room would a lady get for $40 a month and live as she wishes to live and as she ought to live? This meager compensation, this inadequate compensation, as I look at it, or the allowance for rooms or for living will not permit nor is it an encouragement to proper living.

Now, I think this Congress wishes to provide for subsistence and for living quarters for these women which are adequate to their needs, and which will provide for and encourage proper and healthful living conditions to them. Forty dollars a month will not pay for a suitable room, nor will 60 cents a day buy even one decent meal. This amendment should be adopted; it will provide $60 per month for rooms and $1.20 a day for meals. Smaller amounts will be improper and altogether inadequate and a reproach to the Congress itself.

The CHAIRMAN. The question is on agreeing to the amendment offered by the lady from Oklahoma.

The question was taken, and the Chairman announced that the ayes appeared to have it.

Mr. STAFFORD. Division, Mr. Chairman.

The committee divided and there were—ayes 35, noes 30.

Accordingly, the amendment was agreed to.

The Clerk read as follows:

SEC. 17. That on and after July 1, 1922, retired officers and warrant officers shall have their retired pay, or equivalent pay, computed, as now authorized by law, on the basis of pay provided in this act: *Provided*, That nothing contained in this act shall operate to reduce the present pay of officers, warrant officers, and enlisted men now on the retired list or officers or warrant officers in an equivalent status of any of the services mentioned in the title of this act. Active duty performed after June 30, 1922, by an officer on the retired list or its equivalent shall not entitle such officer to promotion. Hereafter retired officers of the Army, Navy, and Marine Corps below the grade of brigadier general or commodore and retired warrant officers and enlisted men of those services shall, when on active duty, receive full pay and allowances.

Mr. OLIVER. Mr. Chairman, on yesterday there was an amendment adopted limiting the amount of retired pay. I only ask the chairman of the committee to accept an amendment subject to the same limitations as appear in the amendment already adopted.

Mr. McKENZIE. I am opposed to that, because I was opposed to the other amendment.

Mr. OLIVER. My purpose is just to make it consistent.

Mr. McKENZIE. I would rather try to reverse our action on the former amendment.

Mr. OLIVER. I think perhaps the other amendment covered it, it was so broad; but we can straighten that out in conference.

Mr. McKENZIE. Mr. Chairman, I desire to offer a perfecting amendment, on page 21, in line 8, to strike out the word "and," at the end of the line, and insert after the word "corps," in line 9, the words "Coast Guard and Geodetic Survey."

The CHAIRMAN (Mr. LONGWORTH). The gentleman from Illinois offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. McKENZIE: Page 21, line 8, strike out the word "and" at the end of the line and insert after the word "corps," in line 9, the words "Coast Guard and Geodetic Survey."

The amendment was agreed to.

Mr. WEAVER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from North Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WEAVER: Page 21, lines 7 and 8, after the word "promotion," insert a colon and insert: "*Provided*, That officers and former officers of Philippine Scouts who were placed on the retired list of the Army prior to June 4, 1920, shall, upon the passage of this act, be entitled to advancement for active duty heretofore performed subsequent to retirement in accordance with section 127a of the act of June 4, 1920, and to the same retired pay and benefits received by other retired officers of the Army of like grade and length of service."

Mr. GREENE of Vermont. Mr. Chairman, I make a point of order against the amendment. I will reserve it if the gentleman wishes to explain his amendment.

Mr. WEAVER. I will be very glad if the gentleman will reserve it.

Mr. GREENE of Vermont. Does the gentleman's amendment provide that these officers shall be advanced in grade?

Mr. WEAVER. If the gentleman will reserve his point of order, I will explain my amendment.

Mr. GREENE of Vermont. All right.

Mr. WEAVER. Mr. Chairman, in the act of June 4, 1920, it is provided that officers in the Philippine Scouts shall be retired upon the same pay and with the same rights of promotion as officers in the Regular Army; but the act provided that as to officers already retired or who had been retired prior to the passage of that act, they should receive the pay of second lieutenants.

Mr. Chairman, there are about 80 of these officers. I think 65 of them are captains. They were the men who really did the arduous service in the Philippines. They were there during the Philippine insurrection. They were the men who helped to quell that insurrection. Yet a Philippine officer retiring now gets the same pay and the same right to promotion that an officer in the Regular Army gets, while those same rights and privileges are denied to the men who served from 1898 up to June 4, 1920. These men feel that that discrepancy was not really intended in the bill, and that it ought to be corrected, and that is the purpose of this amendment.

Mr. GREENE of Vermont. Mr. Chairman, by the gentleman's own statement his amendment seeks to perform an act of legislation which is not within the purview of this bill at all. It provides that men who have been in the military service and have been retired heretofore with a certain rank and grade shall be promoted from that rank and grade to a higher one. This bill does not deal with promotions. This bill does not change the grade status of any officer, and has no authority for it, nor did the committee reporting the bill have any authority whatever to go into that question. This bill deals entirely with compensation. I will say to the gentleman further that while there may be some justice in his proposition—we are not debating the merits of it at all—there is an ample remedy in another vehicle for it; but on this bill it is clearly out of order, and I make the point of order.

The CHAIRMAN. The Chair is not advised as to whether the Philippine Scouts are included in this bill.

Mr. GREENE of Vermont. The question is simply this: This bill fixes the pay of officers of various services, but does not disturb their relations to one another by way of changing their grade and rank. The gentleman's amendment proposes to take the officers of a certain service and change the grade and rank and give them more pay. To the extent it changes the grade and rank of anybody it is without the jurisdiction and purview of this bill. The Philippine Scouts are not included in the bill.

The CHAIRMAN. The Chair is inclined to think that the amendment offered by the gentleman from North Carolina is not covered by the bill, is not germane, and therefore sustains the point of order.

The Clerk read as follows:

SEC. 20. That all officers, warrant officers, and enlisted men of all branches of the Army, Navy, Marine Corps, and Coast Guard, when detailed to duty involving flying, shall receive the same increase of their pay and the same allowance for traveling expenses as are now authorized for the performance of like duties in the Army. Exclusive of the Army Air Service, and student aviators and qualified aircraft pilots of the Navy, Marine Corps, and Coast Guard, the number of officers of any of the services mentioned in the title of this act detailed to duty involving flying shall not at any one time exceed one-half of 1 per cent of the total authorized commissioned strength of such service. Regulations in execution of the provisions of this section shall be made by the President and shall be uniform for all the services concerned.

Mr. McKENZIE. Mr. Speaker, I move that the committee do now rise and report the bill to the House with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. WALSH, Speaker pro tempore, having taken the chair, Mr. TOWNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, and had directed him to report the same back with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. McKENZIE. Mr. Speaker and gentlemen of the House, we have now concluded the consideration of this bill, which has taken six months of the most difficult and arduous toil in its preparation. In my judgment it is a day's work that will mean much to the country and much to the services. I feel that in the coming years it will save millions of dollars to the taxpayers of this country, that it will bring satisfaction to the rank and file of the several services affected, and that it will do justice where justice should be done. It puts humanity into

the law which heretofore never had any humanity in it. It provides for the home, wife, and little ones as well as for the officer himself. It will bring a feeling of greater confidence to the men of these services who serve us so well in the hour of stress. I could not, before moving the previous question, resist the temptation to say to the membership of this House that I feel most grateful to you for the manner in which you have supported the committee on this all-important bill. It is a technical bill, full of complications far-reaching in their effects, and as a Member of this House I well know that it was only the confidence that you had in the membership of the committee—that we were trying to do the right thing—that prompted you to follow us in a matter that would have taken weeks and months of difficult study to understand in all of its many details. I want to thank you one and all, and I want to especially express my gratitude to the members of the committee who have aided me in this work, and especially to my good friend Mr. BYRNES of South Carolina, who has so ably and earnestly labored with me through these long months.

Mr. Speaker, I move the previous question.

The previous question was ordered.

Mr. OLIVER. Mr. Speaker, I ask unanimous consent for three minutes.

The SPEAKER pro tempore. The gentleman from Alabama asks unanimous consent, notwithstanding the order of the previous question, that he may proceed for three minutes. Is there objection?

There was no objection.

Mr. OLIVER. Mr. Speaker, there has been no difference between the gentleman from Illinois [Mr. MCKENZIE] and the minority members of the committee as to the necessity and importance of providing adequate pay for the officer and enlisted personnel in the military branches of the Government. The minority members, for reasons which we think entirely sound and which are fully set out in the minority report, have favored caring for any needed increase in the pay of the officer and enlisted personnel of these services by a temporary rather than permanent bill at this time. The pending bill, we have felt, involving, as it does, many radical and far-reaching changes of existing law, is drafted along illogical and unscientific lines, and in no way simplifies the pay and compensation allowance of the commissioned and enlisted personnel in the services affected, but really serves to add greater confusion and complications to an already very technical subject.

In the coming years I can but feel that many fundamental errors which have found their way into the preparation of this bill will rise to confront us. Too many concessions have been made to remove what the officers, who really prepared this bill, felt might become sources of opposition. A casual reading of section 1 will disclose many concessions, many discriminations, and many gifts of service in præsenti for the purpose of enabling officers to be advanced hereafter to a higher pay period while still holding commissions in a grade lower than such pay period. New rights and privileges are granted to officers now in the service never enjoyed under existing law, and not even remotely promised; and, strange to say, such rights and privileges under the terms of the bill will expire with the officers now in the service. Hereafter the officers who are commissioned, and who really must take the places of the officers now in the service, will be denied the right to claim advancement to pay periods on the same conditions freely granted in the pending bill to the officers now in the service.

When a bill embodies unjust discriminations, makes an unfair distribution of benefits to the personnel of important services, sooner or later these matters come home to confront us in the shape of strong protests and appeals to remedy the wrong. This bill provides one character of service for the officers now holding commissions to advance them to higher pay periods, and denies this right to officers hereafter commissioned. Congress will later be called on to remedy the wrongs thus sought to be perpetuated. Take the commissioned warrant officer. Many of them are now, under existing law, receiving and enjoying pay and allowances of first lieutenants, and yet they, under the terms of this bill, will be forever barred from receiving the pay and allowances of the next higher grade, while officers who hold commissions in this same grade can, under the terms of the bill, use the very character of service that the commissioned warrant officer now has to advance them to the next higher pay period, thereby increasing their base pay $500, their longevity pay by 50 per cent instead of 40, and also their allowance for subsistence and rentals.

Years of service have been given outright to certain groups of officers by more than one subdivision of section 1. To some officers this gift will immediately advance them to higher pay periods, thereby increasing their base and longevity pay and allowance. To other officers the gift will become effective after the lapse of further years, but when effective it will serve to immediately advance them to the next higher pay period from that in which they hold commissions, and result in substantial increases in pay and allowances.

You have denied gifts of service to others equally entitled to it; yea, you have not been content with making gifts of service in section 1 of the bill, but you have actually provided that such service could be used not alone as existing law requires—that is, for increasing longevity pay—but under the terms of this bill you permit it to be used to advance these officers to higher base pay on which the increased longevity percentage may be computed.

These rights and privileges, I repeat, are given only to certain groups of officers now in the service, and to be forever withdrawn and denied, by the terms of the bill, to all officers hereafter commissioned.

Mark my prophecy, you are but laying the foundation for future unrest and dissatisfaction in the services. Far better to have waited before writing permanent law until the permanent strength of these services could be fixed and adjustments now pending accomplished, and providing for needed increases by temporary legislation instead. [Applause.]

Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? A separate vote not being demanded on any amendment, the Chair will put them in gross. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on ordering the bill to be engrossed and read a third time.

The bill was ordered to be engrossed and read the third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. CONNALLY of Texas. Mr. Speaker, I offer the following motion to recommit:

The Clerk read as follows:

Mr. CONNALLY of Texas moves to recommit the bill to the committee with instructions to report the same back forthwith with the following amendment: "Strike out section 5 of the bill."

Mr. MCKENZIE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken.

Mr. CONNALLY of Texas. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Texas make the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and thirty-one Members present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll. The question is on the motion to recommit.

The question was taken; and there were—yeas 41, nays 221, answered "present" 3, not voting 164, as follows:

YEAS—41.

Bell	Driver	London	Stafford
Black	Fulmer	Lowrey	Sumners, Tex.
Bowling	Hammer	Madden	Swank
Box	Huddleston	Oliver	Thomas
Bulwinkle	Jacoway	Parks, Ark.	Tillman
Burtness	James	Pou	Weaver
Byrns, Tenn.	Johnson, Miss.	Quin	Wise
Christopherson	Jones, Tex.	Rankin	Young
Collier	Kraus	Rayburn	
Connally, Tex.	Lanham	Rucker	
Deal	Larsen, Ga.	Sanders, Tex.	

NAYS—221.

Ackerman	Brown, Tenn.	Cooper, Ohio	Evans
Anderson	Buchanan	Cooper, Wis.	Fairfield
Andrew, Mass.	Burroughs	Cramton	Faust
Andrews, Nebr.	Burton	Crisp	Favrot
Anthony	Byrnes, S. C.	Crowther	Fenn
Arentz	Cable	Cullen	Fess
Aswell	Campbell, Kans.	Curry	Fish
Barbour	Cantrill	Dale	Fisher
Barkley	Carew	Dallinger	Fordney
Benham	Chalmers	Denison	Foster
Bird	Chandler, Okla.	Doughton	Free
Bland, Ind.	Chindblom	Drewry	French
Bland, Va.	Clague	Dunbar	Frothingham
Bond	Clarke, N. Y.	Dunn	Fuller
Bowers	Codd	Dupré	Funk
Brennan	Cole, Iowa	Echols	Gallivan
Briggs	Cole, Ohio	Edmonds	Garrett, Tenn.
Brooks, Ill.	Colton	Elliott	Gensman

Gernerd	Knutson	Norton	Steenerson
Glynn	Kopp	O'Connor	Stephens
Goodykoontz	Lampert	Ogden	Stoll
Greene, Mass.	Larson, Minn.	Oldfield	Strong, Kans.
Greene, Vt.	Lawrence	Olpp	Swing
Griffin	Lazaro	Overstreet	Tague
Hadley	Lea, Calif.	Padgett	Taylor, Colo.
Hardy, Colo.	Leatherwood	Paige	Taylor, N. J.
Hardy, Tex.	Lee, Ga.	Park, Ga.	Temple
Harrison	Lehlbach	Parker, N. J.	Thompson
Haugen	Lineberger	Parker, N. Y.	Timberlake
Hawes	Longworth	Patterson, Mo.	Tincher
Hawley	Luce	Purnell	Tinkham
Hayden	Luhring	Radcliffe	Towner
Hays	McCormick	Raker	Tucker
Henry	McDuffie	Ramseyer	Tyson
Herrick	McKenzie	Reece	Upshaw
Hickey	McLaughlin, Mich.	Reed, N. Y.	Vaile
Hicks	McSwain	Reed, W. Va.	Vestal
Himes	Magee	Rhodes	Vinson
Hoch	Mapes	Ricketts	Voigt
Hooker	Merritt	Riordan	Volstead
Hull	Michener	Roach	Wason
Husted	Miller	Robertson	Watson
Jefferis, Nebr.	Millspaugh	Robsion	Webster
Jeffers, Ala.	Mondell	Rodenberg	Wheeler
Johnson, Ky.	Montague	Rogers	White, Kans.
Johnson, S. Dak.	Montoya	Rose	White, Me.
Johnson, Wash.	Moore, Ill.	Sabath	Williams
Keller	Mott	Sandlin	Williamson
Kennedy	Mudd	Schall	Wilson
Ketcham	Murphy	Scott, Mich.	Woodruff
Kincheloe	Nelson, Me.	Shaw	Woods, Va.
King	Nelson, A. P.	Shelton	Wright
Kinkaid	Nelson, J. M.	Sinclair	Wyant
Kissel	Newton, Minn.	Smith, Idaho	
Kline, N. Y.	Newton, Mo.	Sproul	
Kline, Pa.	Nolan	Stedman	

ANSWERED "PRESENT"—3.

Lankford	McClintic	Rossdale

NOT VOTING—164.

Almon	Drane	Kunz	Rouse
Ansorge	Dyer	Langley	Ryan
Appleby	Ellis	Layton	Sanders, Ind.
Atkeson	Fairchild	Lee, N. Y.	Sanders, N. Y.
Bacharach	Fields	Linthicum	Scott, Tenn.
Bankhead	Fitzgerald	Little	Sears
Beck	Focht	Logan	Shreve
Beedy	Frear	Lyon	Siegel
Begg	Freeman	McArthur	Sinnott
Bixler	Gahn	McFadden	Sisson
Blakeney	Garner	McLaughlin, Nebr.	Slemp
Blanton	Garrett, Tex.	McLaughlin, Pa.	Smith, Mich.
Boies	Gilbert	McPherson	Smithwick
Brand	Goldsborough	MacGregor	Snell
Britten	Gorman	Maloney	Snyder
Brooks, Pa.	Gould	Mann	Speaks
Browne, Wis.	Graham, Ill.	Mansfield	Steagall
Burdick	Graham, Pa.	Martin	Stevenson
Burke	Green, Iowa	Mead	Stiness
Butler	Griest	Michaelson	Strong, Pa.
Campbell, Pa.	Hersey	Mills	Sullivan
Cannon	Hill	Moore, Ohio	Summers, Wash.
Carter	Hogan	Moore, Va.	Sweet
Chandler, N. Y.	Hudspeth	Moores, Ind.	Taylor, Ark.
Clark, Fla.	Hukriede	Morgan	Taylor, Tenn.
Classon	Humphreys	Morin	Ten Eyck
Clouse	Hutchinson	O'Brien	Tilson
Cockran	Ireland	Osborne	Treadway
Collins	Jones, Pa.	Patterson, N. J.	Underhill
Connell	Kahn	Perkins	Vare
Connolly, Pa.	Kearns	Perlman	Volk
Copley	Kelley, Mich.	Petersen	Walters
Coughlin	Kelly, Pa.	Porter	Ward, N. Y.
Crago	Kendall	Pringey	Ward, N. C.
Darrow	Kiess	Rainey, Ala.	Wingo
Davis, Minn.	Kindred	Rainey, Ill.	Winslow
Davis, Tenn.	Kirkpatrick	Ransley	Wood, Ind.
Dempsey	Kitchin	Reavis	Woodyard
Dickinson	Kleczka	Reber	Wurzbach
Dominick	Knight	Riddick	Yates
Dowell	Kreider	Rosenbloom	Zihlman

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Gahn (for) with Mr. Goldsborough (against).
Mr. Knight (for) with Mr. Mead (against).
Mr. Linthicum (for) with Mr. Blakeney (against).
Mr. Lankford (for) with Mr. Petersen (against).
Mr. Rossdale (for) with Mr. Crago (against).
Mr. McClintic (for) with Mr. Hukriede (against).

General pairs:

Mr. Langley with Mr. Clark of Florida.
Mr. Treadway with Mr. Cockran.
Mr. McArthur with Mr. Kindred.
Mr. Kiess with Mr. Ward of North Carolina.
Mr. Wurzbach with Mr. Sullivan.
Mr. Winslow with Mr. Bankhead.
Mr. Stiness with Mr. Brand.
Mr. Kendall with Mr. Rainey of Alabama.
Mr. Kahn with Mr. Garner.
Mr. Siegel with Mr. Kunz.
Mr. Layton with Mr. Moore of Virginia.
Mr. Lee of New York with Mr. Carter.
Mr. Appleby with Mr. Dominick.
Mr. Fitzgerald with Mr. Garrett of Texas.
Mr. Bacharach with Mr. Collins.
Mr. Perkins with Mr. Sears.
Mr. Hill with Mr. Blanton.
Mr. Morin with Mr. Smithwick.
Mr. Hutchinson with Mr. Wingo.
Mr. Dowell with Mr. Sisson.
Mr. Atkeson with Mr. Stevenson.
Mr. McPherson with Mr. Davis of Tennessee.
Mr. Michaelson with Mr. Rainey of Illinois.
Mr. Sanders of Indiana with Mr. Hudspeth.
Mr. Kearns with Mr. Drane.
Mr. Butler with Mr. Logan.
Mr. Osborne with Mr. Campbell of Pennsylvania.
Mr. Coughlin with Mr. Lyon.
Mr. Smith of Michigan with Mr. Gilbert.
Mr. Perlman with Mr. Mansfield.
Mr. Graham of Pennsylvania with Mr. Taylor of Arkansas.
Mr. Shreve with Mr. Fields.
Mr. Patterson of New Jersey with Mr. Ten Eyck.
Mr. Gorman with Mr. Kitchin.
Mr. Connell with Mr. Martin.
Mr. Dickinson with Mr. Humphreys.
Mr. Griest with Mr. Steagall.

Mr. ROSSDALE. Mr. Speaker, I voted aye. I am paired with the gentleman from Pennsylvania, Mr. CRAGO, and I desire to withdraw my vote and answer "present."

The name of Mr. ROSSDALE was called, and he answered "Present."

Mr. McCLINTIC. Mr. Speaker, I wish to withdraw my vote of "aye" and answer "present," for the reason that I am paired with the gentleman from Missouri, Mr. HUKRIEDE.

The name of Mr. McCLINTIC was called, and he answered "Present."

Mr. LANKFORD. Mr. Speaker, I am paired with the gentleman from New Jersey, Mr. PATTERSON, and wish to withdraw my vote and answer "present."

The name of Mr. LANKFORD was called, and he answered "Present."

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. A quorum is present. The Doorkeeper will open the doors. The question is upon the passage of the bill.

The question was taken, and the Speaker pro tempore announced the ayes appeared to have it.

On a division (demanded by Mr. BLACK) there were—ayes 219, noes 26.

Mr. BLACK. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER pro tempore. Twenty-four gentlemen have arisen, not a sufficient number, and the yeas and nays are refused.

So the bill was passed.

On motion of Mr. McKENZIE, a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS.

Mr. GALLIVAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of self-government in Lithuania.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

LITHUANIA A REPUBLIC.

Mr. GALLIVAN. Mr. Speaker, Lithuania, on whose domain many of the bloodiest campaigns of the World War were waged, has received little attention from the world at large; her sufferings have received scant sympathy and she has bandaged her own wounds. Over the present country of Lithuania, once the largest State in Europe, extending from the Black Sea to the Baltic, the armies of Germany and Russia crossed and recrossed in that war, the Germans frequently raiding the country to capture cattle and the Russians counterattacking to gain immediate results for the moral effect elsewhere. For centuries Lithuania has been in turn the victim of the crushing oppression of Russia and of Germany.

Her masters prevented the Lithuanian people from assembling at public functions. The Lithuanian language, which is said by some philologists to be the oldest living language today, was prohibited in all the public establishments in Lithuania, and it is not difficult to imagine how much unhappiness

and how much disorder such administration brought into the life of a people yearning to be free.

If we but recall that the reading of books written in Lithuanian was forbidden until 1904, we will realize how hard the struggle of these poor people has always been. From 1864 to 1904 they were prohibited from printing even a prayer book in their own language and in the Latin characters. They were persecuted with unspeakable severity for smuggling such publications over the border; their children were compelled to receive instruction in a language that few of them ever understood—these are but a few of the sufferings the Lithuanian people have endured.

Although many of the European nations have recognized the present Lithuanian Government, the United States of America has thus far ignored that young Republic. On the broad issue of self-determination, Lithuania measures up to every principle enunciated by the world's greatest statesmen when the recent war was at its height. If the promises these men made are not forgotten, Lithuania rests confident that her case as presented to the jury of the world will receive that verdict which will strike off her shackles and restore her to the freedom of government and equality among nations.

Many of the principles of its present republican government were borrowed from America. A recent incident in this connection was the presentation by Lithuanians in America of a "liberty bell" to the mother country in commemoration of the fourth anniversary of its independence. The bell is to be rung on all national holidays and days of important historical significance to the country.

The ancient capital of Lithuania's new area, which is slightly in excess of the combined areas of New Hampshire, Vermont, Massachusetts, and Rhode Island, was Vilna, whose narrow and winding streets, stony pavements, and horse-drawn cars give it a quaint and almost medieval atmosphere. Though the seat of its government now is Kovno, many of the great events in its history centered around Vilna.

Vilna was founded at the junction of the Vilna and Vilayka Rivers by Gedimin in 1322, and is connected by railway lines with Petrograd and through Warsaw with most of the capitals of Europe.

When Napoleon passed through the city in 1812 on his way to Moscow the Lithuanian nobles crowded around him, as it was believed he would restore the old Lithuanian State. Near the city to-day there stands a stone which tells the tragic story simply. On the one side it bears the word, "Napoleon Bonaparte passed this way in 1912 with 400,000 men." On the other side there are engraved the telltale words, "Napoleon Bonaparte passed this way in 1812 with but 9,000 men."

I fervently hope that the day is not far distant when America will recognize the new Government so closely patterned after our own.

Mr. McLAUGHLIN of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on this bill.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

Mr. KING. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. KING. To extend my remarks in the RECORD on the subject of the soy bean industry.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

THE SOY BEAN INDUSTRY IN AMERICA.

Mr. KING. Mr. Speaker, I desire to extend my remarks on the subject of the soy bean industry in America by inserting a letter from Mr. Louis F. King, president of the Tri-County Bean Growers' Association of Illinois, which includes the counties of Schuyler, Hancock, and Adams.

The letter is as follows:

HUNTSVILLE, ILL.

Hon. EDWARD J. KING,
House of Representatives.

MY DEAR MR. KING: I am inclosing an editorial clipping from Wallace's Farmer in regard to tariff on tropical fats, as follows:

KEEPING OUT TROPICAL FATS.

It is reported from Washington that the soap and oleo people are making strenuous efforts to put coconut oil, soy bean oil, copra, and other tropical fats on the free list. This is a matter of grave concern to the dairyman, the corn man, the hog man, and the cotton man. Last, but not least, it means much to our infant soy bean industry. Eventually, we should be able to produce soy beans on a large scale more cheaply in the United States than they now do in China, provided we have protection while the industry is young.

All fats are more or less interchangeable and every pound of fat imported from the Tropics influences either directly or indirectly the price of corn, hogs, butter, and cotton.

The soap and oleo people should learn how to utilize home-grown fats instead of tropical fats. They seemed to get along all right with home-grown fats before the war, when we imported only about one-third as many pounds of tropical oils as we have been importing since the war. A tariff of 4 cents a pound on all coconut oil and soy bean oil will teach our manufacturers to depend on the home-grown fats, on the corn oil, lard and soy bean oil, and cottonseed oil produced by American farmers, instead of the coconut oil and soy bean oil produced by low-grade oriental labor. This is a matter of importance to Corn Belt farmers and they should write their Congressmen and Senators at once. The matter of a tariff on vegetable oils will be decided in the very near future, and there is no time to lose.

You will readily understand the object of this editorial. If, as it says, some tariff would be an advantage, do what you can in the interest of the bean business.

We have started an organization to encourage the growing of soy beans, and one thing that will greatly help would be the development of the oil industry in this locality. The acreage will be increased 100 per cent, probably more, this year, especially if the kind of weather we are now having continues. Not an oat has been sown nor a furrow plowed. It is raining all the time.

If it should turn better now not much field work can be done for some time. This condition is likely to result in a large amount of June planting and farmers may be forced to do what they have been slow to undertake—the growing of beans.

Farmers would have been ahead if they had all planted soy beans last year and reduced the corn acreage. From $20 invested in seed I produced $232 net profit from beans planted in 30 acres of corn last year.

Up to the present most of the beans grown have been used for seed, but as production increases growers are looking to the oil business for a new cash outlet. This section of Illinois being a live-stock section, beans will soon be used as stock feed, but the beans would make a richer protein food if the oil were extracted. The oil has no particular value as a feed, as we have plenty of that in other things. An oil mill, sooner or later, will be a necessity.

I have an idea that in a few years as large an acreage of beans will be grown as of wheat, aside from what is grown along with corn. The harvesting of beans can be followed immediately with the sowing of wheat, no preparation of seed bed being necessary, and there is likely to be an increased yield of wheat over what a prepared seed bed would give.

Agriculture seems to be commanding more attention from Congress and other interests than ever before. I hope farm organization will continue to progress and avoid any traps that may be laid to defeat the forward movement. I feel that it is important for every farmer to put good management behind his own business and not expect organization and legislation to do it all, although these are very essential.

L. F. KING,
President Tri-County Bean Growers' Association.

Mr. GOODYKOONTZ. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. GOODYKOONTZ. To make a unanimous-consent request to insert in the RECORD a statement from an absent Member, Mr. JOHN W. LANGLEY, as to how he would vote on the Army pay bill if he were present.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

The telegram is as follows:

LOUISVILLE, KY., *May 12, 1922.*

I have a general pair with Representative CLARK of Florida, but I want the RECORD to show that I am for the Army pay bill.

JOHN W. LANGLEY.

Mr. LOWREY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a brief clipping from the American Lumberman on the Mississippi River.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

The matter is as follows:

TO WHOM DOES THE RIVER BELONG?

The river belongs to the Nation;
The levee, they say, to the State;
The Government runs navigation;
The Commonwealth, though, pays the freight.
Now, here is the problem that's heavy—
Please, which is the right or the wrong—
When the water runs over the levee,
To whom does the river belong?

It's the Government's river in the summer,
When the stage of the water is low,
But in spring when it goes on a hummer
And starts o'er the levee to flow,
When the river gets suddenly dippy
The State must dig down in its till
And push back the old Mississippi
Away from the farm and the mill.

I know very little of lawing,
I've made little study of courts,
I've done little geeing and hawing
Through verdicts, opinions, reports;
Why need there be anything more said
When the river starts levees to climb?
If the Government owns the aforesaid,
It must own it all of the time.

If the bull you are leading should bellow
And jump over somebody's fence,
There isn't much doubt you're the fellow
Expected to bear the expense;
If it follows a Sunday-school teacher
And chases the maid up a tree,
You're the owner the same of the creature
Undoubtedly all will agree.

If some time should somebody's chickens
Get into your garden and dig
And pull up the plants like the dickens,
Or somebody's bull pup or pig,
The owner thereof can not blame it
On you or some party remote;
The owner thereof can't disclaim it—
The chick or the pup or the shoat.

If it's your Mississippi in dry time,
It's yours, Uncle Sam, when it's wet;
If it's your Mississippi in fly time,
In flood time it's your river yet;
There's no other way you can make it;
And so when I give the alarm
Come get your darned river and take it
Away from my timber and farm.
—Douglas Malloch, in American Lumberman.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. BANKHEAD, for an indefinite period, on account of death in family.

To Mr. COLTON, for two days, on account of important business.

To Mr. WYANT, from May 15 to May 18, on account of official business.

MESSAGE FROM THE PRESIDENT—TRADING WITH THE ENEMY ACT.

The SPEAKER pro tempore laid before the House the following message from the President.

The Clerk read as follows:

To the Congress of the United States:

In accordance with the requirements of section 6 of the trading with the enemy act I transmit herewith for the information of the Congress a communication from the Alien Property Custodian and a copy of Senate Document No. 181, Sixty-seventh Congress, which document contains a report of all proceedings had under the trading with the enemy act by the office of the Alien Property Custodian during the present administration as well as proceedings under the previous administration from the passage of the trading with the enemy act, October 6, 1917.

WARREN G. HARDING.

THE WHITE HOUSE, *May 12, 1922.*

The SPEAKER pro tempore. The message is ordered printed and the document, having already been printed as a Senate document, will be referred to the Judiciary Committee, where the previous message on this subject was referred.

ORDER OF BUSINESS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to address the House on a matter of the program.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

Mr. MONDELL. Mr. Speaker, we will take up for consideration to-morrow first the conference report on the Post Office appropriation bill, and we will probably consider also the conference report of the independent offices bill, and probably the conference report of the State and Justice appropriation bill.

On Monday there will likely be some suspensions and the consideration of the Unanimous Consent Calendar. On Tuesday the House will take up the scrapping bill; the scrapping bill will be taken up Tuesday, I think, without question. Following the disposition of the scrapping bill, and without Calendar Wednesday being utilized for Calendar Wednesday business, we hope to take up the river and harbor bill. Among the bills to be considered on Monday will be an appropriation bill making appropriation of $500,000 for the Department of Justice.

Mr. GARRETT of Tennessee. Is that one of the suspension bills?

Mr. MONDELL. Well, we will consider that under unanimous consent, if unanimous consent is given. I think that would be better than to consider it under suspension of the rules.

Mr. GARRETT of Tennessee. So far as I know, I have an idea that there will be no objection on this side. The gentleman mentions the suspension bills. Has he any other suspension bills in mind for Monday at present? I merely ask it because Members want to know.

Mr. MONDELL. I think a request will be made for consideration of the bill providing for an additional grand jury for the District of Columbia. Possibly other requests will be made. I am not in position to say now just what the Speaker may determine to do, as that is the Speaker's prerogative. But I hope the Members will be present as far as possible for them to do so.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 37 minutes p. m.) the House adjourned until Saturday, May 13, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

610. A communication from the President of the United States, transmitting, with a letter from the Director of the Bureau of the Budget, a supplemental estimate of appropriation for the Department of Commerce, Bureau of Fisheries, for the fiscal year ending June 30, 1923, for fish-rescue station, Mississippi River Valley, $60,000, and for salaries for fish-rescue station, Mississippi River Valley, $15,280; in all, $75,280 (H. Doc. No. 314); to the Committee on Appropriations and ordered to be printed.

611. A letter from the Secretary of the Treasury, transmitting a list of useless executive papers in files of the Federal reserve banks, the Federal prohibition directors of the various States, the customs service in Juneau, Alaska, and in the office of the custodian at Davenport, Iowa, to be disposed of; to the Committee on Disposition of Useless Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. ZIHLMAN: Committee on Labor. H. R. 11155. A bill creating the positions of second assistant secretary and private secretary in the Department of Labor; with an amendment (Rept. No. 1003). Referred to the Committee of the Whole House on the state of the Union.

Mr. REED of West Virginia: Committee on the District of Columbia. S. 2919. An act to extend for the period of two years the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, as amended; with amendments (Rept. No. 1006). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. ROSE: Committee on Claims. H. R. 745. A bill for the relief of William H. Philbrick; without amendment (Rept. No. 1004). Referred to the Committee of the Whole House.

Mr. EDMONDS: Committee on Claims. H. R. 8219. A bill to adjust accounts of Capt. J. S. Carpenter, Supply Corps, United States Navy; with amendments (Rept. No. 1005). Referred to the Committee of the Whole House.

Mr. WHITE of Kansas: Committee on the Public Lands. H. R. 11233. A bill authorizing the Secretary of Commerce to convey certain land to the county of Muscatine, Iowa; with amendments (Rept. No. 1007). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 11602) granting a pension to Parthine Curtis; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 9926) granting a pension to Mercia Fox; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. LAYTON: A bill (H. R. 11633) to authorize the acquisition of a site and the erection of a Federal building at Middletown, New Castle County, Del.; to the Committee on Public Buildings and Grounds.

By Mr. STEENERSON: A bill (H. R. 11634) granting the consent of Congress to the county of Norman and the town and village of Halstad, in said county, in the State of Minnesota, and the county of Traill and the town of Herberg, in said county, in the State of North Dakota, to construct a bridge

across the Red River of the North on the boundary line between said States; to the Committee on Interstate and Foreign Commerce.

By Mr. HOGAN: A bill (H. R. 11635) authorizing the erection of an addition to the Federal building, Brooklyn, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. HICKEY: A bill (H. R. 11636) to authorize the appointment of stenographers in the courts of the United States and to fix their duties and compensation; to the Committee on the Judiciary.

By Mr. MONDELL: A bill (H. R. 11637) authorizing the Secretary of the Interior to approve indemnity selections in exchange for described granted school lands; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BULWINKLE: A bill (H. R. 11638) granting an increase of pension to Delilah J. Sprinkle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11639) authorizing the Secretary of the Treasury to pay war risk insurance to the stepfather of Max Wilcox; to the Committee on Claims.

By Mr. DEMPSEY: A bill (H. R. 11640) granting a pension to Joseph Edwards; to the Committee on Invalid Pensions.

By Mr. KETCHAM: A bill (H. R. 11641) granting a pension to Mary E. McGill; to the Committee on Invalid Pensions.

By Mr. MOORE of Illinois: A bill (H. R. 11642) granting an increase of pension to Susan S. Boyd; to the Committee on Invalid Pensions.

By Mr. RAMSEYER: A bill (H. R. 11643) granting a pension to Elizabeth Fenner; to the Committee on Invalid Pensions.

By Mr. ROSSDALE: A bill (H. R. 11644) for the relief of Sophie Posner; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5575. By the SPEAKER pro tempore (by request): Resolution adopted by the Common Council of the City of Hartford, Conn., expressing the desire that the frigate *Hartford* be brought to that city for its final resting place; to the Committee on Naval Affairs.

5576. By Mr. ANSORGE: Petition of the Five Points Masonic Club, of New York, recommending the passage of the Towner-Sterling bill; to the Committee on Education.

5577. By Mr. CAREW: Resolution adopted by the New York Chapter, Military Order of the World War, urging the Government to conduct periodical training camps for reserve officers and enlisted men; to the Committee on Appropriations.

5578. By Mr. KISSEL: Petition of the George M. Jones Co., Toledo, Ohio, relative to the existing miners' strike; to the Committee on Labor.

5579. Also, petition of Scarsdale Post, No. 52, Scarsdale, N. Y., relative to the size of the Army; to the Committee on Appropriations.

5580. Also, petition of the Civil Service Forum, New York City, N. Y., relative to House bill 9756; to the Committee on Ways and Means.

5581. By Mr. SINCLAIR: Petition of Marion Hitchens and 24 others, of La Moure, N. Dak., in support of House bill 10890; to the Committee on Ways and Means.

5582. By Mr. SINNOTT: Petition of citizens of Gaston, Oreg., protesting against the passage of House bill 9753, to secure Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia.

5583. By Mr. STRONG of Pennsylvania: Petition of citizens of New Bethlehem, Pa., favoring the establishment in Palestine of the national home for the Jewish people; to the Committee on Foreign Affairs.

5584. By Mr. TOWNER: Petition of William Wright and 30 other citizens of Grand Rapids, Mich., asking for the passage of the Towner-Sterling educational bill; to the Committee on Education.

5585. Also, petition of I. E. Hawkins, of Portsmouth, Va., and 92 other citizens of the State of Virginia, asking for the passage of the Towner-Sterling educational bill; to the Committee on Education.

SENATE.

SATURDAY, *May 13, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

INVITATION TO VISIT QUANTICO (VA.) MARINE CORPS BASE.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Navy, which was read and referred to the Committee on Naval Affairs, as follows:

THE SECRETARY OF THE NAVY,
Washington, May 13, 1922.

MY DEAR MR. VICE PRESIDENT: It gives me much pleasure to inform you that the visit of the Members of the Senate to the Marine Corps post at Quantico, Va., which was postponed on account of bad weather, will take place on Thursday, the 18th instant.

The *Mayflower* has been assigned by the President to be used for the trip to Quantico and return, and will sail from the navy yard at 8.30 a. m. on the above-mentioned date.

Will you please bring this invitation to the attention of each Member of the Senate, as I am exceedingly desirous that a large number of the Senators should take advantage of this opportunity to visit Quantico.

With best personal wishes, I am,
Very sincerely yours,
EDWIN DENBY,
Secretary of the Navy.

Hon. CALVIN COOLIDGE,
Vice President of the United States, Washington, D. C.

DISPOSITION OF USELESS PAPERS.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury transmitting, pursuant to law, a list of papers and documents on the files of the Treasury Department not needed in the transaction of business and having no permanent value or historic interest, and asking for action looking to their disposition, which was referred to a joint select committee on the disposition of useless papers in the executive departments. The Vice President appointed Mr. JONES of Washington and Mr. HARRIS members of the committee on the part of the Senate, and ordered that the Secretary notify the House of Representatives thereof.

PETITIONS AND MEMORIALS.

Mr. TOWNSEND presented petitions of sundry citizens of Saginaw, Grand Rapids, Zeeland, Sebewaing, Unionville, Akron, Pigeon, Bay Port, Gagetown, Bach, Mount Morris, Genesee, Burton, Flint, and Chesaning, all in the State of Michigan, praying for the imposition of a tariff duty of $2 per hundred pounds on imported Cuban sugar, which were referred to the Committee on Finance.

Mr. SIMMONS presented a resolution adopted by the Negro Teachers' Association of Bertie County, N. C., condemning lynchings for any cause and agitation of the race question and favoring harmony between the races in this country, which was referred to the Committee on the Judiciary.

Mr. LADD presented resolutions of the Kiwanis Club and the Association of Commerce, both of Minot, N. Dak., protesting against repeal or amendment of the transportation act of 1920, and in general against adverse railroad legislation, which were referred to the Committee on Interstate Commerce.

Mr. CAPPER presented memorials of sundry citizens of Burlington and Weir, Kans., remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. McKINLEY presented a resolution adopted by the Seventh Annual Convention of the Women's International League for Peace and Freedom, favoring recognition by the Government of the United States of the Russian Soviet Republic, the Far Eastern Republic, and the autonomous republics carved out of the former Russian Empire, which was referred to the Committee on Foreign Relations.

Mr. WILLIS presented the petition of Mrs. Albert Peet and sundry other citizens of Cincinnati, Ohio, praying for inclusion in the pending tariff bill of only a moderate duty on imported kid gloves, which was referred to the Committee on Finance.

He also presented petitions of C. J. Delong and sundry other citizens of Antwerp, Ira A. Poole and sundry other citizens of Toledo, and A. J. Cowman and sundry other citizens of Rossford, and sundry other citizens of the State of Ohio, praying for the imposition of a tariff duty of $2 per hundred pounds on imported Cuban sugar, which were referred to the Committee on Finance.

REPORTS OF COMMITTEES.

Mr. WADSWORTH, from the Committee on Military Affairs, to which was referred the bill (S. 3461) to amend the act of February 28, 1920, so as to authorize the acquisition of addi-

tional land and the disposition of certain lands already acquired at Camp Knox, Ky., reported it without amendment and submitted a report (No. 703) thereon.

Mr. WALSH of Montana, from the Committee on Indian Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (H. R. 8256) authorizing the issuance of a patent in fee to Perry H. Kennerly for land allotted to him on the Blackfoot Reservation, Mont. (Rept. No. 704); and

A bill (H. R. 8669) authorizing the issuance of a patent in fee to Jerome Kennerly for land allotted to him on the Blackfoot Reservation, Mont. (Rept. No. 705).

Mr. WALSH of Montana, from the Committee on Indian Affairs, to which was referred the bill (H. R. 9344) providing for the appropriation of funds for acquiring additional water rights for Indians on the Crow Reservation, in Montana, whose lands are irrigable under the Two Leggins Irrigation Canal, reported it with amendments and submitted a report (No. 706) thereon.

Mr. LADD, from the Committee on Indian Affairs, to which was referred the bill (S. 3279) to provide for the payment of one-half the cost of the construction of a bridge across the San Juan River, N. Mex., reported it without amendment and submitted a report (No. 707) thereon.

He also, from the same committee, to which was referred the bill (S. 2714) for the improvement of a wagon road on the Colville Indian Reservation, reported it with amendments and submitted a report (No. 708) thereon.

Mr. HARRELD, from the Committee on Indian Affairs, to which was referred the bill (H. R. 6512) for the relief of and purchase of lands for certain of the Apache Indians of Oklahoma, lately confined as prisoners of war at Fort Sill Military Reservation, and for other purposes, reported it without amendment and submittted a report (No. 709) thereon.

He also, from the same committee, to which was referred the bill (H. R. 11054) to validate certain deeds executed by members of the Five Civilized Tribes, and for other purposes, reported it with an amendment and submitted a report (No. 710) thereon.

Mr. SPENCER subsequently said: Mr. President, the junior Senator from Oklahoma [Mr. HARRELD] earlier in the day reported from the Committee on Indian Affairs House bill 11054. He desires to have the bill recommitted to the committee, and I therefore ask unanimous consent that it may be recommitted to the Committee on Indian Affairs.

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Without objection, the bill will be recommitted. The Chair hears no objection, and it is so ordered.

Mr. SPENCER, from the Committee on Indian Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon.

A bill (S. 3393) for the relief of the Indians of the Gila River and Papago Reservations in the State of Arizona (Rept. No. 711); and

A bill (H. R. 9951) to amend section 22 of an act approved February 14, 1920, entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes," for the fiscal year ending June 30, 1921 (Rept. No. 712).

Mr. SPENCER, from the Committee on Indian Affairs, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

A bill (S. 3308) for the relief of the heirs of Israel Folsom, deceased (Rept. No. 713); and

A bill (S. 3384) authorizing an appropriation to meet proportionate expenses of providing a drainage system for Paiute Indian lands in the State of Nevada within the Newlands reclamation project of the Reclamation Service (Rept. No. 714).

Mr. SUTHERLAND, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 2595) for the relief of Lewis Myshrall (Rept. No. 715); and

A bill (H. R. 5125) for the relief of Oliver A. Campbell (Rept. No. 716).

He also, from the same committee, to which was referred the bill (S. 685) to remove the charge of desertion from the military record of Albert F. Smith, deceased, reported it with amendments and submitted a report (No. 717) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MYERS:

A bill (S. 3593) to authorize an exchange of lands with owners of private land holdings within the Glacier National Park; and

A bill (S. 3594) for the relief of Anton Rospatrick and the exchange of certain lands owned by the Northern Pacific Railway Co.; to the Committee on Public Lands and Surveys.

By Mr. CURTIS:

A bill (S. 3595) to reimburse Rube Allen for losses and damages sustained by him through the negligent dipping of tick-infested cattle by the Bureau of Animal Industry, Department of Agriculture; to the Committee on Claims.

A bill (S. 3596) granting a pension to Caldona Vaughn (with an accompanying paper);

A bill (S. 3597) granting a pension to Nancy K. Sadler (with an accompanying paper);

A bill (S. 3598) granting a pension to Mary J. Quincy (with accompanying papers);

A bill (S. 3599) granting a pension to James D. Martin (with accompanying papers); and

A bill (S. 3600) granting a pension to James F. Bierly (with accompanying papers); to the Committee on Pensions.

By Mr. SPENCER:

A bill (S. 3601) for the relief of contractors who entered into contracts with the Chief of Ordnance prior to the war and completed thereafter; to the Committee on Military Affairs.

By Mr. McKELLAR:

A bill (S. 3602) for the purchase of a post-office site at Dickson, Tenn.; to the Committee on Public Buildings and Grounds.

By Mr. KEYES:

A bill (S. 3604) providing for a readjustment of the rates of pay of chief pay clerks and chief pharmacists; to the Committee on Naval Affairs.

By Mr. ASHURST:

A bill (S. 3605) authorizing the sale of surplus power developed under the Salt River reclamation project, Arizona; to the Committee on Irrigation and Reclamation.

By Mr. SHIELDS:

A bill (S. 3606) granting an increase of pension to Charles Dunaway (with accompanying papers); to the Committee on Pensions.

TARIFF BILL AMENDMENTS.

Mr. JOHNSON submitted four amendments intended to be proposed by him to House bill 7456, the tariff bill, which were referred to the Committee on Finance and ordered to be printed.

DEPARTMENT OF EDUCATION.

Mr. McNARY submitted an amendment intended to be proposed by him to the bill (S. 1252) to create a department of education, to authorize appropriations for the conduct of said department, to authorize the appropriation of money to encourage the States in the promotion and support of education, and for other purposes, which was referred to the Committee on Education and Labor and ordered to be printed.

AGRICULTURAL CREDITS.

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (S. 3051) to amend the Federal farm loan act by establishing a farm-credits department in each Federal land bank, which was referred to the Committee on Banking and Currency and ordered to be printed.

He also submitted an amendment intended to be proposed by him to the bill (S. 3390) to provide credit facilities for the preservation and development of the agricultural industry, including live stock, in the United States; to extend and stabilize the market for United States bonds and other securities; to create an agency for the liquidation of commercial assets owned by the United States, for acting when required as depository of funds belonging to the United States, and otherwise performing services as fiscal agent of the United States, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

GOV. ROBERT A. COOPER, OF SOUTH CAROLINA.

Mr. DIAL. Mr. President, I send to the desk and ask to have printed in the RECORD an editorial from the Columbia State, a leading newspaper of the South, in reference to the appointment of Governer Cooper on the Federal Farm Loan Board.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the State, Columbia, S. C., May 12, 1922.]

AN EXCELLENT APPOINTMENT.

The President of the United States could have made no appointment better conceived with the object of demonstrating that he has the interest of the whole country at heart than that of Gov. Robert A. Cooper to succeed Mr. Lever as a member of the Federal Farm Loan Board. A glow of cordial good feeling toward Mr. Harding will overspread South Carolina when the people read this morning that this honor has been conferred upon their executive.

Mr. Cooper is not only worthy of the honor but is admirably fitted to perform the duties of the office. Brought up on a small farm, and a practicing lawyer many years in an agricultural county, he is familiar with the problems of the tillers of the soil and in full sympathy with them. In the three and a half years that he has served as governor he has taken a lively interest in every movement promising agricultural improvement and development, and has exhibited, as a result of close study, a wide knowledge of the needs of the rural districts. The President might have searched the South Atlantic States a long time without discovering another so well fitted to assist in carrying out the purposes that underlie the establishment of our national rural credits banking system. While South Carolinians will regret that they will not have his services as governor to the end of the term to which he was elected, they will reflect that in his new post he will have opportunities to assist their State and the other States whose conditions are similar to those of their own and with which he is so fully acquainted. The heavier work of his second term, to which he was elected without opposition, has been completed. The general assembly will not meet again until next year, and, fortunately, the affairs of the Commonwealth will be under excellent direction when he shall be succeeded by Lieut. Gov. Wilson G. Harvey. Mr. Harvey, by the way, will be the first citizen of Charleston, the metropolis of the State, to fill the governor's chair since Judge A. G. Magrath in 1865.

The appointment is cause for congratulations all around. The country will have a faithful and capable officer on the board, which has scarcely begun the great work which it is expected to do in the course of the years for the development of American agriculture, and the gentleman appointed receives no more than his deserts. The State speaks, we believe, for all the people of South Carolina when it thanks President Harding for this indisputable testimonial of his good will toward it.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, the pending question being the amendment of the Committee on Finance, on page 16, line 4, to strike out "65 cents per pound and 25" and insert "60," so as to read:

PAR. 29. Compounds of pyroxylin, of other cellulose esters or ethers, or of cellulose, by whatever name known (except compounds of cellulose known as vulcanized or hard fiber), in blocks, sheets, rods, tubes, or other forms, and not made into finished or partly finished articles, 40 cents per pound; made into finished or partly finished articles, of which any of the foregoing is the component material of chief value, 60 per cent ad valorem.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	Johnson	Nelson	Sterling
Brandegee	Jones, N. Mex.	New	Sutherland
Capper	Jones, Wash.	Newberry	Swanson
Caraway	Kendrick	Nicholson	Townsend
Colt	Keyes	Norbeck	Underwood
Culberson	King	Oddie	Wadsworth
Curtis	Ladd	Overman	Walsh, Mass.
Dial	La Follette	Page	Walsh, Mont.
Dillingham	Lenroot	Pittman	Watson, Ga.
Fletcher	McCumber	Pomerene	Watson, Ind.
France	McKellar	Rawson	Weller
Harreld	McKinley	Robinson	Williams
Harris	McLean	Sheppard	Willis
Harrison	McNary	Simmons	
Heflin	Moses	Smoot	
Hitchcock	Myers	Spencer	

Mr. McKINLEY. I wish to announce that the Senator from Nebraska [Mr. NORRIS] is engaged in a hearing before the Committee on Agriculture and Forestry.

Mr. KENDRICK. I wish to announce the absence of my colleague [Mr. WARREN] on account of a death in his family. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Sixty-one Senators have answered to their names. A quorum is present.

Mr. KING. Mr. President, when we recessed last night we were considering paragraph 29, compounds of pyroxylin.

Mr. McKELLAR. Mr. President, will the Senator yield to me for a few moments to bring up another matter?

Mr. KING. I shall be glad to do so if it does not meet with the opposition of my distinguished friend, the chairman of the committee [Mr. MCCUMBER].

Mr. McCUMBER. There was so much confusion in the Chamber I did not hear what the Senator from Tennessee said.

Mr. KING. The Senator from Tennessee asks me to yield to him to bring up another matter. I say I shall be glad to yield if it meets with the approval of the Senator from North Dakota.

Mr. McCUMBER. Of course, it depends upon whether it is a matter which will provoke any extended discussion.

Mr. McKELLAR. I think it will take only a few minutes.

Mr. McCUMBER. Very well.

Mr. KING. With that understanding, I yield.

PRICES OF CRUDE OIL AND GASOLINE.

Mr. McKELLAR. Mr. President, I send to the desk a resolution which I now offer and ask to have read, and then I wish to make a few remarks about it.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The reading clerk read the resolution (S. Res. 292) as follows:

Resolved, That the Committee on Manufactures or any subcommittee thereof be, and it is hereby, authorized and instructed to investigate and report to the Senate as early as possible:

1. The stock of crude oil on hand at the refineries in the United States for the years 1920, 1921, and 1922.
2. The price of crude oil during the various months in said years.
3. The stock of gasoline on hand during the said years 1920, 1921, and up to date in 1922.
4. The relation of prices of gasoline during said years to the prices of crude oil.
5. Whether or not the recent increase in the price of gasoline has been by some companies or whether there has been any uniformity in the prices demanded by all of the companies.
6. Whether these prices have been put in at the same time or at substantially the same time.
7. Whether there has been any understanding or agreement between various companies to raise the prices.
8. Whether there is any natural reason for the increase of prices of gasoline.
9. And all such facts as bear upon the present increase of prices of gasoline, in view of the decreased price of crude oil.

Mr. McKELLAR. Mr. President, I wish to call attention to the fact that crude petroleum, in Pennsylvania at the wells, in January, 1919, was $4 per barrel, and at the same time gasoline was sold at the wholesale price of 24.5 cents. Afterwards crude oil went up and then the price receded until on May 11 the price of crude oil was $3.25, while the wholesale price of gasoline was 26 cents. It will thus be seen that while the price of crude oil has very greatly decreased, the price of gasoline has increased substantially. It will be noted that these increases in the price of gasoline have taken place in the last month or six weeks to a very considerable degree. The prices have gone up in the cases of all the companies, and, as I understand, all over the country. They have gone up simultaneously and uniformly, evidencing, as it seems to me, an agreement among all the oil companies to raise the price.

The resolution merely asks that the Committee on Manufactures, or a subcommittee thereof, be directed to investigate and report. Therefore, with this statement, I ask unanimous consent for the immediate consideration of the resolution, as I take it that no Senator would object to its passage.

Mr. KING. Mr. President, allow me to say to the Senator that there are two resolutions traversing almost the same ground as the Senator's resolution now pending before the Committee on Commerce. The Senator from Oklahoma [Mr. HARRELD] offered one.

Mr. McKELLAR. I hope the Senator will not object to the passage of this resolution.

Mr. KING. I do not object.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. SMOOT. I have no objection to the subject matter of the resolution, and I want to have an investigation made; but I do not think the Senator desires to have two committees of the Senate gathering identical information at the same time.

Mr. McKELLAR. Oh, no; but there has been no other committee appointed to get the information.

Mr. SMOOT. I think there is an investigation now before the Committee on Commerce on the identical subject.

Mr. McKELLAR. Not under any resolution I have been able to find. I am sure the Senator from Utah, who is usually so accurate, is mistaken in this case.

Mr. SMOOT. I may be mistaken, but I would like to have the Senator's resolution go over for a few moments until I can ascertain the fact, and if there is no such resolution before the Senate I hope his resolution will be adopted.

Mr. McKELLAR. That course will be satisfactory. With that understanding I will ask that the resolution go over until the Senator from Utah can ascertain the status.

I ask unanimous consent to have printed in the RECORD at this point certain figures which I have in regard to the prices and stocks of oil.

The VICE PRESIDENT. Without objection it is so ordered. The matter referred to is as follows:

Wholesale prices of crude petroleum and gasoline, January and July, 1919–1921, and January and March, 1922.

Products.	1919		1920		1921		1922	
	January.	July.	January.	July.	January.	July.	January.	March.
Petroleum, crude, Pennsylvania, at wells, per barrel	$4.000	$4.000	$5.063	$6.100	$5.775	$2.250	$3.300	$3.250
Petroleum, crude, Kansas-Oklahoma, at wells, per barrel	2.250	2.250	2.900	3.500	3.400	1.000	2.250	2.250
Petroleum, crude, California, at wells, per barrel	1.200	1.260	1.270	1.612	1.660	1.410	1.160	1.160
Gasoline, motor, to garages only, in barrels, New York, per gallon	.245	.245	.257	.300	.310	.235	.263	.240

Stocks on hand at the refineries February 28, 1922.

[Department of the Interior, Bureau of Mines.]

1922	East coast (New York, Philadelphia, and Baltimore).	Pennsylvania, New York, east Ohio, and West Virginia.	West Ohio, Indiana, Illinois, Kentucky, and Tennessee.	Oklahoma and Kansas.	Texas.	Louisiana and Arkansas.	Colorado and Wyoming.	California.	Total stocks, end of February—	
									1922	1921
Crude oil.....barrels	9,089,633	807,557	1,147,306	2,254,767	5,427,237	3,935,252	2,357,992	1,605,653	26,625,397	22,411,819
Oils purchased to be re-run, barrels	164,997	71,755	103,133	92,631	12,200	.....	79,904	226,915	751,604	1,420,415
Gasoline.....gallons	248,599,790	29,300,707	151,359,873	112,790,921	77,633,803	43,205,285	79,242,638	65,246,244	807,379,261	680,540,351
Kerosene.....do	90,877,207	23,252,380	35,121,379	38,827,679	86,345,357	21,977,934	4,231,005	25,697,214	332,330,245	430,045,193
Gas and fuel.....do	304,480,942	41,295,540	53,621,866	193,900,005	392,387,059	121,199,883	19,208,799	188,646,220	1,314,740,284	993,127,328
Lubricating.....do	89,953,251	41,337,772	30,733,213	22,343,067	45,342,597	4,556,567	1,506,563	24,064,831	259,891,861	201,627,558
Wax.....pounds	90,029,017	27,582,704	26,808,057	9,014,892	16,087,765	55,064,663	3,308,682	775,949	234,671,729	234,456,284
Coke.....tons	35,468	329	14,785	4,836	6,137	.....	6,406	.....	67,961	44,758
Asphalt.....do	71,523	5,470	8,336	190	17,938	17,789	.....	14,314	135,560	115,092
Miscellaneous.....gallons	152,127,274	30,525,949	83,134,593	76,607,988	170,215,420	60,710,840	43,088,700	176,133,807	792,634,571	665,496,129

Monthly stocks at refineries in the United States for 1921.

[Department of the Interior, Bureau of Mines.]

1921	Stocks on hand.		Gasoline (gallons).	Kerosene (gallons).	Gas and fuel (gallons).	Lubricating (gallons).	Wax (pounds).	Coke (tons).	Asphalt (tons).	Miscellaneous (gallons).
	Crude oil (barrels).	Other oils (barrels).								
January	21,064,124	1,290,738	571,983,793	418,747,781	921,028,127	183,813,205	217,983,072	36,018	94,886	626,916,173
February	22,411,819	1,420,415	680,540,351	430,045,193	993,127,328	201,627,558	234,456,284	44,758	115,092	665,496,129
March	21,147,257	1,538,193	713,043,480	446,367,188	1,005,317,939	225,414,093	241,497,529	55,895	129,391	675,921,481
April	21,054,630	1,361,766	747,222,900	458,666,896	1,056,484,544	249,598,330	250,254,892	62,446	141,318	720,818,013
May	20,816,203	1,117,042	800,495,787	452,437,995	1,163,388,695	261,750,797	266,233,119	76,383	135,172	714,188,830
June	21,008,986	800,561	750,644,450	435,056,713	1,248,664,088	260,883,121	261,328,486	66,710	132,604	748,787,601
July	19,115,631	886,264	684,236,695	412,201,674	1,269,419,283	258,638,298	260,891,035	76,396	129,686	721,940,469
August	16,374,050	878,099	567,645,548	389,893,421	1,243,445,980	242,530,099	244,111,173	67,981	89,939	696,701,755
September	17,991,036	839,421	515,325,998	371,235,034	1,229,254,127	230,227,413	237,421,155	67,758	90,968	691,915,316
October	18,404,182	1,134,886	456,269,365	334,579,774	1,238,269,965	216,770,320	223,013,334	64,413	87,262	662,272,023
November	21,856,185	873,324	495,590,059	340,026,007	1,279,450,548	228,037,890	216,515,861	59,076	120,275	679,654,792
December	26,562,424	989,470	586,087,132	341,008,555	1,331,266,439	216,765,516	202,562,894	74,508	98,330	625,969,094

Monthly stocks at refineries in the United States for 1920.

[Department of the Interior, Bureau of Mines.]

1920	Stocks on hand.		Gasoline (gallons).	Kerosene (gallons).	Gas and fuel (gallons).	Lubricating (gallons).	Wax (pounds).	Coke (tons).	Asphalt (tons).	Miscellaneous (gallons).
	Crude oil (barrels).	Other oils (barrels).								
January	13,200,727	966,503	515,934,364	327,548,646	652,080,901	141,690,177	208,662,032	21,236	72,036	391,033,357
February	13,500,599	863,220	562,996,489	330,120,942	590,322,125	132,759,244	197,996,501	21,709	70,067	405,588,409
March	14,346,458	806,479	626,399,046	334,617,117	580,182,858	130,630,597	168,030,018	17,542	87,720	428,749,660
April	15,145,691	758,938	643,552,644	376,358,123	590,687,009	140,355,972	188,170,912	19,694	78,273	487,932,157
May	15,331,375	839,071	577,671,795	419,977,605	618,939,135	135,882,485	177,847,274	18,836	71,273	488,168,982
June	16,172,280	1,029,066	504,055,601	421,343,353	641,968,363	133,212,551	169,508,631	19,340	51,478	481,974,195
July	17,086,253	900,544	413,279,319	410,853,047	655,152,293	131,866,455	171,666,198	21,058	71,368	505,098,890
August	17,960,558	1,019,123	323,239,991	378,548,791	708,608,472	130,797,810	161,843,186	27,094	68,209	498,513,804
September	18,830,079	1,067,019	288,195,394	379,300,705	771,126,965	130,449,829	158,743,995	28,522	74,944	530,965,960
October	19,237,730	1,138,956	301,283,731	389,828,239	799,024,084	136,194,914	170,424,853	24,899	79,217	529,163,468
November	21,373,945	1,021,017	354,835,764	398,991,592	808,802,516	142,180,775	179,706,317	25,405	80,369	564,361,716
December	21,260,580	1,118,659	462,381,837	393,070,923	837,404,414	160,522,477	195,367,552	31,469	81,097	580,465,205

Comparative analysis of production and consumption for 1918, 1919, 1920, and 1921.

[Department of the Interior, Bureau of Mines.]

[Unit of gallons.]

	Gasoline.				Kerosene.			
	1921	1920	1919	1918	1921	1920	1919	1918
INCOME.								
Stocks, Jan. 1	462,381,837	446,793,431	297,326,983	412,256,833	393,070,923	339,319,690	380,117,829	497,750,082
Production	5,153,549,318	4,882,546,649	3,957,857,097	3,570,312,963	1,945,126,136	2,320,096,443	2,341,632,164	1,825,360,137
Imports	37,816,004	46,066,110	8,520,169	12,899,350	.....	.....	.....	.....
Total	5,653,747,159	5,375,406,190	4,263,704,249	3,995,469,146	2,338,197,079	2,659,415,133	2,721,749,993	2,323,110,219
OUTGO.								
Exports	524,279,031	635,247,487	365,883,011	556,422,334	740,152,850	848,212,146	965,445,235	484,613,905
Shipments to insular possessions	27,368,017	21,348,911	16,217,081	12,209,957	16,484,863	19,908,094	20,272,439	11,830,802
Domestic consumption	4,516,012,979	4,256,427,935	3,434,810,726	3,129,509,872	1,240,550,811	1,398,223,970	1,396,742,630	1,446,547,683
Stocks, Dec. 31	586,087,132	462,381,837	446,793,431	297,326,983	341,008,555	393,070,923	339,319,690	380,117,329
Total	5,653,747,159	5,375,406,190	4,263,704,249	3,995,469,146	2,338,197,079	2,659,415,133	2,721,749,993	2,323,110,219

Comparative analysis of production and consumption for 1918, 1919, 1920, and 1921—Continued.

	Gas and fuel.				Lubricating.			
	1921	1920	1919	1918	1921	1920	1919	1918
INCOME.								
Stocks, Jan. 1	[1] 837,404,414	714,124,455	659,001,357	577,899,112	160,522,477	137,318,934	138,853,574	136,856,342
Production	9,663,816,135	8,861,451,931	7,627,288,566	7,321,397,557	877,859,074	1,046,708,349	846,760,017	841,465,767
Imports								
Total	10,501,220,549	9,575,576,386	8,286,289,923	7,899,296,669	1,038,381,551	1,184,027,283	985,613,591	978,322,115
OUTGO.								
Exports	[1] 1,964,461,658	1,933,459,336	1,174,166,557	1,477,085,287	287,204,694	408,920,890	276,051,479	256,300,689
Shipments to insular possessions	125,141,536	98,742,902	107,630,880	43,986,549	4,138,155	4,833,627	3,800,199	2,615,666
Domestic consumption	7,080,351,916	6,704,769,734	6,290,368,081	5,719,223,476	530,273,196	609,750,289	508,382,979	580,552,186
Stocks, Dec. 31	1,331,265,439	837,404,414	714,124,455	659,001,357	216,765,516	160,522,477	137,318,934	138,853,574
Total	10,501,220,549	9,575,576,386	8,286,289,923	7,899,296,669	1,038,381,551	1,184,027,283	985,613,591	978,322,115

[1] Includes fuel or bunker oil for vessels engaged in foreign trade. For year 1918, 6,608,043 barrels. For 1919, 14,081,356 barrels. For 1920, 26,334,883 barrels. For 1921, 27,076,138 barrels.

Figures on exports and shipments to insular possessions are taken from reports of the Bureau of Foreign and Domestic Commerce.

Output by sections of the refineries in the United States for 1921.

[Department of the Interior, Bureau of Mines.]

	Run to the stills.		Gasoline (gallons).	Kerosene (gallons).	Gas and fuel (gallons).	Lubricating (gallons).	Wax (pounds).	Coke (tons).	Asphalt (tons).	Miscellaneous (gallons).	Losses (barrels).
	Crude oil (barrels).	Other oils (barrels).									
East coast	96,846,025	9,644,889	1,020,002,543	451,191,068	2,202,236,304	263,023,940	155,403,342	202,945	893,423	120,583,146	5,023,951
Pennsylvania	19,289,120	1,608,179	263,892,195	154,452,256	189,749,604	148,524,983	77,051,319	19,272	10,202	47,230,799	1,275,694
Indiana and Illinois	38,338,157	4,008,771	729,293,534	168,145,862	445,753,465	94,285,121	42,700,682	172,564	79,809	168,662,800	2,485,779
Oklahoma and Kansas	63,337,391	2,766,988	958,544,972	303,565,342	1,197,674,182	62,815,823	33,095,073	33,732	98	131,495,504	2,574,770
Texas	91,927,489	5,099,226	976,229,091	476,008,625	2,150,224,493	199,461,929	52,745,956	77,579	176,152	105,291,586	3,638,399
Louisiana and Arkansas	31,419,098	1,206,484	322,191,676	156,147,480	640,132,052	16,639,890	40,005,356	75,306	138,192	47,293,831	1,850,589
Colorado and Wyoming	16,405,965	7,672,347	359,978,526	78,620,174	305,229,050	13,609,980	31,717,926	25,057		176,699,713	1,689,742
California	85,749,432	4,550,681	515,236,181	161,995,349	2,532,816,985	79,497,394	1,167,560		216,658	385,175,784	1,518,402
Total, 1921	443,362,657	36,492,565	5,153,549,318	1,945,126,156	9,663,816,135	877,859,074	433,887,214	604,465	1,214,536	1,202,433,163	19,557,517
Total, 1920	433,915,029	40,234,591	4,882,546,649	2,320,085,443	8,861,451,931	1,046,708,349	541,404,537	576,613	1,290,614	1,492,583,526	18,742,939
Total, 1919	361,520,153	45,762,616	3,957,857,097	2,341,632,164	7,627,288,566	846,760,017	467,235,223	603,459	901,885	1,278,863,780	16,015,226
Total, 1918	326,024,630	50,565,204	3,570,312,963	1,825,360,137	7,321,397,557	841,465,767	505,144,357	559,663	607,988	1,286,710,383	14,556,625
Total, 1917	315,131,681	[1] 14,897,670	2,850,546,423	1,726,768,976	6,513,324,280	753,776,840	481,200,081	539,366	739,425	702,167,243	13,073,829
Daily average, 1921	1,214,692	99,980	14,119,313	5,329,113	26,476,209	2,405,093	1,188,732	1,656	3,327	3,294,337	53,582
Daily average, 1920	1,185,560	110,177	13,340,291	6,339,059	24,211,617	2,859,859	1,479,247	1,575	3,528	4,078,097	51,210
Daily average, 1919	990,466	125,278	10,843,444	6,415,430	20,896,681	2,319,891	1,280,087	1,653	2,179	3,503,736	43,877
Daily average, 1918	893,218	138,535	9,781,679	5,000,987	20,058,623	2,305,396	1,383,957	1,533	1,666	3,525,234	39,881
Daily average, 1917	863,374	80,966	7,809,716	4,730,874	17,844,724	2,065,142	1,318,356	1,478	2,026	1,923,746	35,819

[1] Total last six months of 1917.

Stocks on hand at the refineries, January 31, 1922.

[Department of the Interior, Bureau of Mines.]

	East coast (New York, Philadelphia, and Baltimore).	Pennsylvania, New York, eastern Ohio, and West Virginia.	Western Ohio, Indiana, Illinois, Kentucky, and Tennessee.	Oklahoma and Kansas.	Texas.	Louisiana and Arkansas.	Colorado and Wyoming.	California.	Total stocks, end of January—	
									1922	1921
Crude oil.....barrels	7,710,220	818,376	1,328,091	6,463,857	6,757,374	3,469,003	2,343,795	1,745,040	30,635,756	21,064,124
Oils purchased to be rerun, barrels	189,836	100,280	103,659	77,734	1,132			197,196	669,837	1,290,738
Gasoline.....gallons	215,757,375	26,168,693	127,605,231	102,565,210	63,756,840	47,422,670	64,632,057	57,803,115	705,711,191	571,983,793
Kerosene.....do	94,110,471	25,198,082	35,946,645	33,523,160	83,182,690	28,313,757	3,120,645	24,088,881	327,484,281	418,747,781
Gas and fuel.....do	310,036,871	43,734,165	58,371,761	200,012,325	366,606,599	135,257,652	19,496,390	185,965,596	1,319,481,359	921,028,127
Lubricating.....do	87,598,844	40,147,013	30,926,327	23,531,123	42,614,399	3,723,214	1,690,027	14,999,575	245,230,522	183,813,205
Wax.....pounds	92,176,490	24,736,180	27,377,051	5,663,658	14,530,723	50,445,883	2,189,986	1,059,874	218,179,844	217,983,072
Coke.....tons	32,071	95	29,306	6,057	7,066		7,043	5,733	78,371	36,018
Asphalt.....do	64,416	6,143	4,690	190	18,866	67,897		13,856	176,058	94,886
Miscellaneous.....gallons	159,699,118	27,622,370	84,990,904	71,632,242	163,100,182	64,918,100	46,038,000	136,348,129	754,249,045	626,916,173

EDUCATIONAL CONDITIONS IN THE SOUTH.

Mr. WATSON of Georgia. Mr. President, yesterday afternoon the following dialogue took place between myself and the senior Senator from Utah [Mr. SMOOT], whose attention I respectfully invite to the proceedings of the Senate, as recorded on page 6816 of the RECORD:

Mr. WATSON of Georgia. It is only fair that the Senator from Utah should be given the facts as to the southern situation.

Mr. SMOOT. The Senator need not even take the time to make that suggestion. The Senator from Utah would never have thought of referring to it if it had not been for the Senator from Arkansas, and this is the first time in my life that I ever have referred to the educational situation in the South.

Mr. MCCUMBER. Mr. President, I inquire what is the pending amendment?

Mr. SMOOT. Just a moment.

Mr. WATSON of Georgia. If the Senator will allow me, it is the colored Republicans who can not read.

Mr. SMOOT. Mr. President, I only take the statistics as to literacy. I do not want to go any further into the matter, I will say to the Senator from Georgia, and if I were the Senator from Georgia I would not even invite it.

Mr. President, I should like the Senator from Utah to tell the Senate what he meant by that.

Mr. SMOOT. Mr. President, I meant that I did not particularly care to discuss the question of literacy or illiteracy in the South or in any other portion of the country.

Mr. WATSON of Georgia. Why did the Senator throw at me the taunt that I should not invite such a discussion?

Mr. SMOOT. Mr. President, because of the fact of what the Senator from Georgia has said upon the floor. The Senator asked permission to interrupt and made the statement.

Mr. WATSON of Georgia. The Senator from Georgia did not provoke the discussion at all. He was in utmost good humor in everything he said.

Mr. SMOOT. So was I.

Mr. WATSON of Georgia. But the reference which I have read is distinctly offensive, and would have been noticed at the time if I had heard what the Senator from Utah said. He, however, spoke in a low tone, there was some little conversation on our side of the Chamber, and I had to inquire of my colleagues what language the Senator from Utah had used.

Mr. SMOOT. I did not speak in a low tone. There may have been conversation around me, but I was speaking in the same tone in which I always speak in the Senate.

Mr. WATSON of Georgia. Then, Mr. President, once for all, I will say that if the Senator from Utah thinks that any Senator from the South is afraid to invite a discussion of any situation in the South, or of the record of any Southern State, the Senator has only to enter upon the discussion and he will find that we are ready to meet it.

Mr. SMOOT. The Senator from Utah did not say that the Senator from Georgia was afraid to go into the discussion of the illiteracy in the South. I myself spoke in good humor; but I did not think the question ought to have been injected at all into the discussion that was then proceeding, and I merely stated what the Senator from Georgia has read, that I did not think the Senator from Georgia ought to invite it.

Mr. WATSON of Georgia. Why not?

Mr. SMOOT. Because, Mr. President, I did not think it would do any good at any time, whether we were discussing a tariff bill or any other measure.

Mr. WATSON of Georgia. The RECORD shows that the Senator from Utah himself injected the question of what Republicans read and what Democrats read, and he said that the Republicans read newspapers on both sides, but that Democrats read only Democratic newspapers.

Mr. SMOOT. The Senator from Georgia did not inject the question into the discussion at all. It was injected by the Senator from Arkansas [Mr. ROBINSON].

Mr. WATSON of Georgia. Well, the Senator from Arkansas is amply able to take care of himself.

Mr. ROBINSON. Mr. President, it seems that my friend the Senator from Utah [Mr. SMOOT] insists upon throwing upon me the responsibility for the very illuminating discussion which occurred in the Senate yesterday afternoon. The proceedings were highly humorous to those of us who believe that we are endowed by nature with some sense of humor. The Senator from Utah previous to my interruption of him had used the language which is reported on page 6816 of that remarkable publication which so accurately preserves the virtuous record of our proceedings here, or perhaps I had better say the record of our virtuous proceedings:

> Mr. SMOOT. Then the Senator ought to be thankful for that, if that is the case; but I want to say that the Republicans are open-minded enough to read Democratic papers. I never knew before in my life that a Democrat could only read a Democratic paper and a Republican could only read a Republican paper. That may be the case with the Democrats, but I assure Senators upon the other side that it is not the case with Republicans. I do not think that there has been a time since I began to read newspapers when I have not subscribed to a Democratic newspaper and that very fact has made me a Republican.

Previous to that brilliant and instructive declaration by the Senator from Utah, I had not participated in the discussion. It was at the conclusion of the remarks of the Senator from Utah just quoted that I asked him to yield and made what seemed to be a humorous remark that is said to be responsible for this great issue. I said:

> Mr. ROBINSON. The Senator by his assertion that he never knew before that a Democrat could not read a Republican newspaper has invited the assertion that many Republicans do not read any newspapers.

Whereupon the Senator from Utah replied:

> Mr. SMOOT. That may be the case; but I want to say to the Senator from Arkansas that, so far as ability to read newspapers is concerned, he ought not to refer to such a thing in view of conditions in the South.

Realizing that the Senator from Utah had failed to appreciate the very fine spirit of humor that ran through my remarks and that he had become resentful, if not slightly offensive, I did not choose at that time to make any further observations.

There are some Senators who are unable to escape from the spirit of sectionalism which at one time threatened to divide the Union. There are some Senators who think that virtue and intelligence are the peculiar characteristics of the particular locality from which they come and that illiteracy and ignorance and other unfortunate defects in citizenship are confined to certain sections of the country. I felt at the time that the Senator from Utah made the remark which I have just quoted that he was undertaking to taunt me for what I had said as a pleasantry. I can not understand why his suggestion should have been made except for that purpose.

> So far as ability to read newspapers is concerned, he—
>
> The Senator from Arkansas—
>
> ought not to refer to such a thing in view of conditions in the South.

It is true, Mr. President, that in some portions of the Union there is a considerable degree of illiteracy; it is true that in some of the Southern States there is illiteracy, and that it is present in a greater degree than is found in some Northern and some Western States. Every student of history knows that when the Civil War ended it left the South in ruins, impoverished to a degree that is pathetic in the memory of all fair-minded Americans. It left upon the South the burden of educating a very large population which had recently been liberated from slavery, and which, unfortunately, was almost totally illiterate. If the Senator from Utah desires to make a serious issue of this matter, if he wishes to flaunt in my face the unfortunate conditions with which my people have been confronted respecting illiteracy, I shall not hesitate to meet that issue.

No other people in all the course of history have so bravely met misfortune, so gallantly faced and surmounted difficulties which threatened to overwhelm them, and so triumphantly emerged from the misfortunes of desolating warfare as have the people of the South. And to-day at great expense we are maintaining in every Southern State practically at the expense of the white people educational institutions for the benefit of colored students, liberal and progressive, and without discrimination—institutions of the same character as those which are provided for the white children of the South.

In spite of sneers, in spite of petty insinuations, with hope in their hearts and courage in their souls, the indomitable white race of the South is advancing to a condition of enlightenment and glory, and leading upward the men, women, and children of the black race.

Here we ought to forget sectional lines and sectional antagonisms, and live and serve in the consciousness of the fact that we are citizens and servants of a great Republic.

AMENDMENT OF COTTON FUTURES ACT.

Mr. DIAL. Mr. President, I do not care to inject myself into this debate; but I merely want to say, speaking of slavery, that we have not gotten out of that condition yet. In fact, the war freed the colored population, but soon thereafter the whole South became enslaved, by the custom and then the law of selling cotton, and it seems that I am not making much progress in getting these shackles removed.

Last year I introduced an amendment to the cotton futures contract law which has been pending before a subcommittee of the Agricultural Committee of the Senate for over 12 months, and I can not get a report to the Senate. I am not asking sympathy, but I am merely asking justice for our people. If Congress could realize the injustice of that law, I feel that it would not be three days before they would correct it.

From the report of the National Agricultural Congress just filed on January 27 of this year I want to read just two or three lines, and I will take only a moment of the time of the Senate. On page 152 of that document, after giving the cost of raising a crop of cotton, it says:

> The balance of $182.50 represents labor for the entire year for man, wife, and two children, which is 61 cents per day for 300 days. On a 365-day basis, this gives a total revenue of 10 cents per day for each member of the tenant's family of four. That these figures are not overdrawn can be readily proven by reference to the production statistics of the Department of Agriculture, which are readily available.

Mr. President, we speak of the pauper labor of Asia. We have a living example of it right here; and the Congress of the United States is responsible to a great extent for this condition of poverty and of illiteracy. While we are here trying to provide means of lending money to the people of the country, yet we are doing but little to aid them in getting a proper return for the products of their labor.

I charge the Congress—and I realize that that is pretty strong language—with being in favor of the bears on the cotton markets—unintentionally, of course; but the disastrous result to the farmer is the same. The law simply amounts to confiscation, and I am making every effort in my power to get the Agricultural Committee of the Senate to report this amendment. If it should be reported, I believe that there will be little objection on the floor of the Senate. If we can get it enacted into law, it would help the condition of the laboring people of my section of the country more than anything else or perhaps everything else that we could do in their behalf.

These figures, Mr. President, are not mine. They are from this report of our own committee, and I say they are startling, indeed.

It took exactly 30 years for Congress to pass the present law. I trust it will not take quite so long to pass my amendment. If the subcommittee prefers not to report my amendment favorably, I ask that it report something or just send it back. I will endeavor to take care of it on the floor, and believe I can do so.

ELECTION OF SENATORS.

Mr. POMERENE. Mr. President, I want to beg the indulgence of the Senate just for a minute or two with reference to another subject. I would not take the time during the discussion of the pending bill if I did not feel that it was of the utmost importance.

After the decision of the Supreme Court in the case of Newberry et al. v. The United States, I presented, in the form of a resolution, a proposed new rule of the Senate to govern and control election expenditures as they relate to Members of this body. Accepting, as we were obliged to accept, the decision of the Supreme Court that the recent amendment did not give to the Congress authority to regulate the expenditures at a primary, I felt there must be some way whereby they could be regulated; so I took up the corrupt practices act which was approved on August 19, 1911, and eliminated therefrom all of the provisions of that law in so far as they related to the election of Members of the House of Representatives and framed a new rule of the Senate containing provisions of the corrupt practices act so far as they relate to the selection of Senators. It provides that any Senator who fails to comply with the provisions of the rule should be denied a seat in the Senate.

That resolution was presented on January 18. I have taken up the subject, I think, on two different occasions with the chairman of that committee. I realize, as all Senators realize, how extremely busy we have all been. I was out of the city on yesterday, but I had been advised before going by the chairman of the committee [Mr. CURTIS] that he would call the Committee on Rules together on yesterday. The public prints this morning tell me that the rule or resolution was considered on yesterday.

I am exceedingly anxious that we shall not leave the law in its present uncertain state. I think it is a reflection upon the Congress as well as upon this body that there should be no regulations to meet present conditions. The Attorney General, it seems, within the last few days has given an opinion to the effect that the corrupt practices act, as it now appears upon the statute books, would not be effective even so far as it related to the election of Senators, and I realize there is room for controversy. I am not prepared, speaking as a lawyer, to say either that he is right or that he is wrong. If Senators have not taken occasion to go over this matter they will be interested, perhaps, in the history of the legislation and the constitutional amendment relating to the election of Senators by popular vote.

The corrupt practices act was approved August 11, 1911. At that time the only election of Senators known to the law was by the legislatures of the several States. The seventeenth amendment was submitted to the several States in May, 1912. The ratification of this amendment was not proclaimed until May 31, 1913; so that it will appear to Senators that the method of electing Senators, which obtained when the corrupt practices act was approved, was done away with, and there was substituted for that method the election of Senators by the people. Now, the question is, was the corrupt practices act, which applied to the election of Senators by the legislatures, broad enough to embrace a method of election by popular vote, which was authorized by the Constitution at a later date?

Of course, every lawyer realizes that this presents a very interesting, not to say difficult, question. I seek now to avoid that objection by a bill I am going to present. I have had the assistance of the drafting bureau in the preparation of this bill. In substance, it provides the same limitation and regulations with respect to the election of Senators by popular vote that were contained in the corrupt practices act of August 19, 1911, applying to the election of Senators by the legislatures. I also provide the same limitations and regulations with respect to the nomination of candidates for Senator that were contained in the corrupt practices act. I do this with some diffidence, because I realize that the majority of the Supreme Court, as it was then constituted, held that the seventeenth amendment did not cover primaries. While I accept their judgment for the time being, I have hoped that upon a reconsideration of the subject the court might change its view; and I am constrained to take this position because of the doctrine laid down by our Supreme Court in the case of McPherson against Blacker, in One hundred and forty-sixth United States Supreme Court Reports, page 1.

Without taking the time of the Senate to read this opinion, briefly the facts were these: Our fathers adopted the electoral college as a method whereby to choose the President and Vice President. The second clause of section 1 of Article II of the Constitution provides like this:

> Each State shall appoint in such manner as the legislature thereof may direct a number of electors—

And so forth.

Note the words "appoint in such manner as the legislature thereof may direct"; and in the early history of our country the legislatures in fact appointed the electors. Later on the States provided by statute for the election of presidential electors by popular vote. Then the question was presented to the courts, Is the popular election of presidential electors an appointment within the contemplation of this section of the Federal Constitution, which said that "the States shall appoint the electors in such manner as the legislatures thereof may direct"? The Supreme Court held that a statute of a State which provided for the popular election of electors was an appointment within the phraseology of the Constitution.

It seems to me that if the Supreme Court could so liberally construe this provision of the Constitution as to hold that a popular election of electors was an appointment as provided in the Constitution, they would be justified in saying that the seventeenth amendment, which provides for the popular election of Senators, is comprehensive and elastic enough to include any step which may be taken looking to the selection of a Senator or a senatorial candidate.

It is because I have faith in the decision of the Supreme Court as rendered in the case of McPherson against Blacker that I have presumed to reincorporate in the bill which I am about to present these provisions with respect to the primary.

Mr. President, I now ask that this bill, which I send to the desk, may be referred to the Committee on Privileges and Elections for their consideration. It does seem to me that this Congress ought not to adjourn, that the Senate ought not to adjourn, without doing something to regulate the practices which have grown up in this country, and which certainly all of us must regret.

The VICE PRESIDENT. Without objection, the bill will be received and so referred.

The bill (S. 3603) to regulate expenditures in connection with the nomination and election of Senators and Members of the House of Representatives, and for other purposes, was read twice by its title and referred to the Committee on Privileges and Elections.

Mr. McKELLAR. Mr. President, I wish to indorse most heartily the statement which has just been made by the Senator from Ohio [Mr. POMERENE]. It does seem to me that this body has the right and the power to keep men from occupying places in the Senate who go out on the market and buy them. The Supreme Court has held, by an opinion of five to four, that the corrupt practices act, so far as it relates to primaries, is unconstitutional, and the Attorney General has given us an opinion that the whole act is inapplicable to the selection of Senators, either in the primary or in the general election. So that leaves the matter open.

It is a matter of common knowledge that the newspapers throughout the country have been printing the story that seats in this body are now open to purchase, that they are open to the highest bidder, and the Senate is doing nothing in the world to prevent a situation of that kind.

The Supreme Court, in declaring in the majority opinion the corrupt practices act unconstitutional so far as primaries were concerned, had this to say:

> It should not be forgotten that, exercising inherent police power, the State may suppress whatever evils may be incident to primaries or conventions. As each House shall be the judge of the elections, qualifications, and returns of its own Members, and as Congress may by law regulate the time, place, and manner of holding elections, the National Government is not without power to protect itself against corruption, fraud, or other malign influences.

It seems to me that we find there a suggestion by the Supreme Court that the Senate is not powerless to prevent the purchase of seats in this body. We all know that seats can be purchased in primaries, as well as in the general elections, and it seems to me, with the situation as it is, with the floodgates open to the corrupt use of money, the Senate ought to do something to protect itself against persons coming in here through the purchase of seats.

For that reason I offered a resolution, and the senior Senator from Ohio [Mr. POMERENE] has also introduced a resolution to amend the rule so as to incorporate the corrupt practices act. Those measures to amend the rules have been referred to the Rules Committee of this body. It appears, from what the newspapers have stated, that some have thought that the two measures should go to the Committee on Privileges and Elections, and others have thought that they should go to

the Committee on the Judiciary. Under those circumstances I entered a motion yesterday for the discharge of the Committee on Rules from the further consideration of my resolution, and, of course, that motion went over under the rules of the Senate.

Mr. President, it seems to me that in the interest of the purity of the elections of Members of this body we ought to leave no stone unturned to protect the body against the purchase of seats herein. Both Houses of Congress have passed upon the corrupt practices act. We all believe that there should be a corrupt practices act, and it seems to me it ought to be embodied in a rule, and I ask unanimous consent that we proceed to the immediate consideration of this amendment to the rules.

Mr. MOSES. I object.

Mr. McKELLAR. I move that the Senate proceed to the consideration of the motion to discharge the Committee on Rules from the further consideration of Senate Resolution 289, and on that I ask for the yeas and nays.

Mr. MOSES. Mr. President, I suggest the absence of a quorum.

Mr. SMOOT. That is not the bill or resolution which has just been offered.

The VICE PRESIDENT. It is a resolution which is before the Committee on Rules.

Mr. McKELLAR. I move to discharge the Committee on Rules and to proceed to the consideration of this amendment to the rules.

Mr. McCUMBER. Mr. President——

Mr. MOSES. I have suggested the absence of a quorum.

Mr. McCUMBER. I was going to move to lay the motion of the Senator from Tennessee on the table.

Mr. MOSES. In either event, we want to have a quorum present.

Mr. McCUMBER. If the Senator will withhold that suggestion——

Mr. MOSES. I withhold the suggestion.

Mr. McCUMBER. I move to lay the motion of the Senator from Tennessee on the table.

Mr. MOSES. Now, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. ROBINSON. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his inquiry.

Mr. ROBINSON. What is the parliamentary status?

The VICE PRESIDENT. The present status is the calling for a quorum.

Mr. ROBINSON. I understood the Senator from North Dakota to make a motion.

The VICE PRESIDENT. The Senator from North Dakota made a motion to lay the motion of the Senator from Tennessee on the table.

The roll call was concluded, and the following Senators answered to their names:

Brandegee	Harrison	McLean	Robinson
Broussard	Heflin	McNary	Sheppard
Bursum	Hitchcock	Moses	Simmons
Capper	Johnson	Nelson	Smoot
Caraway	Jones, N. Mex.	New	Spencer
Colt	Jones, Wash.	Newberry	Sutherland
Culberson	Kendrick	Nicholson	Swanson
Curtis	Keyes	Norbeck	Townsend
Dial	King	Norris	Underwood
Dillingham	Ladd	Oddie	Walsh, Mont.
Fletcher	La Follette	Overman	Watson, Ga.
France	Lenroot	Page	Watson, Ind.
Gooding	McCumber	Pittman	Weller
Harreld	McKellar	Pomerene	Williams
Harris	McKinley	Rawson	Willis

The VICE PRESIDENT. Sixty Senators having answered to their names, a quorum is present. The Chair will state the parliamentary situation.

The Senator from Tennessee [Mr. McKELLAR] made a motion to discharge the Committee on Rules from and that the Senate proceed to the immediate consideration of Senate Resolution 289, following which the Senator from North Dakota [Mr. McCUMBER] moved that the motion of the Senator from Tennessee be laid on the table.

Mr. McKELLAR. Mr. President, on that question I ask for the yeas and nays.

Mr. CURTIS and Mr. ROBINSON addressed the Chair.

The VICE PRESIDENT. The Senator from Kansas.

Mr. CURTIS. I wish to submit a request or have the Senator from Arkansas do so.

Mr. ROBINSON. I submit the request to the Senator from North Dakota that he withhold his motion to lay on the table until some members of the Rules Committee may briefly explain the situation touching the resolution.

The VICE PRESIDENT. Does the Senator from North Dakota withhold his motion?

Mr. CURTIS. It will take only a few moments.

Mr. McCUMBER. Very well, if the Senator so desires for just a few moments. I am trying to save time and get to work on the tariff bill. I withhold the motion to lay on the table.

Mr. CURTIS. It will not take long.

Mr. McCUMBER. I withdraw the motion for the present time.

Mr. CURTIS. Mr. President, I think that the Senate is entitled to have a statement with reference to this matter. The two resolutions were referred to the Committee on Rules, one introduced by the Senator from Ohio [Mr. POMERENE] and one day before yesterday introduced by the Senator from Tennessee [Mr. McKELLAR]. The first opportunity the committee had for a meeting thereafter was yesterday. I notified the two Senators referred to that I would have a meeting yesterday of the Committee on Rules.

The committee was called together, the resolutions were discussed, and the committee were of the opinion that we have no jurisdiction and that the resolutions should be referred to the Committee on Privileges and Elections or to the Committee on the Judiciary. I think most of the members thought they should go to the Committee on Privileges and Elections. One member expressed the opinion that they should go to the Committee on the Judiciary.

The chairman of the Committee on Rules was directed to consult with the Senator from Ohio and the Senator from Tennessee, as to their wishes, whether the resolutions should be referred to the Committee on Privileges and Elections or to the Committee on the Judiciary. Immediately after the committee adjourned I, as chairman of the committee, took up the matter, as directed by the committee, with the Senator from Tennessee and told him the result, and that it was my purpose to take up the question with the Senator from Ohio. The Senator from Ohio was not here yesterday, and this is the first time I have seen him since.

It does seem to me that it would be unwise under all the circumstances to have the matter acted upon and discharge the Committee on Rules when the committee is ready to consult the wishes of the two Senators and, as a committee, report that the resolutions shall be referred to the proper committee.

Mr. POMERENE. Mr. President, will the Senator yield?

Mr. CURTIS. Certainly.

Mr. POMERENE. Just a little while ago I introduced a bill, which was referred to the Committee on Privileges and Elections, which is substantially a reenactment of the old corrupt practices act of August, 1911. I then made the statement, in the absence of the Senator from Kansas, I believe, that I had conferred with him some time ago about it and that I had seen by the New York press that it was the intention of the chairman of the committee to confer with me to-day. I make that statement in fairness to the Senator from Kansas.

Mr. ROBINSON. Mr. President, as a member of the Committee on Rules I feel it my duty to make to the Senate a statement touching the resolution of the Senator from Tennessee [Mr. McKELLAR] and the consideration which has been given to that resolution by the Committee on Rules. The resolution was introduced by the Senator from Tennessee on the calendar day of May 11, and at the first meeting of the committee which has been held since that date it was brought to the attention of the committee by the chairman, the Senator from Kansas [Mr. CURTIS].

I am anxious to proceed in every proper and effective way to regulate the expenditure of money by candidates for membership in this body. No bill or resolution which in my opinion is fairly calculated to accomplish that result will be denied my prompt and cordial support. During the consideration of the resolution by the Committee on Rules I raised the question of the power of the Senate to control expenditures in elections, either primary or general, by means of a rule of this body to the extent of denying a seat in this body to a candidate who may have conformed to existing laws of his State touching the subject.

The Constitution of the United States defines negatively the qualifications of a Senator, and the Constitution gives to each House of Congress the power to determine the elections, returns, and qualifications of its Members. The Constitution does not give to the Senate the power to fix the qualifications of Senators, and it would be unfortunate if the Senate had that power. If the Senate by a rule could override the statutes of the States or other lawfully exercised authority for the regulation of elections and declare that a candidate who had conformed to the law in an election should be denied a seat in the Senate because he had not conformed to a rule of the

Senate, then by the enactment of rules the Senate would have and exercise the power to deny to the States their right under the Constitution, which every State admittedly has to equal representation in the Senate of the United States.

I have no doubt that it is within the power of the Senate to prescribe some rule touching the matter, but I have not the slightest doubt if the law of Ohio, for instance, permits a candidate to spend $10,000 in consummating his election to the United States Senate and the rule of the Senate limits the expenditure to $5,000 or to $750, as is the statute in some States, that an effort to deny one a seat in this body because he had complied with the laws of his State, the legal authority governing his election, and had failed to conform to a rule of the Senate touching the matter, would constitute a denial of the State's representation.

The power of the Senate to make rules is limited to the procedure of the body. It is a government after the organization and not for the constitution of the body itself. It no more gives the Senate the power to prescribe the qualifications of its Members than to fix the qualifications of other officers. If the Senate by fixing rules could regulate and determine who shall be Members of the Senate, then the majority of the Senate might deny representation to the States whose political opinions at the time were reflected in the minority. The Senate can make rules for the government of the conduct of its Members in the discharge of their duties after they become Members, but it has no power to make rules declaring who shall not become Members of the Senate, particularly if the rule contravenes the Constitution and the law touching the question.

Mr. BRANDEGEE. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Connecticut?

Mr. ROBINSON. I yield to the Senator from Connecticut with pleasure.

Mr. BRANDEGEE. I wish merely to amplify very briefly the statement made by the Senator from Arkansas, and to confirm what he has said, by calling attention to the exact wording of section 5, Article I, of the Constitution, which provides:

> Each House shall be the judge of the elections, returns, and qualifications of its own Members.

I call the attention of the Senate to the fact that there is nothing in the Constitution which confers upon the Senate the right to fix the qualifications of Senators, but the only right conferred upon the Senate is that it shall be the judge of whether or not Senators have the qualifications which are required by law.

Mr. ROBINSON. The Senator from Connecticut is anticipating the very next point of my argument.

Mr. BRANDEGEE. I beg the Senator's pardon.

Mr. ROBINSON. I thank the Senator, because he has made very clear in a few words what must be apparent to every lawyer, that the power of the Senate under the Constitution of the United States is not to fix the qualifications or to prescribe the terms or conditions under which Senators may be chosen, but it is the power—a quasi judicial power—to determine when or whether a Senator is elected and when or whether he is qualified. Even the courts of the United States, once the certificate of a person claiming to be a Senator is presented and received here, can not sit in trial upon his right to that seat. The only authority which can determine whether or not he is elected or whether or not he is qualified under the Constitution is this body, but the power to determine that question being a judicial or a quasi judicial power, is not to be confused with the legislative power, and the Senate in making rules can not legislate. The power of the Senate to make rules is not broader, is not more comprehensive, than the legislative power of the Government. If Congress can not deal with the matter by law, it not involving a judicial question under section 5 of Article I of the Constitution but involving only a legislative question, no one can contend that by the exercise of its power to make rules Congress may fix the qualifications of its Members or regulate the manner of their election.

Mr. WILLIAMS. Not even Congress, but merely the Senate.

Mr. ROBINSON. The contention here is that the power, having failed as a legislative power, is to be upheld as a quasi judicial power to make constitutional a rule of the Senate for the control of elections in the United States, when an identical statute which was passed by both Houses of Congress has been held unconstitutional.

No man more than I is interested in dealing with this subject effectively and intelligently. I will respond to any call from any source that invites my thought or my vote in support of valid, effective action by this body looking toward the prevention of the use of large sums of money in elections.

The way to deal with the question is by law and if the power under the Constitution as it now exists is so restricted that we may not go to the full extent we should like to go, let us do all that can be done under the organic law of the land through the enactment of a statute, and then, if necessary, let us amend the Constitution. Do not, however, waste time in adopting a rule governing the procedure of this body which, in fact and in law, is designed to be an exercise of legislative power and which must fail when tested in the courts.

In the form in which it is now proposed, I would not vote for the rule, because I am not willing to give to a majority in the Senate the power to deny representation to the minority in this body, and no Senator dare do that, however interested he may be in preserving the integrity of elections.

I supported the suggestion in committee respecting jurisdiction that was made by the Senator from Alabama [Mr. UNDERWOOD] and concurred in by the Senator from Mississippi [Mr. HARRISON]. While the Committee on Rules has jurisdiction to recommend any rule which is within the power and authority of the Senate to adopt and enforce, it has no power to prescribe the terms and manner of holding elections for Senators. If it had that power, and should exercise it in contravention of the power now exercised by the States, the States would either be compelled to conform their statutes to the rule of the Senate or be denied the privilege of representation here because they had refused so to conform.

In the State of Kansas, for instance, if I am correctly informed, the law permits the expenditure of only $750 by a candidate for the Senate. A similar limit exists in California. The rule varies in the different States, and a Federal law on the subject is needed and justified; but there can not be accomplished by a rule of the Senate what the Congress of the United States can not do by legislation, because the power of the Senate under the Constitution in reference to the qualifications of its own Members is not legislative, but is judicial or quasi judicial; it is not to prescribe the manner, the method, or the conditions that shall apply to elections, but it is to determine the validity of an election after that election has occurred. It is not to define the qualifications of a Senator, but to judge whether the qualifications prescribed by the Constitution and the laws enacted pursuant to it exist in fact.

Mr. WILLIAMS. Mr. President——

Mr. LENROOT. I rise to a point of order. I make the point of order——

Mr. McKELLAR. Mr. President, before the Senator makes the point of order I should like to be heard for just a few moments, not exceeding five minutes, I think.

Mr. LENROOT. I will reserve the point of order for that purpose, the Senator from Tennessee having made the motion.

Mr. McKELLAR. I thank the Senator for his courtesy.

Mr. President, in view of the speech made by the Senator from Arkansas——

Mr. WILLIAMS. Mr. President, if the point of order has not prevailed, I had addressed the Chair and had supposed I was recognized, but a point of order of some sort was made.

The PRESIDING OFFICER (Mr. SPENCER in the chair). The Senator from Wisconsin withdrew for a moment his point of order at the request of the Senator from Tennessee. The Senator from Tennessee is upon the floor because the Senator from Wisconsin yielded to him.

Mr. WILLIAMS. But the Senator from Wisconsin can not farm out possession of the floor. He can make his point of order, but if the point of order has been withdrawn, I had addressed the Chair first, and unless I am out of order, I want to be heard.

Mr. LENROOT. A point of order is in order at any time, and I will make the point of order unless the Senator from Tennessee, being the mover of the motion, can be recognized.

Mr. McKELLAR. I should like very much to be recognized, if the Senator is willing to yield.

Mr. WILLIAMS. I had claimed the floor before the Senator from Tennessee rose.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

Mr. McKELLAR. Mr. President, will the Senator from Wisconsin yield to me?

Mr. LENROOT. I yield to the Senator from Tennessee.

Mr. WILLIAMS. Mr. President——

Mr. CURTIS. Mr. President, I rise to a point of order. I had intended to make the point which, I presume, the Senator from

Wisconsin was about to make, that the motion is not in order at this time because under the rules it must lie over for one day.

Mr. McKELLAR. Mr. President, will the Senator from Kansas withdraw his point of order?

Mr. CURTIS. No; I will have to insist on it.

Mr. McKELLAR. I should like to be heard for just a moment. I do not think the point of order is well taken. It is true the motion would have to lie over for one day, but it has gone over for one day.

Mr. WILLIAMS. The motion has to go over for a day, but not the discussion of the motion. The Senate is in the habit every day of discussing questions that have not as yet precipitated themselves parliamentarily. It is with a view of following that practice that I rise.

The PRESIDING OFFICER. The point of order made by the Senator from Kansas is well taken. To-day is the same legislative day as yesterday, and the motion has not gone over one day under the rule, because the Senate has been in recess. Therefore the motion is not before the Senate.

Mr. WILLIAMS. Now, I ask for recognition by the Chair.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. The Senator from Mississippi has the floor.

Mr. WILLIAMS. Mr. President, a moment ago, just before he took his seat, the Senator from Arkansas [Mr. ROBINSON] said that the rule as to the amount of money which may be expended in the several States in senatorial elections varies. Now, I wish to submit the observation that the rule *ought* to vary. It is literally absurd to say that a candidate running for the office of Senator in the Empire State of New York, with its immense population and large area, shall not expend any more money in a primary election or in a general election than a candidate running for the same office in the State of Delaware, with its very small population and its very small area.

Our ancestors were much wiser in a few things than is the modern so-called progressive seeking uniformity. Uniformity would be a curse if it were enforced throughout all of the States, not only in regard to the subject matter now under theoretical consideration but in regard to nearly everything else. I have no sympathy at all with the idea that marriage laws should be the same in Florida as in Maine; climate suggests something different. The very "E pluribus unum" upon our seal shows that we are one out of many; and, Mr. President, it is not without reason that we are the United States, and that the United States are plural and not singular. We are one Government composed of many States, and the States are plural even after they are united under one Federal Government, which is singular.

Mr. President, the Democratic Party for years fought the idea that the Federal Government could perpetuate a given majority in power by usurping the authority of the States over "elections and returns and qualifications." The language of the Constitution is that each House shall be "the judge of"—"the judge of"; not that it shall prescribe, not that it shall create, not that it shall ordain, but that it shall be "the judge of" the elections and returns and qualifications of its Members.

What does the phrase "the judge of" mean? It means to include only existing facts, because you can not be the judge of a thing which does not exist. You can not create the thing under the guise of being the judge of it. What is the existing fact of which the Senate is to be a judge with regard to the returns and the elections and the qualifications? The existing fact is the ordinance or prescription made by the Constitution and by the laws passed "in pursuance" of it; not any law of Congress; not even a law, much less a rule, of one of the two bodies of Congress. Even the law passed by Congress prescribing, fixing, and creating elections and returns and qualifications must be in pursuance of the Constitution—even the law. A fortiori must a *rule* of either body be not only "in pursuance of" the Constitution but limited to the transaction of its business *after* it has been organized. A rule of any body, whether of a corporation or of this body, has nothing to do with the *constitution* of the body. It has nothing to do with the *creation* of the body. It has nothing to do with the election of the Members of the body. It merely prescribes how business shall be conducted *after* the body has been *lawfully* organized.

That is all there is to it. You can not create a rule of this body which shall fix my qualifications as a Senator, or which shall change the election in the State, or which shall falsify the return from the State. What is your power? It is "to judge" of the return. Does that enable you to change the return? You are simply to sit in a judicial capacity and determine which of two candidates has received a majority by the lawful "return," lawfully ascertained, in pursuance of the constitution of the State, in accordance with the State law, provided that the State law itself does not violate the Constitution of the United States.

How are you to be the judge of "the election"? Precisely in the same way. How are you to be the judge of the qualification—the judge of what qualification? Not a thing created by you. An existing thing prescribed by law under the Constitution, or, rather, prescribed by the Constitution, and such laws as are passed in pursuance of it.

Mr. President, I merely wanted to utter my protest against what seemed to be assumed by the Senator from Arkansas, as a thing to be desired, to wit, that there should be the same rules in each State as to the expenditure of money in an election for the Senate. Take Delaware; take Rhode Island; take Nevada; take Texas—the first, a State with very small area and very small population; the second, a State with very dense population, though small area; the third, a State of very large area, although very sparse population; the fourth, a State of sparse population with immense area, equal to half of Europe in its domain.

There ought to be common sense in everything. The great merit of the Anglo-Saxon has been that he has always used common sense. He is not a theorist. He is not a mere logician. He does not undertake to say that under all circumstances and at all times a given theory should prevail. The theory must vary with the conditions; and if the theory does not vary with the conditions, then justice, which is the thing to be aimed at, has been sacrificed. It is absolutely absurd to say that in an agricultural State like Mississippi, where no money at all is needed in elections except for traveling expenses and hotel expenses and the dissemination of literature, a man should be allowed to expend as much money as the absolute necessities of the case would require in a State like New York. The very permission would argue corruption. Why, if I spent as much money as a candidate for the Senate in Mississippi as another in New York might expend without objection, moral or legal, ethical or otherwise, I would be, by the very fact of the disproportion between the expenditure and the end aimed at, guilty of corruption.

Of course it is true that there is a limit beyond which the expenditure of money by its very amount means corruption; but that limit varies in Delaware, in New York, and in Mississippi. So you come back finally to the doctrine of our fathers: The State ought to be the judge of the amount of money which ought to be spent in a primary or a general election within that State, and the only supervision that the Senate or the House ought to take over it is this: That where the amount has exceeded the amount prescribed by the State, the law has been violated; and wherever the State should prescribe an amount so large as to be in itself proof positive—obvious, plain, and palpable—of corruption, then the State could judge that the limit had been passed, and that the spirit of the law had been violated, and that the man, as in the Newberry case, had rendered himself unfit by mere expenditure for a place upon the floor.

The PRESIDING OFFICER. The question is upon agreeing to the amendment of the Committee on Finance to the pending tariff bill.

Mr. McCUMBER. Mr. President, it has been so long since we have considered the tariff bill that I think we will have to revive our memories a little by having the Secretary state the pending amendment.

Mr. McKELLAR. Mr. President, before that is done will the Senator yield to me for about five minutes?

Mr. McCUMBER. Mr. President, let me call the attention of the Senator to the fact that we have now spent 1 hour and 40 minutes to-day in discussing something that is not before the Senate, which the Chair has ruled is not before the Senate. The Senator from Utah has not had an opportunity to get in his second or third speech on this amendment during the legislative day, and it does seem to me that we ought to stop this everlasting discussion of matters entirely outside of the question before the Senate.

Mr. McKELLAR. I am sure the Senator will admit that I have taken as little time as any Senator on this floor during this debate.

Mr. McCUMBER. No; the Senator started the ball rolling this morning, and it has been kicked all over the Senate Chamber——

Mr. McKELLAR. That is true.

Mr. McCUMBER. And the discussion is liable to last an hour or two longer unless I insist on going on with the tariff bill.

Mr. McKELLAR. I will be perfectly frank with the Senator. I have made a courteous request of him. The Senator

will not save any time by denying a reasonable and courteous request such as I have preferred.

Mr. McCUMBER. I am certain, Mr. President, that the Senator can say what he is going to say no matter whether I yield the floor now or not——

Mr. McKELLAR. Why, of course, I can. I am perfectly aware of that.

Mr. McCUMBER. Or whether I yield it 10 minutes from now. Consequently, with the assurance of the Senator that he is only going to take five minutes, I yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, the first thing I desire to do is to prefer a unanimous-consent request. I ask unanimous consent that the Committee on Rules be discharged from the further consideration of Senate Resolution 289, and that it be referred to the Committee on Privileges and Elections.

Mr. CURTIS. There is no objection to that.

The PRESIDING OFFICER. Unanimous consent is asked. Is there objection?

Mr. CURTIS. I ask, however, that that request also include Senate Resolution 210, introduced by the Senator from Ohio [Mr. POMERENE], so that both of them may go there.

Mr. McKELLAR. I do not know just what the Senator from Ohio might desire to have done if he were present.

Mr. CURTIS. I ask that the request be amended so as to include both, and I shall talk the matter over with the Senator from Ohio.

Mr. McKELLAR. Very well; that is entirely satisfactory to me.

The PRESIDING OFFICER. Is there objection? If not, it is so ordered. The Committee on Rules will be discharged from the further consideration of Senate Resolution 289 and it will be referred to the Committee on Privileges and Elections, and the same action will be taken with Senate Resolution 210, offered by the Senator from Ohio.

Mr. McKELLAR. Now, Mr. President, I desire to say just a word about the proposed rule.

Section 5 of Article I of the Constitution of the United States provides as follows:

> Each House shall be the judge of the elections, returns, and qualifications of its own Members.

If, instead of saying "each House," the Constitution had provided that "the Congress shall be the judge of the elections, returns, and qualifications of its own Members," would anybody deny that Congress had the full power to pass such a law as has been passed, and which has recently been declared unconstitutional? I take it that if the Congress now were clothed with the plenary power of that clause in section 5, no lawyer in this body would make the argument that Congress did not have the power to pass the bill that has been passed and has been declared unconstitutional by the Supreme Court.

Instead of saying the Congress shall have the power, the Constitution provides that each House shall be the judge of the elections, returns, and qualifications of its own Members, and this body has followed in the past the very principle which I say pertains in this case. When Mr. Lorimer was deprived of his seat in this body, it was under this section. There was no statute of the United States under which he was declared disqualified. He was disqualified under this plenary power.

To say that the Senate can not exercise the right under this power granted to it to make a rule governing such cases is, to my mind, the denial of what is perfectly apparent. If the Senate has the power to pass on the qualifications of a Senator, it has the power to fix the rule under which it shall pass upon the qualifications of a Senator. One inevitably follows the other.

Mr. President, I am not going to take any time to discuss this matter further except to say that under the present conditions we have no regulation of any kind, no law, no rule governing the expenditure of vast sums of money for seats in the Senate. I want action. I think the Senate ought to take action. I hope the Senate will adjourn before a great while. We are not going to sit a great deal longer, and something ought to be done about this, and for that reason I offer the amendment to the rule.

I do not think we ought to come to another election before some rule or some regulation or some law is passed which will prevent the purchase of seats in this body. The purchase of seats in the United States Senate has gotten to be a common scandal, and it ought to be stopped. We ought to find a way of stopping it, and I believe that the way proposed by me, in direct accord with what the Senate has already adjudged, in direct accord with the precedents of the Senate, is the proper way by which the result that all of us ask for can be obtained.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, the pending question being on the amendment of the committee in paragraph 29, on page 16, line 4, after the word "value," to strike out the words "65 cents per pound and 25," and to insert "60," so as to read:

> Made into finished or partly finished articles, of which any of the foregoing is the component material of chief value, 60 per cent ad valorem.

Mr. KING. Mr. President, just one word before proceeding to the discussion of this amendment. I have listened with interest to the debate concerning expenditures in senatorial elections, and the proposition to provide by rule of the Senate for a limitation of expenses by candidates for the Senate. I suggest to the junior Senator from Tennessee [Mr. McKELLAR] and to others who may share his views, and particularly to Democrats who believe in, or are supposed to believe in, the rights of the States and the capacity of the people for local self-government, that there is danger if they press too far the doctrines suggested that the powers of the States to determine vital matters, matters which appertain to sovereign States, will be destroyed and the Federal Government made supreme in domestic affairs and in all election matters. Every State has plenary power to enact such laws as it may deem proper for the regulation of expenditures of candidates. I am willing to trust the people of Tennessee and the people of Massachusetts and the people of other States. Congress has the power, regardless of any State law, if it believes that corruption has vitiated an election or has resulted in the triumph of a candidate, to refuse him a seat, or, at any rate, to expel him. So I am not so much concerned in regard to that matter because the Senate has the power to expel a Senator if there has been corruption or evil and corrupt practices which have won the election for the Member whose seat may be contested or whose right to a seat may be challenged.

Mr. McKELLAR. In view of the Senator's vote on that subject, I was wondering if he trusts the people of Michigan to be honest and fair in the matter of the election of United States Senators.

Mr. KING. Mr. President, I shall not indict a whole people. Burke declared many years ago that could not be done. No doubt there was corruption in the primary election, and without a Federal statute the Senate had the right to consider the question of the right of the sitting Member to his seat in the Senate and act as its judgment dictated with respect thereto. In other words, there may be such corruption in an election, such profligate expenditure of money, as to warrant the Senate in expelling a Senator who was the beneficiary of the improper and wrongful act.

But I shall not pursue the matter further.

Mr. President, the Senator from North Dakota unfairly commented upon my "second or third speech" upon this item. I have made no speech upon it. I was calling attention to its provisions when a recess was taken last evening.

I regret that under the rules I am not permitted to amend, in line 2, by striking out the numerals "40" and inserting in lieu thereof "25 per cent ad valorem," but I move to amend, in line 5, by striking out the numerals "60" and inserting in lieu thereof the numerals "40."

As a matter of fact, this article ought to be placed upon the free list, and I serve notice now that when we return to this section, after we have concluded the committee amendments, I shall move to amend, in line 2, by striking out "40" and inserting "25 per cent ad valorem."

With respect to the item now under consideration, I might add that the Senate amendment will prove highly advantageous, if adopted, to the Du Pont Co., with its several hundred millions of dollars capital. An increase in the rate laid upon this item will add greatly to its profits. That corporation, or some of its subsidiary corporations, is a manufacturer of many products that are denominated pyroxylin products and which are embraced within paragraph 29. Briefly, pyroxylin, as is shown by the survey, does enter into many of the commodities which are in daily use by the people. I read from the survey:

> Pyroxylin plastics are substances composed of pyroxylin and camphor. They are sold under different trade names, such as "celluloid," "fiberoid," "viscoloid," and "pyralin."
>
> Pyroxylin plastics are used for making combs, mirror and brush backs, knife handles, buttons, toys, and many other articles.

Senators will observe the multitudinous uses to which this important product is put. I read further:

> The materials used in the manufacture of the plastics are pyroxylin, camphor, alcohol, and substances to be used as pigments and stabilizers. The stabilizer usually used is urea and the pigment zinc oxide.

It will be seen, Mr. President, that we have in our own country the constituent parts of pyroxylin in all of its forms. We are rich in the primary products, if I may be permitted that expression, which constitute the finished product of pyroxylin in its various forms. The domestic production of pyroxylin plastics has increased greatly, its value in 1899 being $1,526,000, in 1919 nearly $5,082,000, in 1914 being $8,876,000, and in 1919 the preliminary figures show the product to be $30,069,000.

The same tariff report shows that the imports of pyroxylin plastics, not made in the finished or partly finished articles, have never averaged more than 1 per cent of the domestic production, and the imports of the partly or wholly finished manufactured articles in 1914 were approximately 10 per cent of the domestic production.

Let me call attention to the latest statistics, to show that there is no necessity, even from a protectionist standpoint, justifying this high duty or any duty, and that the imposition of this rate must have been directed to satisfy the greed of the trusts and corporations interested in the manufacture of these products.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Dakota?

Mr. KING. I yield.

Mr. McCUMBER. If the Senator will allow me, there are a great many celluloid articles which are coming in under other heads. Therefore, just taking the particular importations the Senator speaks of is not a fair statement of the real conditions.

Let us take toys, for instance. An immense quantity of toys are coming in from Japan, but they will come in under the head of toys rather than under the head of these celluloid productions. That is explained by the Tariff Commission.

Mr. KING. The Senator knows that there is a heavy rate laid in this bill upon toys, and I doubt not that upon every product in which celluloid, or pyroxylin in any of its many forms, is used bears a very high rate. As a matter of fact, the rate on toys in the existing law is higher than the rate on this article.

Mr. McCUMBER. The Senator does not mean existing law. The existing law carries a duty of 35 per cent on toys.

Mr. KING. Let me call attention, as I was about to do, to the imports in later years. In 1918 the entire quantity imported was 4,977 pounds. The unit value was $1.22 per pound. That was the import valuation. In 1919 the imports were 5,000 pounds plus. In 1920 they were 7,000 pounds plus; in 1921 they were 29,000 pounds plus. The entire importations in the last nine months of 1921 were $71,332 in value. The number of pounds is not given in the statistics which I have.

We have exported celluloid. In 1910 our exports were valued at $1,189,080; in 1914, at $1,387,541; in 1917, at $3,112,000; in 1920 they amounted to 8,000,000 pounds. There was a marked falling off in 1921 to two and a quarter million, as there was a falling off in substantially all of our exports.

It is not to be wondered that there should be a decline in the volume of exports of this product, as a decline is noted in practically all of our exportable products during that year.

So we are confronted now with the fact that we are producing in such large quantities as to satisfy the domestic market, and, in addition, we are reaching out to satisfy a portion of the world's demands. Our imports, as stated, are practically nil. It can not be claimed that we will derive revenue from this duty. Therefore from a revenue standpoint this rate can not be supported. No necessity exists for the protection of the domestic market, because there is no foreign competition. Therefore it is obvious that the only purpose of this high rate is to permit the trusts and those who control these compounds to maintain the extortionate prices now imposed or if desired to raise them to higher levels.

Mr. President, I denounce a policy of this character, particularly where it deals with the products which are so important in the life of the people. The producers comprised under this paragraph enter into every home. There is not a home in the United States that does not buy one or more of these pyroxylin products. The bill taxes every woman who buys a knife or some article for her home which contains any form of celluloid product. The combs, the brushes, and the thousand articles of daily use in which celluloid in any of its varying forms is used are heavily taxed in this bill. May I inquire for whose benefit? For the benefit of the Du Pont Co. and other great corporations, which have during the past 10 or 15 years made hundreds of millions of profits.

Let me call attention to some who are interested in making these compounds: The E. I. du Pont de Nemours Co.; the American Cellulose Co.; the Hercules Powder Co., another of the allied companies of the Du Pont interests; the Conowingo Chemical Co. of Pennsylvania. These are among the number of corporations engaged in the manufacture of these products.

Mr. President, this is about all I care to say in regard to the item.

Mr. McCUMBER. Mr. President, I think I should complete the list the Senator has given by including the Viscoloid Co., the Fiberloid Co., and the Nixonoid Co., which are all manufacturing this product.

Mr. President, yesterday one of the Senators upon this side of the Chamber, if I understood his language correctly, stated that he was not inclined to follow the report of the committee unless the committee gave the reasons in these instances which guided it in arriving at certain rates. Because of that I am going to take a little more time in discussing this particular amendment than I otherwise would. If I took the same length of time in the discussion of every amendment, of course, we would not get the bill through the Senate this summer. I am trying to facilitate the progress of the bill as much as possible by refraining from entering into any general discussion of the thousands of items which are included within the amendments.

The House bill provided on these compounds of pyroxylin, of other cellulose esters or ethers, or of cellulose, by whatever name known, that there should be placed a duty of 65 cents per pound specific and in addition thereto 25 per cent ad valorem. The committee struck out the 65 cents per pound and 25 per cent ad valorem and proposes simply 60 per cent ad valorem.

Now, we have given what may seem at the first glance to be a rather steep duty—60 per cent ad valorem. If any Senator thinks that there was any mere guesswork in applying the rates to any one of these items, he is woefully mistaken. If he had been before the committee every day during the long months when we were laboring upon the bill, he would have found a large blackboard with the figures of the rates, the importation costs, the cost in the United States, the profits that were made, the landing charges, the amount received for the foreign article in the United States, and the amount received in the markets of the United States for like or similar articles that entered into competition.

He would have found our lightning calculators and our mathematicians working out a system upon that blackboard in an attempt to equalize what we call in another portion of the bill the competitive conditions between the foreigner and the American manufacturer. We have as a rule followed this system just as closely as we could and have given great care to every one of the items. Of course, there are fluctuating prices, as the Senator from Utah has indicated, and that rendered our work more complex and difficult.

Mr. KING. Mr. President——

Mr. McCUMBER. I yield to the Senator from Utah.

Mr. KING. I wish to inquire of the Senator if he was not mistaken in giving the impression that there was any testimony before his committee with respect to these pyroxylin items? There was not a word of testimony, so far as the Senate hearings indicate, and the only testimony that I can find is that found in the House hearings at pages 145 to 150. That testimony is very unsatisfactory. Of course, it is the testimony of interested witnesses. They are not subjected to cross-examination, and it is a bald, bare demand—that is the effect of it—for these very heavy rates.

Mr. McCUMBER. I will give the Senator a little more evidence and will let him arrive at his own conclusion as to whether the Tariff Commission, made up of partisans, we will say, or both sides, or nonpartisans or bipartisans, whatever he sees fit to call them, have not given a rather satisfactory report. I think they have tried to give us an unbiased statement of the situation and for the very purpose of guiding our judgment in arriving at these rates.

I call attention to the summary of tariff information for 1921, at page 87.

Mr. KING. Mr. President, I concede the Senate committee had the Tariff Commission report, but I am speaking of the independent testimony, the testimony of witnesses. The Senator spoke of that.

Mr. McCUMBER. Of course, we must use all the testimony that is in the report, not only from the Tariff Commission, not only from the daily reports of prices which are presented to us, but in addition to that the testimony of witnesses. I will read but a paragraph or two:

> The domestic production of pyroxylin plastics has increased greatly, its value being in 1899, $1,526,572; in 1909, $5,682,379; in 1914, $8,876,509; and in 1919 (preliminary figures), $30,169,000.
>
> Germany was formerly the largest producer of pyroxylin and our strongest competitor. England and France were extensive manufacturers of pyroxylin plastics before the war. When the factories were largely given over to the making of explosives the production of plastics

in those countries greatly diminished, with a consequent increase in exports from the United States. Japan will probably become the leading competitor under normal conditions, since she controls the world's supply of camphor and is growing in experience in manufacture.

Synthetic camphor was manufactured in this country during the war, but its manufacture was discontinued because of the low prices of natural camphor. It is now reported (December, 1921) that manufacture is to be resumed at an early date.

Now, Mr. President, we have some testimony as well upon the subject, and I will read a little of it. Of course it is from interested witnesses, but, as a rule, while witnesses may consider that they need a protection greater than is actually needed, and we must always make allowance for their inclinations in that direction, nevertheless I think we can rely ordinarily upon given statements of fact made by them, and especially when we can compare those facts with the commercial reports and ascertain whether or not they agree with them.

Here is the testimony of Nathan M. Clark, vice president of the Celluloid Co., representing the Pyroxylin Manufacturers' Association. On page 145 of the House Ways and Means Committee Hearings he said:

We were saved by the World War, for it at once shut out Germany, France, England, and Japan more effectively than any tariff we might hope to ask for.

The war is over, but it has left us burdened with heavy taxation. We are paying the highest wages ever known in the history of this country. Our raw materials are more than 150 per cent higher than pre-war.

Now, remember that the present Underwood-Simmons law gave a 40 per cent protection when the wages in the United States were 150 per cent less than they are now.

Mr. KING. If the Senator from North Dakota will yield to me, I desire to say that the Underwood law imposed a duty of 40 per cent on certain products and 25 per cent on others. There was a differentiation.

Mr. McCUMBER. Yes; but on the finished product the protection was 40 per cent. The witness continued further as follows:

And the condition of foreign exchange is the most threatening menace to our manufacturers they have ever before faced.

Our European competition is very serious. The competition from Japan threatens to annihilate us. Europe and America are in a similar position as regards camphor, which enters largely into our commodity, but Japan rules the world as to this item. We are at her mercy when we buy camphor. She tells us how little or how much we may have, the price we must pay, and has systematically reduced our supply.

Naturally her control of this item has given her intimate knowledge of its use. Some years before the war the Japanese evidently coveted the pyroxylin plastic business, of which they had learned from their camphor distribution, and numerous factories were there instituted to make a home market for their camphor and at the same time control the pyroxylin industry. This effort was successful, and made great progress up to 1914–15, when all but one of these factories were diverted to war purposes. Since the armistice there has been a general amalgamation of Japan industries and the pyroxylin manufacturers have recently been consolidated into a governmentally fostered trust, which is now spreading out its tentacles to monopolize the pyroxylin plastic business of the world. To-day the American market is flooded with circular letters and samples of materials offering Japanese material under the trade-mark of the Celluloid Co.

With the highest Japanese daily wage in any industry of 45 cents as compared with the American average of $5.25 in this industry, and Japan in complete control of the camphor supply, it does not take much imagination to see the great disadvantage of the American manufacturer.

It is evident from the statistics that the American pyroxylin plastic industry exports but a normally small proportion of its production. Its market must be essentially American, and should be preserved.

That was paragraph 25 of the Underwood law.

Now, Mr. President, let us see whether or not this statement is borne out by the information secured from the Reynolds report. I have a table here showing for certain groups of items of manufacture, the country, foreign value, the landing charges, the selling price of the imported article, the selling price of the like domestic article, the rate required to equalize the difference between the foreign and domestic selling price, the Senate committee rate, and the profit and overhead allowed on cost. I will take combs, and under the head of countries will select France. Take the unit value of a dozen French combs, $4.58; the landing charges, 37 cents; or a total, by adding the two, of $4.95. Practically the same domestic article is sold for $9.25. It would require, to equalize the American price with the foreign price, after allowing a 25 per cent profit on cost to the importer, a rate of 54 per cent. We have given them more than that; we have given them 60 per cent.

In England wages have risen enormously, and in order to equalize the American and English costs the rate would have to be only 20 per cent. Still, we are compelled to make our rates general upon the foreign valuation, and to allow 60 per cent when it is only necessary to grant from 12 to 20 per cent against the British manufacturer.

Now I come to the Japanese manufacturer, and I will take as an example a gross of combs. The average Japanese cost, shown for two items in the report, is $6.46 a gross; the landing charge is 65 cents, and the selling price of the foreign article is $13.63. The American selling price for a gross of the equivalent article is $30.40. Therefore, in order to equalize the American product with the Japanese product, even allowing the importer 25 per cent profit on cost, we would have to have a duty of 266 per cent.

We have not given the American manufacturer 266 per cent, but we have given him a protective rate of 60 per cent. Another group of Japanese articles would require 108 per cent. Yet we have given only 60 per cent ad valorem duty upon all these importations.

Mr. President, that 60 per cent ad valorem duty is necessary not to equalize the cost between the American and Japanese product, because that rate does not begin to equalize the difference; but we do not lose sight of the fact that the American manufacturer can fill orders quickly in the domestic market; that he is in direct communication daily with his customers, and that gives him an advantage in itself. However, taking all of these factors into consideration, we believe that the American manufacturer, in order to hold his own against the Japanese manufacturer, must have at least 60 per cent ad valorem duty.

I do not intend to cover every item in this bill with as full discussion as I have given upon this one item. I simply say that there are so many items that it is impossible to take the time to discuss each one of them in detail and at sufficient length to give the Senate a clear and comprehensive understanding as to why the committee fixed each particular rate.

The PRESIDING OFFICER (Mr. McKINLEY in the chair). The question is on agreeing to the amendment offered by the Senator from Utah [Mr. KING] to the amendment reported by the committee.

Mr. KING. Mr. President, just a word in reply to the Senator from North Dakota. The first figures read by the Senator I have put into the RECORD, and I shall not quote them all again. The preliminary figures for 1919 show a domestic production valued at more than $30,000,000. To show that we have no competition, all that is required is to direct attention to the fact that from 1899 to 1919 the domestic production increased from $1,526,000 worth to more than $30,000,000 worth.

The Senator from North Dakota also read the words:

Germany was formerly the largest producer of pyroxylin and our strongest competitor.

When Germany was our strongest competitor, and was one of the largest producers of pyroxylin products, the imports into the United States of what might be denominated unmanufactured products or compounds of pyroxylin were less than 1 per cent, and of the finished and semifinished products of pyroxylin and all compounds were less than 10 per cent. So when Germany was at the zenith of her industrial power, when she had brought her chemical efficiency to the highest state of perfection, she could not compete with us, and we were shipping abroad and competing successfully with Germany and other nations in the markets of the world, increasing our exports from about 1,000,000 pounds to several million pounds. Not only were we satisfying our domestic needs, but, as I have said, we were competing with Germany and other nations in the markets of the world. How, in the light of these facts, can this tariff rate be justified?

Germany confessedly is not now a competitor, and there must be some other hobgoblin, when Germany is out of the way, brought into the Senate to frighten Senators to an acceptation of the terms of this bill. So the Senator quotes from the Tariff Commission, which indulges in speculation more than it should as a collator of facts. It uses these words:

Japan will probably become the leading competitor under normal conditions.

Mark the words—"will probably become the leading competitor under normal conditions." Yet the Tariff Commission has stated that—

Germany was formerly the largest producer of pyroxylin and our strongest competitor.

I am not sure, if we attribute to these words and to the adjectives the proper meaning, whether they consider Japan, if she is a competitor, a stronger competitor than Germany. I am not sure whether they interpret the words "will probably become the leading competitor" as meaning a stronger competitor than Germany; but they say that Germany was our strongest competitor when she and all other nations combined exported to the United States 1 per cent of the unmanufactured product and 10 per cent or less of the semifinished or finished product. If Germany and all other nations could send to the United States only when Germany was the "strongest competitor" the limited quantity which I have indicated, then

where is the basis for apprehension of Japan becoming a formidable rival of the United States in the domestic market and in the world market?

That is a mere conjecture, a mere speculation. The Tariff Commission was obviously unfair in the statement respecting Japan if the language is to bear the meaning which my learned friend places upon it; but when we consider that the commission declared Germany to be our "strongest competitor" when she and all the world sold us so little, we are warranted in attaching but little importance to their prognostication of what Japan may do in the future as a "probable" competitor of the United States.

Now, Mr. President, we are confronted with the fact that prices have been raised enormously over those of pre-war days, and it is undoubtedly the purpose of the trust engaged in the manufacture of these products to maintain prices at a high level, or possibly to increase them. The pre-war price of sheets and tubes—what might be denominated the semifinished or semimanufactured products—was 47 cents per pound. It is a little difficult to determine the present domestic price, because of the various forms assumed by the semifinished and the completely finished products, and the Tariff Commission does not give us those figures; but the foreign unit value of unfinished products in 1921 was $1.20 per pound. So, it is apparent that other nations are charging now, because of industrial conditions, much more for the products of pyroxylin than they did prior to the war, so neither Germany nor any nation can be a successful competitor, particularly if pre-war prices are to govern. Indeed, the prices in the world now, as far as I can judge from the figures before me, must be from 100 to 300 per cent in excess of the pre-war prices. Therefore, producing as we do practically all that we consume, and exporting millions of pounds annually, it would seem that there can be no justification for the imposition of this rate. No reason exists for this high rate except that the manufacturers want it in order that they may exploit the people. They evidently regard Congress as pliant and complacent.

I am ready for a vote.

Mr. SMOOT. Mr. President, the Senator from North Dakota [Mr. MCCUMBER] was called from the Chamber a moment ago, and he asked me to put in the RECORD the figures of production of celluloid and manufactures of celluloid by Japan, showing the increase, beginning with the year 1915, down to 1921. The figures are taken from the Thirty-fifth Statistical Report of the Department of Agriculture and Commerce of Japan, and the yen is converted to par of 49.8 cents. I do not want to read the figures. I simply ask that they be printed in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Japanese production of celluloid and manufactures of—Production in principal foreign countries.

[From the Thirty-fifth Statistical Report of the Department of Agriculture and Commerce, Japan. Yen converted at par value of $0.4985.]

1915	$661,336
1916	1,705,527
1917	3,295,187
1918	7,188,017

Mr. WALSH of Massachusetts. Mr. President, may I ask the Senator if camphor is not a very important product in the manufacture of celluloid?

Mr. SMOOT. It is.

Mr. WALSH of Massachusetts. And is it not a fact that Japan practically controls the entire output of camphor?

Mr. SMOOT. She controls the entire output, with the exception of what little synthetic camphor was made in Germany before the war and what we made during the war; and to-day the one factory in the United States that made synthetic camphor during the war is closed entirely.

Mr. WALSH of Massachusetts. Is it not a fact also that Japan took advantage of war conditions to demand a very, very excessive price for camphor?

Mr. SMOOT. Not only did they double the price but in many cases they sold the camphor at an advance of six or seven hundred per cent.

Mr. WALSH of Massachusetts. I think our celluloid manufacturers desire to have camphor put on the free list; and I notice that you have retained a duty, notwithstanding the fact that you say the only synthetic camphor factory in this country has gone out of business.

Mr. SMOOT. That is true; but it will stay out of business even with the rate that we have provided.

Mr. WALSH of Massachusetts. Why put a duty on camphor, then, if we are not producing it here?

Mr. SMOOT. What the St. Louis people wanted was a 25 per cent ad valorem duty. If we had given them a 25 per cent ad valorem duty, that would have had to be carried clear through all the celluloid goods made in this country, with a higher rate of duty; and the committee thought they could not go that far.

Mr. WALSH of Massachusetts. One of the troubles with this bill and this schedule is the effort to maintain one little industry at the public expense.

Mr. SMOOT. Of course we have not done that, however. The duty of 6 cents per pound provided on camphor is not going to do that. In fact, I think the Monsanto people will have to turn their camphor plant into some other line of industry.

Mr. KING. Mr. President, my colleague [Mr. SMOOT], in response to the question of the Senator from Massachusetts, called attention to the fact that Japan had increased the prices upon camphor very much. That is true; and unfortunately many of our American manufacturers increased their prices not 200 or 300 or 400 per cent, but in many instances 500 to 700 and 1,000 per cent and more.

Mr. SMOOT. That was the case all over the world during the war.

Mr. KING. So that we can find evidences of greed and selfishness in the United States perhaps exemplified just as strongly as in other nations. When the war was on every nation was charging everything that it could, and manufacturers in the United States were robbing their own country by their extortionate prices.

Mr. SMOOT. The only difference between the camphor proposition and what was done by some of the American manufacturers is this: The Government of Japan controls camphor, and the Government of Japan did that. I do not know that it is any worse than what some other Governments did during the war, and I did not make the statement by way of criticism. I simply answered the question asked by the Senator from Massachusetts.

Mr. WALSH of Massachusetts. Mr. President, the Senator yesterday spoke about the Government control of chemicals by Germany, and the Government control of camphor in Japan. Does the Senator recommend Government control of chemicals for dyes?

Mr. SMOOT. The Senator knows that I do not, and I will not even go so far as to vote for an embargo. I voted against the embargo in the first place, and I will vote against it now.

Mr. WALSH of Massachusetts. I should like to call the attention of the Senator from Utah to a remark he just made, calling attention to the excessive prices, amounting to extortion, charged by the manufacturers of dyes and chemicals during the war. Does not that demonstrate, and also what the Senator's colleague from Utah said, the absolute absurdity of considering war statistics or war prices in making a tariff bill? The moment you go into that, you are going into the question of protecting profits and abnormal prices that were charged under abnormal conditions. It seems to me that the only sound course we can pursue here is to confine our statistics pretty much to the conditions prior to the war, in 1914, and in the last year; and the last year's conditions have been changing very rapidly. Only within three days an importer in my office informed me that in the last six months an article produced in Germany has increased in price 600 per cent, going to show how dangerous it is, upon prices submitted to our committee as of last August, to follow statistics and prices estimated as of that time, in view of the tremendous change that is taking place in Europe in the matter of advance in prices; and I know that the Senator agrees with me a good deal on the matter.

Mr. SMOOT. Mr. President, of course, at this time I do not want to go into the discussion of that subject, but I have up to January 1 of this year some facts that I intend at the proper time to present to the Senate of the United States.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Utah [Mr. KING] to the amendment of the committee.

Mr. CURTIS. Let us have the yeas and nays.

The yeas and nays were ordered.

Mr. WALSH of Massachusetts. May we have the amendment stated?

The VICE PRESIDENT. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 16, line 5, it is proposed to strike out "60," and in lieu thereof to insert "40."

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. Not being able to secure a transfer, I withhold my vote.

Mr. STERLING (when his name was called). Transferring my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Delaware [Mr. DU PONT], I vote "nay."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the junior Senator from Arizona [Mr. CAMERON], which I transfer to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH]; and

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS].

Mr. DILLINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. In his absence I transfer that pair to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. COLT. I transfer my pair with the junior Senator from Florida [Mr. TRAMMELL] to the junior Senator from Washington [Mr. POINDEXTER] and vote "nay."

Mr. DIAL. I have a pair with the senior Senator from Colorado [Mr. PHIPPS], and am unable to secure a transfer. I therefore withhold my vote.

Mr. FLETCHER (after having voted in the affirmative). I have a general pair with the Senator from Delaware [Mr. BALL]. I transfer my pair to the Senator from Nevada [Mr. PITTMAN] and allow my vote to stand.

Mr. HARRIS. I transfer my pair with the junior Senator from New York [Mr. CALDER] to the Senator from Arizona [Mr. ASHURST] and vote "yea."

Mr. SIMMONS (after having voted in the affirmative). Since voting I find that the Senator from Minnesota [Mr. KELLOGG], with whom I have a general pair, has not voted. I transfer my pair with that Senator to the senior Senator from Missouri [Mr. REED] and allow my vote to stand. I wish to state that the Senator from Missouri [Mr. REED], if present, would vote "yea."

Mr. ROBINSON. I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Massachusetts [Mr. WALSH] and vote "yea."

The result was announced—yeas 17, nays 35, as follows:

YEAS—17.

Borah	Hitchcock	Pomerene	Underwood
Caraway	King	Robinson	Watson, Ga.
Fletcher	La Follette	Sheppard	
Harris	McKellar	Simmons	
Heflin	Myers	Swanson	

NAYS—35.

Brandegee	Harreld	McKinley	Shortridge
Broussard	Johnson	McLean	Smoot
Bursum	Jones, Wash.	New	Spencer
Capper	Kendrick	Newberry	Sterling
Colt	Keyes	Nicholson	Townsend
Curtis	Ladd	Norbeck	Watson, Ind.
Dillingham	Lenroot	Oddie	Weller
France	McCormick	Page	Willis
Gooding	McCumber	Rawson	

NOT VOTING—44.

Ashurst	Ernst	Moses	Shields
Ball	Fernald	Nelson	Smith
Calder	Frelinghuysen	Norris	Stanfield
Cameron	Gerry	Overman	Stanley
Crow	Glass	Owen	Sutherland
Culberson	Hale	Pepper	Trammell
Cummins	Harrison	Phipps	Wadsworth
Dial	Jones, N. Mex.	Pittman	Walsh, Mass.
du Pont	Kellogg	Poindexter	Walsh, Mont.
Edge	Lodge	Ransdell	Warren
Elkins	McNary	Reed	Williams

So Mr. KING's amendment to the amendment of the committee was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 16, line 6, to strike out, after the word "articles," the parentheses and the words in the parentheses, "except photographic and moving-picture films."

The amendment was agreed to.

Mr. SMOOT. The junior Senator from Utah [Mr. KING] was called from the Chamber, and asked that we pass over paragraph 29a. To accommodate also the Senator from Nebraska [Mr. HITCHCOCK], I now ask that we take up paragraph 41, page 20.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will report the amendment.

The READING CLERK. On page 20, line 4, in the paragraph relating to ink, to strike out "20" and insert "30," so as to read:

PAR. 41. Ink, and ink powders not specially provided for, 30 per cent ad valorem.

Mr. SMOOT. Mr. President, I am going to ask the Senate to disagree to that amendment, and if the Senate shall act favorably on my suggestion the rate will be 20 per cent ad valorem instead of 30 per cent.

Mr. HITCHCOCK. Mr. President, I want to ask the Senator whether that will prevent me from moving to make it 15 per cent? I had intended to move to substitute "15" for "30," which would restore the rate in the present law.

Mr. SMOOT. The Senator can move to strike out "30," the figures in the Senate committee amendment, and insert "15."

Mr. HITCHCOCK. I make that motion, as affecting this proposed amendment.

Mr. SMOOT. Then my suggestion will be treated merely as a statement, not to be acted upon at this time, and the Senator's motion can be made first. But I want to have it understood that when the motion of the Senator from Nebraska shall be disagreed to, if it is, then I shall ask that the committee amendment be disagreed to and that the rate be 20 per cent, as provided in the House text. The House provided 20 per cent on the American-valuation plan. The Senate, then, will provide 20 per cent on the foreign-valuation basis.

Mr. HITCHCOCK. Mr. President, it is very gratifying to me to see this evidence of a change of mind on the part of one of the members of the Committee on Finance, at least. This proposed doubling of the tariff on inks illustrates one of the worst vices in this whole bill. It is really typical of many of the other schedules which have been recommended by the Finance Committee to the Senate. It can not be defended either upon a protective-tariff theory or upon any other theory which any party has ever advocated in this country.

The fact is that at the present time and for many years—I think the statistics will warrant me in saying for 20 years—the ink industry of the United States has been sufficient to supply the American demand, and the American manufacturers have been able to meet all competition.

At the present time the tariff is 15 per cent, and it has been 15 per cent ever since 1913. Prior to that time, under the Payne-Aldrich law, high as was the rate in that monstrosity of taxation, the tariff was only 25 per cent, but during all the time that ink has been subject to a tariff of 15 per cent the American manufacturers have controlled the market.

During all this time there has been practically no importation of ink. The average importation from 1910 to 1913 was nominal—that is, $33,000 a year. After 1918 the imports have been $23,700, $23,400, $41,300, and during the first nine months of last year they were only $16,170, showing that the imports of ink into this country for the last 10 or 15 years have been merely nominal, practically none at all, and the customs receipts from them have been almost nothing at all.

Meanwhile the production of ink in this country by the domestic manufacturers has been about from twelve to fifteen million dollars a year of printer's ink and somewhere between three and four million dollars of writing ink. The American manufacturers have supplied the whole American demand.

But that is not all. During all this period we have had large exports of ink of American manufacture to other countries. The American exports between 1910 and 1918 were as follows:

Printing ink averaged $525,106 a year.

All other kinds of ink during that period, from 1910 to 1918, averaged $242,000 a year; and since that time the exports have shown themselves to be very large also.

In 1918 we exported over $1,000,000 worth of printer's ink and almost half a million dollars worth of all other kinds of ink. In 1919 we exported $1,712,000 worth of printer's ink and $856,000 worth of all other kinds of ink. In 1920 we exported $1,892,000 worth of printer's ink and $936,000 worth of all other

kinds of ink. I only have figures for the first nine months of 1921, showing exports of about $1,000,000 worth of inks.

In the face of that fact, how is it possible even for a Republican, believing in the idea of a high protective tariff, to levy a tax on ink, as was proposed by this committee, of 30 per cent? The only possible motive for doing so would be to monoplize the American market so hopelessly as to tempt the ink manufacturers in this country to unite into a trust and raise the prices upon the supply of the consumers of this country. There is no excuse for it even from the Republican standpoint.

If you wanted to pick out an industry which has been eminently successful under the existing tariff of 15 per cent, you would pick out the manufacture of ink as that industry, and yet apparently the House of Representatives proposes to increase the rate to 20 per cent, and the Committee on Finance, in order not to be outdone, offers to raise it to 30 per cent. The worst part of this disclosure is that the discovery applies not only to ink, but it applies to many other articles upon which extortionate tariffs are levied in this bill.

When we can demonstrate, as we can by the statistics in this case, that the American market is supplied by the American producers, and that there is practically no competition from abroad and has not been for the last nine years, under a 15 per cent tariff, how can the committee justify its recommendation to the Senate to double that tariff and make it 30 per cent?

The suggestion of the Senator from Utah that the committee will abandon that attempt and accept a 20 per cent tariff is good as far as it goes. But what reason is there for increasing the tariff from 15 per cent as it exists now to 20 per cent? There is no more reason for that than there is for making it 30 per cent. There are, practically speaking, no imports. The American manufacturer dominates the market. He not only sells his goods in this market almost to the exclusion of all other countries but he is selling millions of dollars' worth of ink from year to year in other countries, and selling that ink in competition with the whole world.

I think the Senator from Utah should go further than to abandon the committee amendment of 30 per cent. I think he should let the rate stand where it is. If I had my way I would reduce it below 15 per cent, because the 15 per cent rate has been demonstrated by experience to be practically a prohibitory rate, and it ought to be reduced down to the point where it would invite foreign competition, in order that the price might be held down; but at least it should be reduced to the existing rate.

Mr. SMOOT. Mr. President, I will only take a few moments of the time of the Senate. The products from which ink is made are costing a great deal more now than before the war and these coal-tar products for the printers' or lithographing inks, and tannate of iron for the ordinary common writing ink, have increased greatly in price. In order to protect the dye industry of the country there are higher rates fixed in the bill than were ever before imposed upon these articles. Therefore, to make it equal to conditions existing in the past we certainly must give them a 5 per cent differential, and that is all I think they ought to have, I will say to the Senator. That is why I have moved now that the Senate disagree to the committee amendment.

I do not know that there is very much more to say about it than what I have said. I could read what the Tariff Commission have to say about it and show the exportations and the consumption to-day and have all those figures placed in the RECORD.

The 20 per cent rate is only 5 per cent more than the Underwood law rate, and it is 5 per cent less than the rate in the Payne-Aldrich law, notwithstanding the fact that the Payne-Aldrich law had most of these things upon the free list.

Mr. WALSH of Massachusetts. Mr. President, may I ask the Senator what facts the committee had before them that led them to increase the rate over the rate contained in the House bill?

Mr. SMOOT. The increase was made because the House bill was based on the American-valuation plan, and the Senate committee accepted the House bill, but put it upon the foreign-valuation basis and made the rate 30 per cent. That is the reason why it was done. I think it ought to be 20 per cent upon the foreign valuation.

As I was about to say when I was interrupted by the Senator, in 1909 most of these items from which ink is made were upon the free list or carried a very low rate of duty. I may say in passing that in 1909 there was no effort whatever to protect the dye industry in the United States.

Mr. HITCHCOCK. Mr. President, will the Senator permit a question?

Mr. SMOOT. Certainly.

Mr. HITCHCOCK. He does not claim that black inks are made out of coal-tar products?

Mr. SMOOT. No; I said the lithographing inks are made out of coal-tar products.

Mr. HITCHCOCK. The Senator is submitting plain black inks to a tariff rate of 30 per cent, whereas they have all been excluded, practically, by the existing tariff of 15 per cent. I realize it is a fact that by increasing the duties on oxalic acid and coal-tar products and some of the other things which enter into the manufacture of some kinds of ink and by increasing the duties on the other chemicals it is going to be made much more expensive to manufacture ink in this country. That is the vice of the bill.

Mr. SMOOT. It is the vice of the bill, is what the Senator says, but it is an absolutely necessary vice, if we may call it such, if we are going to protect the industries which make the articles or products that enter into the manufacture of inks. It is a question of policy. It may seem to be a vice to the Senator from Nebraska, and no doubt it is, because he said so, but it does not seem a vice in my opinion, and the American people, when they understand what it is really for, will not think so, either. I do not think, so far as the price of ink is concerned, that it is going to make any difference to the ultimate consumer. I will say that frankly to the Senator. I do not think it will, but I do want to have a rate sufficient that they can not ship the other items in here under a protective tariff and by so doing compel us to make ink from those articles here and allow the ink market to go somewhere else.

Everything being equal, I do not think we would have to have any higher rate than is in the Underwood-Simmons law to-day—15 per cent—but everything is not equal. We are only giving a 5 per cent differential.

Mr. HITCHCOCK. The Senator says 5 per cent. It is a 33 per cent increase from 15 to 20 per cent. That is an enormous increase.

Mr. SMOOT. If it was a quarter of a cent and was increased to half a cent, that would be an increase of 100 per cent. It is not a question of the percentage of increase. It is a question of what the actual rate is.

Mr. HITCHCOCK. I have been unable to find any evidence at all that there is the slightest danger of competition from abroad. If the Senator has any evidence of that sort in the record, I wish he would produce it here.

Mr. SMOOT. I will say to the Senator, so far as this item is concerned, that there was no testimony before the committee in the hearings.

Mr. HITCHCOCK. Then the Senator admits that the American manufacturer has supplied the ink market for the last 15 or 20 years practically without competition from abroad?

Mr. SMOOT. I will admit that the great bulk of the ink used in the United States is produced in the United States. There is no question about that.

Mr. HITCHCOCK. I quoted the figures showing that the imports of ink are not over $30,000 a year, and have not been for the last 20 years, and that the exports of ink are now running something like $2,000,000 a year, and that the manufacture of ink in this country amounts to $12,000,000 or $15,000,000 a year of printer's ink and $3,000,000 or $4,000,000 a year of ordinary writing ink. If that is not a complete case of holding the American market for the American producer, I do not know how a case could be made out.

Mr. SMOOT. It has been held, as I said, under the 25 per cent duty in the Payne-Aldrich law. It has been held by the 15 per cent duty which was in effect under the Underwood-Simmons law. Now, we have reduced the duty which is imposed upon some of the articles entering into the manufacture of ink. The Senator knows that all forms of ink fall under this paragraph, and there is a disadvantage to the American manufacturer of ink because of the duties which have been imposed. All we are asking is a 5 per cent increase of duty upon the present existing rate. The House bill rate was 20 per cent on the American valuation, and we made it 20 per cent on the foreign valuation.

Mr. HITCHCOCK. There is no more justification for increasing the duty on ink 33⅓ per cent than there is for increasing it 100 per cent. You are increasing it 33 per cent even upon your own figures. The committee have attempted to double it, and yet the fact is that the country imports less than $30,000 worth of ink a year and consumes something like $14,000,000 worth of ink a year, and we are supplying ink by the millions of dollars worth to the rest of the world and competing with all the people in our exports. Under those conditions why is not a 15 per cent tariff ample, even from the Republican standpoint, to protect the industries of the country?

Mr. SMOOT. I told the Senator that it would be ample if it had not been for the increase in duties upon articles which enter into the manufacture of ink.

Mr. HITCHCOCK. They do not enter into the manufacture of black ink.

Mr. SMOOT. The Senator knows that all kinds of ink fall under paragraph 41.

Mr. HITCHCOCK. I am making the point that the great bulk of this ink is black ink and that black ink costs no more to manufacture now than it has in the past, and that the only inks which it can be claimed have increased are colored inks and writing fluids; and the only increase in those is due to the tariff bill itself, which increases the tariff on oxalic acid and some of the other chemicals that are used in the various inks.

Mr. SMOOT. All of the inks are made of coal-tar dyes, and all of the lithographic ink takes linseed oil and resin. We have given the farmer a duty upon flaxseed, we have given him an extra duty upon his linseed oil, and that must be compensated in some way.

The Senator has said it is an increase of 33 per cent. That is true as it relates to the Underwood law rate. The increase is from 15 to 20 per cent, but that is an increase, as I see it, of 5 per cent duty. That is all it is. As I said before, it is like taking one-fourth of a cent and increasing it to 1 cent. That is a 400 per cent increase, but it is an increase of only three-quarters of 1 cent per pound or yard or whatever the unit is. That is all there is to this matter. If it had not appeared that way, the committee would have reported it at 15 per cent.

Mr. HITCHCOCK. As a matter of fact, the committee have reported in favor of doubling the present duty, whereas experience for the last 15 years shows that it is a prohibitive duty even now. It has kept out competition, or something has kept it out. Either it has been kept out by the tariff rate or by the superior manufacturing skill of the American producer, but whichever it is there is no need to increase the rate.

Mr. SMOOT. The committee asked that the 30 per cent ad valorem amendment be rejected and a rate of 20 per cent ad valorem be agreed to as the House provided it. The House based it on the American valuation, and we grant 20 per cent on the foreign valuation.

Mr. HITCHCOCK. The Senator is assuming that the House has made a correct selection in 20 per cent, and that his own committee made a mistake when they recommended 30 per cent. But in the tariff reports themselves are found the fact that we have not for 15 or 20 years had any importation of ink to speak of. In the reports themselves is found the proof that the manufacturers of this country not only make all of the ink that America consumes but that they are making two or three million dollars worth of inks which are exported to other countries. Did the House have these facts? Did the House have this information? If so, why did they propose an increase?

It seems to me a person is perfectly justified in claiming that the existing 15 per cent duty is excessive; that it is prohibitory, because it has not admitted any foreign competition at all. There is no foreign competition with $30,000 worth of ink coming in, special inks of some sort, as against the consumption of ink by the country amounting to $14,000,000 a year. It is a prohibitory duty now, so why make it more prohibitory? The only thing that should be done is to reduce the rate and reduce it so as to make it competitive. That is the Republican theory—that was the Republican competitive theory, at any rate—to have a tariff so fixed as to compensate for the difference in cost of manufacture in the various countries and keep competition alive. But we have here a tariff rate as it exists under the existing law which is prohibitory, and which has been found by experience to be prohibitory.

The Underwood law reduced the tariff rate from 25 per cent to 15 per cent. It was like many other of the efforts in that law, a step in the right direction. It was a very conservative step. Experience has shown that the reduction from 25 to 15 per cent left the American industries just as strong in the field as they were before. It did bring about some decrease in the cost of ink. The consumers got some benefit by the reduction from 25 to 15 per cent. The 15 per cent rate, as it has existed for the last nine years, was ample not only to protect American industries, but it actually gave them a monopoly of the American market, and yet in the face of that the Senator stands here and asks for an increase of the duty. I can not understand on what theory it is to be done. It can not be defended on any theory.

It can not be defended on any theory that it is necessary to protect the existing market. It can only be defended on the theory that it is to give a license to some one to increase the price of ink, and to encourage manufacturing concerns to form a trust and shut off competition.

Mr. WALSH of Massachusetts. Mr. President, supplementing what the Senator from Nebraska has said, it is interesting to note that if this amendment shall be adopted and the 5 per cent duty levied shall be added to the price which will be charged for ink to the consumers in America, there will be taken out of the consuming public, the users of ink, the sum of $1,650,000 per annum. The output of ink in 1919 was valued at approximately $33,000,000, and the only explanation for increasing the duty is, as the Senator from Nebraska has stated, to give a license to the American manufacturers of ink to charge in this instance 5 per cent more for their product than under present tariff laws and conditions. There is no foreign competition in ink. This tariff rate on ink can mean only one thing—an opportunity to raise the price of the domestic output to those who use ink, largely printers, over one and one-half million dollars per annum. Of course, the printers will pass this tax on to their customers.

Mr. SMOOT. In 1914 the entire production of printing ink approximated $14,000,000 and writing ink $2,500,000.

Mr. WALSH of Massachusetts. In 1919 the quantity produced was valued at $33,000,000.

Mr. SMOOT. No; I think the Senator is mistaken.

Mr. WALSH of Massachusetts. The Summary of Tariff Information, on page 125, states:

> In 1919, according to preliminary figures, the output of writing inks was $6,434,000 and of printing ink $26,238,000.

Does not that amount to nearly $33,000,000? The consumption and output has doubled since 1914.

Mr. SMOOT. Printing ink represents the bulk of the value of the ink product, and, as the Senator from Massachusetts knows very well, nearly all of the articles which go into the manufacture of printing ink are assessed more heavily under the pending bill than was every before known.

Mr. WALSH of Massachusetts. Yes; but I did not say that the amount named by me if collected by the ink manufacturers would necessarily be profit. I stated that the additional duty would permit charging the consumers of ink the additional sum which I have indicated, namely, $1,650,000.

Mr. SMOOT. Providing that local competition would not absorb that.

Mr. WALSH of Massachusetts. Certainly. But these increased tariff rates are justified, if at all, on the theory that these industries need this protection, and that implies increase in price.

Mr. SMOOT. There is only one answer to the Senator's argument, and that is, as I have already stated, that on the raw materials which go into the manufacture of ink higher duties have been placed than were ever before known in a tariff bill. There has got to be some compensation afforded in the finished product, else the protection would be a great deal less than is afforded by existing law. I will state to the Senator from Massachusetts very frankly that if it were not for that fact I would not support a duty higher than 15 per cent under existing conditions; but we must take care of the situation which I have described, and it is for that reason that 5 per cent is added to the duty.

Mr. UNDERWOOD. Mr. President, I have listened with much interest to the reasons the Senator from Utah has given as to why the taxation on this commodity should be increased, but I am not able to follow his argument. The Senator asserts that if this increase from 15 to 20 per cent ad valorem is made in the tariff duty on inks, that increase will not be borne by the ultimate consumer.

Mr. SMOOT. It will probably be taken care of by local competition.

Mr. UNDERWOOD. The Senator from Utah stated that it was negligible; that the ultimate consumer would not feel it, and would not have to pay it.

Mr. SMOOT. I said that local competition would probably absorb the amount.

Mr. UNDERWOOD. Now, let us see if the Senator is right in supposing that local competition will absorb the amount. We have heard that argument made a great many times in this debate; it has been said that the tax is a very small one; that there is only a 5 per cent increase in the duty; but a 5 per cent increase in the value of the commodity is not a small increase. Many of the articles which were embraced in the early tariff bills enacted by this Government, to which reference has been made in the debate as being protective tariff bills, only carried a 5 per cent rate in their entirety.

A rate of 5 per cent on the value of an article from a business standpoint is a very large tax. On an average in the

United States, a manufacturer is making a very good profit and doing a most excellent business if he makes 2½ per cent on the turnover of his business. Of course, I realize that in some cases the profit is much larger than that, though in some cases it is not as much as 1 per cent, and yet in those cases manufacturers make satisfactory profits and grow rich. However, in this case the tax amounts to 5 per cent on the turnover.

The Senator from Utah indicates that that tax may not be paid by the American public, but he admits himself out of court in making that statement, for when he says that there are no importations now coming in, and that if the tax had not been changed on the raw material which the producers of ink must buy the tax in the present law would have been adequate, he admits that the tax which is being levied on the raw material out of which ink is being made is going to lift the price of the raw material to the extent of the tax.

Mr. SMOOT. It will do that as to the manfacturer of ink?

Mr. UNDERWOOD. Well, if it is going to lift the price of the material out of which the ink is made to the extent of the tax on that raw material, why will it not lift the price of ink to the extent of the tax to the consumer? Miracles can not be performed in the application of this bill. The Senator's contention shows from my standpoint the viciousness of the idea of writing prohibitive tariffs. I am not complaining against raising a reasonable amount of revenue at the customhouse. I think that the committee of which I was chairman 10 years ago, which wrote the present law, made a mistake when it put the tax on ink as high as 15 per cent. We did not know, however, that we were making a mistake.

We reduced the tax from 25 per cent on the value of the product to 15 per cent, believing that thereby some competition from abroad would be produced; but conditions subsequently showed that, although the American manufacturer was forced to reduce his prices to some extent, the lower rate did not open the market for the importation of ink at all, but still left a prohibitive tariff wall for the benefit of the domestic manufacturer of this product and excluded all competition from abroad.

My theory has been that in levying tariff duties they should not be made prohibitive; they should not be made so high that when the foreign article reaches the customhouse the barrier of taxation is so great that it can not climb the barrier and get in, because in that event the Treasury of the United States receives no benefit of the tax, and the tax is not levied at all for a governmental purpose, but is levied for the sole purpose of enabling the producer or manufacturer of this country to lift his price and make the American people pay more for his product; in other words, it is legislating dollars out of the pockets of the mass of the people in order to build up great profits for special interests. That is the point where we differ with Senators on the other side of the aisle in reference to levying taxes at the customhouse.

We are willing to levy a tax if it is competitive, if it will allow a reasonable amount of the foreign goods to come into this country to compete with the home product and to furnish revenue to the United States Government. It seems that those who believe in a protective tariff have now reached the point where they demand a prohibitive tariff, and, so far as they are able, they propose to build up the tariff wall so high that no importations can come in, and the American manufacturer may have a monopoly behind the tariff wall and exploit the American people to his heart's desire.

It may be said that this is not an important article; that the people do not wear it and do not eat it; but it is important. Only a few years ago the great newspapers of this country, on account of the great increase in the price of their raw materials, the cost of newsprint paper, the cost of ink, the cost of all their supplies, had great difficulty in making the two ends meet and in making their advertisements and their circulation pay for the price of the paper.

To-day the cost involved in the production of a newspaper in the United States has grown so great that the selling price of a newspaper can not under any circumstances pay for the printing of the paper, with the result that only the great dailies can exist. The small paper which has not the opportunity to secure advantageous advertisements can no longer function in the field of carrying knowledge and information to the American people. The same statement applies to books, including books of information and schoolbooks. In this bill the majority are raising the taxes on paper of all kinds; they are raising the tax on printers' ink; they are raising the tax on everything that goes to make a book or a newspaper, and thereby are penalizing the American people in their efforts to secure knowledge, education, and the advantages that grow out of educational development.

It may be said that it is only a cent or two, that it is only a small amount; but 10 cents make a dime, and 10 dimes make a dollar; and when the tax is increased on every item in a bill which covers 4,000 articles a burden of taxation is imposed to the point where men of moderate means in the United States are deprived of the advantages in life which they are entitled to have because prohibitive taxes are levied at the customhouse for the benefit of special interests that are already prospering and growing rich.

The PRESIDING OFFICER (Mr. ROBINSON in the chair). The question is on the amendment offered by the Senator from Nebraska [Mr. HITCHCOCK] to the amendment reported by the committee.

Mr. HITCHCOCK. I should like the yeas and nays on the amendment to the amendment.

The PRESIDING OFFICER. The Senator from Nebraska demands the yeas and nays.

The yeas and nays were ordered; and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement of my pair as on the former ballot, I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. FLETCHER (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "yea."

Mr. HARRIS (when his name was called). I transfer my pair with the Senator from New York [Mr. CALDER] to the Senator from Arizona [Mr. ASHURST] and will vote. I vote "yea."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and will let this announcement stand for the day. I vote "yea."

Mr. OVERMAN (when his name was called). Again announcing my pair with the senior Senator from Wyoming [Mr. WARREN], and not being able to secure a transfer, I withhold my vote.

Mr. STERLING (when his name was called). Making the same transfer as on the last roll call, I vote "nay."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the Senator from Massachusetts [Mr. LODGE] to the Senator from Rhode Island [Mr. GERRY] and will vote. I vote "yea."

Mr. WALSH of Montana (when his name was called). I have a pair with the Senator from New Jersey [Mr. FRELINGHUYSEN]. I am unable to secure a transfer of my pair, and accordingly withhold my vote.

Mr. WATSON of Georgia (when his name was called). I have a general pair with the Senator from Arizona [Mr. CAMERON]. Being unable to secure a transfer, I therefore withhold my vote.

Mr. WATSON of Indiana (when his name was called). Making the same announcement as heretofore, I vote "nay."

The roll call was concluded.

Mr. DILLINGHAM. Making the same announcement as heretofore, I vote "nay."

Mr. COLT. Making the same announcement as before, I vote "nay."

Mr. SIMMONS (after having voted in the affirmative). I transfer my general pair with the Senator from Minnesota [Mr. KELLOGG] to the Senator from Texas [Mr. CULBERSON] and will let my vote stand.

I also wish to announce that if the Senator from Missouri [Mr. REED] were present he would vote "yea" on this question.

Mr. McCUMBER (after having voted in the negative). I ascertain that my pair, the junior Senator from Utah [Mr. KING], has not voted. I therefore transfer that pair to the senior Senator from New York [Mr. WADSWORTH] and will allow my vote to stand.

Mr. JONES of Washington. Has the senior Senator from Virginia [Mr. SWANSON] voted?

The PRESIDING OFFICER. He has not voted?

Mr. JONES of Washington. I promised to take care of the Senator from Virginia for the day if he happened to be away. I find, however, that I can transfer my pair to the Senator from Oregon [Mr. MCNARY], and I do so, and vote "nay."

The roll call resulted—yeas 15, nays 31, as follows:

YEAS—15.

Caraway	Hitchcock	Myers	Simmons
Fletcher	Jones, N. Mex.	Pomerene	Underwood
Harris	La Follette	Robinson	Walsh, Mass.
Heflin	McKellar	Sheppard	

NAYS—31.

Brandegee	Colt	France	Jones, Wash.
Bursum	Curtis	Gooding	Keyes
Capper	Dillingham	Johnson	Ladd

Lenroot	New	Shortridge	Townsend
McCormick	Nicholson	Smoot	Waston, Ind.
McCumber	Oddie	Spencer	Weller
McKinley	Page	Sterling	Willis
McLean	Rawson	Sutherland	

NOT VOTING—50.

Ashurst	Ernst	Moses	Shields
Ball	Fernald	Nelson	Smith
Borah	Frelinghuysen	Newberry	Stanfield
Broussard	Gerry	Norbeck	Stanley
Calder	Glass	Norris	Swanson
Cameron	Hall	Overman	Trammell
Crow	Harreld	Owen	Wadsworth
Culberson	Harrison	Pepper	Walsh, Mont.
Cummins	Kellogg	Phipps	Warren
Dial	Kendrick	Pittman	Watson, Ga.
du Pont	King	Poindexter	Williams
Edge	Lodge	Ransdell	
Elkins	McNary	Reed	

The PRESIDING OFFICER. On the amendment of the Senator from Nebraska [Mr. HITCHCOCK] to the amendment of the committee, the yeas are 15, the nays are 31. There are present and paired Senators DIAL, OVERMAN, WALSH of Montana, and WATSON of Georgia. The nays have it, and the amendment to the amendment is rejected. The question is on agreeing to the amendment of the committee.

Mr. McCUMBER. Mr. President, at this time I wish to ask unanimous consent that when the Senate closes its session for this calendar day it recess until Monday at 11 o'clock.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from North Dakota? The Chair hears none, and the consent order is entered.

Mr. SMOOT. Mr. President, I shall ask the Senate to reject the Senate committee amendment on this item, so that if we disagree to the 30 per cent rate the rate will be 20 per cent, as provided by the House.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

MICHIGAN SENATORIAL ELECTION.

Mr. TOWNSEND. Mr. President, a few moments ago the junior Senator from Tennessee [Mr. McKELLAR] interrupted the junior Senator from Utah [Mr. KING] with this question:

> In view of the Senator's vote on that subject, I was wondering if he trusts the people of Michigan to be honest and fair in the matter of the election of United States Senators.

Mr. President, this insinuation is unbecoming to any Senator of the United States. The people of the country do not know the Senator as I know him. If they did, I would not make any reference to this inference. The people of Michigan can be trusted quite as much as those who sent the Senator from Tennessee to this body.

He appears as a politician so intent on trying to strengthen his own political fortunes that he is willing to indict the electorate of a State who in all times of peace and war have demonstrated their civic and political honor, their virtue, their intelligence, and their patriotism to an extent unsurpassed by the people of any other State. If the time has come when the junior Senator from Tennessee or any other Senator presumes to prescribe the standard of political morals for any State, then indeed has senatorial courtesy, not to say senatorial decency, degenerated into license to insult the people of all of the States.

I resent the unjust inference to the people of Michigan, than whom there are no more just or fair in any State in this Union. Nothing could more emphasize the argument of the senior Senator from Arkansas [Mr. ROBINSON] against the assumption of congressional power to prescribe the rules which the States must observe in selecting Senators than the mental attitude of the junior Senator from Tennessee. With a pharisaical candor like that which inheres in the small politician, he indicts as unfair and dishonest the people of a great sovereign State.

Mr. President, I simply rose to resent this inference as against the honesty, the fairness, and the justness of the people of Michigan.

Mr. McKELLAR. Mr. President, there was an election in the State of Michigan in November, 1918. The people of Michigan, through their representatives, had passed a law of this kind:

> Every person who, directly or indirectly, by himself or by any other person in his behalf, gives, lends, or agrees to give or lend, or offers or promises any money or valuable consideration, or promises or endeavors to procure any money or valuable consideration or office, place, or employment, to or for any voter, or to or for any person on behalf of any voter, or to or for any person in order to induce or have such person induce any voter to vote for or refrain from voting for, or support or oppose any candidate, or on account of such voter having voted or refrained from voting at any primary election in this State; every person who by any means receives, agrees, or contracts for any money, gift, fee, loan, or valuable consideration, office, place, appointment, or employment for himself or any other person, for voting or agreeing to vote, or for refraining or agreeing to refrain from voting in a particular manner at any such primary election; or for inducing, or undertaking to induce any other person to vote in a particular manner, or to do or perform any of the acts or things forbidden by this act, or on account of doing or agreeing to do, or having done any campaign work, electioneering, soliciting votes for such candidates on primary day or prior thereto, or who after any primary election in this State, directly or indirectly, by himself or by any other person in his behalf, gives or receives any money or valuable consideration or place, position, or employment on account of any person having voted or refrained from voting, or having induced any other person to vote or refrain from voting in any such primary election; or having induced or undertaken to induce any other person to vote in a particular manner or for any particular candidate at any such primary election, or on account of any person having done or been a party to doing anything forbidden by this act, it being the intent of this clause to prohibit the prevailing practice of candidates hiring with money and promises of positions, etc., workers on primary day and prior thereto; * * * shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding $500 or by imprisonment for a period of not more than six months, or by both such fine and imprisonment in the discretion of the court.

That act was violated, and TRUMAN H. NEWBERRY was indicted in the Federal courts of Michigan by the Federal authorities and convicted of a conspiracy to violate that act, and not a law officer of the State of Michigan ever undertook to prosecute NEWBERRY in the State courts of Michigan. No grand jury was empaneled to indict him. No attorney general or prosecuting officer undertook to prosecute him for that crime.

The Supreme Court of the United States reversed the judgment several years afterwards on a technicality, and even after that was done no law officer of the State of Michigan undertook to prosecute, though the proof was clear that he was guilty of violating the statute. There was a provision in the statute that he should not spend over $3,750, and yet no representative of the majesty of the law of the State of Michigan ever undertook in the slightest degree to prosecute this violator of the law of that State.

When I said the people of Michigan, I was referring to those who represent the people of Michigan in the offices. So far as the voting population are concerned, I do not believe for a minute that those voters would have acted in the same way. I say the representatives of your people have been derelict in their duty to prosecute in this case. A seat was bought in this body. It was bought by your colleague and by those of his friends who aided him in doing it. Yet you upheld him by your vote.

Mr. SPENCER. Mr. President——

Mr. McKELLAR. You followed the example of the other representatives of your State and violated——

Mr. SPENCER. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Missouri will state his point of order.

Mr. SPENCER. I call attention to the statement of the Senator from Tennessee that a seat was bought in this body by the junior Senator from Michigan and I call upon the Chair——

Mr. McKELLAR. Is it possible that any man with any common sense in the Republic doubts that a seat in this body was bought by Mr. NEWBERRY?

Mr. SPENCER. I call upon the Chair to enforce the second section of Rule XIX. No one knows better than the Senator from Tennessee how absolutely unfounded is his statement. Nor do I believe any Senator knows better than he how unparliamentary is his language.

Mr. McKELLAR. Mr. President, if I had been guilty of the language that has just been used by the Senator from Michigan, if I were his colleague I would not undertake to raise that point here.

The PRESIDING OFFICER (Mr. ROBINSON). Rule XIX of the Senate, paragraph 3, is as follows:

> No Senator in debate shall refer offensively to any State of the Union.

Paragraph 2 reads as follows:

> No Senator in debate shall, directly or indirectly, by any form of words impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming a Senator.

Mr. McKELLAR. Will the Chair hear me before he rules? I trust the Chair is going to hold that that rule also applies to the unparliamentary and disrespectful and discourteous language of the senior Senator from Michigan.

The PRESIDING OFFICER. The Chair was just about to say that, under paragraph 4 of Rule XIX, it is the duty of the Presiding Officer to call to order any Senator who violates this rule. Any Senator is at liberty, if the Presiding Officer fails to do so, to call the Senator violating the rule to order. The present occupant of the chair was not in the chair at the time when the statement complained of by the Senator from Michigan was made by the Senator from Tennessee. The Senator from Tennessee was not called to order for that statement.

The Chair thinks that the language of the Senator from Tennessee is violative of the rule of the Senate. The present occupant of the chair, in view of the fact that the Senator

from Michigan elected not to call the Senator from Tennessee to order for his alleged offensive remarks concerning the State of Michigan, and no other Senator having done so, the occupant of the chair did not call the Senator from Tennessee to order for his subsequent statement respecting the junior Senator from Michigan, and the manner in which he procured his seat. The Chair, under the rule of the Senate, is compelled to sustain the point of order.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Without objection, the Senator from Tennessee will proceed in order.

Mr. McKELLAR. I want to say this about the people of Michigan——

The PRESIDING OFFICER. The Chair hears no objection.

Mr. McKELLAR. I have no doubt that there are just as good people in the State of Michigan as there are in any State in this Union. The Senator from Michigan knew that I did not intend to reflect in any way on the people themselves. My purpose was to call attention to the fact that the law officers of Michigan, whose duty it was to enforce laws against crime in that State in respect to corrupt practices in elections, and especially in respect to the corrupt practices in the Newberry case, had been derelict in their duty, and that we could not afford to leave the matter in the hands of such law officers. I ask if any law officer has ever taken any steps in the State of Michigan to prosecute TRUMAN NEWBERRY for the crimes of which he was alleged to have been guilty.

Mr. SPENCER. Mr. President, will the Senator from Tennessee yield to me for a moment?

Mr. McKELLAR. I yield.

Mr. SPENCER. The Senator from Tennessee is so courteous and so much of a gentleman that I am surprised at the attitude which he now takes. He is wrong, first, in his fact. There never was any prosecution by the Government for the violation of a State statute of Michigan.

Mr. McKELLAR. That is exactly what I am complaining of.

Mr. SPENCER. There never was by the Federal Government or the State any prosecution for a violation of any State statute of Michigan. If the Senator would think for a moment he would know that the Federal Government could not prosecute for the violation of a State statute. The Government sought to prosecute for the violation of a statute which subsequently the Supreme Court declared was unconstitutional, and now the Senator comes before this body and complains of the fact that the State of Michigan itself did not institute any inquiry or commence any proceeding. I wonder why the State of Tennessee never indicted the Senator from Tennessee for bribery and corruption. I can tell the reason.

Mr. McKELLAR. Because the Senator from Tennessee was never guilty of it; that is why.

Mr. SPENCER. Exactly; the Senator from Tennessee has said exactly what I would have said the next moment. The reason why the people of Tennessee, who knew him and who knew the facts, never indicted him for bribery or corruption or fraud was because they knew that those things never existed with regard to him. That is precisely the reason why the people of Michigan and the courts of Michigan never took any action in the case of Senator NEWBERRY.

Mr. McKELLAR. Oh, Mr. President, a portion of the people of Michigan—and most of them were members of the same party of the Senator from Michigan—did indict TRUMAN NEWBERRY for that crime; they did prosecute him. He was prosecuted in a Federal court in Michigan, presided over by a Republican judge of the State of Michigan, with a jury the greater number of the members of which were Michigan men, and most of them from the Senator's own party. They found him guilty of a conspiracy under a Federal law, but under a Federal law which made the State statute a part of the Federal law.

Now, we know what the matter is. I say that the reason those Michigan gentlemen indicted and tried and found Mr. NEWBERRY guilty was because he was guilty, and it has never been divulged why the State authorities in the State of Michigan did not indict Mr. NEWBERRY for the very same offenses against the State of Michigan. I do not know why they did not, and I doubt if the Senator knows.

Mr. SPENCER. I have just told the Senator why. The reason is perfectly apparent. There were 83 counties in Michigan. There were State courts all over that State. If there had been any crime committed it would have been acted upon promptly. There was no crime committed and there was no action.

Mr. McKELLAR. Why was he indicted in the Federal courts in Michigan?

Mr. SPENCER. The Supreme Court of the United States so declared, the Senate of the United States has so declared, and now the senior Senator from Tennessee, upon the eve of his own political campaign, makes a statement to the contrary, and the reason why in Michigan there was no indictment, no legal proceedings in the State courts, was precisely the same reason why the Senator from Tennessee has not been indicted in his own State.

Mr. McKELLAR. Ah, if he was not guilty of a crime, and if there was no reason to believe he was guilty of a crime, why did the Michigan people indict him in the Federal court and try him there before a Republican judge and a Republican jury? If he was innocent, why did not the Michigan jury, composed almost entirely of Republicans, a jury of his own neighbors and friends, in his own community, presided over by a Republican judge, acquit him of the crime? They found him guilty. What excuse has the Senator to offer for that jury?

Mr. SPENCER. If the Senator wants an answer, he knows well where he can find it, and that is in the Department of Justice at Washington, under a Democratic administration, where a plan as nefarious and outrageous as was ever instigated had its origin, its encouragement, and, under Democratic stimulus, its final temporary success.

Mr. McKELLAR. Does the Senator from Missouri contend here that a Democratic Department of Justice wielded such power and influence over a Republican court and a Republican jury in Michigan as to have an innocent man indicted? Is that the contention? Is that the respect the Senator from Missouri has for the law courts of Michigan?

Mr. SPENCER. It was not the law courts of Michigan.

Mr. McKELLAR. I want to say to the senior Senator from Michigan that the words I used a while ago about the people of Michigan are not half so venomous, not half so critical, as the indictment the Senator from Missouri makes against the Federal courts of the State of Michigan and the juries in those courts.

Mr. TOWNSEND. Mr. President, I do not care to enter into any lengthy discussion of this matter, which has been disposed of, though I am fully prepared to do it. What I complained about were the statements of the Senator from Tennessee. He says now he had no reference to the people of our State but referred to the law officers.

Mr. McKELLAR. Just a moment, if the Senator will excuse me. I believe whenever the people of the State come to pass upon that question they will repudiate not only the beneficiary of what was done in this matter but they will repudiate the Senator from Michigan for having taken part and voted for it.

Mr. TOWNSEND. I care nothing about that.

Mr. McKELLAR. Yes; the Senator cares a great deal about it. That is why this attack was made upon me, a carefully prepared attack, which was written down before he came into the Chamber, and which he read to the Senate; a carefully prepared attack for political purposes, hoping that he could make some capital out of making an attack on a fellow Member of this body, which he knew was unfounded absolutely and ought never to have been made in this body without ever saying a word to the Senator from Tennessee, with whom he has been associated on a committee for years, without ever mentioning the fact that he spoke generally of the people of Michigan, without ever complaining of it——

The PRESIDING OFFICER. The Chair suggests to the Senator from Tennessee and to other Senators that they conform to the rule, and if the rule is again transgressed the Chair will enforce it promptly upon his own motion.

Mr. McKELLAR. I hope the Chair will do that.

Mr. TOWNSEND. Will the Senator yield to me?

Mr. McKELLAR. I yield to the Senator.

Mr. TOWNSEND. I rose, Mr. President, because the Senator from Tennessee did reflect upon the people of my State. I repeat his words:

I was wondering——

Mr. McKELLAR. Mr. President——

Mr. TOWNSEND. Will the Senator——

Mr. McKELLAR. I decline to yield to the Senator to reread the vile, untrue, and absolutely false language that he has already read to this body.

Mr. TOWNSEND. I am reading just the words——

Mr. McKELLAR. I object to being interrupted.

The PRESIDING OFFICER. The Senator from Tennessee declines to yield. The Senator from Tennessee will proceed in order.

Mr. SPENCER. Mr. President——

Mr. McKELLAR. I yield to the Senator from Missouri.

Mr. SPENCER. Will the Senator from Tennessee allow me to state that what the Senator from Michigan was about to read was the words of the Senator from Tennessee himself. Certainly he does not mean by his adjectives to characterize his own words? That is what the Senator from Michigan was about to read.

Mr. McKELLAR. If the Senator desires to read what I said, I am perfectly willing for him to do it.

Mr. TOWNSEND. That is all I wanted to read and nothing else. These are the words of the Senator from Tennessee:

I was wondering if he trusts the people of Michigan to be honest and fair in the matter of the election of United States Senators.

Those are the words of the Senator from Tennessee. He said that what I have said has been unprovoked. I made no reference to anything but the words of the Senator from Tennessee, which I thought were improper words to be used against the people of the State of Michigan. If the Senator will permit me I would like to answer one or two things, namely, about the officers——

Mr. McKELLAR. The Senator can do that in his own time whenever he gets ready. The Senator has made a statement here, carefully prepared, brought in and read, without ever saying anything to me what he expected to discuss on the floor and that I should be here, without telling me anything of the nature of any words that had been used. The statements that he has made as to me in connection with it I want to say are absolutely false.

The PRESIDING OFFICER. The Senator from Tennessee is out of order.

Mr. McKELLAR. I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee can not yield the floor, in view of the course the discussion has taken, with the statement that a statement by another Senator is absolutely false. That is in violation of the rules of the Senate. The statement is out of order and the Senator from Tennessee will take his seat and not proceed except in the manner prescribed by the rules on motion.

Mr. McCUMBER. Mr. President, some time last January the Senate passed judgment on whether or not Mr. NEWBERRY was entitled to a seat in the Senate. That ought to have settled the matter. The people of the State of Michigan had settled that matter before. I only rise at this point to say that if the Senate of the United States will allow the people of the State of Michigan to attend to their business, and then if the Senate of the United States will attend to its business—which business is the tariff bill now before it—I think we will better please not only the people of the State of Michigan but the people of every other State in the Union.

The real question before the Senate to-day is an amendment which has been offered to the tariff bill. We are entitled to a discussion and a vote upon that amendment. We ought not to waste the time of the Senate hour after hour and day after day in discussing matters which have no bearing on earth on the question at issue. I hope we may have a vote on the pending amendment.

Mr. UNDERWOOD. Mr. President, I merely desire to say, in answer to the Senator from North Dakota, that I agree with him. The work in connection with the tariff bill is becoming very laborious to me, as I am sure it is to every other Senator. I hope that extraneous matter will not come before the Senate in the future, but most of the extraneous matter which has come before us has originated on the other side of the Chamber in the way of resolutions or bills or the injection of outside questions. I am glad to help the Senator from North Dakota keep the tariff bill before the Senate without interruption until it is disposed of, but he must clean his own side of the carpet and we will try to help him on this side.

ETHEL WILLIAMS.

Mr. WATSON of Georgia. Mr. President, I ask unanimous consent for the present consideration of Senate bill 651, a little claim bill which will not provoke any discussion, I am sure. It has been unanimously reported from the Committee on Claims after a careful consideration of the case.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 651), for the relief of Ethel Williams, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Ethel Williams, of Atlanta, Ga., as full compensation for permanent injuries sustained in a motor-cycle accident at Camp Gordon, Ga., on May 2, 1920, which was caused by the negligence of a chauffeur driving a motor cycle, the property of the United States Army at Camp Gordon, Ga.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The READING CLERK. On page 17, line 12, strike out the word "manna" and the comma and insert in lieu thereof the word "manna" and a semicolon.

The amendment was agreed to.

Mr. McCUMBER. Mr. President, I think we have omitted one amendment. I do not think paragraph 29a has been agreed to.

The PRESIDING OFFICER. The Chair is informed that it was passed over at the request of the senior Senator from Utah [Mr. SMOOT].

Mr. McCUMBER. Very well.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The READING CLERK. On page 17, line 13, strike out the word "flowers" and the comma and insert in lieu thereof the word "flowers" and a semicolon.

The amendment was agreed to.

The next amendment of the committee was, on page 18, line 2, to strike out "25 per cent ad valorem" and insert in lieu thereof "3 cents per pound," so it will read:

Belladonna, digitalis, henbane, and stramonium, 3 cents per pound.

Mr. JONES of New Mexico. Mr. President, this is a new item in the bill. These drugs and herbs have never before been on the dutiable list or, so far as I know, mentioned in a tariff bill. It is true this is a small item, but at the same time it seems to me that something ought to be said as to why this was done.

These herbs are used as drugs. They are very common drugs, known perhaps to everybody in the country. Belladonna, digitalis, henbane, and stramonium are very common drugs, or, rather, they are in very common use, and this is the first time they have ever been put on the dutiable list. The rate of duty proposed by the Senate committee is 3 cents per pound. The rate fixed by the House is 25 per cent ad valorem. It is evident that somebody must have been interested in the item, but I can not find, either in the hearings before the Ways and Means Committee of the House or the Finance Committee of the Senate, any evidence at all.

There is some information on the subject in the summary of tariff information, but it is not very extensive. I find in looking it over that there is very little of these drugs or herbs produced in the United States. It seems that in some of the States they have been trying to grow these herbs in a modest way. In all of the States of the Union, I believe, it is stated that there have been only 274 acres of land employed in that production. I will just read what it says. Of course, it is unnecessary to read as to the importance of the drugs themselves, because they are in such common use, but here is all that is said about it in regard to production:

Experimental cultivation of these drugs has been carried on in the United States for a number of years, but has assumed commercial importance only since the commencement of the war. While their commercial value is small, nevertheless they are indispensable to the practice of modern medicine. Production of belladonna in 1918 was estimated at 166,000 pounds of herbs, stems, and leaves, and 22,000 pounds of roots. Sixty growers were engaged in its cultivation and utilized 274 acres. California, Michigan, Pennsylvania, and Indiana ranked in acreage in the order mentioned. Michigan has been the chief source of henbane. Stramonium grows wild in the southern Appalachians, where it has been collected to a limited extent. It has been cultivated in California and elsewhere. Digitalis is cultivated in California, Oregon, Virginia, South Carolina, and other States. It now grows wild in the Pacific northwest, where considerable quantities were collected during the war. Its production in 1917 was estimated at 10,000 pounds.

Owing to the care received in cultivation, domestic crude drugs are of superior quality to the imported articles, which grow wild in southern Europe and parts of Asia. But owing to the cheap labor employed in gathering the herbs, the imported drugs constitute the chief source of supply for domestic requirements. The domestic cultivation is not likely to be successful except in the hands of those possessing adequate equipment for proper curing and botanical knowledge of the characteristics of the drugs.

Import figures are available for 1914 only, when they were: Belladonna, 141,074 pounds of leaves and 65,886 pounds of roots; digitalis, 22,371 pounds, valued at $1,874; henbane, 136,429 pounds, valued at $10,609; and stramonium, 171,574 pounds.

Those are the only statistics we have regarding the items. I have been somewhat interested in looking over the prices which were reported by the so-called Reynolds Commission. Mind you, the House imposed a duty of 25 per cent ad valorem, and the Senate amends that by making it 3 cents per pound. Here is what we find in the Reynolds report regarding prices. There was one shipment from Germany of belladonna leaves, and it is reported that the foreign value, in United States currency, was 13.25 cents, with the landing charges, and so forth, with no duty on the article, and the selling price of that foreign article was 21 cents per pound. The selling price of the comparable domestic article was 18 cents per pound. So in that case we

have the foreign article selling higher by 3 cents than the domestic article.

However, as to the next item, of digitalis leaves, the foreign price was only 4.3 cents, and the importer of that commodity made a profit of 100 per cent, and sold the commodity at 10 cents, as against 12 cents for the comparable American product. In the case of the next item the facts are just about the same, only the foreign cost was 4½ cents. The facts as to the next item are about the same.

Then comes henbane. There was no shipment of that; there were no importations of henbane at all.

Then as to stramonium from Italy, the foreign cost was 12 cents, and it was selling at 15 cents, as compared with 14 cents, the price of the American comparable article.

Then there was another shipment from Germany which had a foreign cost of 11.5 cents, and the selling price was 14 cents, as against 12 cents for the domestic commodity. For another shipment the foreign price was 18½ cents and it sold at 20 cents, at a loss. There was no profit at all on it, and there was no comparable article.

It seems to me that, in the first place, we might as well consider whether any duty is desired on that at all; but if it should be desired, it strikes me that it ought to bear an ad valorem duty and not a specific duty of 3 cents per pound, because the foreign cost of these different products varies from 3½ cents to 18 or 19 cents per pound. If we put a duty of 3 cents per pound on those commodities, it would amount to about 80 per cent in some cases and in other cases to less than 20 per cent.

I first submit the question as to the propriety of putting a duty upon those herbs at all. They are indispensable, using the language of the Tariff Commission, in the modern practice of medicine; and it is evident that a domestic production can not be built up which will take care of the domestic requirements, at least at a reasonable price.

I am not going to make any serious comment on the matter. I merely wish to call the facts to the attention of the Senate in order that we may know what we are doing.

Mr. McCUMBER. Mr. President, the Senator from New Mexico states the situation truly when he says that some of these commodities, such as belladonna, are indispensable in the practice of medicine. We are beginning to raise the plant in the United States from which this article is made. I want to call the Senator's attention to the result of not being able to supply our market when the World War came on.

In 1913 the price of the belladonna leaf was 14 cents per pound; in 1916 it rose to $2 a pound—from 14 cents to $2 a pound in three years—the great increase, of course, being due to the war. We paid enough in those two or three years for the belladonna leaf which was necessary to use in the United States to have protected the American market for a hundred years. In the matter of the little duty that we have placed upon this commodity, we have tried to place the equivalent of about 25 per cent ad valorem. The price in 1914 was 14 cents, and probably the price will come down and remain at about that figure. It is less than that now, but I think that we may probably estimate that about 14 or 15 cents is a reasonable price, and a 3-cent duty upon a price of 15 cents would be only 20 per cent ad valorem.

I should be a little inclined to think—and I agree with the Senator from New Mexico—that it would be better to have an ad valorem duty of 25 per cent on all of these commodities, although such a duty would be higher than the proposed rates on some commodities and lower upon others.

Mr. JONES of New Mexico. It seems to me that they ought not to be classed together, because the price varies so much. Another point I should like to suggest is that the paragraph simply reads "belladonna and digitalis." I suppose the experts are satisfied with the language and that it will mean the herbs.

Mr. SMOOT. It covers both the root and the leaves.

Mr. JONES of New Mexico. It would seem to me that the herbs should be designated in some way. We get it in the form of an extract—that is, it is used in that way.

Mr. SMOOT. It is made from either the root or the leaves of the plant.

Mr. JONES of New Mexico. Yes.

Mr. SMOOT. When it is made into the extract it is called atrophine and not belladonna, but the word "belladonna" covers the roots as well as the leaves.

Mr. JONES of New Mexico. The point I make is as to whether or not it would cover merely the extract; but I suppose the experts have looked into that.

Mr. SMOOT. We changed the duty from an ad valorem to a specific, I will say to the Senator, in conformity with the policy as to all rates in the chemical schedule. Wherever possible, we made the duties specific. When prices return to normal—and the prices of these commodities are about normal—the price for belladonna root to-day being 12 cents and for the leaves 11 cents, while before the war, even in 1914, they were worth 14 cents—and they are probably not going to be any less—it is very much better to have a specific duty. The price of henbane is now about what it was before the war, 22 cents a pound, and 25 per cent on that valuation would be 5½ cents. Congress has appropriated money, to be expended through the Agricultural Department, to encourage the growth of these very herbs, and we thought that 3 cents a pound would be ample to protect the industry.

Mr. JONES of New Mexico. As I understand, if one article sells for two or three times as much as another, it must be very much more expensive to cultivate the one than the other.

Mr. SMOOT. It is not, though. It is just as easy to cultivate henbane as it is belladonna.

Mr. JONES of New Mexico. Then, will not everybody cultivate the higher priced commodity and not the lower priced one?

Mr. SMOOT. There is only a limited demand for the article, I will say to the Senator.

Mr. JONES of New Mexico. I do not understand the logic of the Senator, for, using the ordinary rules of economics, I should say that if a high-priced article could be produced at the same cost as a low-priced article everybody would engage in the cultivation of the higher-priced article.

Mr. SMOOT. Under certain conditions that would be true. If the same conditions applied all over the country for raising one as well as the other, then what the Senator says would be correct. So far as I am concerned, I care not whether the duty be fixed on an ad valorem basis or otherwise; but it seems to me that we ought to follow out the policy which we inaugurated of imposing upon the items in this schedule specific duties so far as possible.

Mr. JONES of New Mexico. It strikes me that this is one of the cases where, if the majority want to be consistent at all, they are forced to use the ad valorem basis of duty.

Mr. McCUMBER. If the Senator will allow me, I want to call his attention to the fact that prior to the war, under normal conditions, these commodities were all about the same price per pound. Therefore the 3 cents would be consistent, provided we get back to the normal prices which existed prior to the war.

Mr. JONES of New Mexico. Are they all about the same price now?

Mr. SMOOT. No.

Mr. McCUMBER. The duty proposed ranges from 20 to 25 per cent. At the present time henbane is exceedingly high, and, therefore, if we followed the ad valorem basis it would make a very much higher rate than would be imposed on the commodity under the specific rate.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 18, after line 2, to insert:

PAR. 33a. Cyanide: Potassium cyanide, sodium cyanide, all cyanide salts and cyanide mixtures, combinations, and compounds containing cyanide, not specially provided for, 10 per cent ad valorem.

Mr. McCUMBER. The other day I agreed that that amendment might go over until Tuesday morning.

The PRESIDING OFFICER. Without objection, the amendment will go over. The Chair hears no objection, and it is so ordered.

The next amendment was, on page 18, line 9, after the word "sulphate," to strike out "25 per cent ad valorem" and to insert "15 cents per pound"; in line 10, before the word "cents," to strike out the numeral "4" and to insert "3"; and in line 11, before the word "cents," where it occurs the second time, to strike out the numeral "6" and to insert "4," so as to read:

PAR. 35. Ethers and esters: Diethyl sulphate and dimethyl sulphate, 15 cents per pound; ethyl acetate, 3 cents per pound; ethyl chloride, 15 cents per pound; ethyl ether, 4 cents per pound.

The PRESIDING OFFICER. Without objection, the amendment is agreed to. The Chair hears none, and it is so ordered.

The next amendment of the Committee on Finance was, in line 12, before the words "per cent," to strike out the numeral "25" and to insert "30," so as to read:

and ethers and esters of all kinds not specially provided for, 30 per cent ad valorem.

Mr. McCUMBER. I ask that that amendment of the committee be rejected.

The PRESIDING OFFICER. Without objection, the committee amendment will be disagreed to. The Chair hears no objection, and it is so ordered.

Mr. WALSH of Montana. Mr. President, like some of the other items considered in this schedule, ethers and esters are used in medicine and surgery. Obviously we ought not to put a heavier burden upon commodities of that character than the necessities of the case require. I should like to inquire of the chairman of the committee what is the significance of the first amendment in the paragraph changing the duty from 25 per cent ad valorem to 15 cents per pound?

Mr. SMOOT. The price of diethyl sulphate is $1 and a duty of 25 per centum would be equivalent to 25 cents per pound. We have cut that rate down to 15 cents a pound. While I am on my feet, I will say to the Senator that on ethyl ether to which he has reference—for that is the only commodity that he could have reference to in this paragraph—we have reduced the duty from 6 cents a pound to 4 cents a pound; in fact, every duty proposed by the House committee on commodities in this paragraph has been reduced.

Mr. WALSH of Montana. That is from the House rate?

Mr. SMOOT. Yes.

Mr. WALSH of Montana. What is the change from the rate under existing law?

Mr. SMOOT. I will tell the Senator in just a moment.

Mr. McCUMBER. What was the question asked by the Senator, if I may inquire?

Mr. WALSH of Montana. I asked what the rates are under the present law?

Mr. McCUMBER. The equivalent rate is 17 per cent ad valorem.

Mr. SMOOT. The duty on ethyl ether in the present law is 4 cents, the same rate provided in the bill as reported by the committee.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The READING CLERK. In paragraph 36, page 18, line 18——

Mr. LA FOLLETTE. I ask to have paragraph 36 passed over.

The PRESIDING OFFICER. Without objection, the paragraph will be passed over. The Chair hears no objection, and it is so ordered. The Secretary will state the next amendment of the committee.

The next amendment of the Committee on Finance was, on page 19, line 5, after the word "formalin," to insert "2 cents per pound"; in line 6, after the word "paraformaldehyde," to insert "8 cents per pound," and in line 7, after the word "hexamethylenetetramine," to strike out "25 per cent ad valorem" and to insert "10 cents per pound"; so as to make the paragraph read:

PAR. 38. Formaldehyde solution or formalin, 2 cents per pound; solid formaldehyde or paraformaldehyde, 8 cents per pound; and hexamethylenetetramine, 10 cents per pound.

The amendment was agreed to.

The next amendment was, on page 19, after line 8, to strike out:

PAR. 39. Gelatin, glue, and glue size, 20 per cent ad valorem and 1½ cents per pound; manufactures, wholly or in chief value of gelatin; casein glue; isinglass; and other fish sounds, cleaned, split, or otherwise prepared, and agar-agar, 25 per cent ad valorem.

And to insert:

PAR. 39. Edible gelatin, valued at less than 40 cents per pound, 20 per cent ad valorem and 7 cents per pound; valued at 40 cents or more per pound, 20 per cent ad valorem and 15 cents per pound; gelatin, glue, glue size, and fish glue, not specially provided for, valued at less than 40 cents per pound, 25 per cent ad valorem and 1½ cents per pound; valued at 40 cents or more per pound, 20 per cent ad valorem and 15 cents per pound; casein glue, agar-agar, isinglass and other fish sounds, cleaned, split, or otherwise prepared; and manufactures, wholly or in chief value of gelatin, glue or glue size, 25 per cent ad valorem; and ossein, 10 per cent ad valorem.

Mr. McCUMBER. Mr. President, the senior Senator from Massachusetts [Mr. LODGE] desires that paragraph 39 should go over.

The PRESIDING OFFICER. Without objection, the paragraph will be passed over. The Chair hears no objection. The Secretary will state the next amendment of the committee.

The next amendment of the Committee on Finance was, on page 20, line 1, after the word "refined," to strike out "3" and insert "2," so as to make the paragraph read:

PAR. 40. Glycerin, crude, 1 cent per pound; refined, 2 cents per pound.

The amendment was agreed to.

The next amendment was, on page 20, line 6, before the word "and," to strike out "bromide" and to insert "bromide, 5 cents per pound"; and in line 7, before the word "cents," to strike out "10" and to insert "8," so as to make the paragraph read:

PAR. 43. Bromine, 5 cents per pound; and all bromine compounds not specially provided for, 8 cents per pound.

The amendment was agreed to.

The next amendment was, on page 20, line 9, before the word "cents," to strike out "3½" and insert "2½"; in line 10, before the word "cents," to strike out "2½" and insert "2"; in line 11, after the word "nitrate," to strike out "2½ cents per pound"; in the same line, before the word "resinate," to insert "and," and in the same line, after the word "resinate," to insert "3 cents per pound"; so as to make the paragraph read:

PAR. 44. Lead: Acetate, white, 2½ cents per pound; acetate, brown, gray, or yellow, 2 cents per pound; nitrate, arsenate, and resinate, 3 cents per pound; and all other lead compounds not specially provided for, 30 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 20, line 15, after the word "forms," to strike out "25 per cent ad valorem" and to insert "2 cents per pound," so as to make the paragraph read:

PAR. 45. Licorice, extracts of, in pastes, rolls, or other forms, 2 cents per pound.

The amendment was agreed to.

The next amendment was, on page 20, line 16, to reduce the rate of duty on citrate of lime from 7 to 6 cents per pound.

Mr. McCUMBER. I ask that that may go over until the Senator from New Jersey [Mr. FRELINGHUYSEN] can be present.

Mr. JONES of New Mexico. Yes; that is rather an important item.

The PRESIDING OFFICER. Without objection, it will be passed over. The Chair hears no objection. The next amendment will be stated.

The next amendment of the Committee on Finance was, on page 20, line 18, after the word "chloride," to strike out "three-fourths" and insert "one-half"; in line 20, after the word "oxide," to insert "or calcined magnesia"; in line 21, after the word "pound," to insert "oxide or"; at the beginning of line 22, to strike out the word "use" and insert "use, three-fourths of 1 cent per pound," and in the same line to strike out "and calcined magnesite, including dead burned and grain, three-fourths of 1 cent per pound; and magnesite, crude or ground, one-half of 1 cent per pound"; so as to make the paragraph read:

PAR. 47. Magnesium: Carbonate, precipitated, 2½ cents per pound; chloride, one-half of 1 cent per pound; sulphate or Epsom salts, one-half of 1 cent per pound; oxide or calcined magnesia, medicinal, 7 cents per pound; oxide or calcined magnesia not suitable for medicinal use, three-fourths of 1 cent per pound.

The amendment was agreed to.

The next amendment was, at the top of page 21, to insert:

PAR. 47a. Manganese: Borate, resinate, sulphate, and all other manganese compounds and salts, not specially provided for, 25 per cent ad valorem.

Mr. KING. Mr. President, I should like some explanation of that, and the reason for the increase.

Mr. SMOOT. I will say that this item has been separated from the basket clause for statistical reasons. It is the same rate that we have put in the basket clauses all the way through. It has always been in the basket clause before, but for statistical reasons we now want it separated and put in a paragraph by itself.

Mr. KING. I know; but the rate has been increased from 15 to 25 per cent ad valorem.

Mr. LA FOLLETTE. That was not done for statistical reasons, I suppose.

Mr. SMOOT. No; but I will say to the Senator that it has always been in the basket clause in the past.

Mr. KING. The reasons may be sound for putting it in this particular basket clause, but what I am trying to get at is the reason for the increase in the rate. As I stated, in the Underwood bill these rates were 15 per cent.

The information respecting this subject in the survey is not very voluminous, but it is apparent from the statement that the product is of considerable importance. It appears that it is manufactured by a large number of domestic concerns; that manganese resinate is produced in the United States, as well as manganese sulphate and manganese borate. There may be some justification for some tariff, although the products of manganese—the borates, the resinates, the sulphates, and all other manganese compounds and salts—are of importance in our domestic life. These products are manufactured by a large number of concerns, among them the Harshaw, Fuller & Goodwin Co., of Cleveland, Ohio; and the borates are manufactured by a large number of companies, especially the Pacific Coast Borax Co.

The prices of all these commodities have been greatly increased, as I am advised, over the pre-war prices; and it would look as though the increase in the rate prescribed by the Senate provision was in the interest of those who manufacture this product, and to permit them to perpetuate the very high rates that now prevail.

In view of the fact that there is no testimony, as far as I can discover, and no reasons for these increases, it seems to me that the committee ought not to have made this wholesale increase from 15 to 25 per cent. That is approximately 70 per cent increase over the existing tariff rate. I should be very glad if the proponents of this rate would give any justification for it.

Mr. SMOOT. Mr. President, the committee did not want to put any specific rates upon these compounds and salts, because the prices of the borate and the resinate and the sulphate vary so widely.

Take resinate. Before the war it was 2 cents; to-day it is from 6 to 13 cents, according to the grade.

The sulphate is 11 cents to-day, and the pre-war foreign price was 3¼ cents.

The borate was about 9¼ cents before the war, and it is 22 cents to-day.

We thought, Mr. President, that instead of putting a specific duty on these products—we could hardly do it in the basket clause, anyway—we would have a 25 per cent ad valorem rate. In all of the basket clauses in this schedule applying to all of the salts and all of the esters we have kept the rate down to 25 per cent, and these items were in the basket clause before. We have provided the same rate here that is provided in all the other basket clauses for salts and compounds in the schedule, and this is simply to carry out that policy.

Mr. KING. Mr. President, may I inquire of the Senator if he has before him the pre-war price of manganese borate?

Mr. SMOOT. Yes; the pre-war price was about 9¼ cents.

Mr. KING. That was my understanding; and now it is from 32 to 36 cents.

Mr. SMOOT. No; to-day it is down to 22 cents in the United States.

Mr. KING. What is the date of the figures the Senator has? I have the date of April 24.

Mr. SMOOT. The Senator has the figures for chemically pure borate; but the price of the technical borate is 22 cents, and what comes in is the technical product.

Mr. KING. I was speaking of the chemically pure borate. The price of the technical borate is 22 to 26 cents.

Mr. SMOOT. That is right. That is what I stated.

Mr. KING. Then that is an increase of more than 250 per cent, or approximately that, above pre-war prices.

Mr. SMOOT. Yes; and that is why I wanted it to be here at an ad valorem rate, because I am quite sure the price is going to come down from the price to-day, and we did not want to put a specific duty on it at the price to-day.

Mr. KING. I agree with the Senator. I was not advocating a specific duty. I think it is advantageous, with many of these materials where there ought to be a fall, as there must be in many of these products, to maintain the ad valorem rate.

Mr. SMOOT. We are doing that. These are the salts of manganese, and they are carrying the same rate as all of the basket clauses of the salts and compounds of the other minerals. I do not think there ought to be two rates in those basket clauses in this schedule.

Mr. LA FOLLETTE. Mr. President, how does this rate compare with the Payne-Aldrich rate?

Mr. SMOOT. It is the same rate, I think, as the Payne-Aldrich rate.

Mr. LA FOLLETTE. Was the Payne-Aldrich rate a specific rate or an ad valorem rate?

Mr. SMOOT. An ad valorem rate.

Mr. LA FOLLETTE. How does the rate on sulphate, which, in plain parlance, is Epsom salts, compare?

Mr. SMOOT. Epsom salts is in paragraph 47.

Mr. LA FOLLETTE. That is the paragraph under discussion, is it not?

Mr. SMOOT. No; we are discussing paragraph 47a. While I am on my feet, I ask that the vote by which the amendment in paragraph 47 was agreed to be reconsidered, and then the paragraph passed over temporarily.

The PRESIDING OFFICER. Is there objection to the vote being reconsidered? The Chair hears none, and it is so ordered.

Mr. KING. May I say to my colleague that perhaps the application of a general rule in dealing with many of these basket-clause items, so far as possible, and so far as it would be just, should be followed; but my colleague, with his comprehensive knowledge of many items in this bill, knows that it is unfair to put so many items in the same basket clause.

Mr. SMOOT. That is the reason why we are taking these items out. They have always been in the basket clause before, and for statistical purposes we wanted them by themselves. In fact, it has been requested of the Treasury Department from different sources in the country that that be done, so the committee complied with those requests and put them in separately. I think they ought to be separate, because as to salts and compounds of all the other minerals in this schedule we had separate and distinct provisions, and they are all carrying the same rate.

Mr. KING. I was about to follow up that general observation with this, that for the same reason perhaps it may be felt that there ought to be, as nearly as possible, a comprehensive assignment of a comprehensive rate to many of these products which, while they are not generic, might come within cognate groups, and yet there are so many of these items which enter into the lives of the people, which are medicinal in character, or are used by such a large number of people, that to apply a sort of a uniform 25 per cent ad valorem rate, or, for that matter, a 15 per cent ad valorem rate, is bound to work injustice with respect to many of the items.

Mr. SMOOT. The compounds and salts, I will say to the Senator, are never used for medicinal purposes. They are either driers or solvents, and are used in the mechanical industries of the United States.

Mr. KING. When I was speaking about medicines I did not refer to those which come under this paragraph, because I know these manganese compounds are used for the purposes indicated by the Senator.

It does seem to me that the rate which has been suggested here is too high, and I am afraid that, in view of the enormous increases in the prices of these items over the pre-war prices the inclination will be to maintain these high levels. I think the rate ought to be reduced below that which has been suggested by the committee, and ought to be 15 per cent. Therefore I move to amend by striking out "25" and inserting "15."

Mr. SMOOT. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. SHEPPARD (when Mr. DIAL'S name was called). I desire to announce that the junior Senator from South Carolina [Mr. DIAL] is paired with the senior Senator from Colorado [Mr. PHIPPS].

Mr. OVERMAN (when his name was called). Again announcing my pair as heretofore, and not being able to obtain a transfer, I withhold my vote.

Mr. STERLING (when his name was called). Making the same announcement as to my pair and its transfer as on the previous vote, I vote "nay."

Mr. UNDERWOOD (when his name was called). I transfer my general pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. WATSON of Georgia (when his name was called). Making the same announcement as before, I withhold my vote.

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from New York [Mr. CALDER] with the Senator from Georgia [Mr. HARRIS];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Wyoming [Mr. WARREN] with the Senator from North Carolina [Mr. OVERMAN]; and

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY].

Mr. McKINLEY. I transfer my pair with the Senator from Arkansas [Mr. CARAWAY] to the Senator from New York [Mr. WADSWORTH] and vote "nay."

Mr. DILLINGHAM. Making the same announcement as before, I vote "nay."

Mr. COLT. Making the same announcement as before, I vote "nay."

Mr. SHIELDS. I have a general pair with the junior Senator from Maine [Mr. HALE], who is necessarily absent. I transfer that pair to the senior Senator from Arizona [Mr. ASHURST] and vote "yea."

Mr. SIMMONS. Making the same announcement as to the transfer of my pair that I made on the last vote, I vote "yea."

Mr. WALSH of Montana. I transfer my pair, heretofore announced, to my colleague [Mr. MYERS] and vote "yea."

Mr. FLETCHER. I make the same announcement as to my pair and its transfer as on the last vote and vote "yea."

Mr. JONES of New Mexico. I transfer my pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and vote "yea."

The result was announced—yeas 15, nays 34, as follows:

YEAS—15.

Borah	King	Sheppard	Underwood
Fletcher	La Follette	Shields	Walsh, Mass.
Heflin	McKellar	Simmons	Walsh, Mont.
Jones, N. Mex.	Robinson	Swanson	

NAYS—34.

Broussard	Jones, Wash.	Moses	Spencer
Bursum	Kendrick	Nelson	Sterling
Capper	Keyes	New	Sutherland
Colt	Ladd	Newberry	Townsend
Curtis	Lenroot	Norbeck	Watson, Ind.
Dillingham	McCormick	Oddie	Weller
France	McCumber	Page	Willis
Gooding	McKinley	Shortridge	
Harreld	McLean	Smoot	

NOT VOTING—47.

Ashurst	Elkins	Lodge	Ransdell
Ball	Ernst	McNary	Rawson
Brandegee	Fernald	Myers	Reed
Calder	Frelinghuysen	Nicholson	Smith
Cameron	Gerry	Norris	Stanfield
Caraway	Glass	Overman	Stanley
Crow	Hale	Owen	Trammell
Culberson	Harris	Pepper	Wadsworth
Cummins	Harrison	Phipps	Warren
Dial	Hitchcock	Pittman	Watson, Ga.
du Pont	Johnson	Poindexter	Williams
Edge	Kellogg	Pomerene	

So Mr. KING's amendment to the committee amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 21, line 4, after the word "menthol," to strike out "25 per cent ad valorem" and to insert in lieu thereof "50 cents per pound."

Mr. JONES of New Mexico. Mr. President, I wish to make a brief statement regarding this item. It is just a question of whether you want to put a tax on a medicine or not. The rate now proposed by the Finance Committee is just the same as that of the present law.

Mr. SMOOT. It is just the same.

Mr. JONES of New Mexico. I do not understand, however, that menthol, which comes in from Japan, is in competition with the peppermint oil produced in this country.

Mr. SMOOT. No; it is not.

Mr. JONES of New Mexico. It is just a question whether you want to tax a medicine or not.

Mr. SMOOT. This is one-third of the rate the House put on it, and is exactly the same as the rate in the Underwood tariff law.

Mr. JONES of New Mexico. Yes; the Senator is quite right about that. If you want to tax it at all, I am inclined to think the rate is all right.

Mr. SMOOT. I want to say to the Senator that there is not such a speculative article in all the world as menthol. One day it will be down to $4, the next day it will be up to $8, and the next day it will be down to $5, and it is all controlled outside of the United States.

Mr. JONES of New Mexico. But putting a duty upon it will not change that situation.

Mr. SMOOT. No; it will not change that situation, but I think we had better get a little money out of it.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 21, line 7, after the word "oils," to strike out the word "animal."

Mr. KING. Mr. President, may I inquire whether it is the design of the committee to take care of animal oils in some other paragraph of the bill, or why do they recommend striking out the word "animal" here?

Mr. SMOOT. The word appears only in the heading of the paragraph; and I think myself there is nothing gained by striking it out and nothing lost by having it remain in. So far as the committee are concerned, I do not think the committee care whether it remains in or whether it goes out.

Mr. KING. I can see no particular signification; but striking it out would seem to indicate that perhaps they were dealing with this subject in some other paragraph.

Mr. SMOOT. No. I will ask that the Senate disagree to the amendment.

Mr. McCUMBER. Mr. President, I think it very proper to state that this was stricken out at the request of one of the members of the committee, who feared that the word "animal" might include a great many other oils which were not intended to come under that head. Of course, we understand that a fish is an animal, nevertheless when we are speaking of a fish we describe it as a fish rather than as an animal.

Mr. JONES of New Mexico. I am wondering whether it is proper to call a fish an animal.

Mr. SMOOT. There has been no trouble in the past about the matter, I will say to the Senator.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 21, line 7, to strike out the numeral "8" and insert the numeral "5," so as to read:

Sod, herring, and menhaden, 5 cents per gallon.

Mr. KING. Mr. President, the items now under consideration are sod, herring, and menhaden oils. The Senate committee have very wisely made a reduction from the House rate. I would like to inquire of some member of the committee with respect to their views upon paragraph 49. It occurred to me that with the high prices upon our domestic fats there could be no objection to permitting these fish oils, which are so important, to go to the people as cheaply as possible.

With reference to the three oils just referred to, under the tariff act of 1909 there was a rate of 6.8 cents per gallon, and under the act of 1913 a rate of 3 cents per gallon. The Senate committee now suggests a rate of 5 cents per gallon, so that it is an increase of considerably more than 50 per cent over the existing rate. I would like to ask the chairman of the committee if he has any explanation to justify that rate? Certainly the price of labor is not involved. Competition is not a question of importance. It would seem to me that the only object was to increase the price to the consumer, and obviously that increase was designed to benefit some one. Who is the person to be benefited by these high prices?

Mr. McCUMBER. It would take some time to find the data upon which we made the recommendation for the change, but I think, if I remember rightly, that this reduces it to about the same equivalent ad valorem that it was under the old law, about 25 per cent or not to exceed 25 per cent.

Mr. KING. Let me say to my good friend that the Underwood law carried a rate of 3 cents specific.

Mr. McCUMBER. But I say the 3 cents specific, under the price which it was prior to the war, would be about the same ad valorem that the 5-cent rate would be as a specific duty to-day. That is what I intended to say.

Mr. KING. Then, of course, it means that in fixing these rates we are to fix them with reference to the present domestic prices and upon the theory that we are to perpetuate these high levels. In other words, instead of fixing rates either ad valorem or specific upon pre-war levels or prices that would approximate them, we are erecting this high wall upon a theory that the war prices and the postwar prices—and many of the postwar prices exceed the war prices—are to be continued indefinitely. The bill is in the interest of the perpetuation of these high prices.

It does seem to me that the statement which was made yesterday by the learned Senator from Idaho [Mr. BORAH] was a very wise and very pertinent one. This is not the time for the preparing of a tariff measure, because the condition of prices is in a flux. Prices in the world are not fixed, some are rising and some are falling, depending entirely upon the conditions of the country and the capacity to get gold to buy the raw material abroad. It is impossible now to fix rates in a tariff law that would be just. They might be just to-day, but they would be very unjust in a month or in six months or a year from now.

If we write a tariff law now upon the theory of the present high prices, then manifestly we are contributing to the maintenance of the high prices and furnishing an excuse to manufacturers to maintain the high prices. It is an invitation to them not to reduce their prices. It is saying to them, "We will license you to continue these postwar high prices." That is a wrong theory. It seems to me it can not be defended.

I point to the fact that the oils to which I have referred are important in the lives of the people. I point to the fact that under the Underwood law the rate was 3 cents per gallon, and there was no complaint. The industry, so far as I can tell, has prospered, and yet without any reason whatever, except

that prices are now high, it is proposed to increase the rate about 60 per cent.

Mr. McCUMBER. Mr. President——

Mr. KING. I yield to the Senator from North Dakota.

Mr. McCUMBER. Does the Senator complain because we reduce whale oil from 8 cents, the Underwood tariff rate, to 5 cents under the pending bill, and does he accuse us of attempting to keep up the price because we reduced it 3 cents?

Mr. KING. We will deal with whale oil when we get to it.

Mr. McCUMBER. They are all in the one paragraph, and whale oil is a part of this paragraph. Some of these items we raised and some of them we lowered from the Underwood law rate. The Senator must not say it is done to maintain high prices any more than he should say that it is done to reduce the price in the next item.

Mr. KING. Of course, I do not desire to do the Senator an injustice, but I asked the reason, and he suggested as an answer that 3 cents per gallon bore about the same relation or ratio to prices——

Mr. McCUMBER. No; I did not say that was the reason which justified us in holding the rate. I stated that the fact, as I understand it in this instance, was that the rate would give us about the same ad valorem.

Mr. KING. That would be an argument—at least I regarded it as the only argument which the Senator had to offer—in response to my question about increasing the rate from 3 cents a gallon to 5 cents per gallon.

Let me ask the Senator if these oils are not used by the people, and if they are not important?

Mr. McCUMBER. Everything that is mentioned in the bill is used by the people.

Mr. KING. Oh, yes; more or less.

Mr. McCUMBER. If we are not going to tax anything used by the people I do not know where we would get any revenue.

Mr. KING. The Senator concedes that these oils are important in the lives of the people for manufacturing, if not for edible purposes.

Mr. McCUMBER. Certainly. All of them are more or less important; some more important than others.

Mr. KING. There is apparently no reason other than what the Senator has suggested—and if he says that is not the reason I shall not insist that it is—for raising the rate from 3 cents per gallon, the rate under the existing law, to 5 cents per gallon.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 21, line 8, to strike out "whale, seal, and" and insert in lieu thereof "whale and seal, 6 cents per gallon."

Mr. KING. As I understand the Senator, this is an increase of 1 cent per gallon over the existing rate.

Mr. SMOOT. That is true of whale oil.

Mr. KING. I wish to ask the Senator if there is any industry to be protected, if it is a new industry, if the question of labor is involved, or if neither of these questions enters into the consideration of the matter and as factors for determining the basis of the rate, will the learned chairman advise us as to the reason for the increase above the existing rate?

Mr. McCUMBER. I think we will need about all the money we get from it. It is not a heavy ad valorem duty. It is a very reasonable one.

Mr. KING. I move to amend by striking out the numeral "6" in line 8, on page 21, and inserting the numeral "5," so that it will read "whale and seal, 5 cents per gallon."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah to the committee amendment.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question recurs on the committee amendment.

The amendment was agreed to.

The next amendment was, on page 21, line 9, to strike out "cod and cod liver, 12½ cents per gallon."

Mr. KING. I presume that is transferred to the free list?

Mr. SMOOT. That is correct.

Mr. KING. May I inquire whether it is taxed in any other form, in the form of food or in the form in which it appears under the designation "cod and cod liver"?

Mr. SMOOT. No.

Mr. KING. With the understanding that the product or products, cod and cod liver, found in line 9, page 21, are transferred to the free list and do not appear in another bracket or in any other basket, we are ready to have a vote on the committee amendment.

Mr. SMOOT. I will simply call attention to paragraph 1624, page 228, where my colleague will see that all cod and cod liver oils are free.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 21, lines 10 and 11, to strike out "20 per cent ad valorem" and insert "5 cents per gallon," so as to read—

and all fish oils, not specially provided for, 5 cents per gallon.

Mr. KING. May I inquire of the chairman of the committee as to the reason for this increase? In the existing law the rate is 3 cents per gallon, and it has been increased in the pending bill to 5 cents per gallon. In the Payne-Aldrich tariff law the rate was 8 cents per gallon, and in the bill as passed by the House the rate is 20 per cent ad valorem. Under the Underwood law the rate was 3 cents per gallon, and in the Senate committee bill it is proposed to make the rate 5 cents per gallon. So there is an increase here of approximately 60 per cent over existing law. I ask the Senator what justifies the increase in the rate in this item?

Mr. McCUMBER. For revenue. The present rate would be equivalent to about 17 per cent ad valorem duty, which is a very low duty. We need a little more money now for the expenses of the Government than we needed when the Underwood law was enacted.

Mr. KING. May I inquire of the Senator if there is any other purpose than for revenue? Is there any new industry which the Senator is seeking to protect?

Mr. McCUMBER. Mr. President, there is a degree of incidental protection that necessarily goes with the imposition of the duty, but I do not think 17 per cent ad valorem is an excessive duty.

Mr. KING. I move to strike out the numeral "5" and to insert the numeral "3," in line 11, page 21, so that it will read "3 cents per gallon," which is the duty imposed under the existing law.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Utah to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. KING. I wish to say to the Senator from North Dakota that the revenue derived from this duty will not be very much, because in 1921 the total imports of the commodity were less than 175,000 gallons, not for nine months alone, but for the entire year.

Mr. McCUMBER. I desire to call the attention of the Senator from Utah to the fact that there were over a million gallons imported in 1918.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 21, paragraph 49, line 15, after the word "animal," to strike out "oils" and to insert "oils, fats."

Mr. KING. I inquire of the Senator from North Dakota if he conceives the amendment embodied in the words just read as making any change in the bill as it came from the other House?

Mr. SMOOT. It makes no change whatever. The reason for the amendment is to make sure that fats fall in the same paragraph as grease; in other words, that the term "grease" as used in existing law shall include fats.

Mr. KING. Mr. President, we have in another paragraph in the bill a provision in respect of tallow, upon which a specific rate is imposed.

Mr. SMOOT. But this is "not specially provided for," while tallow is specially provided for.

Mr. KING. Is it the intention to differentiate this fat from tallow fat, which is provided for in another place?

Mr. McCUMBER. Yes.

Mr. KING. So that we may have the understanding as to just what is comprehended by the word "fat," which is found here, may I ask the Senator to what particular character of fats does he think this word in line 15 would apply?

Mr. McCUMBER. It applies to all fats except those which are specifically provided for in other paragraphs of the bill.

Mr. KING. Does the Senator think that it would fall in any basket clause in this proposed law, aside from paragraph 49, if this amendment were not offered?

Mr. McCUMBER. This is the basket clause itself.

Mr. KING. Would it be comprehended in any other paragraph?

Mr. McCUMBER. It certainly would not be. It is expected that this language here will cover all kinds of fats, with the exception of those which are specifically mentioned in other sections of the bill.

Mr. SMOOT. Fat is a solid, while grease is a liquid or an oil. Therefore the question arose in the minds of the Tariff Commission whether it would not be better to insert this language so that no question might arise as to the real meaning of the term "grease," as to whether it was a liquid or a solid.

Mr. KING. I have no objection to the amendment if we may know what is comprised within it and that there is no duplication in some other paragraph of the bill.

Mr. President, when we come to offer amendments to the bill regularly—and I may not offer them now to the provisions where there are no amendments tendered by the committee—I shall offer an amendment to this provision of the bill as to the ad valorem rate.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 21, paragraph 50, line 17, after the words "castor oil," to strike out the numerals "4½" and to insert the numeral "3."

Mr. JONES of New Mexico. Mr. President, I ask that paragraph 50 and paragraph 50a both go over. I have some data on the subjects embraced in those paragraphs which I desire to present.

Mr. McCUMBER. I think that we may as well let those paragraphs go over, if the Senator desires.

The VICE PRESIDENT. The paragraphs will be passed over.

Mr. FLETCHER. If the Senator from North Dakota will allow me, I have here some comments by the Cotton Oil Press of February, 1922, which bear directly on the matter of the duty on cottonseed oil especially, and I should like to have them put into the RECORD. I think it may be advantageous to have these data from the Cotton Oil Press inserted at this time. Of course, this matter will only be relevant later, but it may just as well go into the RECORD now. I should, therefore, like to have it inserted in the RECORD, if there is no objection.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

CRUSHERS' ASSOCIATION OPPOSES TARIFF—NEW ORLEANS SPECIAL MEETING DECLARES AGAINST DUTIES ON FOREIGN VEGETABLE OILS AND INSTRUCTS OFFICIALS TO IMPRESS ITS VIEWS ON CONGRESS.

At the special meeting of the Interstate Cotton Seed Crushers' Association, held according to the call of the president at the Grunewald, New Orleans, La., Wednesday, January 4, the following resolutions were adopted by a nearly unanimous vote:

"*Resolved*, That we are opposed to a tariff on foreign vegetable oils and oil seeds in the permanent tariff bill, believing that such a tariff would prove a detriment to the farmer and to our industry; and

"*Resolved*, That our officers, either directly or through appropriate committees, present to Congress these our resolutions and advocate legislation accordingly."

On a separate motion the following additional resolution was adopted:

"*Resolved*, That referring to the above resolutions, it is suggested to our associated State organizations that they take similar action."

The above resolutions were adopted after the convention had been in session all day and into the early evening, and the tariff question had been discussed in all of its ramifications and from all angles. About 100 members were present in person at the meeting and approximately 250 more were represented by proxies.

Following roll call President Grogan read the call for the meeting, which had been made at the request of the commerce relations committee of the association, following its meeting in Washington, December 15.

A. G. Kahn, chairman of the commerce relations committee, presented its report, and for the purpose of getting the question before the meeting moved that the Interstate Cotton Seed Crushers' Association record itself as opposed to the imposition of duties upon foreign vegetable oils in the permanent tariff bill. Instead of speaking further to his own motion, Mr. Kahn suggested that the floor be given to the gentlemen whose arguments and presentation of facts and figures before the committee at its Washington meeting, which had convinced all of the committee, some of which had previously been protariff, that the tariff was detrimental to the industry.

The most important addresses were delivered by John Aspegren and F. M. Barnes, who covered the subject in all its phases, illustrating their arguments by statistical tabulations shown by stereopticon on a screen. They replied to many questions asked from the floor, and when they had finished it was evident from the discussion that many who came as determined advocates of the tariff, and with instructed proxies in their pockets to vote against a removal of the tariff, had been convinced they had been wrong in their conclusions.

A few refused to see the light, but it is safe to state that there were very few in the convention hall of the former protariff men who were not satisfied that a vegetable-oil tariff was injurious to farmers and crushers alike. Many regrets were expressed that those who had sent instructed proxies had not withheld their instructions and allowed their holders to vote them according to their convictions after hearing the arguments.

In accordance with the resolutions adopted, President Grogan appointed the following special committee to come to Washington and present them to the Senate Finance Committee: P. S. Grogan (chairman), J. J. Lawton, A. G. Kahn, F. M. Barnes, John Aspegren, and R. F. Crow.

Before leaving New Orleans it was ascertained by wire that the Senate Finance Committee would give the interstate committee a special hearing on January 9. On that date the delegation appeared and President Grogan presented the subject as follows:

"Mr. Chairman and gentlemen of the Committee on Finance, we have the honor as the committee of the Interstate Cotton Seed Crushers' Association to present for your consideration the following resolutions adopted at the regular called meeting of the association in the city designated as its principal place of business in its corporate charter, namely, New Orleans, La., on January 4, 1922, namely:

"'*Resolved*, That we are opposed to a tariff on foreign vegetable oils and oil seeds in the permanent tariff bill, believing that such a tariff would prove a detriment to the farmer and to our industry: And be it further

"'*Resolved*, That our officers, either directly or through an appropriate committee, present to Congress our resolutions and advocate legislation accordingly.'

"In accordance with the last paragraph this committee was appointed.

"The cottonseed industries of the country consist of many branches, divisions, and ramifications. Our products feed your beef and dairy cattle on which you are so dependent; at every meal you yourself eat our shortenings. In your homes you use soaps in your kitchens and in your baths—soaps made from the by-products of refined cottonseed oil. You ride in automobiles the tops and upholsteries of which are made from linters. These same linters were the basis of American explosives that won the war.

"I merely wish to emphasize the importance and magnitude of the industry we represent.

"Beginning with the lowly cotton seed, which, in the memory of you gentlemen, was a costly nuisance, we have developed it into a thousand products, the most important of which is cottonseed oil and the products made therefrom. We have created a world-wide demand for these products, and we have come to pay the southern farmer in some years the enormous sum of $350,000,000 for the seed. So you can well see that our industry is one that deserves recognition.

"This industry is nationally represented by the Interstate Cotton Seed Crushers' Association, which comprises the majority of the crude crushing establishments in every Southern State, over 400 out of the 500 running and reporting this season, besides which there is affiliated with us the refining and various other marketing and by-products concerns.

"After these opening remarks, pointing out to you the importance of our industry, I want to add that, while I am president of the association represented and as such head the delegation, I have delegated two of the members of the committee to speak to you more fully on our subject—each on a different phase of our problem. We have concentrated ourselves down to these two addresses, in order not to take too much of your time. Gentlemen, I introduce to you Mr. R. F. Crow, of Houston, Tex."

Following a few preliminary remarks, Mr. R. F. Crow, of the interstate committee, read and presented to the Finance Committee the following brief:

Brief and arguments of Interstate Cotton Seed Crushers' Association, the national organization of the oil mill products trade. To the Committee on Finance, United States Senate. Presented at tariff hearings, H. R. 7456, by the president and a special committee of the association, January 9, 1922, concerning foreign vegetable and animal oils, oil seeds, and oleaginous materials in general, as embodied in paragraphs 49 and 50, Schedule 1, and paragraphs 1620 and 1626 of the free list of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, as passed by the House of Representatives on July 21, 1921, and referred to the Senate Committee on Finance, July 22, 1921.

To the Committee on Finance.

GENTLEMEN: We have the honor as the official organization of the cottonseed crushers of the South, and all component elements of the cottonseed industry, to petition you that all so-called protective duties on the oleaginous materials named in the caption of this brief be eliminated from the permanent tariff bill as finally drawn, and especially the articles of soya-bean oil, peanut oil, cottonseed oil, coconut oil, palm oil and palm-kernel oil, sesame oil, copra, soya beans, peanuts, palm kernels.

This action is made necessary by the fact that cottonseed oil is produced in such volume within the cottonseed-producing States of the South that it is a prime essential that an export market at reasonable and competitive prices be assured and available for the normal exportable surplus of cottonseed oil produced. Unless such an export market at reasonable and competitive prices be assured, we shall be unable to pay the southern farmer a reasonable and competitive price for his cotton seed.

The production of crude cotton seed oil, the product of cotton seed, varies with the production of cotton, seasonal conditions which influence the oil content of the seed, and conditions governing the quantity of seed crushed in proportion to the quantity of seed produced.

While the southern farmer is primarily interested in getting a reasonable and competitive price for his seed, our whole industry is equally interested in obtaining for him such a price, because unless he obtains such price for his product a great deal of the seed production will be wasted by being thrown on the ground instead of being marketed to the oil mills in the South. Hence the higher the price of seed is for the southern farmer the larger will be the amount of seed available to be crushed by us, and our interests and those of the southern farmer in a reasonably high and competitive price for cotton seed are identical.

The production of crude cotton seed will range from 1,200,000,000 pounds annually to 1,800,000,000 pounds, under normal or approximately normal conditions.

In due proportion to the amount of cottonseed oil produced is the amount which must be exported, and the exportable surplus which must find sale in the export markets of the world ranges from 10 to 25 per cent, dependent upon conditions as before named.

Despite the fact, that the cotton crop of 1921 does not far exceed 8,000,000 bales, we find that even with a production of oil from the quantity of seed procured from this yield of cotton that an export market is required to relieve the domestic market.

The Interstate Cotton Seed Crushers' Association has never before declared itself on the subject of the Fordney tariff. Confronted now with the imminent probability of the entire loss of our European export markets due to the peculiar position in which the cottonseed industry is placed by duties embodied in the emergency tariff as signed by the President in May, 1921, we ask that in considering the case of cottonseed oil in connection with the permanent tariff that no duties be levied upon foreign animal and vegetable oils and oil seeds, and especially those previously enumerated in this brief.

When the emergency tariff was first discussed in January, 1921, the records of commerce revealed that we exported in the month of January of cottonseed oil over 60,000,000 pounds to the countries of Europe. Six months after the passage of the emergency act we find our exports to Europe reduced to somewhere between 5,000,000 and 10,000,000 pounds monthly. During those six months some oil went out sold to

Europe before the passage of the emergency tariff, but from now on we have no such sales to rely on, and we are confronted with the stern realities. The reason for the falling off in the export demand is not a lesser demand in Europe, but because the European buyer has turned away from our cottonseed oil and is buying instead, and is importing instead, millions of pounds of competitive oils and oleaginous materials, especially from the Orient.

—

CRUSHERS ASK REMOVAL OF OIL TARIFF.

The efforts of the officials of the Interstate Cotton Seed Crushers' Association to convince Congress that a permanent tariff on vegetable oils would be a detriment to southern farmers and to the cottonseed products industry, in accordance with the resolution adopted at the special meeting of the association at New Orleans January 4, has not been confined to the formal presentation of the resolutions and the brief and argument of the special committee of the association to the Senate Finance Committee January 9. Copies of the brief were mailed to every Member of Congress as well as to all members of the association and to the daily and agricultural press.

During the week of January 23 another special committee appointed by President Grogan and consisting of A. G. Kahn, chairman, Little Rock, Ark.; John Aspegren, Portsmouth, Va.; H. M. Tucker, vice president Southern Cotton Oil Co.; Lyman N. Hine, president American Cotton Oil Co.; D. R. Coker, Hartsville, S. C.; R. F. Crow, Houston, Tex.; and Louis N. Geldert, of Washington, called on many Senators and Representatives at their offices at the Capitol and wherever possible make a verbal presentation of opposition to the tariff. In all cases a short printed statement of the case was left with the Congressmen. This committee was everywhere received with courtesy, but its reception varied greatly in other respects, according to the personality and prejudices of those called upon. The experience of the week was a liberal education in politics and diplomacy.

It was sought to impress Congressmen by these calls with the fact that high prices paid to farmers for cotton seed invariably bring a larger percentage of seed to the mills, and that low prices cause seed to be withheld from the market, and that the majority of the crushers are in direct contact with the farmers and know their problems and are cooperating with them in solving those problems. The fact was stressed that the tariff on vegetable oils has acted as an embargo and removed American buyers from the oriental market, leaving that buying in the hands of concentrated European buying combinations who are able to name their own low prices; and that this country, having a tremendous exportable surplus of oils and fats, has been compelled to sell its commodities in European markets at the same low value artificially placed on oriental oils; furthermore, that in view of the low price at which Europe has been able to buy oriental oils, due to lack of competitive buying, Europe has substituted oriental oils for American cottonseed oil usually sent there, and that we have lost the export outlet.

Congressmen were reminded that the placing of a tariff on vegetable oils from the Orient does not remove them from competition with our cottonseed oil in the world markets of oils and fats, but that by removing American buying competition in the Orient the price of oriental oils is depressed and thereby all other oils and fats are depressed, including the price of cotton seed. It was impressed upon them that oriental oils should be allowed to flow into their natural channels in this country—the soap kettles—instead of being forced into unnatural ones in Europe, and that our surplus cotton oil, the premier edible oil of the world, should be allowed to go to Europe for edible purposes there, instead of being forced into low-grade channels in this country to take the place of low-grade oriental oils, and thus put cottonseed oil back 20 years in its uses and consequent values.

As the tariff depreciates the value of cotton oil and of cotton seed, the committee urged Congressmen to use their votes and influence to prevent continuance of the conditions that have been created by the emergency tariff act, and to have soya-bean oil, peanut oil, coconut oil, and cottonseed oil placed on the free list, together with oil seeds from which those oils are expressed. In the words of John Aspegren, "Please give us protection against a protection that is harmful instead of helpful."

The next amendment of the Committee on Finance was, on page 22, paragraph 51, line 25, before the words "per cent," to strike out the numerals "25" and to insert the numerals "35," so as to make the paragraph read:

PAR. 51. Alizarin assistant, turkey red oil, sulphonated castor or other sulphonated animal or vegetable oils, soaps made in whole or in part from castor oil, and all soluble greases; all of the foregoing in whatever form, and used in the processes of softening, dyeing, tanning, or finishing, not specially provided for, 35 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I should like to have some statement as to why that increase of duty has been reported.

Mr. SMOOT. I will frankly say to the Senator that the increase is proposed because of the increase in the duty on castor oil. Castor oil is a component of alizarin assistant and turkey red oil, and, on account of the increased duty on castor oil, we have given a compensatory rate on alizarin assistant.

Mr. JONES of New Mexico. I observe that under existing law the importations of alizarin amount really to nothing. I will read from page 160 of the Summary of Tariff Information. The production of this article in this country is quite large. The Summary of Tariff Information says:

Production: These products are manufactured by various firms in this country specializing in chemicals used in the textile industry and by the large textile manufacturers. The production of turkey red oil in 1914 was 11,681,884 pounds (about 1,370,000 gallons), valued at $820,491.

Imports of alizarin assistants have shown a gradual increase prior to the war from 97,097 gallons, valued at $38,600, in 1910, to 186,234 gallons, valued at $72,430, in 1914. The imports since then have decreased until in 1918 only 24 gallons were imported.

Then we find that during the postwar period, in 1919, there was a considerable quantity imported, 46,915 gallons, and the unit value was 69 cents. In 1920 there were imported only 282 gallons, valued at $204, and the duty collected, at 25 per cent, was $51. For nine months of 1921 the amount imported was only 1,229 gallons. Of the other soluble greases in the same paragraph and bearing the same rate of duty, in 1918 there were imported 4,380 pounds; in 1919, 575 pounds, on which we collected a duty of $27; and in the first nine months of 1921 651 pounds were imported.

There is such an enormous difference between the domestic production and the importation that it seems to me a duty of 25 per cent is sufficient, and, in the absence of any further information than I have, it looks to me as if this increase were simply an increase because the committee were in the "increasing" spirit.

Mr. SMOOT. I will say to the Senator that the rate in the present law is 25 per cent ad valorem. The Committee on Finance increased the rate of duty on castor oil in this bill over the rate carried by existing law, and certainly in that case the Senator will agree that we ought to increase the ad valorem rate on the commodity which is made from castor oil. That is why the increase of 10 per cent over the rate in the existing law was provided. If it had not been for that, we would have made the rate just exactly the same as that in the Underwood-Simmons law.

Mr. JONES of New Mexico. Has it been figured out that the 10 per cent additional duty on alizarin assistant is merely a compensatory duty for the additional duty put upon castor oil?

Mr. SMOOT. It has.

Mr. JONES of New Mexico. I have no doubt it was figured probably in a rough way. Of course, the Senator says that was the purpose for which it was done, but where the domestic production is so enormous and the imports, both before and since the war, have been negligible, I am not convinced, I will say to the Senator, that the duty should be increased from 25 per cent to 35 per cent.

Mr. SMOOT. The change was called to the attention of the committee by the Tariff Commission. They state:

Attention is called to the adjustment of rates between alizarin assistant, the duty on which is 25 per cent ad valorem in this paragraph, and castor oil, the raw material, upon which the duty is 4½ cents per pound in paragraph 50. Castor oil, No. 3, in barrels, was quoted at 10½ cents per pound on December 12, 1921, and has not been quoted at less than 8 cents during 1921. The duty on castor oil is, therefore, equivalent to about 45 per cent ad valorem, as against a duty of 25 per cent ad valorem on alizarin assistant, which is 80 to 90 per cent castor oil.

So the Senator will see that we are not giving as much as the Tariff Commission recommended.

Mr. JONES of New Mexico. The Senator will bear in mind that during 1919 the unit value of alizarin assistant imported was 69 cents a gallon, in 1920 it was 72 cents, and in 1921, 58 cents. It seems to me that there is absolutely no relation there.

Mr. SMOOT. Ninety per cent of alizarin assistant is castor oil.

Mr. JONES of New Mexico. Yes; I understand that, but the value of the castor oil does not compare, it seems to me.

Mr. SMOOT. In what way does the Senator mean it does not compare?

Mr. JONES of New Mexico. I mean it does not compare with the prices which are given. If castor oil is used, its price would have to be increased to increase to any great extent the value of alizarin assistant. However, we have gotten the Senator's idea about it. I do not think what has been said here will be of much assistance to the people who use this commodity. I do not think they will be quite convinced as to why all this has been done.

Mr. SMOOT. With castor oil at 12 cents, I will say to the Senator, or even 10½ cents, a duty of 3 cents will amount to 33⅓ per cent on the castor oil alone, and 90 per cent of that is alizarin assistant.

Mr. KING. May I inquire of my colleague if we ought not to direct our efforts to securing cheaper castor oil?

Mr. SMOOT. That is a question for the Senate to decide.

Mr. KING. That is the vice of this tariff. When we ask for a certain rate, as is asked in this instance, my good friend the senior Senator from Utah says that castor oil constitutes such a very large constituent part of the finished product of alizarin assistant that, as we have a high tariff on castor oil, we must give a high rate upon this product. That is what I object to.

Suppose that we deal with the primary article first and lower the rate on that, and then when we address ourselves to the intermediate or to the advanced product or to the finished product we can take into account the fact that we have lowered the rate upon the primary or fundamental product utilized in the construction of the intermediate or the finished product, and thus reduce the rate upon the finished or the intermediate prod-

uct. If, however, you begin to build your house with the chimney, of course, you are going to perpetrate many injustices, if you do not kill a good many people in the process. It would be wiser to build from the foundation, and dispose of the primary commodities and the primary compounds and the primary and fundamental elements, and put the prices as low as we can there. Then, when we address ourselves to the intermediates or to the finished products, we will have a substantial foundation upon which to build.

Mr. SMOOT. Mr. President, of course we have to read this bill backward, as we do every bill——

Mr. KING. Like the Japanese language.

Mr. SMOOT. Because of the fact that generally the finished product falls in the chemical schedule, and all the raw materials follow afterwards. The castor bean has been put upon the dutiable list for revenue purposes. We put a duty of half a cent on the castor bean. The castor bean, then, of course, being taxed for revenue purposes, raised the rate on castor oil. Castor oil is 80 per cent of alizarin assistant, and so there has to be a compensatory duty clear through.

Mr. KING. Let us put the castor bean on the free list, then, and we can reduce these prices on the finished products that are so essential to the people.

Mr. SMOOT. That is one way to say it, but——

Mr. LA FOLLETTE. It is not said that way in the bill.

Mr. SMOOT. I will say to the Senator that this is not very much used by the people.

Mr. LA FOLLETTE. Just a little here and a little there.

Mr. JONES of New Mexico. Mr. President, I observe that we have not yet fixed the duty on castor oil.

Mr. SMOOT. No; the Senator asked that it go over.

Mr. JONES of New Mexico. That is in paragraph 50, which has gone over.

Mr. SMOOT. Yes; the Senator asked that it go over.

Mr. JONES of New Mexico. I ask that paragraph 51 may go over, also, because it would hardly be decent to pass on paragraph 51 upon the theory that we are going to inerease the duty on castor oil in paragraph 50, which has been passed over.

NAVAL OIL RESERVES.

Mr. LA FOLLETTE. Mr. President, as the paragraph under consideration is related in some degree to oil, I want to submit to the Senate in all seriousness a communication which has reached me with regard to Teapot Dome, in Wyoming. I am going to read the letter and the inclosure which accompanies it in order that in so far as possible I may emphasize it and secure the attention of Senators to it, especially the members of the Committee on Public Lands and Surveys, who are to conduct an investigation into the leasing of Naval Reserve No. 3 to private interests:

TULSA, OKLA., *May 5, 1922.*

Hon. ROBERT M. LA FOLLETTE,
Member United States Senate, Washington, D. C.

DEAR SIR: I have the honor to say to you that on yesterday the directors and advisory committee of the National Association of Independent Oil Producers held a meeting and adopted the following attached protest against the policy of the Government in opening for exploitation the naval reserves of the United States.

The president of the association was authorized to appoint a committee of experienced oil men to render you and the Senate committee, which has in charge the investigation of this policy, such assistance as you or the committee may feel in need of in the analysis and study of the contracts between the Government and the interests which have secured the leases upon the naval reserves.

The National Association of Independent Oil Producers is composed of numerous local associations throughout the United States, among them being associations in Oklahoma, Kansas, Texas, Indiana, West Virginia, Pennsylvania, and Kentucky.

Yours very truly,
NATIONAL ASSOCIATION OF INDEPENDENT OIL PRODUCERS,
By W. H. GRAY, *President.*

The following, which I will now read, came as an inclosure in the letter:

TULSA, OKLA., *May 5, 1922.*

To the Senate of the United States, Washington, D. C.:

The National Association of Independent Oil Producers, representing substantially all the independent oil producers of the United States, desires to enter its protest:

First. Against the policy of the Secretary of the Interior and the Secretary of the Navy in opening the naval reserves at this time for exploitation.

Second. Against the method of leasing public lands without competitive bidding, as exemplified in the recent contract entered into between Secretary Fall of the Interior and Secretary Denby of the Navy and the Standard Oil-Sinclair-Doheney interests.

Third. Against the policy of any department of the Government of the United States entering into a contract of any character whatsoever, whether competitive or not, which would tend to continue or perpetuate a monopolistic control of the oil industry of the United States or create a monopoly on the sale of fuel oil or refined oil to the Navy or any other department of the Government.

For the following reasons:

There exists no emergency or necessity which would warrant the opening of the naval reserves at this time for exploitation in order that the Navy might be supplied with the various grades of oil required by it, there being already above ground and in storage in the United States the greatest amount of oil that has been in storage in the history of all times.

The prices of fuel oil at the seaboard are lower than they have been in years, and there is an abundant supply.

The oil industry of the United States is just now convalescing from the greatest depression it has ever suffered, the daily production now being the largest in its history, and, therefore, the turning over of Government lands to the large pipe-line interests for exploitation will have the direct result of depressing the price of crude oil without in any way relieving the people of the onerous and burdensome high prices of refined products.

The policy of opening the naval reserves at this time is at variance with the policy announced by President Harding last year in requesting the Ways and Means Committee of the House to place crude oil on the free list. The President expressed the idea at that time that it should be the policy of the Government of the United States to encourage the development of oil resources in neighboring and foreign countries by the capital of the United States, with a view to utilizing their petroleum resources in this country, thus conserving and husbanding our own petroleum resources for our future protection and industrial upbuilding.

The delivery of the naval reserves of the United States to the Standard Oil-Sinclair-Doheney interests constitutes a return to the era of land-grabbing and carpetbagging whose hydrohead of iniquity was crushed by the policy of President Roosevelt almost a decade ago.

Shortly after the discovery of oil in the Indian Territory, now known as the State of Oklahoma, efforts were repeatedly made to grab the entire petroleum resources of the State under large blanket leases, and there were men at that time in high offices—cabinet members and lesser politicians—in great swarms who favored these grants. The independent oil producers spent many days at Washington fighting this attempted monopoly; and in order to prevent the monopoly of these lands by a few large companies the Secretary of the Interior, by order of President Roosevelt, issued a regulation that no corporation or individual would be allowed to hold at any one time more than 4,800 acres of restricted Indian land under leases, thus giving the smallest producer an opportunity to enjoy the possibilities of this, the greatest light oil producing area the world has ever known.

The rules of the department were subsequently amended so that all leases in what is known as the Osage Nation should be put up at public auction and sold to the highest bidder. In this connection we would cite the fact that during the last sale only a few weeks ago a 320-acre tract was sold for a bonus of approximately two and a half million dollars in cash and a one-sixth royalty. This sale was made to two companies not identified with any Standard Oil or pipe-line interest, thus demonstratng clearly that there is ample independent capital to develop the petroleum resources of the Government without granting these rights to monopolistic interests.

The Secretary of the Interior is now in the position of having one policy in Wyoming and another in Oklahoma with reference to Indian lands. The policy with reference to Indian lands in the Osage Nation, by which these lands are disposed of in small tracts to the highest bidder, has proven highly satisfactory to the entire oil industry and very profitable to the Indians, and therefore the independent oil industry is at a loss to understand why the Secretary of the Interior would adopt an altogether different and contrary policy in the disposition of lands in California and Wyoming.

We ask that the committee appointed by your honorable body investigate the contracts above referred to with a view to determining whether or not they tend to perpetuate a monopolistic control of the oil industry of the United States, and whether or not they tend to violate the spirit of the antirust laws of this country, and whether or not the effect of these contracts will be to create a monopoly of the oil trade with the Navy.

We wish to express our appreciation and thanks to the Members of the Senate who have in the past and are now interesting themselves in behalf of the conservation of our national resources and the protection and perpetuation of the independent oil industry of this country.

Respectfully submitted.

NATIONAL ASSOCIATION OF INDEPENDENT OIL PRODUCERS,
By W. H. GRAY, *President.*

I do not propose to take the time of the Senate at this late hour to make comment upon this important communication. It comes from a very representative body of men, men who are experts in this field of investment and production. I am receiving a large number of communications of like character. I shall at an early time lay them before the Senate with some observations touching this very important subject.

PRICES OF CRUDE OIL AND GASOLINE.

Mr. McKELLAR. Mr. President, this morning I asked unanimous consent to have Senate Resolution 292 with reference to the oil situation considered. I renew my request for unanimous consent for the immediate consideration of the resolution.

Mr. SMOOT. I shall have to object to the adoption of the resolution. I suggest, however, that the Senator have it referred to the Committee on Commerce. There are two similar resolutions before that committee now.

Mr. McKELLAR. Yes; there are two resolutions which have been sleeping there for some time and nothing has been done with them. The committee has not reported them out. I have just talked with the chairman of the committee, and he says no steps have been taken in regard to them.

This is a matter of vital importance. The oil interests of the country are raising the price of gasoline to the consumer, and, naturally, they want to continue to do it, and I desire to have the matter investigated. If they are in a combination for the purpose of raising the price of gasoline, when the supply of crude petroleum is greater than ever before, when the stocks on hand are greater than ever before, and the price is lower than it was some time ago, when the price of gasoline was even

lower than it is, there ought to be an investigation. In other words, while the stocks of crude oil on hand are very large and growing larger, apparently, according to the figures, the price of gasoline is steadily increasing and been increasing all over the country. All the companies are increasing the price of gasoline in like amount, and it seems to me that the Senate of the United States ought to know something about it.

There have been two resolutions passed and nothing has been done with them. This is a very simple resolution, and it seems to me that it will require nothing but an investigation. It does not go further than that, and I hope no objection will be raised to it.

Mr. ROBINSON. Mr. President, considering the nature of the investigation which is called for in the resolution proposed by the Senator from Tennessee, which was read this morning during the course of some debate that was had on the matter, I can not discover any necessity for a prolonged inquiry by a committee of the Senate to determine the advisability of having the investigation.

If any facts existed which made it advisable in the public interest to postpone action upon the resolution until a committee of the Senate which has before it similar resolutions can determine the necessity for the investigation, I would have no objection to the committee having jurisdiction of the matter making the inquiry, but it seems to me that the facts as stated by the Senator from Tennessee and the provisions of the resolution are of such a simple nature that the Senate can determine for itself, without an inquiry by any committee, whether it is desirable to make the investigation. I believe that an investigation ought to be made, and I hope that the Senator from Utah will permit the consideration of the resolution at this time.

Mr. SMOOT. I want the investigation made, but there is no need of having a resolution before one committee for an investigation and another committee having before it two resolutions to make a similar investigation.

Mr. ROBINSON. No such procedure as that is contemplated or is likely to result. If this resolution passes, the investigation which will take place under the resolution will obviate the necessity for further investigation by the same or different committees. The point of the matter is to get action.

Mr. SMOOT. That is exactly what I want.

Mr. McKELLAR. We are taxing the American people to a very large extent because of lack of action.

Mr. SMOOT. I would like to hear from the chairman of the Committee on Commerce, to which the other two resolutions have been referred. They are of the same character, calling for the same information.

Mr. McKELLAR. I have not copies of them, but they are quite different in character. The inquiry proposed by me is an inquiry to examine into the stocks and prices of oil, and the combinations that exist in regard to it, if any.

Mr. JONES of Washington. Two resolutions have been referred to the Committee on Commerce with reference to this matter, but those resolutions have not been urged before the committee especially. The junior Senator from Utah [Mr. KING] offered a resolution, and the Senator from Oklahoma [Mr. HARRELD] introduced one, I think, before the holidays. The Senator from Oklahoma had to go to a hospital for some time. I have advised both those Senators that whenever they desire a hearing before the committee, at which they could make a showing as to the necessity for those investigations, I would be glad to call the committee together. If any resolution is referred to the committee which the proposer desires to have considered by the committee promptly, the committee will be glad to consider it.

I desire to say, for myself, the mere fact that a resolution is introduced and referred to my committee calling for an investigation which would mean the expenditure probably of a lot of money and the taking of a lot of time, does not, in my judgment, warrant the committee in taking it up, but we are ready to give consideration to any facts which may be presented to the committee showing the desirability of having an investigation made.

Mr. McKELLAR. Mr. President, I have the resolutions before me, one introduced by the Senator from Oklahoma [Mr. HARRELD], Senate Resolution 38, which was introduced August 23, 1921, and by its own provision has expired by limitation without action. It does not direct the committee to make the investigation, but it directs that the Federal Trade Commission shall report to this body the result of its investigations not later than December 15, 1921. That resolution is not at all the same as the resolution proposed by me, and besides nothing has been done with it.

This resolution might stay there for another year without action being taken. What I would like to have is action. I think we all realize that some investigation should be made of this matter, and made at once.

I call attention to the resolution that was introduced by the Senator from Utah [Mr. KING]. It was introduced July 27, 1921, and no action at all has been taken on it. It is entirely different from mine. The gravamen of that resolution is that the price of crude petroleum has been greatly depressed, but there is no corresponding drop in the price of gasoline. In one way, that might be construed as somewhat similar to mine, but the conditions I complain of have to a very large extent arisen since that time. While the price of crude oil has been going down, as stated in my resolution, the price of gasoline has gone up about 4 cents in the last few weeks, or it may be a few days, certainly within a recent time. It is a very unusual thing, with the price of crude oil depressed as never before and the stocks on hand very large, that the price of gasoline all over the country should be going up and the price raised by all the companies. It rather indicates that there is some agreement or understanding about it.

If the resolution the immediate consideration of which I have asked is passed, the matter will be attended to at once and something will be done; but if it is referred to the committee, and takes the same course the other two resolutions have taken, there will be nothing done.

Mr. JONES of Washington. Mr. President, I do not like the statement the Senator makes. I have stated the reason why the committee did not act.

Mr. McKELLAR. Of course, the Senator from Washington is absolutely blameless. Nothing has been done to press them by the gentlemen who introduced the resolutions.

Mr. JONES of Washington. I am not seeking to get the Senator's resolution for our committee, but——

Mr. McKELLAR. The Senator is not to blame in the matter at all.

Mr. JONES of Washington. If the resolution is referred to our committee and the Senator will come before the committee, the investigation will be held.

Mr. McKELLAR. I know the Senator would take care of the matter, but in the multitude of business before the Senate these two resolutions have been lost track of. It has been nearly a year since they were offered, and nothing has been done. I want action on the part of the Senate. It seems to me that we are all of one mind. The Senator from Utah [Mr. SMOOT] says he thinks an investigation ought to be had. Why not let us have it? Why should anybody object to an investigation which we all admit should take place? I hope that neither the Senator from Utah nor any other Senator will object, but that this resolution will go through. No possible harm can be done by its adoption.

Mr. SMOOT. What committee is it proposed shall make the investigation?

Mr. McKELLAR. It is to go to the Committee on Manufactures.

Mr. SMOOT. Why not let it go to the Committee on Commerce?

Mr. ROBINSON. I believe the jurisdiction properly lies in the Committee on Manufactures.

Mr. LA FOLLETTE. That committee is not particularly busy now.

Mr. McKELLAR. I think it should go to the Committee on Manufactures, and the chairman of that committee says that committee is not particularly busy at this time. It is a matter which ought to be taken care of at once, and there ought to be action at once.

An increase in price of 4 cents a gallon on gasoline means an enormous tax on the American people, and if the price is being raised improperly, and if it can be remedied by an investigation by this body, we ought to have the investigation promptly made. We should not let that condition go on. Here is an opportunity to take care of the matter. The Committee on Manufactures is not busy; it will prosecute the matter, and it will report its findings to the Senate. I hope no Senator, under those circumstances, will interpose an objection.

Mr. SMOOT. If the Senators who introduced the other two resolutions are not going to do anything toward asking for their consideration, then I have no objection at all to the passage of this resolution, but I thought it was perfectly useless to have three resolutions before the Senate at once looking to the same end. I am perfectly willing that the resolution shall be adopted, because nothing has been done in regard to the matter. I do not care where the investigation goes, but I do not want two committees of the Senate making an investigation of the same subject at the same time.

The VICE PRESIDENT. Does the Senator from Tennessee make a request?

Mr. McKELLAR. I ask unanimous consent for the immediate consideration of Senate Resolution 292.

The VICE PRESIDENT. Is there objection?

The resolution was considered by unanimous consent and agreed to, as follows:

Resolved, That the Committee on Manufactures, or any subcommittee thereof, be, and it is hereby, authorized and instructed to investigate and report to the Senate as early as possible:

1. The stock of crude oil on hand at the refineries in the United States for the years 1920, 1921, and 1922.
2. The price of crude oil during the various months in said years.
3. The stock of gasoline on hand during the said years 1920, 1921, and up to date in 1922.
4. The relation of prices of gasoline during said years to the prices of crude oil.
5. Whether or not the recent increase in the price of gasoline has been by some companies, or whether there has been any uniformity in the prices demanded by all of the companies.
6. Whether these prices have been put in at the same time or at substantially the same time.
7. Whether there has been any understanding or agreement between various companies to raise the prices.
8. Whether there is any natural reason for the increase of prices of gasoline.
9. And all such facts as bear upon the present increase of prices of gasoline in view of the decreased price of crude oil.

MOTHERS' DAY.

Mr. HEFLIN. Mr. President, on to-morrow, the second Sunday in May, the Stars and Stripes will be displayed on all our Government buildings. In 1914 Congress, by the adoption of a resolution introduced by me, designated the second Sunday in May as Mothers' Day, and provided that the President should require Federal officials to display our country's flag on all Government buildings in honor of the mothers of America.

It is, indeed, fitting, Mr. President, that one day in every year should be set apart in which the whole people can pay to the mothers of our country the tribute of their love.

I desire to read at this juncture a poem written by Lucien Lamar Knight, of Georgia:

WOMAN.

Woman, to thy tender keeping God has given this command:
Rear the childhood of the Nation, nurse the young hope of the land,
Teach the principles of virtue, lift the manly brow of youth
Till it scorns each baser triumph for the laurels of the truth.

Never leave thy little kingdom; never sacrifice its crown;
Though your realm be but a cottage, keep it ever, 'tis thine own.
Let no trespasser invade it; from its door let hate be hurled,
For the teachings of the fireside rule the forums of the world.

'Tis thy mission to be gentle, meek in spirit, undefiled,
For the Nation's growth is rooted in the nurture of the child.
Fountain spring of all our greatness—back of yonder beetling dome—
Lies America's true secret, in her poet's "Home, Sweet Home."

She who rocks a Nation's cradle, with a mother's holy hand,
Writes its statutes, rears its armies, peals its thunders of command.
She who whispers "Now I lay me" to the childhood at her knee,
Reigns the queen of the Republic, guards the court of liberty.

RECESS.

Mr. CURTIS. I move that the Senate now take a recess.

The motion was agreed to; and the Senate (at 5 o'clock and 3 minutes p. m.), under the order previously entered, took a recess until Monday, May 15, 1922, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

SATURDAY, *May 13, 1922.*

The House met at 12 o'clock noon, and was called to order by Mr. WALSH as Speaker pro tempore.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our blessed heavenly Father, lead us in Thy own way. In the depths of Thy love and in the mystery of consecrated motherhood may we find the holiest meaning. The foregleams of "Mother's Day" are kissing us. They tell us of the uttermost of human love. Give us to feel the warmth and glow of mother's benediction. Her's was a conscious integrity, which is the seal of character. She taught us that there is no joy so tranquil and refreshing as that which flows from a pure life. O keep us in the sanctity of her faith and sacrifice. If on earth, may she have our tenderest love and devotion. If in heaven, O may the light of her glory be reflected on us as she walks in closest fellowship with the angels. Let the morning brightness of her immortal soul fill all our hearts. To the last day of our earthly pilgrimage make us rich and joyous with her grateful and beautiful memory. In Thy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. JOHNSON of Washington, for 10 days, on account of illness;

To Mr. COLTON, for two days, on account of important business;

To Mr. BANKHEAD, for an indefinite period, on account of death in the family; and

To Mr. WYANT, from May 15 to May 18, on account of official business.

ARKANSAS.

Mr. JACOWAY rose.

The SPEAKER pro tempore. For what purpose does the gentleman from Arkansas rise?

Mr. JACOWAY. Mr. Speaker, I ask recognition for the purpose of stating that on June 16, 1922, Arkansas will have been incorporated into the Federal Union for a period of 86 years. In other words, on the 16th day of June next will be Arkansas' Federal birthday. During this time she has wrought wondrously and well. She has achieved those things of which all Arkansans are justly proud, and the history of this achievement we want to publish to the world at large. While her accomplishments in the past have been commented upon with great approval and commendation by the country at large, and have been more than gratifying, yet at the same time all Arkansans have more than a strong and an abiding faith that her achievements and the history she will write in the future will far exceed that of the past in all those things that go into the making of a truly great Commonwealth. It is destined that her status will be equal to the greatest in every respect and which will serve as a national model worthy of the emulation by each of her sister States and second to none. Mr. Speaker, with what I have said as a short preamble I ask unanimous consent to extend my remarks in the CONGRESSIONAL RECORD by making certain observations and detailing in part a portion of the wonderful history of that State from which I come and which in part I have the great honor to represent in the halls of national legislation. In things undertaken and carried to a successful consummation the name of Arkansas ranks high on the scroll, yet when all the facts relative to this proud State are known and appreciated for their full, just, and honest worth convinced will be the minds of all that Arkansas has been rightly named "the wonder State of the Union."

The SPEAKER pro tempore. The gentleman from Arkansas asks unanimous consent to extend his remarks in the RECORD by inserting some observations on the entry of Arkansas into the Federal Union. Is there objection?

There was no objection.

Mr. JACOWAY. Mr. Speaker, this data, based largely on Government statistics, was compiled by the Arkansas Advancement Association, an organization of the foremost business men of the State and not operated for commercial purposes. It is with pleasurable pride I make certain recitals about my native State and to commend the patriotism and State pride of those compiling this wonderful data about a wonderful State, to the end that those who essay to speak of her except in terms most worthy, she will prove by the record that over all criticism an eternal traverse has been written. Only two classes of people speak of Arkansas except with praise. These two classes are those who are densely ignorant or morbidly envious.

SEVERAL HUNDRED INTERESTING FACTS ABOUT ARKANSAS.

(Pronounced Ar-kan-saw, the French rendition of the Sioux "U-gakhpa," meaning "Down-stream People.")

THE NATION'S WONDER STATE.

Arkansas is the home of an intelligent, prosperous, contented, and loyal people. It is developing with more rapidity than other States, because it offers superior attractions for the man of moderate means who desires to possess a home and raise his family in ideal surroundings. Arkansas is not a wilderness, neither is it a frontier State. It is shown by Government statistics to be one of the most healthful in the United States. There are no swamps nor large bodies of standing water, and pure water is plentiful in all communities.

Arkansans are law-abiding people, the percentage of crime in this State being considerably less than the average in the United States. Arkansas is ambitious for the welfare of its youth, and excellent schools are provided. Even in the most sparsely settled communities there is an opportunity for all children to secure a common-school education. The United States has many big men and women holding responsible positions who secured their entire education in Arkansas. If it is peace and prosperity you are looking for, Arkansas is your haven.

SIXTY TREES OF COMMERCIAL IMPORTANCE THAT GROW IN ARKANSAS.

Loblolly pine, shortleaf pine, red cypress, red cedar, black walnut, butternut, pecan hickory, shagbark hickory, bitter pecan hickory, mockernut hickory, pignut hickory, cottonwood, river birch, beech, chinquapin, red oak, pin oak, Texan oak, black oak, Spanish oak, blackjack oak, water oak, willow oak, white oak, post oak, bur oak, overcup oak, swamp white oak, cow oak, white elm, winged elm, slippery elm, hackberry, red mulberry, Osage orange, magnolia, cucumber tree, yellow

poplar, sassafras, red gum, sycamore, black cherry, coffee tree, honey locust, black locust, holly sugar maple, red maple, box elder, buckeye, basswood, tupelo, black gum, flowering dogwood, persimmon, blue ash, black ash, white ash.

ALPHABET OF ARKANSAS MINERALS.

Actinolite, aegirite, agalmetolite, agate, agarie mineral, albite, allophane, almandite, alum, alumite, amethyst, amphibole, anatase, andradite, anglesite, ankerite, antimony, apatite, aphrodite, aplome, arkansite, asbolite, argonite, asphaltum, augite, aventurine quartz, azurite.

Barite, batholomite, basanite, bauxite, bindhilhite, bismite, bismuthinite, black jack, blue vitrol, bog iron ore, bolirite, bowenite, branunite, brooklite, brucite.

Calcite, cement, cerussite, chalcopyrite, chalk, chert, chrysolite or olivine, cinamon stone, clay, coal, cobalt, cocolite, copper, copperas, copper carbonite.

Diamonds, dog-tooth spar, dolomite.

Eleotite.

Fahlunite, feldspar, firoite, freibergite, fuller's earth.

Galena, gas, garnet, geyersite, gold, gothite, granite, graphite, gravel, gypsum, glass sand.

Hematite or iron, hydrotitanite, hyperthene.

Idocrase, iolite.

Jamesonite, jasper, jeffersite.

Kaolin or kaolinite.

Labradorite, lead, lignite, limestone, limonite, lithographing stone.

Manganese, magnetite, marble, marcasite, marmatite, melanite, melanterite, mellite.

Novaculite.

Ochre, octahedrite, orl, onyx, opal, orthoclase or potash feldspar, ozarkite.

Pealite, pearls, peridotite or diamond bearing rock, petroleum, pinite, pyrite, phosphate, prophyllite, pyroxene, pyrrhotite.

Quartz.

Rootsite, rutile.

Sandstone, schloromite, serpentine, siderite, silicious sinter, silver, slate smithsonite, smoky quartz, soapstone, spahlerite, stibnite, shale.

Talc, thuringite, tin pyrites, travertine, tripoli.

Uranium.

Variscite, vermilion.

Wad, waverlite, water, whetstone or novaculite.

Yerkon.

Zinc, zinkenite.

Arkansas is the one State that annually reproduces its invested capital, its annual products exceeding the value of all its property. Arkansas property was assessed in 1919 at $588,161,000, and the value of its products that year, according to Government statistics, was $698,313,000.

Arkansas has an area of 33,610,000 acres, with only 9,239,000 acres in cultivation. Three-fifths of its land is yet unimproved.

Arkansas has an abundance of cheap fuel—natural gas, crude oil, anthracite and semianthracite smokeless coal, lignite, and wood in practically inexhaustible quantities.

Arkansas has never known a total crop failure, or a famine.

Arkansas ranks twenty-fourth in population, twenty-sixth in land area, and twentieth in total value of its crops. Arkansans are energetic.

Arkansas devotes a greater acreage to strawberries than any other State, 15,100 acres in 1920. Strawberries net as high as $1,200 per acre in Arkansas.

Arkansas Nancy Hall sweet potatoes have an unexcelled flavor which gives them the world for a market. Even Alaska bought Arkansas Nancy Halls by the carload in 1921.

Arkansas grows two crops of Irish potatoes annually, usually on the same ground.

Arkansas ranks third in the production of rice and first in yield per acre and quality. Arkansas in 1921 produced over 5,000,000 bushels.

Arkansas is exceeded by only one State in the acreage of canteloupes, and now excels Colorado, the home of the Rocky Ford.

Arkansas won more medals at the Panama-Pacific Exposition in horticulture and agriculture than any other State.

Arkansas has originated and named 58 varieties of apples, and stands fifth in the production of barreled apples.

One Arkansas county, Mississippi, had an agricultural production valued at $17,000,000 in 1919.

One Arkansas plantation produced and marketed $974,639 worth of cotton and cotton seed in 1919. This plantation, in addition, marketed 22 carloads of wheat, 12 cars of hogs, and 5,474 bushels of corn, besides producing corn and hay sufficient to maintain stock needed to cultivate 15,000 acres. This plantation is in Mississippi County. Its 1921 crop exceeded $1,000,000.

Live stock can be raised in Arkansas at a minimum cost, as it can be pastured 10 months of the year. Mild winters make large stock barns unnecessary.

Arkansas, according to the 1919 United States census, had live stock valued at $30,083,950, annual dairy products of $13,445,124, and an annual production of chickens and eggs of $16,245,102, an increase of 100 per cent in 10 years.

Arkansas lands produce from three to seven cuttings of alfalfa annually. The cut is about one ton per acre and sells for $20 per ton or more on the field, and without baling. The first cutting is made in April, the last in October, sometimes in November.

Arkansas has the largest peach orchard under one management in the world—the Bert Johnson orchard contains 4,150 acres. Elbertas from this orchard brought as high as $4.50 per bushel in 1921.

Arkansas has, according to War Department statistics, 2,401 miles of navigable rivers. There are thousands of miles of swift mountain streams, capable of generating sufficient electricity to supply every manufacturing plant in the State with cheap power.

Farmers in the rice belt of Arkansas paid more income tax than farmers of any similar area in the United States in 1919.

America's greatest producer of grape juice is erecting large factories in Arkansas, attracted to the State by the superior quality of its grapes.

Point Comfort XIV, a Logan County Hereford bull, was grand champion in 1914. Fairlad Fairfax, an Ashley County Hereford bull, has been eight times southern grand champion.

Mammoth Spring has a flow of 864,000,000 gallons daily. It supplies water for the operation of manufacturing enterprises and lighting several small cities, and is the source of picturesque Spring River. This spring flows 600,000 gallons of water a minute—more than Chicago uses for all purposes. The flow never varies, and the temperature is the same winter and summer.

Arkansas red wheat makes the whitest, fluffiest flour of any soft wheat in the world, and is best adapted for soft wheat milling.

One Arkansas flour mill has run night and day for five years, a record not equaled by any other mill in the United States.

Arkansas had the first national reserve—Hot Springs. This is the only self-supporting Government reservation. It is the world's most noted resort. There are 48 thermal springs, with an average flow of radioactive waters of over 1,000,000 gallons daily, ranging from 102 to 147 degrees Fahrenheit and averaging 142 degrees.

Arkansas has a population of 1,752,000, with only 14,000 foreign-born citizens.

Arkansas farmers devote one-fourth of their tillable land to the production of cotton, a crop which annually brings over $100,000,000 to the State.

Arkansas ranks second in the production of long-staple cotton. Long-staple cotton brings a premium of as high as 50 cents a pound.

Arkansas cotton has been awarded first prize at every national or international exposition at which it has competed—Philadelphia, New Orleans, Buffalo, Chicago, St. Louis, and San Francisco.

Arkansas has an annual rainfall of 48.03 inches, and irrigation is unnecessary except in the growing of rice, a crop which must be kept flooded until the harvest season.

Arkansas has more automobiles on its farms than any New England State.

Arkansas County, Ark., has more tractors on its farms than any other county in the world.

Arkansas has a growing season of 193 days in the extreme northwest, which is gradually increased to 242 days in the southern portion.

Arkansas rains are heavy in the spring and light in the autumn, a favorable distribution for growing and harvesting of crops.

Arkansas' summer temperature ranges from 73.8 degrees in the mountainous northwest to an average of 81.7 degrees in the extreme southern portion. The average winter temperatures range from 36.9 degrees in the northwest to 46.6 degrees in the south.

Arkansas' summer resorts amid the beautiful scenery of the Ozarks show a summer average maximum temperature from 84 to 88 degrees and an average daily minimum of 65 to 68 degrees. Think about these resorts, with their sparkling spring water and cool breezes when the hot summer days come.

Arkansas farms can produce in any section of the State a crop of wheat and follow it with a crop of corn, and peas sowed in the corn mature before frost, making three feed crops in one year on the same ground.

Arkansas has the largest apple vinegar factory in the world.

Arkansas has the largest apple-drying establishment in the world.

Arkansas with its oil fields in Union County under development since January 10, 1921, will soon rank third in production of oil, producing now 75,000 barrels daily. An average of 15 wells is brought in weekly.

Arkansas has as extensive fields of lignite as are known in any State.

Arkansas has the only producing diamond mines in North America. Diamonds weighing 20½ karats have been found in the Pike County fields. Arkansas diamonds are produced in commercial quantities and are one point harder than those of Australia and South Africa. As brilliancy is dependent upon hardness, the Arkansas diamond is the world's finest. An eastern company, capitalized at $10,000,000, installed a modern plant, costing $200,000, in the field in 1921.

Arkansas is the only State where pearl fishing is a permanent and profitable industry. The finest fresh-water pearls, selling up to $7,500, marketed in the past decade came from Arkansas streams.

Arkansas has eight button factories, consuming 9,000 tons of mussel shells annually. The finest pearl buttons are manufactured from these.

Arkansas produces 92 per cent of the bauxite, the ore from which aluminum, artificial abrasives, and alum are derived, that is mined in the United States.

The plantations of John M. Gracie, the world's largest individual cotton producer, are in Arkansas.

Practically all of the aluminum cooking utensils used in the United States to-day—100 per cent of those manufactured in America—have their origin in the Arkansas bauxite mines of Saline County.

An Arkansan is national president of the Tau Kappa Alpha, the honorary debating fraternity.

Waterworks systems all over the United States secure their alum for water purification from Arkansas bauxite. The paper-making industry and the manufacturers of popular-priced baking powders are also dependent on Arkansas bauxite for their alum.

Arkansas produces large quantities of antimony. This metal is used as an alloy in type metal, babbit, and other antifriction metals, and in enamels, varnishes, and paints.

Arkansas has three extensive gas fields: Sebastian-Crawford, Johnson, and Union Counties. Natural gas is supplied at from 10 cents per thousand cubic feet for factories to 25 cents per thousand feet for domestic use, according to the distance from the wells. Twenty thousand cubic feet of gas is equal to a ton of coal. Arkansas factories, therefore, obtain the equivalent of lump coal at $2 a ton.

Arkansas has a law which prohibits the consumption of more than 20 per cent of the daily flow of a gas well, thus insuring a supply of this economical fuel for many years to come.

Arkansas has a gas well which has produced in heat units the equivalent of over 100,000 tons of coal.

Arkansas factory towns are absolutely smokeless, and travelers on Arkansas trains escape the smoke nuisance, as Arkansas coal is smokeless.

Arkansas has gas wells which have yielded more than 2,000,000,000 feet of gas each and still make over 1,000,000 feet daily. These wells have been flowing steadily for five years.

Arkansas has vast deposits of asphalt which are as yet practically undeveloped.

Scientists assert that the largest prehistoric implement factory was located in Hot Spring County. Excavations show that a sufficient amount of novaculite was removed at Magnet Cove to equip a nation with arrow heads, battle axes, and stone implements.

Arkansas has enough gravel adapted to road building to connect every home in the State with an excellent highway.

Arkansas has pure glass and in inexhaustible quantities. Seven large factories, using natural gas as a fuel, manufacture this into window glass, lamp chimneys, bottles, and mirrors.

Slate suitable for composition roofing, in four colors—black, gray, green, and red—is to be had in Arkansas in quantities sufficient to cover every building in the States of New York, Pennsylvania, and California, with the cities of Chicago, Detroit, Boston, Cleveland, Cincinnati, and St. Louis thrown in for good measure.

Iron pyrites containing 50 per cent of sulphur, used in the manufacture of sulphuric acid, is found in commercial quantities in Arkansas.

Lead is mined in six Arkansas counties.

Arkansas has an unusual variety of brick, pottery, and fire clays. The famous Niloak pottery, with its many beautiful shades and colors, sold in art and jewelry shops all over the world, is manufactured from Saline County kaolin. Hot Spring County has large fire-brick plants.

Four Arkansas counties produce zinc.

Arkansas has two extensive beds of manganese. In Independence and Polk Counties large plants for its reduction are soon to be erected.

Arkansas has rich beds of marl.

Arkansas deposits of phosphate rock are sufficient in quantity to fertilize for many years every farm in America.

Arkansas has one of the geological wonders of the world in Magnet Cove, Hot Spring County. All the world's foremost collections of minerals contain a Magnet Cove exhibit, rare minerals being found there which have never been discovered elsewhere.

Arkansas has mountains of limestone and manufacturers advertise their calcium carbonates as 99¾ per cent pure, with a chemical analysis to prove their assertion.

Arkansas produced 1,313,668,000 feet of pine lumber in 1920. The cut of pine for all purposes, including fuel, exceeded 3,000,000,000 feet.

Arkansas has marble, white, black, and gray, which will take as high polish as the famous Italian marble. The Batesville marble was used in constructing the State capitol at Little Rock, the United States penitentiary at Fort Leavenworth, the Oklahoma City high school, the First Presbyterian and First Christian Churches in St. Joseph, Mo., the Farmers and Merchants Bank at Bedford, Iowa, the pylons at the entrance to University City, St. Louis, and hundreds of mausoleums and public buildings over the United States.

Arkansas soft pine is indorsed by the Government as the finest type of short-leaf pine grown in the United States. This is the only Southern pine upon which white enamel may be used with a certainty that it will not discolor nor will the grain raise. Arkansas soft pine costs one-third less than hard woods used for white enamel finish.

Arkansas soft pine was awarded a premium of $3 per thousand feet by the Government when prices were set in 1918. Arkansas yellow pine for interior finish is a favorite in northern markets, and brings $5 to $10 per thousand over the native pines.

Arkansas leads in the production of red gum lumber. This wood takes a polish which makes it difficult to distinguish it from mahogany. It is largely used in the manufacture of pianos and furniture. Arkansas cuts 200,000,000 feet of red gum a year.

Arkansas has a large number of mills which supply cedar lumber for the manufacture of lead pencils.

College crews place their hope of victory on Arkansas manufactured oars. The United States and English Navies are heavy purchasers of Arkansas oars. The two largest boat-oar factories in the United States are located in Arkansas—De Valls Bluff and Des Arc.

All the woodwork about the leading sewing machine of the United States comes from mills operated upon the extensive holdings of this company in Poinsett County.

Arkansas supplies the ash and hickory from which a majority of tool and agricultural handles, both in America and Europe, are manufactured.

Hubs, spokes, and bodies for automobiles are largely manufactured from Arkansas timbers.

Cypress lumber is produced in Arkansas to the extent of 50,000,000 feet a year.

Golf sticks, shuttles, and bobbins for cotton mills and lasts for shoemakers are manufactured from Arkansas persimmon.

Hundreds of millions of feet of elm, cottonwood, tupelo, and sycamore are consumed in Arkansas annually in the manufacture of baskets, crates, boxes, and veneer for furniture.

The round crate generally used in the shipment of bananas originated in Arkansas and is largely manufactured from Arkansas veneer.

Arkansas has 129 species of native trees. Sixty of these produce useful commercial wood.

Arkansas mills furnish the veneer from which trunks, advertised as indestructible, are manufactured.

Arkansas has two of the largest screen-door factories in the United States.

Arkansas, according to the 1920 census, has $138,818,000 invested in manufacturing plants, turning out products valued at $200,313,000 annually, an increase of 138 per cent in five years.

Arkansas cuts annually 150,000 feet of osage orange, the most highly priced wood produced in the United States.

Arkansas leads in the production of oak staves for tight barrels.

Arkansas has two of the largest plants in the world where railroad ties and piling are given a creosote treatment.

Arkansas has one factory which produces 60,000,000 feet of oak flooring, molding, and lumber annually, a record not equaled elsewhere. Other factories increase the output to over 100,000,000 feet.

The collapsible onion crate, used almost exclusively in the shipment of Bermuda onions, originated in Arkansas.

Arkansas has the most inviting field for the apiarist. The clover pastures and wild flowers produce the best honey.

Arkansas has a larger variety of wild nuts than any other State—walnut, hickory nut, pecan, filbert, chinquapin, and chestnut. Several hundred cars of pecans are shipped annually.

The second largest hardwood market in the world is located at Helena.

Arkansas' crop of wild berries is unexcelled—blackberries, dewberries, and huckleberries. Muscadine and several kinds of grapes grow in profusion, and Arkansas farmers are unable to gather and preserve more than a small portion of the crop.

Game, from the squirrel to deer, abounds in Arkansas, though large game is rapidly disappearing. There is still excellent quail and duck shooting during the open season.

Arkansas has a seaport—Helena—with a harbor with a minimum stage of 50 feet of water. This is the head of navigation for ocean-going vessels on the Mississippi River.

The El Dorado oil fields in Union County have 400 producing oil wells and 15 gassers. The oil wells range from 100 to 8,000 barrels daily.

Arkansas's crude oil from the El Dorado fields shows a gravity test of from 18 to 37.5 at 60°.

Arkansas' farm wealth has increased 300 per cent in 10 years.

Natural gas in the El Dorado fields will distill 2 gallons of gasoline per thousand cubic feet.

Arkansas has in its three natural gas fields many wells which produce an average of 25,000,000 feet of gas daily.

Arkansas has the highest mountain between the Alleghenies and the Rockies—Mount Magazine, 2,863 feet high.

Arkansas has two large furniture manufacturing centers—Fort Smith and Little Rock—and their product is shipped to all parts of the world.

Arkansas has a model law governing State banks. Bank depositors are as thoroughly safeguarded as though there was a State bank guaranty law.

Arkansas bank savings have shown a steady increase with each bank report, the increase in seven years being over 300 per cent.

Arkansas banks show an increase of 100 per cent in individual deposits since March 1, 1914.

Arkansas banks more than doubled their resources in the same period. Is there another State that can show over 100 per cent increase in seven years?

Arkansas has public-school property valued at $20,000,000, and raises $8,000,000 annually by taxation for the support of its public schools.

Arkansas has a strong State Teachers' Normal College and four well-equipped State agricultural schools.

Arkansas has 10 denominational schools and colleges, seven of which are well endowed, and all are ranked as standard colleges.

Arkansas is rapidly consolidating its rural school districts, thereby making possible the establishment of strong schools with high-school advantages.

Arkansas has a State Agricultural Mechanical and Normal College for Negroes. It also has three denominational colleges for Negroes.

Arkansas rural schools are offering vocational educational courses, teaching agriculture and domestic art.

Gilsonite, a rare mineral used in making glossy paints for automobile bodies, is a recent discovery in Arkansas.

Insulator brackets used by telegraph and telephone companies all over the United States are manufactured from Arkansas hardwood.

Arkansas leads in the production of oak railroad ties.

The largest nugget of zinc ever taken out in one piece, weighing 70 tons, was quarried in Marion County in 1893. A small piece of this, weighing 12,400 pounds, was exhibited at the Chicago World's Fair, and after taking a first premium for purity was placed on exhibition in the Field Museum, Chicago.

Arkansas produced the largest nugget of lead ever mined. It weighed 2,400 pounds and was mined in Marion County. It was exhibited at the St. Louis Exposition.

Arkansas has a marble which is elastic, bending under pressure, and rebounding when the pressure is released. This elasticity enables the stone to adapt itself to variable climates without disintegration. It is quarried in Independence County in large quantities.

Batesville marble, quarried in Arkansas, is more dense and compact than granite, therefore absorbs less moisture. It is fine grained and is especially adapted to the sculptor's chisel.

The largest block of marble quarried in Arkansas weighed 220 tons. It came from near Batesville, Independence County.

Arkansas has a chain of mountains extending along the entire western border, over 2,000 feet above the surrounding plain, which shelter the remainder of the State from the cold waves and blizzards experienced north and west of them.

An Independence County boy has a six-year average of 92¼ bushels of corn to the acre.

The facility of the University of Arkansas holds degrees from 65 different colleges and universities.

Over 65 per cent of Arkansas school graduates continue their education at the State university.

Seventeen members of the faculty of the University of Arkansas are listed in the latest edition of Who's Who.

The University of Arkansas is one of the few colleges in the United States employing a trained dietitian, thereby safeguarding the health of the students through a balanced diet.

The University of Arkansas maintains an extension service in agriculture and home economics by which 750,000 people were reached in 1921.

Arkansas' university, through its agricultural experiment station, has issued more bulletins during the past five years than similar institutions of other States in the South.

The University of Arkansas conducts instructions by mail in agriculture, engineering, and the liberal arts and sciences.

Students from the University of Arkansas are accepted in the leading universities with full credit for the work performed.

Arkansas planters originated the plan of a cooperative system of accounting whereby an expert accountant supervises the bookkeeping for a number of large plantations.

Arkansas has 5,240 miles of railroad, networking the State like a street railway system.

Arkansas has a compulsory education law and every child between the ages of 6 and 15 years is compelled to attend some school.

Arkansas has begun to develop its water power. Work is progressing on two projects which call for the expenditure of $20,000,000.

Arkansas supplied 76,241 men in the World War. One of the first soldiers wounded in action was an Arkansan.

Arkansas furnished 25 general officers to the Confederate Army.

Arkansas companies bore the brunt of fighting in the Mexican War.

Arkansas soldiers were decorated for gallantry in action in all major operations of the World War.

Arkansas counties, Phillips, St. Francis, and Green, were first to go over the top in war loan campaigns. Arkansas was always among the first to subscribe its quota in war activities.

Arkansas' leading newspaper, founded in 1819, is the oldest paper published west of the Mississippi River.

Diamond Cave, in Newton County, is considered by tourists to be the world's most beautiful cave.

Arkansas has invested more in proportion to its wealth and population in good roads than any other State.

Arkansas improvement districts have never defaulted on the payment of bonds or interest.

Arkansas laws are conservative with relation to foreign capital.

Arkansas has the longest pontoon bridge, the longest single-span bridge, and the longest concrete bridge in the world.

Arkansas scenery is as attractive as any in the United States, and automobile roads lead through these sections.

Arkansas' rate of taxation is exceptionally low.

Arkansas supplies manufacturing plants all over the United States, where excessive temperatures are produced, with fire brick. It has the greatest heat resisting properties of any clay known, standing a test of 3,303 degrees without fusing.

Arkansas is credited by noted church leaders as standing first in Sabbath observance.

Arkansas is a fisherman's paradise. Its lakes and streams abound in game fish.

Albert Pike, America's most illustrious Mason, reached the zenith of his career while a resident of Arkansas.

The poet laureate of Masonry, Fay Hempstead, is a native Arkansan. Masonry has known but two others, Robert Burns and Robert Morris.

Two of the three founders of the Sigma Nu fraternity were Arkansans.

All executive heads of the $50,000,000 educational drive of the Southern Methodist Church were Arkansas men.

Arkansas has practically an inexhaustible supply of fuller's earth, a mineral used for refining and bleaching cottonseed oil and lard compounds. Superior to the best English fuller's earth, it is replacing the imported product.

Mary McCormic, the successful prima donna of the Chicago Grand Opera Co., is an Arkansas girl whom Mary Garden is featuring this season.

The United States Geological Survey estimates the supply of oil in the El Dorado field at 525,000,000.

Arkansas has chalk cliffs in Little River County rivaling the famous cliffs of Dover, which supply America with chalk. A company, capitalized at $1,000,000, was organized in 1921 to quarry these vast deposits.

Granite Mountain, just south of the city limits of Little Rock, could supply the building needs of the whole United States for years to come with the highest quality of that material.

Arkansas was the first State to pass the bone dry law.

The only man ever invited to address the New York Lodge of Elks, not a member of the lodge, was an Arkansan.

Arkansas has 1,584 square miles of anthracite and semianthracite smokeless coal. It has been mined at the rate of 4,000,000 tons annually, and it will take 350 years to exhaust the supply. The annual output is valued at approximately $9,000,000.

Arkansas stands second among the 48 States in National Guard organization.

There is no race suicide in Arkansas. Statistics show that births double the number of deaths.

The agricultural extension service of the University of Arkansas enrolled 26,664 members in the boys and girls' agricultural clubs in 1921.

A member of an Arkansas corn club holds a record of 172¼ bushels of corn to the acre.

There were enrolled in 1921, 3,446 men in field-crop demonstration work under the supervision of county agents in Arkansas. They cultivated 30,144 acres, raised 25 different kinds of field crops, and through the demonstrations increased the yield $706,220.

Arkansas laws permit the organization of cooperative associations for the selling of farm products.

There are 446 clubs for home demonstration work in Arkansas, with 9,000 girls enrolled, and 332 women's clubs, with 8,881 members.

All school expenses of 236 girls of home demonstration clubs were paid through money earned in club work.

Arkansas is rapidly eliminating the fever tick by dipping the cattle of the State.

Authors of several of the best selling books of the year are Arkansas women.

Arkansas has supplied two chairmen for the Democratic National Committee, and the chairman of the last Democratic National Convention was a native Arkansan.

Arkansas has supplied an Attorney General for the United States—Augustus H. Garland.

Arkansas men have been president of national bar, educational, archæological, good roads, funeral directors, millers, independent oil refiners' associations, and other national bodies.

Student expenses are lower at the University of Arkansas than any similar State institution.

Arkansas men are operating heads of several trunk line railroads.

Arkansas men are chief executive officers of several of New York's largest commercial and financial institutions.

Many of the leading writers on scientific, social, and economic problems are Arkansans.

Arkansas is the native State of two celebrated screen comedians.

Arkansans have been members of the Metropolitan Opera Co., and a Little Rock girl has a leading part in this year's Follies.

An Arkansas woman is listed among the successful scenario writers.

Arkansas was represented at The Hague peace conference, the late Judge U. M. Rose being a delegate from the United States.

Arkansas is the first State to adopt a blind or afflicted child and to provide through legislative appropriation for the maintenance of this foundling in an eastern hospital.

Arkansas has copper deposits in a number of counties.

Arkansas produces a high grade of tripoli.

Silver mines were operated extensively in Arkansas many years ago. These mines are now being reopened.

An Arkansas farmer averaged 90 bushels of oats per acre this year.

Two native Arkansans participated in the 1921 world series—Aaron Ward, second baseman of the New York Americans, and Earl Smith, catcher of the New York Nationals.

An Arkansan, James P. Clarke, was President pro tempore of the United States Senate, and his statue is in the Hall of Fame.

Two Arkansas counties, Benton and Washington, rank first in apple production in the world. These counties have 5,000,000 apple trees.

One Arkansas town, Rogers, shipped 150 cars of evaporated apples in 1919.

An Arkansas physician, Dr. J. T. Clegg, jr., of Siloam Springs, was the first to isolate leprosy bacilli, thereby making possible control or cure of this dreaded disease.

The Ancient Concatenated Order of Hoo Hoo, a national fraternal organization of lumbermen, was founded in Arkansas.

Arkansas is mountainous in the western portion. The eastern portion is a vast alluvial plain, as fertile as the valley of the Nile. The valleys between the mountains are equally as fertile. The plateaus and mountain tops produce wonderful crops, and the hillsides are favored for Arkansas's unexcelled orchards.

Arkansas turned back to the Government in September, 1918, 1,000,000 pounds of sugar, or one-fourth of its monthly allotment, that the soldiers might have more sweets. This was more than any other nine States turned back in response to the call. The Government converted this sugar into candy, thereby increasing it to 2,000,000 pounds, and gave Arkansas credit on the printed label of each package distributed overseas.

Arkansas returned 40,567 barrels of flour to the Government, more than the other 47 States combined, when requested to do so by military authorities.

Siloam Springs ships an express car of cream every day.

Black walnut for gunstocks and furniture is plentiful in Arkansas.

All railroads operating in Arkansas serve pure spring water on their trains.

Arkansas has the largest sorghum factory in the world, at Fort Smith.

Arkansas has artesian water in many sections of the State, the wells often being less than 300 feet in depth.

Arkansas produces yellow ochre of the finest quality in commercial quantities.

Arkansas has, in Garland, Montgomery, and Pike Counties, deposits of manganese oxides sufficient to manufacture half the dry paints used in the United States.

Arkansas has a distinct advantage over other truck-growing Commonwealths due to its proximity to market. It is less than 24 hours from Chicago, Detroit, Cincinnati, Louisville, Kansas City, Omaha, and St. Louis, and most of these cities are reached in an overnight run by express trains.

Arkansas ships radishes, lettuce, beans, cucumbers, tomatoes, and other early vegetables by the carload.

Arkansas has a rare earth that, when ground and applied to heated iron, causes it to "case harden" so hard that the best file will not cut it. What is it?

Arkansas has a large deposit of red marble in Marion County.

Arkansas has lithograph stone in Newton and Searcy Counties that is superior in quality to any other in the United States, and the equal of the imported stone.

Arkansas has large deposits of soapstone in Pulaski County, classed as the best in the world.

Arkansas has an immense deposit of gypsum.

Arkansas deposits of talc are equal in quality to those of France.

Arkansas has in Faulkner County a deposit of almost pure epsom salts.

Arkansas has produced some of the most successful evangelists in the world.

Arkansas has many cold springs which have radio-active water, particularly those of Benton County.

Arkansas has more springs whose waters have medicinal properties than any other State.

Arkansas has the honor of raising the largest apple the horticultural records show. It was grown in Benton County, and weighed 29 ounces.

Boys' and girls' corn, cotton, and pig clubs in Arkansas are self-financing. Many other States are now using this successful system.

Arkansas equals any State in the yield per acre of lespedeza, one of the leading hay crops and soil builders.

Arkansas supplies more watermelon seed than any other State.

Arkansas has nurseries that buy peach seeds by the carload for the production of trees for grafting.

Arkansas has seed houses that ship tomato and sweet potato plants in carload lots.

Arkansas is now shipping in large quantities the honey-dew melon, and its quality is such that in a few years it will be a leader in this also.

Arkansas produces a blightless pear.

Arkansas rivers supply millions of tons of the finest quality of building sand.

Arkansas is the only State with a natural cold storage. It has a cave of considerable size that is used for this purpose.

Arkansas girls have been class leaders in the foremost eastern schools. The president of the 1921 class of Bryn Mawr was an Arkansas girl. Honors have been conferred on Arkansas girls at Smith and Vassar for their scholastic attainments.

Arkansas has at Hot Springs a bathhouse row with 18 bathhouses that represents an investment of several million dollars. It is the finest in the world, and all is under Government supervision.

Arkansas soil is especially adapted to the growing of red and burr clover. The yield is large and the annual crop a valuable one.

Arkansas has a spring on the Government reservation at Hot Springs that analyzes 100 per cent pure. The water of many of its springs is so pure it is used in prescriptions and in batteries.

Arkansas has two forest reservations—the Ozark and Arkansas—containing 4,000,000 acres. Excellent roads have been constructed through them and the scenerey is wonderful.

Arkansas's oil field—El Dorado—stands first in initial production of any field for light high-gravity oil.

Arkansas has one peach orchard which produces one peach for every man, woman, and child in the United States.

Arkansas has mountains of saponite, the natural cleanser. This is the only deposit in the United States. It is similar to commercial cleansers which are mixed by an expensive process.

Arkansas has more pure-bred swine than New York, Pennsylvania, California, and Michigan, and only 12 States have more than the Government census gives to Arkansas.

Arkansas has 11 oil refineries.

Arkansas has developed an oil field containing 30 square miles in one year, a record for the world.

Arkansas has a natural bridge.

Arkansas is constructing 4,539 miles of improved highways, with 2,246 miles completed, ranging in cost for $3,000 to $58,000 per mile. There was expended in 1921, $52,000,000 on Arkansas roads. The total cost will exceed $80,000,000, and a conservative estimate shows, an increase in adjoining land values of over $500,000,000.

Arkansas banks have supplied money without interest to boys who desired to purchase pure-bred swine, and have purchased pedigreed cattle which were sold to farmers on their own terms. Arkansas, with such forces assisting the farmer, is rapidly becoming a leading live-stock State.

Arkansas produced one of the leading portrait painters of the United States, Louis Betts, of Chicago.

Arkansas was the birthplace of Edward Mims, one of the foremost English professors of the United States.

Arkansas has sent missionaries into nearly every foreign field, and Bishop Logan H. Roots, of Hankow, China, is a native of Arkansas.

Arkansas has three Episcopal bishops, more than any other State except New York.

Arkansas has produced a machine which shreds the top of growing oats, wheat, barley, and rice, removing the grain and leaving the stalk standing. The grain is less injured than by threshing, and the process is more economical.

The United States Government maintains an Army and Navy hospital in Hot Springs, also a free bathhouse.

The Masonic fraternity and the Independent Order of Odd Fellows have commodious homes at Batesville for the care of their widows and orphans.

An Arkansas photographer has taken four medals in foreign countries, and many in the United States, on his workmanship.

Arkansas raised 75,000,000 bushels of corn, 10,000,000 of oats, 2,000,000 of Irish potatoes in the fall crop, and 10,000,000 of Nancy Hall sweet potatoes, according to Government crop experts, in the year 1921.

Arkansas has one of the six southern colleges with a million-dollar endowment, Hendrix College, at Conway. The General Education Board of New York has contributed $325,000 to this institution, and the balance of the endowment was raised among prominent Methodists of the State.

Four-fifths of the people of Arkansas live on farms or in towns of less than 2,500 population.

Arkansas land was worth an average of $14.13 per acre, according to the Government census of 1910. That was an increase of 100 per cent over the previous decade. The average in 1921 is $35 per acre.

Arkansas is located in the center of the United States.

Arkansas is traversed by the trunk lines of five great railroads.

Arkansas is drawing immigration as much from the West as from other sections, demonstrating that persons who have been looking the United States over for an ideal location have turned back to Arkansas for it.

Arkansas offers wild land to-day at prices less per acre than the same character of land, though improved, rents for per annum.

Marble outcroppings, without a single quarry, are to be seen for over 100 miles on White River.

Arkansas has Mexican onyx in great quantities.

Arkansas took first prize in a beauty contest in which 10,000 young women from all parts of the United States participated. Arkansas also captured third prize.

Arkansas was the first Southern State to ratify the suffrage amendment. It had previously granted partial suffrage to women.

An Arkansan was awarded a medal at the Panama-Pacific Exposition for superiority of tone and workmanship on violins made by him. These violins are made in Arkansas of Arkansas woods.

Arkansas shows a better average yield in sweet potatoes, sorghum cane, tobacco, cotton, and carrying capacity of pasturage land than any Southwestern State. It also shows a higher per cent in the improvement of farm lands. No State excels it in fertility of soil.

Arkansas had in 1919 cut-over land from which the merchantable timber had been removed 13,893,000 acres. These lands have been known to produce $200 per acre the first year in cultivation, and with many deadened trees still standing in the field.

Half the cotton land of Arkansas will produce long-staple cotton. New varieties of long-staple cotton which will yield good crops in the uplands are being introduced.

Arkansas has 175,000 acres in rice. Rice produces a greater net income per acre than the gross return from other grains. Arkansas produces an average of 10 bushels more per acre of rice than any other State.

Only about 5 per cent of the prairie lands in the rice district is devoted to this grain, showing the possibilities of the industry. Arkansas has probably 5,000,000 acres of land adapted to rice culture.

Rice growing requires the smallest amount of human labor per acre of any grain crop.

Power pumps, many electrically operated, throw an average of 2,000 gallons of water a minute on the rice fields. There is an unlimited quantity of water within a few feet of the surface to supply the necessary 20 inches of water in addition to the rainfall.

Two crops of oats can be raised in one year on the same ground in Arkansas.

Arkansas offers ideal conditions for the raising of sheep and goats. It ranks second in the production of goats in the United States. They are great land clearers.

Arkansas has over 200,000 acres in peanuts, most of the crop being used as stock feed.

Arkansas grew the largest Elberta peaches on record. A number averaging 23 ounces each were exhibited in Washington County in 1913. Four of these peaches filled a basket of a six-basket crate.

The Independent Order of the B'nai B'rith maintains a large hospital in Hot Springs.

Arkansas averages over 150 bushels per acre in sweet potatoes, but yields of 300 bushels are common, and there are authentic records of 600 bushels being produced on a measured acre.

Arkansas cattle and hogs hold top records at St. Louis stock yards.

Arkansas brood sows have in many instances earned from $1,000 to $2,000 per annum for their owners. Two litters a year is customary.

Arkansas has counties which ship an average of five cars of eggs each week. There are also counties which ship from three to five cars of poultry every week. Arkansas is a great winter egg-producing State.

Over half the counties of Arkansas are adapted to commercial peach growing and only about one-twentieth of the available land is now being utilized for this purpose.

Plums grow wild in every part of Arkansas.

Figs are produced extensively in the southern part of the State, the trees yielding two crops a year.

Arkansas's alluvial lands are protected from overflow by thousands of miles of levee.

Arkansas's annual crop production is fifty times greater than the price Jefferson paid to Napoleon for the entire Louisiana Territory.

The United States Geological Survey reports that Arkansas zinc mines yield an average mill recovery of practically double that of mines in other States. The average per cent of concentrates recovered from mine-run Arkansas ores is 7.35. The sulphide ore, or jack, is uniformly free from iron and assays 63 to 65 per cent metallic zinc.

The famous Bowie knife originated in Arkansas. The first knife of this kind was manufactured by James Black, a blacksmith, from a design supplied him by James Bowie.

Arkansas lands, suitable for fruit growing and excelling in fertility that of western States, can be secured at from $10 to $50 per acre, as compared to $300 to $500 in the West. The land upon which the Highland Orchard grows was originally purchased for less than $10 per acre. This is now worth easily $1,000 an acre.

Fruit ripened after being harvested lacks the delicious flavor of fruit ripened on the tree. Arkansas is close enough to the markets to permit tree ripening of its fruits.

Arkansas Elberta peaches bring from $1.50 to $2.50 per bushel more than peaches from any other section of America.

Arkansas land rents, according to Government statistics, are higher in proportion to land values than any other State. The productiveness of the soil warrants this.

There grows wild in Arkansas the pawpaw, often termed "the poor man's banana." This is being domesticated with the expectation of it becoming a very popular fruit.

Arkansas has fewer unmarried men, in proportion, than other States, according to Government statistics. This builds homes.

The majority of Arkansas peach orchards are small, averaging 40 acres, making cooperative marketing a profitable system. Arkansas peach orchards bear in the third year and yield from 200 to 300 bushels per acre in the fourth year.

Arkansas apple orchards require eight years in reaching maturity, but the trees of the Ozark region are longer lived than those of any other section and are most resistant to disease. Arkansas apples are famed for their high color and delicious flavor. Returns of $1,000 per acre on Arkansas apples are not uncommon.

Arkansas strawberries are especially adapted to newly cleared land, making the new farm profitable in its first year.

Arkansas cherries average $600 an acre a year for the growers.

Arkansas horticultural products have become so well known for their superior quality that they are in demand in all markets and bring a higher price than those from other States offered at the same time.

Arkansas, according to Government estimates, has 75,000,000,000 board fect of merchantable timber yet to be cut.

Arkansas produces large quantities of wood wool, a high grade excelsior, which is used for automobile upholstery. Its excelsior is also used by mattress makers all over the United States.

An Arkansan invented the only successful can labeler in commercial use. A Chicago baking powder company is labeling a half million cans a day with this machine.

The Chi Omega Sorority, one of the largest college secret societies for women, was organized in Arkansas.

Two regular players on the Center College football team are Arkansans—Kubale, at center, and Armstrong, the team captain, at halfback.

Arkansas has the largest psychological clinic to test mental ability in vocational work in the United States.

Arkansas has the only laboratory of the United States Internal Revenue Service in the South.

Arkansas, with 75 counties, has only 4 that are nonproductive of useful minerals.

John Pearson, an Arkansan, was the inventor of the Colt's revolver.

The Methodist Episcopal Church South has established a summer assembly for the Southwestern States at Fayetteville.

The author of The Tavern, one of the successful plays of the year, is a native of Arkansas.

The admiral of the Pacific Fleet, United States Navy, is an Arkansan.

Arkansas has fewer undertakers in proportion to its population than any other State.

Artificial light is seldom used during working hours in Arkansas. The days are largely clear and twilight extends well into the evening.

Arkansas boxes manufactured from cottonwood, cypress, and sycamore are in demand in all sections of the United States because they are free from stain and color.

Rotary cut veneer of red gum, if selected to show grain and figure, so closely resembles Circassian walnut that only experts can tell the difference.

Arkansas red gum, properly stained, can not be told from white oak, cherry, or mahogany.

Arkansas cottonwood has largely replaced the high-priced yellow poplar for the manufacture of wagon beds.

The Mosaic Templars, the leading national negro fraternal and benefit association, was founded by two Arkansas negroes.

Arkansas leads all States in the production of hickory.

Babe Ruth hits his home runs with a bat made from Arkansas ash. Baseball bats are manufactured in Arkansas and practically all the leading manufacturers of bats secure their raw material from this State.

Arkansas leads all States in the production of persimmon lumber, one-fifth of the entire cut in the United States comes from Arkansas.

Former Gov. Frank O. Lowden, of Illinois, owns two plantations in Arkansas aggregating 32,000 acres. Mr. Lowden traveled extensively in search of good land before buying, and says: "Nowhere did I find an opportunity for the purchase of farming land equal to that of the alluvial section of Arkansas."

Fish from Arkansas lakes bring an average of 3 cents a pound in New York over fresh-water fish from other sections.

Five large Arkansas rice mills are operated cooperatively by the growers.

Arkansas has mountains of quartz which show every color of the rainbow in reflecting the sun's rays. A more beautiful sight was never pictured.

An Arkansas mill originated the cedar-lined closet, which is delivered ready to set-up.

An Arkansas concern prints admission tickets for all the big circuses and play houses.

One Arkansas county gave 20 cars of corn in a recent campaign to feed starving Europe. This is four more than given by any other county in the United States.

One Arkansas plantation has shipped 100,000 bushels of corn annually. One-third of this corn graded No. 1 and the balance No. 2. Northeast Arkansas corn grades higher than that of any other State.

In Mississippi County 85,000 bales of high-grade cotton was raised on 75,000 acres in 1921.

EXPLANATION.

Mr. TOWNER. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER pro tempore. The gentleman from Iowa asks unanimous consent to proceed for five minutes. Is there objection?

Mr. GARNER. On what subject?

Mr. TOWNER. In regard to the correction of the RECORD of yesterday.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. TOWNER. Mr. Speaker, on yesterday an amendment was offered to the then pending bill, which was discussed at considerable length. After the chairman of the committee [Mr. MCKENZIE] had spoken on the bill also at considerable length, with two or three extensions of time—after he had closed, the presiding officer, myself being in the chair, stated that the debate was closed on the amendment. After that the gentleman from Alabama [Mr. OLIVER] said, "Mr. Chairman, I ask for

recognition"; and then the RECORD shows, as printed here, that he added, "I move to strike out the last word."

Now, the Chair did not hear that last statement. There is no question but that the gentleman from Alabama [Mr. OLIVER] did so state; but so sure was I that the gentleman did not make that statement that I asked the Reporter to examine his notes, and he states that the gentleman from Alabama did make it. Afterwards the gentleman from Alabama asked unanimous consent to proceed for five minutes, and that was granted, so that he had the time. But I did not want the RECORD to state or to show that knowingly I had refused to recognize him when he moved to strike out the last word.

In that connection I desire simply to state in a very few words the rules that we observe in regard to recognition. When an amendment is presented in the Committee of the Whole House on the state of the Union there is five minutes allotted to the mover or the supporter of the amendment, and five minutes to some person who is opposed to it, and that is all of the time allotted to debate. At any time after that the chairman can of his own volition declare that debate is closed. However, as a matter of course, as all gentlemen understand, the debate is very frequently extended considerably beyond that; in fact, it is very rarely closed in just one speech for and another against.

There is a further method by which recognition is claimed, and that is by a motion to strike out the last word. Now, that is in fact the presentation of an amendment, and anyone who thus presents an amendment in that form, even though it is merely pro forma and it is expected that it will be withdrawn, is entitled to recognition, and that is extended also to a motion to strike out the last two words and sometimes even to a motion to strike out the last three words. Those are always really the presentation of amendments and entitle those who make them to recognition by the Chair. Of course, if I had known that the gentleman from Alabama was making such a motion the Chair would have given him recognition.

I desire to make that statement both on account of the fact that the gentleman from Alabama is entitled to it, and also because of the fact that I think the RECORD ought to be clear as to what the Chairman holds in regard to the conduct of debate on amendments offered in Committee of the Whole House on the state of the Union.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed with amendment the bill (H. R. 2193) to amend the act entitled "An act to prohibit the importation and use of opium for other than medicinal purposes," approved February 9, 1909, in which the concurrence of the House of Representatives was requested.

The message also announced that the Vice President had appointed Mr. JONES of Washington and Mr. HARRIS members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Treasury Department.

POST OFFICE APPROPRIATION BILL—CONFERENCE REPORT.

Mr. SLEMP. Mr. Speaker, I call up the conference report on the Post Office appropriation bill, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER pro tempore. The gentleman from Virginia calls up the conference report on the bill H. R. 9859, the title of which the Clerk will read.

The Clerk read as follows:

Conference report to accompany the bill (H. R. 9859) making appropriations for the Post Office Department for the fiscal year ending June 30, 1923, and for other purposes.

The SPEAKER pro tempore. The gentleman from Virginia asks unanimous consent that the statement may be read in lieu of the report. Is there objection?

Mr. STEENERSON. Mr. Speaker, for the moment I would like to reserve all points of order on the report. I do not expect to make them, but I understand they should be reserved before the reading of the statement.

The SPEAKER pro tempore. The gentleman is correct. The gentleman from Minnesota reserves all points of order on the conference report. The request of the gentleman from Virginia [Mr. SLEMP] is to have the statement read in lieu of the report. Without objection, the statement will be read.

There was no objection.

The statement accompanying the conference report was read.

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9859) making appropriations for the Post Office Department for the fiscal year ending June 30, 1923, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 12, 13, 14, 18, 25, 35, 36, 44, 46, 50, 56, and 57.

That the House recede from its disagreement to the amendments of the Senate numbered 19, 23, 37, 39, 41, 43, 47, and 48; and agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following: "assistant superintendent, $2,750"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$28,750"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "four hundred and seventy"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,482,800"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,545,800"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$424,500"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$101,000,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: Omit the matter stricken out and inserted by said amendment; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "and"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,765,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$4,000,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$11,750,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$725,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$70,200,000"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$90,000,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,300,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,000,000"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,150,000"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$12,850,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$86,900,000"; and the Senate agree to the same.

The committee of conference have not agreed upon amendments numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 17, 32, 40, 52, 54, 55, 58, 59, 60, and 61.

C. B. SLEMP,
MARTIN B. MADDEN,
T. U. SISSON,
Managers on the part of the House.
CHARLES E. TOWNSEND,
THOMAS STERLING,
GEORGE H. MOSES,
DAVID I. WALSH,
E. S. BROUSSARD,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9859) making appropriations for the Post Office Department for the fiscal year ending June 30, 1923, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying report:

On Nos. 12, 13, 14, and 15: Provides for an additional assistant superintendent at $2,750 in the office of the First Assistant Postmaster General in lieu of an additional assistant superintendent at $3,000 as proposed by the Senate and a clerk in charge at $2,250 as proposed by the House.

On No. 16: Corrects the totals for the office of the First Assistant Postmaster General.

On No. 18: Strikes out the appropriation of $52,000, inserted by the Senate, for the rent of a building in the District of Columbia for the Division of Equipment and Supplies, and for gas, electric power, light, fuel, and expense of removal of such division from its present quarters.

On No. 19: Appropriates $5,000 for the payment of cash rewards for any invention or suggestion of improvement or economy in device, design, or process applicable to the Postal Service, as proposed by the Senate.

On No. 20: Provides for 470 post-office inspectors instead of 520, as proposed by the Senate, and 420, as proposed by the House.

On Nos. 21 and 22: Corrects the totals for salaries in the office of the chief inspector.

On No. 23: Provides that the appointment of additional inspectors shall be made upon certification of the Civil Service Commission, as heretofore practiced, as proposed by the Senate.

On No. 24: Appropriates $424,500 instead of $474,000, as proposed by the Senate, and $375,000, as proposed by the House, for traveling expenses of inspectors, inspectors in charge, the chief post-office inspector, and four clerks.

On No. 25: Appropriates $43,000,000, as proposed by the House, instead of $43,300,000, as proposed by the Senate, for compensation to postmasters.

On No. 26: Appropriates $101,000,000 instead of $103,000,000, as proposed by the Senate, and $100,000,000, as proposed by the House, for compensation to clerks and employees at first and second class post offices, including substitutes for clerks and employees absent without pay.

On Nos. 27, 28, and 29: Appropriates $4,765,000 for compensation to watchmen, messengers, and laborers at the rates fixed by law instead of $4,999,600 for 986 at $1,350 each and 2,530 at $1,450 each, as proposed by the Senate, and $4,530,000 for 500 at $1,350 each and 2,625 at $1,450 each, as proposed by the House.

On No. 30: Appropriates $4,000,000 instead of $4,250,000, as proposed by the Senate, and $3,900,000, as proposed by the House, for allowances to third-class post offices to cover the cost of clerical services.

On No. 31: Appropriates $11,750,000 instead of $12,000,000, as proposed by the Senate, and $11,600,000, as proposed by the House, for rent, light, and fuel for first, second, and third class post offices.

On No. 33: Appropriates $725,000 instead of $775,000, as proposed by the Senate, and $700,000, as proposed by the House, for miscellaneous items necessary and incidental to post offices of the first and second classes.

On No. 34: Appropriates $70,200,000 instead of $70,500,000, as proposed by the Senate, and $70,000,000, as proposed by the House, for pay of letter carriers at offices already established, including substitutes for letter carriers absent without pay, City Delivery Service.

On No. 35: Appropriates $1,500,000, as proposed by the House, instead of $1,300,000, as proposed by the Senate, for village delivery service.

On No. 36: Appropriates $900,000 as proposed by the House, instead of $950,000 as proposed by the Senate, for car fare and bicycle allowance.

On No. 37: Appropriates $7,000,000 as proposed by the Senate, instead of $6,500,000 as proposed by the House, for mail-messenger service.

On No. 38: Appropriates $90,000,000, instead of $93,000,000 as proposed by the Senate and $86,000,000 as proposed by the House, for inland transportation by railroad routes.

On No. 39: Provides, as proposed by the Senate, that not exceeding $500,000 of the appropriation for inland transportation by railroad routes may be expended for mail-messenger service in lieu of payments to railroad companies for side and terminal service.

On No. 41: Appropriates $44,580,000 as proposed by the Senate instead of $43,600,000 as proposed by the House, for salaries in the Railway Mail Service.

On No. 42: Appropriates $1,300,000, instead of $1,400,000 as proposed by the Senate and $1,200,000 as proposed by the House, for manufacture of adhesive postage stamps, special-delivery stamps, books of stamps, and for coiling of stamps.

On No. 43: Appropriates $5,000,000 as proposed by the Senate, instead of $4,500,000 as proposed by the House, for manufacture of stamped envelopes and newspaper wrappers.

On No. 44: Appropriates $4,365,000 as proposed by the House, instead of $4,500,000 as proposed by the Senate, for payment of limited indemnity for the injury or loss of pieces of domestic registered matter, insured and collect-on-delivery mail.

On No. 45: Appropriates $1,000,000, instead of $1,500,000 as proposed by the Senate and $900,000 as proposed by the House, for miscellaneous equipment and supplies, office of the Fourth Assistant Postmaster General.

On No. 46: Strikes out the language, inserted by the Senate, providing that not exceeding $500,000 of the appropriation for miscellaneous equipment and supplies, office of the Fourth Assistant Postmaster General, shall be available for the purchase and shipment of post-office equipment for use at first, second, and third class post offices.

On No. 47: Appropriates $376,500, as proposed by the Senate, instead of $350,000, as proposed by the House, for rental, purchase, exchange, and repair of canceling machines, etc.

On No. 48: Provides, as proposed by the Senate, that not exceeding $26,500 of the appropriation for rental, purchase, exchange, and repair of canceling machines, etc., office of the Fourth Assistant Postmaster General, shall be expended for completing the purchase and installation of one letter-distributing machine, if upon test such machine is found by the Postmaster General to be satisfactory and efficient, and for no other purpose.

On No. 49: Appropriates $2,150,000, instead of $3,050,000 as proposed by the Senate and $2,050,000 as proposed by the House, for the purchase, manufacture, and repair of mail bags, etc.

On No. 50: Strikes out the language, inserted by the Senate, providing that $1,000,000 of the appropriation for the purchase, manufacture, and repair of mail bags, etc., may be used for the purchase of canvas from the Atlanta Penitentiary.

On No. 51: Appropriates $12,850,000, instead of $12,950,000 as proposed by the Senate and $12,750,000 as proposed by the House, for inland transportation by star routes (excepting service in Alaska), including temporary service to newly established offices.

On No. 53: Appropriates $86,900,000, instead of $87,185,000 as proposed by the Senate and $86,800,000 as proposed by the House, for pay of rural carriers, substitutes for rural carriers on annual and sick leaves, clerks in charge of rural stations, and tolls and ferriage, Rural Delivery Service, and for the incidental expenses thereof.

On No. 56: Strikes out section 4, proposed by the Senate, amending the act of June 5, 1920, classifying postal employees.

On No. 57: Strikes out section 5, inserted by the Senate, providing that no part of the moneys appropriated or made available by this act shall be used or expended for the purchase, acquirement, or repair of any commodity, article, or thing which, at the time of the proposed purchase, acquirement, or repair can be manufactured, produced, or repaired at the nearest available Government arsenal or navy yard of the United States for a sum less than it can be purchased, acquired, or repaired otherwise.

The committee of conference did not agree upon the following amendments of the Senate:

On No. 1: Providing for 126 clerks at $1,800 each in the office of the Postmaster General, instead of 118 clerks at $1,800, as proposed by the House.

On No. 2: Providing for 86 clerks at $1,400 each in the office of the Postmaster General, instead of 78 clerks at $1,400, as proposed by the House.

On Nos. 3, 4, and 5: Providing for two assistant map mounters at $1,000 each, instead of one assistant map mounter at $1,000, as proposed by the House.

On Nos. 6 and 7: Providing for three carpenters at $1,200 each, instead of one carpenter at $1,200, as proposed by the House.

On Nos. 8 and 9: Providing for three painters at $1,000 each, instead of one painter at $1,000, as proposed by the House.

On No. 10: Providing for six chauffeurs at $1,000 each.

On Nos. 11 and 17: Correcting the totals for the office of the Postmaster General and First Assistant Postmaster General.

On No. 32: Providing that the Postmaster General may use not exceeding $10,000 of the appropriation for rent, light, and fuel for first, second, and third-class post offices, for adjusting claims arising under section 1 of the act approved March 3, 1885, and providing further, that hereafter a lease shall not cease or terminate when a post office can be moved into a Government building unless the Postmaster General deems it to be in the interest of the public service.

On No. 40: Providing an appropriation of $1,900,000 for the operation and maintenance of airplane mail service between New York, N. Y., and San Francisco, Calif., via Chicago, Ill., and Omaha, Nebr., including necessary incidental expenses and employment of necessary personnel.

On No. 52: Providing that the Postmaster General be authorized and directed to ascertain conditions arising from contracts in the star-route, screen-wagon, and other vehicle service entered into prior to January 1, 1918, with a view to determining whether any adjustment should be made in the compensation for the fiscal years ended June 30, 1918, June 30, 1919, June 30, 1920, and June 30, 1921, and make a report of his findings to the Congress not later than the first Monday in December, 1922.

On No. 54: Providing that the joint commission authorized under section 6 of the act approved April 24, 1920, be continued until June 30, 1923, to complete the investigation and to prepare a detailed report containing a summary of its findings thereof, and such recommendations as to legislation as it may deem proper; and providing further, that said commission shall not expend a greater sum than $125,000 during the fiscal year 1923.

On No. 55: Providing that the paragraph of the act entitled "An act to reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis," approved June 5, 1920, providing for leaves of absence, be amended to read as follows:

"Hereafter employees in the Postal Service shall be granted 15 days' leave of absence with pay, exclusive of Sundays and holidays, each fiscal year, and sick leave with pay at the rate of 10 days a year, exclusive of Sundays and holidays, to be cumulative for a period of three years, but no sick leave with pay in excess of 30 days shall be granted during any three consecutive years. Sick leave shall be granted only upon satisfactory evidence of illness, and if more than two days the application therefor shall be accompanied by a physician's certificate."

On No. 58: Providing an appropriation and authorizations for appropriations for Federal aid in road construction.

On No. 59: Providing an appropriation of $513,911.50 for the transmission of mail by pneumatic tubes in the city of New York, including the borough of Brooklyn of the city of New York.

On No. 60: Providing an amendment to the act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1922, and for other purposes, approved March 1, 1921, which amends the act to reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, approved June 5, 1920, extending the provisions of that act to such postal employees and substitute postal employees who were in the Postal Service on October 1, 1920.

On No. 61: Corrects the section number.

C. B. SLEMP,
MARTIN B. MADDEN,
T. U. SISSON,
Managers on the part of the House.

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. STEENERSON] has reserved points of order on the conference report. The gentleman from Virginia [Mr. SLEMP] is recognized for one hour.

Mr. ROSSDALE. Mr. Speaker, is the presentation of this matter to be confined to one hour?

The SPEAKER pro tempore. The gentleman from Virginia has an hour.

Mr. ROSSDALE. I have an item which I wish to present.

Mr. SLEMP. The discussion of the item that the gentleman is interested in will come later.

Mr. MADDEN. What does the gentleman desire to present?

Mr. ROSSDALE. The tube item.

Mr. MADDEN. That will come up after the conference report is disposed of.

Mr. ROSSDALE. Is it to have only an hour altogether?

Mr. MADDEN. We do not have anything to do with setting the time. The rules of the House set the time. The gentleman will have an opportunity to be heard later. This will not be reached until after the conference report is disposed of.

Mr. STEENERSON. This is not a part of the conference report. The item the gentleman refers to will come up as a separate proposition after the conference report is disposed of.

Mr. SLEMP. Mr. Speaker, on the part of the conferees of the House I beg to make the following statement regarding the results of the conference between the House and Senate on the Post Office appropriation bill.

The bill as passed by the House carried an appropriation of $554,264,375. The bill as passed by the Senate carried an appropriation of $623,773,536.50, an increase of $69,309,161.50, of which, however, $50,000,000 was for roads, leaving a net increase of $19,309,161.50 for postal facilities over the amount fixed by the House. There was only one House item decreased in the Senate bill, that being the item of village delivery, but the Senate conferees receded on that and the House provision for village delivery is retained.

The bill as agreed to by the conferees carries an appropriation of $564,719,625, an increase of $10,455,250 over the House bill, made up as follows:

Office of Second Assistant Postmaster General	$5,480,000
Air Service	1,900,000
Additional clerk hire	1,000,000
Stamped envelopes	500,000
Stamps	100,000
Watchmen, messengers, and laborers	235,000
Increase in allowances to third-class offices	100,000
Increase in rent, fuel, and lights	150,000
Pay of letter carriers	200,000
Increase in star routes	100,000
Pay of rural carriers	100,000
Expenses of joint commission	125,000
Total	9,990,000

The balance of $465,250 is composed of a number of small items, general adjustments between the attitude of the House and the Senate.

Now, as to the Second Assistant Postmaster General's item of $5,480,000 increase, I want to say to the gentlemen of the House that the item carried in the bill as it passed the House was $86,000,000 for this service. That was the amount fixed by the Second Assistant Postmaster General specifically as the amount necessary to pay for railway mail transportation. After the tragic death of the Second Assistant Postmaster General it was some little time before the vacancy was filled and another Second Assistant appointed. Meantime the postal receipts have shown a very remarkable increase. The increase in the various months ranged from 4 per cent to 7.4 per cent. The increase in the postal receipts for the month of April, 1922, over April, 1921, is 7.4 per cent. The annual expenditure that is being made on that item now is at the rate of $90,000,000. The Post Office Department think that perhaps they will need that amount, $90,000,000, on account of the increased postal business, as now evidenced by the monthly increase in business, and conferees accepted the $90,000,000 instead of the $86,000,000

originally stated, though the present Second Assistant Postmaster General states that he will make every effort to bring the amount down to the House figures of $86,000,000. That accounts for $4,000,000 of the $5,480,000 increase. The sum of $980,000 is accounted for by the correction of a mistake made in the original estimate by the Post Office Department, they having asked for a certain sum for railway mail pay before they had the number of men absolutely on the list, and the $980,000 corrects that mistake.

The sum of $500,000 is for mail messenger service to take the place of service carried on by the railroads.

These increases were requested by the postal officials without knowledge of the subject. The Second Assistant states the additional amount that will be needed in order to avoid incurring a deficit next year.

The items for clerk hire were increased $1,000,000. The House carries an appropriation of $100,000,000. The Senate asked for $103,000,000, so we compromised by adding $1,000,000, or a 1 per cent increase.

Similarly the other items can be explained. I may add in that connection that the department is entering into a very thorough investigation of the clerk situation in the country as well as of other branches of the department, and we are confident that the administration of this great department will meet the needs of the public service and also the demands of the taxpayers for economy.

The conferees are in disagreement as to various items mentioned in the statement. The bill carries an increase of 50 post-office inspectors. We have now 420 post-office inspectors. The department made a request for 100 additional inspectors. We felt, and I think the department rather agrees with us, that they can not absorb more than 50 post-office inspectors at this time.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. SLEMP. Yes.

Mr. STAFFORD. At some time before the gentleman concludes I would like to inquire as to some of the amendments that have been agreed to, but I do not wish to disturb the gentleman at this time. I wish him to conclude his statement.

Mr. SLEMP. I shall be glad to yield to the gentleman.

Mr. STAFFORD. At the conclusion of the gentleman's statement.

Mr. SLEMP. There is no doubt that the work to be done by the post-office inspectors has greatly increased in recent years. In the Postal Service there are 320,000 employees. There are over 50,000 post offices. Complaints of various kinds reaching the department from all over the country literally run into the hundreds of thousands, and all of these complaints are looked after, and this entire personnel of 320,000 employees, with 50,000 post offices, are to be looked after by the small number of 420 men. I dare say it is the smallest personnel, considering the range and extent of its activities, of any force in any department of the Government. I have no doubt that we Members of the House add greatly to the work of the inspectors. When we do not know a situation just as we think we ought to, we ask for an inspector, and away he goes to make a report.

We find that there are over 45,000 cases before the Post Office Department now uninvestigated, and the department states that it would require the entire force of 420 men which we now have about nine months to clean up the arrears without making any provision for new investigations.

There were various items of legislation adopted by the Senate, most of which have been considered by the Post Office Committee of the House and the Senate, and I will yield later to the distinguished chairman of the committee to have him explain those items. Briefly, the items of legislation are, first, the appropriation of $1,900,000 for the Air Service which was requested by the Postmaster General, and the service has demonstrated beyond a doubt that the transportation can be carried on through the year with a little loss of life. These legislative items will be brought up later, and the same with respect to the pneumatic tubes and the road situation.

In reviewing the road situation as a benefit to good roads the House will have to decide whether they wish this committee to carry on the roads proposition as between the House and the Senate. I think the matter has been handed over to the chairman of the Good Roads Committee for such recommendation as he wishes. I will now yield to the gentleman from Wisconsin.

Mr. STAFFORD. I wish to inquire the purpose of Senate amendment 39, in which the House recedes, providing not exceeding $500,000 of the railway transportation item may be expended for mail messenger service in lieu of the payment to the railroad company.

Mr. SLEMP. The Post Office Department has started to replace the delivery service by railroads wherever it is possible to do it at less expense.

Mr. STAFFORD. Is this for the purpose of relieving the railroads of the burden of the obligation of transferring the mail where the station is located within a quarter of a mile of the post office?

Mr. SLEMP. No.

Mr. MADDEN. If the gentleman will yield to me.

Mr. SLEMP. I yield.

Mr. MADDEN. In the consideration of this matter it was demonstrated beyond question that a large saving could be made by letting it to private contractors. It does not relieve the railroad of any responsibility they are called on to assume under the law. There are cases where this side service is left to the railroad companies where they have to go beyond a certain distance.

Mr. STAFFORD. Where we pay additional compensation to the railroads for their service.

Mr. MADDEN. They are letting the contracts at a very much lower rate, I think, than the railroads are willing to continue it, and they say they will save $750,000 a year.

Mr. STAFFORD. Are these contracts which the department is contemplating to enter into a four years' contract or annual contract?

Mr. MADDEN. I do not know about that.

Mr. STAFFORD. So far as the messenger service is concerned, as a general proposition it is a four years' contract. I don't know whether this would be an annual or four-year contract.

Mr. SLEMP. I may add further to what the gentleman has said, that the Post Office Department has worked out the proposition by which they expect to make an allowance for the postmaster so that the postmaster can deliver this at a less rate.

Mr. STAFFORD. The statement of the gentleman from Illinois is quite a surprise in saying that the department can enter into a contract cheaper than a private employer can. The gentleman has made the statement, but the general rule does not support that position. Usually the Government has to pay much more by reason of the red tape, and so forth, than would a private employer. That is axiomatic.

Mr. MADDEN. I am giving you what the Post Office Department says. They say by giving permission to extend the contract service to private contractors, instead of the railroad, they will be able to let the contracts at a very much lower rate than they pay the railroads for carrying the mail on the side service, and that they will save $750,000.

Mr. STAFFORD. The gentleman has had a large experience in awarding contracts and in observing contracts awarded by the Government. I think he will agree that usually private contractors are better situated and get better contracts than the Government can.

Mr. STEENERSON. Will the gentleman yield? I will say, at the request of the department the Post Office Committee held hearings on this very item. I do not know whether the gentleman has got clearly in his mind what the item means. Under the space plan law the railroad companies furnish this service, and the Interstate Commerce Commission, when the question of rates came up, decided that they were entitled to additional pay, and I think it was about a million dollars a year. Since that time the railroads have performed the service, and the pay is included in the railway mail appropriation. Now, the department has asked for this legislation because they believe they can employ this messenger service between the depot and the post office for less than the Interstate Commerce Commission has allowed the railway companies, and I have a letter on that subject written to the secretary of the joint commission by Mr. Stewart, which I would like to have inserted in the RECORD.

The SPEAKER pro tempore. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD by printing a letter. Is there objection?

There was no objection.

The letter is as follows:

POST OFFICE DEPARTMENT,
SPECIAL ASSISTANT TO THE ATTORNEY GENERAL,
Washington, May 11, 1922.

Mr. F. C. RIEDESEL,
Secretary Post Office and Post Roads Committee,
House of Representatives.

MY DEAR MR. RIEDESEL: Herewith find copy of the Interstate Commerce Commission report and decision in the Railway Mail Pay case. You will note the order follows page 120, and the act of 1916 is found on page 81 and following.

On page 86 you will find the provision in the act of 1916 to the effect that the existing law for the determination of mail pay, except as modified by the act, shall continue in effect until the commission shall make its finding.

You will also find on page 85 a provision that the carriers are required to transport the mails in the manner, under the conditions, and with the services prescribed by the Postmaster General.

Before the act of 1916 and during its effectiveness prior to the decision of the commission side and terminal service was required of the railroad companies under the Postal Laws and Regulations. (See sec. 1346, 1913 edition.) This requirement was never changed, the railroads performing the service as so provided. For this service they were not specifically compensated in addition to their regular pay prior to the decision of the commission, but this service was required as a part of the service for which they were regularly paid. This service is such a service as the act of 1916 provided in the sections to which I have referred you as continuing in effect until the commission might make its findings and as a condition or service prescribed by the Postmaster General and required of the railroad companies.

When the case was before the commission both the department and the railroads were agreeable to a separation of this service and a statement of specific pay therefor. The railroads were not given additional pay, but were given the pay for this specific service and it was not included in the service for which the regular line pay was allowed.

Sincerely yours,

JOSEPH STEWART.

Mr. STAFFORD. Will the gentleman yield further? I wish to call the gentleman's attention to Senate amendment 48, providing for the purchase of a letter-distributing machine, at a cost not to exceed $26,500.

My attention has never been heretofore called to any machine providing for letter distribution. Will the gentleman give the House some idea of what is the purpose of this machine?

Mr. SLEMP. Mr. Speaker, a contract was entered into for the purchase of the machine back in about 1909, and the people who made this machine have spent about $300,000 in endeavoring to perfect it. I have not personally seen the machine, but I am told that it consists of a long table about 4 feet wide and 20 or 25 feet long, with various hands and arms, with a keyboard and wire attachments. You press a button and a hand reaches out and picks up a letter and deposits it in the Milwaukee box or the Chicago box.

Mr. STAFFORD. Does the hand read the writing when it picks up the letter?

Mr. SLEMP. Oh, no. The man who operates the keyboard is the one who operates the hand.

Mr. STAFFORD. One might possibly think it was some sort of a finger-print device.

Mr. SLEMP. I suppose one would have to use the fingers, but the Fourth Assistant Postmaster General, who is very much interested in trying out the machine as a matter of experiment, states that if a number of them are purchased, and it works out correctly, thousands of clerks may be saved. It is a labor-saving device in the interest of economy.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SLEMP. Yes.

Mr. RANKIN. The gentleman from Virginia said something in his statement about the village delivery, and I did not understand just exactly what the statement was.

Mr. SLEMP. What I said was that the Senate passed the bill, cutting out the $200,000 which was restored in the House, but the Senate conferees have receded, and so we have the House provision.

Mr. RANKIN. So that delivery will be continued for the next year.

Mr. SLEMP. Yes. Mr. Speaker, I yield 15 minutes to the gentleman from Minnesota [Mr. STEENERSON].

Mr. KINCHELOE. Mr. Speaker, before the gentleman begins will he yield to me to prefer a unanimous-consent request, as I have to leave the city? My colleague, Mr. ROUSE, who is not only a member of the Post Office and Post Roads Committee but is a member of the Joint Postal Commission, is unavoidably absent. Senate amendment No. 54 is in disagreement. That provides for the perpetuation of this commission at an expenditure of not to exceed $125,000 for the next year.

Mr. STEENERSON. This is not to be taken out of my time, is it, Mr. Speaker?

The SPEAKER pro tempore. It is, if the gentleman yields?

Mr. SISSON. Mr. Speaker, I suggest that by unanimous consent the gentleman ask permission to extend the remarks of Mr. ROUSE in the RECORD.

Mr. SLEMP. I yield one minute to the gentleman from Kentucky.

Mr. KINCHELOE. Mr. Speaker, on behalf of Mr. ROUSE I ask unanimous consent that he be permitted to extend his remarks in the RECORD by placing therein an itemized statement of expenditures of this joint commission, amounting to a little over $200,000.

The SPEAKER pro tempore. The gentleman from Kentucky asks unanimous consent that his colleague, Mr. ROUSE, be permitted to extend his remarks in the RECORD by placing therein an itemized statement of the expenditures of the Joint Postal Commission. Is there objection?

There was no objection.

The statement of Mr. ROUSE is as follows:

Mr. ROUSE. Mr. Speaker, Senate amendment to the Post Office appropriation bill is as follows:

SEC. 2. That the joint commission authorized under section 6 of the act approved April 24, 1920, entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1921, and for other purposes," is hereby continued until June 30, 1923, to complete the investigation and to prepare a detailed report containing a summary of its findings thereof, and such recommendations as to legislation as it may deem proper: *Provided*, That the said commission shall not expend a greater sum than $125,000 during the fiscal year 1923.

If this entire appropriation of $125,000 is not denied, $100,000 of it should be, leaving $25,000 to be used by the commission. This commission has spent from the date of its organization up to the 1st of March, this year, over $208,000, and since the 1st of March I suppose it has spent $10,000 additional.

It has always been my opinion that the commission was created for one purpose only, and that for the reestablishment of the old, obsolete, inadequate, rusty, worn-out pneumatic tubes. A majority of the commission has recommended the reestablishment of the tubes, and that work is now completed. The commission now undertakes to suggest an investigation by post-office officials of the cost of handling certain classes of mail. This work is under the direct supervision of Mr. Joseph Stewart, who was Second Assistant Postmaster General during the administration of President Taft. Mr. Stewart is the special attorney for the Post Office Department and has held this position since he ceased to function as Second Assistant Postmaster General. No man is better qualified to do this work than General Stewart. He has every means at his command. The Postmaster General can assign to him the entire inspection service to assist in this work and any number of post-office employees. The post-office inspectors can furnish more information regarding this subject than can be obtained from all of the engineers in the country. It is my opinion that this appropriation is not needed and that the entire amount should be denied. In order to show the House and the country where over $208,000 has been spent, I present an itemized account of the expenditures up to the 1st of March of this year. This statement is furnished me by Senator TOWNSEND, the chairman of the commission:

MARCH 23, 1922.

Hon. A. B. ROUSE,
House of Representatives, Washington, D. C.

DEAR MR. ROUSE: Complying with your request, I have had the secretary of the joint commission prepare an itemized statement of the disbursements of the commission from the date of its organization, May 15, 1920, to March 1, 1922. This covers the entire life of the commission to the 1st of the present month.

As you know, we now have only two engineers employed with the post-office officials in making an ascertainment of cost of all classes of mail. It is my purpose within the next month or two to reduce this to one engineer, if the commission agrees with me.

Very truly yours,

CHAS. E. TOWNSEND.

RECAPITULATION.

May 17, 1920, to July 1, 1920, expenses from $10,000 appropriation:		
Commission		$967.15
Quarter covering period July, August, and September, 1920:		
Commission		3,075.26
Quarter covering period October, November, and December, 1920:		
Commission	$2,970.34	
October and November, as per contract:		
Engineers	11,039.38	
December, as per contract:		
Engineers	7,932.95	
		21,942.67
Quarter covering period January, February, and March, 1921:		
Commission	2,710.46	
Engineers	61,016.37	
		63,726.83
Quarter covering period April, May, and June, 1921:		
Commission	8,351.62	
Engineers	47,128.37	
		55,479.99
Quarter covering period July, August, and September, 1921:		
Commission	3,956.60	
Engineers	36,930.44	
		40,886.04
Quarter covering period October, November, and December, 1921:		
Commission	3,735.88	
Engineers	12,059.40	
		15,794.28
Period covering January and February, 1922:		
Commission	2,387.20	
Engineers	4,310.58	
		6,697.78
Total		208,570.00

Cash disbursements.

Date.	Item.	Total.	Transportation.	Subsistence.	Salary.	General expense.	Cash not used.	Actual cost.
1920.								
June 15	Check No. 1, secretary, New York trip, June 10-12, inclusive	$44.69	$18.29	$26.40				$44.69
14	Check No. 2, secretary, $10,000 bond	13.50				$13.50		13.50
15	Check No. 3, secretary, May 17-June 15, inclusive	290.00			$290.00			290.00
15	Check No. 4, assistant secretary, June 1-15, inclusive	125.00			125.00			125.00
21	Check No. 5, New York meeting, June 24, secretary	300.00	21.63	9.75		[1]9.48	$259.16	40.84
25	Check No. 6, New York meeting, June 24, I. C. Wade	64.72	64.72					64.72
28	Check No. 7, New York meeting, June 24, secretary, $35; Wade, $17.15	52.15		52.15				52.15
30	Check No. 8, New York meeting, June 24, I. C. Wade	28.75		28.75				28.75
30	Check No. 9, secretary, June 16-30, inclusive	150.00			150.00			150.00
30	Check No. 10, assistant secretary, June 16-30, inclusive	125.00			125.00			125.00
July 3	Check No. 11, New York meeting, June 24, C. G. Bancroft	32.50	12.50	20.00				32.50
	Total	1,226.31	117.14	137.05	690.00	22.98	259.16	967.15
	Total expenses	967.15						
	Balance of $5,000 appropriation (not to be used)	4,032.85						
		5,000.00						
July 9	Check No. 1, Jackson, Mich., and New York trip (secretary)	500.00	69.08	25.15		12.36	393.41	106.59
9	Check No. 2, 9 copies Postal Power of Congress	9.00				9.00		9.00
9	Check No. 3, 9 copies Postal Service	11.25				11.25		11.25
17	Check No. 4, assistant secretary, July 1-15, inclusive	125.00			125.00			125.00
26	Check No. 5, 9 copies United States Post Office	14.58				14.58		14.58
31	Check No. 6, assistant secretary, July 15-31	125.00			125.00			125.00
31	Check No. 7, secretary, July 1-31	300.00			300.00			300.00
31	Check No. 8, New York and Boston trip	200.00	29.44	19.40			151.16	48.84
Aug. 4	Check No. 9, secretary, New York, Aug. 1-4	22.60		22.60				22.60
7	Check No. 10, secretary, Boston, Aug. 7	33.97	10.82	23.15				33.97
14	Check No. 11, assistant secretary, Aug. 1-15	125.00			125.00			125.00
23	Check No. 12, Chicago trip (9 members)	106.35		106.35				106.35
23	Check No. 13, Chicago trip (Townsend)	16.61	9.01	7.60				16.61
25	Check No. 14, Detroit (stenographic work)	17.70				17.70		17.70
26	Check No. 15, Detroit trip (secretary and assistant secretary, Aug. 23-26)	45.99		45.99				45.99
30	Check No. 16, Bancroft (Chicago trip) (estimated analysis)	170.00	150.00	20.00				170.00
30	Check No. 17, Redfield (Chicago trip)	56.35	41.70	14.65				56.35
30	Check No. 18, Dwight (Chicago trip)	27.57	21.07	6.50				27.57
30	Check No. 19, Steenerson (Chicago trip) (estimated analysis)	82.54	62.54	20.00				82.54
31	Check No. 20, assistant secretary, Aug. 15-31	125.00			125.00			125.00
31	Check No. 21, secretary, Aug. 1-31	300.00			300.00			300.00
31	Check No. 22, secretary and assistant secretary (Chicago, Detroit, and Jackson trip)	305.30	252.70	42.85		[1]9.75		305.30
Sept. 9	Check No. 23, brief case for secretary	21.88				21.88		21.88
13	Check No. 24, cards (secretary of commission)	8.45				8.45		8.45
15	Check No. 25, assistant secretary, Sept. 1-15	125.00			125.00			125.00
15	Check No. 26, secretary, trip to New York and Jackson, Sept. 15-24, inclusive	500.00	106.98	30.10			362.92	137.08
20	Check No. 27, secretary (room and meals in New York, Sept. 15-20)	50.70		50.70				50.70
20	Check No. 28, I. C. Wade (Chicago trip, Aug. 18-25)	129.81	68.37	61.44				129.81
30	Check No. 29, telephone	2.10				2.10		2.10
30	Check No. 30, assistant secretary, Sept. 15-30	125.00			125.00			125.00
30	Check No. 31, secretary, Sept. 1-30	300.00			300.00			300.00
	Total	3,982.75	821.71	496.48	1,650.00	107.07	907.49	3,075.26
	Cash not used (deposits)	907.49						
	Actual cost	3,075.26						
	Total withdrawals	3,982.75						

[1]Stenographic work, $1.50; books, $7.96. [2]Use of conference room.

Bank reconciliation as of September 30, 1920.

Outstanding checks:		
No. 28	$129.81	
No. 29	2.10	
No. 30	125.00	
No. 31	300.00	$556.91
Original deposit	10,000.00	
Deposits during quarter	907.49	10,907.49
Total		11,464.40
Less withdrawals		3,982.75
Balance		7,481.65
Actual cash balance, $10,000—$3,075.26		6,924.74

Cash disbursements.

Date.	Item.	Total.	Transportation.	Subsistence.	Salary.	General expense.	Cash not used.	Actual cost.
1920.								
Oct. 2	Check No. 32, secretary and assistant secretary, New York trip to organize engineers, Oct. 12-20, inclusive	$500.00	$55.77	$60.05		[2]$2.00	$382.18	$117.82
15	Check No. 33, assistant secretary, salary, Oct. 1-15	125.00			$125.00			125.00
20	Check No. 34, Commodore Hotel, New York, secretary and assistant secretary, Oct. 12-20	110.40		110.40				110.40
25	Check No. 35, New York trip, secretary, Oct. 26-30, inclusive	500.00	28.51	15.35			456.14	43.86
26	Check No. 36, C. & P. Telephone Co. (September calls)	8.55				8.55		8.55
30	Check No. 37, Pennsylvania Hotel, New York, Oct. 26-30, secretary	41.35		41.35				41.35
30	Check No. 38, assistant secretary, salary, Oct. 15-31	125.00			125.00			125.00
30	Check No. 39, secretary, salary, Oct. 1-31	300.00			300.00			300.00
Nov. 1	Check No. 40, secretary, Chicago, Detroit, Jackson, and New York trip, Nov. 1-13	700.00	122.46	48.10		[2]3.00	526.44	173.56
9	Check No. 41, secretary (La Salle Hotel)	45.02		45.02				45.02
13	Check No. 42, secretary, Pennsylvania Hotel, New York, Nov. 10-13	17.35		17.35				17.35
15	Check No. 43, assistant secretary, salary, Nov. 1-15	125.00			125.00			125.00
23	Check No. 44, Funk & Wagnalls, 5 copies "U. S. P. O." for engineers	7.50				7.50		7.50
24	Check No. 45, secretary, New York trip, Nov. 20-29, inclusive	500.00	28.45	36.25		[1]1.20	434.10	65.90

[1]Stenographic work.

Cash disbursements—Continued.

Date.	Item.	Total.	Transportation.	Subsistence.	Salary.	General expense.	Cash not used.	Actual cost.
1920.								
Nov. 30	Check No. 46, assistant secretary, Nov. 15-30, salary	$125.00			$125.00			$125.00
30	Check No. 47, secretary, Nov. 1-30, salary	300.00			300.00			300.00
	Total checks drawn	3,530.17	$235.19	$373.87	1,100.00	$22.25	$1,798.86	1,731.31
	Cash not used (deposits)	1,798.86						
	Actual cost	1,731.31						
	Total withdrawals	3,530.17						

Services rendered in October, 1920, by W. B. Richards & Co., 71 Broadway, New York, N. Y.

Date.	Item.	Total.	Salary.	Transportation.
	8 engineers, 3 assistant engineers		$4,869.10	
	1, Washington to New York			$12.81
	1, New York to Washington			12.81
	4, New York to Chicago			226.99
	Local			1.85
1920.				
Nov. 15	Covered by voucher No. 2	$5,123.62	4,869.10	254.52

Cash disbursements (December).

Date.	Item.	Total.	Transportation.	Subsistence.	Salary.	General expense.	Cash not used.	Actual cost.
1920.								
Dec. 15	Check No. 48, assistant secretary, Dec. 1-15, salary	$150.00			$150.00			$150.00
17	Check No. 49, secretary, trip to New York, Dec. 18, 19, 20	100.00	$27.13	$25.90			[1]$46.92	53.08
31	Check No. 50, Ragsdale, Corbett & Hart (stenographic work)	535.95				$535.95		535.95
31	Check No. 51, assistant secretary, Dec. 15-31, salary	150.00			150.00			150.00
31	Check No. 52, secretary, Dec. 1-31, salary	350.00			350.00			350.00
	Balances for October and November brought forward	3,530.17	235.19	373.87	1,100.00	22.25	1,798.86	1,731.31
	Total checks drawn	4,816.12	262.37	399.77	1,750.00	558.20	1,845.78	2,970.34
	Cash not used	1,845.78						
	Actual cost	2,970.34						
	Total withdrawals	4,816.12						

[1]Carried forward to January, 1921.

Services rendered by W. B. Richards & Co., 71 Broadway, New York, N. Y., October 11 to December 10, 1920, inclusive.

Services for two months' period from Oct. 11-Dec. 10, 1920, inclusive, as per contract		$10,000.00
Transportation, Nov. 1-Dec. 10, inclusive:		
2, New York to New Haven	$7.26	
10, New York to Chicago	538.17	
10, New York to Washington	148.09	
1, Washington to Chicago	44.47	
Local	46.87	
Total transportation, Nov. 1-Dec. 10, inclusive	784.86	
Transportation, October	254.52	
Total transportation, Oct. 1-Dec. 10, inclusive		1,039.38
Total		11,039.38
Nov. 15, 1920, paid voucher No. 2		5,123.62
Dec. 13, 1920, balance paid by voucher No. 3		5,915.76

Services rendered by W. B. Richards & Co., December 11 to 31, 1920.

Date.	Item.	Total.	Salary.	Transportation.
	13 engineers, 4 assistant engineers		$7,478.34	
	3, New York to Chicago			$165.47
	4, New York to Philadelphia			17.24
	9, New York to Washington			152.31
	1, New York to Boston			17.44
	1, Boston to Greenfield			10.00
	1, Boston to New York			12.97
	1, Chicago to New York			14.64
	1, Detroit to New York			40.00
	Local			24.54
1921.				
Jan. 5	Paid by voucher No. 4	$7,932.95	7,478.34	454.61

Cash disbursements.

JANUARY 1 TO MARCH 31, 1921, INCLUSIVE.

Date.	Item.	Total.	Transportation.	Subsistence.	Salary.	General expense.	Cash not used.	Actual cost.
1921.								
Jan. 1	Balance from check No. 49, brought forward	$46.92	$4.65	$41.52		$0.75		$46.92
15	Check No. 53, assistant secretary, Jan. 1-15, inclusive, salary	150.00			$150.00			150.00
26	Check No. 54, Chesapeake & Potomac Telephone Co., long-distance call	1.75				1.75		1.75
26	Check No. 55, secretary, New York trip, Jan. 6-9	18.02	18.02					18.02
31	Check No. 56, assistant secretary, Jan. 15-31, salary	150.00			150.00			150.00
31	Check No. 57, secretary, Jan. 1-31, salary	350.00			350.00			350.00
Feb. 15	Check No. 58, assistant secretary, Feb. 1-15, salary	150.00			150.00			150.00
28	Check No. 59, assistant secretary, Feb. 15-28, salary	150.00			150.00			150.00
28	Check No. 60, secretary, Feb. 1-28, salary	350.00			350.00			350.00
Mar. 8	Check No. 61, secretary and assistant secretary, New York trip, Mar. 21-26	500.00	32.89	26.90			$440.21	59.79
15	Check No. 62, secretary, New York trip (Hotel Pennsylvania, Mar. 8-15)	64.35		64.35				64.35
16	Check No. 63, F. R. Barclay, New York trip, Mar. 9-15	47.25	4.50	42.75				47.25
16	Check No. 64, Joe P. Johnson, New York trip, Mar. 9-16	43.85	6.50	37.35				43.85
16	Check No. 65, assistant secretary, Mar. 1-15, salary	150.00			150.00			150.00
21	Check No. 66, secretary and assistant secretary, Mar. 22-26, New York trip	300.00	35.96	41.35			222.69	77.31
26	Check No. 67, Hotel Pennsylvania, Mar. 22-26, secretary	46.62	11.32	35.30				46.62
29	Check No. 68, F. R. Barclay, New York trip, Mar. 22-25	28.35	4.25	24.10				28.35
31	Check No. 69, assistant secretary, Mar. 15-31, salary	150.00			150.00			150.00
31	Check No. 70, secretary, Mar. 1-31, salary	350.00			350.00			350.00
	Total	3,047.11	118.09	350.62	1,950.00	2.50	662.90	2,384.21
	Cash not used (deposits)	662.90						
	Actual cost	2,384.21						
		3,047.11						
	Less balance brought forward	46.92						
	Total withdrawals from bank	3,000.19						

APRIL 1-JUNE 31, 1921, INCLUSIVE.

Apr. 11	Check No. 71, Bethel, trip to Washington, Apr. 6-7	$47.85	$23.70	$24.15				$47.85
11	Check No. 72, Bancroft, Washington meeting, Apr. 6-7	74.90	59.90	15.00				74.90
12	Check No. 73, New York trip, Apr. 13-19 and Apr. 20-24; stop in Philadelphia	300.00	53.61	49.95		$1.75	$194.69	105.31
12	Check No. 74, I. Wade, Washington trip, Apr. 5	86.95	57.15	29.80				86.95
19	Check No. 75, secretary, Pennsylvania Hotel, New York, Apr. 13-19	41.20		41.20				41.20
15	Check No. 76, assistant secretary, salary, Apr. 1-15	150.00			$150.00			150.00
19	Check No. 77, I. Wade, Raleigh Hotel, 4 days	18.00		18.00				18.00
23	Check No. 78, secretary, New York trip, Apr. 20-23	21.15		21.15				21.15
25	Check No. 79, John Gribbel, Philadelphia to Washington, Apr. 6	19.27	13.02	6.25				19.27
30	Check No. 80, assistant secretary, salary, Apr. 15-30	150.00			150.00			150.00
30	Check No. 81, F. R. Barclay, New York trip, Apr. 14-23	71.15	4.25	66.90				71.15
30	Check No. 82, secretary, salary, Apr. 1-30	350.00			350.00			350.00
May 5	Check No. 83, E. S. Post, Washington trip, May 5	28.39	20.69	7.70				28.39
5	Check No. 84, E. M. Norris, Washington trip, May 5	28.73	25.38	3.35				28.73
5	Check No. 85, J. J. Kieley, Washington trip, May 5	30.14	21.04	9.10				30.14
5	Check No. 86, Charles Lubin, Washington trip, May 5	31.79	21.29	10.50				31.79
5	Check No. 87, Albert Firmin, Washington trip, May 5	28.34	20.84	7.50				28.34
5	Check No. 88, Continental Hotel, for 6 men (the 5 above and McGinity), Washington, May 5	140.20		140.20				140.20
5	Check No. 89, P. Q. McGinity, Washington trip, May 5	73.98	25.38	48.60				73.98
13	Check No. 90, secretary, New York trip, May 14-21	300.00	32.26	31.05			236.69	63.31
13	Check No. 91, secretary, incidental expenses, Apr. 1-May 13	20.00				20.00		20.00
16	Check No. 92, assistant secretary, salary, May 1-30	150.00			150.00			150.00
20	Check No. 93, Hotel Pennsylvania, secretary, New York trip, May 14-21	44.99		44.99				44.99
25	Check No. 94, New York trip, secretary, May 25-June 1	300.00	34.35	32.75		5.25	227.65	72.35
25	Check No. 95, secretary, bond, May 25, 1921-May 25, 1922	13.50				13.50		13.50
25	Check No. 96, Chesapeake & Potomac Telephone Co.	12.30				12.30		12.30
June 1	Check No. 97, Hotel Pennsylvania, secretary, New York trip, May 25-June 1	55.30		53.90		1.40		55.30
1	Check No. 98, assistant secretary, salary May 15-31	150.00			150.00			150.00
1	Check No. 99, secretary, salary, May 1-31	350.00			350.00			350.00
4	Check No. 100, E. M. Morris, attending committee hearing, June 1	24.91	23.41	1.50				24.91
7	Check No. 101, E. S. Post, attending committee hearing, June 1	32.59	22.79	9.80				32.59
7	Check No. 102, J. J. Kieley, attending committee hearing, June 1	28.79	22.64	6.15				28.79
8	Check No. 103, T. McLeister, Philadelphia to New York and return, May 31	8.50	7.00	1.50				8.50
10	Check No. 104, secretary, New York trip, June 11-20, with committee	1,000.00	96.40	74.50		2.25	828.85	173.15
10	Check No. 105, Chas. Lubin, committee hearing, June 2-7	37.45	23.80	13.65				37.45
11	Check No. 106, McGurty, committee hearing, June 2-11	73.05	23.25	49.80				73.05
11	Check No. 107, A. Firmin, committee hearing, June 2-11	29.56	23.26	6.30				29.56
11	Check No. 108, Continental Hotel, McGurty, Lubin, Post, Kelly, Norris, Firmin	221.92		221.92				221.92
14	Check No. 109, A. W. Harmon, car fare New York, May 2-June 11	4.50	4.50					4.50
15	Check No. 110, National Blue Print Co. 1 illustration, 42 by 60	7.48				7.48		7.48
15	Check No. 111, assistant secretary, salary, June 1-15	150.00			150.00			150.00
20	Check No. 112, Lubin, maps, car fare	8.00	2.50			5.50		8.00
21	Check No. 113, Senator Moses, Washington to New York, June 15-17, inclusive	17.17	11.32	5.85				17.17
21	Check No. 114, Newport Transfer Co., taxi com., June 5-16	265.00	265.00					265.00
21	Check No. 115, Chesapeake & Potomac Telephone Co	13.20				13.20		13.20
22	Check No. 116, A. Holinboe, attending meeting of council, Apr. 3-25	355.60	175.10	180.50				355.60
22	Check No. 117, Hon C. D. Paige, New York trip	24.14	21.64	2.50				24.14
23	Check No. 118, Senator McKellar, New York trip	15.00	10.00	5.00				15.00
24	Check No. 119, Hon. Thos. M. Ball, New York trip	3.50	2.50	1.00				3.50
24	Check No. 120, Hon Halvor Steenerson, New York trip	5.70	2.20	3.50				5.70
25	Check No. 121, Smith & Hulse, 60 hours, stenography	112.00				112.00		112.00
27	Check No. 122, New York trip, secretary and committee, June 11-18	720.77	613.52	69.78			37.47	683.30
28	Check No. 123, assistant secretary, New York trip, June 11-18	24.32	1.57	22.75				24.32
29	Check No. 124, Smith and Hulse (balance for stenography)	8.00				8.00		8.00
30	Check No. 125, assistant secretary, salary, June 15-30	150.00			150.00			150.00
30	Check No. 126, secretary, salary, June 1-30	350.00			350.00			350.00
30	Check No. 127, Chicago trip	1,000.00	663.48	163.34			173.18	826.82
30	Check No. 128, Hotel Continental (McGurty and Firmin), June 23-30	112.54		112.54				112.54
	Total checks drawn	7,891.83	2,428.75	1,613.92	1,950.00	202.63	1,696.53	6,195.30
	Cash not used (deposits)	1,696.53						
	Actual cost	6,195.30						
	Total withdrawals	7,891.83						

Cash disbursements—Continued.

JULY 1 TO SEPTEMBER 30, 1921, INCLUSIVE.

Date.	Item.	Total.	Transportation.	Subsistence.	Salary.	General expenses.	Cash not used.	Actual cost.
1921.								
July —	Check No. 129, Smith & Hulse (report at New York, June)	$152.99				$152.99		$152.99
15	Check No. 130, assistant secretary, salary, July 1–15	150.00			$150.00			150.00
21	Check No. 131, La Salle Hotel, Chicago	446.15		$446.15				446.15
25	Check No. 132, Newport Transportation Co. (Postal Commission, June)	18.00	$18.00					18.00
25	Check No. 133, M. E. Cooley, August, 1920-April, 1921	136.51	109.86	26.10		1.55		136.51
28	Check No. 134, J. J. Kieley (Chicago, July 5–23)	77.04	42.80	34.24				77.04
28	Check No. 135, P. A. McGurty (Chicago, July 5–23)	92.85	46.40	46.45				92.85
Aug. 1	Check No. 136, assistant secretary, salary, July 15–31	150.00			150.00			150.00
1	Check No. 137, secretary, salary, July	350.00			350.00			350.00
8	Check No. 138, secretary, Boston trip	500.00	111.96	361.31			$26.73	473.27
8	Check No. 139, Chesapeake & Potomac Telephone Co. (June account)	21.40				21.40		21.40
15	Check No. 140, assistant secretary, Aug. 1–15	150.00			150.00			150.00
22	Check No. 141, P. A. McGurty (Boston, Aug. 15–20)	32.65		32.65				32.65
22	Check No. 142, H. Steenerson (New York trip, Aug. 1–2)	27.96	26.06	1.90				27.96
23	Check No. 143, secretary (New York trip to prepare Boston report)	500.00	23.66	75.95			400.39	99.61
31	Check No. 144, assistant secretary, salary, Aug. 15–31	150.00			150.00			150.00
31	Check No. 145, secretary, salary, August	350.00			350.00			350.00
Sept. 1	Check No. 146, Albert Firmin (balance due Boston account)	6.62		6.62				6.62
1	Check No. 147, Chicago Athletic Association (com. meals, July 20)	15.90		15.90				15.90
6	Check No. 148, secretary, New York trip, Sept. 6	500.00	22.07	198.80			279.13	220.87
10	Check No. 149, Pennsylvania Hotel, New York	18.05		18.05				18.05
15	Check No. 150, assistant secretary, salary, Sept. 1–15	150.00			150.00			150.00
17	Check No. 151, J. J. Kieley (Boston, Aug. 10–19)	12.35		12.35				12.35
19	Check No. 152, secretary, New York trip, Sept. 19	300.00	27.16	21.00			251.84	48.16
24	Check No. 153, New York trip, Sept. 10–15, assistant secretary	10.07	5.07	5.00				10.07
26	Check No. 154, New York trip, Sept. 26	500.00	28.41	45.80			425.79	74.21
30	Check No. 155, assistant secretary, salary, Sept. 15–30	150.00			150.00			150.00
30	Check No. 156, Albert Firmin (Boston, Sept. 20–29)	21.94		21.94				21.94
30	Check No. 157, secretary, salary, September	350.00			350.00			350.00
	Total checks drawn	5,340.48	461.45	1,370.21	1,950.00	174.94	1,383.88	3,956.60
	Cash not used	1,383.88						
	Actual cost	3,956.60						

Actual balance in bank June 30, 1921	$3,874.99
Deposits	1,383.88
Deposits Aug. 12, 1921	8,000.00
Total	13,258.77
Withdrawals, third quarter	5,340.48
Actual balance in bank Sept. 30, 1921	7,918.29

Cash disbursements, October 1 to December 31, 1921, inclusive.

Date.	Item.	Total.	Transportation.	Subsistence.	Salary.	General expenses.	Cash not used.	Actual cost.
1921								
Sept. 6	Check No. 158, P. A. McGurty, Washington, hearing Sept. 4–5	$42.84	$21.24	$21.60				$42.84
6	Check No. 159, John J. Kieley, Washington, hearing Sept. 4–5	23.84	20.29	3.55				23.84
6	Check No. 160, Albert Firmin, Washington, hearing Sept. 4–5	23.74	20.29	3.45				23.74
Oct. 10	Check No. 161, Hotel Continental, McGurty, Firmin, Kieley, Oct. 4–5	59.20		59.20				59.20
11	Check No. 162, Roland M. Baker, meeting, Oct. 4–5	69.97	50.92	19.05				69.97
12	Check No. 163, C. P. Scheel, Post Office hearing, (Chicago to Boston)	81.65	72.00	9.65				81.65
14	Check No. 164, secretary, Brooklyn trip	500.00	42.96	250.23			$206.81	293.19
15	Check No. 165, assistant secretary, services, Oct. 1–15	150.00			$150.00			150.00
26	Check No. 166, Chesapeake & Potomac Telephone Co., July, August, September	7.55				$7.55		7.55
Nov. 1	Check No. 167, assistant secretary, services, Oct. 15–31	150.00			150.00			150.00
1	Check No. 168, secretary, services, October	350.00			350.00			350.00
12	Check No. 169, Smith & Hulse, reporting hearings, Oct. 4–5	148.75				148.75		148.75
14	Check No. 170, secretary, New York and Philadelphia trip	500.00	156.36	203.32			140.32	359.68
15	Check No. 171, assistant secretary, services, Nov. 1–15	150.00			150.00			150.00
25	Check No. 172, P. A. McGurty, account Brooklyn	13.90	1.70	12.20				13.90
25	Check No. 173, P. A. McGurty, account Philadelphia tubes	54.88	36.03	18.85				54.88
26	Check No. 174, John J. Kieley, account Brooklyn	7.10	2.70	4.40				7.10
29	Check No. 175, Pennsylvania Hotel, Nov. 22–29	97.05		97.05				97.05
30	Check No. 176, E. V. Smith, map of Philadelphia	22.00				22.00		22.00
30	Check No. 177, assistant secretary, services, Nov. 15–30	150.00			150.00			150.00
30	Check No. 178, secretary, services, November	350.00			350.00			350.00
Dec. 6	Check No. 179, W. E. Garage, Brooklyn inspection	20.00	20.00					20.00
13	Check No. 180, secretary, New York trip	300.00	25.39	43.80			230.81	69.19
15	Check No. 181, assistant secretary, services, Dec. 1–15	150.00			150.00			150.00
21	Check No 182, A. Firmin, account Philadelphia	15.18	12.93	2.25				15.18
21	Check No. 183, P. A. McGurty, 3 tickets, New York to Detroit	113.67	113.67					113.67
Dec. 21	Check No. 184, assistant secretary, services, Dec. 15–31	150.00			150.00			150.00
21	Check No. 185, secretary, services, December	350.00			350.00			350.00
23	Check No. 186, trip, committee to Detroit and Buffalo	600.00	141.96	112.69			345.35	254.65
24	Check No. 187, Chesapeake & Potomac Telephone Co., October and November	7.85				7.85		7.85
	Total checks drawn	4,659.17	738.44	901.29	1,950.00	180.15	923.29	3,735.88
	Cash not used	923.29						
	Actual cost	3,735.88						
	Total	4,659.17						

Actual balance in bank Sept. 30, 1921	$7,918.29
Deposits	923.29
Deposits, interest shown on bank statement, Dec. 30, 1921	44.59
Total	8,886.17
Withdrawals	4,659.17
Total	4,227.00
Deposit not made until Jan. 21, 1922	345.35
Actual cash in bank, also bank balance Dec. 31, 1921	3,881.65

Recapitulation of vouchers, January to December, 1921, inclusive.

Voucher No.	Item.	Total.	Transportation.	Subsistence.	General expense.	Salary.
1	W. B. Richards & Co., services, January, 1921	$21,832.84	$1,244.06			$20,588.78
6	Smith & Hulse, reporting 77 pages (7 copies)	320.25			$320.25	
	W. B. Richards & Co., services					
7	February, 1921	23,551.39	850.24			22,701.15
8	March, 1921	15,632.14	318.69			15,313.45
9	Smith & Hulse, reporting committee hearing, Apr. 6-7 (20 copies)	618.60			618.60	
10	W. B. Richards & Co., services, April, 1921	12,941.25	648.41			12,292.84
11	Smith & Hulse, reporting hearing, May 2, 3, 4 (20 copies)	1,269.32			1,269.32	
12	W. B. Richards & Co., services, May, 1921	13,205.11	1,083.32	$191.93		11,932.86
13	Smith & Hulse, reporting hearing, June 3, 4, 6	208.40			208.40	
	W. B. Richards & Co., services					
14	June, 1921	20,982.01	1,582.96	343.18		19,055.87
15	July, 1921	12,960.03	876.70			12,083.33
16	August, 1921	12,055.82	590.17			11,465.65
17	September, 1921	11,914.59	856.38			11,058.21
18	October, 1921	7,771.50	418.36			7,353.14
19	November, 1921	2,130.47	130.47			2,000.00
20	December, 1921	2,157.43	157.43			2,000.00
	Total	159,617.15	8,754.19	535.11	2,482.57	147,845.28

Cash disbursements, January 1, 1922, to February 28, 1922, inclusive.

Date.	Item.	Total.	Transportation.	Subsistence.	Salary.	General expense.	Cash not used.	Actual cost.
1922.								
Jan. 6	Check No. 188, W. J. Williams, attending meeting Detroit	$23.89	$15.89	$8.00				$23.89
6	Check No. 189, Wm. Schariott, attending meeting Detroit	23.89	15.89	8.00				23.89
6	Check No. 190, Robt. C. Quinn, attending meeting Buffalo	33.50	26.50	7.00				33.50
14	Check No. 191, Jas. B. Anderson, attending meeting Buffalo	33.38	26.50	6.88				33.38
16	Check No. 192, assistant secretary, salary, Jan. 1-15	150.00			$150.00			150.00
19	Check No. 193, secretary, trip to Brooklyn and Philadelphia, Jan. 10-18	217.21	45.04	172.17				217.21
23	Check No. 194, A. Firmin, Philadelphia trip, Jan. 17-18	15.55	8.50	7.05				15.55
23	Check No. 195, A. Firmin, Detroit and Buffalo	8.85		8.85				8.85
23	Check No. 196, Chesapeake & Potomac Telephone Co.	14.75				$14.75		14.75
24	Check No. 197, secretary, New York trip, Jan. 24	500.00	44.66	82.51			$372.83	127.17
31	Check No. 198, assistant secretary, salary, Jan. 15-31	150.00			150.00			150.00
31	Check No. 199, secretary, salary, Jan. 1-31	350.00			350.00			350.00
Feb. 8	Check No. 200, Hotel Continental, McGurty and Firmin	22.95		22.95				22.95
8	Check No. 201, secretary, trip to Boston	500.00	90.53	241.50		12.75	155.22	344.78
15	Check No. 202, assistant secretary, salary, Feb. 1-15	150.00			150.00			150.00
14	Check No. 203, A. Firmin, Washington meeting, Feb. 2	22.49	22.49					22.49
17	Check No. 204, assistant secretary and Hon. Halvor Steenerson, New York trip	54.33	46.33	8.00				54.33
17	Check No. 205, P. A. McGurty, Washington meeting, Feb. 2	48.64	27.94	20.70				48.64
18	Check No. 206, Continental Hotel, McGurty, Kiely, Lubin	12.45		12.45				12.45
21	Check No. 207, C. Lubin, Washington meeting, Feb. 16-17	21.04	21.04					21.04
21	Check No. 208, P. A. McGurty, Washington meeting, Feb. 16-17	34.34	33.14	11.20				34.34
21	Check No. 209, J. J. Kiely, Washington meeting, Feb. 16-17	27.99	21.94	6.05				27.99
28	Check No. 210, assistant secretary, salary, Feb. 15-28	150.00			150.00			150.00
28	Check No. 211, secretary, salary, Feb. 1-28	350.00			350.00			350.00
	Total	2,915.25	436.39	623.31	1,300.00	27.50	528.05	2,387.20

Services rendered by W. B. Richards & Co. for January and February, 1922.

Voucher No.	Item.	Total.	Transportation.	Salary.
21	Services for January, 1922	$2,167.16	$167.16	$2,000.00
22	Services for February, 1922	2,143.42	143.42	2,000.00
	Total	4,310.58	310.58	4,000.00

Mr. STEENERSON. Mr. Speaker, I am in favor of the conference report. Before it comes to a vote I should like to explain the anomalous situation which exists between the two Houses on account of the rules that have heretofore been adopted. The Committee on Appropriations of the House has jurisdiction of all appropriation bills, including the Post Office appropriation bill. That committee appoints a subcommittee of three to do the work. The Senate has adopted a rule that when the Post Office appropriation bill comes up for consideration three members of the Senate Committee on Post Offices and Post Roads shall be ex officio members of the Committee on Appropriations, and there is a like rule in respect to other appropriation bills. These three members took charge of the whole work of preparing the appropriation bill for the Post Office Department, and under the rules they have to appoint members of the Committee on Post Offices and Post Roads of the Senate on the conference committee. In this case the Senate appointed five members of the Post Offices and Post Roads Committee of the Senate as conferees, whereas the House conferees consist of this subcommittee of three members. It has long been the principle underlying the rules of this House that there shall not be legislation on appropriation bills. Therefore, we have the rule that legislation is subject to a point of order, the theory being that so-called riders on appropriation bills are conducive to poor legislation. Practice, however, demonstrates that it is absolutely impossible to keep all legislation out of appropriation bills, because in a great many instances the appropriation and the limitation on the appropriation and the object for which it is to be used are so closely interwoven that they can not be separated. If we were to construe the rule strictly, we would exclude a great many items in this conference report that are now considered purely appropriating items. I call attention to this fact, especially for the reason that the subcommittee on this bill, headed by the gentleman from Virginia [Mr. SLEMP] and the chairman of the committee [Mr. MADDEN], were courteous enough to call the attention of the House Committee on the Post Office and Post Roads to the fact that the Senate had included a large number of legislative items in the appropriation bill, and on these legislative items they profess that they were not sufficiently advised and thought the Committee on the Post Office and Post Roads of the House might have some ideas that would be of value to them in dealing with the matter. They expressed the desire that these legislative items put on the appropriation bill by the Senate should be considered by my com-

mittee. I called the committee together, consisting of 21 members, and we had more than a quorum there at these various meetings considering these items. We held hearings. We called the department officials up to explain the legislative items, and in many cases we found that the department had presented them to the Senate committee because of the emergency that had recently arisen.

I questioned them as to why they did not bring these legislative items before the House Committee on the Post Office and Post Roads, so that we could prepare a bill and put it through Congress, and in most cases they explained that it was an emergency, and they went before the Senate committee and asked for appropriations which embraced these legislative provisions. In some instances the legislative part of it was so closely interwoven with the appropriating part that it was practically impossible to separate them.

For instance, here is an item usually carried for clerk hire, but the fact is that they needed chauffeurs. They had no authority to employ chauffeurs, so they asked for legislation that would do away with the detail of clerks for chauffeurs, because they can hire chauffeurs cheaper than the highly trained and skilled clerks in this item, and instead of paying clerks they could thus pay chauffeurs. Well, it is perfectly proper, and the Committee on Post Offices and Post Roads have no objection to it and recommend it be adopted, but it shows how closely the appropriating part of an item and the legislative part are interwoven. There are several of those cases that have been included in the conference report. There are some that are of doubtful nature—for instance, amendments numbered 19, 23, and 46. But, as I have already stated, it is not my desire or the desire of the Post Office Committee to object to those. However, I may say there is a very serious question whether they should not have been brought before the House like these other legislative items, so the House would be given an opportunity to vote them up or down as independent propositions. As it is now, they are included in the conference report, and if the point of order is made and sustained to one it would send the whole report back again; but, inasmuch as my committee has approved, we do not want to take that course, but in justice to the rights of the House I thought it was my duty to explain that hereafter they ought to be more careful in including in a conference report things which Rule XXI forbid. That rule says when it is a legislative item subject to a point of order, then it shall not be included in the conference report, but reported as an independent proposition. Now, this is purely technical in this case, because the item, in our opinion, is meritorious and ought to be passed, and therefore it is not intended to make any point upon it except that the rights of the House are somewhat encroached upon by the fact it is included in the conference report instead of reported as being in disagreement.

Now, there are other items that have a peculiar position, I think, half a dozen items on which legislation was proposed by the Senate of great importance. For instance, there is a proposition to authorize the Post Office Department to purchase furniture and ship it and supply rented quarters. As it is now, the Postmaster General has no authority to furnish equipment to post offices that are rented or in rented quarters. The owner of the building must furnish that, and in many instances, in a large city especially, these real estate men have not facilities for buying furniture except to buy it at the retail price. The department had a special investigation of this subject and came to the conclusion that they could get better terms for rented postal stations and branch post offices if they had the authority to furnish the equipment, if they so desired.

Mr. SLEMP. If the gentleman will allow me to interrupt, I will yield him more time because it is a very interesting subject. I think I approve of everything the gentleman says, but we found when we came to the appropriation of $500,000 the gentleman refers to that could only apply to the item of rent, and so forth.

Mr. STEENERSON. Rent, fuel, and light.

Mr. SLEMP. With those leases that expired during the next fiscal year. Now, the total cost, rent, fuel, and light for leases expiring the next fiscal year is $608,000, and the Post Office Department came along with the proposition to spend $500,000 on furniture alone for leases.

Mr. STEENERSON. I was not discussing the merits of the item. Your committee probably did right.

Mr. SLEMP. And when the explanation was made to the Senate conferees they receded.

Mr. STEENERSON. There are other items, however, which were submitted to my committee which we think should become law on account of the difficulty of getting bills through here. I have half a dozen bills on the calendar, and have had for two or three months, but on account of the high privilege of these appropriation bills these minor legislative bills are set aside, and we can not expect to get anything except through this channel now open. If the Subcommittee on Appropriations for the Post Office Department insists, as they naturally would, that there should be no legislation at all on an appropriation bill and fight that to the utmost and get the Senate to yield, of course it will often happen that you will not get any legislation when you ought to have it.

There are several cases of that kind. We, of course, can not change it, but we thought when we were called into consultation by the courtesy of these gentlemen and held hearings and took testimony to determine whether a legislative provision was wise, we thought, of course, it would count for something, but the conferees took our advice, yet they disagreed to the Senate amendment and thought in doing so they accomplished a great victory. If they had followed our advice they would have yielded to the Senate. We feel as if we did not have any authority after all, and that our recommendation did not go very far. We are reminded of the epitaph in the Chiltenham graveyard:

> If so soon that I am done for,
> I wonder what I was begun for.

Because it seemed as if our work did not amount to anything. I do not blame the subcommittee on this bill, but I am simply calling attention to it for the purpose of showing the anomaly that now exists and the contradictory things that result.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. SLEMP. I yield three minutes more to the gentleman.

Mr. STAFFORD. Will the gentleman yield?

Mr. STEENERSON. Yes.

Mr. STAFFORD. Has the gentleman's committee at any time in the recent past considered the claim made by one of the Assistant Postmasters General that under the present leasing system authorizing leasing of quarters for 20 years we are paying by that method in the 20-year period ten times the cost of the building and the real estate which the Government is using?

Mr. STEENERSON. We had a special investigation of that subject of leasing, by the joint commission and by postal experts that we obtained in New York. The opinion was that the long-term leases gave us the cheapest rent.

Mr. STAFFORD. There is no question that a lease of 20 years gives better terms for the Government than a 10-year lease, but the Assistant Postmaster General has called attention to the fact that the best terms they could secure for the 20-year period would amount to ten times the cost of the building and the real estate which the Government used.

Mr. STEENERSON. The gentleman's information is erroneous.

Mr. STAFFORD. I read it in the New York Times a few days ago.

Mr. STEENERSON. The gentleman has in mind a lease that is not made yet, but which they are talking of making, at the Pennsylvania terminal in New York. If it is not right, the Postmaster General and his assistant can turn it down at any time.

Mr. STAFFORD. Will the gentleman yield further?

Mr. STEENERSON. Allow me to finish this answer.

The gentleman seems to indicate in his question that that is the general practice throughout the United States. We get rent as cheap as possible.

Mr. STAFFORD. In conference with the officials of the Post Office Department they have called my attention to the high rentals they are obliged to pay, when, if they had authority under the law to purchase real estate and erect the necessary improvement, it would save the Government millions and millions of dollars.

Mr. STEENERSON. They always save by words, but by deeds never. I would like to say this, that if you bring in a bill, for instance, to have the Government purchase this land in New York City which they have negotiated for for a year and finally get down to $2,000,000 as a purchase price—if you purchase that through an act of Congress making appropriation, and then appropriate $6,000,000 for the building, it has got to be done through the regular channels. It has got to be in the public building bill, and you know if New York gets $8,000,000 of appropriation many others will have to be provided for.

Mr. STAFFORD. Moorhead, Minn., wants $100,000.

Mr. STEENERSON. No; they have a building already.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SLEMP. Mr. Speaker, I move the adoption of the conference report.

The SPEAKER pro tempore. Does the gentleman from Minnesota [Mr. STEENERSON] withdraw his reservation of the point of order?

Mr. STEENERSON. Yes.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER pro tempore. The Clerk will report the first amendment.

The Clerk read as follows:

Amendment No. 1: Page 2, line 18, strike out "18" and insert "26."

Mr. SLEMP. Mr. Speaker, I move that the House insist on its disagreement to amendment No. 1.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 2: Page 2, line 19, strike out "78" and insert "86."

Mr. SLEMP. Mr. Speaker, I move that the House insist upon its disagreement to Senate amendment No. 2.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 3: Page 2, line 24, after the figures "1,200," insert the word "two."

Mr. SLEMP. Mr. Speaker, I move that the House insist on its disagreement to Senate amendment No. 3.

Mr. STAFFORD. Will the gentleman yield in that particular?

The SPEAKER pro tempore. The gentleman from Virginia moves that the House insist on its disagreement to Senate amendment No. 3.

Mr. SLEMP. Yes; I yield to the gentleman from Wisconsin.

Mr. STAFFORD. I notice this is a very important amendment, involving an additional map mounter. What was the reason they did not agree that they should have an additional map mounter?

Mr. SLEMP. In the first place, we did not have any authority to do so, and, in the second place, and the same in regard to this item, that the conferees themselves rather accepted the views of the House Committee on Appropriations. They can get along without some of these positions.

Mr. STAFFORD. I question the first statement, that the committee did not have any legislative authority. There is provided in the bill authorization for one or two of a certain character of employees, and it is certainly within the jurisdiction of the conferees to agree to an additional number.

Mr. SLEMP. I will say to the gentleman that we were firmly convinced that these additional employees were not necessary.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Virginia that the House insist on its disagreement to Senate amendment No. 3.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 4: Page 2, line 24, after the word "map," strike out the word "mounter" and insert "mounters, at."

Mr. SLEMP. Mr. Speaker, I move that the House insist on its disagreement to amendment No. 4.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 5: Page 2, line 25, after the figures "1,000," insert the word "each."

Mr. SLEMP. Mr. Speaker, I move that the House insist on its disagreement to the amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 6: Page 3, line 14, after the figures "1,600," strike out "one" and insert "three, at."

Mr. SLEMP. Mr. Speaker, I move that the House insist on its disagreement to Senate amendment No. 6.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 7: Page 3, line 14, after the figures "1,200," insert the word "each."

Mr. SLEMP. Mr. Speaker, I move that the House insist on its disagreement to Senate amendment No. 7.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 8: Page 3, line 16, after the figures "1,200," strike out "one" and insert "three, at."

Mr. SLEMP. Mr. Speaker, I move that the House insist on its disagreement to Senate amendment No. 8.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows.

Senate amendment No. 9: Page 3, line 17, after the figures "1,000," insert the word "each."

Mr. SLEMP. Mr. Speaker, I move that the House insist on its disagreement to amendment No. 9.

The SPEAKER pro tempore. The gentleman from Virginia moves that the House insist on its disagreement to amendment No. 9. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows.

Senate amendment No. 10: Page 3, line 19, after the word "each" insert "six chauffeurs, at $1,000 each."

Mr. SLEMP. Mr. Speaker, I move that the House insist on its disagreement.

The SPEAKER pro tempore. The gentleman from Virginia moves that the House insist on its disagreement to amendment No. 10.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows.

Senate amendment No. 11: Page 3, line 24, strike out "$1,798,730" and insert "$1,835,730."

Mr. SLEMP. Mr. Speaker, I move that the House insist on its disagreement on this amendment.

The SPEAKER pro tempore. The gentleman from Virginia moves that the House insist on its disagreement to this amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows.

Senate amendment No. 17: Page 5, line 23, strike out the figures "$1,902,880" and insert "$1,940,630."

Mr. SLEMP. Mr. Speaker, I move that the House insist on its disagreement to Senate amendment No. 17.

The SPEAKER pro tempore. The gentleman from Virginia moves that the House insist on its disagreement to Senate amendment No. 17. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment.

The Clerk read as follows:

Senate amendment No. 32: Page 13, line 2, after the figures, insert: "*Provided*, That the Postmaster General may use not exceeding $10,000 of this appropriation for adjusting claims arising under section 1 of the act entitled 'An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1886, and for other purposes,' approved March 3, 1885: *And provided further*, That hereafter a lease shall not cease or terminate when a post office can be moved into a Government building unless the Postmaster General deems it to be in the interest of the public service."

Mr. SLEMP. Mr. Speaker, I move that the House recede from its disagreement to amendment No. 32 and agree to the same with an amendment which I send to the Clerk's desk.

The SPEAKER pro tempore. The gentleman from Virginia moves that the House recede from its disagreement to amendment No. 32 and agree to the same with an amendment, which the Clerk will report.

The Clerk read as follows:

Senate amendment No. 32: Mr. SLEMP moves that the House recede from its disagreement to the amendment of the Senate No. 32, and agree to the same with amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "*Provided*, That the Postmaster General may use not exceeding $10,000 of this appropriation for adjusting claims arising under section 1 of the act entitled 'An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1886, and for other purposes,' approved March 3, 1885: *And provided further*, That that part of the act approved March 3, 1885 (23d Stat. L., p. 386), which provides that a lease for premises for use as a post office shall cease and terminate whenever a post office can be moved into a Government building, is hereby repealed."

Mr. SLEMP. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. STEENERSON] for the purpose of permitting him to explain that amendment.

The SPEAKER pro tempore. The gentleman from Minnesota is recognized for five minutes.

Mr. STEENERSON. Mr. Speaker, the matter that I want to explain is the last paragraph—that repeals the clause in the existing law—that it is mandatory on the department to include a cancellation clause in every lease in the event that a public building is built, as stated there. The department has found that very often it is difficult to get reasonable rent terms with that clause in; and it was testified in regard to this proposed post-office building in New York City that it would make a difference of many thousand dollars—I think, something like $200,000—in a 20-year term. This is a permanent building, and there is no object in having that clause in there. If the owner desires to borrow money on the mortgage, he would have to pay a higher rate.

It was explained to the Committee on the Post Office and Post Roads of the House that the department desires this legislation. I drew a bill. That bill was reported favorably, and it is now on the calendar. It is identical with this provision; and the Senate simply took the provision of my bill and put it on this appropriation bill. The department is of the opinion that it will save them a good deal of money. Of course, I think we ought to concur in the amendment.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Virginia to recede and concur with an amendment.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. SLEMP. Yes.

Mr. STAFFORD. I have been furnished privately with some information as to what is included under the first part of the proposed amendment. I wish to ascertain whether there is any limit on this $10,000 expenditure. Section 1 of this act is all-pervading, which includes the whole Post Office appropriation act of that year—1886.

Now, this authorization of $10,000 for adjusting claims arising under that section is broad enough to pay any character of claim whatsoever.

Mr. STEENERSON. I would like to explain that to the gentleman.

Mr. STAFFORD. I would be glad to have an explanation, either from the chairman in charge of the bill or from the gentleman from Minnesota.

Mr. STEENERSON. The appropriation was made originally to enable the department to pay for the actual time a building was occupied which had become untenantable, and it was desired to vacate it; but there are some claims left. The original appropriation has lapsed and the money has gone into the Treasury. This $10,000 was to enable them to pay claims.

Mr. STAFFORD. Section 1 is the whole appropriation act for the fiscal year 1886. I have the act before me, and I make the criticism that the phraseology here is not limited to any one claim.

Mr. MADDEN. He will not need to use more than $10,000.

Mr. STAFFORD. He may not need to use more than $10,000, but the enabling provision should be limited to that character of claim.

Mr. STEENERSON. Here is what was stated before the committee:

> The CHAIRMAN. That is simply quoting the old law.
> Mr. SPILMAN. No, sir. The law gives the Postmaster General authority to withhold the payment of rental when premises occupied by a post office become unfit for occupancy. When they become in that condition, he has authority to withhold the payment of rental. There are a number of cases for several years past where the department has declared premises unfit and has withheld rent and refused to occupy the premises further. Having occupied the premises, the department owes the lessor something for the use of them, and in a number of instances the period of adjustment antedates the life of the appropriation. That is to say, it occurred during a time after the available appropriation had expired by limitation of law. This amendment here provides $10,000 for that purpose. It provides that $10,000 may be utilized in adjusting those claims where the period of adjustment antedated any live appropriations available for the purpose of paying them. That provision was not asked for by the department, but the department does not object to it, and we have such claims.

Mr. STAFFORD. Will the gentleman permit? There is nothing in the act providing for the continuance of the Postal Service that authorizes the payment of claims. I have listened very attentively to the gentleman on several occasions, when he has objected to the Committee on Appropriations taking jurisdiction of matters that do not pertain to that committee. Yet here the gentleman is holding a hearing on a matter which rightfully belongs to the Committee on Claims and not to the Committee on the Post Office and Post Roads. These are stale claims, hoary with age, and the gentleman is holding hearings on them rather than the Committee on Claims, which properly has jurisdiction of them.

Mr. STEENERSON. The only reason we held hearings was because of the cancellation clause of the appropriation.

Mr. STAFFORD. Is there anything you dissent from? The gentleman stated that he approved of all these items.

Mr. STEENERSON. There are two classes. One relates to the old claims and one relates to the cancellation clause in leases that had been handled by the department. I explained both of them, and they had the sanction of the Committee on Appropriations.

Mr. MADDEN. One merges into the other.

Mr. STEENERSON. Yes. The gentleman from Wisconsin is entirely too technical.

Mr. STAFFORD. Oh, no. I still insist that there is nothing in the act of 1886 authorizing the department to pay claims. Under this phraseology this $10,000 could be paid for any character of authorization carried in the Post Office appropriation act of that year. No one can controvert that who has examined the act.

Mr. STEENERSON. They say they owe this money, but the appropriation has lapsed.

Mr. STAFFORD. There are a million claims of people to whom the Government owes money, claims which have arisen since the foundation of the Government.

The SPEAKER pro tempore. The question is on the motion to recede and concur with an amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 40: Page 15, after line 15, insert:
"For the operation and maintenance of airplane mail service between New York, N. Y., and San Francisco, Calif., via Chicago, Ill., and Omaha, Nebr., including necessary incidental expenses and employment of necessary personnel, $1,900,000."

Mr. SLEMP. Mr. Speaker, I move that the House recede and concur in Senate amendment 40.

The SPEAKER pro tempore. The gentleman from Virginia moves that the House recede from its disagreement to Senate amendment 40 and concur in the same.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 52: On page 21, after line 19, insert: "And the Postmaster General is authorized and directed to ascertain conditions arising from contracts in the star-route, screen-wagon, and other vehicle service entered into prior to January 1, 1918, with a view to determining whether any adjustment should be made in the compensation for the fiscal years ended June 30, 1918, June 30, 1919, June 30, 1920, and June 30, 1921, and make a report of his findings to the Congress not later than the first Monday in December, 1922."

Mr. SLEMP. Mr. Speaker, I move that the House insist on its disagreement.

The SPEAKER pro tempore. The gentleman from Virginia moves that the House insist on its disagreement to Senate amendment 52.

The question being taken, on a division, demanded by Mr. ARENTZ, there were—ayes 45, noes 2.

Accordingly the motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 54: Page 22, after line 18, insert:
"SEC. 2. That the joint commission authorized under section 6 of the act approved April 24, 1920, entitled 'An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1921, and for other purposes,' is hereby continued until June 30, 1923, to complete the investigation and to prepare a detailed report containing a summary of its findings thereof, and such recommendations as to legislation as it may deem proper: *Provided*, That the said commission shall not expend a greater sum than $125,000 during the fiscal year 1923."

Mr. SLEMP. Mr. Speaker, I move that the House recede and concur in Senate amendment 54.

Mr. STAFFORD. Mr. Speaker, in examining the original law I notice that this postal commission was to make its report to Congress by March 1, 1921. In the statement that was prepared at the instance of one of the minority members of this commission, the gentleman from Kentucky [Mr. ROUSE], it is stated that $208,000 have been expended up to date by this commission. Now, what is it under the original authorization of this commission which prevents them from making their report? I see the vice chairman of the commission is here. I see other members of the commission. Before the gentleman replies, may I read the record of the authorization of this commission? You have spent $208,000 up to date. You want another $125,000, and yet the original authorization called for you to submit your report on March 1, 1921, more than a year ago. It says:

> The commission shall investigate all present and prospective methods and systems of handling, dispatching, transporting, and delivering of

mails and all the facilities therefor, and especially all methods and systems which relate to the handling, delivery, and dispatching of the mails in the large cities of the United States.

Under the scope of that authority what has prevented the commission from making its report? It is now nearly two years since its authorization.

Mr. SLEMP. I yield to the gentleman from Minnesota [Mr. STEENERSON], the vice chairman of the Joint Postal Commission.

The SPEAKER pro tempore. The gentleman from Minnesota is recognized for five minutes.

Mr. STEENERSON. The joint commission has already made three reports to Congress of the progress of its work. It has undertaken a very extensive task, and we have recommended various measures, some of which have been put into effect by the department and others have been the basis of legislation.

The particular reason for the continuance of the commission at the present time is that the demand has long been manifest for further knowledge in regard to the revenue derived from the different kinds of mail, from the different classes of mail, and in reference to the expense of handling and transporting these various classes of mail. In the House committee we tried to get some action in that regard by the department, but finally they preferred to have the joint commission have supervision over it, for the reason that it would give it a better credit to have some outside organization take part in the work. The joint commission has employed efficiency engineers to cooperate with the experts of the Post Office Department to make an inquiry.

This investigation or these inquiries will be carried on and will be completed next fall. It involves the weighing and counting of the mails in nearly all the post offices of the country. When that work is done we expect to be able to tell you what the cost of handling and transporting, as well as the revenue derived from the different kinds of mail matter that passes through the mail is. We know that we are losing $80,000,000 a year, and that can not be properly remedied by an increase of postage until we know what number of pieces and the weight of the different kinds of mail matter is. Mr. Joseph Stewart is the acting head of this inquiry. He conducted the inquiry of a similar nature—the only one that has ever been made in this country—in 1907. That was 15 years ago, and since then conditions have changed. He showed that he was a very able man in that kind of work. We spent $220,000 for that work alone. We are employing a great many individuals in this inquiry, and the expense will only be $75,000.

Mr. STAFFORD. Will the gentleman yield?

Mr. STEENERSON. Yes.

Mr. STAFFORD. Where is the authority for this commission to carry on the work of this character?

Mr. STEENERSON. I think under the act the language is sufficient.

Mr. STAFFORD. I question it seriously. I question that it gives you authority to pursue this investigation.

Mr. STEENERSON. The joint commission consists of five Senators and five Representatives. The gentleman from Michigan [Mr. TOWNSEND] is the chairman and I am the vice chairman, and we considered this matter very carefully and decided by reason of the general language of that law that we had the authority. This work ought to be done, and I know the gentleman desires it to be done.

Mr. STAFFORD. I do not wish to break in on the work of the commission, but I question whether it has any authority. There is no limit of time here when the commission is to report. You are asking for $125,000, and does not the gentleman think, in fairness to the House, there should be some limit as to the time when the commission should cease work and cease the expenditure of the public funds?

Mr. STEENERSON. There is a limitation.

Mr. STAFFORD. Where is the limitation—you are authorized to expend $125,000, but where is the limitation?

Mr. STEENERSON. The gentleman will find that it is limited to June 30, 1923, when the commission shall complete the investigation and prepare a detailed report containing a summary of its findings and recommendations. We expect to have the work finished by that time.

Mr. STAFFORD. Where is this limitation?

Mr. STEENERSON. On line 23, page 22.

Mr. SLEMP. Mr. Speaker, I yield five minutes to the gentleman from Mississippi [Mr. SISSON].

Mr. SISSON. Mr. Speaker, in regard to the item now under consideration I have not raised any objection except as to the amount of money. It seems to me as if the amount carried is in excess of the amount of work that is going to be done. It seems to me that the sum of $50,000 or $75,000 would be all that was needed to do this work. In fact, it is doubtful if the people will ever get any benefit from this expenditure. But the chairman of the committee is one of the conferees, and he insists that he wants to do the work, and in order to do it it would require $125,000. I do trust that the House will understand that this is the end of this commission. I did not know before that when you appointed a commission made up of Members of the House and the Senate that it is nearly as hard to choke off as it is to choke off a commission composed of outsiders. I have never known a commission to fix a boundary, to build a monument, or to build a memorial that it did not take two or three times as long to complete the work as contemplated, because when the job is completed Othello's occupation is gone and the commission knows this and can always find reasons to keep right on. In other words, it looks like we are "commissioned" to death. There is not a Member of this House who can tell to-day the number of commissions in existence and on the pay roll. It happens here that these commissioners are Members of the House and the Senate, but the employees are not, and it strikes me that the commission has spent too much money for the amount of good that the American people are getting out of it. Let us hope that this appropriation will end this piece of extravagance.

The SPEAKER pro tempore. The question is on the motion to recede and concur.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will read the next amendment.

The Clerk read as follows:

Page 23, line 4, insert section 3, as follows:

"SEC. 3. That the paragraph of the act entitled 'An act to reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis,' approved June 5, 1920, providing for leaves of absence, be amended to read as follows:

"'Hereafter employees in the Postal Service shall be granted 15 days' leave of absence, with pay, exclusive of Sundays and holidays, each fiscal year, and sick leave with pay at the rate of 10 days a year, exclusive of Sundays and holidays, to be cumulative for a period of three years, but no sick leave with pay in excess of 30 days shall be granted during any three consecutive years. Sick leave shall be granted only upon satisfactory evidence of illness and if more than two days the application therefor shall be accompanied by a physician's certificate.'"

Mr. SLEMP. Mr. Speaker, I move that the House recede and concur in the Senate amendment 55.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment 58: Page 24, after line 15, insert section 6, as follows:

"SEC. 6. That for the purpose of extending, continuing, and further carrying out the provisions of the Federal highway act, approved November 9, 1921, and all other acts amendatory thereof or supplementary thereto, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, $50,000,000 for the fiscal year ending June 30, 1923; and the sum of $65,000,000 is authorized to be appropriated for such purposes for the fiscal year ending June 30, 1924; and the sum of $75,000,000 is authorized to be appropriated for such purposes for the fiscal year ending June 30, 1925; and the sum of $7,500,000 is authorized to be appropriated for the survey, construction, reconstruction, and maintenance of forest roads and trails for the fiscal year ending June 30, 1924; and the sum of $7,500,000 is authorized to be appropriated for the survey, construction, reconstruction, and maintenance of forest roads and trails for the fiscal year ending June 30, 1925."

Mr. SLEMP. Mr. Speaker, I move to recede and concur with the following amendment:

The Clerk read as follows:

In lieu of the matter inserted by the Senate insert the following:

"That for the purpose of carrying out the provisions of the act entitled 'An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes,' approved June 11, 1916, and all acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the following additional sums, all such sums to be expended in accordance with the provisions of such act:

"The sum of $65,000,000 for the fiscal year ending June 30, 1923.

"The sum of $75,000,000 for the fiscal year ending June 30, 1924.

"PAR. 2. For the purpose of carrying out the provisions of section 23 of the Federal highway act, approved November 9, 1921, there is hereby authorized to be appropriated for forest roads and trails, out of any money in the Treasury not otherwise appropriated, the following additional sum, to be available until expended, in accordance with the provisions of said section 23: The sum of $6,500,000 for the fiscal year ending June 30, 1924.

"PAR. 3. For the purposes of this section and of the acts heretofore making appropriatons to aid the States in the construction of rural post roads the term "bridges" includes railroad grade separations, whether by means of overhead or underpass crossings.

"PAR. 4. That if any State, for a period of one year from the date the Secretary of Agriculture approves, or has heretofore approved, a road project, shall fail to put under contract such road project, the Secretary of Agriculture may require the said State to submit one or more projects to replace the said project; and if the said State shall fail to submit such other projects within the time set by the Secretary of Agriculture for the State to act, the Secretary of Agriculture may order the sum of money allotted to the said road project returned to the general road fund, and he shall then reapportion said sum of

money among all the States as provided by the Federal highway act and all amendments thereto.

"PAR. 5. Section 5 of the act entitled 'An act to provide appropriations for the Post Office Department, and for other purposes,' approved February 28, 1919, is hereby amended to read as follows: 'That the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved June 11, 1916, is hereby amended to provide that the term "rural post roads," as used in section 2 of said act, shall be construed to mean any public road, a major portion of which is now used, or can be used, or forms a connecting link not to exceed 10 miles in length of any road or roads now or hereafter used for the transportation of United States mails, excluding every street and road in a place having a population, as shown by the latest available Federal census, of 2,500 or more, except that portion of any such street or road along which the houses average more than 200 feet apart: *Provided*, That section 6 of said act be further amended so that payments which the Secretary of Agriculture shall make, from sums appropriated under the provisions of this act or any act amendatory thereof or supplemental thereto for the fiscal year ending June 30, 1923, shall not exceed $12,500 per mile exclusive of the cost of bridges of more than 20 feet of clear span: *Provided further*, That the payments which the Secretary shall make from sums appropriated under the provisions of this act or any act amendatory thereof or supplemental thereto, after the fiscal year ending June 30, 1923, shall not exceed $10,000 per mile exclusive of the cost of bridges of more than 20 feet of clear span: *Provided further*, That the limitation of payments herein provided shall apply to the public-land States, except that the same is hereby increased in proportion to the increased percentage of Federal aid authorized by section 11 of the act entitled 'An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved November 9, 1921.'

"PAR. 6. Section 24 of the act entitled 'An act to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," ' approved November 9, 1921, is amended to read as follows: 'That in any State where the existing constitution or laws will not permit the State to provide revenues for the construction, reconstruction, or maintenance of highways, the Secretary of Agriculture shall continue to approve projects for said State until five years after November 9, 1921, if he shall find that said State has complied with the provisions of this act in so far as its existing constitution and laws will permit.'

"PAR. 7. If any officer, agent, or employee of the United States, or any officer, agent, or employee of any State or Territory, or any person, association, firm, or corporation, or any officer or agent of any person, association, firm, or corporation shall knowingly make any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the cost thereof in connection with the submission of plans, maps, specifications, contracts, or cost of construction of any project submitted for approval to the Secretary of Agriculture under the provisions of the Federal highway act, or shall knowingly make any false statement, false representation, or false report, or claim for work or materials for the construction of any project approved by the Secretary of Agriculture under said Federal highway act and all amendments thereto, or shall knowingly make any false statement or false representation in any report required to be made under said Federal highway act or acts supplementary thereto with the intent to defraud the United States shall, upon conviction thereof, be punished by imprisonment not to exceed five years or by a fine not to exceed $10,000, or by both fine and imprisonment within said limits.

"PAR. 8. If any provision of this section, or the application thereof to any person or circumstances shall be held invalid, the validity of the remainder of the section and the application of such provision to other persons or circumstances shall not be affected thereby.

"PAR. 9. That all acts or parts of acts in any way inconsistent with the provisions of this section are hereby repealed."

Mr. HAYDEN. Mr. Speaker, I reserve a point of order.

Mr. SLEMP. I yield five minutes to the gentleman from New York [Mr. DUNN].

Mr. DUNN. Mr. Speaker, Senate amendment No. 58 was put on as a rider to this Post Office appropriation bill, and seeks to appropriate money for roads without the matter having been presented to either the Committee on Post Offices and Post Roads or to the Roads Committee of the House. Two weeks ago the House passed a road bill practically 8 to 1. The provisions of that bill were very liberal and the amount therein provided for was very generous. If the Committee on Roads has no rights in this matter, the House Roads Committee might as well be discontinued and disbanded. I hope that the motion of the gentleman from Virginia [Mr. SLEMP] will prevail and that House bill 11131 may be substituted for Senate amendment No. 58.

Mr. SLEMP. Mr. Speaker, I yield 15 minutes to the gentleman from Mississippi [Mr. SISSON].

Mr. SISSON. Mr. Speaker, I yield to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I desire to place in the RECORD a statement of my record with reference to legislation affecting the farming and agricultural classes and a brief review of some other things accomplished by me as a Member of Congress.

I have supported and worked for the passage of the following bills:

Exemption of farmers' organizations from operation of the Sherman antitrust law, or, in other words, that no farmer organization would be held to be a violation of the antitrust law.

The Lever Agricultural Act, to extend educational facilities to farm boys and girls.

The income tax law, requiring wealth to bear its proportion of taxation.

Federal reserve act, to expand the volume of currency and to allow farmers to borrow money from banks on notes secured by staple agricultural products and on improved farm lands. If this law had been administered as Congress intended when it was passed, it would have been even a greater boon to all the people than it has been.

Standardization of cotton and grain in the interest of the producer.

Standardization of warehouses, so that farmers could borrow money on their warehouse receipts.

Underwood tariff, reducing tariff on necessities and putting many articles that the farmer uses on the free list, including agricultural implements, barbed wire, and bagging and ties.

The ship purchase act, to provide ships to carry American products to all the markets of the world.

Cotton futures act, to curb gambling in cotton and to regulate the transactions of the cotton exchange.

Farm loan act—established system of 12 farm-loan banks, one of which is located at Houston, Tex. System affords farmers opportunity to borrow money to be used in purchasing and improving homes, at low rate of interest and long terms of payment. The most recent statement of the Farm Loan Board shows that more than $500,000,000 has been loaned by the system in the United States and more than $55,000,000 of which has been loaned by the Houston (Tex.) Farm Loan Bank.

War Finance Corporation—a bill to enlarge and extend the facilities of the War Finance Corporation and enable it to make advances to banks, cooperating organizations of farmers, and other financing institutions, to assist in production of farm products and live stock and help in the orderly marketing of same. Under this bill already more than $300,000,000 in loans have been made for agricultural and live-stock purposes, and the sum is increasing from day to day and has done much to help the situation in the agricultural and live-stock States.

Farm organization bill: This bill, usually referred to as the Capper-Volstead bill, makes broad and liberal provisions for the organization of farmers in the following language:

> Persons engaged in the production of agricultural products, as farmers, planters, ranchmen, dairymen, nut or fruit growers, may act together in associations, corporate or otherwise, with or without capital, in collectively processing, preparing for market, handling, and marketing in interstate and foreign commerce, such products of persons so engaged.

Such associations and their members may make the necessary contracts and agreements to effect such purpose.

If there ever was the slightest doubt about the complete authority of the farmers to organize and bargain collectively that doubt has now been entirely removed.

Farm-loan bonds, authorizing the Secretary of the Treasury to purchase farm-loan bonds, to establish farm-loan markets, and to encourage and assist farm-loan banks.

Good roads, providing Federal assistance in improvment of highways.

Federal Trade Commission: I was a member of the subcommittee of the Committee on Interstate and Foreign Commerce, chosen by the committee to write, and did write, the law creating the Federal Trade Commission. This commission was created to investigate and regulate the unfair practices of big business and to try to give small business a fair chance.

Vocational education act, providing for practical education, to cooperate with States, and to provide for training of teachers in vocational subjects.

Exempting labor organizations from prosecution under the Sherman antitrust law.

The Clayton antitrust law, prohibiting interlocking directorates; defining and expanding the provisions of the Sherman law, thereby providing protection to legitimate business.

Readjustment of salaries of Post Office employees.

For all laws to extend Rural Route Service.

National prohibition and all laws to make its operation effective.

The Budget system, providing for one appropriating committee and rigid economy in Government expenditures, declaring that Government should be on a business and not political basis.

For forcing Federal reserve banks to give long-time credit on agricultural loans.

Immigration laws: I have voted for immigration laws that would keep out of this country dangerous and vicious alien elements who would destroy our Government and make it a place unfit for ourselves and future generations to live in.

I have voted for every measure looking toward licensing farmers and producers to organize for mutual benefit and pro-

tection, and have urged at all times the necessity of farmers organizing.

The Sheppard-Towner maternity bill.

The soldier bonus bill.

I have voted against all measures that tended toward a military despotism or building up of a military caste in the United States.

Rayburn stock and bond bill: I introduced a bill for the regulation of the issuance of stocks and bonds by railroad corporations during my first term as a Member of Congress. This bill passed the House practically unanimously, but was held up in the Senate and not passed during that session. In the succeeding session of Congress I reintroduced the bill; but the war came on in Europe and so upset matters that it was not pushed to passage that session. In each succeeding Congress I reintroduced the bill, and it was enacted into law in 1920 as a part of the Esch-Cummins bill. This law provides that hereafter no railroad company can issue new stocks or bonds without the approval of the Government, prohibits interlocking directorates, and will squeeze the wind and water out of stocks and bonds of railroad corporations. If this law had been in operation in the past we would never have had all the disgraceful wrecking of railroads, such as the New Haven, Rock Island, and many others.

Cummins amendment: The Cummins amendment to the Carmack amendment, sometimes called the Cummins-Rayburn amendment, as I introduced a bill identical with the one that Senator CUMMINS passed in the Senate, and had it first reported to the House, but the Senate having passed the bill first, I called up the Senate bill instead of my own, and it was passed practically unanimously. Before the passage of this bill the railroads would place certain restrictions in a bill of lading limiting their liability for losses and damage to property, and by these provisions—that the shipper rarely ever saw—would limit the liability for property losses and damage. This bill provides that, regardless of any provision that is placed in a bill of lading, the shipper may recover the full amount of the damage, which has saved the shippers of the country since it was passed untold thousands of dollars.

Transportation act: I voted for the transportation act which provided much new legislation and returned the railroads to private ownership. There was one of three things to do at that time. One was to keep the railroads in the hands of the Government; another, to let them go back in their chaotic condition without new legislation; or, still another was the passage of the transportation act. I am unalterably opposed to Government ownership of railroads. I was unalterably opposed to a five-year extension of Government control for many reasons, principal among them was that it was an intolerable drain upon the Treasury of the United States. During Federal control with the highest rates at that time ever known we had to appropriate out of the Treasury $1,750,000,000 to make up the deficit for the operation of the railroads. When the railroads were turned back the Government was running a little in excess of a million dollars a day behind paying expenses. If I had voted against the transportation act, I would have voted against a bill that contained the entire provisions of the Rayburn stock and bond bill and more provisions to make the railroads deal honestly with the public than any bill ever provided for. The transportation act is not the cause of the present high freight rates. Freight and passenger rates at the present time are too high and must come down. I was the first man in either branch of Congress who, on the floor, denounced the present high rates. Some members of the railroad unions are going around trying to create prejudice against me, especially among farmers, by saying that I am responsible for the high freight rates, having voted for the transportation act, but an examination of the facts will prove that 86 per cent of all of the increase of rates in 1920 over 1916 was paid to railroad labor. I will give the full figures to prove this:

In 1916 the railroads collected from the people from all sources, including passenger and freight traffic, the sum of	$3,596,000,000
Total wage paid employees in 1916	1,506,960,000
In 1920 the railroads collected from the people from all sources, including passenger and freight traffic, the sum of	6,171,000,000
Total wage paid employees in 1920	3,742,486,000
The cost of transportation in 1920 over 1916	2,575,000,000
The cost of labor in 1920 over 1916	2,235,526,000

It is false to say that the transportation act took away from the State commission power over rates. Whatever power was taken away from State commissions was in the decision of the Supreme Court in the Shreveport case, handed down several years before the passage of the transportation act.

Priorities shipment bill: I was by the Committee on Interstate and Foreign Commerce placed in entire charge of this bill and engineered it through the House. It gave the Government during the war priority of service in all materials belonging to the Government and used by the Army and the Navy, which bill expedited tremendously the movement of Government property during that time.

The war-risk insurance: I had charge of all war-risk legislation and all amendments thereto while the Democrats were in power, which included the full period of the war. This bill was one of the greatest constructive and just acts of war legislation and was the most liberal ever passed by any government in the history of the world for taking care of service men, and especially the disabled ones and the dependents of those who were disabled or killed. After the war was over, I introduced a bill for increased compensation for disabled ex-service men. This bill became the law as part of what is now known as the Sweet bill.

Mr. SISSON. Mr. Speaker, so far as the good roads amendment of the Senate is concerned, I may say that I am very strongly in favor of legislation and appropriation at this session of Congress. There are some things about the Senate amendment which would be objectionable to the House and some items in the House bill that perhaps are objectionable to the Senate. In order to facilitate and guarantee both legislation and appropriation your conferees feel that by adopting the House bill, 11131, as an amendment of the House to the Senate amendment No. 58, and in lieu of it, it will bring before the conferees both the House bill and the Senate amendment, and that something then can be worked out which would be satisfactory to both bodies and which will guarantee that we will get not only at this session of Congress authorization for good roads but also an appropriation.

I would not be captious about either one of the bills, because it is evident that in a bill with several items covering as large territory and carrying as much money as a road bill must carry, covering a territory so great as the United States, there are bound to be some features that some individual Member will object to. Your conferees did the very best they could with the Senate in an effort to agree with their bill, but not having the House bill before them, of course Members will realize the difficulties under which we worked. By the acceptance by the House of the House bill as an amendment to the Senate amendment the whole matter will go to conference, and I am sure that the mental attitude of the conferees in reference to good roads legislation and an appropriation at this session of Congress is such that the House may feel certain that it will get more speedy and prompt action by taking this course. I think the two other House conferees agree with me that this is the best method of obtaining legislation at this time. It is also fair to say that the House and its views should be in conference, so that the House views may be impressed upon the Senate conferees, and that can not be done successfully unless the motion of the gentleman from Virginia be agreed to.

Mr. Speaker, I do not believe that anything means quite so much to the rural districts as the development of good roads. There are certain sections of every district, certain sections of every State, where the property values are not concentrated, where the property values are small in proportion to the area and the miles of roads, so much so that even the legislation we have now does not grant the relief to those sections to which, perhaps, they are entitled; but under this Federal legislation, by the appropriation of money out of the State and the Federal Treasuries for these roads, we can get a continuous road through the entire State, covering not only the prosperous sections of the State but also those sections of the State where taxation would be burdensome. No road is any better, in my judgment, than the poorest spot in the road. You can not carry a greater load to town than you can get over the worst spot in the road. Federal aid, together with State and county aid, gives, in my judgment, an ideal method of raising money for roads. I think I am expressing the sentiment of the conferees when I make that statement. The rural districts are being depopulated of a great many of their very best young men by reason of the fact that country life is not attractive. I do not believe in any socialistic methods, but I do believe that it devolves upon us as a Congress and upon the State legislatures to look after this matter of country life. I know that such a sentiment may elicit a sardonic smile from the man who represents a great city, and he may say that he does not care anything about country life or the farmers or about agriculture, but I want to say to him, if there be such in this House, that he will be the first to starve.

No nation is greater than its agriculture; it can not be. Every philosopher, every great thinker, every statesman worthy of note to-day, whether he lives in the city or in the country, realizes the great problem we have before us, and that is to keep

our very best people on the farm. This has been true in the past and will be true in the future if we do our duty here. You can not blame the young man if he leaves the country and goes to the city, when in the country he has none of the comforts of the age and has all of the hardships and none of the luxuries. If the Federal Government lends itself to assist in building up rural districts, then the Government is doing more to strengthen its future than by adopting any other course. It would be interesting indeed, if I had the time, to go into the history of the past and show that all of the thinkers have dwelt upon this question and have laid emphasis upon the fact that the cause of the dissolution of the great nations of the past has been the destruction of rural life.

Mr. Speaker, as one of your conferees, I join with the others in the hope that we will get legislation and appropriation sufficient to carry out the program of these States within the next current fiscal year. If this motion be agreed to, your conferees will exercise all of their power to obtain the provisions of the House bill. We do not represent ourselves; we represent the House. It is not my individual view that I shall endeavor to impress upon the conferees of the Senate but the view of the House. A conferee is not permitted to represent his individual views. It is his duty as an officer of this House, as the attorney of this House, to get as nearly as possible the House bill, and if this goes into the Post Office bill as an amendment, in lieu of the Senate amendment No. 58, your conferees will do all they can to get the Senate conferees to accept the House view. I hope the motion of the gentleman from Virginia will be agreed to and that when this comes back to conference we will be able to bring back to the House a proposition satisfactory to both bodies.

Mr. SLEMP. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. LONDON].

Mr. LONDON. Mr. Speaker, the gentleman from Mississippi [Mr. SISSON] did an injustice to those Members who come from large cities and who do take a national view of the question of good roads. As usual, the gentleman from Mississippi was very anxious to assure the House that he was not affected by socialistic doctrine or infected with the socialistic virus. No one will accuse him of harboring any progressive thought.

The very able and genial gentleman from Mississippi says that he is opposed to socialism. That does not prevent him from favoring national appropriations when it will benefit the agricultural elements, such as an appropriation out of the Treasury of the United States for good roads for the good of the Nation. The socialist insists that all of our legislation should be guided by the ideal to serve the entire Nation, the entire community, society as a whole. The very origin of the word indicates it. Society as a whole must undertake those things which are beyond the capacity of the individual. The gentleman from Mississippi indorses the principle so far as good roads are concerned. Let us be grateful for that.

Good roads are the very basis of civilized life. Civilization started with those cities which had a natural road, a natural highway furnished by the ocean. Rome, Constantinople, London, Hamburg, and in America New York, Boston, San Francisco are among the fortunate cities for whom nature has built a highway. They became centers of civilization in the past, and they are great centers of civilization to-day.

Let us build roads where there are no roads. The life of the farmer must be made more tolerable. [Applause.] I was startled some 15 years ago when examining statistics of insanity to find first on the list, numerically, were the wives of farmers. Next came brokers, stock brokers, naturally, being engaged in an insane occupation, and third, lawyers. The wives of farmers were first on the list, and the explanation of that was the lonesomeness, monotony, and hardship of their lives. Good roads will enable the various parts of the community to come together, will enrich the life of the agriculturist, and will benefit the remotest sections of the country. No appropriation can be too large for such a purpose. [Applause.]

Mr. SLEMP. Mr. Speaker, I yield three minutes to the gentleman from Alabama [Mr. ALMON].

Mr. ALMON. Mr. Speaker, the Committee on Roads, of which I have the honor to be a member, reported to the House the 5th of April a bill providing for an authorization of $65,000,000 for the next fiscal year and $75,000,000 for national aid to roads for the second fiscal year and provided other amendments. About 10 days ago that bill was passed, under suspension of the rules, by an almost unanimous vote in this House, only 31 votes being against it. That bill is now proposed as an amendment to the amendment offered by the Senate. I am in favor of the amendment which has just been offered by the gentleman from Virginia, not that I think the amount is sufficient but the best we can get at this time. I favored authorization for a larger appropriation as a member of the Committee on Roads, but this was the most that could be secured, and the President, in addressing the Congress at the beginning of the session, called attention to the fact that it was now a part of our national policy to furnish national aid to roads. We have been spending about $100,000,000 a year. I was in hopes that the majority would agree to a larger appropriation for each of the next few years, but owing to the fact there is a large amount unexpended, it may be that these amounts carried by this amendment will be sufficient to carry on this most important work. The Senate amendment only provides for an authorization of $50,000,000 for the next fiscal year and $55,000,000 for the following fiscal year. The House bill we passed 10 days ago, and which is now offered as an amendment, carries $25,000,000 more of national aid to roads than the Senate amendment, and for that reason I am in favor of it. It is not as much as I think it should be, but it is the most we can get. I do not exactly approve of this plan of the Senate taking away from us and from the Committee on Roads all jurisdiction in the way of legislation——

Mr. MADDEN. I want to say to my friend we do not approve it, either, but we did have a great deal of anxiety of getting the House's views before the conferees. We would prefer to have had the Committee on Roads go to conference rather than ourselves.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SLEMP. I yield the gentleman two additional minutes.

Mr. ALMON. I understand the views of the House conferees to be just as has been stated by the gentleman from Illinois [Mr. MADDEN], and I think they have acted wisely in pursuing this course in the making of this motion, and I trust the House will adopt the motion made by the gentleman from Virginia [Mr. SLEMP]. I would like to know, if it is not improper that I may ask, if the House may have the assurance from the House conferees that there will not be any change in this amendment, so far as the amounts are concerned, without giving the House an opportunity to express itself upon it.

Mr. MADDEN. I want to say to the gentleman I am for the House bill, and, of course, it is subject to such modification as we may have to make in a compromise——

Mr. ALMON. The question that I am asking is, If it is proper, will the Members of the House have the assurance of our conferees that there will not be any reduction in the amounts carried in this amendment without the House having an opportunity to pass upon it?

Mr. MADDEN. If there is to be any we will come back.

Mr. ALMON. That is satisfactory.

Mr. SLEMP. Mr. Speaker, I ask for a vote.

The SPEAKER pro tempore. The question is on the motion to recede and concur with an amendment, the gentleman from Arizona reserving the point of order.

Mr. HAYDEN. Mr. Speaker, I withdraw the reservation.

The question was taken, and the motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment 59: Page 25, after line 8, insert:

"SEC. 7. For the transmission of mail by pneumatic tubes or other similar devices in the city of New York, including the borough of Brooklyn of the city of New York, at an annual rate of expenditure not in excess of $18,500 per mile of double line of tubes, including power, labor, and all other operating expenses, $513,911.50: *Provided*, That the provisions not inconsistent herewith of the acts of April 21, 1902, and May 27, 1908, relating to the transmission of mail by pneumatic tubes or other similar devices, shall be applicable hereto: *Provided further*, That either party to the contract for the transmission of mail by pneumatic tubes or other similar devices may apply to the Interstate Commerce Commission at any time after October 1, 1922, and before July 1, 1923, for a revision of this rate, its decision to be effective after July 1, 1923, but in no case shall the rate exceed $19,500 per mile."

Mr. STEENERSON. Mr. Speaker——

Mr. SLEMP. I move the House recede from its disagreement to the Senate amendment and agree to the same with an amendment.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Mr. SLEMP moves that the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 5. For the transmission of mail by pneumatic tubes or other similar devices in the city of New York, including the borough of Brooklyn of the city of New York, at an annual rate of expenditure not in excess of $17,000 per mile of double line of tubes, including power, labor, and all other operating expenses, $472,243."

Mr. STEENERSON. Mr. Speaker, I have a preferential motion. I move to recede and concur in the Senate amendment.

The SPEAKER pro tempore. The gentleman from Minnesota moves to recede and concur in the Senate amendment.

Mr. SLEMP. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. MADDEN].

The SPEAKER pro tempore. The gentleman from Illinois is recognized for 10 minutes.

Mr. STEENERSON. Mr. Speaker, I did not yield the floor.

The SPEAKER pro tempore. The gentleman is not entitled to it. The gentleman from Virginia [Mr. SLEMP] controls the time notwithstanding the gentleman from Minnesota [Mr. STEENERSON] makes a preferential motion.

Mr. SLEMP. I did not understand that he asked me for recognition, and so I yielded to the gentleman from Illinois.

Mr. STEENERSON. As the time is to be controlled by the gentleman from Virginia [Mr. SLEMP], I presume he will distribute it fairly, but I got the impression, after conferring with both of these gentlemen, that after we got to this item I would be entitled to make my motion and control the time.

The SPEAKER pro tempore. The gentleman from Virginia [Mr. SLEMP] controls the time for one hour, and at any time within that time he can move the previous question.

Mr. STEENERSON. I supposed the motion, being preferential, had nothing to do with the conference report and that it gave me the floor. I think that is the rule.

The SPEAKER pro tempore. The Chair would state that the rule and the practice are that when a conference report has been presented to certain items in a bill that still remain in disagreement the gentleman in charge of the conference report continues in charge of the items in disagreement and all motions made relating thereto. Preferential motions are entitled to be made, but the gentleman in charge of the bill still retains the floor and can move the previous question at any time.

Mr. MADDEN. I would be perfectly willing to let the gentleman from Minnesota take the floor first.

Mr. STEENERSON. No. I do not want to take the floor first. I want to take it first and last. I want to open and close debate on this item.

Mr. SLEMP. I have no objection to the gentleman speaking.

Mr. STEENERSON. It is understood that I may follow those who speak against it?

Mr. SLEMP. I do not know as to the time. We have one hour at our disposal, and I hope the gentlemen will be as modest as to time as possible.

Mr. ROSSDALE. This is a big item.

Mr. MADDEN. No; this is a small item.

Mr. ROSSDALE. It means much to some of us.

Mr. STEENERSON. Mr. Speaker, I would prefer to have the gentleman from Illinois [Mr. MADDEN] take his 10 minutes, and I can follow.

Mr. SLEMP. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, for a good many years the question of the use of tubes was in dispute, and the Congress finally decided to take them out. Investigations recently made have caused the recommendation to be made by the Joint Commission on Postal Affairs for the restoration of tubes in the city of New York. If there is any justification for tubes anywhere, it is in that city, especially between the City Hall Square and Forty-second Street. The tubes, I do not hesitate to say, are not the utilitarian proposition that a great many people believe them to be. They are only 8 inches outside diameter, and only a certain number of letters can be put in the carton that is carried in the tubes. Tubes in the city of New York within the points indicated in my previous statement would probably carry not to exceed one-half of 1 per cent of the total mail. They would not take a truck off the street anywhere in the United States, but they would perhaps advance the delivery of letters between the points where tubes run, and to that extent they would probably be useful.

The law under which tubes may be utilized in the movement of the mail was passed in 1902, if I recall. It provides that not to exceed $17,000 per mile per annum shall be paid for the use of tubes. The amendment which the conferees have offered, on the motion of the gentleman from Virginia [Mr. SLEMP], strikes out the item inserted in the bill by the Senate providing for $18,500 and $19,500 and inserts $17,000, the amount provided by the law. Now, I do not believe there ought to be any more paid for the use of these tubes than the law authorizes.

It may be said, and probably will be said, that $17,000 a mile is not enough. I wish to call the attention of the House to this situation.

In the examination of the postal authorities before the Subcommittee on Deficiencies of the Appropriations Committee, over which I presided myself, we were told this, that the reason $18,500 a mile was demanded was that the tube company is unable to supply the money with which to put the tubes in running order, and that before they could operate the tubes at all $150,000 would have to be advanced by somebody. And the postal authorities, liberal with somebody else's money, finally concluded that the way to reach that situation was to give them $1,500 a mile more than the law allows, and the prospect of a further $1,000 a mile more than the law allows, and thereby enable them to borrow the $150,000 which they needed. Now, I contend that no one has any right to come to the Government and ask the Government to make a contract with them for the sale of a commodity unless they have the commodity to sell. Now, what is it they are trying to sell? Tube service, is it not? They admit themselves that they have not got any tubes that are fit to function unless the Government of the United States furnishes the money to make them function. Now, are you willing to do that?

Mr. BARBOUR. Will the gentleman yield?

Mr. MADDEN. I will.

Mr. BARBOUR. Are they owned by a private corporation or by the Government?

Mr. MADDEN. They are owned by a private corporation, or possibly two or three corporations; I do not know which.

Mr. BARBOUR. They were originally for the purpose of doing a parcel business?

Mr. MADDEN. For doing a parcel business in most of the places, and when they found that that was not successful they turned it over to the Government. I think in the city of New York these tubes were probably originally installed for postal purposes.

Mr. BARBOUR. The Government has no ownership of them?

Mr. MADDEN. The Government has no ownership of them and expects to use them only under contract.

Now, if there is any doubt about what I say in connection with this added price I will just read what the testimony shows. Mr. Perkins was before our committee, and he testified to something like this:

The tubes cost the tube company $16,100 a mile to operate.

I do not know whether the $16,100 a mile includes interest on the investment or not.

These figures were submitted to us in detail by the tube company. We submitted them to the New York post office to check over the figures and see whether or not the cost of each item was justified. The New York post office reported to us that as far as they could tell those figures were all right. There is an item of $150,000 which the tube company would have to have to put their tubes in operation. It was a question of how they could raise that money. The tube company has no money in its treasury, and they will have to secure money from the banks.

I said:

And we are going to furnish them the capital?

He said:

No.

I said:

That is equivalent.

He said:

We are going to furnish them with margin. The only asset they would have is the contract.

I said:

They have not got that yet?

And he replied:

No.

And then I said:

If we are going to take into account the amount of money necessary to restore the tubes, how much is it?

And he said:

One hundred and fifty thousand dollars.

I asked:

That we propose to advance them?

And he said:

No; to enable them to borrow.

They proposed to enable them to borrow it by adding $1,500 a mile to the rental which the Government of the United States would be called upon to pay.

Now, the law is explicit. It says $17,000 a mile, and not more, shall be paid, and there never was a case when the tubes were in existence and operation where a contract was let in excess of $17,000 a mile.

Mr. DALLINGER. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Certainly.

Mr. DALLINGER. I would like to ask the gentleman from Illinois if it is not a fact that the cost of operating, particularly the cost of labor, has gone up since 1902?

Mr. MADDEN. It does not make any difference whether the cost has changed or not. The law is the thing which governs; the law is the thing by which we must be guided. And I want to submit this question to the House: Are you, who are speak-

ing for the American people, willing to put your hands into the pockets of the people and take $1,500 a mile out of their pockets to pay somebody because they have not got the means to put the thing they want to sell in order when the law itself says that $17,000 a mile is the price; that it shall be no more; that that is the limit? [Applause.]

Mr. STEPHENS. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. STEPHENS. How many miles of tubes are there?

Mr. MADDEN. Twenty-eight miles in New York.

Mr. SLEMP. Mr. Speaker, I yield 15 minutes to the gentleman from Minnesota [Mr. STEENERSON].

The SPEAKER pro tempore. The gentleman from Minnesota is recognized for 15 minutes.

Mr. STEENERSON. Mr. Speaker, if I did not know the gentleman from Illinois [Mr. MADDEN] well, I would be greatly surprised at the statements that he has made.

Mr. MADDEN. Does the gentleman deny the facts that I have stated?

Mr. STEENERSON. I do. The gentleman has stated that these tubes carry only one-half of 1 per cent of the mail.

Mr. MADDEN. Of all the mail.

Mr. STEENERSON. Yes. The testimony of the engineers and the experts, both now and formerly, is that of the 14,000,000 pieces carried per day 8,000,000 pieces were letters.

Mr. MADDEN. That is 8,000,000 pieces of first-class mail that the gentleman is talking about. I am talking about all the mail.

Mr. STEENERSON. They state that they carried on an average 5,000,000 pieces—letters—per day. They were able to carry 10,000,000 a day if the tubes were run at full capacity. Now, the postage on 5,000,000 letters a day amounts to $100,000, or over $30,000,000 a year. That is the revenue. How much revenue do you get for the other mail that you carry for 3 cents a pound? On the first-class mail, which is the mail we ought to expedite, we are collecting 84 cents a pound instead of 3 cents a pound. What does this postage of 2 cents a letter mean but that we should have expedition?

Well, the gentleman from Illinois says they carry only one-half of 1 per cent. He means of the total weight or tonnage of the mail. But he is mistaken about that. Undoubtedly he does not know what he is talking about [laughter], because if you figure out that number of letters you will find that it amounts to more, a great deal more, even in weight, than one-half of 1 per cent of the total weight of the mail.

But the gentleman from Illinois makes all these assertions not based on evidence. He wants you to take his word for it. He is a busy man. He can not do all these things himself. The recommendations to restore these tubes have come from every civic organization in the city of New York and from the people who have been served by them, the merchants' associations, the business organizations, all the clubs, the aldermen, and every civic body; and the experts that we employ, nearly 20 of them, old employees, experienced men, superintendents of mail in the stations where the tubes were, testified to the amount of business that they did. They were unanimous in recommending the restoration of these tubes.

Now, as to the cost. The gentleman from Illinois talks about "reaching down into the Treasury" as if we were trying to rob the people. What is the revenue of the city of New York postal district? Fifty-three million dollars a year, on which we have $26,000,000 a year net profit. The service of these tubes expedites the mail, according to the testimony, from 2 to 24 hours in every instance. New York is the neck of the bottle through which the mail for the whole United States passes. If you expedite the mail through the city of New York you tre rendering a service to the people of your own State, to the people of Minnesota, and to the people of Iowa, to the people of Ohio, and to the people of Washington and Oregon, because you are expediting the journey of every missive that goes through the mail. It is not a local proposition.

I can not understand why the gentleman from Illinois should come here and put up his own assertions against the statements of the experts in the Postal Service to the contrary. There was once a personal-injury lawyer out in Minnesota that used to have on his staff expert witnesses who would testify to almost everything. A certain lawyer was nominated for judge whom he did not like, and he said, "My gracious, if that man is going to be made judge I will have to take all my witnesses and move to Duluth." [Laughter.] But if the gentleman from Illinois had been that lawyer, then he would have said, "I will move; but I do not need any witnesses; I will just testify myself." [Laughter.]

If I had the time, I would read to you the book that he presents to you here, containing the hearings had before the Committee on Appropriations on the deficiency bill, where he himself examined postal experts of 20 years' experience, men who saw these tubes in operation and whose business it was to see their operation. You will find that two-thirds of what is printed in this book consists of the gentleman's own questions. He does not examine witnesses like other people; he testifies. His questions are answers. [Laughter.] I have known his methods for many years. I will be glad to print that testimony. Read that book and read through three pages of his examination of these witnesses. Mind you, he says, "This is not testimony." He says, "Give us evidence." He says that to men of many years' experience. He said, "You can not expect to get money out of the Treasury by such statements," and so forth.

One witness said it saved the Government $400,000, or something like that, in automobile service, motor trucks. He was asked how he knew, and he said, "Because they put on that many more trucks when they took the tubes out." That did not satisfy the gentleman. He repeated that they did not reduce the number of trucks; now, the fact is that the tubes economize the service. It will cost less to run the Postal Service if the mail is handled through the tubes than it does when trucks are exclusively employed for the purpose.

Mr. MADDEN. Will the gentleman yield?

Mr. STEENERSON. I have not the time. If the gentleman will get me time, I will yield. These tubes saved $300,000 or $400,000 in trucks. They saved $140,000 for guards. If you send the mail underground in tubes you have no mail robberies. As it is now, you must have clerks and marines to watch the registered mail, because the registered mail is very largely made up of shipments of currency from the reserve banks, hundreds of thousands and millions of dollars. If you send the mail through a tube underground, no robber can get it.

Last fall one truck was robbed of $2,000,000 in registered mail. When there is a snowstorm in New York the whole motor-truck system is demoralized and the whole mail is delayed. If you have these tubes, they can be worked to their full capacity to carry the United States mail to its destination. It is a most economical proposition, according to the testimony of these men, Mr. Lubin and Mr. Keily and Mr. McGurty, all old employees there in the city of New York. Do you suppose the Postmaster General would take their testimony, as he has taken it, and recommend this as an economical proposition unless he was sure of what he was doing? It is a proposition that is profitable to the people. Do you suppose the Postmaster General would ask us to pass this proposition if it was an absolute fraud? He certainly must mean what he says. He ought to know something about it.

Mr. MADDEN. Excuse me. Did I say this was a fraud?

Mr. STEENERSON. No. I did not mean that. This is a very desirable postal utility. It is valuable. It expedites the mail. So far as cost is concerned, it is true, as the gentleman said, that originally the law provided, some 20 years ago, that it should be $17,000 a mile. Since then the wages of postal employees have increased from 25 to 100 per cent. The gentleman said he did not know how much it cost. Here is the statement of Mr. Morgan, postmaster at New York, that it will cost $16,100 per mile to operate the tubes. The investment is from $3,000,000 to $4,000,000, so that it is a very moderate income on that investment at this rate. If you fix the amount at $17,000, it means the denial of the tubes. Do you suppose those people in the city of New York are incompetent to know their own welfare? Do you think they would be here asking for the reestablishment of these tubes, which can carry 10,000,000 letters a day and which serve 26 postal stations in the city of New York—do you suppose they would be here asking for this if it was not a desirable thing to have? Now, just think. The estimated cost of operating these tubes is $16,100 per mile of double tubes per annum, or $451,900. In an office that handles 8,000,000 letters a day, where the net income is $26,000,000 per annum, or more than $2,000,000 a month, should you not have some regard for the people who pay the postage?

It seems to me that in all fairness you should vote for this motion to recede and concur in the Senate amendment at the figures that the Postmaster General has recommended. It is so much more reasonable to do that, because there is a provision in the Senate amendment by which either party can go before the Interstate Commerce Commission and demand an inquiry into what it is worth. We trust the Interstate Commerce Commission to determine the pay of the railroads. We trust them to determine the pay of the envelope manufacturers, and the Interstate Commerce Commission saved the United States $6,000,000 by reason of their arbitration in favor of the Government. We can trust them. What we want is a fair price, and the Government can get that determination or the

tube company can get it inside of the period described here six months or a year after the tubes are installed.

I hope you will not be led away by the personality of my friend [Mr. MADDEN] and his great influential position as chairman of the Appropriations Committee. He does not really know about these tubes. I do not believe he has ever examined them.

Mr. MADDEN. I do not want to raise a controversy with the gentleman——

Mr. STEENERSON. No; if the gentleman has examined them I will take his word for it and I will take back my statement.

Mr. MADDEN. I do not want to raise any controversy with the gentleman, but I think I know as much about the tubes as he does, and more than the engineers that the commission has employed, because I made a personal investigation.

Mr. STEENERSON. Of course, they are babes compared with the scientific engineering knowledge that the gentleman possesses, but we ordinary men have got to take the word of the men who handle the mail, and we have done so. Now, it being a fact that you have here a statement of the cost of operation—and with labor at only $4 a day it amounts to $16,100 per mile per year—if you put this at $17,000, there will be nothing to pay taxes, there will be no return, and it will be impossible to operate the tubes. Everything else has almost doubled in price. These people would be anxious to resume if it were profitable at that figure.

Mr. PAIGE. Will the gentleman yield?

Mr. STEENERSON. I yield to the gentleman from Massachusetts.

Mr. PAIGE. Is it not a fact that Postmaster General Hays looked into this matter and was perfectly satisfied that these figures were fair? And is it not also true that Postmaster General Work has gone into these figures in detail and thinks that they are perfectly fair and ought to be accepted?

Mr. STEENERSON. That is absolutely correct. I may say that no one at this late day will come up and dispute it, because investigations conducted by joint commissions was so thorough—we had the assistance of the best engineers we could find in New York—we went into the details, we assembled together the old employees, the superintendent of mails, men that operated the machinery, and it was established beyond question by the evidence that this was a utility which ought to be continued.

I recently asked the Postmaster General to send me an expression of his views on the subject, and I quote the following from his letter to me:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., March 29, 1922.

Hon. HALVOR STEENERSON,
Chairman House Committee on the Post Office and Post Roads,
Washington, D. C.

MY DEAR MR. STEENERSON: The investigation by the department of the transmission by pneumatic tubes of mail in the city of New York (including Brooklyn) convinces the department that the reestablishment of that service in the city of New York (including Brooklyn) will, among other things, expedite the delivery of the letter mail and will increase the regularity and reliability of the transmission of that mail.

The department is convinced from this investigation that the Senate amendment to H. R. 9859 will make it possible for the department to improve its present postal service in New York City (including Brooklyn) by bringing to that service greater expedition, regularity, and reliability in the transmission of letter mail, and that this improvement in service is reasonably worth more than the cost will amount to under a contract made within the limitations of the proposed act.

* * * * * * *

The department approves the proposed legislation and recommends its enactment into law.

* * * * * * *

Sincerely yours,

HUBERT WORK,
Postmaster General.

Mr. SLEMP. Mr. Speaker, I yield 10 minutes to the gentleman from Mississippi [Mr. SISSON].

Mr. SISSON. I wish to reply to what my friend, Colonel STEENERSON, said about the chairman of the Committee on Appropriations not knowing anything about tubes. I want to say that I think he is entirely mistaken if he assumes that the gentleman from Illinois does not know more about tubes than any man in this House. In the first place, they have had the service in Chicago. During the time this matter was in controversy the gentleman from Illinois was on the Committee on the Post Office and Post Roads. He went all through that fight, and then besides he is a practical man, has been a successful man, capable of attending to his own business, and when a man is capable of attending to his own business and is successful, when he devotes his time to public duties, as does the gentleman from Illinois, he is capable of attending to the Government business.

The gentleman from Illinois, as I understand, is supporting the amendment of the gentleman from Virginia. The gentleman's amendment is to pay these people the amount of money that this Congress has authorized by law. Seventeen thousand dollars a mile is the limit. If you can make a contract for less than that the Government ought to do it and give the benefit of the reduction to the taxpayers.

Now, all I know about it is the evidence and what was brought out in the debate when Congress abolished the tubes several years ago; but the only controversy here seems to be so far as those who favor the tube service is whether or not Congress is going to authorize the amount of money to pay the loss of the people since the service was discontinued. In other words, they are contending here that because the Government discontinued that service, because the service has been discontinued and the tubes have not been in use for some time, it will require a great amount of money to put them in shape again, and that the Federal Government in some mysterious way should assume the liability for that. These tubes are owned by certain stockholders in the East and this whole matter urged by them. If the conditions prevailing now are anything like those that prevailed four or five years ago when the service was abolished, then the service ought not to be reestablished.

The testimony of the witnesses then and the testimony of the witnesses now, it seems to me, show a very poor return for the amount of rent that the Government will invest in these tubes. They ask here for $513,000—the rent of the tubes. Now, the tubes only supplied a very small portion of the territory in the great city of New York—what they call the congested area. It is contended, but I do not think it can be substantiated by the facts, that by paying this rental you save some money. I have been unable to believe that, because the amount of mail carried is so slight—one-half of 1 per cent of the total weight of the mail—not the total amount of money-paying mail, for only the high-class mail goes through the tubes, but if you take the total amount of mail that is hauled it shows that that which goes through the tubes is only about one-half of 1 per cent. The cities have Government-owned screen-wagon service. The wagon service belongs to the Government; whether you haul the wagon full or empty it costs the Government the same amount of money to maintain, and it will not reduce the present wagon service a cent. So this $513,000 is an extra expense. Why?

Now, there can be but one reason why Congress should put back the tube service costing $513,000, and that is to facilitate the transportation of mails, for it will unquestionably cost $513,000 more in New York than it now costs. The testimony taken for several years back shows that these tubes do not save time but that time is actually lost by the use of the tubes. Colonel STEENERSON relies a great deal on the testimony of experts. I do not depend much on experts. I have expressed my views on experts in this House before. I can prove one thing by an expert and then get experts on the other side to show there is not a word of truth in what the first expert says. The people who actually handle the mail—not experts but those who do the work—contend that the number of men necessary to prepare the mail for the tubes, getting ready to put the mail into the tubes, and then the men necessary to get the mail out of the tubes and distribute it again, that this extra service of preparing the mail for the tubes and taking it out of the tubes, actually causes a loss of time in transmitting the mails. Of course, the motive behind this legislation is the interest of these people who have their money invested in the tubes. It, with them, is not the question of expediting the mails but boosting their stock.

I do not complain of these men for trying to get their money out of it, but I do blame Congressmen being duped and made tools of these stockholders to get money out of the Treasury of the United States to boost their stock. I do contend that as far as the business of the mail is concerned there is nothing in it. If this mail service in New York was a private business, those who owned it would laugh at this tube crowd. If you would take out of this fight the propaganda and pressure of the people who have stock in these tubes, there would be nothing then to cause all this agitation in the city of New York. Of course it is the business of the chamber of commerce and the other organizations of the city to get into the city all the activities they can for the business of the city, to get everything they can to increase the pay roll, but Congress is not interested in that unless it is clearly shown that money can be saved in the service or the service very much improved.

This amendment ought not to be agreed to and should be rejected by the House. I fear it will not be rejected, because, while it saves money to defeat it and does the mail service no good to adopt it, to reject the amendment means the loss to the stockholders of the tube company. Gentlemen, think and act honestly and you will defeat this amendment.

Mr. LOWREY. Mr. Speaker, will the gentleman yield?

Mr. SISSON. Yes.

Mr. LOWREY. It was stated that the $1,500 a mile is to enable this company to borrow money to put the tubes in order. If all of the organizations of the city are behind them, demanding this, why is it that they can not borrow that money from individuals in New York and not have to come to the Government instead?

Mr. SISSON. That, of course, I can not tell, but this much I do know. They contend that without the $1,500 a mile they can not run these tubes. That is the testimony here. If $1,500 a mile will make the tubes a success, there ought not to be a particle of trouble in getting that money from private individuals in the city of New York.

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. SLEMP. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. ROSSDALE].

Mr. ROSSDALE. Mr. Speaker, before I proceed further I want to answer the points that were made by the previous speakers, one by the gentleman from Illinois [Mr. MADDEN], wherein he stated that only one-half of 1 per cent of the weight of mail is first-class mail. If the gentleman has that information, he has something that no one else has, for the very simple reason that the Post Office Department has never separated the actual weight of the first, second, third, and fourth class mail, and any estimate as to what the total weight of mail is in New York is just a guess. No one knows how much of the total weight of mail in New York is first class, second class, third, or fourth class; we do know the number of pieces. An average count of the number of pieces of mail matter mailed in New York was recently made, and 53 per cent of the total number of pieces of mail matter was found to be first-class letter mail.

Mr. CLARKE of New York. Mr. Speaker, will the gentleman yield?

Mr. ROSSDALE. Yes.

Mr. CLARKE of New York. As I understand it the gentleman's observation comes from actual experience and service, spread over a great number of years in the Postal Service, in contrast with the theory of the gentleman from Illinois.

Mr. ROSSDALE. I was a clerk in the New York post office for 10 years. I have worked alongside of these tubes. I knew then, and I know to-day, barring a few changes in the time of dispatch, the time of the arrival and of the closing of every mail in the city of New York. I know the splendid service these tubes can render, and I can only say, speaking as an old-time post-office man, that every man and woman in the New York post office believes as I do in tube mail transportation. In fact, only the other day one of them said to me, "Congressman, what is the matter with Congress; why are they continuing to send first-class mail through the streets in those wagons?" I tried to explain the matter, and I tried to give the state of mind of the Members of Congress on matters like this; but I do not know whether I succeeded or not.

It is a mystery to every practical post-office man why the Government continues to send first-class letters and packages with valuable contents, sometimes amounting to millions of dollars, through the streets of New York, through those overcrowded sections of the city, subjecting the mail to all the hazards of theft and delays in that great city, when you can safely shoot them through the tubes at great speed and without any delays or losses.

The gentleman also stated that $17,000 was rental. It is not only rental, for the bulk of that expense is operation. I have the figures here, as follows:

OCTOBER 4, 1921.

Estimate and cost of operation September 1½, 1921. New York postal pneumatic tube system; 28 double miles, connecting 26 stations; 49 terminal sets; 6,780 hours' operation per year; 20 hours daily; 10 hours Sunday.

LABOR.

1.	Superintendent	$3,500
2.	Inspectors (3)	6,600
3.	Power inspector	2,000
4.	Shop foreman	2,000
5.	Telephone operators and dispatchers (3)	4,700
6.	Stenographer	1,400
7.	Repairmen (3)	4,800
8.	Shopmen (5)	7,000
9.	Operators (136, at $1,400; 136, at $1,500)	190,400
		222,400

REPAIRS.

1.	Carriers	$15,000
2.	Tube machinery	3,000
3.	Power plant	1,500
4.	Tube line	2,500
		22,000

POWER.

1.	Electricity	114,000
2.	Steam	30,000
		144,000

MISCELLANEOUS.

1.	Telephone	5,000
2.	Oil and waste	3,000
3.	Supplies	2,000
4.	Traveling	500
5.	Office rent	500
6.	Legal	5,000
7.	Insurance	2,500
8.	Taxes	30,000
9.	Salaries	15,000
		63,500

SUMMARY.

Labor	222,400
Repairs	22,000
Power	144,000
Miscellaneous	63,500
$16,100 per mile, or total	451,900

It takes a large number of men to operate these tubes and the tube company must pay for this operation. They submitted their cost of operation to the postal authorities. They are earning 6 per cent, not on their investment but on the actual cost of operation.

Mr. STEENERSON. The items are, labor, $224,000——

Mr. ROSSDALE. Yes; I have that here. We have been paying to the tube company for rental and operation of those tubes in New York and Brooklyn $17,000 per mile per annum since 1907. We paid $17,000 from 1907 to 1918. In Heaven's name, is there anybody who really thinks that you can keep a large number of men employed, especially skilled mechanics, and purchase material, with the additional upkeep of complicated machinery in 1922 and 1923, for the same amounts as you could in 1907? It can not be done, and I do not see why we should try to force these people to run a thing below cost. They are perfectly willing to submit the matter of cost of operation and compensation to the Interstate Commerce Commission and have that commission decide the rate of compensation, and agree to abide by the decision. I have here a letter from the Postmaster General to Senator TOWNSEND, as follows. I read:

DECEMBER 13, 1921.

Hon. CHARLES E. TOWNSEND,
United States Senate.

MY DEAR SENATOR: Referring further to the tube matter, my letter to you of December 1, 1921, and particularly replying to your letter of December 12.

The question which it contains is one which is difficult to answer. The elements of safety to the mails, relief and safety from traffic congestion, expedition, etc., are very hard to evaluate. In addition to that, we find ourselves in a period of readjustment, so that a figure which might be reasonable now might not be reasonable five years from now. However, having all these elements in mind, I desire to say that the department believes that it would be warranted at this time in making a contract for a period of 10 years at an annual rate not to exceed $19,500 per mile for a 20-hour day service. The department would be very glad to undertake to negotiate such a contract with the Pneumatic Tube Co.

However, under all the circumstances, and especially in view of the uncertainty of present conditions, it is our opinion that the fairest plan would be that suggested in my letter of the 1st; i. e., to let the tube service be immediately resumed in New York and Brooklyn, as recommended by the Joint Postal Commission, at the old price of $17,000 per mile, with the provision that either the Post Office Department or the Pneumatic Tube Co. may appeal to the Interstate Commerce Commission for a revision of the rate if either party can present facts which would indicate that the existing contract is not reasonable. It would be part of the contract that in making this revision the Interstate Commerce Commission would not make its decision retroactive; that they should make the decision within six months of the time that the request was made; that the decision should be rendered on the value of the service the Tube Co. is performing for the Post Office Department and not on the appraised value of the tubes; and that no revision should make the maximum rental to the Post Office Department for a 20-hour service more than $19,500 per mile per year. If the service be curtailed or increased, the maximum limit should be decreased or increased proportionately.

While this is unusual, yet in our opinion it is not an abortive allocation of responsibility, as the Interstate Commerce Commission is the recognized rate-making party. It rather leaves the matter in the Government's own hands through this agency. It was through an arrangement of this kind that we were enabled to make a saving in our contract for stamped envelopes of $16,876,194.80 over the rate which would have prevailed if we had not had an opportunity to adjust it with changing costs.

Attached hereto is a letter from Postmaster Morgan, of New York, giving in detail the saving in motor transport service which would be effected if the tube service was resumed. You will note that his conclusion is that the total saving would be about $416,000. Also is attached the figures which the New York Pneumatic Tube Co. have given us on the cost of operating the tubes under varying circumstances at present prices. If the Post Office Department should supply the power which is required by the Pneumatic Tube Co. at cost it is believed

that the cost of running on a 20-hour day may be reduced to approximately $410,000 or $420,000, which is about $15,000 per mile. In addition there is an item of between $100,000 and $150,000 which the tube company must expend to put the tubes in condition for operation and a further item of approximately $50,000 for unusual expenses the first year.

Sincerely yours, WILL H. HAYS.

He quotes this letter from the postmaster of New York, as follows:

OCTOBER 8, 1921.

Hon. WILL H. HAYS,
Postmaster General, Washington, D. C.

MY DEAR MR. HAYS: Referring to your letter of October 5, relative to the number of trucks which would be eliminated in the Motor Transport Service if the pneumatic tubes were restored and with regard to the estimate of the amount of mail which the tubes would speed up, I beg to advise that careful consideration has been given to the subject, and the following conclusions are submitted:

With the restoration of the tubes and the elimination of some of the half hourly trips of the Motor Vehicle Service and revision of the wagon schedules to a less frequent basis, considerable saving in cost for transportation would be effected, as indicated by the following data, which relates only to the stations that were formerly connected by pneumatic tubes:

DAILY NUMBER OF MOTOR TRIPS.

Present	1,083
Proposed	569
Decrease (0.474 per cent)	514

DAILY MILEAGE.

Present	4,592.4
Proposed	2,273.1
Decrease (0.505 per cent)	2,319.3

DAILY HOURS OF SERVICE.

Present	1,188
Proposed	680
Decrease (0.427 per cent)	508

COST AT $1.56 PER HOUR.

Present	$1,884.12
Proposed	1,078.35
Decrease (0.428 per cent)	805.77

It is figured that the use of 32 motor trucks could be dispensed with, resulting in a saving of $270,000 per annum for motor-vehicle operation. There would also be a considerable saving in clerk hire, as the number of pouches dispatched and received would be materially reduced. It is estimated that 104 clerks now assigned to dispatching duties could be detailed to other work if the tubes are reestablished. The saving would be as follows:

Motor trucks	32
Annual cost for operating trucks	$270,900
104 clerks, at $1,400 per annum (entrance salary)	145,600
Total	416,500

From a count taken in October, 1917, it was indicated that approximately 5,000,000 letters were transported daily by the tubes during the tube hours—4 a. m. to 11 p. m. From a tabulation made in May, 1921, for the Joint Commission on Postal Service it was shown that approximately 500,000 letters for delivery at New York, N. Y., could have been advanced daily in delivery by tube service from 2 to 15 hours on week days and from Saturday to Monday nearly 40 hours.

It was also shown that a daily average of over 68,000 letters dispatched to other post offices would be expedited by tube service. It is my opinion that the figures for May, 1921, are very conservative, and that a much larger number of letters would be expedited in delivery and dispatch by pneumatic-tube transportation.

The count was taken May 12 and 13, 1921, during a light season of the year, and with change of methods whereby the stations would make distribution of collection mails instead of concentration at the general post office and terminal stations, the number expedited would be greatly increased. Before the tubes were discontinued this office made from 6 to 7 deliveries on residential routes and 7 deliveries on business routes. At present there are but 4 deliveries in residential territory and 6 in business districts. If additional deliveries are restored, such as the 6 p. m. delivery in residential localities, a large number of letters would be expedited in delivery by tube service. The more frequent deliveries that are made, the greater increase in volume of letter mail expedited by tube service. I believe that with safety it can be estimated with pneumatic-tube service restored over 1,000,000 outgoing and incoming letters would be advanced daily. The delivery of daily papers would also be expedited, as such matter was transported in the tubes when they were in operation, and the employees would also be benefited, as much mail would be speeded in dispatch, reaching the stations hours in advance of the present method of transportation by motor vehicles, thereby reducing the force required for night work.

The delivery of special-delivery letters would be advanced, and that service would be more extensively used for local delivery if the pneumatic tubes were restored. At this office more than 15,000 special delivery articles are delivered daily and approximately an equal number are dispatched to other post offices. The delivery of many "specials" to other cities would also be advanced and the service greatly improved.

With kind personal regards, I am

Sincerely yours,

E. M. MORGAN, *Postmaster.*

The postmaster at that time, October 8, shows a saving of $416,000. The gentleman from Illinois said that it would not take a single truck from the streets of New York. Under his signature the postmaster of New York states that it will take 32 trucks from the streets, and that the annual saving resulting therefrom would be $270,000. To this the postmaster adds an additional item of 104 clerks, at an entrance salary of $1,400 per annum, amounting to $145,000. That makes a total of $416,000.

Mr. SLEMP. Mr. Speaker, I yield the gentleman five minutes additional time.

Mr. ROSSDALE. Mr. Speaker, this letter was written by the postmaster of New York to the Postmaster General, and by him submitted to the Joint Postal Commission in October. Since then there was a $2,000,000 robbery on the streets of New York, and it became necessary for the Post Office Department to place armed guards on motor vehicles carrying valuable mail. There are now approximately 145 men assigned to riding on these wagons, guarding the mails, and the cost of that is approximately $200,000 in pay costs.

I have here shown a saving of over $616,000 in cost of operation and this item in the bill is only for $513,911.50. Last year the mail wagons in New York killed 7 people and seriously injured and maimed 99 people. There were hundreds of other accidents. The cost to the Government for repairs of automobiles due to these accidents was over $17,000.

The following is a list of accidents and delays to motor vehicles in a single year of operation:

LIST OF DELAYED AND BROKEN-DOWN MOTOR VEHICLES, 1920.

Delayed trips represent cases where trucks have arrived 15 or more minutes late at stations and terminals. These delays were caused, on the most part, by the poor operating condition of the fleet and repairs required on streets, delays in getting away from the garage because trucks not in condition, or no trucks available at the time scheduled for leaving, chauffeurs late, poor street conditions in bad weather.

Failed trips represent cases where there have been no trucks available to make the trip, or where a truck has broken down on duty and there has been no truck to substitute for that truck's work. Emergency service is frequently supplied in these cases.

Partly performed trips represent those cases where a truck has broken down, met with an accident or the like, and where the mail is transferred to another truck substituted to complete the trip.

Nonscheduled trips represent cases where a truck is scheduled "dead" from one point to another, but carried mail in the instances indicated.

These delays in the motor-vehicle service represent also a certain number of trains missed, with a resultant delay to the mails of from 2 to 11 hours.

In December, 1920, there were 24 accidents, 5 wrecks, and 8 breakdowns.

In November, 1920, there were 22 accidents, 5 wrecks, and 4 breakdowns.

In October, 1920, there were 25 accidents, 8 wrecks, and 9 breakdowns.

In September, 1920, there were 34 accidents, 5 wrecks, and 37 breakdowns.

In August, 1920, there were 28 accidents, 3 wrecks, and 33 breakdowns.

In July, 1920, there were 31 accidents, 2 wrecks, and 18 breakdowns.

In June, 1920, there were 28 accidents, 3 wrecks, and 33 breakdowns.

In May, 1920, there were 29 accidents, 3 wrecks, and 22 breakdowns.

In April, 1920, there were 46 accidents, 3 wrecks, and 27 breakdowns.

In March, 1920, there were 40 accidents, no wrecks, and 62 breakdowns.

In February, 1920, there were 29 accidents, 5 wrecks, and 8 breakdowns.

In January, 1920, there were 64 accidents, 3 wrecks, and 7 breakdowns.

Accidents cover mishaps costing from $5 to $150 to repair and are exclusive of breakdowns.

Wrecks cover such accidents as collisions with "elevated" posts, other cars, turning over in ditch, etc., the effect of which is to demolish part of the car and the costs of which run from $150 to $1,000.

Breakdowns cover mechanical and construction faults, such as broken crank shafts, drive shafts, rear ends, etc., rather than mishaps which can be attributed to poor driving.

Report of accidents and mishaps [1] occurring in motor-vehicle service at New York, N. Y., through operation of Government-owned vehicles from January 1 to October 31, 1920.

1920	Damage $25 or more.	Damage less than $25.	No damage to mail truck.	Mishaps.	Personal injury.	Fatal injury.	Total.	Total damage.
January	9	38	35	59	13	.....	154	$1,465.75
February	7	38	31	33	7	.....	116	870.95
March	3	30	50	29	15	3	130	1,146.25
April	3	37	42	41	14	.....	137	1,228.25
May	2	24	47	24	6	.....	103	1,505.75
June	8	22	46	28	4	.....	108	1,208.50
July	4	32	38	9	15	.....	98	440.50
August	8	28	42	16	12	.....	106	3,491.00
September	11	27	50	26	8	1	123	4,538.75
October	7	21	42	4	5	3	82	1,628.50
Total	62	297	423	269	99	7	1,157	17,524.20

[1] Mishap: Damage to Government property only. Accidents: Both.

And that is another item to be added to the total sum that would be saved by tube operation.

I want now to bring to the attention of the House a serious condition of affairs that exists in the large cities, especially New York. I have not any doubt but that motor-vehicle operation is the cause of the continuous thefts and robberies that have been going on within the last few years. Of course, I can understand why the Post Office Department does not come out and state plainly to the people and inform Congress that they can not protect the mails in the great city of New York and in other large cities, and, indeed, they can not. According to the figures of the Post Office Department, 8,000 pieces of mail matter are being lost or stolen in New York City every day. In 1918 we appropriated for indemnities for loss of registered mail $1,330,000. After the tubes were abandoned and we had to run the mail by motor vehicle on the streets of the city, we find that the Post Office Department had to come to Congress in 1919 for an appropriation of $2,186,493.45 for indemnities.

In 1920 the increased appropriation for indemnities for mail robberies jumped to $4,350,000, and Congress appropriated this enormous sum to pay for these increased mail depredations without knowing the reasons for this tremendous increase. In 1921 we appropriated $4,200,000, and in the present bill, this bill we now have under consideration here, we are appropriating $4,500,000 for that purpose, and Third Assistant Postmaster General Irving Glover informed me the other day that the department had requested an additional deficiency appropriation for another million for this year. In other words, when the tubes were abandoned the registered mail indemnities jumped from $1,300,000 to $5,500,000 per annum in a period of four years. And, gentlemen, that does not represent the entire loss. Oh, no; that merely represents the amount Uncle Sam was liable for by reason of the insurance feature. The great banks and trust companies that send large sums of money through the mail insure through private companies, and the actual loss no one can tell exactly—it may be between fifteen and twenty million dollars. I do not know the exact amount of these losses; the Post Office Department does not know either; at least they profess not to know, as a matter of policy. I do know, and the record proves, that these losses are mounting higher and higher, and we must stop it. Tube transportation of mail will cut down indemnity appropriations by millions of dollars. It is not the fault of the postal authorities that these thefts occur. They are doing all that is humanly possible to stop them, but they can not adequately protect first-class mail from either open or concealed depredations as long as motor-vehicle transportation is legislated for them.

Mr. MADDEN. Will the gentleman yield?

Mr. ROSSDALE. If the gentleman will give me additional time.

Mr. MADDEN. I have not control of the time.

Mr. ROSSDALE. I can not yield; I have not the time. Now, gentlemen of the House, it does seem to me that we owe a duty to protect the mails in New York.

Post Office Inspector J. J. Gibney in a report to the department dated January 27, 1921, concerning the heavy losses of registered mail in July and August, 1920, concludes with the following statement:

> In submitting this data we would again call your attention to the fact that it is our belief that mail is being taken day in and day out from both open and closed trucks, and that the front and back doors of the closed trucks are being used for this purpose.

The idea of running wagons and trucks through the streets of the city laden with precious and valuable mail matter is an invitation to every thief, to every yegg and crook, to come into New York and go and help themselves, and judging from the record they have made some wonderful hauls.

I want to make a comparison of truck time and tube time from one portion of the city to another. This schedule shows:

Pneumatic-tube schedule No. 7—Comparison of truck and tube time, 1918.

From—	To—																						
	C. H.	H. T.	P.	Wall.	V.	A.	O.	C.	G. P. O.	T. S.	G.	N.	W.	H.	I.	J.	D.	M. S.	F.	G. C.	Y.	K.	U.	L.
City Hall:																								
Truck time	.....	4	14	5	5	14	29	27	43	55	61	72	80	90	101	109	17	26	35	45	64	76	86	99
Tube time	.....	1	3	2	3	5	7	9	12	15	20	27	25	27	30	32	8	6	13	10	14	17	21	24
Hudson Term'l:																								
Truck time	4	.....	28	19	19	28	43	41	57	69	75	86	94	104	115	123	31	40	49	59	78	99	109	113
Tube time	1	.....	5	4	5	7	9	11	14	17	22	29	27	29	32	34	10	8	15	12	16	19	23	26
Station P:																								
Truck time	14	28	.....	5	29	38	53	51	67	79	80	95	104	114	125	133	41	50	59	69	88	100	110	123
Tube time	2	4	.....	4	6	8	10	12	15	18	23	30	28	30	33	35	11	9	16	13	17	20	24	27
Wall Street:																								
Truck time	5	19	5	.....	20	29	44	42	58	70	76	87	95	105	116	124	32	41	50	60	79	91	101	114
Tube time	3	5	1	.....	7	9	11	13	16	19	24	31	29	31	34	36	12	10	17	14	18	21	25	28
Station V:																								
Truck time	5	19	29	20	.....	9	24	22	38	50	56	67	75	85	96	114	32	41	50	60	70	91	101	114
Tube time	7	9	11	10	.....	2	4	6	9	12	17	24	22	24	27	29	16	14	17	14	19	22	26	29
Station A:																								
Truck time	14	28	38	29	9	.....	15	13	29	41	47	58	66	76	87	95	41	50	59	69	88	100	110	123
Tube time	5	7	9	8	9	.....	2	4	7	10	15	22	20	22	25	27	14	12	15	12	17	20	24	27
Station O:																								
Truck time	29	43	53	44	24	15	....	5	14	26	32	43	51	61	72	80	56	55	47	32	51	68	73	86
Tube time	7	9	11	10	11	2	....	2	5	8	13	20	18	20	23	25	16	14	13	10	15	18	22	25
Station C:																								
Truck time	27	41	51	42	22	13	5	....	16	28	34	45	53	63	74	82	54	44	40	34	53	65	75	88
Tube time	9	11	13	12	13	4	2	....	7	10	15	22	20	22	25	27	18	16	15	12	17	20	24	27
General P. O.:																								
Truck time	40	57	67	58	28	23	7	8	.....	3	8	19	27	37	48	56	25	16	7	10	35	47	57	70
Tube time	12	14	16	15	16	7	5	7	.....	2	7	14	12	14	17	19	12	10	7	4	9	12	16	19
Times Square:																								
Truck time	55	69	79	70	50	41	26	28	3	.....	21	32	40	50	61	69	38	30	22	7	26	38	48	61
Tube time	13	15	17	16	17	8	6	8	2	.....	5	12	10	12	15	17	15	13	10	7	12	15	19	23
Station G:																								
Truck time	61	75	85	76	46	41	25	26	8	21	....	11	19	29	40	48	43	34	25	44	53	65	75	88
Tube time	20	22	24	23	24	15	13	15	7	5	....	7	5	7	10	12	20	18	15	12	17	20	20	16
Station N:																								
Truck time	72	86	96	87	57	52	36	37	19	32	11	....	8	18	29	37	76	68	60	45	64	76	86	99
Tube time	23	25	27	26	27	18	16	18	10	8	3	....	8	10	13	15	23	21	18	15	20	23	23	19
Station W:																								
Truck time	80	94	104	95	65	60	44	45	27	40	19	8	....	10	21	29	62	52	44	27	72	84	94	107
Tube time	25	27	29	28	29	20	18	20	12	10	5	2	....	2	5	7	25	23	20	17	22	19	15	11
Station H:																								
Truck time	90	104	114	105	75	70	54	55	37	60	29	18	10	.....	11	19	72	63	54	63	83	94	104	117
Tube time	27	29	31	30	31	22	20	22	14	12	7	4	2	.....	3	5	27	25	22	19	20	17	13	9
Station I:																								
Truck time	101	115	125	116	86	81	65	66	48	61	40	29	21	11	.....	8	83	74	65	74	93	105	115	128
Tube time	30	32	34	33	34	25	23	25	17	15	10	7	5	3	.....	2	30	28	25	22	17	14	10	6
Station J:																								
Truck time	109	123	133	124	94	89	73	74	56	69	48	37	29	19	8	.....	91	82	73	82	101	113	123	5
Tube time	33	34	36	35	36	27	25	27	19	17	12	9	7	5	2	.....	26	24	21	18	14	11	7	3
Station D:																								
Truck time	17	31	41	32	32	41	56	54	25	38	43	54	62	72	83	91	....	9	18	28	47	59	69	82
Tube time	5	7	9	8	9	11	13	15	18	21	26	33	31	33	36	38	....	12	19	16	21	24	28	31
Madison Square:																								
Truck time	26	40	50	41	41	50	55	44	16	29	34	45	53	63	74	82	9	.....	9	13	32	44	54	67
Tube time	7	9	11	10	11	13	15	17	9	12	17	24	22	24	26	23	2	.....	7	4	9	12	16	19
Station F:																								
Truck time	35	49	59	50	50	59	47	49	7	20	25	36	44	54	65	73	18	9	....	5	24	36	46	59
Tube time	10	12	14	13	14	16	18	20	12	15	20	27	25	27	29	26	5	3	....	7	12	15	19	22

Pneumatic tube schedule No. 7—Comparison of truck and tube time, 1918—Continued.

From—	To—																					
	C.H.	H.T.	P.	Wall.	V.	A.	O.	C.	G.P.O.	T.S.	G.	N.	W.	H.	I.	J.	D.	M.S.	F.	G.C.	Y.	K.	U.	L.
Grand Central:																								
Truck time	45	59	69	60	44	48	32	34	16	7	34	45	53	63	74	82	31	13	5	.....	9	21	31	44
Tube time	12	14	16	15	16	12	10	12	4	7	12	19	17	19	21	18	7	5	2	.....	4	7	11	14
Station Y:																								
Truck time	64	78	88	79	79	88	51	53	35	26	53	64	72	83	93	101	47	32	24	9	....	12	22	35
Tube time	17	19	21	20	21	17	15	17	9	12	17	24	22	20	17	14	12	10	7	4	....	3	7	10
Station K:																								
Truck time	76	90	100	91	91	100	63	65	47	38	65	76	84	94	105	113	59	44	36	21	12	.....	10	23
Tube time	20	22	24	23	24	20	18	20	12	15	20	21	19	17	14	11	15	13	10	7	3	.....	4	7
Station U:																								
Truck time	86	100	110	101	101	110	73	75	57	48	75	86	94	104	115	18	69	54	46	31	22	10	.....	13
Tube time	24	26	28	27	28	24	22	24	16	19	20	17	15	13	10	7	19	17	14	11	7	4	.....	3
Station L:																								
Truck time	99	113	123	114	114	123	86	88	70	61	88	99	107	117	128	5	82	67	59	44	35	23	13	....
Tube time	27	29	31	30	31	27	25	27	19	21	16	13	11	9	6	3	22	20	17	14	10	7	3	....

All figures taken from Post Office Department schedules. Truck time as of August, 1918; tube time as of August, 1916.

From Station P, in the lower part of the city of New York, to Station L, at One hundred and twenty-fifth Street, the truck time is 123 minutes and the tube time is 27 minutes. Now, gentlemen, anybody who has handled mail knows that the delay of a letter five minutes, if you miss a closing, may mean the delay of another day for that particular letter to reach the particular town to which it is destined. If it is going to Europe it may mean missing the ship and the delay of a week. When you have a system already installed, that has given satisfaction for 20 years, whereby we can expedite the mails even at rush hours, to go back to the antiquated system of mail trucks, seems to me to be absurd. When the tube service was discontinued in 1918 the Postmaster General, who urged the withdrawing of the appropriation, said that it would merely require a 15 per cent increase in automobiles. Now, what happened? The annual increase was 51 per cent within six months. It is interesting to note what actually happened when the tube service was discontinued, June 30, 1918.

I quote from the report of Inspectors H. McQuillan and C. E. Crowell, New York division, dated April 6, 1919, to inspector in charge, New York, N. Y.:

Under date of January 18, 1919, the First Assistant advised that the postmaster had submitted revised schedules that showed an increase of 51 per cent in the motor-vehicle service over the schedules in effect May 13, 1918, and necessitating the employment of 121 additional chauffeurs.

Under date of January 24, 1919, we addressed a communication to the postmaster requesting him to please inform us why it was necessary to increase the service 51 per cent over the schedule in effect last May and to employ 121 additional chauffeurs.

He replied, stating in part:

This increased service was due to the discontinuance of the pneumatic tubes, which necessitated 1,971 trips being scheduled on December 16, 1918, instead of 1,299 trips on May 13, 1918, and that the increased wagon service naturally resulted in a corresponding increase in the number of chauffeurs required.

From the above it will be seen that instead of increasing the motor-vehicle service only 15 per cent, as stated by the First Assistant, it was actually necessary to increase it 51 per cent within six months after the abolition of the tube service in New York City. Twenty-five per cent increase in the service was made July 1, 1918, when the tubes were discontinued, and 26 per cent additional at various dates up to December 16, 1918.

This is the report of the inspectors the department had sent to New York. Since then it has continually increased, and it will keep on increasing.

Mr. MADDEN. Up to that time they had the mail service by contract.

Mr. ROSSDALE. Yes; it was by contract.

In 1919, a year after the tubes were discontinued, 11 registered mail packages were lost in New York City, and a loss of $234,715.15 in one year would have been saved had this registered mail been dispatched by pneumatic tubes instead of by motor vehicles, wrote the inspector detailed by the department to investigate the sudden increase.

Mr. MADDEN. Will the gentleman yield for a question?

Mr. ROSSDALE. I have not the time. Previous to 1919, when we had the tube operation, the tubes only lost one piece of registered mail matter. That was one piece in six years, and it did not involve a financial loss—only one letter in six years. A year later, 1920, they increased so much that the department either could not or cared not to make public the extent of increased losses.

You can see the difference in the following comparison of the number of delays by tube service and motor vehicle. The number of letters dispatched from all stations in New York City on January 7, 1921, shows that the—

Average number of pouches per trip equals	5.48
Average number of letters per pouch equals	820
Average number of letters per trip equals	4,493

These figures being the averages of 4,705 motor-vehicle trips.

The delays and failures in motor-vehicle service reported for various periods are not confined to any one district, but are for the entire city. The average number of letters per trip as given above (4,500) is for the entire city. The tables in pneumatic tube Schedule No. 4 show the failures and delays in motor-vehicle service in New York City for the fiscal year ending June 30, 1920, and the failures and delays due to the storm of February 20 and 21, 1921.

For the fiscal year ending June 30, 1920:

Motor-vehicle trips failed	52,944
Motor-vehicle trips delayed	20,580
Total	73,524

At 4,500 letters per trip, this is the equivalent of 330,858,000 letters delayed by the motor-vehicle service in one year. The pneumatic tubes delayed 84,500 letters in one year. For each letter delayed by the tubes 3,915 letters are delayed by the motor-vehicle service.

On February 21, 1921, due to a severe snowstorm—

Motor-vehicle trips failed	539
Motor-vehicle trips delayed	564
Total failed and delayed	1,103

At 4,500 letters per trip, this is equivalent to 4,963,500 letters delayed by motor-vehicle service in one day, or fifty times as much mail as the tubes delayed in 365 days. The record of delayed letters by tube is 1 in every 45,000,000 letters.

The tubes are not affected by conditions that cripple the motor-vehicle service.

The above figures are official and tell of motor-vehicle inefficiency. Now let us see what is the record of the pneumatic tubes.

From all the data available on the subject we conclude that a capacity of 8 pounds or 400 letters to the container, an interval of dispatch of 10 seconds, and a speed in the tube of from 25 to 30 miles an hour can reasonably be taken as representing normal conditions in actual practice. This is equivalent to 2,400 letters per minute or 144,000 letters per hour that can be dispatched from any one station.

In the last year of operation the tubes in New York City and Brooklyn handled approximately 5,000,000 letters a day; they were not, however, used to their maximum capacity.

On Tuesday, December 3, 1912, 27,243 containers of original mail (not relays) were dispatched through the tubes in New York City in 20 hours, with a total capacity of 10,897,200 letters.

On Tuesday, December 9, 1913, 27,166 containers of original mail, with a total capacity of 10,846,400 letters, were dispatched.

On Wednesday, August 1, 1917, 29,066 containers of original mail, with a total capacity of 11,626,400 letters, were dispatched. (See pneumatic-tube schedule No. 2.)

It is therefore evident that the tubes were capable of handling 10,000,000 letters a day if called upon to do so.

First-class letter mail should have preference over all other classes of mail. Note the difference in the following example from one of the most important stations in my city:

In the case of a railway mail dispatch from the City Hall Station to the Grand Central Terminal Station, New York City,

the schedule time by motor vehicle is 45 minutes and the schedule time by tube when in operation was 10 minutes.

Therefore 400 letters (or the first container) would reach the Grand Central Terminal 10 minutes after the dispatch by tube began.

The capacity of the tube being 2,400 letters per minute, the mail would arrive at the Grand Central Terminal as follows:

400 letters 10 minutes after dispatch begins.
2,800 letters 11 minutes after dispatch begins.
5,200 letters 12 minutes after dispatch begins.
7,600 letters 13 minutes after dispatch begins.
10,000 letters 14 minutes after dispatch begins.
12,400 letters 15 minutes after dispatch begins.
24,400 letters 20 minutes after dispatch begins.

This is equivalent to 24 pouches of mail with an average of 1,000 letters to the pouch that would have arrived at the Grand Central Terminal and be partially separated and pouched before the motor vehicle was half way between City Hall and Grand Central Stations.

At the end of 30 minutes 48,400 letters, or 48 pouches of mail, would have reached the Grand Central Terminal, and the motor vehicle would still be 15 minutes away, and by the time the motor vehicle arrived 84,400 letters, or 84 pouches of mail, would have been delivered by tube. Post-office officials estimate that it required 30 minutes to pouch the mail for train dispatch after receipt of same by tube. On this basis approximately 33 per cent of the dispatch would have been pouched and ready for train dispatch before the employees at the Grand Central Terminal could have started to handle the mail delivered by motor vehicle.

It has been stated here to-day that tube service entails an increased number of operations and is an added expense in clerk hire. The following is a comparison of the actual steps in handling first-class mail for railway dispatch when forwarded by tube and by motor vehicle:

DISPATCHED BY TUBE.	DISPATCHED BY MOTOR VEHICLE.
1. Tie out mail into bundles on distribution case.	1. Tie out mail into bundles on distribution case.
2. Bundles taken from distribution case to container.	2. Bundles taken from distribution case to pouches.
3. Bundles placed in containers.	3. Bundles placed in pouches.
4. Containers locked.	4. Pouches locked.
5. Containers dispatched.	5. Pouches taken to truck platform.
6. In transit in tube.	6. Pouches checked on dispatcher's bill.
7. Containers emptied on separating table at terminal.	7. Pouches loaded on truck.
8. Bundles separated and pouched.	8. In transit by truck.
9. Pouches locked.	9. Pouches unloaded at terminal.
10. Pouches checked.	10. Pouches checked.
11. Pouches taken to platform or chute.	11. Pouches separated for trains.
12. Pouches put on train.	12. Pouches put on trains.

It will be noted that the number of steps or operations is the same in either case; that the first four operations are common to both methods of dispatch; that the dispatch by tube begins at the fifth operation, while the dispatch by motor vehicle does not begin until the eighth operation; therefore the dispatch by tube begins before the dispatch by motor vehicle, the amount of time gained being dependent on the time consumed in operations 5, 6, and 7 under dispatch by motor vehicle. This time will vary with the volume of dispatch and the conditions prevailing at each station, but could hardly be accomplished in less than five minutes under the most favorable conditions.

Mr. SLEMP. Mr. Speaker, I yield the gentleman five minutes additional time.

Mr. ROSSDALE. It has been stated that there is an element of doubt of the efficacy of the tube service. There is always an element of doubt about a subject that is in dispute, and I submit the statement made by ex-Postmaster General Will Hays at a hearing of the Joint Postal Commission.

There is an element of doubt in everything. Just how fast and how much the improvement will be with the reinstallation of the tubes is hard to say, but, basing the opinion—and a man's opinion is just as good as the reason for it, and no more—but basing the opinion on the investigation of the commissions and engineers and department's experts—the hearings of the commission, our own investigations, our own negotiations over a period of several months, and personal inquiry and contact—it was my conclusion, when the tubes were suggested by the commission, that they should be reinstalled if it could be done at a price that was right, and that is still my conclusion, and my conclusion is, further, that this price is right.

It is as low as we can get. I think the additional service is worth this amount. I do not think they can do it any cheaper. I still think, as I have thought and shall continue to think, that a failure to reinstall is an error, and we are not doing everything that looks reasonably proper to do in the development of the Postal Service. Remember New York is the neck of the bottle, seriously so, and other mail is hung up all over this country when they are slowing it up in New York, and if we err at all we ought to err in service. That is, we ought to do more instead of less when a thing is as important as that. It is analogous to war—we do not criticize war expenditures. We have just got to do business. It is up to us to get every postal facility reasonably expected to improve the service. It is up to us, and it is charged to us to get it as cheaply as possible, and if a case comes along in the future of the service where it is a case of service or expense, give the service. That applies to this and everything else. Until I die I will be saturated with the magnitude and the importance of this mail service in this country. I wish I had had nothing all my life but to work at it. It is always a question of service for this whole thing. Of course, there is an unreasonable expense to which we can not go. It would not pay to run an airplane to San Francisco to pick up one special delivery.

I think that the amount for the tubes should be in this appropriation.

Mr. Speaker, the tube system is earnestly petitioned by everybody in my city—the board of aldermen, the State legislature, merchants' association, chamber of commerce, all political parties, all public societies, organizations, and all citizens from every walk and station in life. Although the tube system does not extend to that part of New York City in the Borough of the Bronx, which I have the honor to represent, I am nevertheless contending for this item in the appropriation bill, because it will improve the mail conditions of the Bronx, and I hope that the system will eventually be extended to my district that they may share in its benefits.

It is not possible to present here all of the arguments of postal officials who are charged with the responsibility of supervising the Postal Service. I have quoted from a number of reports of inspectors who are trained post-office men, who know the subject thoroughly. I have quoted Postmaster Morgan, of New York, who is acknowledged a great postmaster. He knows the Postal Service as well, if not better, than any living man. It is significant that Postmaster Morgan, Postmaster General Work, the Joint Postal Commission, the Bureau of the Budget, and the President of the United States all urge the restoration of tube service, and I hope that the House will concur in the Senate amendment. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. ROSSDALE. Mr. Speaker, I ask unanimous consent to proceed for five minutes more.

The SPEAKER pro tempore. The time is in control of the gentleman from Virginia.

Mr. ROSSDALE. I ask unanimous consent to revise and extend my remarks. [Applause.]

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

The extension of remarks referred to are here printed in full as follows:

Mr. ROSSDALE. Mr. Speaker, it was on January 11, 1922, my colleague, the Hon. BASCOM SLEMP, of Virginia, chairman of the subcommittee on appropriations in charge of the Post Office appropriation bill, reported the annual bill for his committee to the House for consideration. In presenting the bill Chairman SLEMP said in part:

Mr. Chairman, the subcommittee on appropriations to whom was referred the Post Office appropriation bill began work immediately on the reassembling of Congress the early part of December, and continued their labors practically without intermission until this week, when we are reporting the bill to this committee. It is the largest bill in point of money that will be presented to Congress. It has in its service a number of employees greater than exist in the entire personnel of the Army and Navy of the United States combined. It is a service that reaches every home, every individual, and every business. It knows no discrimination as to race, color, religion, or condition of servitude. To do service is its motto. It operates through the dead hours of night; it is going when dawn steals over the earth as when night closes it in darkness; it defies wind, rain, storms, and blizzards. It is equally active in sunshine or in cold. With equal impartiality it brings all messages of hope, love, or news. It is a service of which the American people are proud, and without which, or even an impairment of which, our civilization would be thrown backward. Contemplating the service from this standpoint, having the same enthusiasm for its personnel and its accomplishment as held by the men who are now conducting its affairs, the subcommittee began and pursued its investigations.

I want to indorse what the distinguished gentleman from Virginia said of the postal employees and of the Postal Service at that time and add my contribution of regard for that great service and for the great army of 330,000 men and women who comprise the service. It is a wonderful system, reaching to and from everywhere. Because of the regularity and continuity of its operation, few note its remarkable perfection.

Mr. Speaker, during the late World War, when all systems of communication and transportation bended and cracked because of the pressure placed upon them by the stress of the great con-

flict, when railroad and steamship lines, when telegraph and telephone systems gave way under the strain, the Postal Service kept up the even tenor of its accustomed service. Hence it is fitting that to the motto of that service—"Neither rain or snows nor heat or cold nor gloom of night stays these silent couriers from the swift completion of their appointed rounds"—we add, "nor wars upon the land, beneath the seas, or in the skies."

It is a great service, and is second to no other Government department in the hearts of our people. Upon its uninterrupted and efficient operation the interests of all our people must depend. In like manner the Government must depend upon the rank and file of postal employees to obtain the uninterrupted and efficient operation of the service. Postmasters General and postmasters would hopelessly fail in their tasks if it were not for the splendid cooperation of the employees which is inspired by the pride of occupation that goes with service in the Post Office Establishment.

The Post Office Department in its service to the people of the United States represents the nearest approach to perfect organization that I know of. Under such circumstances it is only natural that postal employees should be imbued with the spirit of organization. The post-office employees have that spirit and they have developed their organizations to a greater degree than the employees in any craft or industry.

The postal employees' organizations have contributed much toward the betterment and improvement of the Postal Service and the welfare of the employees, and the work of the United National Association of Post Office Clerks merits commendation. This organization was originally organized in 1885, and has operated under the present title since 1899. Since that year it has held annual conventions at which resolutions of far-reaching benefit to the service have been adopted. Each year its officers prepare a memorial which is submitted to the Postmaster General. This memorial is based on resolutions adopted at their convention. I was a member of this association years ago when I was employed in the service and I know that many of these resolutions were the means of initiating action by supervisory department officials because of the evident worth of these recommendations. Indeed, I am glad to say that many of the thoughts and ideas contained in such resolutions have been enacted into law by Congress in the past. In presenting these collective thoughts of many of the great rank and file of postal employees I do so with the hope that the Post Office Department and Congress will continue to give consideration for the adoption of these suggestions for betterment of the service outlined in the appended document:

Brief and memorial of the legislative and administrative program of the United National Association of Post Office Clerks, adopted at the Charleston convention September 5–8, 1921.

PART I.

The twenty-first convention of the United National Association of Post Office Clerks, held at Charleston, W. Va., September 5–8, 1921, adopted resolutions as hereinafter described urging certain remedial legislation and the modification of various departmental orders.

PLEDGE OF LOYALTY.

The convention enthusiastically and unanimously adopted resolutions pledging their fealty, loyalty, devotion, and whole-hearted cooperation to President Warren G. Harding in all his labors.

The convention adopted similar resolutions directed to our beloved and distinguished chief, Postmaster General Will H. Hays.

POSTAL SAVINGS SYSTEM.

A resolution was adopted indorsing the recommendation of the Postmaster General for certain modifications and amplifications of the regulations governing the Postal Savings System and commending same to the favorable consideration of Congress, so that the great Postal Savings System could be extended and result in greater benefits to the American people.

EFFICIENCY RATING SYSTEM.

A resolution was also adopted urging a complete revision of the efficiency-rating system in the interests of both the service and the employees in the service.

RETURN RECEIPT FOR REGISTERED MAIL MATTER.

A resolution was also adopted urging that the practice of issuing free return-card receipt for registered mail be discontinued and in lieu thereof a fee of 1 cent be required for all such return receipts.

COURT OF APPEALS.

The convention also adopted a resolution indorsing the bill introduced by Representative MADDEN, of Illinois, proposing to establish a court of appeals for all Federal civil-service employees.

CREDIT FOR PENALTY OR FRANKED MATTER.

The convention adopted a resolution urging the enactment of legislation giving proper credit in dollars and cents for all service rendered by the post-office establishment to the other departments of the Government, this credit to be so developed that all franked or penalty matter will be charged the same rates of postage as is charged for other mail matter, and that such charges be debited to the different departments and be carried as a credit in the accounts of the Post Office Department.

DISAPPROVAL OF DROP-LETTER RATE OF 1 CENT.

The convention adopted a resolution disapproving of any effort to establish a 1-cent rate of postage for drop letters.

SENIORITY.

A resolution was adopted urging that in the event of all things being equal that seniority alone be the determining factor for the promotion or assignment to preferential positions for all clerks.

The convention also heartily indorsed the order of the department directing that all new entrants to the clerical force, whether by original appointment or through transfer from some other service, shall be assigned to the mailing division.

BONDING BY DEPARTMENT.

The convention adopted a resolution urging the establishment by the department of a bureau for the bonding of all employees by the department itself at the expense of the employees.

WELFARE WORK IN POST OFFICE.

The convention adopted a resolution indorsing the program for welfare work in the post office, as put forth by the national president in a brief submitted to the Postmaster General on May 2, 1921.

PARAMOUNT ISSUE—NIGHT SERVICE.

The convention adopted as the paramount issue a resolution urging the establishment of a differential in time for all night service. To have all service between 6 p. m. and 6 a. m. computed on a basis of 45 minutes to the hour.

RECLASSIFICATION.

Clerks to be divided into five grades: Grade 1, $1,600; grade 2, $1,700; grade 3, $1,900; grade 4, $2,100; grade 5, $2,300.

Clerks to progress by annual promotion from grade 1 to grade 5.

Two grades of special clerks: Grade 1, $2,400; grade 2, $2,500.

All clerks in the fifth automatic grade, in first and second class post offices, and who have served 15 years in the service to be promoted automatically into the special clerk grade 1, and in first-class offices, all special clerks who have served three years in special clerk grade 1 to progress automatically to special clerk grade 2.

TIME IN EXCESS OF EIGHT HOURS.

Overtime for services in excess of eight hours per day to be compensated for at the rate of time and one-half of the employees' salaries as fixed by law.

VACATIONS.

Extension of the annual leave with pay so as to grant a vacation of 30 days in each fiscal year.

SICK LEAVE.

Amendment of the act approved June 5, 1920, providing a 10-day sick leave annually so that postal employees shall be given sick leave each year with pay not to exceed 30 days.

PAYMENT OF SALARIES.

The annual salaries to be divided into 52 equal parts, one of such parts to be paid to the employees each Saturday during the year.

MONEY-ORDER INDEMNITY FUND.

Establishment of an indemnity fund from which to pay losses for money orders wrongfully paid through fraudulent identification.

TIME ALLOWANCE FOR SCHEME STUDY.

Mail distributors to be allowed 2 hours daily within 8 in 10 for necessary scheme study.

COMPENSATORY TIME.

The amendment of the section of the act approved June 5, 1920, providing for the granting of compensatory time off for Sunday and holiday service, so that such compensatory time for Sunday service shall be granted on 1 of the 6 days following the Sunday of service and on 1 of the 30 days following service on a holiday.

HOLIDAYS.

Reenactment of the provision formerly contained in section 284 of the Postal Laws and Regulations under which postmasters were authorized to observe all holidays in their respective States.

UNNECESSARY CASE EXAMINATIONS.

The elimination of scheme study and case examinations for all clerks except those employed for at least two hours daily in mail distribution.

TRANSFER OF CLERKS TO CARRIER SERVICE.

The amendment of that portion of the act approved June 5, 1920, authorizing the Postmaster General to transfer a clerk from the clerical to the carrier force, and vice versa, so that no such transfer can be made without the consent of the employees transferred.

RETIREMENT.

The amendment of the retirement act approved May 22, 1920, to provide for optional retirement after 30 years of service and also to provide for the increase of the annuities paid under this act.

CONCLUSION.

In support of the foregoing resolutions and petitions the association submits herewith arguments drawn up in a memorial and entertains the earnest hope that the same will receive your valued consideration.

PART II.

MEMORIAL.

SERVICE IMPROVEMENTS REQUIRING CONGRESSIONAL ENACTMENT.

PARCEL POST PERISHABLE MATTER.

Parcel post perishable matter invariably receives special-delivery treatment without paying such special-delivery fee. The convention realized that by the very nature of things parcel post perishable matter should be delivered as expeditiously as possible; but oftentimes if such matter was held for the regular delivery or the first delivery trip after its receipt at a given office it is more than likely that such matter would have to be destroyed. To prevent just this destruction it has been the custom in most post offices to deliver this parcel post perishable matter by special messenger and charge the expense thereof to auxiliary service. This class of mail matter is receiving service for which neither the sender nor recipient is paying. The convention felt that appropriate regulation covering this question would be welcomed by all postal employees and at the same time would result in much credit to the service. It was suggested that all parcel post perishable matter be required to be sent special delivery and that the fee for such service be increased from 10 to 25 cents.

DISPATCH OF SPECIAL-DELIVERY PARCEL POST MATTER.

The association was of the opinion that a prolific source of complaint against the special-delivery service would be removed if paragraph 2, section 853, Postal Laws and Regulations, was amended to provide for the dispatch of special-delivery parcel post matter under a distinctive tag, label, sack, or pouch.

SERVICE IMPROVEMENT THROUGH ADMINISTRATIVE ORDER.

INSURED PARCEL POST MATTER.

The convention thought the losses reported in the insured parcel post matter exceeded all the bounds of reasonable expectations. The fault and responsibility for this appears to be failure of the department to provide safeguard for this class of mail matter. Insured parcel post matter is given no additional treatment by the Postal Service. It is handled exactly the same as ordinary parcel post matter. The acceptance under such conditions of an insurance fee comes dangerously near accepting payment without rendering the service for which the payment is made. If necessary, the insurance should be raised. All insured parcel post matter should be dispatched and forwarded in distinctive sacks, pouches, or hampers, and it is further recommended that all such parcel post packages should be forwarded, or when forwarded should be accompanied, with a waybill. The convention felt certain that if some such system was adopted that the losses in this branch of the service would be immediately reduced at least 95 per cent and that the result in credit to the department which must come from satisfied patrons and satisfactory service would more than compensate for the slight additional cost to the department that these changes would entail.

SUGGESTED IMPROVEMENTS IN WORKING CONDITIONS POSSIBLE OF ACCOMPLISHMENT THROUGH ADMINISTRATIVE ORDER.

NIGHT WORK IN POST OFFICES.

Night work is generally conceded to be such service as is rendered after 6 p. m. and prior to 6 a. m. The major portion of this night work must be performed by post-office clerks. In other industries they have recognized the hardships of night work by establishing a differential, either in hours of service or in compensation, for such night service.

The difficulty, disadvantages, and distressing conditions imposed upon the employees by the excessive night work required in the post offices has concerned the minds of postal officials for many years. Recognizing these hardships, they have sought for some method or medium whereby such night work might be reduced. Chief among these has been an effort to induce the public and the business interests to deposit their letters in the post offices in the early afternoon. Mail-early campaigns have been inaugurated and conducted by postmasters and Postmasters General for the past 20 years without success. The reason that these campaigns have met with so little success is because it is not practical for the business interests to cooperate with the postal officials to any great degree in a matter of this kind.

If the success of the mail-early campaigns depended upon the interests who periodically deposit from 100 to 500,000 first-class pieces of mail matter, the problems would be easily solved. However, such mailers do not make up the vast volume of mail matter which the post offices must handle. This may seem paradoxical, but it is none the less true. The great volume of mail matter, that which flows into the post offices between 4 p. m. and 7 p. m., originates in the small business houses, which may average from 10 to 100 letters per day. By the very nature of things such interests can not be induced to deposit such mail in the post offices any earlier than they are now doing.

The advisory committee to the Joint Congressional Postal Salary Commission recommended to the department that a differential be established in the post office which would make 45 minutes equivalent to 1 hour's service. In other words, they recommended six hours night work equivalent to eight hours daywork. In indorsing the recommendation of the advisory committee the association made the following statement:

"The association is glad to note the recommendation of the advisory committee in reference to the service exacted of post-office clerks at night—i. e., that 45 minutes of employment should be credited as 1 hour for all work performed between the hours of 6 p. m. and 6 a. m. The excessive night work exacted of post-office clerks has been one of the most discouraging elements of such employment. It denies to the clerks all of the ordinary social recreations. It takes away from him the priceless comradeship of his family and exacts from him physical and mental effort during the hours when his vitality is at its lowest ebb. The differential, as recommended, is a measure of relief for which the association has striven for years. The adoption of this recommendation will, it is believed, compensate in a great measure the clerks who must necessarily perform service at night and it is in like measure believed that it will make the Postal Service attractive to men of ability, and directly and indirectly must prove a potent factor in promoting efficiency among the employees and in the character of service rendered to the people. For these reasons the association entertains the earnest hope that the department will adopt the recommendation above referred to as to night work."

We have tried for many years to obtain some recognition of the hardships of night work through legislation, but without success. We feel now that the same thing could be accomplished through an administrative order issued by you. The 8-in-10-hour law, approved August 24, 1912, and which became effective March 4, 1913, contains no inhibition against the Postmaster General prescribing the number of hours that would constitute a day's work, except that such day's work shall not exceed 8 hours in 10 consecutive hours. I therefore believe that you have authority under the existing law to prescribe the number of hours of service after 6 p. m. and prior to 6 a. m. that would constitute the equivalent of 8 hours' service between 6 a. m. and 6 p. m. For these reasons the association earnestly hopes that the question will receive your favorable consideration, confident that if put into practice it would have a far-reaching effect in promoting the welfare of the employees and of the Postal Service.

UNNECESSARY CASE EXAMINATIONS.

Case examinations should not be required of post-office clerks who have served faithfully and have passed their fiftieth birthday, nor of those clerks who rendered faithful service for 25 years or more, and certainly not of clerks who are employed in the financial and executive divisions of the post offices.

Convinced that the conditions which inspired the department to issue the order requiring case examinations of all clerks, regardless of the division of the post office in which they were employed, had ceased to exist, and realizing the grave hardship which this order has imposed upon the older clerks and those employed in the financial and executive divisions, the association would respectfully request that this order be modified as follows:

Case examinations not to be required of any clerk who has been in the service 25 years or more.

Case examinations not to be required of any clerk 50 years of age or over.

Case examinations to be required of clerks only who are actually employed in the distribution of the mails for not less than two hours daily.

LOOKOUT GALLERIES.

The association deplores the practice of some supervisory employees in using the lookout galleries, placed in post offices, it is understood, for the sole purpose of detecting crime, as a means to spy upon the employee and in other ways make his position most disagreeable and embarrassing. We feel that no good can come out of such a condition; that it not only destroys the morale of the employees but it is absolutely destructive of all efficiency and creates a most bitter resentment for the supervisors. For these reasons the association earnestly hopes that the department will issue an appropriate order that would eliminate this practice in all post offices.

STOP WATCHES.

The association learns with amazement that some supervisory officials throughout the service contrary to existing law hold examinations and test the clerks under their supervision with a stop watch. This practice is not only forbidden by Congress, but it is forbidden also by all the ethics that should exist between employees, both supervised and supervisors, in any Government department. We feel that nothing but disaster could come from the continuance of this practice and the convention requests the department to issue the necessary instructions so that this practice will be stopped forthwith.

THE ADVISABILITY OF WEEKLY PAYMENT OF SALARIES.

In the outside industrial world the generally accepted method of paying wages is in weekly periods and while employers may feel that this method is more expensive than less frequent payment would be, they, the employers, almost unanimously agree that the beneficial results to the employee and to the service which they render to the employer more than compensates for the additional expense.

At each annual convention of the association a resolution has been unanimously adopted urging the department to institute the weekly salary table, together with a stipulation that all salaries should be paid in cash.

We do not feel that the subject could be better covered than it was covered in a memorial which we presented to the former Postmaster General, to the Congress, and to the Joint Congressional Salary Commission and we, therefore, submit hereunder a reproduction of that statement:

"The association believes that the semi-monthly payment of salaries is not conducive to a contented personnel, that it subjects the employees to needless discomfort and to the additional expenses of conducting their household affairs on a credit basis, and the association petitions the commission to consider the advisability of reconsidering the division of the annual salaries of postal employees into 52 weekly parts and the payment of such employees upon performance of service of one of such parts each Saturday throughout the year."

SEATS FOR DISTRIBUTORS.

Nothing has caused so much unnecessary suffering, nerve-racking monotony, and physical disability as the action of many postmasters in compelling distributors to stand at all times while on duty.

The average mail distribution case does not permit the clerk to move more than 1 foot in either direction. To compel the man or woman to stand in one spot for 4-hour periods is destructive not only to their efficiency but to their health. If these clerks are permitted to relieve the strain on their feet for short periods it would make for a better quality of work from such clerks, while at the same time it would conserve their health.

It almost seems irrelevant to bring this question up in this brief. But the concession asked for, I am convinced, will never be generally granted until the department promulgates an order instructing postmasters accordingly.

TIME ALLOWANCE FOR SCHEME STUDY.

Post-office clerks assigned to the distribution of the mail are required to memorize schemes of distribution; such schemes average some 5,000 facts, and in the regular course of things and in the constant changing of regular schedules, post office, and routes, compel also that such clerks constantly study in order to maintain their proficiency. The Post Office Department also requires such clerks to pass, at least once a year, a very rigorous case examination. No allowance has ever been provided for the clerks of whom this study is exacted. The association feels that where a clerk is compelled to work eight hours a day in the post office and to devote additional time at home to study that he is indirectly performing service for which he receives no compensation. The association therefore believes that some provision for this scheme study should be made, and respectfully urges the department to favorably consider and recommend suitable legislation that will provide a certain portion of the time required daily of distributing clerks shall be devoted to study periods.

SUGGESTED IMPROVEMENTS IN WORKING CONDITIONS REQUIRING CONGRESSIONAL ENACTMENT.

RETIREMENT.

Perhaps the greatest piece of legislation accomplished in behalf of postal employees has been the enactment into law of the civil service retirement bill. This is a measure of justice for which the United National Association of Post Office Clerks has persistently striven for 30 years. It is not all that we could desire. It is not, by any means, a perfect law. It does, however, recognize the principles that "the laborer is worthy of his hire," and that if he devotes his entire life to the service of his Government he should not, and must not, be cast aside when age and infirmity of age come upon him.

The association feels that the annuities granted under the present retirement law are woefully inadequate and impose upon the employee more than his fair proportion of the burden of this legislation through excessive deductions from his salary. We feel that placing deductions at 2½ per cent was determined upon the old basic salary of $1,200. The annuities paid were also based upon the old basic salary of $1,200 and provides for the payment of 60 per cent of such salary, or $720 per annum. We believe that the conditions which have prevailed in the Postal Service for years past did not permit the employees to provide for the time when infirmity and incapacitation would come upon them. We feel that to compel such employees to retire under the meager sum

of $720 per year compels them to suffer much distress and agony of mind. The association also feels that employees in the Government service, who render faithful service for 30 years, should be given the privilege of being retired if they so desire. For these reasons the association adopted resolutions urging the amendment of the present retirement act to provide for a service pension of 30 years, optional with the employee, and for an increase in the annuities paid under such act to conform to the provisions of the bill introduced by Senator Townsend, which reads as follows:

"To amend the act approved May 22, 1920, entitled 'An act for the retirement of employees in the classified civil service, and for other purposes.'

"*Be it enacted, etc.*, That section 2 of the act of May 22, 1920, being an act entitled 'An act for the retirement of employees in the classified civil service, and for other purposes,' be, and the same is hereby, amended by increasing the amount of the annuities for class A 60 per cent, class B 65 per cent, class C 70 per cent, class D 80 per cent, class E 90 per cent, and class F 100 per cent."

SALARIES OR COMPENSATION—THE STRUGGLE FOR A LIVING WAGE.

The question of most concern to postal employees is and has been, of course, the woefully inadequate salaries paid, the noncommercial value of the experience which they gain in the Postal Service, and the utter lack of opportunity for advancement.

The maximum salary of post-office clerks was not increased from 1883 to 1918. True, there were never many clerks receiving the maximum salary prior to 1907, but the fact remains that in the first classification of post-office clerks, which occurred in 1883, the maximum salary was placed at $1,400. The salaries were reclassified in 1907, when the clerks were divided into six grades, with automatic promotion of $100 annually and with a maximum of $1,200. However, two grades of special clerk were provided at that time, which continued the old maximum at $1,400. In 1918 the maximum salary for clerks in the automatic grades was increased to $1,500 and in 1920 to $1,800.

The inadequate salaries paid during all the years since the original classification compelled most of the post-office clerks to practice the utmost frugality and self-denial. Few among them knew that savings banks existed, or were able to provide for themselves or their families beyond the barest necessities of life. So it was that in 1918, when the postal employees received an increase in their salaries, they found themselves little better off than they were before, because of the changed conditions and because of the everlasting overhanging debts that they were forced to incur. The same was true when the classification act, approved June 5, 1920, went into effect, and the same is true to-day.

The association asked the Postal Salary Commission for a reclassification as follows:

"We ask that clerks in the first and second class post offices be divided into five classes with a minimum salary of $1,600 and a maximum of $2,300, with annual progression as follows: Grade 1, $1,600; grade 2, $1,700; grade 3, $1,900; grade 4, $2,100; grade 5, $2,300.

"We ask that in offices of the second class there be provided one grade of special clerk at $2,400.

"That at offices of the first class there be provided two grades of special clerk: Grade 1, $2,400; grade 2, $2,500.

"We ask that at offices of the second class all clerks who have been in the service for 15 years shall automatically progress to the first grade of special clerk at $2,400; that at offices of the first class all clerks who have been 15 years in the service shall automatically progress to the first grade of special clerk at $2,400; and that all special clerks in grade 1 shall automatically progress to grade 2 after serving three years' satisfactory service in grade 1, the lower grade."

We believe that if such legislation were recommended to Congress by the department it would promptly be enacted into law, and we also believe that if such a classification were enacted into law it would attract a much higher caliber of men into the service, would raise the standard of efficiency of the employee and of the character of service rendered to the people, and would insure to post-office clerks a living wage on which they might maintain themselves and their families in health and reasonable comfort.

INSURANCE AGAINST SALARY LOSS DUE TO SICKNESS.

The postal employees' organizations were the real pioneers in the erection of sick benefit societies supported and maintained by the postal employees themselves. Fraternal societies had such auxiliaries for many years, but the average industry or craft generally gave assistance to a sick fellow worker through the medium of passing the hat or the subscription list. Twenty-five years ago the subscription list was never out of the post office. Between pay days there were often more than a dozen lists passed around. It was to eliminate this humiliating practice that the Post Office Clerks' Association created the first sick benefit fund in New York City, about 1892.

This idea has since spread all over the country, and there are few of our local or State branches that have not got such an auxiliary.

These funds are maintained entirely from monthly dues paid by the members, and in some cases through assessments. The average sick benefit amounts to $9 per week for a period of 13 weeks in any one year. The amount paid out in sick benefits by the combined sick benefit auxiliaries of this association alone is hard to estimate. New York City ranges between $12,000 and $14,000 annually. Other cities maintain a corresponding average; so that it would be safe to say that the aggregate amount paid out in sick benefits so far would exceed $1,000,000.

These funds are a constant and heavy drain upon the meager resources of the postal employees. In looking over statistics on this subject I find many of the large employers who provide for the contingency of sickness by purchasing and encouraging the employees to purchase health insurance. This insurance, of course, costs considerably more than the total dues exacted from members of the sick benefit societies. At the same time the benefits are considerably greater, and the employee, through such insurance, is relieved of all anxiety.

All the arguments that could apply to sick insurance can also be extended to life insurance. The same is true of this feature of insurance, which is maintained by most of the postal organizations.

At best the postal employees operate their sick and death benefit societies with great duplication of work and expense and with distressing uncertainty.

In studying the above phase of conditions of employment in the Postal Service, I can not help but feel the great benefits that would accrue both to the employees and to the Postal Service if legislation could be obtained whereby sick and death benefit insurance could be provided for postal employees on the same basis as these features were provided for members of the naval or military forces of the United States under the war-risk insurance legislation.

I am confident that at least 80 per cent of the postal employees, and certainly 80 per cent of the post-office clerks, would gladly welcome the opportunity to purchase such protection, providing the protection would come from the Government. And for this reason I earnestly hope in the interest of the welfare of the postal employees that you will give this matter your very earnest consideration.

TIME IN EXCESS OF EIGHT HOURS.

Because of the many hardships imposed upon the clerical force, because of the excessive overtime, and because the association believes that such overtime is caused by the practice of many postmasters of attempting to operate their respective offices with an insufficient force, the association respectfully urges as a most effective method of reducing such overtime to the absolute minimum the enactment of legislation that will provide for the payment of all necessary overtime at the rate of 50 per cent in excess of the pro rata salary of the employees involved.

HOLIDAYS.

The association desires to call to the attention of the department amended section 284 of the Postal Laws and Regulations granting compensatory time for the services performed on certain holidays to employees of first and second class offices. In enacting this amendment the Congress omitted the authority formerly contained in the original section which permitted postmasters to observe as holidays in addition to the specified days such other days as might be set apart by the proclamation of the governors or by the statutes of the States in which the post offices might be located. The association has found that the interpretation of this section by the department is an inhibition to postmasters to observe any holidays as such except the seven days specified in the law. This works a most serious hardship on the postal employees while at the same time it renders no benefits to the public or to the communities wherein such other holidays are observed. The association therefore respectfully urges that appropriate legislation be recommended that will cause the restoration to postmasters of the privilege of granting holidays to the postal employees when such holidays are observed in their respective States or communities.

FINANCIAL LOSS SUSTAINED BY POST-OFFICE CLERKS BECAUSE OF THE ABSENCE OF ANY AUTHORITATIVE DEFINITION OF TRUE IDENTIFICATION.

The association believes that the absence of a definite rule defining "true identification" in the payment of money orders works a hardship on the employees often causing financial loss and indirectly tends to cast discredit upon the service. This condition automatically decreases the salaries of the clerks involved. For this reason many clerks of superior ability and of a natural aptitude for this branch of the service hesitate to accept or seek such assignment.

The existing law on this subject would, if followed literally by the money-order clerks, cause no end of confusion and annoyance to the patrons of the Postal Service. Where a paying clerk does not know personally the person applying for the payment of a money order, he must accept the ordinary means of identification in order to establish the fact that he is making the proper payment. If the person to whom the money is paid is a fraud and has obtained the identification papers through theft or otherwise, and while the paying clerk has taken every possible precaution, he none the less loses the amount of money he paid to this fraudulent person. As stated above, this practice is a very serious menace to the efficiency of the money-order system, and the association would respectfully urge the department to make a suitable recommendation to the Congress for the establishment of an indemnity fund from which these losses could be paid. The association further believes that wherever a paying clerk has taken every possible precaution in these matters and that an investigation conducted by a post-office inspector results in such inspector recommending that such clerk be not charged with this loss, that in all such cases the amount involved shall be paid from the indemnity fund referred to.

PAYMENT FOR TIME IN EXCESS OF EIGHT HOURS PER DAY AT THE RATE OF TIME AND ONE-HALF OF THE EMPLOYEE'S SALARY AS FIXED BY LAW.

The clerical force acknowledges that at some periods of the year overtime is absolutely necessary. But the opinion appears unanimous that the greater portion of overtime is occasioned by the practice in many offices of undermanning the service in the interest of economy. The association deprecates such practices and contends that, while it may be possible to show certain percentage of economies in administration thereby, the loss occasioned by the replacement of sick employees and the loss and depreciation of efficiency does not warrant continuation of the practice and converts the apparent economies into a substantial loss to the department. The association gratefully appreciates the department's attitude and discouragement of this practice and desires only to assist the department in the fullest possible sense. The association appreciates the immense benefits accruing to the employees through the enactment of the 8 in 10 hour law and wishes at all time the spirit and letter of the law were unqualifiedly enforced. The association disavows and disapproves the employment of the provisions of such law to add to the employee's income. The association further believes the conditions above cited in reference to the undermanning of the service would be corrected and the necessity for overtime entirely disappear if a penalty were placed upon such overtime. The association therefore respectfully urges the department's favorable recommendation and indorsement of the remedial legislation whereby employees compelled to work in excess of eight hours per day shall be compensated for such overtime at the rate of time and one-half of the pro rata salary as fixed by law.

THIRTY-DAY VACATIONS.

The association respectfully requests the department to renew the recommendation to the Congress providing a 30-day annual leave of absence with pay for post-office clerks and city letter carriers as incorporated in the reports and recommendations of the honorable Postmasters General George von L. Meyer and Frank H. Hitchcock submitted December, 1906, and repeated in the reports submitted December, 1907. The association believes that such 30 days' annual leave would prove a paying proposition to the department in the improved health and resultant uninterrupted services of the employees and the inevitable promotion of efficiency. The association further believes such 30 days' annual leave could be granted without materially increasing the financial burdens of the department, and respectfully invites the department's attention to existing provisions of law providing such a period for recuperative purposes for most other civil-service employees, Federal, State, and municipal.

THIRTY DAYS' ANNUAL SICK LEAVE.

From data considered by the convention, it was learned that the percentage of sickness among the clerical forces was out of all proportion to the normal expectations. The length of the periods of such enforced absences were shown to be varied, very few being under one week and equally few exceeding one month. The average appeared to be about five days in duration. The association recognizes there are

many causes for this excessive amount of sickness that are, perhaps, beyond the control of the department; but the association is also of the opinion that it is within the power of the department to recommend legislation that would inevitably remove some of the more flagrant causes of this condition. The association believes implicitly in the axiom that "An ounce of prevention is worth a pound of cure," and in its handmaiden, "A stitch in time saves nine." The association desires to place these truths before the department.

The mutual sick benefit societies conducted by the employees throughout the country require in most cases that a member be absent from duty at least one week before he is allowed to draw any sick benefit. The average benefits paid approximate $9 per week. Accurate figures of the amounts so paid by these societies are not available, but a conservative estimate of the expenditures of one of the largest branches of the association for the fiscal year ending June 30, 1918, would place the figure at $12,000. The postal employee feeling indisposed, knowing absence will result in the immediate loss of full salary, and realizing the requirement of the sick benefit society of one week's sickness before benefits can be claimed, continues at work and neglects to take corrective measures of prevention in time.

The slight indisposition through such neglect develops into a condition when the employee is no longer able to continue at work, and in the natural order of things attacks the individual in his constitutionally weakest part, causing a prolonged absence from duty and oftentimes developing into a chronic affection of the health of the individual. Conversely, if the employee was free from the fear of losing salary he could immediately employ the necessary precautions and corrective measures and in most cases would return to work within two days.

This desirable condition would automatically insure to the department a saving of many thousands of dollars now required to replace the sick employees and to retrain the new employees. It would insure the continuity and the uninterrupted application of the services of its efficient, trained employees. It would relieve the minds of the employees from a most distressing burden of worry and make them contented, considerate, and painstaking in their efforts to add credit to the service according them as employees a like measure of consideration. The association is convinced that contented employees mean efficient employees, and that this measure primarily for the benefit of the employees would, in its application, best promote the Postal Service itself. The association accordingly entertains the very earnest hope that the department, in its wisdom, may recommend to the Congress the enactment of legislation providing leave of absence with pay on account of sickness of not exceeding 30 days in each fiscal year.

CONCLUSION.

The hardships suffered by post-office clerks are practically universal and identical in all sections of the country, and the great majority of all postal employees are remaining steadfast to the service because of the hope of better things which was inspired in them by your accession to the exalted office you so signally occupy.

The association desires to express its appreciation of the very great privilege and the unprecedented privilege granted to postal employees to present to you their troubles and their cares, and to express its implicit confidence that the future, the happiness, and peace of mind of all postal employees will be safeguarded in your keeping.

Respectfully submitted.

C. P. FRANCISCUS, *President.*
JOHN J. GROGAN, *Secretary.*

Excerpts from brief presented to Postmaster General Will H. Hays.

WELFARE WORK IN POST OFFICES.

[By C. P. Franciscus, president United National Association of Post Office Clerks, May 2, 1921.]

Because of the great magnitude of the Postal Service, employing as it does over 300,000 men and women and reaching into every city and hamlet in the United States, welfare work in the Postal Service to be genuinely effective and to do the maximum of good must of necessity be confined to those things or features which will extend benefits either in improved working conditions or environment to the great majority, if not in fact all of the employees in the post offices.

For the above reasons I shall not attempt to include in my observations reference to the social welfare work generally carried on by private industrial corporations, but shall confine this brief to an outline of the administrative orders and congressional enactments that would promote the welfare of all post-office employees to the very maximum.

The outstanding feature of all welfare work and the chief motive actuating those directing it appears to be, and no doubt is, solicitude for the health and comfort of the employees, a desire to eliminate in so far as possible economic waste caused by sickness and the removal of all just causes for disaffection, thus reducing, in so far as possible, resignations and insuring continuity of service, interest, and enthusiasm in the work, and loyalty to the employer.

The health and comfort of the employees could be best advanced by the promulgation of appropriate administrative orders relative to the subjects enumerated below.

CLEANLINESS, SANITATION, VENTILATION, AND LIGHTING.

Existing conditions in many post offices are not only unclean, insanitary, improperly lighted, and without ventilation of any kind but they are, as a matter of fact, an absolute and continual menace both to the health of the employees and to the community in general. With such conditions the environment must be such as to destroy the enthusiasm, the loyalty, and the efficiency of those who must perforce remain in them.

Personal cleanliness could be readily obtained if the employees in all post offices were afforded proper facilities to make such a thing possible, together with individual lockers wherein they could keep necessary changes of clothing, towels, etc.

Cleanliness of post-office workrooms and furniture could also be readily obtained by supplying each post office with a sufficient number of unskilled laborers to do this work.

Cleanliness of equipment could be easily obtained if all equipment were disinfected at specified periods.

This would necessitate the establishment of various cleansing stations throughout the United States paralleling, for instance, the 15 division headquarters of the Railway Mail Service. It would also very probably cost considerable money. This expenditure, however, it is believed, would in effect prove to be an economy through the resulting saving that must accrue to the department because of the prevention of disease and sickness, and the reduction of absences for these causes, and the untold wealth represented by a healthy, happy, contented, and necessarily efficient personnel.

Ventilating systems have become so highly developed and are obtainable at so slight a cost as to leave no excuse for the employment of any great number of men and women in a building not equipped with such a system.

Sanitation is also a matter vitally related to good health, the prevention of disease, etc., and, like ventilation, it is a science most highly developed in these days. The most improved systems could and should be installed in every post-office building.

The problem of furnishing proper light for post-office workrooms and the least harmful artificial light falls heaviest upon the Post Office Department. For those who are employed during the daylight hours this problem should be easily solved by a proper arrangement of the desks, separation cases, and other equipment, so that light could be obtained directly from the windows or a glass roof. Part of this problem could also be solved by not employing the clerks in basements or subbasements and permitting no workroom, rest room, or swing room to be located beneath the street level. It is just as feasible to have workroom 10 stories above the ground as it is to have it one or two stories below the ground.

The problem of artificial lighting is intensified in post offices because of the abnormal amount of work that must necessarily be performed by the clerical force after 6 p. m. and prior to 6 a. m. For this reason the most improved systems, those that have been tried out and shown to be the least harmful, such as the indirect lighting systems, could and should be installed in every post-office workroom.

With these systems established the environs of the average postal employee would of necessity add much to his enthusiasm for his work and considerably increase his efficiency and productivity.

COOPERATIVE SOCIETIES.

The idea of forming cooperative societies long ago became general among postal employees. These societies have operated with considerable success and have had wonderful results in increasing the purchasing power of the dollar and thereby reducing the cost of living.

Cooperative stores or societies, however, to be successful, must have a large clientele. The small society, with possibly less than 200 members, can not compete with the average chain store in the line of foodstuffs. Manufacturers of clothing, shoes, and apparel of any kind will not, as a rule, make any concessions to the small cooperative store. Hence we find very little of this work being done in the small cities, while in most of the larger cities the cooperative stores operated by the postal employees do a greater volume of business, are conducted more economically, and save more money for their patrons than do similar stores conducted and operated by the employees of outside corporations or industries.

To cite just one example, the Metropolitan Life Insurance Co.'s cooperative store did a total business during the last year of $160,000, while the New York post office employees' cooperative store, during the same period, did a total business of $250,000. At the same time the post office store is only one of several conducted in the terminals and stations attached to the New York post office.

The midday lunch has occupied the attention of outside employers to a great degree. Careful study has been made of this question, with the result that many of the employees, because of the expense, were unable to provide a proper lunch for themselves, and many others lost considerable time in preparing to go out for the lunch and in resuming their duties thereafter. For these reasons private corporations have found that they obtained a much better quality of work during the after-lunch period in all cases where the facilities for obtaining such lunch at a small cost, and in some cases at no cost to the employees, were made available.

The Metropolitan Life Insurance Co., of New York, placed the cost of serving the midday meal to the employees at the home office at $640,000 during the past year. Other corporations have had a similar experience.

The cooperative store, operated by the employees in the New York post office, conducts a cafeteria service, providing a light dunch, consisting of sandwiches, cake, pie, coffee, ice cream, etc., at a very slight cost and at a cost which is easily 60 per cent below what the same luncheon would cost in a restaurant.

The postmaster at Boston, Mass., has inaugurated the service of a midday lunch to the employees, consisting of soup, meat, vegetables, bread, butter, and coffee, at an average cost of 21 cents.

The postmaster at Washington has also arranged for the serving of a lunch, consisting of practically the same menu as the Boston menu, at a cost averaging 25 cents.

The same condition applies to the post office at St. Louis, Mo., and no doubt in many other of the large first-class post offices throughout the country.

The natural conclusion from the above is that the postal employees seem to be considerably ahead of other employees in this manner.

CONCLUSION.

In offering the above suggestions I have been mindful of your sincere desire to obtain concrete information that will enable you, in administering the office of Postmaster General, to advance as far as possible the interests, the welfare, and the happiness of the employees in the Postal Service, while at the same time the interest and welfare of the American people shall not be sacrificed.

I am confident that if the above suggestions were put into practice the Postal Service of the United States would not only be the biggest business institution in the world but it would also be the model governmental department in its treatment of its employees, in the efficiency of its service, and in the satisfaction of its patrons—a business institution that private enterprises and all other governments might with profit emulate. For these reasons I trust that the foregoing will merit your esteemed consideration.

In conclusion, I desire to express my sincere appreciation of the facilities placed at my disposal and of the assistance and information given to me in this work by Dr. Lee H. Frankel, director of welfare work of the Metropolitan Life Insurance Co.; to Miss La Fatra and Miss Boyle, Dr. Frankel's assistants; to Mr. S. J. Cuddihy, of the Literary Digest; and to Dr. D. R. Garland, welfare director of the National Cash Register Co.

Mr. STEENERSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

Mr. SLEMP. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Speaker, the New York Herald under date of May 10 has this dispatch from Postmaster General Work:

The postal receipts for April amounted to $22,098,846. The New York City post-office receipts amounted to $4,476,003, an increase of over 100 per cent over April of last year and being one-fifth of the total revenues of the United States.

Mr. STEENERSON. Mail revenues?

Mr. GRIFFIN. Yes; one-fifth is derived from the New York district.

Mr. MADDEN. Oh, no; it can not be. If it is one-tenth it is doing very well.

Mr. GRIFFIN. It is for one month.

Mr. MADDEN. It can not be. There is possibly a mistake some place, because everybody knows the best they ever did was——

Mr. CLARKE of New York. Might not the mistake as well be with you as there? [Laughter.]

Mr. MADDEN. It is impossible. They only get $250,000,000 a year——

Mr. GRIFFIN. I am merely giving it for what it is worth. This is the dispatch of Postmaster General Work. It covers only one month—perhaps an unusual month—but even though the postal revenue of the New York district is one-tenth of the total postal revenue of the entire country, that is still a gigantic figure and ought to entitle New York to some consideration. The postal revenues of the New York district help to pay for rural postal delivery throughout the country—a service which has never been, and perhaps never will be, self-supporting—and it comes with very bad grace to split hairs over the trifling cost of extending to New York the slight measure of relief to be afforded by the pneumatic-tube service.

This amendment proposes only $513,911.50 for the mail tubes. Compare that, gentlemen, with the receipts of the New York district. It is less than one-hundredth of the receipts of that office; and we should not begrudge the tube service to a metropolis which contributes so generously to the support of the postal service of the entire country.

Before the tube service was discontinued, on June 30, 1918, we had mail delivery in the residential section six and seven times per day. After the discontinuance of the tube service the deliveries dropped to four a day and the deliveries in the business sections of the city have been curtailed from seven down to six per day. This embarrasses the business not only of the city but of the entire country.

The city of New York is a commercial metropolis and the business plexus of the United States; and you are indirectly promoting your own business welfare by facilitating the business of the country's greatest business center.

Mr. STEPHENS. Why did they abolish this system?

Mr. GRIFFIN. The Lord knows; I do not. If I had my way about it I would have the Government take charge of these tubes. It is an incongruous thing to have the Government, in its important Post Office Department, have employees under the employ of private contractors. The tubes are an incident to the Postal Service. They ought to be controlled by the Government itself. They are as much a part of the Postal Service as the mail trucks. But if we can not have the Government, in its present attitude, assume the responsibility of taking the courageous stand to provide that these tubes shall be controlled by the Government, then let us have the tubes by any means, and let us not be picayunish or mean about it. This amendment provides specifically that it is within the discretion of the Postmaster General whether he shall pay $18,500 or $17,500 per mile. The proviso states "not in excess of $18,500 per mile." He can pay that or any less sum. Let us give him credit for the business acumen not to pay any more than the conditions warrant.

On the motor-truck proposition I presume the gentleman from Illinois [Mr. MADDEN] would be willing to take the statement of Postmaster Morgan in a letter to Postmaster General Hays, dated October 8, 1921, in which, among other things, he stated that 32 motor trucks would be taken off the streets of the city of New York, at an annual saving of $416,500. Now, the appropriation for the tubes is only $513,000. In other words, the pneumatic service, with all its manifest advantages, will only involve a slight outlay of——

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. GRIFFIN. Well, make the calculation for yourself.

Mr. SLEMP. Mr. Speaker, I yield two minutes to the gentleman from Massachusetts [Mr. DALLINGER].

Mr. DALLINGER. Mr. Speaker, one of the greatest blows to the efficiency of the Post Office Department was the discontinuance of the pneumatic tubes in the large cities. We felt it in my section of the country. We want them restored. As a first step we want this appropriation restoring them in New York City. The amount which the Senate amendment provides simply pays the absolute operating expenses, without any profit to the owners of the tubes.

Mr. MADDEN. I deny that.

Mr. DALLINGER. This amount which the Senate amendment provides was asked for by the President of the United States in a letter addressed to the President of the Senate dated January 20 of this year. It is asked for by the Post Office Department. The efficacy of the tubes has been repeatedly proved by commission after commission of experts appointed by Congress for the express purpose of investigating the whole question in all its bearings. The result of the adoptio.. of the motion of the gentleman from Virginia [Mr. SLEMP] would be that there will be no tubes operated in New York City. I was talking with the Postmaster General only last night, and he said that with a contract price of $17,000 per mile the company can not operate the tubes, and that $18,500 is the smallest amount it can be done for. Every Member of this House who wants to see the pneumatic tubes restored in New York City, with the great saving to the Government and the still greater increased convenience to the public, will vote against the amendment of the gentleman from Virginia and in favor of the motion of the gentleman from Minnesota to recede and concur in the Senate amendment exactly as it is. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. SLEMP. Mr. Speaker, I would like to clarify the atmosphere a little bit about this tube proposition. I supposed that the point dividing us was as to whether we would have tubes or not. I am on the side of the tubes. The only question is how much money we should appropriate. The gentleman who has just taken his seat made an error in his statement. I read from the Budget estimate. Here is what it says. There is no mistake. It says:

It is estimated the actual cost of operation will be approximately $16,100 per mile.

Now, that is what it will cost to operate these tubes.

Mr. DALLINGER. That is the estimate.

Mr. SLEMP. That is the estimate by the Budget officer, and that is what we are acting on. That is the cost of operating the tubes. We used to run those tubes and make money at $17,000 per mile. My amendment provides $17,000, or a profit of $1,000 per mile.

Mr. DALLINGER. Will the gentleman yield?

Mr. SLEMP. Let me make my statement. There are 27 miles involved. Our proposition is a profit of $27,000. Their proposition is $2,500 per mile. Multiplying that by 25 miles, and you get what their proposition is. We know they can operate at a profit with a cost of operation of $16,000 per mile. We guarantee them a profit of $27,000 as an experiment. This proposition has been before Congress for over 30 years. In 1918 it was vetoed by the President. There is a lot of difference of opinion about it. The weight of authority is for it. I had great difficulty in making up my mind. I know we are on the safe side. It is for you to determine whether you want to save $40,000 in the operation of those tubes or throw it away. Therefore I hope my amendment will prevail.

I move the previous question, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Virginia moves the previous question on the pending motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. STEENERSON] that the House recede and concur in Senate amendment No. 59.

The question was taken, and the Speaker pro tempore announced that the noes seemed to have it.

Mr. STEENERSON. Division, Mr. Speaker.

The House divided; and there were—ayes 41, noes 39.

So the motion to recede and concur in Senate amendment No. 59 was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 60: Page 26, line 1, insert:
"SEC. 8. That the provisions of that paragraph of the act entitled 'An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1922, and for other purposes,' approved March 1, 1921, which amends the act to reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, approved June 5, 1920, and which provides that postal employees and substitute postal employees who served in the military, marine, or naval service of the United States during the World War and have not reached the maximum grade of salary shall receive credit for all time served in the military, marine,

or naval service on the basis of one day's credit of eight hours in the Postal Service for each day served in the military, marine, or naval service and be promoted to the grade to which such postal employee or substitute postal employee would have progressed had his original appointment as substitute been to grade 1, shall be amended by adding the following: 'shall apply to such postal employees and substitute postal employees who were in the Postal Service on October 1, 1920.'"

Mr. SLEMP. Mr. Speaker, I move that the House recede from its disagreement to amendment No. 60 and agree to the same with an amendment which I send to the Clerk's desk.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Mr. SLEMP moves that the House recede from its disagreement to the amendment of the Senate No. 60 and agree to the same with an amendment as follows: In lieu of the figure "8," in line 1 of the matter inserted by said amendment, insert the figure "6."

The SPEAKER pro tempore. The question is on the motion to recede and concur with an amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 61: Page 26, line 2, strike out the figure "2" and insert in lieu thereof the figure "9."

Mr. SLEMP. Mr. Speaker, I move to recede and concur with the following amendment.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Mr. SLEMP moves that the House recede from its disagreement to Senate amendment No. 61 and agree to the same with an amendment as follows: In lieu of the figure "9," in line 22 of the matter inserted by said amendment, insert the figure "7."

The SPEAKER pro tempore. The question is on agreeing to the motion of the gentleman from Virginia.

The motion was agreed to.

Mr. SLEMP. Mr. Speaker, I move that the House agree to the further conference asked for by the Senate.

The SPEAKER pro tempore. The gentleman from Virginia moves that the House agree to the further conference asked for by the Senate. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER pro tempore. Without objection, the Chair will appoint the following conferees on the part of the House: Mr. SLEMP, Mr. MADDEN, and Mr. SISSON. Is there objection?

There was no objection.

AMERICAN RED CROSS HEADQUARTERS.

Mr. LUCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 43, insist upon the amendments of the House, and agree to the conference asked for by the Senate.

The SPEAKER pro tempore. The gentleman from Massachusetts asks unanimous consent to take from the Speaker's table Senate Joint Resolution 43, insist upon the amendments of the House, and agree to the conference asked for by the Senate. The Clerk will report the resolution by title.

The Clerk read as follows:

Senate joint resolution (S. J. Res. No. 43) to grant authority to continue the use of the temporary buildings of the American Red Cross headquarters in the city of Washington, D. C.

The SPEAKER pro tempore. The Clerk will report the House amendments.

The Clerk read as follows:

Amendment No. 1: Strike out the preamble.

Amendment No. 2: Page 2, lines 8 and 9, strike out "within such time as may hereafter be provided by Congress" and insert "not later than December 31, 1924."

The SPEAKER pro tempore. Is there objection?

Mr. GARNER. May I ask the gentleman who is the conferee on the Democratic side?

Mr. LUCE. The gentleman from Georgia [Mr. PARK].

Mr. GARNER. Has the gentleman talked with him about the matter?

Mr. LUCE. Yes.

Mr. GARNER. It is agreeable to him?

Mr. LUCE. It is.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Is there objection to the Chair appointing conferees? [After a pause.] The Chair hears none, and the Chair appoints the following conferees on the part of the House: Mr. FESS, Mr. LUCE, and Mr. PARK.

Mr. HADLEY rose.

The SPEAKER pro tempore. The gentleman from Washington [Mr. HADLEY] is recognized.

Mr. STAFFORD. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Wisconsin makes the point of order that there is no quorum present. The Chair will count.

Mr. GARNER. I suggest to the gentleman from Washington that he let his matter go over until Monday.

Mr. MONDELL. Mr. Speaker, I believe there is nothing further on the Speaker's table that requires attention.

The SPEAKER pro tempore. If the gentleman from Wisconsin will withhold his point of no quorum, the Chair wishes to submit some unanimous-consent requests.

Mr. STAFFORD. I will withhold it.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. OLIVER, for one week, on account of a visit on business.

To Mr. EVANS, until June 12, 1922, on account of important business.

To Mr. BULWINKLE, for 10 days, on account of business.

To Mr. DOUGHTON, for one week, on account of important business.

VISIT TO QUANTICO.

The SPEAKER pro tempore. The Chair is handed the following communication from the Secretary of the Navy, addressed to the Speaker, which the Chair will ask the Clerk to read.

The Clerk read as follows:

MAY 13, 1922.

Hon. FREDERICK H. GILLETT, M. C.,
House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: It gives me much pleasure to inform you that the visit of the Members of the House to the Marine Corps post at Quantico, Va., which was postponed on account of bad weather, will take place on Thursday, the 18th instant.

The *Mayflower* has been assigned by the President to be used for the trip to Quantico and return, and will sail from the navy yard at 8.30 a. m. on the above-mentioned date.

Will you please bring this invitation to the attention of each Member of the House, as I am exceedingly desirous that a large number of the Members should take advantage of this opportunity to visit Quantico.

With best personal wishes, I am,

Very sincerely yours,

EDWIN DENBY,
Secretary of the Navy.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 17 minutes p. m.), the House adjourned until Monday, May 15, 1922, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. MADDEN: Committee on Appropriations. H. R. 11645. A bill making an appropriation to enable the Department of Justice to investigate and prosecute war frauds; without amendment (Rept. No. 1008). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MADDEN: A bill (H. R. 11645) making an appropriation to enable the Department of Justice to investigate and prosecute war frauds; committed to the Committee of the Whole House on the state of the Union.

By Mr. MURPHY: A bill (H. R. 11646) authorizing the construction of a bridge across the Ohio River near Steubenville, Ohio; to the Committee on Interstate and Foreign Commerce.

By Mr. FREAR: Concurrent resolution (H. Con. Res. 56) providing for the rejection or expulsion of Senators or Representatives in certain cases; to the Committee on Rules.

By Mr. SHAW: Joint resolution (H. J. Res. 324) appropriating $500,000 for repairing and restoring levees on the Illinois River that have been destroyed or seriously injured by recent floods, and for other purposes; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALMON: A bill (H. R. 11647) granting an increase of pension to John S. Edmonds; to the Committee on Pensions.

By Mr. BEGG: A bill (H. R. 11648) granting an increase of pension to James F. Mitchell; to the Committee on Pensions.

By Mr. GENSMAN: A bill (H. R. 11649) granting a pension to Alexander Seals; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 11650) granting a pension to Alva C. Cooper; to the Committee on Pensions.

By Mr. MONDELL: A bill (H. R. 11651) granting a pension to Annie E. Thompson; to the Committee on Invalid Pensions.

By Mr. A. P. NELSON: A bill (H. R. 11652) granting a pension to Nicholas G. Penfound, jr.; to the Committee on Pensions.

By Mr. PATTERSON of Missouri: A bill (H. R. 11653) granting a pension to James D. Spencer; to the Committee on Invalid Pensions.

By Mr. SWANK: A bill (H. R. 11654) granting a pension to Louis Winbray; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5586. By Mr. CHALMERS: Petition of the Religious Liberty Association, relative to House bill 9753; to the Committee on the District of Columbia.

5587. By Mr. CLAGUE: Petition of residents of Blue Earth County, State of Minnesota, requesting Congress not to pass House bill 9753 or any other Sunday bill, such, for example, as House bill 4388 or Senate bill 1948; to the Committee on the District of Columbia.

5588. By Mr. CULLEN: Resolution adopted by the Merchants' Association of New York, indorsing The Hague rules, 1921, for application to the foreign commerce of the United States; to the Committee on the Merchant Marine and Fisheries.

5589. By Mr. HOCH: Resolution adopted by the Presbytery of Emporia, meeting at Peabody, Kans., indorsing Senate Joint Resolution 31, proposing a constitutional amendment to promote uniform laws on the subject of marriage and divorce; to the Committee on the Judiciary.

5590. Also, resolution adopted by the Presbytery of Emporia, meeting at Peabody, Kans., indorsing House Joint Resolution 131, proposing an amendment to the Constitution prohibiting polygamy and polygamous cohabitation in the United States; to the Committee on the Judiciary.

5591. Also, resolution adopted by the Presbytery of Emporia, meeting at Peabody, Kans., indorsing House bill 9753, to secure Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia.

5592. By Mr. KETCHAM: Petition of residents of Benton Harbor, Mich., protesting against House bill 9753; to the Committee on the District of Columbia.

5593. Also, petition of residents of Bangor, Mich., protesting against House bills 9753 and 4388 or Senate bill 1948; to the Committee on the District of Columbia.

5594. Also, petition of residents of Covert, Mich., protesting against House bill 9753; to the Committee on the District of Columbia.

5595. Also, petition of citizens of Benton Harbor, Mich., protesting against House bill 4388 or Senate bill 1948; to the Committee on the District of Columbia.

5596. By Mr. KISSEL: Petition of the Rice Leaders of the World Association, New York City, N. Y., relative to House bill 10159, introduced by Mr. Volstead; to the Committee on the Judiciary.

5597. Also, petition of the Women's International League for Peace and Freedom, Washington, D. C., relative to a Russian Commission; to the Committee on Foreign Affairs.

5598. Also, petition of the City of New York Board of Estimate and Apportionment, New York City, N. Y., relative to appropriations for public improvements; to the Committee on Appropriations.

5599. By Mr. A. P. NELSON: Petition of Milwaukee Chapter, American Institute of Banking, heartily approving the construction of the St. Lawrence deep waterway; to the Committee on Interstate and Foreign Commerce.

5600. By Mr. RAKER: Petition of J. E. Beuleson, of Spruce Pine, N. C., urging a fair protective tariff for the mica industry; to the Committee on Ways and Means.

5601. Also, petition of the board of directors of the California Alpine Club, protesting against the transfer of the Forest Service and the national forests from the Department of Agriculture to the Department of the Interior; to the Committee on Agriculture.

5602. By Mr. SMITH of Michigan: Petition of the Farm Bureau of Barry County, Mich., against reduction of appropriation for extension work in agriculture; to the Committee on Agriculture.

5603. By Mr. WEBSTER: Resolution adopted by the Presbytery of Spokane, Wash., indorsing H. R. 9753, a bill now pending in Congress to secure Sunday as a day of rest in the District of Columbia, and urging its early consideration and passage by Congress; to the Committee on the District of Columbia.

5604. Also, petition of a number of residents of Spokane and other cities of the State of Washington, opposing the passage by Congress of H. R. 9753, H. R. 4388, or S. 1948, measures providing for changes in the Sunday observance laws of the District of Columbia; to the Committee on the District of Columbia.

5605. Also, resolution of the Presbytery of Spokane, Wash., indorsing Senate Joint Resolution 31, a measure now pending in Congress proposing a constitutional amendment authorizing Congress to enact uniform laws on the subject of marriage and divorce, and urging its early consideration and passage by Congress; to the Committee on the Judiciary.

5606. Also, resolution of the Presbytery of Spokane, Wash., indorsing House Joint Resolution 131, a measure now pending in Congress proposing a constitutional amendment prohibiting polygamy and polygamous cohabitation in the United States, and urging its early consideration and passage by Congress; to the Committee on the Judiciary.

SENATE.

MONDAY, *May 15, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

PETITIONS AND MEMORIALS.

Mr. ROBINSON presented resolutions of the Arkansas State Federation of Labor, favoring the granting of a soldiers' bonus to be financed by the issuance of noninterest-bearing Treasury notes, which were referred to the Committee on Finance.

He also presented a resolution of the Arkansas State Federation of Labor, favoring the issuance of noninterest-bearing Treasury notes to be legal tender for all debts, public and private, such notes to be retired by taxing land values, which was referred to the Committee on Finance.

He also presented a resolution of the Arkansas State Federation of Labor, favoring making railroads abide by the decisions of the Wage Labor Board, and justifying strikes by employees to enforce the spirit of the law or to protect the interest of employees, which was referred to the Committee on Interstate Commerce.

Mr. MYERS presented a memorial of sundry citizens of Waco, Mont., and vicinity, remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. CAPPER presented petitions of the History Club and the Gunsaulus Chautauqua Literary and Scientific Circle, both of Kansas City, Kans., praying for the enactment of legislation creating a department of education, which were referred to the Committee on Education and Labor.

He also presented the petition of E. H. Lindley, chancellor, and members of the faculty of the University of Kansas, at Lawrence, Kans., praying that scientific apparatus used for educational purposes be placed on the free list in the pending tariff bill, which was referred to the Committee on Finance.

Mr. WILLIS presented a resolution of the Mount Vernon (Ohio) Real Estate Board, protesting against the extension of the so-called Ball rent act in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented the petitions of C. H. Miller, of Woodburn, and sundry other citizens of Woodburn, Payne, Paulding, and Latty; Newton Hays and sundry other citizens of Oakwood; C. A. Krick and sundry other citizens of Paulding; Henry Weidner and sundry other citizens of Toledo; and Homer L. Smith and sundry other citizens of Paulding, all in the State of Ohio, praying for the imposition of a tariff duty of $2 per hundred pounds on imported Cuban sugar, which were referred to the Committee on Finance.

He also presented the petition of John W. Hoffman, president, and members of the faculty of the Ohio Wesleyan University, at Delaware, Ohio, praying for the passage of the so-called Dyer antilynching bill, which was referred to the Committee on the Judiciary.

Mr. SHORTRIDGE presented a memorial of sundry citizens of Hughson, Calif., and vicinity, remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a resolution adopted by the Men's Club of the Methodist Church of Morgan Hill, Calif., favoring the enactment of legislation to deport aliens violating the Federal and State prohibition and narcotic laws, which was referred to the Committee on Immigration.

He also presented resolutions adopted by the Presbytery of Los Angeles, at Los Angeles, Calif., favoring amendments to the Constitution prohibiting polygamy and providing for uniform marriage and divorce laws, which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Los Angeles Presbytery, at Los Angeles, Calif., favoring the enactment of legislation providing for Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

ALASKA FUR-SEAL SKINS.

Mr. ASHURST, from the Committee on the Judiciary, to which was referred the resolution (S. Res. 287) directing the Secretary of Commerce to furnish the Senate information as to sales of fur-seal skins under direction of the Secretary of Commerce, and copies of contracts relating thereto, reported it without amendment.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SPENCER:

A bill (S. 3607) to define the availability of a deficiency appropriation for support of Indian schools; to the Committee on Indian Affairs.

By Mr. NELSON:

A bill (S. 3608) to correct the military record of James Johnson (with an accompanying paper); to the Committee on Military Affairs.

By Mr. SHORTRIDGE:

A bill (S. 3609) for the relief of F. J. Belcher, jr., trustee for Ed Fletcher; to the Committee on Claims.

By Mr. SPENCER:

A joint resolution (S. J. Res. 197) appropriating $2,000,000 to be expended by the Secretary of Agriculture in furnishing free seed for the relief of destitute flood sufferers on the Mississippi River, its tributaries, and other rivers within the United States; to the Committee on Agriculture and Forestry.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed a bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, in which it requested the concurrence of the Senate.

The message also announced that the House agreed to the report of the committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 9859) making appropriations for the Post Office Department for the fiscal year ending June 30, 1923, and for other purposes; receded from its disagreement to certain amendments of the Senate to the said bill; receded from its disagreement to certain amendments of the Senate and concurred therein each with an amendment, in which it requested the concurrence of the Senate; insisted upon its disagreement to certain amendments of the Senate; agreed to the further conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SLEMP, Mr. MADDEN, and Mr. SISSON were appointed managers on the part of the House at the further conference.

The message further announced that the House insisted upon its amendments to the joint resolution (S. J. Res. 43) to grant authority to continue the use of the temporary buildings of the American Red Cross headquarters in the city of Washington, D. C., disagreed to by the Senate; agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. FESS, Mr. LUCE, and Mr. PARK of Georgia were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 4069) authorizing the Secretary of the Interior to sell certain lands on the Wind River Reservation, Wyo., and it was thereupon signed by the President pro tempore.

NAVAL OIL RESERVE LEASES.

Mr. LA FOLLETTE submitted the following resolution (S. Res. 294), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate Resolution 282 is hereby amended by adding at the end of said resolution the following:

"The said committee is hereby authorized to sit and perform its duties at such times and places as it deems necessary or proper and to require the attendance of witnesses by subpœnas or otherwise; to require the production of books, papers, and documents; and to employ counsel, experts, and other assistants, and stenographers at a cost not exceeding $1.25 per printed page. The chairman of the committee, or any member thereof, may administer oaths to witnesses and sign subpœnas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee or appears and refuses to answer questions pertinent to said investigation shall be punished as prescribed by law. The expenses of said investigation shall be paid from the contingent fund of the Senate on vouchers of the committee or subcommittee, signed by the chairman and approved by the Committee to Audit and Control the Contingent Expenses of the Senate."

PRICES OF CRUDE OIL AND GASOLINE.

Mr. LA FOLLETTE submitted the following resolution (S. Res. 295), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Senate Resolution 292 is hereby amended to read as follows:

"*Resolved*, That the Committee on Manufactures, or any subcommittee thereof, be, and it is hereby, authorized and instructed to investigate and report to the Senate as early as possible:

"First. The stocks of crude oil, gasoline, and other petroleum products at refineries or elsewhere in the United States at the end of each month for the years 1920, 1921, and 1922, and the holders or owners thereof.

"Second. The prices of crude oil, gasoline, and other petroleum products during the several months of said years and their relations to each.

"Third. Whether or not the recent increases or other recent changes in the prices of gasoline or of other petroleum products have been made generally or uniformly by all companies, and whether there have been marked local differences in the price changes made.

"Fourth. The profits of companies refining and marketing petroleum in the United States for the years 1920, 1921, and the first half of 1922.

"Fifth. Whether there is any natural reason for the changes of prices of crude oil, gasoline, and of other petroleum products, or whether there has been any understanding or agreement between various oil companies to raise or depress prices, or whether there are any conditions of ownership or control of oil properties or of refining and marketing facilities in the industry in any part of the country, or branch of the business, which prevent effective competition.

"Sixth. And all such facts as bear upon the recent changes in prices of crude oil, gasoline, or other petroleum products, or upon any other of the foregoing matters.

"The said committee is hereby authorized to sit and perform its duties at such times and places as it deems necessary or proper, and to require the attendance of witnesses by subpœnas or otherwise; to require the production of books, papers, and documents; to employ counsel, experts, and other assistants; and to employ stenographers at a cost not exceeding $1.25 per printed page. The chairman of the committee, or any member thereof, may administer oaths to witnesses and sign subpœnas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee or appears and refuses to answer questions pertinent to said investigation, shall be punished as prescribed by law. The expenses of said investigation shall be paid from the contingent fund of the Senate on vouchers of the committee or subcommittee, signed by the chairman and approved by the Committee to Audit and Control the Contingent Expenses of the Senate."

HOUSE BILL REFERRED.

The bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service was read twice by its title and referred to the special committee of five Senators appointed under the provisions of Senate Resolution 240, agreed to February 16, 1922.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, the pending question being on the amendment of the committee, in paragraph 51, alizarin assistant, etc., on page 22, line 25, to strike out "25" and insert "35" before the words "per centum."

Mr. KING. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Broussard	Colt	Dial
Ball	Bursum	Culberson	Dillingham
Borah	Capper	Cummins	du Pont
Brandegee	Caraway	Curtis	Edge

Elkins	Kendrick	Nicholson	Sterling
Fletcher	Keyes	Norris	Sutherland
France	King	Oddie	Swanson
Frelinghuysen	Ladd	Overman	Townsend
Gerry	La Follette	Page	Underwood
Glass	Lodge	Pomerene	Walsh, Mass.
Gooding	McCormick	Rawson	Walsh, Mont.
Hale	McCumber	Robinson	Watson, Ga.
Harreld	McKinley	Sheppard	Watson, Ind.
Harris	McLean	Shields	Weller
Harrison	McNary	Shortridge	Williams
Heflin	Moses	Simmons	Willis
Johnson	Nelson	Smoot	
Jones, N. Mex.	New	Spencer	
Jones, Wash.	Newberry	Stanley	

Mr. DIAL. I wish to announce that my colleague [Mr. SMITH] is unavoidably detained. I ask that this announcement may continue through the day.

The PRESIDENT pro tempore. Seventy-three Senators having answered to their names, a quorum is present.

Mr. McCUMBER. I ask that we may go back to paragraph 46, on page 20, citrate of lime, where the committee proposes to strike out "7" and insert "6," so that the paragraph will read:

Lime, citrate of, 6 cents per pound.

Mr. KING. I suggest to the Senator, if I may be pardoned, that that paragraph and the amendment in lines 10 and 11, in paragraph 1, on page 2, where the committee proposes to increase the rate on citric acid from 12 to 18 cents per pound, are so closely assimilated that the two should be considered and discussed together.

Mr. JOHNSON. Mr. President, the suggestion of the Senator from Utah is eminently correct. We passed over last week the portion of paragraph 1 found on page 2, lines 10 and 11, providing for a rate of 18 cents per pound on citric acid, and then subsequently paragraph 46, on page 20, line 16, providing for 6 cents a pound on citrate of lime. The relation between the two items requires that they should be considered together.

Mr. President, this is one of the instances where the policy of protection is most appealing. Not only is it appealing because it conserves an industry, but because, too, the demonstration is absolute and complete that the protection endeavored to be accorded by these rates does not in reality meet the difference in labor costs between the production abroad and the production at home.

At the beginning of the very brief discussion in which I wish to indulge in this matter, permit me to say that there is a grave difference of opinion in the State of California concerning the appropriate rates and duties that ought to be fixed upon these products. All, however, are agreed that the rates on the bill are too low, are unjust, and wholly disproportionate.

There appeared before the Committee on Finance when they had this subject under consideration a very excellent and well-known gentleman from southern California, Mr. Hamilton, who represented certain of the growers there, to whose testimony, I am sure, the members of the Finance Committee listened sympathetically and whose argument in favor of very greatly increased rates was quite persuasive. I have carefully canvassed the situation, Mr. President, and whatever might be my views as to the increased rates which were requested by Mr. Hamilton, I find that it would be utterly futile to insist upon them at this time. Therefore I advocate the lower rates that were asked by others who appeared before the committee at the time this question was under consideration. We have asked the Finance Committee for a duty in the one instance of 20 cents per pound upon citric acid, and, in the other instance, on citrate of lime of 12 cents a pound. The proportions that are fixed by the tariff bill as presented are proportions that are not at all exact and that admittedly do not represent the differential between the one item in its raw character and the other that is made from the raw material.

First, Mr. President, as to the question of the protection upon this kind of commodity: This new industry, if I might borrow a phrase that has been used very often in regard to the protective policy, is an infant industry. This is the first time in reality that the Congress has been called upon to provide protection for this industry. Citrate of lime and citric acid are, of course, the products of lemons, and, as both are the product of lemons, the one is the product of the other. Citrate of lime is the intermediate product out of which citric acid is made. Both citric acid and citrate of lime are imported principally from Italy, but also from other countries.

Mr. SHEPPARD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from California yield to the Senator from Texas?

Mr. JOHNSON. I yield.

Mr. SHEPPARD. What is the present rate of duty on these two commodities?

Mr. JOHNSON. The rate was fixed at 1 cent, I think. However, what I am endeavoring to explain is that this is the first time in reality that these products have come as an American industry seeking protection at the hands of Congress. Originally, when the Payne-Aldrich bill was passed, there was no such thing as a domestic citric-acid industry as an outgrowth of the production of American lemons. When the Underwood tariff bill was passed the industry was of no commercial importance at all; it was then in a merely experimental stage. The consumption of citric acid at that time was 3,000,000 pounds per annum. The pending bill is really the first opportunity that has been afforded to seek protection of what has grown to be a very great industry since the enactment of the Underwood bill. The industry was established commercially in 1915. It developed because of the war conditions thereafter obtaining.

The present production of citric acid from home-grown lemons is one and one-half million pounds, and the present consumption in this country is approximately four and a half million pounds. It will be observed, therefore, that in the very brief space during the World War the industry in this country has risen to such importance that it produces one-third of the entire consumption, and the condition of the lemon industry is such that in a very few years practically all the consumption of this country may be supplied within our own borders. Therefore, we have now first presented the fact that here is a new industry in the United States, an industry which requires for its nurture and its fostering the aid that may be given by a Republican protective tariff; and I may say even from the standpoint of my bretheren upon the other side of the aisle, an industry which from the standpoint of many of them ought to be accorded protection.

As I have stated, citrate of lime and citric acid are produced from lemons. The lemon industry in the State of California now provides a considerable portion of the domestic consumption, and within a very brief period, as our tariff experts say, it will be sufficient and more than sufficient to supply the entire demand of the American market. It is essential, in the first instance, that the lemon industry should be protected; and, in the second instance, that the incidental very important commercial enterprise may be nurtured by adequate protection.

Mr. BORAH. Mr. President, may I ask the Senator from California a question?

The PRESIDENT pro tempore. Does the Senator from California yield to the Senator from Idaho?

Mr. JOHNSON. I yield.

Mr. BORAH. Who is our chief competitor in the production of these articles?

Mr. JOHNSON. Italy is our chief competitor. Not only that, sir, but let me call the Senator's attention to the fact that not only is Italy our chief competitor in the production of lemons but the Italian Government nurtures and fosters the commercial enterprise engaged in the production of citric acid. In order that Senators may understand exactly what the Italian Government does in that regard, let me read to them a word from what has been stated by the Tariff Commission in the matter:

> An important feature of the industry is the Sicilian method of selling the citrus products. The Italian Government created a citrus chamber or Camera Agrumaria to control and regulate the market for citrus products. This chamber is made up of a certain number of producers and exporters from each of the Provinces, together with representatives from the ministries of commerce and agriculture and a president nominated by the council of ministers.
>
> Citrate of lime and citric acid are handled almost exclusively by the camera, which fixes the prices periodically and through its agents allots monthly deliveries to buyers all over the world. It guarantees the producer a certain minimum price for his product, and the Italian Government levies an export duty amounting to 1 lira per quintal (0.087 cents per pound) on all sales not made through the Camera Agrumaria. The producers deposit their output with the camera, and they are advanced 80 per cent of the value of the citrate of lime, and the balance is adjusted when the sale is made.

So it will be seen, first, that we have a new industry, which has grown from small proportions and which is essential in reality for the prosperous carrying on of the lemon industry in the States of the West. Secondly, we have the product with which we come in contact and with which we compete, fostered by governmental aid in Italy. Therefore it would seem to be but just that the Government should aid the industry here as Italy aids its industry and enables it to compete with us, and more than compete unless adequate protection shall be given to us.

The duty which we ask of 20 cents per pound is equivalent to three-fourths only of the differential in favor of Italy in the labor cost of producing citric acid. The duty of 18 cents per pound, which the Senate Finance Committee has accorded, is equivalent to two-thirds only of such differential. The labor cost of producing a pound of citric acid in the United States

from American-grown lemons is 35.6 cents. The labor cost of producing a pound of citric acid in Italy is one-fourth of the American labor cost, as shown by the Tariff Commission's report before me, or 8.9 cents. The difference between Italian and American costs in the production of citric acid is 26.7 cents. The committee has accorded us 18 cents; we desire 20 cents, and the 20 cents ought to be given to us. If we can get no more than 18 cents, of course we will be glad to worry along as best we may.

It is a fact that originally citrate of lime was made from culls of the lemons. Under the circumstances now existing, however, in lemon culture it is by no means certain that in the future a portion of the crop will not have to be used in like fashion. May I say to the Senate that the largest citric-acid factory in southern California is a cooperative establishment of the growers there. The growers have found it necessary to utilize, if they can, their culls and in some instances in the past even the excess of the crops, in order that they may not be hopelessly lost and hopelessly ruined. So this industry, I insist, calls more loudly for protection than almost any that has been presented here or any that will be presented here.

Mr. WILLIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from California yield to the Senator from Ohio?

Mr. JOHNSON. I yield.

Mr. WILLIS. I have received from constituents, largely drug companies and chemical companies, some complaint about this item on the theory that the price to the consumer would be inordinately increased. I understand the Senator to say that, unless we develop this industry here, we shall be in the hands of what amounts to a Government monopoly in Italy. What is the opinion of the Senator as to the ultimate effect of the two policies on the consumer's prices?

Mr. JOHNSON. I do not believe that it will enhance the prices at all. It will lessen the profits of those who already have made inordinate and extravagant profits.

Let me call attention to just a bit of the testimony that was offered in opposition to the duties that are asked. The testimony was presented to the Finance Committee, and, of course, I assume the Finance Committee is thoroughly familiar with it, but there may be other Senators who are not so familiar with it. There was a gentleman on the stand from the city of Philadelphia who represented the manufacturing interests of the East. He was asked various questions by Senator REED concerning his profits and the like. Let me read a portion of the testimony which he gave. This is the source, I insist, of the opposition to the duties that are asked by the men who are growing lemons in California and by those who are manufacturing citrate of lime and citric acid at present.

Mr. FRELINGHUYSEN. Mr. President, may I interrupt the Senator?

The PRESIDENT pro tempore. Does the Senator from California yield to the Senator from New Jersey?

Mr. JOHNSON. I yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. I do not think the Senator quite appreciates the situation in regard to this duty. As I understand these manufacturers, they do not oppose this duty. What they wish is a proper differential between the rates.

Mr. JOHNSON. I am coming to that. I will reach that shortly. At present I am confining myself to the necessity for a duty and the justice of it.

I want to read a part of the testimony that was given by a gentleman named Rosengarten before the Finance Committee. The Senator from Missouri [Mr. REED] asked him:

Did you bring me the figures in regard to the capital stock of your corporation?
Mr. ROSENGARTEN. No, sir.
Senator REED. Do you know what it is?
Mr. ROSENGARTEN. Yes, sir.
Senator REED. How much is it?
Mr. ROSENGARTEN. I most respectfully decline to answer.
Senator REED. It is a matter of public record, is it not?
Mr. ROSENGARTEN. No, sir; it is not.
Senator REED. You came to this committee and asked to have your business protected, and yet you decline to tell the committee even the amount of your capital stock?
Mr. ROSENGARTEN. Yes, sir.
Senator REED. Will you tell me what the gross profits of your corporation were last year?
Mr. ROSENGARTEN. I must respectfully decline to answer that question.
Senator REED. Will you tell me what the net profits were?
Mr. ROSENGARTEN. I must decline to answer that also.

Mr. KING. Mr. President, will the Senator yield?

Mr. JOHNSON. Yes.

Mr. KING. Is the Senator reading from the testimony of Mr. Rosengarten of the firm of Powers, Weightman & Rosengarten?

Mr. JOHNSON. I do not know what the firm is. The Senator may be right about the firm. I can turn to the beginning of it and advise the Senator.

Mr. KING. I will not ask the Senator to do that.

Mr. JOHNSON. I will turn to the beginning of it. He says:

I am connected with the Powers-Weightman-Rosengarten Co.

That is stated in answer to the first question that was asked.

Mr. KING. That is one of the large corporations.

Mr. JOHNSON (reading):

Senator REED. Will you tell me what the gross profits of your corporation were last year?
Mr. ROSENGARTEN. I must respectfully decline to answer that question.
Senator REED. Will you tell me what the net profits were?
Mr. ROSENGARTEN. I must decline to answer that also.
Senator REED. Will you tell me who the vice president, the secretary, and the treasurer are?
Mr. ROSENGARTEN. I must decline to answer that question also.
Senator REED. Will you tell me whether you paid any excess-profits tax last year?
Mr. ROSENGARTEN. I must decline to answer that question.
Senator REED. Will you tell me the amount carried to your surplus?
Mr. ROSENGARTEN. I beg to be excused from answering that.

We need not worry about what will happen to the manufacturers of the East who deal with this subject or with those who are importing these items.

Mr. NORRIS. Mr. President, may I interrupt the Senator there?

The PRESIDENT pro tempore. Does the Senator from California yield to the Senator from Nebraska?

Mr. JOHNSON. Yes.

Mr. NORRIS. It would be interesting to know whether that witness was protesting against an increase in this duty.

Mr. JOHNSON. Yes; he was.

Mr. NORRIS. He was opposed to it?

Mr. JOHNSON. Oh, yes.

Mr. KING. Mr. President, will the Senator yield?

Mr. JOHNSON. Yes, sir.

Mr. KING. I think the Senator from New Jersey, if the Senator will pardon me, more accurately expressed it. Mr. Rosengarten and a great many others who are importing do not care what tariff is permitted on the finished product. They are more interested in the raw material if they import the raw material for the purpose of manufacturing the finished product. They want protection per se on their raw material on the finished product. If they can get a high tariff on the finished product there must be a proper differential on the raw material, and vice versa. Mr. Rosengarten, representing a firm that is the beneficiary of the tariffs fixed upon a large number of items here, is wholly indifferent to the amount of tariff which is imposed upon citric acid, providing a proper differential is mantained between citric acid, the so-called finished product, and citrate of lime, the so-called raw material.

Mr. JOHNSON. I take it from what the Senator from Utah says that he is in full sympathy with my endeavor to get these rates, and I am delighted to hear it.

These products, citric acid and citrate of lime, are termed by-products of lemons. That may at times be a misnomer, but nevertheless it is the mode in which the two products are described. The Tariff Commission, speaking of the future of these by-products, in its series of 1920, says:

There is an opportunity for the growth of the by-product industry in California through the more complete utilization of the culls and through the growth of the lemon-growing industry. The acreage of young, nonbearing lemon groves in California is about 75 per cent of the acreage of bearing trees, and much of the latter is in young orchards which have not reached the full-bearing stage. It may, therefore, be predicted that within five or six years the total crop of lemons will be nearly double that produced during 1918. If the same proportion of the crop were treated as culls, and if all the culls were converted into by-products, the production of by-products would be about four times as great as at present (1918). Should it prove difficult to sell the double crop of lemons at profitable figures, the tendency will be to grade more strictly, and thereby to increase the proportion of culls.

Now, let me state to you the comparative wages in Italy and America in the production of these products.

Some questions were asked the other day, during a running debate, as to the difference in the cost of production abroad and that here; and the suggestion seemed to be in the minds of some Members that if that could be established there would be a mode, at least, upon which those who may not think as the rest of us do upon this subject concerning the tariff bill could agree upon the protective policy. In this instance we happen to have the figures of the comparative wages in Italy and in America in this particular line, and these figures show that the general average ratio is as 4 to 1. I want you to keep that in mind in determining what rates should be put upon these products, because we have not asked the full differential in labor

cost alone in the rates that we have asked in this bill. We have asked but a fraction of the differential in labor cost in Italy and that in the United States.

The cost of handling and processing low-grade lemons in the two countries, of course, is vastly different. The freight costs are all in favor of the importer from Italy and against the producer in the West. It costs—and I need not dilate upon that, for it is a subject familiar to all here—infinitely less to ship from Italy into New York than to transport from southern California into New York; and the result is that we are discriminated against in labor costs, in costs of processing, in costs of transportation, and we can only meet those differentials by a protective tariff such as we have suggested.

The cost of manufacturing citrate of lime from lemons is 34.4 cents per pound. The cost of labor alone is 20.2 cents. The cost of manufacturing citric acid from lemons is 66.9 cents per pound, and the labor cost 35.6 cents.

Turning for the moment to citrate of lime, through which citric acid must come, at the time of the passage of the existing tariff act, the act of 1913, there was no manufacture of citrate of lime, as I have said in regard to citric acid. Then there was an existing duty, as was asked by the Senator from Texas, of 1 cent per pound upon citrate of lime, placed there merely for revenue, and for no other purpose, because at that time there was no commercial enterprise or manufacture of this sort. The duty that is asked upon citrate of lime by us only partially equalizes, I emphasize again, the difference in labor costs of manufacture of citrate of lime in the United States and Italy. I gave you, I think, those figures, but repetition will not be amiss.

The labor cost in the United States is 20.2 cents per pound; in Italy, 5.1 cents—a difference in labor cost alone in the manufacture of citrate of lime in favor of Italy of 15.1 cents per pound. That labor cost we do not meet even by a duty such as I request of 12 cents a pound. It certainly is not met in any direction at all by the duty that the Finance Committee has put upon citrate of lime of 6 cents per pound. This duty of 6 cents per pound, as you observe by a computation, is less than 40 per cent of the labor cost alone.

My friend from New Jersey [Mr. FRELINGHUYSEN] speaks of the differential; and the determination of what should be the differential between citrate of lime and citric acid will turn upon the citric-acid content of citrate of lime. The Bureau of Chemistry of the United States Department of Agriculture on two occasions has been appealed to by us for the exact figures. It gave those figures in a letter that I presented to the Finance Committee, and subsequently those figures were challenged by the Senator from New Jersey and certain gentlemen whom he represents. Thereupon Mr. Campbell, the Acting Chief of the Bureau of Chemistry, again investigated, and this is what he says upon the difference between citrate of lime and citric acid—that is, the content of the one included in the other:

> As stated in our former letter, citrate of lime contains the equivalent of approximately 73 per cent citric acid. The citric-acid content of commercial citrate of lime varies, of course, with the impurities which the product may contain. It is our understanding that commercial citrate of lime is sold on a basis of 64 per cent citric acid, but reports are that it may vary from 60 to 72 per cent, as stated in our previous letter, one writer having reported the unusually high content of 72 per cent in a sample of commercial citrate of lime which he had examined.
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> After writing you the letter of the 21st, we telegraphed our expert on citrus by-products in California for further information. In reply he states that in good factory practice 57 per cent crystallized citric acid is recovered from commercial citrate of lime containing 64 per cent of citric acid.

The very minimum, therefore, of citric acid in citrate of lime is 57 per cent. It runs from 57 per cent as a minimum to between 70 and 80 per cent as a maximum. You may take the very minimum if you desire and apply it to the differential between citrate of lime and citric acid; and, applying it, the rates that we ask, 20 to 12, would be exact. These gentlemen insist that they are entitled to a differential for labor cost. Not so; and if they were entitled to any differential for labor cost it could be only the cost of processing the citrate of lime and could not be the entire cost of manufacture that they assert; but they are entitled in a protective tariff duty to no differential of that sort, because the same differential of necessity would then have to be applied to those who are processing and who are manufacturing in the State of California.

I leave to our friend from New Jersey the argument that he may have in that regard. But I do insist that, first, this is a new industry, since 1915 developing into one of the great industries of the country, entitled to the favorable consideration of the Congress. Secondly, when it asks that favorable consideration, it is entitled, too, to have considered what it comes in contact with, what it must compete with, namely, the Italian Government; and surely the American Government should be as generous to Americans producing here as is the Italian Government to Italians producing there, whose goods and whose manufactured products are shipped to this country in competition with ours.

A third reason which entitles us to consideration is the ever-increasing lemon crop in the West, an increasing crop which must be taken care of, and can only be taken care of by taking care of these by-products of lemons. If Senators were familiar with what has transpired in the lemon industry in the last few years, I would not have to ask for duties that are protective upon these two articles. Had they seen, as I have seen in southern California, the great banks of lemons in the roads there, with big signs upon them telling passers-by to help themselves; if they had seen, as I have seen, carload after carload dumped because there was no market for them, they would understand that it was not out of place for these people, who have devoted their all to an industry that is one of the greatest in the country now, to ask to be protected by our Congress in their moment of stress and their moment of adversity.

I leave this case with the Congress, certain and confident that no other case in all this bill presents so clear an appeal to the policy of protection, presents such an appeal to the justice of men upon both sides of this Chamber, as this relating to citric acid and citrate of lime.

Mr. NORRIS. May I ask the Senator a question before he concludes?

Mr. JOHNSON. I yield.

Mr. NORRIS. I want to ask the Senator about the figures he gave us in regard to the cost of production. Were those the Tariff Commission figures?

Mr. JOHNSON. The Tariff Commission figures in the one instance, and the figures which were obtained by the experts in California in the other.

Mr. NORRIS. What was the date of those figures?

Mr. JOHNSON. 1920–21.

Mr. SHEPPARD. Mr. President, may I ask the Senator what would be the effect of the duty he requests on further importations of these two products and on the revenue?

Mr. JOHNSON. It would greatly increase the revenue, of course.

Mr. SHEPPARD. The duty would not be prohibitive?

Mr. JOHNSON. By no means.

Mr. FRELINGHUYSEN. Mr. President, I have no disposition whatever to oppose any proper protection to the great citrus-fruit industry in California. The situation which confronted the committee was this: On the one hand, we had certain industries in this country who were converting citrate of lime into the finished product, citric acid, who had been long engaged in that industry, and who simply asked that the proper protection be given them in the conversion of this product.

Citrate of lime is a product of lemon juice and lime, the lime used as a neutralizer. The further process of manufacturing is the using of acid to make citric acid, the finished product, which is used in flavoring extracts, soft drinks, and for other purposes.

Under the act of 1909 citrate of lime was on the free list. In 1913 the duty was 1 cent a pound, with 5 cents on the citric acid.

In the bill as it passed the House, which we are now considering, the duty was 7 cents per pound on the citrate of lime and 12 cents on the citric acid. Of this citrate of lime we imported 2,961,000 pounds in 1918, 3,864,000 pounds in 1919, 12,490,000 pounds in 1920, and 754,000 in the nine months of 1921. The price declined from 26 cents a pound in 1918 to 15 cents a pound in 1921.

The committee placed a duty of 6 cents per pound on the citrate of lime imported at a cost of 15 cents per pound, equivalent to 40 per cent ad valorem. The Senator from California now asks that the duty be increased to 9 cents per pound. That affects the raw product which is imported.

There are manufacturing chemists in this country who take the citrate of lime and convert it into citric acid. Therefore, it is necessary to have a compensatory duty protecting those manufacturers who convert citrate of lime into citric acid. From the information which the committee had, procured from the Tariff Commission and elsewhere, it was found that the content of citric acid in citrate of lime, the raw product which is imported, is approximately 73.7 per cent. That is the chemically pure; but the commercial article is a crude product produced by treating lemon juice with lime, forming an insoluble citrate of lime, which contains many impurities. The citric-acid content of the commercial citrate of lime imported from Italy—I do not know whether by private concerns or by the

Italian Government—ranges from 60 to 67 per cent. It is sold on the basis of 64 per cent, but usually the shipments run below that strength.

Taking into account the other acids present in the commercial citrate of lime, and the losses which necessarily occur in converting lime, the yield of citric acid is approximately 50 per cent by weight of citrate of lime used; in other words, 2 pounds of citrate of lime are required to produce 1 pound of citric acid.

Commenting on the differential between the 7 cents per pound on the citrate of lime and 12 cents on the citric acid, placed in the bill as it passed the House, the Tariff Commission make this analysis:

The rates of duty between citrate of lime (7 cents per pound) and citric acid in paragraph 1 (12 cents per pound) are maladjusted. Citrate of lime is a raw material used for the manufacture of citric acid, 2 pounds of citrate of lime being required to produce 1 pound of citric acid; hence a duty of 7 cents per pound on citrate of lime is equivalent to 14 cents per pound on the citric-acid content, which is 2 cents greater than the duty provided for citrict acid. Therefore manufacturers engaged in converting citrate of lime into citric acid are placed at a disadvantage of 2 cents per pound in purchasing their raw material, as compared with imported citric acid.

So the Senate committee reduced the rate of duty on citrate of lime to 6 cents per pound, and placed a rate on citric acid of 18 cents per pound, 6 cents covering the duty on the citrate of lime and 12 cents the differential of 2 pounds to 1, making the rate 18 cents per pound, the committee believing that to be a fair differential.

I have no desire whatever to prevent the great State of California from establishing this industry, from producing sufficient culls of lemons, as they are called—it being the second grade of lemons which are taken, neutralized with lime, to make citrate of lime—if the great State of California can furnish sufficient of this product to supply the American demand. But what report have we of the probability of the State of California doing that? I read from the Tariff Commission report:

A comparison of the situation in Sicily and California shows several interesting differences. In California the cultural methods in the lemon groves are superior to those generally used in Sicily, and the proportion of culls is therefore much less than in Sicily. Although the proportion of culls is variable, it may be roughly estimated at 10 per cent in California, against 30 to 50 per cent in Sicily. The Sicilian method of separating the peel and pressing out the oil by hand is not used in California because of the higher American wages. In California the whole fruit pulp is put through a machine which thoroughly shreds it, and the pulp then passes to a filter press, which yields an emulsion of juice and oil.

Mr. KING. Will the Senator yield?

Mr. FRELINGHUYSEN. I yield.

Mr. KING. If I understand the description given there, it would indicate that the labor cost in California was very much less because of the employment of machinery rather than hand labor.

Mr. JOHNSON. The Senator is in error as to that. I gave the labor costs accurately.

Mr. FRELINGHUYSEN. Undoubtedly it is done by machinery, but, as I understand it, in Italy they use the lemon juice with the lime, and in California they make a pulp and mix it with the lime, probably greater in bulk but not as high in citric-acid content. I read further from the Tariff Commission report:

The California by-product industry is, however, still small compared with the American consumption. During 1917 about 6,000 tons of lemons were consumed in California in the manufacture of by-products. This is probably about one-half of the total culls available. The output of citric acid was only about 5 per cent of the American consumption.

The output of citric acid was only 5 per cent of the American consumption.

Mr. JOHNSON. The output of citrate of lime and citric acid is now more than one-third of the consumption of these articles in this country.

Mr. FRELINGHUYSEN. I am quoting from the Tariff Commission report which undoubtedly the Senator challenges.

I read further from the Tariff Commission report:

FUTURE OF THE DOMESTIC BY-PRODUCT INDUSTRY.

There is an opportunity for the growth of the by-product industry in California through the more complete utilization of the culls and through the growth of the lemon-growing industry. The acreage of young, nonbearing lemon groves in California is about 75 per cent of the acreage of bearing trees, and much of the latter is in young orchards which have not reached the full-bearing stage. It may, therefore, be predicted that within five or six years the total crop of lemons will be nearly double that produced during 1918. If the same proportion of the crop were treated as culls, and if all the culls were converted into by-products, the production of by-products would be about four times as great as at present (1918). Should it prove difficult to sell the double crop of lemons at profitable figures, the tendency will be to grade more strictly, and thereby to increase the proportion of culls. It is hardly to be expected, however, that the output of by-products will increase sufficiently to supply the entire American demand.

Now, Mr. President, we have this situation. Citrate of lime was free in 1909. In 1913 under the Underwood law there was imposed a duty of 1 cent per pound which was for revenue purposes. The House bill fixed the rate at 7 cents per pound, while the Senate committee places it at 6 cents per pound, which is 40 per cent ad valorem on the present price of citric acid, the manufactured content, which California wants to produce and of which, according to the best reports we have, the maximum yield is 20 per cent, although the Senator from California has said it is 30 per cent. Taking it at 30 per cent, we would be placing a duty over the 1913 law of 5 cents, or 40 per cent ad valorem, which I claim is sufficient to protect.

I think California ought to be satisfied with that protection, but I want to point out to the Senate that we can not place that duty on this raw product, which amounted to 12,000,000 pounds of importations in 1920, without placing an added cost on the consumer unless California produces 12,000,000 pounds of citrate of lime. Otherwise, whatever proportion California falls below the consumption of the country there would be that proportionate cost added on the product to the consumer.

Mr. KING. Mr. President, will the Senator yield?

Mr. FRELINGHUYSEN. I yield.

Mr. KING. As I understand the position of the Senator from California, he desires to increase the duty on citrate of lime to 12 cents per pound.

Mr. JOHNSON. Originally I asked for 20 cents and 12 cents. After canvassing the situation I decided to accept 18 cents and 9 cents, which is the very lowest that ought to be accorded—that is, the rate fixed by the Finance Committee of 18 cents and increasing the 6 cents fixed by the committee upon citrate of lime to 9 cents. We are entitled to very much more.

Mr. KING. May I suggest to the Senator from New Jersey, with his permission, that if 9 cents a pound were fixed as a rate on citrate of lime it would be the equivalent of a little more than 60 per cent based upon the present price of citrate of lime.

Mr. FRELINGHUYSEN. That is correct, I will answer the Senator from Utah. The committee put 40 per cent duty on citrate of lime. Now it is proposed to increase that duty to 60 per cent. But the Senator from California is getting citric acid confused with citrate of lime. The Senator from California said that originally he had asked for 20 cents, but I think he is in error in that. I do not think h. would have asked for 20 cents on citrate of lime, the raw product. I think he meant citric acid.

Mr. JOHNSON. Certainly. My amendment is on file, asking for 20 cents on citric acid and 12 cents on citrate of lime. The amendment is here before me.

Mr. FRELINGHUYSEN. I claim that a differential of 2 cents a pound on citrate of lime, making the duty 12 cents, with 6 cents the present duty on citric acid, making a total of 18 cents, is a proper differential. In other words, it should be 3 to 1 instead of 2 to 1. That is the point I am making, that it should be 3 to 1 if we are going to grant a rate of duty of 9 cents a pound on citrate to enable the Senator from California to protect his great industry. We should increase the duty on citric acid to 24 cents. If we do that, we are giving a compensatory duty on citric acid of 24 cents a pound, 18 cents for the citrate of lime, 2 pounds making 1 pound of citric acid, and 6 cents for conversion cost.

Mr. JOHNSON. Mr. President, I desire to say just a word in response to the Senator from New Jersey. I have read to the Senate the letter from the Bureau of Chemistry with the exact figures as to the amount of citric acid that may be produced from citrate of lime. It is not 2 for 1 at all. The figures I have read are those which were given me only a week ago, when the figures which had been given to the Finance Committee by me, from Mr. Campbell, were challenged by the Senator from New Jersey and certain gentlemen whom he represents.

As to the differential costs, permit me to say that the labor cost of converting citrate of lime into citric acid in California is 4 cents per pound. That is the testimony. The American converters of the imported citrate of lime, so far as I have been able to discover, have failed to furnish their cost figures, and in the absence of any such figures it might be assumed that their cost figures are no greater than the California manufacturer who has been in business a much shorter length of time. Bear that in mind, please, in speaking of the differential. The Italian labor cost for this process is 1 cent per pound. Thus the labor differential in favor of Italy is 3 cents a pound. I am arguing now from the standpoint of the Senator from New Jersey, although I do not think the differential ought to

enter into the calculation at all. Let us from his standpoint take the figures and see what the result is.

A margin of 2½ cents per pound, if it were accorded, is equivalent to five-sixths of the labor differential; that is, five-sixths of the differential between Italy and the United States, if we accorded them 2½ cents per pound. This is a greater degree of protection than the manufacturer using home-grown lemons receives from a 10 per cent rate on citrate of lime. The labor differential between the United States and Italy in the manufacture of citrate of lime from lemons is 15.1, the cost in Italy being 5.1 cents per pound and in the United States 20.2 cents per pound. This 10 cents of duty represents only two-thirds of the labor differential in the manufacture of citrate of lime from the lemon, whereas a 6-cent margin, which the Senator from New Jersey suggests, is equal to double the labor differential. If 9 cents were accorded to citrate of lime, with the ratio of 1½, as the Bureau of Chemistry asserts, there would be a labor differential between the 9 and 18 of 3 cents for the manufacturer in New Jersey. I insist that he is not entitled to a greater differential. I am insisting that he is entitled to none, but to accord him 3 cents accords him substantially the entire differential in labor cost between Italy and the United States.

Mr. FRELINGHUYSEN. I still claim that the proportion between the citric-acid content and citrate of lime is 2 to 1 in the actual commercial practice. Chemically pure, it may be 73 per cent, but the product that comes to this country from Italy averages 50 per cent. There is wastage, there is loss through conversion, and evidently others have thought so, too, because the differential allowed in the Underwood law of 1913 was 3 cents, the duty on citrate of lime being 1 cent and on citric acid 5 cents, with a differential of 4 cents.

Mr. JOHNSON. That was not a protective duty at all. There was no such industry in this country at that time.

Mr. FRELINGHUYSEN. It makes no difference. When we put a duty on the raw product and then on the manufactured product those two duties, as they are imposed, are imposed on the basis of the differential in the cost of conversion. That is the practice which has been followed in making tariff bills, right straight through all the tariff bills from the beginning. It has been followed by the committee in presenting this bill.

When the House bill carried a 7-cent duty on citrate of lime and a 12-cent duty on citric acid the Tariff Commission called the attention of the Finance Committee to the fact that the differential was maladjusted, and the Finance Committee corrected it. It may be that it is not necessary to protect the manufacturing concerns. I know nothing about their profits, but the pending bill is framed on the theory of protecting American industry, and when we protect American industry we have to protect it fairly, whether it be the citrus-fruit grower of California or the manufacturer of my State. I know there is one plant converting citric acid into citrate of lime in my State. There is a large manufacturing chemist in Philadelphia and another in New York. It is a legitimate enterprise and it should be properly protected. I do not mean that it should be excessively protected, but if they have been importing the raw products and manufacturing them into manufactured products it is right that they should be protected, just as the citrus-fruit growers of California should be protected, and that is all I am asking. When you protect their product you have to give them a margin to cover the conversion cost, including labor; and I therefore say that the differential of 6 cents and 18 cents is proper; but if the Senator from California wants still further to protect the lemon growers of California—and I am for protecting them fairly—the manufacturer should be given a duty of 24 cents on the manufactured content—citric.

Mr. JOHNSON. Mr. President, unfortunately, this is the age-long tariff struggle. I regret that it is so. I recognize that the Senator from New Jersey is entitled to adequate protection for those interests which are in the State of New Jersey, and the State of California is entitled to just protection for what is produced and raised in the State of California. But in this instance, the difference between my friend and myself illustrates some of the difficulties there are in the way of tariff making.

I stand here representing the man who from the soil takes the product and then manufactures it, the man who has devoted 10 years of his life to rearing lemon groves, who has done it under a direct declaration, almost a promise, of the previous tariff bills in this country. I stand here representing the producer—the American producer who has fought an American fight. The Senator from New Jersey [Mr. FRELINGHUYSEN], as is his right, represents the gentleman who imports, and who, importing, transmutes the imported article into something that he sells. There is a conflict between us; there will always be that conflict between the importer who imports that which we raise in this country and the domestic producer. In this instance, apparently the question seems to have narrowed down, Mr. President, to the differential of the labor cost, and that differential I have demonstrated ought not to be more than 3 per cent.

First, remember that, according to the Bureau of Chemistry, citrate of lime produces 57 per cent citric acid; that is the minimum figure. Therefore 1¾ pounds of citrate of lime—and this is a mere matter of computation which, with a pencil, anyone may follow—produces 1 pound of citric acid. The representative of the converters of imported citrate of lime testified before the Ways and Means Committee of the House of Representatives and stated that the correct ratio was 1¾. His testimony is found on page 42, part 1, of the House hearings. Taking 9 cents and the ratio of 1¾, the addition of 3 cents differential in the labor cost, represents the full protection which is asked by the Senator from New Jersey, to cover the differential between the labor cost in Italy and the labor cost here. More than that the importer of New Jersey and the manufacturer there is not entitled to.

Mr. KING. Mr. President, the discussion between the able Senator from New Jersey [Mr. FRELINGHUYSEN] and the able Senator from California [Mr. JOHNSON] relative to citrate of lime and citric acid has been illuminating, but it has emphasized one feature that I sometimes think the exponents of the protective tariff theory and the advocates of high protection forget, if they do not wholly ignore; that is, the interests of the public. I have sometimes thought—but I am reaching the conclusion that it is a foolish thought—that the public should have something to say in regard to the fixing of tariff rates. They have to pay the prices that result from the imposition of tariff rates. If a high duty is levied, the price of the product in the domestic market is enhanced. The beneficiary, of course, is the man who is the domestic producer, but the people who buy the product, the price of which is thus enhanced, have to pay the penalty. So there is a little contest now between the importer of citrate of lime, which might be denominated the raw material or raw product, and the growers of lemons, which are converted—that is, the culls and the wastage—into citric acid.

The Senator from California would not care how high the tariff were fixed upon citrate of lime if a corresponding differential were maintained with respect to citric acid.

He wants a high duty upon the citrate of lime because such a duty will keep it out and permit the producer and the manufacturer of the citric acid out of the lemons of California thus to enhance the prices of what might be denominated the finished product. However, the Senator from California and the Senator from New Jersey, in their able and forceful presentation of their various views upon this matter, never once have alluded to the interests of the great consuming public, the American people. They are to have no voice in this matter; they are to be ground between the upper and the nether millstones. The importer of citrate of lime upon the Atlantic coast, who converts it into the citric acid, does not care how high a tariff is imposed upon citrate of lime if there is a corresponding duty imposed upon citric acid. He would just as soon as not pay 12 cents a pound as a rate upon citrate of lime if a rate of 30 or 40 cents a pound were imposed upon citric acid, because that would then give him, by reason of that apparently discriminatory differential, the control of the market for the product of his Atlantic coast factories resulting from the importation of the citrate of lime; but the poor public would have to pay.

Mr. President, the Senator from Ohio [Mr. POMERENE] suggests, sotto voce, "What difference does that make?" Well, we all recall the statement of Commodore Vanderbilt—and it is so hackneyed that I hope I shall be pardoned for repeating it—"The public be damned." That is about the situation with respect to this bill. Let the public be damned. The public must pay for the enormous increase in prices that inevitably will result from the high rates which have been levied in the bill.

Under the rate fixed by the Underwood law of 1 cent a pound on citrate of lime and 5 cents a pound on citric acid, if I understood my good friend from California correctly, the industry has developed and has reached such a high state of prosperity that it produces one-third of the domestic consumption. In other words, the rate of 1 cent a pound on citrate of lime and 5 cents a pound upon the finished product, citric acid—and by the way, that is a ratio or differential of 1 to 5—the industry has developed in the United States until now we are producing one-third of the amount consumed in the United States. Not-

withstanding that remarkable growth under those low rates, we are now importuned to increase the rates far beyond those now existing; indeed, the increase on citrate of lime, which my learned friend from California asks, amounts to 1,100 per cent. Under the condemned and damned Payne-Aldrich law citrate of lime was on the free list, so that now, with zero as a base under the former Republican policy of protection, we are to rise to infinity by imposing, according to the desires of my friend from California, a duty of 12 cents a pound upon citrate of lime. That would amount to millions of per cent increase above the Payne-Aldrich law. I repeat, however, that it is 1,100 per cent over the Underwood bill. That does satisfy the Senator from California, but some of the witnesses who came from his State wanted 70 cents a pound duty upon citric acid. One of the witnesses, I recall, wanted 70 cents a pound upon citric acid and 30 or 40 cents a pound upon citrate of lime. The cupidity and greed of some of the witnesses can not be justified, Mr. President.

Mr. JOHNSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from California?

Mr. KING. I yield.

Mr. JOHNSON. I know the Senator does not wish to do any injustice. The witness to whom he refers is a lemon grower in California, and, if the Senator will read all of his testimony, I think the Senator from Utah will read it sympathetically. The Senator is right about the rates which he suggested; he did ask for exceedingly high rates; but let me call to the Senator's attention, if he please, the fact that this industry is one that, if I may use the term, is a "forced put." The lemon industry reached such a precarious stage that it was absolutely essential that lemon growers who were not operating at a profit should endeavor to utilize everything they had, including culls, excess of crop, and the like. Out of necessity and because of the necessity the industry in by-products developed; it has grown because the necessity has grown, and not, in reality, in the first instance, as a matter of choice at all.

Mr. KING. Mr. President, representatives of the California Shippers' League, the Upland Lemon Growers' Association, and other lemon associations in California and the delegation in Congress from California, not including, however, I think, the able Senator from that State who has this morning addressed the Senate, appeared before the Ways and Means Committee and asked for a duty of 70 cents per pound upon citric acid and 40 cents a pound upon citrate of lime. Mr. President, I leave for Senators and the public to draw their own conclusions as to the cupidity and avarice of those representatives, or their good faith. I shall not characterize them.

I repeat that the Payne-Aldrich law imposed a duty of 7 cents a pound on citric acid and placed citrate of lime upon the free list. The Underwood law imposed a duty of 1 cent per pound upon citrate of lime and 5 cents a pound upon citric acid, and under that law the industry has grown, as my good friend from California has said.

My friend mentioned something about a pledge. I do not know to what pledge he refers. If the industry was started under the Payne-Aldrich law the pledge was nothing so far as the duty upon citrate of lime is concerned, and 7 cents a pound so far as citric acid is concerned. If there was any pledge under the Underwood law it was 1 cent a pound on citrate of lime and 5 cents a pound upon citric acid, under which pledge, to use the language of the Senator from California, the industry has grown from zero until it produces one-third of all of the commodity consumed in the United States to-day. But, Mr. President, I do not understand that a rate which may be fixed in a tariff bill is a pledge that that rate shall be continued indefinitely. I have been told that the rate upon pig iron was approximately $40 per ton at one time. Does anybody insist that the pig-iron industry or the steel industry should have any such rate of duty as that now, when they have made profits that are beyond the computation of a man, except he be an expert in arithmetic, and possibly he might have to employ logarithms or higher mathematics to determine the profits which have been made and the percentage of profit upon the capital actually invested.

Mr. President, I submit that the record shows a remarkable growth of this industry. Then, take into account what the Senator from California says, that this industry has grown up as a sort of a by-product of the lemon industry. The culls, the waste lemons which are thrown aside and ordinarily would be of no utility whatever, have become the basis of a profitable industry. I congratulate the people of California and the people of the United States upon the fact that they have discovered that these culls, which heretofore have been wasted, are valuable, and that from them may be developed two products which are of importance to the people of the United States; but just a word now as to who uses these products. I shall not trouble to read from the Tariff Summary, but will give my own understanding of the purposes for which they are used.

Citric acid is used in the manufacture of beverages and effervescent salts and in the manufacture of medicinal compounds, the most widely used being magnesium citrate. It is also used in textile printing, in the manufacture of a number of dyes, in the production of photographic developers, and in the manufacture of blue-print paper.

Those are important uses, and since we have adopted prohibition, theoretically at least, the growth of the industry has been remarkable, if not phenomenal, and the demand for these products has increased, because with the departure of John Barleycorn the people more and more have resorted to the soda fountains and to the products of the soda fountains and manufacturing institutions which give us the soft drinks of which citric acid is a constituent part. So all of the people are interested—the boys and the girls who go to the soda fountain, the men and the women who formerly drank beverages with a little alcohol and who are now compelled to abandon the habits of a lifetime and to resort to drinks that are milder, if they are not quite so inspiring.

They are to be taxed. They are interested in this product. It is also used, as I said, medicinally; so that our medicines are to be increased by this increase in the tax which we impose upon the raw material as well as upon the finished product.

I wish somebody in the consideration of this tariff bill would speak for the people. Let the people have something to say in the laying of these tariff rates. Do not let the manufacturers and the beneficiaries alone be heard in behalf of these rates which will put more money into their pockets.

I will say very frankly that if people are to be benefited by enormous tariffs, I would rather see the farmers and the horticulturists receive the benefit. My sympathies in the imposition of your tariff rates, if you are to give benefits, go out to the man who toils, and sweats, and digs, and produces, and makes contribution for the public weal. I can not forget, though, that there are many men who are not agriculturists, who work in the factories, upon the street cars, upon the streets, millions of them, who get no benefits from these rates. Look at the millions of what we denominate the middle classes, the clerks, the millions of men who work upon the railroads and in the factories and in the mines and in the mills. They have to pay for these increases in shoes, and in clothes, and in hats, and in medicines, and in drugs, and in the thousands of commodities that enter into their lives. Let us speak for them. When we are enacting these laws let us have an eye that will receive from their humble abodes light and hearts that will respond to their demands and to their wishes—indeed, to their necessities.

Mr. President, I think that the House rate on these products is too high, and that the Senate rate is too high; and if the Senator from California [Mr. JOHNSON] does not offer an amendment, I shall move to amend——

Mr. JOHNSON. Mr. President, it was my intention, upon the conclusion of the remarks of the Senator from Utah, to move, in line 16, page 20, to strike out the numeral "6" and in lieu thereof to insert the numeral "9."

Mr. KING. I apprehended that; and in view of the fact that the Senator in all courtesy ought to be entitled to make the motion to amend first, I shall wait until his motion is disposed of, because I suppose, under the parliamentary procedure, I could not offer an amendment to his amendment.

The PRESIDENT pro tempore. The Chair so understands.

Mr. KING. Mr. President, having indicated what my purpose is, I yield the floor.

Mr. MCCUMBER. Mr. President, the Senator from Utah [Mr. KING] has just made the assertion that the public ought to have something to say upon these rates; and he has supplemented that with the statement that the men who work in the mills ought to have something to say upon the price of the things which they must purchase.

Mr. President, I want to answer for a moment for the public. I will answer first for the men in the mills. I will ask every man who is working in a mill to-day if he is not demanding protection for the thing which his mill produces, and I want to ask him why he wants protection for the thing which his labor produces. In every instance he will answer: "I want it either that I may hold my present wages or that I may secure employment in order to earn a living." That means, Mr. President, that the rest of the public must necessarily pay a little higher price for the things which he produces; and if he is to be given employment that he may earn more dollars, I think

he is hardly in a position to demand that those who produce lemons in California shall not also secure a sufficiently greater price for their lemons that they may continue in business.

Mr. President, the woolgrowers are part of the public. The men who produce wool out in Utah are a part of the public; and they are asking for 33½ cents per pound duty upon the scoured content of their wool, and we are giving them that duty. Why? To enable them to continue producing wool, that they may make a living in their own country.

Will the Senator from Utah deny to-day that that protection is absolutely necessary to maintain the wool industry in the State of Utah? I think it is absolutely necessary; and those people are part of the public. If we are going to let them live, can they say, "While we would like to live on a 33½-cent duty, we do not care a continental whether the producer of lemons lives or dies"? If a man is a good American and a protectionist he will say: "Yes; we will give your wool the necessary protection to allow you to produce it for the American market, and in turn we will give the producer of lemons in the United States, who pays to his laborers a price 3 to 5 times as great as the price in Italy, an opportunity also to live."

Then we turn to the miners of Utah. Is there anything that they produce upon which we do not give them protection? Are we not attempting to open up the mines of Utah again for the benefit of the miner and of the laborer? And is that miner, who is a part of the American public, complaining because the grower of fruit in California is also to be protected?

Let us take the weavers in the mills. Of course, they have to buy citric acid in some form; but are they getting or will they get any better wages because we give a duty that will enable them to keep the mills of New England and the East going? If they do get better wages, if they anticipate that this tariff is going to benefit them, then, in Heaven's name, what complaint have they to make, as part of the great American public, against the little duty upon citric acid?

So, too, of your brickmakers, and so, too, of the men who make earthenware out in East Liverpool, Ohio. They come to us and say, "Our industrial establishments are closing down. We can not compete with Yugoslavia, we can not compete with the labor of Bohemia, we can not compete with the Austrian manufacturer, and we have either to close up or we have to reduce our wages to a point that will enable us to compete." We answer, "We will give you the protection." Is that portion of the American public going to cry out against a duty which allows the American in California to continue to produce lemons and citric acid?

But, Mr. President, I want to say a word about the duty itself, and what governed the committee in fixing the rates as they have been fixed. I want to say to the Senator from California, in all candor, that I do not think the duties which we have given have given you full and adequate protection.

The Senator from California has properly stated that this is one of those cases of irrepressible conflict between the importing interests, who import the raw material, and the interests producing the raw material in the United States, and it is a conflict which finally has to be settled more or less by a compromise. This is something of a compromise between those manufacturing interests of the East who are the consumers of the citric acid and those who produce the lemons in the West.

We appreciate the trouble in the matter of freight rates, which reduce the profits on the lemons, and here we get right back to the root of this whole question, when we get down to the question of the raising of the lemons in the United States.

I was out in California in 1920, and it would have made the heart of any good American sick to see those beautiful trees laden, until the branches had to be propped to save them from breaking off, with lemons which had to rot upon the trees, lemons produced upon land that cost from $2,500 to $5,000 an acre. After the tree is planted, it requires 3 or 4 years in the nursery before it can be taken to the orchard, then it requires intensive cultivation for from 7 to 10 years longer before it begins to bear profitably, and, as has been stated, 75 per cent of the present acreage is still unbearing because the trees are young, though they are soon to come into fruitage.

We were met with this condition, then, with the acres producing in 1920, the western producer was unable to sell his crop for one-half the cost of production. Under our former rates the American grower of lemons on the coast had no market, practically, east of Chicago on which he could rely. That was as far as he could get his product. Three-quarters of the population of the United States were to be found east of that line, and he must content himself by supplying about one-fourth of the population.

We have tried to give him protection upon his fruit in this bill, which will allow him, if the competition is not too great, to have a fighting chance even east of Chicago. I think he is entitled to it, even though it does result in a little higher price for the person who wants a drink at the fountain.

The California producers testified that the difference in conversion costs in California and in Italy in making citrate of lime is about 15 cents per pound. I think they are very nearly right. This figure is based upon the use of a good quality of lemons in producing citrate of lime in the United States; but I want the Senate to understand that the California product gives but little culls. The fruit is generally well developed in ordinary years, and what the California producer wants is a market for some product of his lemons when he can not sell them at all in the East, as he could not in 1920. If he could have converted the good lemons, which rotted on the trees or upon the ground, into citrate of lime and sold that in the United States or converted it into citric acid he would have gotten millions of dollars for his product which went to waste.

The committee thought that 6 cents a pound would be sufficient to equalize the difference in cost, if only the cull lemons were used, and that is why I say to the Senator from California that I do not think we have given enough of a duty in order to give them adequate protection. We must depend upon their ability to reach the American market in some way and to compete with the Italian producer.

We estimated that it takes 2 pounds of citrate of lime to make 1 pound of citric acid, and, in view of the fact that the difference in conversion cost in the manufacture of citric acid from citrate of lime between Italy and the United States is at least 6 cents per pound, it became necessary to impose a duty of 18 cents per pound on citric acid, which is made up of a compensatory duty for 2 pounds of citrate of lime of 6 cents a pound, which would be 12 cents, plus 6 cents for the conversion cost. The Payne-Aldrich law imposed a duty of 7 cents per pound on citric acid and put citrate of lime on the free list. We have only made a differential of 6 cents a pound instead of 7 cents a pound, as was given in the Payne-Aldrich law.

I repeat that I think this is scarcely adequate protection for the American grower of lemons, but taking into consideration the manufacturers' interest and the interest of the public, for whom the Senator from Utah speaks, we felt that that was as high as we should go.

Mr. UNDERWOOD. Mr. President, as this debate goes on we get a very clear view into the workings of a so-called protective tariff. A moment ago the Senator from California [Mr. JOHNSON], in his debate with the Senator from New Jersey [Mr. FRELINGHUYSEN], discussing the question as to whether the relative rates on citrate of lime and citric acid are properly balanced, admitted that there should be a differential. He did not base his argument entirely on what the duty should be, but he said that this is a protective tariff bill, and all industry and all producers should be brought within its fold, and he justified his position on the ground that you are writing a protective tariff bill and that all men have a right to equal terms under the bill—terms protecting their entire industry.

If that could apply to all the American people, if this idea of bringing the terms of this bill into the business life of all the people of the United States, whether manufacturing, agriculture, or production in some other line, giving them equal rights and terms of protection, you might justify your position from the standpoint of equality of taxation, equality of opportunity, and equality of carrying the burdens of business.

Of course, that is impossible. You can not bring the labor of the railroad employee within the terms of this bill, because you can not protect his industry. You can not bring the clerk who works in the department or in the store within the terms of this bill, because his particular line of business is not protected. There are vast numbers of men who are engaged in agricultural pursuits, some of whom you pretend to protect and to others of whom you give no protection at all, who are not within the terms of this bill, because they can not be brought within its terms.

Mr. GOODING. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. UNDERWOOD. I do.

Mr. GOODING. I would like to say to the Senator from Alabama that you can feed 30,000,000 people on the products of foreign countries, people who live in great cities which can be reached by water transportation without a single pound of freight being hauled over any railroad in this country. I call the Senator's attention to the fact that the railroad employees and the railroad people generally are interested in carrying this freight across the country to the great consuming centers of America, such as New York City and other great cities,

which can be reached by water transportation from foreign countries. So, if the railroad employees were not interested, we could get along with about one-third the protection we are getting.

Mr. UNDERWOOD. The Senator only shows his ignorance with reference to transportation in this country. The great bulk of the transportation of this country is the carriage of the raw material, which does pay the wages. If the Senator will study the question of transportation he will see that these protected products cut a very small figure in the earnings of the railroads.

For instance, a large proportion of the earnings of the railroads in my home district are due to hauling coal and iron ore to the furnaces. Yet this bill before the Senate to-day puts coal and iron on the free list. I am not complaining at you doing so, but you do not protect them. The wheat which leaves your fields does not leave them primarily for a domestic market. It finds its domestic market in the mills at home. The long haul of the wheat goes to the foreign market. You assume to levy a tax for protection on certain long-staple cotton in the bill, but none on the balance of the cotton. I do not mean to say that you could protect it if you levied a tax, any more than your protection on wheat means anything to the American farmer. But the haul of that freight is not represented by the railroad man who carried——

Mr. GOODING. Mr. President——

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Alabama yield to the Senator from Idaho?

Mr. UNDERWOOD. I yield.

Mr. GOODING. The statement I made was that the railroad employee is interested, and I make the statement again.

Mr. UNDERWOOD. I realize that.

Mr. GOODING. I say that the great city of New York can be fed and clothed and fuel can be furnished to it from outside of America, and we need not use our railroads at all for that purpose. I make the statement again that the railroad employees and the railroad people are vitally interested in seeing that the American farmers and American producers ship the products of American soil to the great consuming masses of the country. Whether I am ignorant or not on the question, I make that assertion, and I do not think I have shown a great deal of ignorance in the statement I have made.

Mr. UNDERWOOD. I am sure that is the Senator's position; I understood that thoroughly; but I repeat my statement that he has not considered the problem. It may not be ignorance on his part; it may be lack of consideration.

Mr. GOODING. I will say to the Senator again that I have given the matter a great deal of consideration.

Mr. UNDERWOOD. I am sure the Senator has; I am perfectly sure the Senator thinks he has given it consideration; but I contend that the protection which is given in the pending bill, not in one particular like raw wool, which comes from his State, but most of the protection goes to the manufacturers who are at the seaboard and not in the interior. Most of the protection afforded in the bill is at the seaboard, and for the Senator to contend that that protection builds up the wages of those employed in the railroad industry in this country—I will not say it is absurd, but I say it is without a foundation in fact. There is nothing on which to base such an argument as will be apparent if one will study the economic conditions of America.

I recognize the fact that those who believe in the principle of protection become so accustomed to claiming that everything that is good grows out of protection and everything that is bad is because we do not have protection, just as I heard the distinguished Senator assert in the debate in the Senate a day or two ago. I am always glad to hear the Senator discuss questions. As a rule he brings to his discussion a careful consideration, and I listened with much interest to his prepared speech the other day for that reason. His answer to me on the floor a moment ago, I think, was without consideration. But the Senator, in his able speech defending the principles of protection in the upbuilding of America, sought to point out the bad times which had occurred in the days before the Civil War under laws which he contended were not protective laws. He picked out the era of the law of 1824, for instance, claiming there was a protective law at the time, and claiming that the good times which happened to come in that era were due to the enactment of that law. Now, I say to the Senator that if the rates in the law of 1824 were put into effect to-day he would claim that it was a free trade tariff law. Those rates would be far below the rates in the existing law.

I did not interrupt the Senator in his discussion, but I listened to him detailing the good times which have grown out of an American protective law and the panics which he alleged had occurred under an era of so-called free trade, although since the enactment of the first tariff law in this country I have never known of a period when there was absolute free trade. There have been high and low tariff rates, but no era of free trade. But I noticed that the Senator failed to refer to two of the most disastrous panics that ever happened to America, first, the panic of 1873 under an era when the Republican Party was in power, with a Republican President, and with a Republican tariff law on the statute books.

Mr. GOODING. If the Senator will permit me, I did refer to the panic of 1873, and I charged the blame of it partially upon a reduction of the tariff by the Republican Party below the line of protection. Possibly the Senator did not hear me make that statement.

Mr. UNDERWOOD. I overlooked that if the Senator did refer to it, but the tariff was reduced seriously on but one line of commodities, and those were iron and steel commodities, which the Republican Party continued to reduce down to the time of the enactment of the Payne-Aldrich law, without any serious injury to the country, and which the Democratic Party continued to reduce by putting most of those commodities on the free list under the present law. However, under the terms of those laws the country has developed and prospered in recent years as it never did before.

I listened to the Senator carefully, but of course there are many interruptions on the floor of the Senate, and I did not hear, although I may have overlooked it, any reference by the Senator to the panic of 1907, the Roosevelt panic. If he did refer to it, I would be glad to be corrected. That was one of the most acute panics which ever took place in America, bringing about a most depressed business condition, numbers of men thrown out of employment, and all during the Roosevelt panic of 1907. There was a Republican President in the White House and a Republican tariff law on the statute books, and yet disaster came to the country. I do not say that these panics occurred by reason of a Republican tariff law any more than I contend that the panics to which the Senator referred occurred by reason of a different kind of tariff law.

Mr. GOODING. I did not make any statement that all the panics and all the hard times which have come to America have come from free trade or from tariff for revenue only laws, but I did point out very clearly that every time any party, regardless of whether it was the Democratic or Republican Party, reduced the tariff below the line of protection, we had a panic and there was great suffering and distress; and history bears out that fact.

Mr. UNDERWOOD. I do not at all agree with the Senator. Of course the Democratic Party with its theories was in power for some 50 years unbrokenly, so far as continuous power is concerned, before the Civil War. Even when we had a Whig President, as a rule we had a Democratic House, and during that time there were great eras of prosperity.

I have studied the tariff question for many years. A Republican protectionist, as a rule, claims that any law he did not write is a free trade law and any law he writes is a protective tariff law on all schedules. For instance, he will claim that the Payne-Aldrich law is a protective tariff law and upbuilds the industries of America, and yet what became of prosperity under the Payne-Aldrich law and under the Republican administration? The Senator from Idaho might not say it now, but we can find pages of political debate filled with the arguments of that period of Republican prosperity that the Republican tariff law had brought about its success, yet one of the very items which we are now discussing, citrate of lime, the Payne-Aldrich law had on the free list. When I came to function in the writing of the present tariff law I was looking for some revenue, and I put a small revenue tax of 1 cent a pound on citrate of lime, which the Republican Party had had on the free list. Of course, if it was in a Republican tariff law and on the free list, it brought prosperity, but if it was in a Democratic law and had a rate of 1 cent per pound on it, it brought disaster to the industry. That is about the class of argument that we must listen to here in reference to these questions.

Mr. GOODING. Not so far as I am concerned, I will say to the Senator. I thought I made myself very clear on the point that, regardless of which party reduced tariff duties below the line of protection, we had hard times in the country.

Mr. UNDERWOOD. I am sure the Senator agrees to that; I am not questioning the sentiments of the Senator on the question. I simply say that the facts of history do not bear out the Senator's contention. That is where we differ. That is our natural difference. The Senator thinks, for instance, that a tariff of 33 cents on raw wool——

Mr. JOHNSON. Mr. President, will the Senator yield to me just at that point?

Mr. UNDERWOOD. I yield.

Mr. JOHNSON. I simply wish to correct a statement of fact and not to enter into any general discussion of the general problem at the moment. The 1-cent rate in the Underwood tariff law upon this particular item was put upon it when there was not any such industry in the country, and it was done doubtless solely for the purpose of revenue. I wanted to call that to the Senator's attention.

Mr. UNDERWOOD. It was put on for the purpose of revenue solely. That is what I said.

Mr. JOHNSON. There was no such industry at that time in this country. In 1915 there was the first development of it.

Mr. UNDERWOOD. I am not concerned about whether the industry was here or not. I levied the tariff for revenue. From my viewpoint, whether the industry is here or not, I do not believe in a protective tariff; so that is neither here nor there. Of course, if the Senator wants to defend my position and assure the public that I did not levy this tax for protective purposes, I thank him for coming to my rescue.

Mr. JOHNSON. If the Senator will pardon me, I was not attempting to defend his position. It is so indefensible I would not attempt that.

Mr. UNDERWOOD. From the Senator's standpoint.

Mr. JOHNSON. However, omitting that part of it, I was simply endeavoring to correct a statement of fact. I think the Senator misunderstood my reason for interrupting, so we will let it pass at that. I am not endeavoring to enter into a discussion of the general problem at all.

Mr. UNDERWOOD. What I want to say to the Senator from Idaho is that the Senator advocates, I am sure, a tax of 33 per cent on raw wool in the pending bill. When I took part in writing the present law I did not put any tax on raw wool. I put wool on the free list. At that time it was contended that the wool industry would be ruined immediately. The result was that the tax had not been on the statute book very long before, instead of the price going down, it went up; wool increased in price. At certain times it has gone down, and at other times it has gone up. Its price has depended upon the consuming market of the country.

Mr. GOODING. Will the Senator allow me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. UNDERWOOD. Of course I yield.

Mr. GOODING. I should like to ask the Senator from Alabama what was the purpose in the Underwood law of putting wool on the free list? Was it to give the manufacturer cheap raw material?

Mr. UNDERWOOD. No; it was to give the American people cheaper clothes, if possible.

Mr. GOODING. Then, why did that bill put a duty of 35 per cent ad valorem upon clothes which the poor man wears?

Mr. UNDERWOOD. It was because it was thought that clothing was an article on which we could raise revenue, and that we might legitimately raise a certain amount of revenue on it.

Mr. GOODING. Is it not the argument of the Democratic Party that raw material should be placed on the free list in order to make it available to the manufacturers at a cheap price? Is not that the argument and the purpose of putting raw material on the free list?

Mr. UNDERWOOD. It is not to give manufacturers a benefit; but the argument has always been made by those who advocated cheap raw material in the industries that it enabled the manufacturers to sell to the American people the ultimate product cheaper, because if the raw material be taxed that tax had to be multiplied into the finished product, not merely put into the price of the finished product, but multiplied in it, just as is contended with respect to the article which it is now proposed to tax.

Mr. GOODING. But the purpose of that policy is to afford cheaper raw material; that is correct, is it not?

Mr. UNDERWOOD. In order that the finished product may be sold to the American people cheaper.

Mr. GOODING. By putting the farmers' product on the free list.

Mr. UNDERWOOD. And the product of anybody else who produces the raw material.

I think the Senator from Idaho is engaged in the wool industry; I am not sure about that; but my understanding is that he is. What little I have invested is in the iron and steel industry—in pig iron. As to the Senator's view—and he is entitled to it; I am not criticizing him, though I differ from him—the people of his State are interested in the production of wool, and he believes in taxing the raw wool. To the extent of my limited means, as I have stated, I am interested in producing pig iron.

Mr. GOODING. Mr. President——

Mr. UNDERWOOD. Wait until I answer the Senator's questions. I can not answer them if he interrupts me in the middle of a sentence. I will yield to the Senator in a moment. I have no desire not to do so.

Mr. GOODING. Very well.

Mr. UNDERWOOD. When the present law was written the eastern furnaces were demanding free raw material in order that they might have cheaper iron to sell to their consumers. They asked for free coal and free iron ore. When the present law was written I reported a bill which not only carried free iron ore and free coal but also free pig iron, because I believed the American people were entitled to obtain the product as cheaply as possible. Every particle of manufacture in which I am interested went on the free list. I believe that is right and I apply the doctrine to myself. The Senator from Idaho believes in protection—which he is entitled to do—and he applies the doctrine not only to his people but to himself by proposing to put a tax of 33 cents a pound on wool. That is where we differ.

Mr. GOODING. I was going to say to the Senator from Alabama that I hoped he would do me more credit than to say or to think that I am here representing only the woolgrowers. I am for protection because I believe in the principle of protection.

Mr. UNDERWOOD. I have said that.

Mr. GOODING. The Senator from Alabama is in favor of free trade on raw materials because he believes in the principle of cheaper materials for the manufacturer. For that reason he favors putting on the free list pig iron, which is a raw material, to some extent, but I would protect it. That is the difference between the Senator from Alabama and myself.

Mr. UNDERWOOD. But the party of the Senator from Idaho has not protected coal and has not protected iron ore in the pending bill. On the product of the great furnaces of New Jersey and New York and New England that compete with those of the South and West it is proposed to put a tax of a dollar and a quarter a ton, and yet to give them free iron ore and free charcoal.

Mr. GOODING. I will say to the Senator that I, of course, did not frame the pending tariff bill, but to any industry that needs protection—I do not care in what State it is located—I will give that protection regardless of whether it is an agricultural product or a manufactured product or the product of a mine.

Mr. UNDERWOOD. I am sure the Senator would. I am not criticizing his position for a moment, and I have not done so; but the only thing I say is that his position is wrong.

Mr. GOODING. The Senator from Alabama and I are 50–50 on that proposition.

Mr. UNDERWOOD. I realize that.

Mr. GOODING. I think the position of the Senator from Alabama is wrong.

Mr. UNDERWOOD. I am not falling out with the Senator from Idaho for thinking that I am wrong because I want to give the American people an opportunity to live cheaper. He is entitled to his opinion, and I am not falling out with him because his principles are that production in America should be behind a tariff wall and that the American people shall pay the price. We differ radically on that proposition; there is certainly no opportunity for us to get together on it. I am perfectly willing to concede to the Senator that he is entitled to his views, and I am not criticizing him personally for his views at all. The only thing that I say is that his views are absolutely wrong and are detrimental to the interests of the great mass of the American people.

It is the same with the Senator from North Dakota [Mr. McCUMBER] in charge of the bill.

Mr. GOODING. Mr. President——

Mr. UNDERWOOD. If the Senator from Idaho desires me to yield to him, I will yield before I take up another branch of the discussion.

Mr. GOODING. Mr. President, I hope to conclude to-day the remarks which I commenced some days ago, and when I do so I am going to prove to the Senator from Alabama that under the present law practically every farm product is placed on the free list or under a revenue duty so low as to give no protection at all, while on every manufactured product in the country a duty is imposed so high that it is a protective duty, although when placed there it was called a revenue duty. There is hardly an exception to that rule in the present law.

Mr. UNDERWOOD. Mr. President——

Mr. GOODING. I will not discuss the matter any further now, because I have previously covered this subject in my re-

marks. I shall, however, try to finish my remarks on the tariff question while the Senator is in the Chamber, if I can, and I want to assure him that I am not going to charge, as has been charged, that the Underwood-Simmons law is an infamous measure; that it is iniquitous, and everything of that sort. I regard too highly the Senator from Alabama and those who wrote that bill to frame such an indictment against him or his bill.

Mr. UNDERWOOD. I am sure the Senator has personally, but even that would not make any difference if I have made a mistake. In that event the Senator should demonstrate it, and I hope he will do so. There are some high rates in the present law, but, so far as I know, they are largely levied on the luxuries of life. The necessities of life carry low rates, I will say to the Senator. More than that, although it did not go as far as I individually would go, there is one thing in that law of which I am proud. I do not believe in taxing the covering of the backs of the poor nor the food that goes into their mouths; so far as I am concerned, I believe in leaving the food of the people untaxed. I admit that there are some items in the present law that do tax food products, but it was not my fault, because I had to agree with the committee, I had to agree with the House, and I had to agree with the Senate; but if the Senator wishes to discuss my theories, I know that great America, with its fertile fields and virgin soils, is able to compete in food products against the world, and it does so compete. There are a vast number of people in this country who are entitled to live, and I do not believe that any scheme of taxation should start by taxing food.

Of course, I know the Senator radically differs from me about that. That is a difference of opinion, and he is entitled to his opinion, but I do not agree with him, and I do not believe that the great majority of the American people agree with him.

Mr. GOODING. Mr. President, I wish to say to the Senator that, so far as necessity is concerned, there is no difference between what are called the vital necessities of life, such as the clothes a man wears and the food which he eats. The clothes the Senator wears are a vital necessity. The Senator might come down here without his breakfast, but he would not come down here unless he were well dressed, I am sure. Clothing is just as vital a necessity as is food; but the farmers of this country grow the raw materials which the Senator and the Senator's party have put on the free list, while the manufacturers of the East and the South manufacture them into what the Senator calls finished products, and on those products duties have been placed by the present law. All require labor to produce. If the Senator can see any difference between the labor on the farm and the labor in the factory, or between the man who owns a factory and the man who owns a farm, he looks at life from an entirely different standpoint from that which I occupy. I think they are all American citizens and all ought to be treated alike.

Mr. UNDERWOOD. I understand that that is essential to the protection theory, but it does not work out.

Mr. GOODING. That is a square deal all the way around.

Mr. UNDERWOOD. Surely; but it is one which you can not give. That is the reason I am against it, for you can not give it. You pretend to give it; you try to build up and foster American industry by levying taxes for the benefit of special interests, and then you levy some other taxes, pretending they are for another special interest, but they never apply and do not affect the price. They are merely imposed to make those interested believe that they are going to get the same thing out of a tax that the special interests are going to realize from the system of protection. If you are going to frame a bill for protection; if you are going to take the taxing power of this great Government and so use it that you will take dollars or dimes or pennies out of the pockets of the mass of the people and put them in the aggregate into the pockets of a few, of course, if you are going to be fair and just about it, you ought to scatter it far and wide. From the standpoint of protection there is no other way to proceed.

Mr. GOODING. Mr. President——

Mr. UNDERWOOD. I will be glad if the Senator will allow me to finish my sentence. I wish to yield to him, but I can not yield all my time. If you are going to put money into the pockets of the special interests, of course, the farmer as well as the manufacturer is absolutely entitled to be in the grab game. You should not make any distinction; but I do not believe in levying taxes for the benefit of anybody. I believe that the only system on which taxes should be levied at all is for the benefit of the Government, and I do not believe in the theory of using the taxing power of the United States to benefit the few against the many. Of course, however, if I believed in the theory in which the Senator from Idaho believes, if I believed in protection and believed we had a right to build a protective tariff wall at the seaboard to benefit the manufacturers of wool and cotton and iron and steel, of course, I would agree with the Senator and say we ought to give some of that benefit, if we could, to the farmer; but mighty little can be given to the farmer. There is where the Senator's theory breaks down. A tax may help the man who produces raw wool temporarily, but in my judgment the tax which it is proposed to levy on wheat is folly. We might discuss the question forever and not agree; but I know the price of wheat is fixed in the market of Liverpool, and any protective tariff in this country merely diverts the Canadian wheat to the Liverpool market and that wheat is kept out of this country. So it is in the case of almost every other agricultural product.

The Senator may say that there are agricultural products taxed under the present law. A few of them are taxed for revenue, and some of them will produce revenue. They produce revenue because of the adjustment of freight rates; but, outside of being levied for revenue, there is no justification for levying them at all.

Mr. GOODING. Mr. President——

Mr. UNDERWOOD. I yield to the Senator.

Mr. GOODING. Mr. President, I want to thank the Senator for the spirit of fairness which he always exhibits in debate. He states the whole situation very clearly.

If all the men who discuss the tariff question will go out before the American people and discuss it as fairly and as honestly as does the Senator from Alabama, the leader of the minority here in the Senate, we will settle this tariff question very quickly. There is not any doubt about that. If the Democratic Party is not in favor of protection, it will not take long to settle it. I want to say to the Senator that any Senator or any Congressman who goes into any western State and makes that statement can not be returned to this body or to the House. He may be returned from the South, but he can not come from the West; and I hope that all the Democrats who go out on the stump this fall will be as fair and as frank and as sincere and as honest as the Senator from Alabama. If they do, there will be no question about what will happen in the election. The American people are for protection.

Mr. UNDERWOOD. I thank the Senator for the compliment he pays me. He is very kind, and I appreciate it. I want to be fair and candid about this matter. I am sure the Senator thinks he is right when he asserts that nobody can be elected from the West if he is not a protectionist, but I am not sure about that. I have seen gentlemen come from the West in my time who were not protectionists; and in part of the West, the nearer West, those who stand for protection in this Chamber are not very violent in their efforts in that direction. Not all of the West has the same viewpoint in reference to protection that the Senator has; and yet I have seen constituencies change, and I have seen their viewpoints change.

For 20 years I represented on the floor of the House of Representatives the greatest manufacturing district in the South; and my viewpoint then, representing the great iron and steel district of the country, was no different from what it is today. I am opposed to protection because I do not believe that the power of this great Government should be used to make one man rich at the expense of the others; and I do not believe that the American people, when they understand the question, whether they live in Idaho, Alabama, or New York, are in favor of using the power of Government for the accumulation of wealth by any man.

I do not say that no taxes should be levied at the customhouse. I never have contended that. We are in need of a large amount of revenue. I always have favored reasonable taxes at the customhouse on competitive articles at competitive rates, so that the Government could get revenue, and so that behind the tax wall special privilege could not raise its prices to exploit the American people; but the whole trend of this debate so far as it has gone, from beginning to end, is either to balance prices at home or abroad, or to protect the manufacturer's or producer's profit. Do either and you not only destroy the revenue features of your bill in competitive articles—because when the rates balance there is no incentive to importation, and certainly when you protect a profit there is no opportunity for foreign production to enter the American market, and therefore your Government gets no revenue—but your wall is lifted high enough for those in the business to raise their prices and exploit the American people.

I know that there are a vast number of distinguished representatives who agree with the Senator from Idaho, and believe that that is correct in theory; and he is sincere and candid about it, and says it ought to apply to all. I really be-

lieve that the Senator from Idaho would go so far as to vote for a tax on raw iron ore and raw coal, that are on the free list to-day.

Mr. GOODING. No; I want the Senator to be fair with me, and I am sure he will when he understands me. What I said was that I would vote for protection for any industry in America that needed protection, regardless of what industry that was, or what State it was in.

Mr. UNDERWOOD. To be sure.

Mr. GOODING. Of course, there may be some things—possibly coal, possibly pig iron, on account of the freight, their cheapness, and all those things—that do not need protection. I would not put protection on an article unless it needs it. I am saying that there is an honest difference between the cost of production in this country and the cost of production in any other country on earth, and that we can not produce in this country unless those who are interested in that production are given that honest difference in a protective tariff. That is my position exactly.

Mr. UNDERWOOD. Mr. President, I know the Senator thinks that there is an honest difference in production, and in some articles there may be—a few. We have the virgin fields of America, from which our crops are raised—lands that within this generation were given to the people by the Government for nothing. The crops of foreign countries are raised on very high-priced lands. We have a home market in which to sell our production at home that is the greatest in the world. Those who try to invade that market have to bring their products over the seas at great expense. There is no difference between the raw wool produced by the cattle herders of Idaho and the raw iron ore produced by the miners of the hills of Alabama; both want to get their final product to the eastern market; both have to pay a freight rate to carry it there. The Senator from Idaho is strong enough with the wool manufacturers of New England to make them yield to what they do not want to yield to, and that is to put a tax on raw wool and carry it on as a burden to the American people. I would not contend for a minute that the manufacturers of pig iron in the South or the West are entitled to tax raw material at the seaboard for the sole purpose of building up a market for themselves and taking that money out of the man who buys the plow and the rake and the wire fencing—not at all. It is a difference of viewpoint.

The Senator contends that he is making this fight for the American farmer. I do not question that he is sincere in taking that position. He believes that levying taxes and putting burdens on the people helps the American farmer. I believe that the great agricultural class of America ought to be built up. It is the backbone of the country. It is the sustaining life of the Nation; but when I had the writing of a tariff bill I attempted to build it up in a different way. Instead of levying burdens of taxation I attempted to cheapen the cost of living. The bill that I had the honor to report to the House put every agricultural implement that I can recall on the free list, untaxed. It put bagging and ties for the southern farmer on the free list. The southern farmer has to carry his cotton into the markets of Europe and compete there with free bagging——

Mr. GOODING. You put a duty on the grain bags of the West that the farmers there have to use.

Mr. UNDERWOOD. We put a duty on some cotton goods, but we gave the farmer of the West free binding twine, which he asked, and many other things that he wanted on the free list; among others, agricultural implements. He is the man who principally uses them. I do not say that we put everything that he bought on the free list, but I am telling you things that we did put on the free list. For a generation the farmers of the South had asked for free jute bagging—we import the raw material from India, largely—and free cotton ties, because they had to go into a free-trade market to sell the bulk of their product. The present law gives them free bagging and ties, as it gives the northern wheat farmer free twine, and in this bill you turn around and put them back on the tax list.

There is where we differ. You want to aid the American farmer by putting a tax on his products and also putting a high, prohibitive, protective tax on everything he has to buy. I do not believe you aid the farmer in that way. I do not believe you build up the farmer in that way. I think you had better take the tax off of what he has to buy. That is my viewpoint of it, and I have endeavored to do it. That is the difference in opinion on this subject.

Mr. GOODING. Mr. President, will the Senator yield to me once more?

Mr. UNDERWOOD. I yield.

Mr. GOODING. I want to make this statement to the Senator, and make my position a little clearer in regard to the people that live in the great cities that can be reached by water transportation from foreign countries.

There are something like 30,000,000 people in America that can be reached by water transportation from foreign countries. There is not a farmer anywhere on earth who can not feed those 30,000,000 people cheaper than the people from the Western States can, as far as freight rates are concerned, with labor costing on an average about one-tenth what a western farmer must pay. If we are going to permit these foreign farmers to feed these great cities because they have largely water transportation, there is only one thing left for the western farmer to do, and that is to go out of business, because we are unbalanced as far as that is concerned. The great producing part of this country is thousands of miles away from the consuming part of this country; but we are all America; we are all one great country just the same. These great cities, the great consuming masses, have been built up by the great West and the Middle West, and they are our markets; and we are first entitled to those markets, and we are entitled to the difference in the cost of production, whether it is freight rates or labor or any other matter, as far as that is concerned, that enters into the cost of production.

Mr. UNDERWOOD. Mr. President, I am glad to yield to my friend from Idaho, because he is bringing this question right down to the issue; and I am sure that at some time he has visualized this vast population that lies along the seaboard, and honestly believes that these people are getting their bread and food and clothes from abroad, and that the American farmer is entitled to that market, and that somebody is taking it away from him. Now, let us see. Let us analyze the question. I am sure the Senator thinks that, but I am sure that he is dead wrong about it.

What do the people eat in these cities? What are their principal foods? I am not talking about olives that they may get from Italy, or a few competitive products like lemons, where in the New York market the California lemons and the Italian lemons compete; but taking the Senator's proposition that the great agricultural interests of the West are entitled to this New York and East coast market—let us analyze that.

What do these people eat, to begin with? They eat bread. Bread is made out of wheat or corn. I know of no importations of corn into America that amount to anything; certainly not from Europe, because Europe is not a corn-producing country, and a tariff would not affect the corn at all.

The wheat from the West is going every day to the eastern seaboard, and they can not eat wheat as such; they eat flour. I would like to have the Senator tell me now any place in Europe from which flour is coming to feed these people on the seaboard. If there is any such importation, I do not know of it.

Mr. GOODING. It is coming in from Canada, as far as that is concerned.

Mr. UNDERWOOD. A little is coming in from Canada, and a little of ours is going over into Canada, but mighty little wheat flour is coming across the Canadian line in proportion to the American consumption. The Senator knows, as I do, that 999 flour bags out of every 1,000 in the grocery stores of the eastern market to-day are of American manufacture.

We are exporters of flour; we are exporters of wheat; we are exporters of corn. Let us take the meats of the West. A little meat is coming from Australia to the California coast towns, and a little meat is coming from South America into the port of New York, but very, very little. I do not think it amounts to one-tenth of 1 per cent of the consumption of that market, and I will tell the Senator why. He may say that on the great plains of South America the herds can be raised cheaper than they can on the plains of the West in this country, where the plow has driven the cattle herds off. But meat can only be imported into this country in refrigerating ships, and you can not build a ship for refrigeration alone, and use it for refrigeration alone, because in order to pay a ship must carry a home cargo. You can devote only a small proportion of your ships to refrigeration, and to that extent your imports are limited.

I know about this proposition, because I have been over it a great many times. No matter what the cost of production of meat is, you can not ship meat from south of the Equator to this country without having it in a refrigeration box, because it will be destroyed if you do. But there is competition on the eastern seaboard to the limited extent of that refrigeration. I venture to say to the Senator that what little meat comes in in that way hardly gets out of New York City, and the great balance of the population on the seaboard to which he referred is being fed to-day by the products of the American farmer, because he has not any competition.

You may go on down the list of the other products. There may be a small amount of food products coming in from Canada, perhaps some little butter and milk, but not one-tenth of 1 per cent of the American consumption.

The market for that butter and milk is not a tributary country of the western plainsman or the western mountain man. It is a local product, grown locally. If you go through New Jersey, you will see a chicken farm every quarter of a mile, nearly, the product feeding the eastern market. That product does not come from the western country, and outside of wheat and corn and meats I know of no products of the great western country which go to the eastern seaboard, because in the East they raise their vegetables and their chickens and their meats and their butter nearer home, and it is idle to try to make the farmers of the West believe, by some hocus-pocus, that this great population, which the Senator says amounts to 30,000,000 people, should pay tribute to them through a protective tariff. Levy your protective tariff as high as you want to; you can not collect tribute, because it does not lie there. It is not within your province to bring those things to them, and they will find it out some day, though they may not have found it out yet.

Mr. FLETCHER. May I inquire of the Senator if it is not true that the prosperity of America depends very much upon the production of a surplus over and above the needs of our own people, and is it not important to find a market for that surplus outside of our own country? Is it not a fact that this surplus of wheat, or corn, or meat, or cotton, is marketed abroad, and that being true, what good will a duty levied on these products do the farmer or the producer?

Mr. UNDERWOOD. I never have believed it would do a particle of good. I think the Senator from Florida is eminently correct in the position he takes. To make the American farmer prosperous, we want the American people prosperous; we want men employed, and not out of work, and we want a condition under which they can sell their surplus products abroad, and bring the money or the returns here.

If the American farmer can no longer export a portion of his wheat production to Europe, it will bring disaster to him. If the American cotton farmer is cut off from the export of half of his cotton crop to Europe, it not only brings disaster to him but to a whole section of the country. But they can not send it abroad unless they have an opportunity to receive pay for it.

To-day America has accumulated the gold of the world in her coffers. We no longer owe Europe indebtedness. Europe is no longer an owner of our securities. Europe has ceased to be the large carrier of our traffic, and there is no way in which we can be paid for the surplus products of our labor, either of our fields or our factories, unless we leave the door open wide enough for some of the products of other countries, either the products of the farm or the products of the factory, to come back into America and pay us in barter for our surplus products.

I saw a cartoon in a paper the other day which very fairly illustrated this proposition. It showed Siamese twins fastened together by nature for life, their bodies grown together, their hands tied behind their backs, marching to the block of the executioner, who stood there with his red gown and his mask on his face, preparing to execute the one called "Imports," and some one rose in the audience and said, "These are Siamese twins. Kill one, and you kill the other."

So it is with our imports and our exports to-day; they are Siamese twins. We can not export our goods to foreign countries unless we are paid for them, and we can not receive any pay unless we allow some products from other countries to come in here. Therefore when you seek by this bill to kill importation entirely on every competitive product, as you do, in the end you are going to kill exportation, because there will be nothing to pay for the exported material.

The Senator from North Dakota [Mr. MCCUMBER], in charge of the bill, defended the bill this morning by saying that he is in favor of the tariff all along the line, that the American people are in favor of it, because the man in Iowa or in Ohio who is making glassware or earthenware wants protection on his product, and the man in Idaho wants protection on his raw wool, and another man wants it on cotton goods. He says they have given protection to all who want it, and he then wants to know if the people in those industries are not in favor of a protective tariff. So far as I am able to judge, I have never seen these protective rates reflected down into the pockets of the mass of the laboring people who are engaged in industries. For 16 years I sat as a member of the Ways and Means Committee of the House of Representatives, and have seen one tariff after another in the making, and I have yet to see the time when the labor in industry was here demanding protection, although it is always claimed that these bills are passed in the interest of labor. It was the special interests of America, who were engaged in a profitable business already, which wanted to increase their profits, or get a greater hold on the markets of America through enactments of Congress, and to make the masses of the American people pay for it.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Utah?

Mr. UNDERWOOD. I yield.

Mr. KING. I put into the RECORD the other day a very complete and accurate statement showing the cost of labor in all the industries which are comprised in this chemical schedule. It showed that of the more than two billion seventeen million products in a given year only 8½ per cent in 1914 went to labor; all the rest went for other purposes. In 1921 labor got only 8 per cent, though it is alleged, and I think it is true, that labor did get more per man per hour in 1921 than in 1914, but by reason of improved machinery and mechanical appliances the product of labor increased, and the amount which is paid to labor does not bear a proper relation to the increase in the products of the protected industries.

Mr. UNDERWOOD. I am sure the Senator is right in saying that in a vast number of these industries, where the American laborer gets a greater wage, it is due to his efficiency and to American machinery, and that has never been disputed. Where the issue has been raised, I have never known a time when it has not been shown by indisputable facts that American machinery and the efficiency of the American workmen did not equalize the difference in cost of labor at home and abroad in almost all of the industries where competition exists.

Now, let us come down to the items here in issue. Citrate of lime is manufactured from lemons and citric acid is made from citrate of lime. That was an article that was made abroad. When the present rate was made, as far as I know, very little, if any, was made in this country, but a good deal was imported. It was a chance on a small tax of 1 cent a pound to raise some revenue for the United States Government and distribute it, and a tax on citric acid of 5 cents a pound did not prevent its flow into this country, but it did raise some revenue for the Government, and therefore it was levied under the present law.

Now, under that condition, with a tax of only 1 cent on citrate of lime and 5 cents on citric acid, a great industry developed in the country. The business grew to the extent of reaching the point where it is supplying practically one-third of the demands of the American people and continuing to grow. That was not putting a great burden upon it. The industry was absolutely competitive and there was a revenue tariff admittedly, not a protective tariff, and yet the industry developed under those conditions and is still growing. But what do we find? As soon as it begins to develop under these high-tax conditions we find the greed and the avarice of the American producer standing at the door of the American Congress, demanding more and more from the American people, demanding not only that he can go along and develop his business under normal conditions. He is not being destroyed, because he was able to grow up under those conditions. He started in life under those conditions, and he has grown to be so large now that he is commanding one-third of the American market admittedly, and yet this man in business, in order to get all the market, not satisfied with the natural growth of the industry, wants the committee to raise the tariff rate on citric acid from 5 to 18 cents a pound. I will say that he wanted it raised higher than that, I believe. The House rate was 12 cents and the Senate committee makes it 18 cents—and why? Because the producers want to protect the profits; they want to stand behind a wall here which will give them entire control of the American market. They want to control it all beyond the power of the law and make the American people pay the price.

It must not be forgotten that this commodity is used in the hospitals in the land. It is used by those who in the thirsty summer days want a cooling drink. It is the favorite soda-fountain drink of the small boy. Now, it may be said that this does not increase the cost at the soda fountain or at the hospital, but it does. We never increase the tax unless somehow or some way the man who pays it hands it on to the ultimate consumer.

This is just one of the thousands of items in the bill affected by the greed and avarice of the man who has already developed a good business, who must already be making legitimate and fair profits, or his business would not have increased from nothing to one-third of the American consumption under existing conditions, and who now wants to graft on the entire Ameri-

can market and to make the consuming masses of the American people pay the price. That is what the protective-tariff theory means.

The Senator from California [Mr. JOHNSON] wants the raw material—the lemon—protected. He wants to have citrate of lime made only in this country. The present law, under which the industry has had a flourishing existence, levied a tax of 1 cent a pound on citrate of lime, and the industry developed and grew and became established. He now wants a tariff to protect the lemon that is no good for anything else—the waste lemon, the rotten lemon, the lemon that did not grow. I hope before the bill is passed they will be perfectly fair about it and bring in some kind of a proposition here to protect the potato that was left in the mold, that has not grown large enough for anybody to use, to protect the nubbin of corn that did not develop, and to protect the rotten apples that have to be left on the tree. They are just as much entitled to be protected under a tax levied on the American people as are the lemons which are no good.

The Senator from California appeals for the growing lemon trees of California. The man who planted those trees 10 or 15 years ago did not plant them expecting a tax on citrate of lime to enable him to sell his rotten fruit. He expected to make his profits like everybody else does—out of the matured fruit, the real products of the farm—but he discovered, in his grasping greed for American money, a possible opportunity for greater profits, and he is now so greedy that he wants to sell his rotten lemons to the American people under a protective tariff. That is all there is in the item.

I have no doubt that the party which believes in protection, which thinks the salvation of the country depends on protection, is going to erect a tariff wall to tax the sick in the hospitals and the children at the soda fountains in order that the rotten lemons of California may receive the protection they desire.

RECOGNITION OF SOVIET GOVERNMENT OF RUSSIA.

Mr. BORAH. Mr. President, out of order I submit a resolution, and ask that it may lie on the table.

The resolution (S. Res. 293) was read and ordered to lie on the table, as follows:

Resolved, That the Senate of the United States favors the recognition of the present soviet government of Russia.

THE GENOA CONFERENCE.

Mr. BORAH. Mr. President, we are engaged in the consideration of the tariff bill, and if it passes and has the effect that some of its advocates believe it will have it will work some advantage and some benefits to the country. But I am very firm in the belief that we shall not enjoy anything like prosperity or restored normalcy in this country until the conditions which are now prevailing in Europe shall have changed for the better. Until Europe recovers and is in a position to deal with the rest of the world in making purchases, and until she becomes a consumer as in the past, it will be impossible for us to enjoy anything like the prosperity which we are entitled to enjoy. I look, therefore, upon a consideration of the matters which have to do with the restoration of better conditions in Europe as having quite as much to do with the future prosperity of our country as the pending tariff bill or any other measure which it would be possible for us to consider.

The Genoa conference has apparently come to a close. I presume that, as a matter of fact, it has closed. It may for obvious reasons continue its sessions, but probably with no hope upon the part of those who are participating of accomplishing anything in the way of permanent results. Everyone must deplore the unfortunate and fruitless ending of the conference. It has seemed to me the Genoa conference was doomed to failure from the very beginning. The program which was outlined for consideration made it impossible for the conference to accomplish anything in the way of permanent beneficial results. It was determined in advance that no consideration of the reparation clauses of the Versailles treaty should be permitted to come up for discussion. That was a matter which was excluded from the consideration of the conference from the beginning.

It was also practically determined in advance that there should be no recognition of the present Government of Russia. Yet I presume that it is stating a mere commonplace to say that no one well informed of the situation in Europe hopes for anything like a restoration of peace or of economic sanity until those two problems shall have been settled. Until the reparation clauses of the Versailles treaty shall have been rewritten or modified to such an extent as to permit Germany to pay and still live, we can hardly hope for anything like a restoration of normal conditions in Europe. Germany is the greatest economic unit in Europe. Without her recovery Europe can not recover. She can not recover under the treaty as it now obtains. Europe must continue to swelter in her misery and hunger and taxes and debts and armaments curse Europe until the manacles which this treaty placed upon the energy and economic power of Germany are taken off, or at least loosened.

The same proposition is likewise true with reference to the settlement of the Russian problem. There are 180,000,000 people, absolutely essential to the restoration of normal conditions in Europe. So long as the Russian problem is unsettled, the other matters in Europe must remain unsettled.

These things were disclosed anew and in a more extended way and in a more positive way at the Genoa conference. It was the belief of the economists and publicists and informed statesmen of Europe before the Genoa conference met that those two problems had to be met and solved, and yet both of them were practically excluded from the consideration of the conference in advance of its meeting. I say, therefore, that it is not at all surprising that the conference should have failed. It could not succeed without seriously and earnestly grappling with those two propositions.

We are informed now that the Genoa conference is about to adjourn until the 15th of June, at which time it will reconvene, with the hope that the United States will become a member of the conference. Putting aside for the moment the other and larger question of the United States becoming a member of the conference, and assuming for the sake of argument that it should become a member of the conference in June of this year, what could be accomplished if the same policies were to obtain with reference to European affairs which now obtain and did obtain during the Genoa conference? If they should meet in June and the United States should become a member of the conference and it should still be said that the question of the modification of the Versailles treaty should be excluded from consideration and the recognition of the soviet government of Russia should be excluded, what possible progress could be made, even with the presence of the United States at the conference? If the things essential to the restoration of Europe are forbidden, banished from consideration, it would add nothing to simply increase the membership of the conference.

We should be in precisely the same situation as is the conference at Genoa at the present time. Mr. President, the Governments of Europe do not need the United States in their conferences for the purpose of modifying the reparation clauses of the Versailles treaty. That is within their power. They need neither the aid nor the counsel nor the advice of the Government of the United States to do that which is essential for them to do before they can make progress. Neither do they need the United States, nor could the United States be of any aid to them in dealing with the soviet government as a government and in recognizing the soviet people and the kind of government which they have. In other words, if they desire the Government of the United States, it must be for the purpose of carrying out the practically announced policy of dismembering and destroying Germany and of refusing to recognize or to deal with the Russian Government.

Mr. President, when the former President of the United States, Mr. Wilson, went to Paris he was immediately confronted with the same policies and condition of affairs which still prevail with reference to European governments. There is no longer any doubt, since the records are being revealed, that it was the deliberate purpose of some of the powerful influences assembled at Versailles to go much further in the utter destruction of Germany than they finally decided to go. It would now seem clear that only through the efforts of the American delegates were they prevented from actually proceeding, as it were, to dismember the German Government and destroy the German people as a nation.

I have before me a book lately published by Nitti, the former premier of Italy, who discusses the entire subject with great frankness, revealing some facts which were unknown to me, at least, before reading this book. Among other things he says:

> During the conference France put forward some proposals the aim of which was nothing less than to split up Germany. A typical example is the memorandum presented by the French delegation claiming the annexation of the Saar territory. This is completely German; in the 650,000 inhabitants before the war there were not 100 French. Not a word had ever been said about annexation of the Saar, either in government pronouncements or in any vote in the French parliament, nor had it been discussed by any political party. No one had ever suggested such annexation, which certainly was a far more serious thing than the annexation of Alsace-Lorraine to Germany, as there was considerable German population in Alsace-Lorraine. There was no French population at all in the Saar, and the territory in question could not even be claimed for military reasons, but only for its economic resources.

Nitti then goes on to discuss how far they were permitted to go and how far they succeeded in accomplishing their original idea or purpose. He says in the preface of the book:

I believe that Europe is threatened with decadence, more owing to the peace treaties than as a result of the war. She is in a state of daily increasing decline, and the causes of dissatisfaction are growing apace.

On page 7 of the preface it is said:

The recent treaties which regulate, or are supposed to regulate, the relations among peoples are, as a matter of fact, nothing but a terrible regress, the denial of all those principles which had been regarded as an unalienable conquest of public right.

On page 17 of the book is this observation:

The peace treaties imposed on the vanquished are nothing but arms of oppression. What more could Germany herself have done had she won the war? Perhaps her terms would have been more lenient, certainly not harder, as she would have understood that conditions such as we have imposed on the losers are simply inapplicable.

Three years have elapsed since the end of the war, two since the conclusion of peace. Nevertheless Europe has still more men under arms than in pre-war times.

On page 19 it is said:

The treaty system as applied after the war has divided Europe into two distinct parts: The losers, held under the military and economic control of the victors, are expected to produce not only enough for their own need but to provide a superproduction in order to indemnify the winners for all the losses and damages sustained on account of the war. * * *

Europe can only recover her peace of mind by remembering that the war is over and done with. Unfortunately, treaty system not only prevents us from remembering that the war is finished but determines a state of permanent war.

Clemenceau—

Says Nitti—

bluntly declared to the French Chamber that treaties were a means of continuing the war. He was perfectly right, for war is being waged more bitterly than ever; peace is as remote as it ever was.

On page 202 it is said:

The reason why France has always been opposed to a rapid conclusion of the indemnity question is that she may continue to have the right, in view of the question remaining still open, to occupy the left bank of the Rhine and to keep the bridgeheads indicated in the treaty.

On page 210 Nitti says:

In order to guarantee the payments an interallied army—in reality a Franco-Belgian army—occupies the left bank of the Rhine and is stationed at the bridgeheads. Germany is completely helpless and has lost all the features of a sovereign State inasmuch as she is subject to "controls" in a way that Turkey never was. In modern history we can find no parallel for this state of things. These are conditions which alter the very bases of civilization and the relations between peoples. Such procedure has been unknown in Europe for centuries. The public has become accustomed in certain countries to consider responsible for the war not the government that wished it or the German people but the future generations.

Mr. President, these statements are in harmony with the views expressed by practically all publicists and economists who have discussed the situation in Europe. So conferences may continue and the United States may be present or absent, but until the signatories of the Versailles treaty reach the conclusion to readjust the terms and revise the conditions of that treaty there can be no better condition of affairs in Europe. The United States can not redeem or save Europe under this treaty. We could bankrupt our own Government, we could tax the people of our land even unto bankruptcy, we could sacrifice our traditional policy in our effort, but crushed and disabled by this instrument Europe could not come back. On the other hand, without the aid or counsel of the United States it is within the power of these Governments to modify that treaty and thus take the first step in the restoration of economical life to a continent.

Mr. KING. Mr. President, will the Senator yield?

Mr. BORAH. I will yield in a moment. It is perfectly futile to urge our going to a conference unless it is to be an open conference. Until the questions which lie at the bottom of the distress are permitted to come up for consideration, until, as Nitti says, they look upon the future instead of reflecting constantly upon the past, there is no hope. I now yield to the Senator from Uath.

Mr. KING. Mr. President, I agree with the Senator that it is very important for the rehabilitation and stabilization of Europe—and that means it is important for America—that Germany should become a strong economic and industrial factor at the earliest possible moment; but what I rose to inquire about was this: Does not the Senator think he is attributing too much importance to what he denominates the economic features of the Versailles treaty as they affect Germany, particularly that clause which calls for 132,000,000,000 marks of reparations? I concede, of course, that that is an enormous burden upon Germany; but, in view of the manner in which it has been modified or of the extensions granted, it seems to me that perhaps the Senator is attributing too much importance to that as a factor which seems to be a deterrent to the rehabilitation, economically, of Europe.

Mr. BORAH. Mr. President, I do not think that I attribute too much importance to it. I might be disposed to think that perhaps I am doing so if it were not for the fact that outside of one country I do not know of any public man in Europe who does not take the same view, and I do not know of anyone from this country traveling in Europe to make a study of the situation who upon his return has not announced the same conclusion.

It has been said by the able Secretary of State that before we can deal with Russia, Russia must put her house in order. I do not quote that now in connection with the question of the recognition of Russia, but that rule must apply with ten times greater force to the European situation as controlled by the Allies.

The situation is absolutely in their control, so far as modifying the Versailles treaty is concerned; and, if the judgment of the whole world be correct that that is the first essential step, the United States may properly consider that as essential before even considering the proposition of aiding in the restoration of Europe. One of the most interesting, one of the most anomalous propositions in all the history of nations is this constant urging the United States to come in and help, but help under a program which would make the help perfectly fruitless. Certainly, if that stupendous task is to be undertaken, only a madman would urge it should be undertaken under conditions which insure failure and disaster from the beginning.

Mr. HITCHCOCK. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Nebraska?

Mr. BORAH. I yield.

Mr. HITCHCOCK. I sympathize with what the Senator from Idaho is saying, but it seems to me it does not go far enough. In my opinion, if he believes that the question of reparation must be considered before Europe can be restored to anything like its normal conditions, he ought to go so far as to say that the United States should use its moral influence with the nations of Europe to bring them to that consideration. The United States can not exert that influence by holding aloof; the United States can only exert that influence and do its part toward bringing about a reconsideration of the reparations question by participating in the councils of Europe. It seems to me that the thing for the United States to have done was to have accepted the invitation and to have been represented at Genoa, and there at Genoa to have joined those forces in Europe which favor a reconsideration of the reparations question and the restoration of normal conditions so far as may be possible. I entirely agree with what the Senator has said, that the question of reparations as it exists to-day stands in the way of any rehabilitation in Europe; and I think the United States should not only agree to that proposition, but it should become an active force in bringing about a reconsideration. I should like to have the Senator consider that phase of the question.

Mr. BORAH. I have considered it a great deal, and I long ago arrived at a conclusion in regard to it. I have no objection in the world; on the other hand, I think it the duty of the United States to use its moral influence in these matters. It can use its influence and render inestimable service to Europe without sacrificing our traditional foreign policy in any respect, if Europe will permit it to do so.

Mr. HITCHCOCK. The Senator has said very truly that the well-informed economists of Europe in Great Britain, in Italy, in Germany, in every other country of Europe except possibly France have come to the conclusion that reparations must be reconsidered in order that a start may be made toward rehabilitating Europe and saving her civilization. If there is that sentiment in the other countries of Europe outside of France, why should not the United States make itself felt, and organize that sentiment?

Mr. BORAH. The difficulty is that the change of the Versailles treaty is dependent upon the word of France. The United States, whatever it might do, could not do anything except exert its moral influence, and it can use that infinitely better, if it is of a mind to exert it, as a free and independent agent to throw its influence wherever justice lies, far better it seems, too, than if it were tied up in such a contract as those nations have unfortunately found themselves in. In other words, if Lloyd-George were free to-day from the terms of the Versailles treaty, can anyone doubt what course his would be with reference to these fundamental policies in Europe? As Nitti says here in his book, it was most fortunate that the United States refused to become tied into that treaty; fortunate because she may exercise her influence and her moral leadership now, if she desires to, free from the destructive terms of the treaty.

Mr. HITCHCOCK. Assuming that that is a correct statement by Nitti, is not the United States now a mere negative power? It is losing its great opportunity. It is doing nothing to partici-

pate in what that author suggests in his book. We are holding aloof. Now, France is not beyond the power of public opinion of the world. There is some divided sentiment even in France. It is the military element in France which is now in control. The economists of France have begun to realize that they are attempting the impossible; and it seems to me that in this situation the moral force of the United States, if represented at a conference, standing by Lloyd-George and encouraging him and holding up his hands, would be an important factor.

Mr. BORAH. Yes; that is all it could do—stand by him and hold up his hands, with Lloyd-George tied into the Versailles treaty.

Suppose we had gone to Genoa; we could not have participated in any of those matters which relate to or have to do, in my judgment, with the real recovery of Europe, because they were excluded from the consideration of the conference before France would consent to attend. They were not permitted to come up. It was not a question of a vote, or a majority control or extraordinary influence in the conference; but those things were excluded before the conference ever met. The premier of France gave the world distinctly to understand that if that promise was not to be carried out in good faith, France would not attend the conference. We may differ as to just how the United States should approach the subject. I presume the Senator from Nebraska would have us join some kind of a combination. Perhaps he has only in mind now, after observing the result of things for the last three years, simply a moral influence. If he has that in mind and no more, I quite agree with him. But suppose we were to go to The Hague on the 15th of June and France should say before our going that the question of the recognition of Russia or the modification of the Versailles treaty should not come up for consideration; what possible service could we render in the restoration of Europe under those conditions?

I repeat that this policy and this program is within the keeping and control exclusively of the powers which are inviting the United States to the conference. They may correct the Versailles treaty without the aid, moral or otherwise, of the United States. They may modify its terms if they wish to do so. They do not need the United States in order to modify its terms.

They do not need the United States in order to recognize Russia. It must be, therefore, that they desire the United States not for the purpose of recognizing Russia or of modifying the Versailles treaty but to throw its influence and its power to carry out their destructive program in refusing to recognize one or to modify the other.

Mr. HITCHCOCK. Mr. President, if the Senator will permit another interruption——

Mr. BORAH. Yes.

Mr. HITCHCOCK. Of course, if we had gone to the Genoa conference, it might have been no greater success than it has been up to the present time, but at least we would have shown our interest in European affairs; at least the men whom we sent to Genoa could have made their views felt strongly upon the French delegation, as Lloyd-George, no doubt, has made his views strongly felt upon them. If we should go to The Hague at this supplemental conference, we may not be able to force the consideration of German reparations upon the agenda, nor to force the recognition of Russia upon the agenda; but at least the men who should go to the conference would be in a position to force upon the attention of the French delegates the fact that the United States had a public opinion; that the United States believed a certain thing should be done; and the influence of that first step might be quite important.

Consider, however, the position we are in now. We are in the position of declining to participate in the Genoa conference.

Mr. BORAH. Very wisely, in view of the agenda.

Mr. HITCHCOCK. The Senator would have us decline to participate in the approaching Hague conference, if it shall be held?

Mr. BORAH. Yes, indeed; especially if the agenda excludes everything which ought to have consideration.

Mr. HITCHCOCK. There is, therefore, no intimation to France that we believe her policy is wrong. There is no attempt to convert France to the idea which the Senator advocates. His speech here in the Senate on the subject is important, but it has not anything like the importance that a direct demand upon the French delegates, either at Genoa or at The Hague, would have, that there should be a reconsideration of the reparations question.

Mr. BORAH. I think the United States could exert a tremendous influence, but that would be by outlining a foreign policy of its own and advocating that foreign policy before all the world. We do not need to go to Europe to lead. We do not need to join leagues in order to help. Our free and untrammeled position enables us to form a policy and mobilize the moral forces of the world behind it.

Mr. HITCHCOCK. Is not the place to do it at an international conference?

Mr. BORAH. No; the place to do it is at the two ends of Pennsylvania Avenue, right here in this Capitol, where it was designed that the policies of the United States should be formed and framed, where they can be formed and framed free and independent of any influence other than that of the best interests of the entire world, relieved of local prejudice or the local conditions or the local control which would not only be exerted at The Hague but which were exerted tremendously and almost disastrously upon the President of the United States when he was at Paris.

Mr. HITCHCOCK. The Senator has admitted that the President at Paris made a fight against the excessive demands pressed against Germany; and if that fight could have been continued at Genoa, and if it could be continued at The Hague, and could be continued at other international conferences, there can not be a doubt that the great moral power of the United States would ultimately have an influence in bringing about a more reasonable policy in European affairs.

Mr. BORAH. Mr. President, I think the most powerful influence which the United States can exert in the future with respect to the welfare and peace of the world could be exerted as an independent sovereignty, an independent nation. I do not mean by that that we should not cooperate with other nations as one member of a family of nations does with another. I do not mean that we should not consult and confer with reference to these matters, but joining in any conference the program of which is made up in advance, the program of which is outlined in advance, the jurisdiction of which is defined in advance, and all outlined and all defined according to European policies, excluding absolutely American policies, would in my opinion be perfectly fatuous upon the part of the United States; more, it would be disastrous.

Mr. President, there is one thing that the United States can do without going to Europe, and which it is its duty to do, in my humble opinion, and that is to deal with the Russian problem.

I do not know exactly what the policy of the Government is with reference to Russia. I only know that five years have gone by since the Russian people established a government known as the soviet government of Russia. I know that that government has stood, notwithstanding the attacks from within and from without, during the period of five years. We are advised by those Americans lately returning from Russia that it is much stronger and better calculated to endure at the present time than at any time previously in its history. We are advised that that government is making progress in relieving itself from the great difficulties which surrounded it and making progress in solving some of the problems of Russia. There is no other government there. There can be, in my opinion, no other government there without fearful bloodshed and sacrifice, superinduced and supported by the Allies upon the outside. We are face to face with the proposition of either recognizing and dealing with the only governmental power in Russia or of excluding Russia permanently from the family of nations, thereby contributing to the turmoil and the misery of Europe by doing so, or of imposing upon Russia, through outside military force, a government which her people do not want.

It seems to me that the reasonable thing to do is to recognize the de facto government which is there and to deal with it. In saying that I do not advocate nor accept the standards of the soviet government with reference to political questions; neither is it necessary to do so. But it is there and doing business and carrying on the affairs of the government, and has given a reasonable show of its strength; and it is in the interest of harmony, in the interest of stability, and in the interest of progress that the other Governments of the world recognize it.

Two things have been perfectly apparent during the time since the signing of the armistice. There are two fundamental propositions underlying the European policy. The first, as I said a moment ago, is that of utterly destroying Germany, resolving it back into its original parts as Bismarck found it—dismembering and destroying it—not often expressed but many times admitted by acts, and sometimes expressed, upon the part of those who have had to do with the shaping of this policy. The second proposition is perfectly apparent, and that is to force Russia back under the control of the old régime, a thing, in my judgment, utterly impossible and utterly inhuman also. Powerful influences in Europe are determined to bring Russia again under the control of the reactionary forces which tormented and scourged those people for centuries. You may

argue that such would be better than the soviet rule, but I venture the opinion the people of Russia do not think so, and it is for them to say. The peasantry associates the idea of going back with landlords and the loss of their land. So they did not rise and support Kolchak or Denekine. They prefer the soviet rule, believing that it is far better than the bloody, cruel, remorseless tyranny of the old régime. And in that respect they are right.

The Russian people may not be entirely satisfied with the soviet government, but they support it, they stand by it, for the reason that every movement which has been made against it has been an effort to lead them back to the control of the old forces. In that direction they do not propose to go; and, in my opinion, it would be utterly impossible, with all the influence which could be brought to bear upon the matter, to force Russia to take that backward step.

If Russia is recognized, we will have a much better opportunity to deal with her and to bring about a modification of the terms of her government in business and commercial affairs than if we exclude her entirely from the family of nations. When I look over the Russian reply at Genoa, I entertain no doubt that upon the recognition of the soviet government and within a brief space of time we would be able to do business with that government upon lines of perfect commercial safety and security; and if we should be able to accomplish that, it would be the first long, permanent step toward the restoration of Europe.

Mr. POMERENE. Does the Senator believe also that if the soviet government were recognized, they would recognize the debt which the Russian Government now owes to the United States, or other debts of the preceding Government?

Mr. BORAH. Mr. President, I think a recognition of the soviet government would make it possible to deal with those matters in a way which, in my judgment, would lead ultimately to a solution and settlement of them. The Russian note to the conference indicates very clearly, to my mind, that they are perfectly willing to deal with the question of the debt upon the same terms upon which the Allies deal with Russia, and you could scarcely ask for more.

But I do not understand why it is either necessary or reasonable for us to demand in advance of recognition that she shall do those things which are the highest exertion of power upon the part of a government. It may be, sir, that the Russian Government can not do all the things the Russian Government might desire to do without some assistance and without some counsel and without some aid, but we require that she shall do that which is the highest exertion of governmental power before we will recognize the fact that she is a government, which, in my opinion, is a perfectly inconsistent position.

In this morning's Washington Herald there is an article from Sir Philip Gibbs, who is writing upon the conclusion or breakdown, as he calls it, of the Genoa conference. He says:

> First of all, the absence of the United States, for inevitable reasons no doubt, deprived this world council of a power which might have thrown its weight on the side of conciliation and common sense in a spirit of arbitration which would have been respected by all nations.

The complete and sufficient answer to that suggestion is that the influences which it was necessary to supply, and upon which reconciliation should have been had, were excluded in advance from the consideration of the conference.

There may be many reasons why the United States should join an open conference. There are many arguments in support of a proposition that she should confer, if all these questions are to be left open and to be determined by wise counsel and advice; but there is no possible argument in favor of her becoming a member of a conference until the fundamental questions upon which the restoration of Europe depends are thrown open to the consideration of the entire conference. While the former proposition is a matter of debate, certainly the latter can have but one side.

Let these Governments of Europe, which are desirous of having the aid and assistance of the United States, assure the United States and the world that should it come to the conference at The Hague on the 15th of June the continuance of the treaty of Versailles and the recognition of the Russian Government will be matters to be determined, matters upon which it may pass, with the utmost freedom upon the part of all who are members of it.

If they are willing to say that, if they are willing to give the conference unlimited jurisdiction, there are reasons to be adduced why the United States should attend that conference; but I should hope that before we would attend such a conference we would definitely define our own policy toward the Russian people, a thing which we are under obligation to do, and which we may very well do without regard to the views of any other power.

Sir Philip Gibbs continued:

> Thirdly, the decision forced by France to forbid all discussion or consideration of German reparations or general demobilization made any economic or political stabilization of Europe impossible from the outset.

Precisely so. The United States might have been there with all its moral influence and power, but with the program as outlined, and as it is proposed to be outlined in the future, so far as we know, it was utterly impossible from the outset to accomplish anything whatever. He continued:

> Lloyd-George's program of conciliation and cooperation for the sake of world peace and the European family as a whole has forced into the open the political philosophy of the present French Government, which is not based upon the interests of the European family but upon the deliberate intention of using the military strength of France to crush Germany and dominate Europe.

With that policy, as stated by Mr. Gibbs, and as undoubtedly supported by the facts, supported by the history of the last three years, would the Senator from Nebraska or anyone else entertain the hope that the United States could accomplish anything?

Mr. HITCHCOCK. Mr. President——

Mr. BORAH. Just a moment. Was the United States able to modify that policy in the slightest when France was a visitor here in the capital? Was she able to make any impression or to bring about any different opinion upon the part of that conference at the parley at Washington? What we are considering is what appears to be a definite, determined policy upon the part of that Government to permit none of these questions to be considered which must be considered before the United States can be of any service to the people of Europe. I yield to the Senator from Nebraska.

Mr. HITCHCOCK. The Senator has just read, from the article he has read into the RECORD, a very clear evidence of one of the valuable results of the Genoa conference. Sir Philip Gibbs states in that article as the Senator has read it that the fight which Lloyd-George made for conciliation and the adjustment of those difficulties in Europe has forced into the open the policy of France and made that the issue for the future. The United States ought to have been standing beside Lloyd-George in making that fight. That is the issue for the future, and it can not be dodged in the future. It is only a first step that has been made, but it is to be the great issue in Europe from now on, and the United States should have participated in the fight which Lloyd-George made and which has at last defined the issue.

I am agreeing with the Senator in his attitude that the nations of the world ought to consider the reparations question. They should not bar that from consideration in solving the economic problems which confront the world, but I say that the United States should participate in the preliminary discussions and should show its willingness to cooperate. The trouble with the United States at present is that we stand a mere cipher before the world.

In the papers this morning we read of one of the great achievements of the League of Nations just coming to fruition, an achievement which is told of in the Associated Press and United Press articles appearing in the morning papers, which show that the League of Nations has accomplished the almost impossible task of bringing Germany and Poland to an agreement on the Silesian question and the formation of a treaty longer even than the Versailles treaty. That is a great achievement.

Mr. BORAH. It is a great achievement if it is longer than the Versailles treaty.

Mr. HITCHCOCK. That puts Germany and Poland into a friendly attitude, it abolishes the danger of war, and it has been accomplished by the League of Nations without the aid of the United States.

The League of Nations has accomplished other things there, and the United States has done nothing at all. The League of Nations has settled one cause of war in the Aland Island dispute. It has settled another cause of war in regard to the territory of Albania, it has established a great court at The Hague, and done other things, all without the slightest aid, and even without the moral support, of our Government. I go further than the Senator. I say these things should be done by Europe, but I say that the United States should also participate and do its share in bringing about these reforms.

Mr. BORAH. Mr. President, if the League of Nations has accomplished anything toward the solution of difficulties in Europe, I join with the Senator from Nebraska in rejoicing over the fact. I hope that the news item this morning is correct. However, only the latter part of last week I read an extended article by a gentleman writing in an English magazine, stating that the action of the League of Nations in the attempt to settle these difficulties had planted the seeds of war so deeply

that they never could be extricated or eliminated until another war should come. It is a mere matter of difference of opinion. But if they have accomplished something, very well and good. It shows that they can run a League of Nations without the United States, and run it very well, apparently, according to the Senator, and I am anxious for them to do it that way. That should not preclude us, however, of course, from having our definite policy with reference to these affairs, and from exerting, as we have for 150 years, our tremendous moral influence in shaping these affairs.

The only difference between the Senator and myself apparently is that he desires to have this Government bind itself by some written agreement, and I insist that our greater influence and greater power can be exerted as an independent Nation.

Mr. HITCHCOCK. Will the Senator allow me to ask him a question there?

Mr. BORAH. Certainly.

Mr. HITCHCOCK. Were any of the nations which participated in the Genoa conference bound by any written agreement?

Mr. BORAH. Certainly; Lloyd-George no doubt sat up at night cursing the hour when the British nation became a party to the Versailles treaty. He was there bound by the terms of that treaty, which he himself said, almost in so many words, is bringing Europe to utter ruin; and yet, because they are a member of the treaty which they are unable to modify without the consent of the other powers, they are bound. In other words, by signing the Versailles treaty they have made France the autocrat of Europe, because without her consent it can not be modified.

Mr. HITCHCOCK. Mr. President, the Senator has practically stated that Lloyd-George endeavored to get the consent of France to a modification, and the question I asked him was whether the United States should not have been standing with Great Britain on that, in trying to get the consent of France to the modification, and the Senator practically admits it when he says that we should, from this hemisphere, use our influence toward securing a modification, but that we should not go to the conference for the purpose of uniting with other nations in bringing about a modification. It seems to me that is a little inconsistent. He certainly does not go far enough to be effective. This is a world of cooperation, objects are achieved by cooperation, and if the Senator is in earnest, as I have no doubt he is, in wanting to have a modification of the reparations provisions which were set forth in the Versailles treaty, he ought to be in favor of bringing it about by the cooperation of the United States with other nations which demand that modification.

Mr. BORAH. I had not read quite far enough in the Sir Philip Gibbs article to enlighten the Senator when he said that the United States should have been there throwing its moral influence on the side of Great Britain for the modification of the policy of France. Gibbs says:

> But the time has gone by for pretending that the French Government under Poincare is amenable to persuasion or moderation. Men now in power in France are determined at all costs to thwart the British policy which is based upon fair treatment to Germany and generous treatment to Russia for the sake of peace and economic recovery.

I take it, Mr. President, that that policy was not revealed for the first time at Genoa. It has been apparent for the last year and a half or two years that there is a wide division as to policy between Great Britain and France. It does not make any difference what the diplomatists may say, it is apparent to the wayfaring man that their division is pronounced and that it is practically irreconcilable as between them. It occurs to me that the United States can only be of service in this matter by outlining its own policy toward the European powers and pursuing it as a great, powerful, independent Government.

Public opinion will follow the lead of any nation at this time which fights along toward the proposition of reconciliation, of getting away from war conditions, of getting away from war passions, of ceasing to reflect so much upon the past and of contemplating more and more the future and what we must do in order to enjoy something in the way of peace and the cessation of turmoil. If the United States desires to be of influence, it can have that influence by virtue of its policy, and not by virtue of agreements or understandings with nations which have a different policy and a different program and a different object to attain.

Now, Mr. President, I had not intended to occupy the time of the Senate so long. At a later day I am going to discuss in detail the subject of the recognition of the soviet government. I really had not intended to refer to it at all at this time; I had in mind only to make some observations of the Genoa conference and its relation to the reparation clauses of the Versailles treaty.

Mr. KING. Mr. President, may I be permitted a word apropos of the statement just made by the Senator from Idaho? I think we all agree that conditions in Europe are so chaotic that economic revival there will be slow and difficult. The convulsions in Europe, the loss of life and of property, were so stupendous that many years must elapse before the wounds can be healed and peace and prosperity come to the distracted countries of Europe. If all reparations exacted from Germany were forgiven her, there would still be a long journey for that nation and the other belligerent powers of Europe before the summit of prosperity was attained. But I suggest that in viewing the situation of to-day we should not do an injusice to a nation which was once our ally.

Without entering into a discussion of the Versailles treaty and the reparations provisions, we should remember that France was invaded, that she suffered irremediable injury, and has incurred obligations far greater than the monetary indemnity required to be paid by Germany to all of the allied nations.

France entered the war with a prosperous and contented people; with a small debt. She came out of the war with nearly 2,000,000 of her best sons killed and millions wounded and disabled, a large part of her territory destroyed, and hundreds of thousands of her people driven from their homes. She was compelled to incur a debt which now aggregates more than $53,000,000,000 in order to defend her soil and the cause for which she and the allied nations were fighting. She has been compelled to spend annually since the armistice——

Mr. SHEPPARD. Mr. President, does the Senator mean dollars or francs?

Mr. KING. Fifty-three billion dollars. She has been compelled, as I was stating, to expend annually since the armistice billions of francs for the restoration of the destroyed territory and for the building of homes and railroads which were destroyed by the invading armies of Germany. She is taxed to-day higher than any nation in Europe, and her per capita indebtedness is the greatest of any nation in the world. Her population is far less than Germany's, and she still lives in terror owing to the two invasions of her fair land by the military forces of the German Empire. With her limited resources and the frightful destruction which was wrought in her land and the appalling burden of debt resting upon her it can not be wondered that the people of France look with apprehension upon the recrudescence of Germany as a military power.

Mr. WATSON of Georgia. Mr. President——

Mr. KING. I yield.

Mr. WATSON of Georgia. Will the Senator from Utah tell us what the soviets have done that the French did not themselves do in their revolution?

Mr. KING. I was not speaking at the present time of the soviet government or conditions in Russia. I was merely speaking about France.

Mr. WATSON of Georgia. The Senator says France made certain complaints against Russia because she has confiscated property. I would like to have the Senator refresh his memory and tell us whether Russia has done anything more in the way of confiscation than France did.

Mr. KING. I suppose the Senator refers to the French Revolution. Undoubtedly the revolutionary governments led by Danton and Mirabeau and Camille Desmoulins and the Girondists and St. Just and Robespierre and Marat and others confiscated property, both property held by the church and that owned by the nobles. However, a portion was directly or indirectly restored at a later time.

Mr. WATSON of Georgia. The property of the church was never restored. The Senator is in error if he means to make that statement. What was done was merely this: After Napoleon came into power, he reestablished the Roman Catholic Church as the religion of the State and set aside $10,000,000 per year to pay its clergy. But the land, the real estate, and everything that had been confiscated under the act that was introduced by the ex-bishop, Talleyrand, was never restored.

Mr. KING. What I had in mind with respect to the property of the church, was such as was used for religious purposes, such as the cathedrals and religious edifices. They were restored to the church in a de facto manner, if not de jure.

Mr. WATSON of Georgia. The French Government simply allowed them to use the church buildings for purposes of worship, but the property of the nobles was never restored in whole.

Mr. KING. That is what I intended to say.

Mr. WATSON of Georgia. It was divided up and sold, and only in isolated instances was it restored by the French Government—some so late as 1872—but the French Assembly, under the reign of King Louis XVIII, the first Bourbon restoration,

appropriated a large sum of money as compensation to the nobles for the property which had been confiscated.

Mr. KING. With respect to the church property, the facts are substantially, I think, as I stated them. The cathedrals, the church property proper, which was used for religious worship, and many of the homes in which the priests lived were restored to the church for its use. I am not speaking about the title; that is, I am speaking now about the equitable title, not the legal title. The use of the property referred to was restored to the church. As the Senator has said, under arrangements made by Napoleon, contributions were annually made by the State for the support of the clergy. Later a small portion of the property taken from the nobles was restored to them or to their families, and payments were made to some by the Government or the king.

But I was not speaking about Russia or the actions of the soviets in Russia. I was referring to the burdens which have been laid upon France and to the conditions confronting her. It has been reported from time to time that Germany intended to resist the Versailles treaty and to oppose—if need be, by force—the execution of its terms. Undoubtedly her attitude at times has been militaristic, even in the hours of her defeat. Maximilian Harden has called attention to the foolish ebullitions of some of the Pan-Germans. At times there has been fear that war would ensue between Germany and Poland. France has felt insecure and has feared a general conflagration among European nations. Poland was established as an independent State and her integrity guaranteed by the Versailles treaty. Other new States were set up. The war undoubtedy left antipathies and bitter resentments, and even now there are difficult questions still unsettled and which contain the germs of war. France felt that her peace and her future security were involved in the enforcement of the material terms of the Versailles treaty, particularly those dealing with the new States or nations which were established following the war. She was especially solicitous for the preservation of Poland, feeling that if Germany destroyed Poland she would turn within a few years upon France herself.

That France has been sincere in her course, I think all must concede; that her policy has been the wisest presents a different question. She felt when the United States refused to enter the league or to ratify the Anglo-French-American treaty that she was being deserted, or at least was not to expect protection from the allied nations if Germany should resist the treaty. I believe that a more conciliatory attitude by France or a greater confidence in Germany and the allied nations would have avoided much of the recriminations and suspicion that have taken place and been aroused. But I do not think the people of France desire war or are imperialistic, nor do I think that the mass of the German people desire to engage in another sanguinary conflict. We should try to be just to all nations and try to understand their problems and their point of view. But I congratulate the Senator from Idaho upon the fact that he does not follow the orthodox views of the standpat Republicans in dealing with foreign and domestic questions. The Senator evidently believes that the prosperity of the United States is more or less involved in the stabilization of Europe and in her prosperity. He believes that Germany and Russia must be restored and rehabilitated and become potential factors in the economic and industrial life of Europe before we can secure that foreign trade which is essential to American prosperity. I think he is correct. He believes that when the nations are restored to industrial prosperity and are producing and buying and selling that they will contribute to the prosperity of the United States.

That is the view for which some of us are contending in the discussion of the pending tariff bill. The Democrats are insisting that we must find markets in Germany, in Russia, throughout the world, for our surplus products if we would have great prosperity, and that we can not secure such markets until Europe is stabilized and her people are producers. The Senator from Idaho is heretical enough to accept the view that our prosperity will be increased by the prosperity of Germany and Russia and other European nations, that when they can buy our surplus products they will be adding to our prosperity, and that if the markets of the world are closed to us then our productions will be restricted and our industrial progress hampered.

Our Republican friends are doing all they can by this tariff bill to prevent us from trading with Germany and other nations. Why should the Senator from Idaho want Germany rehabilitated? First, because it is right morally and ethically. She is a part of the world, and a big part of the world. He wants her rehabilitated because she needs our commodities and we need a portion of her trade. She wants many of our surplus products and can only purchase them when she produces a surplus of commodities. But our Republican friends who have drafted this remarkable tariff bill want to erect tariff barriers which will prevent the consummation of the plan which the Senator from Idaho clearly sees is so imperative to the prosperity of the American people.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. JOHNSON. Mr. President, in order that the amendment which we have been discussing may be before the Senate, I move, in line 16, page 20, that the numeral "6" be stricken out and in lieu thereof the numeral "9" be inserted.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 20, line 16, the Senator from California proposes to amend the amendment of the committee by striking out the numeral "6" and inserting in lieu thereof the numeral "9," so as to read:

Lime, citrate of, 9 cents per pound.

Mr. JOHNSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Gooding	McCumber	Sheppard
Ball	Hale	McKinley	Shields
Borah	Harreld	McLean	Shortridge
Brandegee	Harris	McNary	Simmons
Broussard	Harrison	Moses	Smoot
Bursum	Hitchcock	Myers	Spencer
Capper	Johnson	Nelson	Stanley
Caraway	Jones, N. Mex.	New	Sterling
Colt	Jones, Wash.	Newberry	Swanson
Cummins	Kendrick	Nicholson	Townsend
Curtis	Keyes	Norbeck	Underwood
Dial	King	Oddie	Wadsworth
Edge	Ladd	Overman	Walsh, Mass.
Elkins	La Follette	Page	Walsh, Mont.
Fletcher	Lenroot	Pomerene	Watson, Ga.
France	Lodge	Rawson	Weller
Gerry	McCormick	Robinson	Willis

Mr. CURTIS. I desire to announce the absence of the Senator from Wyoming [Mr. WARREN] on account of a death in his family. I ask that this announcement may stand for the day.

Mr. NORBECK. I desire to announce the absence of the Senator from Nebraska [Mr. NORRIS] and the Senator from Alabama [Mr. HEFLIN] in attendance upon a hearing before the Committee on Agriculture.

The PRESIDING OFFICER. Sixty-eight Senators have answered to their names. A quorum is present. The question is on the amendment offered by the Senator from California [Mr. JOHNSON] to the committee amendment.

Mr. JOHNSON. I ask for the yeas and nays on the amendment to the amendment.

The yeas and nays were ordered.

Mr. ASHURST. I ask that the amendment to the amendment may be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from California to the amendment of the committee will be stated.

The ASSISTANT SECRETARY. On page 20, paragraph 46, line 16, before the word "cents," it is proposed to strike out the numeral "6" and to insert the numeral "9," so as to read:

PAR. 46. Lime, citrate of, 9 cents per pound.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk proceed to call the roll.

Mr. COLT (when his name was called). I have a general pair with the Senator from Florida [Mr. TRAMMELL]. I am unable to secure a transfer, and therefore withhold my vote.

Mr. HARRIS (when his name was called). I have a pair with the junior Senator from New York [Mr. CALDER], and therefore withhold my vote.

Mr. HARRISON (when his name was called). I have a pair with the junior Senator from Oregon [Mr. STANFIELD]. If the junior Senator from Oregon were present, I understand he would vote "yea," and I should vote "nay." Being unable to secure a transfer, I withhold my vote.

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN] which I transfer to the senior Senator from Texas [Mr. CULBERSON], and vote "nay."

Mr. SIMMONS. I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG], who is absent. I

transfer that pair to the Senator from Nevada [Mr. PITTMAN], and vote "nay."

Mr. STANLEY (when his name was called). I have a general pair with my colleague, the junior Senator from Kentucky [Mr. ERNST]. In his absence I withhold my vote. If permitted to vote, I should vote "nay."

Mr. STERLING (when his name was called). I have a general pair with the Senator from South Carolina [Mr. SMITH]. Being unable to secure a transfer, I withhold my vote.

Mr. WATSON of Georgia (when his name was called). I have a general pair with the junior Senator from Arizona [Mr. CAMERON]. In his absence I withhold my vote.

The roll call was concluded.

Mr. McNARY. I desire to announce the absence of the junior Senator from Washington [Mr. POINDEXTER] on account of illness. He is paired with the junior Senator from Pennsylvania [Mr. PEPPER]. If the Senator from Oregon were present, he would vote "yea," and if the Senator from Pennsylvania were present he would vote "nay."

Mr. EDGE. I have a general pair with the Senator from Oklahoma [Mr. OWEN]. I transfer that pair to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

Mr. NORBECK. I desire to announce the absence of the Senator from Nebraska [Mr. NORRIS] on business of the Senate.

Mr. NEW. I have a pair with the junior Senator from Tennessee [Mr. MCKELLAR]. In his absence I withhold my vote. If permitted to vote, I should vote "yea."

Mr. JONES of New Mexico (after having voted in the negative). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and allow my vote to stand. I make this announcement of the transfer of my pair to stand for the day. If the Senator from Missouri were present, he would vote "nay."

Mr. ROBINSON (after having voted in the negative). I have a general pair with the Senator from West Virginia [Mr. SUTHERLAND]. I am informed that that Senator has not voted. I transfer my pair with him to the Senator from Alabama [Mr. HEFLIN] and will let my vote stand.

Mr. DIAL. I transfer my pair with the Senator from Colorado [Mr. PHIPPS] to the Senator from Ohio [Mr. POMERENE] and vote "nay."

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 28, nays 31, as follows:

YEAS—28.

Ashurst	Harreld	McKinley	Page
Ball	Johnson	McNary	Rawson
Borah	Jones, Wash.	Moses	Shortridge
Broussard	Kendrick	Newberry	Townsend
Bursum	Keyes	Nicholson	Wadsworth
Capper	Ladd	Norbeck	Weller
Gooding	McCormick	Oddie	Willis

NAYS—31.

Brandegee	Frelinghuysen	Lodge	Simmons
Caraway	Gerry	McCumber	Smoot
Cummins	Hale	McLean	Spencer
Curtis	Hitchcock	Myers	Swanson
Dial	Jones, N. Mex.	Overman	Underwood
Edge	King	Robinson	Walsh, Mass.
Elkins	La Follette	Sheppard	Walsh, Mont.
Fletcher	Lenroot	Shields	

NOT VOTING—37.

Calder	Glass	Pepper	Sterling
Cameron	Harris	Phipps	Sutherland
Colt	Harrison	Pittman	Trammell
Crow	Heflin	Poindexter	Warren
Culberson	Kellogg	Pomerene	Watson, Ga.
Dillingham	McKellar	Ransdell	Watson, Ind.
du Pont	Nelson	Reed	Williams
Ernst	New	Smith	
Fernald	Norris	Stanfield	
France	Owen	Stanley	

So Mr. JOHNSON's amendment to the committee amendment was rejected.

Mr. JOHNSON. Mr. President, I give notice that I shall reserve a vote upon the particular amendment in the Senate.

Mr. KING. Mr. President, I indicated a few moments ago that I should offer an amendment to the pending bill striking out "18" and inserting "12."

The PRESIDENT pro tempore. The question now is upon the amendment proposed by the committee.

Mr. KING. Yes. I shall content myself by voting "nay" on the committee amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee. [Putting the question.] The Chair is in doubt.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. KING. My understanding is that we are now voting upon the committee amendment changing the House rate from "12" to "18."

The PRESIDENT pro tempore. The Senate is not voting upon that amendment. The Senate is voting on the amendment proposed in paragraph 46, line 16, page 20.

Mr. KING. Then I was in error. I had supposed that we were voting upon the amendment which was offered by the Senator from Massachusetts to the first paragraph of the bill.

The PRESIDENT pro tempore. The present occupant of the chair has been absent for a time, but he is advised by the Secretary that the amendment just voted upon was the amendment proposed by the Senator from California [Mr. JOHNSON] increasing the duty upon citrate of lime to 9 cents per pound. The question now is upon the amendment to that paragraph proposed by the committee.

Mr. KING. I supposed that we were voting upon the first paragraph of the bill.

The PRESIDENT pro tempore. The Senator is in error in regard to that. The question is upon the amendment proposed by the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment of the committee.

Mr. SMOOT. Mr. President, may we return now to paragraph 1 and vote on citric acid, line 10?

The PRESIDENT pro tempore. Without objection, the amendment suggested by the Senator from Utah will be stated.

The ASSISTANT SECRETARY. On page 2, line 10, after the words "citric acid," the committee proposes to strike out "12" and insert "18," to which an amendment is pending, offered by the Senator from Utah [Mr. KING], to strike out "18" and insert "5."

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Utah to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question now is upon the amendment proposed by the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On page 22, line 25——

Mr McCUMBER. I ask that we may go to page 21, paragraph 50.

The ASSISTANT SECRETARY. On page 21, paragraph 50, "Oils, expressed or extracted," on line 17, the committee proposes to strike out "4½" and to insert "3," so as to read:

Castor oil, 3 cents per pound.

Mr. KING. Mr. President, would the Senator object to taking up olive oil first, and then recurring to castor oil in a few moments? The Senator from New Mexico [Mr. JONES] has just been called from the Chamber, and he will return in a few moments.

Mr. McCUMBER. I should like to ask if the Senator from California [Mr. JOHNSON] is ready to take up the paragraph relating to olive oil?

Mr. JOHNSON. I am ready. I understood, however, that the committee had agreed upon rates other than those that are in the printed amendment. Is not that correct? Has there not been an agreement upon rates other than those that are inserted in the amendment as shown in the bill?

Mr. McCUMBER. There is going to be a motion to increase the rates on the part of the committee.

Mr. JOHNSON. I suggest that that be presented, and then the Senator from Utah can offer his amendment to it.

The PRESIDENT pro tempore. Is there objection to the proposal of the Senator from Utah? The Chair hears none.

The ASSISTANT SECRETARY. On page 21, line 23, occur these words:

Olive oil, not specially provided for, 6½ cents per pound.

The committee proposes to strike out the words "6½ cents per pound" and to insert in lieu thereof "40 cents per gallon."

Mr. McCUMBER. Mr. President, on behalf of the committee, I move to amend the committee amendment by striking out the figures "40" and inserting in lieu thereof the figures "50."

Mr. JOHNSON. Immediately preceding that there is "50 cents per gallon."

The PRESIDENT pro tempore. The modified amendment will be stated.

The ASSISTANT SECRETARY. In lieu of "40 cents per gallon" it is proposed to strike out "40" and to insert "50," so that, if amended, it will read:

Olive oil, not specially provided for, 50 cents per gallon.

The PRESIDENT pro tempore. The committee has modified its proposed amendment. The question now is upon agreeing to the amendment as modified.

Mr. JOHNSON. May I call to the attention of the chairman of the committee the fact that immediately preceding that is "olive oil, weighing with the immediate container less than 44 pounds, 50 cents per gallon"?

Mr. McCUMBER. Mr. President, my amendment was first offered to the "50 cents per gallon" by striking out the figures "50" and inserting in lieu thereof the figures "60," as I gave it, on page 21, line 23. I desire to follow that by striking out the figures "40," on line 24, and inserting in lieu thereof the figures "50," so that it will read "60 cents per gallon" and "50 cents per gallon," instead of "50" and "40."

The PRESIDENT pro tempore. The committee modifies its amendment on line 23 so that it will read "60 cents per gallon," and the question is upon agreeing to that amendment.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. KING. With the modification, that places the amendment now merely in the first degree, so that it is subject to amendment, does it not?

The PRESIDENT pro tempore. It is subject to amendment.

Mr. WALSH of Massachusetts. Mr. President, in line 23, I move to amend paragraph 50 by striking out the committee-amended numerals "60" and inserting instead "30," and in line 24 by striking out the committee-amended numerals "50" and inserting the numerals "20."

The PRESIDENT pro tempore. The Chair is of the opinion that the amendments must be considered separately.

Mr. WALSH of Massachusetts. I have not any doubt of that; but I shall first offer the first amendment stated by me, and later I shall offer the second one.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Massachusetts to the amendment of the committee as modified.

Mr. McCUMBER. Mr. President, unless there is an acceptance as a committee amendment of the figures "60" instead of "50," the Senator's motion would not now be in order; and I do not understand from the Chair whether the Senate has agreed to the substitution or not.

The PRESIDENT pro tempore. The Chair understood the Senator from North Dakota to modify the committee amendment, so that it stands as an original amendment.

Mr. McCUMBER. And is that agreed to by the Senate?

The PRESIDENT pro tempore. And to that amendment the Senator from Massachusetts has offered an amendment, which is now the pending question.

Mr. WALSH of Massachusetts. Mr. President, there is no sound reason for the adoption of the Senate committee amendment. Indeed, there is no justification for any tariff duty upon olive oil, except for revenue purposes. There is practically no question of protection in this item. The record of imports into this country shows that more than 95 per cent of the American consumption of olive oil is imported. In some periods of years the domestic production has been as low as 2 per cent of our consumption, and rarely, if ever, more than 3 per cent.

The Underwood tariff bill, for the purposes of revenue, did fix a duty upon olive oil at the rates named by me in the amendment which I have just offered. The emergency tariff law increased the rates to the amounts named in the original Senate committee amendment.

At the time this item was under consideration, when the emergency tariff bill was before the Senate, I made the following comment:

The duty on olive oil has been doubled, from 20 cents to 40 cents per gallon.

It is now proposed by the committee amendment just offered, the revised amendment, to make it more than double—60 cents in one instance and 50 cents in the other, depending upon whether it is imported in bulk or in small containers.

Our production is only about 5 per cent of our olive oil requirements, 95 per cent coming from abroad, chiefly from Spain and Italy. There is a world shortage of olive oil, a shortage so great that in the countries of origin—where olive oil is extensively used as butter—export taxes and export embargoes have been in force. In view of the fact that 95 per cent of our supply comes from abroad and that it would take fully a generation to develop our industry, if it ever can be developed, to the point of meeting our requirements, no emergency may be claimed. Here again is a proposed tax on 110,000,000 of our people, when 95 per cent of our supply is imported, for the benefit of a few people in America engaged in the production of olive oil.

Facts have demonstrated that so far from following the adoption of the emergency law serving as a protection to the few engaged in this industry the import price decreased. Prior to the emergency tariff act the import price of olive oil was from $2.75 to $3.25 per gallon. The import price of to-day is quoted as between $2 and $2.50 per gallon. Thus it is apparent that the emergency tariff, in so far as this item is concerned, did not serve the purpose of increasing the price and therefore making the business of American olive growers more profitable.

Mr. SHORTRIDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from California?

Mr. WALSH of Massachusetts. I yield.

Mr. SHORTRIDGE. Do I understand the Senator to state that in spite of the rate on olive oil laid in the emergency tariff act the price of olive oil has not been decreased to the consumer?

Mr. WALSH of Massachusetts. That is what I stated.

Mr. SHORTRIDGE. Then what objection can be offered to continuing that rate of duty as applied to that article?

Mr. WALSH of Massachusetts. The only purpose in fixing these tariff duties at a rate larger than that laid in the emergency tariff act is to further render protection to those engaged in the industry by making the import price higher. The evident purpose of the committee's amendment is to increase the price to the consumer in order that the producers of olives in southern California may be able to raise their prices, and thus obtain, if possible, some further protection. As a matter of fact, the emergency tariff rates have not been a protection, because the olives which are protected in southern California rarely ever find their way to the Atlantic seaboard. The freight rates are so high and the supply is so limited that the Atlantic seaboard depends almost entirely upon the importations of olives and of olive oil from Spain and from Italy. Whatever tariff rates we make can not help California producers, for they do not and can not supply the Atlantic seaboard market.

Of course, in emergencies, when there may be depression in the production of olives available for importation, the tariff rates fixed in the emergency act and fixed by the committee's amendment will undoubtedly tend to raise the price of olives and of olive oil, but as a matter of fact up to date it has not so resulted, because there is no competition between the olive oil produced on the western coast and the olive oil that is imported from Southern Europe to the Atlantic Coast States.

The number of gallons of olive oil imported into this country has varied in the last 10 years from 4,000,000 to 6,000,000 gallons. In the year just closed, 1921, the number of gallons imported was 6,628,099. The production in California is estimated to be about 350,000 gallons, so it is very apparent from the figures presented that our domestic production is exceedingly small, and that our people must, indeed they are compelled, to go into foreign markets for their supply.

Olive oil is a food product, and very large numbers of our people depend upon it for food, particularly the people of Italian origin, and they are very vigorous in their protest against the increase in the tariff rate upon this article. I have in my hand a communication from the Olive Oil Association of America, which is signed by a very large number of wholesale grocers, wholesale druggists, manufacturers, and sardine packers of the United States. I think it worth while to read this communication, which is as follows:

MAY 4, 1921.

To the honorable members of the Senate Finance Committee:

May we bring to your attention that a large percentage of our people have been accustomed since their infancy to use olive oil as an indispensable article of daily diet. Indeed, the bulk of the olive oil consumed in the United States is used by those people, who have always been accustomed to use olive oil as a food and not a luxury.

To further tax this food product is to play into the hands of those who manufacture substitutes, as there is a limit to everyone's ability to purchase any article after it gets to a certain price.

Further, to-day there is invested in plants packing olive oil in cans and bottles imported from the various countries of production an amount approximating $2,500,000.

As I understand it, most of the olive oil comes in in bulk and is shipped to these manufacturing plants, where it is transferred from the bulk cargo to bottles and cans to be sold to the retailers of the country. This letter continues:

We hereby give you the figures compiled from three can manufacturers who manufacture olive-oil cans for the years 1916 to 1920.

I will not take the time to read those figures, but the figures for the year 1920 show that the quantity of cans manufactured and prepared for the market were 8,135,460 and the value of the same was $720,000. The letter continues:

We give you estimated figures for the same period for cases, bottles used, corks, labels, and caps, namely, $500,000.

We are here to state facts; facts that are indisputable. We believe that you are searching for the truth, and that you want to satisfy all classes, no matter in which State they may reside.

The claim being made that $3,000,000 is invested in this industry.

We protest that there should be any duty on olive oil. It would be one of the most beneficent acts of our Government to permit olive oil to enter the United States free, so that all our people may be benefited by the increased consumption that would follow. We understand, however, that for fiscal reasons for revenue it becomes necessary to tax certain products, but a 20 cents per gallon tax on bulk olive oil should be sufficient.

THE OLIVE OIL ASSOCIATION OF AMERICA,
L. J. SCARAMELLI, *President*.

Mr. POMERENE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Ohio?

Mr. WALSH of Massachusetts. I do.

Mr. POMERENE. What portion of the olive oil consumed in the United States is produced in the United States? I think the Senator gave the figures, but I did not bear them in mind.

Mr. WALSH of Massachusetts. Less than 5 per cent. The report of the Tariff Commission fixes the production in one of its earlier reports at 2 per cent, but I think the production is certainly below 5 per cent.

Mr. POMERENE. So the purpose is to add 50 cents a gallon, or thereabouts, to 95 per cent of all the oil that is consumed for the benefit of the producers of less than 5 per cent?

Mr. WALSH of Massachusetts. The Senator has stated the situation exactly, and in a moment I will give the Senator some figures showing what opportunity will be given those engaged in the sale of olive oil to increase the price, if the rate is raised as proposed by the committee amendment.

The communication which I have just read is signed by wholesale grocers, wholesale druggists, and manufacturers from all over the United States. My own State of Massachusetts is represented by the names of some 15 of the leading merchants and wholesale grocers of that State. The State of New York is represented by the names of some 25 wholesale merchants of high standing. Nearly every State in the Union is represented among the signers to this document of protest against this increase in the tariff duty on olive oil.

The question here is a very simple one: Where do we propose to draw the line in extending protection to infant industries? Certainly where the American consuming public depend upon the importation of a food product to the extent of more than 95 per cent of the consumption that product should not be subject to a tax—certainly not a tax as high as that fixed in this bill.

Heretofore the only argument in support of any tax on this article has been that it was necessary for revenue purposes; but in view of the great increase—an increase of over 100 per cent—in the duty it appears to be an effort to shut out our imports for the benefit of the few engaged in the production of olive oil on the Pacific coast.

Mr. KING. It is a 300 per cent tariff above zero and 200 per cent over the rate which the Senator referred to.

Mr. WALSH of Massachusetts. The rate in the Underwood law is 30 cents, and the first committee amendment proposed to raise it to 50 cents per gallon, and the last committee amendment proposes to raise the 30-cent Underwood rate to 60 cents; so it is about a 200 per cent increase. The other increase—olive oil in bulk is increased from 20 cents per gallon, the Underwood rate—to 50 cents per gallon now asked by the committee.

Mr. KING. The pre-war price, as I recall, was about $1.05 per gallon.

Mr. WALSH of Massachusetts. That is true.

Mr. KING. So that it is a tax of nearly 50 per cent.

Mr. WALSH of Massachusetts. On the pre-war price.

Mr. KING. Yes.

Mr. WALSH of Massachusetts. Exactly. The present import price is said to be about $2.25, and the importations last year, 1921, were over 6,500,000 gallons; so that the total imports were valued at about $14,600,000. The duty collected has ranged between $1,500,000 and $2,200,000. The tax proposed by this bill would increase the tax burden upon the American consumer to the amount of $2,000,000, if my figures are correct.

Mr. President, there is no necessity of longer discussion.

Mr. POMERENE. Mr. President, what would be the total value of all the olive oil produced in California?

Mr. WALSH of Massachusetts. Less than a million dollars at the present import price of $2.25 per gallon.

Mr. POMERENE. So the Government could pay them the million dollars and still save $1,000,000 to the consumers?

Mr. WALSH of Massachusetts. Yes; in fact, it would be a good deal less than a million dollars. The production is about 350,000 gallons in a year, according to the latest figures I could get of the California production.

Mr. KING. The Senator assumes no larger consumption in the future than in the past, in giving the cost which would be added to the consumers in the United States.

Mr. WALSH of Massachusetts. There has been a very large increase in consumption. In the last year the increase has been from about 4,000,000 in 1920 to over 6,000,000 gallons in 1921. It is becoming a very important food product with a very large number of our people, particularly certain foreign elements living on the Atlantic seaboard. I have received communications from Italian-American societies in my own State and in New York protesting very vigorously against this tax.

There can be no convincing defense made for the committee rates. There has been no development of the olive-oil industry in this country, notwithstanding the fact that there was a rate fixed under the Underwood law to provide some revenue for the Government, and the imports have been constantly and steadily increasing, and will increase, because the domestic raisers of olives are not able to supply the demand, especially for the eastern market.

Mr. KING. The increase has been despite the emergency tariff act, which undoubtedly has been a deterrent to larger importations and a larger consumption.

Mr. WALSH of Massachusetts. Yes. The increases during the last six months of last year were very much greater than during the first six months, showing that imports have increased, notwithstanding the emergency tariff.

Mr. KING. So when the Senator states the additional burden placed upon the consuming public is between two and three million dollars, that is upon the hypothesis that there will be no enlarged consumption of this article. But if the consumption of it increases in the future at the same ratio that it has in the past, then if the high tariff does not prevent its importation and does not prevent the people from buying it, doubtless the consumption will be greater, and therefore the burden, all things else being equal, would be greater upon the people.

Mr. WALSH of Massachusetts. Yes, assuming the tax proposed in the bill should result in an increase in the price of olive oil; and that is the purpose, otherwise it is not protective. There is no explanation for increasing the rate here on the ground of protection, except upon the theory, belief, and expectation that the domestic producer will get the benefit by a higher tariff duty of an increased price for his olive oil. That is the theory of protection. Based upon the duty rates named by the committee in their amendment, the increase in the tax will be about $2,000,000, which the importers will have to pay and which, of course, ultimately will be paid by the American consumers.

Mr. McCUMBER and Mr. KING addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield and if so to whom?

Mr. WALSH of Massachusetts. I yield first to the Senator from North Dakota.

Mr. McCUMBER. The Senator, I think, has already made the suggestion that there was considerable of a reduction in the duty from the rates of the Payne-Aldrich law to the rates of the Underwood law. While there was a considerable reduction in the duty, did the consuming public get any benefit of that reduction? Prior to the war, because that is the only true test, they increased the price to the consumer.

Mr. WALSH of Massachusetts. I am unable to state exactly except that the amount of olive oil produced here then was about one-half what it is now. The price increased very rapidly and to a very high mark during the war, but it also is a fact that for some years the production in southern Europe was very much less than the demand, and, of course, that would result in a very great increase in the price of olive oil everywhere.

Mr. KING. Mr. President, I suggest to the Senator from Massachusetts that if the inquiry of the Senator from North Dakota means anything, the implication is that the tariff is of no benefit to the domestic producer. Therefore why does he want the domestic tariff if it is not for the purpose of increasing the rates?

Mr. POMERENE. Mr. President, may I have permission of the Senator from Massachusetts to ask a question of the Senator from North Dakota?

Mr. WALSH of Massachusetts. I yield for that purpose.

Mr. POMERENE. The Senator just put the question as to whether the public was benefited by the reduction in the tariff. I should like to ask how the public will be benefited by the increase in the tariff duty proposed under the pending bill?

Mr. McCUMBER. I am not claiming that the consumer will get it any cheaper because of the tariff, not by any means. But it does not necessarily follow that it is going to be higher

because of the increase in the tariff any more than it necessarily follows that it would be made lower by decreasing the tariff. When we did decrease it, the product did not go any lower to the ultimate consumer at all.

Mr. POMERENE. Of course, there are elements that may enter into the cost, and so forth, but it must be the theory of the distinguished chairman of the committee that by the increase in the tariff duty the price will be increased to that amount.

Mr. McCUMBER. Or will be sustained at the price at which the American producer can produce it.

Mr. POMERENE. But under the bill, if I understand the figures of the Senator from Massachusetts, we are going to increase the price of every 100 gallons of oil which is consumed by the public for every 5 gallons of oil that will be produced in California. That seems to be the situation.

Mr. McCUMBER. The Senator from Massachusetts a short time ago made a statement that a great number of our American citizens of Italian birth consume considerable quantities of this oil. I think that is true, and I call the attention of Americans of Italian birth that while the wages in the home country of their fathers are about 50 to 60 cents a day, they are receiving from $5 to $6 a day in the city of New York; and with a wage nearly ten times as great as they received in their home country, ought they not to be willing to pay a little more for their olive oil?

Mr. WALSH of Massachusetts. If the tariff bill is enacted into law, they will have to pay "a little more" on a great many other things than olive oil. I think the argument of the Senator from North Dakota is unsound. Because wages are higher here than in Europe, the Government must tax our people higher tariff duties. I am willing to consider a tariff duty that will measure the difference between the cost of production in this country and the cost of production abroad, if we are able to develop an industry in this country that can take care of the consumption, but when we have an industry that is only producing 2 to 5 per cent of the consumption it is absurd and ridiculous to attempt to raise tariff rates so high that they amount to an extortion upon the consuming public. That is just what the proposed tariff rates on olive oil illustrate. Many of these other items are illustrating the same thing.

The Republicans seem to have abandoned entirely the old theory of protecting infant industries. The expression "infant industries" is rarely used by Republicans in this debate and will not be used, because they are no longer attempting to protect merely infant industries. They are attempting to protect every producer in the country who has political influence who produces as much as one-half of 1 per cent of anything the American people buy. Anybody who has influence, anybody who has the power to hire an attorney to come here with some figures showing that it costs more to produce a given commodity in this country than to produce it in Europe, is immediately given some tariff protection under the bill.

This course is destructive. We are going to such an extent that we can not help but have a collapse of our whole economic system. There can be no other alternative. The case of the tariff duty on ink the other day, and the case of many of the chemicals, the case of olive oil, where the production is less than 5 per cent, demonstrates the fallacy of the Republican theory. The Senator, I am sure, does not contend for the protection of every industry, regardless of whether it is possible to produce in this country a given article or commodity and sell it at a reasonable price to the American consumer.

Mr. McCUMBER. May I answer that suggestion?

Mr. WALSH of Massachusetts. Certainly.

Mr. McCUMBER. No; I do not contend that; but I do contend that it is not necessary that any industry produce the principal portion of a product that is consumed in the United States in order to entitle it to protection. Let us suppose there were only 100 industries in the United States, and those 100 industries furnished all of the commodities which were wanted in the United States. Now, if we protected one of them we would only be protecting one one-hundredth, of course, at the expense of the other ninety-nine one-hundredths. The Senator might make that argument.

But all of those go to make up the entire American production, and wherever we find a commodity that can be produced in reasonable quantities—I will put it that way—in the United States, and capable of growing, we ought to try to protect that industry. Even though it may be small, it gives employment to a certain portion of our population, and some other small one gives employment to another portion, and so on, until we have a thousand or more of the different industries, small in themselves, but all, taken together, giving employment to an immense proportion of our population.

Mr. WALSH of Massachusetts. I desire to finish the discussion on the subject under consideration, and I will now read from the hearings before the Committee on Finance with reference to this item. I read from a paragraph on page 2579 of the brief presented in opposition to this high duty:

> The olive-oil trade should be encouraged in the interest of public health. The medical profession universally indorses its high medicinal properties. It does not compete with any home industry. California, the only State producing a little olive oil, and being, next to New York, the largest consumer of imported olive oil, is not a factor in the olive-oil trade, as it does not even produce enough for her own consumption, and has to import largely of this commodity, notwithstanding the advantages of a 50 cents per gallon protective duty, of a 22 cents per gallon transcontinental freight, and of freedom from any fiscal restrictions as to trade operating as a further protection.
>
> The present total area of olive groves in California was estimated in 1918 by the State department of agriculture equal to 31,023 acres, of which only 18,801 were bearing fruit and 12,222 had not come yet into bearing. The yield in 1919 was 14,000 tons of olives. It is estimated that with the entire 31,023 acres yielding their full capacity the total would not exceed 24,000 tons, an output, however, which will require many years before it can be reached. As it takes about 1 ton of olives to yield 40 gallons of olive oil, California could not possibly hope to produce in any one year more than 960,000 gallons of olive oil.

We have shown that the importation last year was over 6,500,000 gallons.

> This represents only 11¼ per cent of the total annual consumption of olive oil in this country, which is estimated, according to the importations for calendar year 1919, at about 8,302,000 gallons. But, as a matter of fact, less than one-half of the California olive crop is pressed into olive oil, the balance being packed into tins and otherwise prepared. E. F. Woodward, a California olive grower and authority on this subject, estimated the California olive-oil crop in 1908 at about 350,000 gallons, and it can not have materially increased since then.
>
> Developments of recent years cause us to view the olive-oil importation from another angle. It is coming more and more to be imported as a raw material entering into and developing industry in this country. In the past few years packers of fish—especially tuna and sardines—have used vast quantities of olive oil in their packing. This is practically a new industry developed since the war, and increased cost of olive oil would greatly retard if not destroy it.

Mr. President, the facts about olive oil are very simple, and I almost feel like apologizing to the Senate for taking so much time. Here is a food product. Our people demand that we import it in very large quantities. Only a small fraction of our consumption is or can be produced in America. Are we prepared—are we ready—to double the tax upon this food product in view of the fact that we must go to foreign markets to supply the demands of our people? Are we determined to propose an additional burden of $2,000,000 on the consumers of olive oil in this country for the benefit of a few persons in the southern part of the State of California who are engaged in the business of raising olives?

I think we should stop and seriously consider the tremendous tax upon the consuming public which we are piling up here item after item. Before we get through with the bill we will be placing a tax on the consumers of America between three and five billion dollars per annum. I can not understand why the floodgates have been opened so wide, why we are protecting every industry that can produce anything in America and can show that it costs more to produce here than upon the other side of the Atlantic.

I ask again, what is the purpose of a free list except to admit free of duty into this country the commodities which our people need and which we are unable to produce in any substantial quantity in our own country? If this is not one of the items that ought to go on the free list I do not know of any item that ought to go on that list. I say that reluctantly, because I appreciate the development of this industry which has been attempted in the State of California, and I feel that reasonable encouragement ought to be given to those engaged in it; but the fact is that olive oil and olives do not reach even the Atlantic seaboard from California, and in the East we are totally dependent upon the foreign supply.

Mr. POMERENE and Mr. McCUMBER addressed the Chair.

Mr. WALSH of Massachusetts. I yield first to the Senator from Ohio.

Mr. POMERENE. Mr. President, I wish to ask a question, but before I ask the question I wish to make a brief statement as a basis for the question.

In 1890, when McKinley was chairman of the Ways and Means Committee in the House of Representatives and sugar was placed upon the free list, in his district, which is the district in which I live, one of the most telling arguments which he made in favor of that law and which appealed very strongly to the people was that in placing sugar and certain other articles on the free list the law had made the breakfast table of the working man free from tax.

Now, under the leadership of the distinguished chairman of the Finance Committee, the Senator from North Dakota [Mr.

McCUMBER], supported, no doubt, by the other Republican members of that committee, it is proposed to double the tax on olive oil, which is used on many tables, not of Italians alone, but of Americans everywhere. If in 1890 it were a virtue to place the breakfast table on the free list, how can we in this day justify the doubling of the tax on the breakfast table?

Mr. SHORTRIDGE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from California?

Mr. WALSH of Massachusetts. I yield to the Senator from California.

Mr. SHORTRIDGE. The Senator from Ohio [Mr. POMERENE], in my judgment, should have added that former President McKinley, in reporting the bill which bears his name and which placed sugar on the free list, substituted a bounty in lieu of a tariff on sugar. Perhaps it ought also to be added that then Representative McKenna, now Mr. Justice McKenna, of the Supreme Court, filed a dissenting report, in which he argued against the proposed change, contending that it was a mistake to take the tariff off sugar and to place sugar upon the free list, and in substitution provide for a bounty on American-produced sugar. I think it ought to be added, and I venture to add, that the views of then Representative, now Mr. Justice, McKenna were demonstrated to be economically sound.

I venture to say further, in response to the thought thrown out by the Senator from Ohio, that the placing in this instance of a tariff duty upon imported olive oil is not a tax. If the Senator from Massachusetts will permit me, I desire to ask him a question. He has spoken of the added burden to the American consumer by the imposition of a "tax" on olive oil.

I will ask the Senator, assuming all his statements to be sound and accurate, whether he has calculated and is able to advise us how much that tax would be per capita? I anticipate his answer, but I say that the calculation shows that it would not exceed 4 cents per capita. Assuming all that the learned Senator from Massachusetts has said to be true, assuming that the imposition of the duty will bring about an added price to the consumer of olive oil in America, it would result in the imposition of a tax of only 4 cents per capita.

Mr. WALSH of Massachusetts. Mr. President, that is very enlightening. If the expenditure of 4 cents per capita is to result from the tax on olive oil, I ask, what will be the total figures when we get through with the pending bill and are able to calculate what the tax per capita is going to be on woolen clothing, cotton goods, hosiery, silks, metals, boots and shoes, flour and wheat, and all the other food products and necessities of life which it will be essential for the American people to purchase? I am thankful to the Senator from California for the information that the tax per capita on the American public for olive oil alone—the little item of olive oil—will be 4 cents.

Mr. POMERENE. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Ohio.

Mr. POMERENE. It might be enlightening also if the Senator from California would state to the Senate how much the olive producers in California are to be benefited by this tax of 4 cents per capita on every man, woman, and child in the country, and whether in his philosophy it is a good thing to tax all of the number of people for the benefit of a negligible number of those who may be engaged in the industry in southern California, blessed as they are with the best climate in God's world.

Mr. SHORTRIDGE. Mr. President, at the appropriate time I shall hope to make answer to those thoughts. I will observe now, however, that olives are produced in other sections of California; their production is not limited to southern California, but they are raised in what is termed northern California and in central California. However, let me ask the Senator from Massachusetts a question.

Mr. WALSH of Massachusetts. Certainly.

Mr. SHORTRIDGE. I understand his philosophy to be that we ought not to impose a tariff duty upon an industry which now produces but a small percentage of the product consumed in America.

Mr. WALSH of Massachusetts. I claim it is not protection but extortion to put a tax upon commodities used by the American people when the production in America is a very small per cent and is not likely, even with reasonable protection, to increase above a small percentage of the domestic consumption.

Mr. SHORTRIDGE. If that be sound, then I should like to ask the Senator, is it not a fact that we were at one time depending upon Europe for our tin plate and also, practically, for our glassware, and is it not an historical fact that by imposing adequate duties upon tin plate, for example, we have developed the great tin plate industry of America, which was once an infant industry, with a very small percentage of production until it has grown to tremendous proportions? If that be so—and I venture to state that it is so—may we not assume that this so-called infant industry in California and Arizona will similarly grow if adequately protected? I should like the Senator in discussing this question to bear in mind, as I am sure the Senator from Arizona [Mr. ASHURST] has in mind, that the State of Arizona is perhaps as vitally interested in this item as is the State of California.

Mr. WALSH of Massachusetts. Mr. President, I am not one of those who believe that the prosperity and greatness of this country depends alone upon building up great industries. I know of industries that have become large, but which have resulted in bringing a blight to the communities in which they have been located and brought about unfortunate conditions which were unknown before they were established. I know of industries which have paid such low wages—protected industries, too—resulting in such poor conditions of living that it has been very evident that the workers and the masses of the people received no benefit from the protection accorded.

In answer to the Senator from California, I think it is only fair to say that protection, in some instances, has helped American industry. I am not one of those who are unalterably opposed to protection, and I hope to be able to vote for some protective items in this bill if they are defensible; but I want some scientific and accurate proof of what constitutes the difference between the cost of the production of the protected article in America and its cost of production abroad. With such proof, I am willing to go as far as any Senator on this floor in giving some protection to such an industry if it can be shown that the commodity can be sold at a reasonable price to the American public and can be produced in sufficient quantity to take care of our domestic consumption. The trouble with the product now under consideration is that there is no evidence that the amount of olive oil being produced in this country is sufficient to take care of our consumption, and there is no likelihood of the industry for years and years to come ever developing to such an extent as to be able to take care of our consumption.

Mr. McCUMBER. Mr. President——

Mr. WALSH of Massachusetts. I will yield to the Senator, but I should like, first, to ask him a question. I should like to ask the chairman of the Finance Committee what information he has received since this bill was reported that has led him to-day on the floor to offer an amendment to the committee amendment raising the rate even above the rate proposed by the committee in the original draft of the bill?

Mr. McCUMBER. I will answer that question, Mr. President, by saying that upon a reconsideration of the matter the committee instructed me to report the amendment for a higher rate of duty because the majority of the committee thought that the rate which had first been proposed was not sufficiently protective.

Mr. WALSH of Massachusetts. Mr. President——

Mr. McCUMBER. The one question necessitates another question that I shall have to ask the Senator, but I will first yield to him.

Mr. WALSH of Massachusetts. I should like to ask the Senator if the Senate committee did not first report an amendment lowering the rate fixed in the House bill after hearing the evidence which was submitted to the committee, and if to-day the committee have not reported to the Senate a rate higher than the rate fixed in the House bill?

Mr. McCUMBER. I think that was the result, although there is very little difference, of course. Now, may I ask the Senator a question? The Senator has just asked a question, and even suggested that he might stand for a rate that would measure the difference between the cost of production at home and abroad.

Mr. WALSH of Massachusetts. Yes; but circumstances other than that fact alone must be clearly proven.

Mr. McCUMBER. If we can establish to the satisfaction of the Senator the fact that the duty proposed can not by any possibility be any higher than the difference between the cost of production at home and abroad, would he vote for the duty?

Mr. WALSH of Massachusetts. No, sir; I would not.

Mr. McCUMBER. I thought not. Now——

Mr. WALSH of Massachusetts. May I answer the question? Because I do not believe that we can extend protection to industries that are producing only 1, 2, 3, or 5 per cent of the consumption. If we do, then let us do away with our free list and let us establish a protective rate upon every industry, no matter how trifling and how insignificant may be the production at home.

Mr. McCUMBER. Now, may I ask the Senator another question, first to ascertain whether I correctly understood him? If I did, he made the statement a short time ago that he favored giving encouragement to the producer of olive oil in the United States. Did I correctly understand the Senator?

Mr. WALSH of Massachusetts. I do not think the Senator did. I said I regretted to oppose the wishes of the producers of olives in southern California, who, I knew, were making a hard effort and a serious effort to raise olives profitably in that section of the country.

Mr. McCUMBER. Then the Senator does not wish to be understood as favoring giving them any encouragement in producing olive oil?

Mr. WALSH of Massachusetts. My study of the question has led me to the conclusion that it is impossible for them to produce sufficient to take care of the home consumption, no matter what tariff rates you fix, and that in 5 or 10 years from now the situation will be the same as it is now; we will have to go to foreign markets and import olive oil; that we are simply putting upon the American people a tax that will not be of benefit to the people of Californin; that their market is on the west coast anyway, and that they are not now producing enough to take care of the consumption in that section of the country.

Mr. McCUMBER. Even the Democratic tariff is for revenue purposes, and I do not know of any time in the history of the country when we needed revenue worse than we need it to-day, and we have to get it from a great many different sources to meet the requirements of the Government. I think olive oil is more or less of a luxury. It may be that some do not consider it as such, but I think if any food product could bear a duty without great oppression it would be olive oil, and it would bring a very considerable amount of revenue to the Government, and I think it would, incidentally at least, afford some protection and give the encouragement which I think the olive grower ought to have.

Mr. WALSH of Massachusetts. Is this over 100 per cent duty increase fixed for the purpose of revenue and not protection?

Mr. McCUMBER. I have stated that I think it will afford incidental protection. I think it will afford some protection, at least enough to encourage the industry in the United States, and it will give us between two and a half and three million dollars for the Treasury.

Mr. HITCHCOCK. Mr. President, will the Senator from Massachusetts permit me to ask the Senator from North Dakota a couple of questions?

Mr. WALSH of Massachusetts. Certainly.

Mr. HITCHCOCK. Is it a fact that we produce in this country only 3 per cent of the olive oil consumed here?

Mr. McCUMBER. I think that is about right. I am informed by the expert that that is about right.

Mr. HITCHCOCK. And is it a fact that for 37 years we have had a protective tariff on olive oil?

Mr. McCUMBER. Very well.

Mr. HITCHCOCK. Is not that a sufficient evidence that its development can not be promoted by a tariff; that it is a matter of climate and situation?

Mr. McCUMBER. Then in those 37 years we have derived considerable revenue, have we not? We have received a good revenue right along.

Mr. HITCHCOCK. I am asking the Senator whether there is any earthly hope of building up that industry by levying this tax on poor people?

Mr. McCUMBER. Why, Mr. President, we levy the taxes upon the rich people as well as the poor, or anybody else that consumes this article. All I say is that, like everything else, we all pay our part of the duty according to our consumption if it is added to the price, and I think it is worth while to put that much into the Treasury every year, even though it did not operate as a protection at all.

Mr. HITCHCOCK. We need not worry about the rich people. They can buy olive oil as a luxury for their salads and use it.

Mr. McCUMBER. Oh, yes.

Mr. HITCHCOCK. But the fact is that it is a serious burden on the millions of Italians who live in our big cities and who use olive oil in the place of butter, and it is they who are making the complaint. They are the ones who are complaining. This tax is a heavy burden upon them, and you are putting it upon them not with any possible hope of building up an industry, because you admit you only have an industry which supplies 3 per cent of the consumption, although it has been under a protective tariff for 37 years.

Mr. McCUMBER. Oh, no, Mr. President; I do not agree with the Senator. I do not think it is a burden upon the millions of Italian people, or Americans of Italian birth, in the United States to give them a system which will allow them to earn from four to ten dollars a day in this country as against 50 cents a day in their home country, if we impose a little tax on olive oil that may amount to a penny a day difference to them.

Mr. WALSH of Massachusetts. Mr. President, I am going to close by calling attention once more to the rates upon olive oil in the Underwood bill, in the House bill, in the first Senate amendment, and in the second Senate amendment.

The tariff rate on olive oil—less than 44 pounds—in the Underwood bill was at 30 cents per gallon; under the House bill, 7½ cents a pound, equivalent to 57 cents per gallon; under the original committee amendment, 50 cents per gallon. The committee now proposes to fix the duty at 60 cents per gallon, being an increase from 30 cents per gallon, as fixed in the Underwood bill, to 60 cents per gallon.

On olive oil in containers of more than 44 pounds the rate in the Underwood bill was 20 cents per gallon; in the House bill, 6½ cents per pound, equivalent to 49 cents per gallon. The first amendment offered by the Senate committee was 40 cents per gallon. The second amendment, that is now before the Senate, is 50 cents per gallon, amounting to an increase of over 100 per cent in the tariff rate over that fixed by the Underwood Act of 1913.

Mr. President, I ask unanimous consent that annexed to my remarks may be the table of imports which I read in part.

The PRESIDENT pro tempore. Without objection, it will be so ordered.

The matter referred to is as follows:

Commodity, olive oil, edible.[1]

(Rate of duty—Underwood Act, 20 cents per gallon in bulk; emergency tariff act, 40 cents per gallon in bulk.)

GENERAL IMPORTS.

Months.	Quantity (gallons).		
	1914	1920	1921
January	475,393	249,194	170,502
February	438,814	153,705	114,781
March	668,154	494,633	220,325
April	705,186	454,932	574,208
May	548,735	339,621	[2] 549,282
June	599,603	304,381	[2] 730,383
July	502,042	275,437	944,890
August	630,190	443,797	949,935
September	551,858	530,859	650,180
October	624,102	394,457	552,757
November	572,355	203,229	481,000
December	463,500	176,995	689,085
Total	6,780,936	4,078,811	6,628,099

[1] The emergency act is applicable to the edible olive oil only, by a ruling of the customs division of the Treasury.

[2] The emergency tariff act became effective May 28, 1921.

Mr. ASHURST. Mr. President——

Mr. McCUMBER. Mr. President, before proceeding with this I want to put in the RECORD just one little statement as to what this means.

Taking the first nine months of 1921, and the import prices, it will be seen that the duty of 50 cents per gallon is equivalent to 28 per cent ad valorem duty, and that the duty of 60 cents per gallon is equivalent to 25 per cent ad valorem; so in either case it is a small ad valorem duty.

Mr. JOHNSON obtained the floor.

Mr. ASHURST. Mr. President, if the Senator from California will permit me, I should like to propound an inquiry to the Senator from Massachusetts.

The PRESIDENT pro tempore. Does the Senator from California yield to the Senator from Arizona?

Mr. JOHNSON. I yield for a query to the Senator from Arizona.

Mr. ASHURST. Will the Senator be kind enough to restate the item as it appeared in the Underwood-Simmons bill?

Mr. WALSH of Massachusetts. Olive oil less than 44 pounds per container was 30 cents per gallon. Olive oil more than 44 pounds per container was 20 cents per gallon.

Mr. ASHURST. That is, the maximum was 30 cents per gallon and the minimum was 20 cents per gallon?

Mr. WALSH of Massachusetts. Yes; and the amendment which I have offered, which will be voted upon directly, proposes to fix the tax the same as in the Underwood law.

Mr. SHEPPARD. Mr. President, I should like to ask the Senator from California or the Senator from Massachusetts if this article was included in the emergency tariff act?

Mr. JOHNSON. Certainly. I will explain those rates, if the Senator will permit me. That is one of the things I desire to do.

Mr. ASHURST. That may determine the course of some of us on this side.

Mr. SHEPPARD. I should be very glad to have the rate in the emergency act stated.

Mr. JOHNSON. The rates that are suggested by the chairman of the Finance Committee to-day ought not to frighten the Senate at all, because when the emergency tariff bill was pending here I offered rates of 70 and 60 cents, higher than these that are here offered, and the Senate accepted the rates, and 70 and 60 went into the emergency tariff bill. They were subsequently reduced, it is true, in the conference; but upon the floor of the Senate when the bill was pending here I offered the amendment of 70 and 60. The late Senator from Pennsylvania, Mr. Penrose, the then chairman of the Finance Committee, and the committee itself, accepted the amendment, and the Senate accepted it. It went into the bill, and subsequently was reduced in conference.

Mr. POMERENE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from California yield to the Senator from Ohio?

Mr. JOHNSON. I yield to the Senator from Ohio.

Mr. POMERENE. Admitting that that is so, does it not demonstrate conclusively the persuasive powers of the Senator from California, rather than the merits of the case?

Mr. JOHNSON. Oh, no; it demonstrates conclusively that the Senate sat still while those rates were put into a bill; and if there is ever such a thing as an estoppel here it ought to be applied now, it seems to me, to the Senator from Ohio and the Senator from Massachusetts, because if it is such a wicked thing to have 60 and 50 the rates, it could not have been any less wicked to have had 70 and 60 a year ago, when the emergency bill was before us.

Mr. POMERENE. Mr. President, the Senator from California is a great lawyer——

Mr. JOHNSON. Oh, do not seek to prove that by me, please.

Mr. POMERENE. But I think he is extending the doctrine of estoppel entirely too far.

Mr. JOHNSON. Perhaps that is so, sir.

Mr. ASHURST. Mr. President——

Mr. JOHNSON. I yield to the Senator from Arizona.

Mr. ASHURST. In the time of the Senator from California, I ask unanimous consent to have read at the desk a telegraphic dispatch I have just received from the Chamber of Commerce of Phoenix, Ariz., with the consent of the Senator.

Mr. JOHNSON. Yes; I yield.

The PRESIDENT pro tempore. Without objection the Secretary will read as requested.

The reading clerk read as follows:

PHOENIX, ARIZ., *May 15, 1922.*

Senator HENRY F. ASHURST,
United States Senate, Washington, D. C.:

Arizona olive growers invite your support of Johnson amendment asking rate of 50 and 60 cents a gallon on olive oil, as being absolutely necessary to development of olive industry in Arizona and California. Please advise.

HARRY WELCH,
Secretary Chamber of Commerce.

Mr. McCUMBER. I do not know whether the Secretary read that loud enough to be heard on the other side or not.

Mr. JOHNSON. The fact of the matter is that there is a unanimity of sentiment not only in Arizona but in California upon these rates, and they are asked because they are deemed essential by those who are engaged in olive culture to-day.

Mr. President, with just a general observation I will proceed to the figures.

The arguments on the other side are the same arguments always made whenever there is a protective measure proposed. We hear exactly the same thing said; and although said exceedingly well to-day and very eloquently by the Senator from Massachusetts [Mr. WALSH], nevertheless it has been no different during the entire time that I have been connected at all with politics, or have listened at all to the various utterances of different individuals upon the various sides.

On the other hand, there is a determined effort being made to conserve, to foster, to protect, if you will, those industries in which our people are engaged. On the other hand, the argument is invariably advanced that nurturing, fostering, and protecting that in which our people are engaged will of necessity put some burden on the rest who are not engaged in the particular occupation, and thus tax many for the benefit of the few.

Such an argument, it seems to me, in a case like the one now before us is of no weight whatever, for if it is the duty of a nation to conserve its soil, if it is the duty of a nation to produce that upon which a nation should live, if it is the duty of a country which looks out for its own to take care of its own, protection of such a culture as olive culture ought to be had, and is justified not only by a partisan doctrine upon this side of the Chamber but is justified by every rational and economic theory for the upbuilding of a nation and the prosperity of its people.

So, Mr. President, I insist that in a matter of this sort, though it be quite true that but 5 per cent of the consumption of olive oil in the Nation be represented by Arizona and California, nevertheless, if we can conserve, without undue injury to the rest of our people, that 5 per cent production, and if we can foster those who are engaged in that 5 per cent production, it is our duty—our bounden duty—to do so, just exactly as we would conserve and foster citizenship in any other direction for the protection of our country, economically and otherwise, in the days that are to come.

I make no apologies, therefore, for asking a duty upon olive oil of the Finance Committee and of the Senate. I believe it is essential for the benefit of many thousands of people in Arizona and California who are engaged in this occupation.

I believe it is an essential, sir, for the conservation of the soil of the two States, too, and that there is nothing unjust, nothing unfair, nothing that is burdensome to the rest of our people, when we accord to these thousands, who have given their all for the production of something which before we did not possess, a measure of protection which may enable them to produce and to live.

So, sir, with these general observations, in which, I repeat, I make no apology for a duty such as is asked here, I proceed to consider the figures which are presented and to justify them as well.

Whom will we care for? I would have exactly the same affection for our Italian fellow citizens that the distinguished Senator from Massachusetts evinces. I would have for them the same care that our Democratic brethren express when they come to a subject of this character. But, sir, I would have as well a care and an affection for the man who has given 10 years of his life and all he possesses to have an olive grove in Arizona or in California, and to make that olive grow, if he can, produce, and I would first give him the right to live as an American ought to live, under the ægis of protection of the Republican Party, aid under the righteous fostering care of the Nation of which he is a part.

I would care, of course, for your cities, for your towns, for your individuals who deal in this staple, if you call it such. I would care for them in every way you may suggest, just as the Senator from Massachusetts would, but in caring for them do not forget, sir, that even though it be but 5 per cent there are those who have devoted themselves and their all in a hazardous undertaking, in production that has been encouraged by the Government and the States themselves, and who are entitled, in their stress now, to consideration and to some measure of protection in a tariff bill.

Under the emergency law they were given some protection. Under the bill which came from the House the rate, you will observe, was 7½ cents per pound for olive oil in certain containers, first, and then for olive oil not specially provided for, 6½ cents per pound.

The Finance Committee apparently transmuted the mode of computation. The computation I made under what is termed the Fordney bill, the House text, would make the duty levied by that bill, in the first portion thereof, in containers weighing less than 44 pounds, 56.7 cents, and in bulk—that is, the olive oil not specially provided for—6½ cents per pound would be 49.1 cents.

What the Senate committee proposes now is 60 per cent, an increase of 3.3 cents over the Fordney bill, and 50 cents in the second bracket, which is an increase of eighty-six hundredths of 1 cent alone. Those are the only increases the Finance Committee has made by this amendment. They amount to little or naught, so far as that is concerned, and they have made them, I assume, in round figures rather than in the figures which were given to us in the computation had in the original Fordney bill.

What does it cost us in the State of California and in the State of Arizona to produce a gallon of olive oil? I have the statistics before me, and the present factory cost of producing olive oil is $2.10 per gallon. This does not include any profit to growers or manufacturers or any transportation cost to eastern markets. It is 62 cents per gallon more than the present laid-down price of the imported oil at New York. With the 60-cent and the 50-cent rates that are asked added to the $1.48 declared value of the imported oil—I am speaking of declared value at the customhouse now, not the prices at which it sells—added to the $1.48 declared value of the imported oil, as the same is landed in New York, we have a rate which gives us a bare chance to exist, that and nothing more.

How are we trying to exist? Do Senators realize the conditions under which we labor in the West in this olive-oil business? It was not, indeed, a business originally which we designed as a great undertaking. Gradually it has grown, and from the olive crop in the State of California and in the State of Arizona we have developed an edible olive, with which you all are familiar. The black olive which you have upon your table every night is a product of the West. This is something valuable to us, of course, but, unfortunately, in order that you may have a merchantable article, this black olive, the ripe olive which you use in your luncheons and at your dinner parties, must measure nine-sixteenths inch in diameter, and, unfortunately, that requirement of a measurement of nine-sixteenths in diameter results in the rejection of practically 50 per cent of the merchantable part of our crops. Of course, raising crops as they do under the adverse circumstances of high wages in the West, and throughout the country to-day, half of the crop can not be thrown aside because not merchantable, and still the whole be profitable. So the other half of the crop has been put into olive oil, in order that the individual who owns the olive grove may live; that he, an American, with his wife and children, may just exist, under the ruinous conditions which have obtained in the past few years, and it is because he asks a mere existence for himself and his family that this duty is sought in this particular matter, and I thank the Finance Committee for extending to those people the aid, which is very, very necessary.

Certain circumstances have arisen in the last year or two, to which I do not care to advert, which have been most unfortunate to the olive industry. They have made the pathway much more difficult than ordinarily it would have been. These unfortunate circumstances are yet existent, and they must be relieved, or these people, engaged as they are in one of the most beautiful cultures that there is from the soil, must perish, and all their groves must go. It is that they should not go, that they may live as Americans, and that their families may live, just as your urban residents live upon their daily wage, which is now equal, possibly, to their needs, that we are asking what the gentlemen on the other side designate an extortionate tariff.

There are now 40,178 acres of olive trees in Arizona and in California. The production comes close to 20,000 tons per annum. Invested in the industry are some $30,000,000. There are many thousands of people employed in manufacturing and in growing this product, and those who do not own the groves, but work in them or in the making of oil, are paid living wages by those who do own the groves.

Compare what is paid abroad to those who raise olives there to what we pay in the West to those who raise olives in our own country. Let me say in passing that the olive oil that is made in our State has won prizes in expositions, and in the testimony before the Ways and Means Committee in the tariff hearings that oil was pronounced by experts to be equal to and better than that which has been imported.

Let me say, moreover, that that which we make in the West is made in sanitary fashion, something which can not be said for much of that which is imported; and made, as it is, in sanitary fashion, made by Americans, men and women, out there, they are entitled to come to the Congress, even though they be but a small fraction of all our people, and ask for relief.

The labor cost of producing olives in the Mediterranean countries previous to the war was exceedingly low. It has increased somewhat since the war. Let us see what these labor costs are, and in reading them I am reading from reports of American consuls. At Valencia, Spain, first, for instance, the highest rate paid was 77 cents in 1919.

In the Spanish olive factories, where mostly men are employed, the daily wages paid during the various years I have before me was pitifully small, and the highest was that paid in 1919, a wage of $1.16.

In the Catania district, in Italy, before the war, men workers in the olive industry received substantially 58 cents per day, and women were paid 29 cents per day. In October, 1919, those wages had advanced, for male workers, to $1.35 a day, and for female employees to from 77 to 96 cents.

In the district of Nice, in France, producing considerable quantities of olive oil for export in normal times, the same low scale of wages obtained as in Spain and in Italy.

During this period, 1914 to 1919, the labor cost of producing olives in California and Arizona kept pace with the increase in the cost of commodities and labor all over the land. Skilled male workers in the factories received originally $3 per day. Women workers in the factories were paid from $10 to $12 per week, but in 1919 orchard workers were paid $3.50 to $4 per day, skilled help in factories $4.50 to $5.50 per day, and the wages of women factory employees, under the minimum wage law of California, were established at $16.50 minimum for a week of 48 hours.

Compare these wages paid Americans in the olive industry with the wages paid abroad for that which you get in an insanitary condition oftentimes in your importations.

There is a great disparity against us in freight rates, and that is one of the things the Congress of the United States must some time undertake to solve. I do not know its solution, I confess, but it is unjust and unfair that we can not ship across the continent here; we can not ship in any fashion to our markets in the East or even in the Middle West at any price such as those who are competitors ship clear across the Atlantic Ocean. It is unfair and unjust that this should be so, and relief finally ought to be accorded our own shippers.

In the matter of freight rates we are at a distinct disadvantage. From figures showing conditions in the latter part of 1919 it is demonstrated that the average cost, including the items of expense of transporting a gallon of olive oil from the factory in Spain to New York, was about 5.04 cents. Previous to the war it cost but 2.2 cents per gallon to transport oil from Messina, Italy, to New York. The total cost in 1919 of shipping olive oil from Nice to New York, including transfer at Marseille, was practically 8 cents a gallon in 1914, and the total freight charges for transporting olive oil from Nice to New York was approximately 4.3 cents per gallon. It costs us to ship olive oil from California to New York or Chicago, under present rates, in carload lots, $1.665 per hundred pounds, and this expressed in terms of gallons represents a cost per gallon of 15.16 cents.

Thus we see we are at a disadvantage in every way. We first culture our ground more highly than they do abroad. Next we employ our labor at five, six, and seven times as much as they pay abroad for theirs. Next we use only the best of the olives which we grow in making our olive oil. Then we are penalized in finding our market, and we are forced to pay three times as much really to find the market of our own country as our foreign competitors pay to find that market and to beat down our prices.

Now do not worry, my friends, as I said a little while ago when talking about citric acid, about the price that will be charged hereafter. The only thing that will result in the matter of prices from giving this protection will be that those who have made the importations from foreign countries heretofore will make a little less money and Americans who are engaged in this occupation in California and in Arizona will be enabled to live and to live as Americans.

Mr. KING. Mr. President, the argument of the able Senator from California, if I understood the last few sentences of it which I was privileged to hear, is a refutation of the contention so earnestly and eloquently made by Republicans that the tariff is for the benefit of the American producer. I have understood, and it has been conceded repeatedly, that the tariff is imposed for the purpose of augmenting the price of the domestic product. There can be no purpose for the tariff other than to increase the price of the domestic product in the domestic market. We may disguise and camouflage as much as we will the issue before us in this item and in various other items in the bill, but when we get down to the facts, when we get down to bedrock and strip away all of the false issues, the question is, Shall we increase the price to the domestic consumer of the domestic product as well as that which shall be imported, if any is imported? Shall we increase the burden upon the American consumer through the utilization of the taxing power of the Government?

Mr. President, this bill in the aggregate increases the rates above the Payne-Aldrich law from 100 or 150 per cent to 400, 500, and 600 per cent. It increases the rates above the Underwood law in many instances 200, 300, 400, 500, 600, 700, 800 per cent. I called attention the other day to the items of butyl alcohol and ethyl alcohol, the tariff upon which was increased by the rate fixed in the bill 1,100 per cent. That was for the purpose of looking after the State of Indiana. Indiana was interested in the manufacture of butyl alcohol and therefore we must add a tax here which increases the rate above the Payne-Aldrich law 1,100 per cent. The House had raised it 2,300 per cent, but that was too strong for the Senate committee, and they cut it down to 1,100 per cent.

If we were to take up the bill from the beginning and go through it to the end, comparing the schedules in the Payne-Aldrich law and the Underwood law with those found in the House bill and those found in the Senate committee bill, and go before the people and tell them of the increases upon each of the items, we would not only surprise ourselves, but we would astound the people, and their astonishment in the end would culminate in resentment, in anger, and finally in a repudiation

of the iniquitous, inequitable measure which to-day is receiving the approval of the Republicans in this body.

I have had occasion to say to-day, and I repeat, if I may be pardoned, that if we are to give bounties and largess to any class of people let us give them to the agriculturists and the horticulturists. If we are to use the power of the Government for the purpose of putting money into the pockets of the people by raising the prices of their commodities, I can find no complaint if we put the money into the pockets of the farmers and the agriculturists. They do something undoubtedly. They are the builders. We have laborare est orare—labor is worshiped—and it is the farmer, the horticulturist, the live-stock grower, those who build and toil, who transform the desert until it becomes beauteous as the rose—it is they upon whose shoulders rest very largely our entire social and political institutions.

But after all, let us inquire a moment, is it just and is it right? Is that the purpose of the Government? May we use it as an instrumentality to put money into the pocket of any man? Is that why governments are instituted? We give the power to the Government to tax, to raise sufficient money for the Government, which must be economically administered. As a fact, it is not economically administered; it is extravagantly administered, even though our friend General Dawes and the President point with glee to the great savings alleged to have been made under the Budget system. Some time when we have a little time to analyze the statement of the President and of General Dawes we will see that it is just a myth. It is not entitled to the dignity of being called camouflage. It is so tenureless and so absurd that anyone can see that it is meaningless.

But to return, Is that the purpose of government? Is it the purpose of government to tax A, B, and C to put money into the pockets of D? May we tax consumers of the United States to put money into the pockets of those who raise lemons or oranges or anything else? That is not the function of government. It is a prostitution of the power of the Government to utilize its strong arm for that purpose.

Olives were primarily raised in California to be used as a relish upon the table. Olive oil has grown as sort of ancillary to the primary and fundamental purpose of the industry. Now, we propose to seize that ancillary purpose, or use it as an excuse for making that a profitable venture, not only profitable but highly profitable, sort of supplementing the main purpose for which olives are grown. We will no doubt do that. No doubt we will add to the bill the enormous rate which has been suggested by the committee. The committee after due deliberation made a recommendation——

Mr. WALSH of Massachusetts. The first recommendation of the committee was the rate named in the emergency tariff law.

Mr. KING. Forty cents.

Mr. WALSH of Massachusetts. Forty and fifty cents. They have now offered to substitute 50 and 60 cents, which, I think, are the highest rates ever imposed upon olive oil.

Mr. KING. The committee, as I was about to suggest, after due consideration reported the bill, since which time pressure has undoubtedly been brought. I have received a number of telegrams to-day from California from some of my friends, conjuring me to vote for this rate. I have no doubt other Senators have received telegrams conjuring them to support the rate. I ask Senators what the result will be if we impose these high rates upon everything? Are we to use this power which we possess, the taxing power, for the purpose of keeping out all importations, in order that the domestic producer may swell the price of his product to such levels as will suit his greed and his avarice?

The Senator from Massachusetts [Mr. WALSH] pointed out the large number of people who consume this product. Five per cent has been the amount of the domestic product. When there is only a 5 per cent domestic product, we are to tax the American people upon the 95 per cent which may be imported, swelling the price of that product in order to protect the 5 per cent domestic production. I protest against this policy of legislation, against the injustice which results. If it were only olives, we could pass it by and assent to it, but that is only one out of thousands of articles.

If this enormous rate of duty be given to olives, then a similarly high rate must be given to peanuts; it must be given to cutch; it must be given to a thousand other articles that are produced in the United States. There is no end to the list. Finally, we shall, by this policy, have built up an impenetrable wall against which the waves of trade and commerce from abroad will beat in vain; we shall have built a wall which will prevent imports; we shall have built a wall which will prevent exports.

My good friend from Idaho [Mr. BORAH] to-day, with a vision which the troglodytes on the other side of the Chamber do not possess, could see that we must have foreign trade and commerce. We must have Germany as a buyer; Germany which before the World War bought more than $600,000,000 or $700,000,000 of our products, but last year was only able to buy $88,000,000 worth of our products. We must also have Russia as a buyer and Great Britain as a buyer and Canada as a buyer and Spain and other nations as buyers, or, Mr. President, our prosperity will be ended. We can not ship abroad unless we import.

Within a few weeks we are told it is to be the policy of the administration to drive through the legislative branches of the Government a bill to pay bounties, largesses, to our shipping industry. We are to have ship subsidies. Our ships now are rotting or becoming obsolescent; they are tied up to the wharves, because we have no foreign trade or commerce, or, at least, that trade is limited and restricted; and yet we are to appropriate from $35,000,000 to $40,000,000 or $50,000,000 a year as a subsidy for our ships, when we have nothing to ship abroad. Of course, our exports will diminish if we cut off imports. If we have no foreign trade, the $4,000,000,000 which we have spent for our ships will, in part, be wasted and the subsidy which we shall appropriate every year will also be wasted. That, however, is the reactionary, troglodytic policy of our Republican friends to-day.

We are to live to ourselves and by ourselves and for ourselves, and the Lord may take care of the rest of the world. We are not a part of the world; we are cut out, carved out of the world, separated from it. We shall have no trade with Germany, no trade with Great Britain, no trade with any other nation. We are going to build up prices so high that the American people themselves in the end will be the victims of the extortions which will be practiced by those whom they have elevated to the positions where they may extort from the people.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The question is on the amendment offered by the Senator from Massachusetts to the amendment reported by the committee, as modified.

Mr. WALSH of Massachusetts. I ask for the yeas and nays upon the amendment to the committee amendment.

Mr. WALSH of Montana. Mr. President, before a vote is taken on the amendment I wish to say just a word. I have no doubt that the cost of producing olive oil in the countries of southern Europe, in Italy, France, and Spain, is less than the cost of producing it in southern California. I think that proposition was quite clearly demonstrated by the senior Senator from California [Mr. JOHNSON], from the record. If that were all that it were necessary to establish in order to justify the rate for which he asks, it seems to me that there could be no resisting the conclusion which he seeks to have everybody draw. I have the very kindest feeling toward the people of southern California, with whom I have many very pleasant associations. They have a delightful climate there and a magnificent soil, wherever they can get water, and water is necessary for the purpose of irrigation and for the production of olive oil.

Mr. JOHNSON. Will the Senator yield for a moment?

Mr. WALSH of Montana. I yield.

Mr. JOHNSON. I merely want to correct an impression which seems to be prevalent concerning the production of olives, although my colleague [Mr. SHORTRIDGE], I think, corrected it once to-day. In northern California there are beautiful olive groves, just as there are beautiful olive groves in southern California. The section with which the Senator from Montana probably is familiar, about Oroville, has olive groves that are second to none, probably, in the world, and are quite equal to those in the southern part of the State. Then in the State of the Senator from Arizona [Mr. ASHURST] olives are cultivated, though, perhaps, in a small way. I merely desired to correct the Senator's geography.

Mr. WALSH of Montana. It does not affect the matter of my argument at all. I myself have seen olive trees growing in northern California as well as in southern California. I was not aware, however, that the culture was pursued as an industry, to a very great extent, in the northern section of the State; but that is neither here nor there. The point is that in California there is a long season, and the people there have advantages over the people of my State which are so obvious as to make it quite unnecessary to dwell upon them.

In Montana we cultivate what is known as 90-day oats. It is called so because it matures within 90 days from the time it is planted. It is cultivated because the ordinary variety of oats not infrequently does not mature before the frost in the ensuing fall; that is to say, the agricultural season in the State

of Montana does not exceed 120 days—four months—at the outside, while in the State of California the growing season extends the whole year around. So we contend against a climate that is severe in winter and is excessively hot in many sections in the summer.

Montana is in an arid or semiarid section, as is California. Here is a food commodity produced in the State of California which is being extensively consumed in my State, as it is throughout the Union. A few years ago it was used very sparingly by the people of the United States except by those of immediate foreign extraction. It was like green peppers in that respect. I visited the State of Florida some years ago and met very pleasantly a gentleman who was engaged in the production of green peppers, and who cultivated them very successfully. He told me that when he went into the business some ten years ago one carload of green peppers a year would be adequate to supply the Chicago market, but at that time it took 10 carloads a day to meet the demand, so rapidly had the taste for green peppers developed and the habit of consuming them upon the table. It is exactly the same way with olive oil.

Now, conceding everything the Senator says, I ask him how I can justify myself to the people of my State, who are thus put at a disadvantage in the production of their products, as against the people of the State of California, in voting a tax of from 50 to 60 cents a gallon upon olive oil, which they all consume, in the interest of and for the benefit of people engaged in the production of that commodity in the State of California? That is why I can not vote for the amendment.

Mr. JOHNSON. Has the Senator asked me a question, and does he wish a reply?

Mr. WALSH of Montana. I am quite willing that the Senator should reply.

Mr. JOHNSON. I thought perhaps it was an oratorical interrogation, and that no reply was desired.

Mr. WALSH of Montana. I should be very glad to hear anything the Senator can offer me by way of argument that I could advance to the people of my State for my vote in favor of the increase of the tax on olive oil.

Mr. JOHNSON. Is there anything in the State from which the Senator comes upon which there is a duty?

Mr. WALSH of Montana. There is.

Mr. JOHNSON. What is it?

Mr. WALSH of Montana. We produce wool, which is on the dutiable list.

Mr. JOHNSON. Does the Senator from Montana justify that duty?

Mr. WALSH of Montana. No; I do not.

Mr. JOHNSON. The Senator does not justify it?

Mr. WALSH of Montana. No.

Mr. JOHNSON. Does the Senator want any duties at all upon the products of the people of his State?

Mr. WALSH of Montana. Wool and sugar, as I view it, are the only commodities on the dutiable list in which they are interested. Manganese is on the free list.

Mr. JOHNSON. Is the Senator interested in a duty on it?

Mr. WALSH of Montana. On manganese?

Mr. JOHNSON. Yes.

Mr. WALSH of Montana. I should not vote for it; no.

Mr. JOHNSON. Do the people of the Senator's State wish a duty on it?

Mr. WALSH of Montana. I should not think so.

Mr. JOHNSON. Is there anything produced in the Senator's State on which the people of the State wish to have a duty?

Mr. WALSH of Montana. Yes. Those who grow wool want a duty on wool, of course, and those who own sugar factories want a duty on sugar.

Mr. JOHNSON. Are there any minerals in which the people of the Senator's State are interested upon which they desire a duty?

Mr. WALSH of Montana. Not a thing, except manganese and tungsten.

Mr. JOHNSON. The Senator, then, in my opinion, is in a singularly disinterested position, and if I have not been able to make him see by what I have endeavored to present to-day that it is not only to the interest of the olive grower in California that he be permitted to live and continue his grove but that it is to the interest of the men and women who live in Montana and the men and women who live all over the United States, then I have spoken, of course, in vain, so far as he is concerned. However, there is this product of California and Arizona; there is another of Nevada, perhaps; another that affects Washington, Idaho, and Oregon; and there are other products that affect other States, all of which States are a part of one great Commonwealth—the United States. So it does not seem to me that it would be a reproach to the Senator from the people of his State if his State, a member of this great Commonwealth, and its representatives should wish to see every other State prosper and the industries in which men and women have their all invested legitimately nurtured by a doctrine of protection such as is invoked here for that which comes from the soil.

That is my answer to the Senator. If in his State there is manganese and manganese conflicts with the Steel Trust, then manganese ought to have a duty upon it. Am I correct in saying manganese is used in the manufacture of steel?

Mr. WALSH of Montana. Yes; that is where the controversy arises.

Mr. JOHNSON. If there is such a controversy between the Steel Trust and the people of Montana, I justify myself with the people of the State of California by saying that I stand by the people of the State of Montana in protecting that which they have in order to enable them to live a little better, and if such a contest arises here I will be glad to aid the Senator from Montana, if he endeavors to make it, in every possible manner.

Mr. WALSH of Montana. Of course, the Senator merely says to me that we should vote for this heavy duty on olive oil because he will vote for a duty upon some of our products.

Mr. JOHNSON. No, sir; I beg the Senator's pardon; I have said nothing of the sort.

Mr. WALSH of Montana. That is to say, that he proposes a trading arrangement.

Mr. JOHNSON. Excuse me; I did not say that. I am saying that our country must be preserved economically as to those things which may be of value to it economically. There is nothing of greater value to a nation than that which comes from its soil. Olive oil is called a food product, and perhaps it is; but if it is a food product you can not do your country any more good than by nurturing that food product and having it produced in such quantity here——

Mr. WALSH of Montana. We have been nurturing it for 40 years.

Mr. JOHNSON. Oh, no; not as the industry is to-day. If the Senator will go back 40 years in the history of olive culture in the State of California, he will recall, just as I do, what its condition then was.

Mr. WALSH of Montana. My recollection of reading about the missions in California was that it was brought there some 200 years ago.

Mr. JOHNSON. Oh, yes; certainly; but does the Senator mean to say that they constituted great olive groves? Not at all. They are of recent origin; and the manufacture of olive oil in any quantity at all has been a matter of recent origin.

Mr. WALSH of Montana. I merely wanted to ask the Senator, in this reciprocity that he speaks of, just exactly how we get back anything out of the people of California?

Mr. JOHNSON. Will the Senator pardon me?

Mr. WALSH of Montana. I have called attention to the fact that the people of my State must pay for this increased price of olive oil which the Senator seeks to establish by this duty. That goes to the producers of olive oil in California. I desire to know what we get back from the people of California.

Mr. JOHNSON. You get that peculiarly enlightening thing that comes to Americans when they help America. That is one thing; but let me say to you what I said in closing: You are not going to pay, in reality, any very great sum in addition for your olive oil. You will find that that is the story all along the line.

Mr. WALSH of Montana. Let me inquire of the Senator whether he does not expect that the price is going to approximate the amount of the duty, together with the current price?

Mr. JOHNSON. Why, it already does, practically.

Mr. WALSH of Montana. Yes; so that the duty measures approximately the increase in price?

Mr. JOHNSON. Oh, of necessity in some respects that is so, of course; but it does not measure the whole price by any means, as you find from these various articles upon which duty rests. You found, you know, during the time that there has been a duty upon olive oil, before its production was of very great consequence, that notwithstanding the duty the price went down.

Mr. WALSH of Montana. Of course; that was the case always, depending upon the abundance or the relative scarcity of the supply, the increase or decrease in the demand. Naturally, as the foreign price goes down, the domestic price must go with it.

Mr. JOHNSON. Oh, the fact of the matter is, the story of the whole thing is, the importer will make less. That has been the story of this sort of thing. It will be the story of this.

Mr. WALSH of Montana. The foreigner pays the tax?

Mr. JOHNSON. No; the importer will make less, and there will be a market for the goods that come from our particular territory.

Mr. WALSH of Montana. So that really what the Senator intends to tell me is that the people of my State will not be obliged to pay any more?

Mr. JOHNSON. I doubt if they will pay very much more.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Massachusetts [Mr. WALSH] to the amendment of the committee, as modified, on which the yeas and nays have been ordered.

Mr. WALSH of Massachusetts. Mr. President, I simply want to say that I think this is the highest rate which we have yet been called upon to vote on in this bill, and I think the most unjustifiable, because of the absolute necessity of importing such a very large amount of the consumption.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. OVERMAN (when his name was called). Again announcing my pair and its transfer, I vote "yea."

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the senior Senator from Pennsylvania [Mr. CROW], and will vote. I vote "nay."

The roll call was concluded.

Mr. NEW. Transferring my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Washington [Mr. POINDEXTER], I vote "nay."

Mr. BALL. Has the senior Senator from Florida [Mr. FLETCHER] voted?

The PRESIDING OFFICER. The Chair is advised that he has not voted.

Mr. BALL. I transfer my pair with the senior Senator from Florida to the junior Senator from Oregon [Mr. STANFIELD] and will vote. I vote "nay."

Mr. STERLING. Transferring my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Oklahoma [Mr. HARRELD], I vote "nay."

Mr. LODGE (after having voted in the negative). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD]. In his absence, I transfer that pair to the junior Senator from Pennsylvania [Mr. PEPPER] and will allow my vote to stand.

Mr. SIMMONS (after having voted in the affirmative). I have a pair with the Senator from Minnesota [Mr. KELLOGG]. I transfer that pair to the Senator from Nevada [Mr. PITTMAN] and will permit my vote to stand.

Mr. HARRIS. I have a standing pair with the Senator from New York [Mr. CALDER] and therefore withhold my vote.

Mr. GLASS. I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM]. In his absence, I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. DIAL. I have a pair with the Senator from Colorado [Mr. PHIPPS]. Being unable to secure a transfer, I am obliged to withhold my vote.

Mr. ROBINSON (after having voted in the affirmative). I have been informed that my pair, the Senator from West Virginia [Mr. SUTHERLAND], is not present. I transfer my pair with him to the Senator from Tennessee [Mr. SHIELDS] and will let my vote stand.

Mr. HARRISON. I have a pair with the junior Senator from West Virginia [Mr. ELKINS]. I understand that if he were present he would vote "nay." I am unable to secure a transfer and therefore withhold my vote. If at liberty to vote, I should vote "yea."

Mr. JONES of Washington (after having voted in the negative). Has the senior Senator from Virginia [Mr. SWANSON] voted?

The PRESIDING OFFICER. The Chair is advised that he has not voted.

Mr. JONES of Washington. I have a pair with that Senator for the day. I transfer that pair to the Senator from Iowa [Mr. CUMMINS] and will allow my vote to stand.

Mr. MCKINLEY. I transfer my pair with the Senator from Arkansas [Mr. CARAWAY] to the Senator from Minnesota [Mr. NELSON] and will vote. I vote "nay."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY]; and

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN].

The result was announced—yeas 15, nays 40, as follows:

YEAS—15.

Borah	Jones, N. Mex.	Overman	Simmons
Gerry	King	Pomerene	Walsh, Mass.
Heflin	La Follette	Robinson	Walsh, Mont.
Hitchcock	Myers	Sheppard	

NAYS—40.

Ashurst	Gooding	McKinley	Rawson
Ball	Hale	McLean	Shortridge
Brandegee	Johnson	McNary	Smoot
Broussard	Jones, Wash.	Moses	Spencer
Bursum	Keyes	New	Sterling
Capper	Ladd	Newberry	Townsend
Curtis	Lenroot	Nicholson	Wadsworth
du Pont	Lodge	Norbeck	Watson, Ind.
France	McCormick	Oddie	Weller
Frelinghuysen	McCumber	Page	Willis

NOT VOTING—41.

Calder	Ernst	Norris	Stanley
Cameron	Fernald	Owen	Sutherland
Caraway	Fletcher	Pepper	Swanson
Colt	Glass	Phipps	Trammell
Crow	Harreld	Pittman	Underwood
Culberson	Harris	Poindexter	Warren
Cummins	Harrison	Ransdell	Watson, Ga.
Dial	Kellogg	Reed	Williams
Dillingham	Kendrick	Shields	
Edge	McKellar	Smith	
Elkins	Nelson	Stanfield	

So the amendment of Mr. WALSH of Massachusetts to the amendment of the committee, as modified, was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. KING. I move to amend the committee amendment by striking out "60" and inserting in lieu thereof "50."

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 21, line 23, in lieu of the amount proposed by the committee, 60 cents, the Senator from Utah moves to insert "50 cents," so as to read:

Olive oil, weighing with the immediate container less than 44 pounds, 50 cents per gallon.

Mr. KING. That is the rate laid by the Committee on Finance as it was originally reported. It has been amended by the committee and raised to 60 cents per gallon. I will not ask for the yeas and nays.

Mr. WALSH of Massachusetts. What the Senator from Utah proposes was the rate named in the emergency tariff law.

Mr. KING. Yes; as the Senator suggests, it is the rate in the emergency tariff law.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. WALSH] to the committee amendment in line 24, which the Secretary will state.

The READING CLERK. On page 21, line 24, in lieu of "50 cents per gallon," proposed by the committee, insert "20 cents per gallon," so as to read:

Olive oil, not specially provided for, 20 cents per gallon.

Mr. WALSH of Massachusetts. On the amendment to the amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. BALL (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. DIAL (when his name was called). I make the same announcement as to my pair that I made on the former ballot and withhold my vote.

Mr. GLASS (when his name was called). Making the same announcement as on the former vote, I withhold my vote.

Mr. HARRIS (when his name was called). I transfer my pair with the junior Senator from New York [Mr. CALDER] to the Senator from Montana [Mr. MYERS], and vote "yea."

Mr. JONES of New Mexico (when his name was called). Making the same announcement regarding my pair and its transfer, I vote "yea."

Mr. LODGE (when his name was called). I transfer my pair with the Senator from Alabama [Mr. UNDERWOOD] to the Senator from Pennsylvania [Mr. PEPPER], and vote "nay."

Mr. MCKINLEY (when his name was called). Making the same announcement as before, I vote "nay."

Mr. NEW (when his name was called). Making the same announcement as on the previous vote, I vote "nay."

Mr. OVERMAN (when his name was called). Making the same announcement as to my pair and transfer as on the previous vote, I vote "yea."

Mr. ROBINSON (when his name was called). I have a general pair with the Senator from West Virginia [Mr. SUTHERLAND], which I transfer to the Senator from Tennessee [Mr. SHIELDS], and vote "yea."

Mr. SIMMONS (when his name was called). Making the same announcement as to my pair and its transfer as on the last vote, I vote "yea."

Mr. STERLING (when his name was called). Transferring my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Iowa [Mr. RAWSON], I vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Washington [Mr. JONES] with the Senator from Virginia [Mr. SWANSON];

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWENS]; and

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY].

Mr. HARRISON (after having voted in the affirmative). I note that my pair, the junior Senator from West Virginia [Mr. ELKINS], has not voted. I therefore withdraw my vote.

The result was announced—yeas 15, nays 38, as follows:

YEAS—15.

Borah	Hitchcock	Overman	Simmons
Gerry	Jones, N. Mex.	Pomerene	Walsh, Mass.
Harris	King	Robinson	Walsh, Mont.
Heflin	La Follette	Sheppard	

NAYS—38.

Ashurst	Hale	McKinley	Shortridge
Ball	Harreld	McLean	Smoot
Brandegee	Johnson	McNary	Spencer
Broussard	Kendrick	Moses	Sterling
Capper	Keyes	New	Townsend
Curtis	Ladd	Newberry	Wadsworth
du Pont	Lenroot	Nicholson	Weller
France	Lodge	Norbeck	Willis
Frelinghuysen	McCormick	Oddie	
Gooding	McCumber	Page	

NOT VOTING—43.

Bursum	Elkins	Norris	Stanfield
Calder	Ernst	Owen	Stanley
Cameron	Fernald	Pepper	Sutherland
Caraway	Fletcher	Phipps	Swanson
Colt	Glass	Pittman	Trammell
Crow	Harrison	Poindexter	Underwood
Culberson	Jones, Wash.	Ransdell	Warren
Cummins	Kellogg	Rawson	Watson, Ga.
Dial	McKellar	Reed	Watson, Ind.
Dillingham	Myers	Shields	Williams
Edge	Nelson	Smith	

So the amendment of Mr. WALSH of Massachusetts to the committee amendment was rejected.

Mr. KING. There may be some upon the other side of the Chamber who think that this article ought to be protected, and that 20 cents per gallon was an inadequate protection. The committee, after a very full consideration, recommended 40 cents per gallon, a very, very high duty, but to-day we have upon their suggestion adopted 50 cents per gallon as the rate. I move to amend by striking out "50" and inserting "40," so that it will read, in line 24, "olive oil, not specially provided for, 40 cents per gallon." Any upon the other side who believe in very full protection ought to be gratified to have an opportunity to vote for the amendment which I tender.

The amendment to the amendment was rejected.

The amendment as amended was agreed to.

Mr. McCUMBER. I would like to go back now to page 21, line 17, where the amendment was passed over.

The PRESIDING OFFICER. The Secretary will state the amendment passed over.

The READING CLERK. On page 21, line 17, after the words "castor oil," strike out "4½" and insert "3," so as to read:

Castor oil, 3 cents per pound.

Mr. McCUMBER. There are several items of oils, and I think my colleague desires to discuss this afternoon the whole paragraph which is before the Senate.

THE TARIFF PROTECTION FOR AGRICULTURAL PRODUCTS—WHY TARIFF ON VEGETABLE OILS MAY FAIL.

Mr. LADD. Mr. President, it would be folly to add, for example, a tariff on vegetable oils—say, on flax and linseed oil—and then permit the introduction into this country of other vegetable oils which could serve as displacement oils in the manufacture of paints, varnishes, and for other purposes for which linseed oil is employed; that is, to tax linseed oil and then let in free soya-bean oil, lumbang oil, perilla oil, and so forth, would ultimately furnish little or no encouragement for the farmer to revive flax production. To protect corn oil, cottonseed oil, and peanut oil by high tariff would benefit no one but the manufacturer unless proper duty was placed against coconut or other oils so cheaply produced in Asiatic countries with the cheapest labor obtainable, since coconut oil is a replacement oil in milk substitutes, as butter substitutes, and for soap manufacture, thus driving out the American farm product which is replaced. Whatever of coconut oil is used, either in milk products, butter substitutes, and for soap production, means foreign competition with our corn and cotton growers.

Enormous quantities of milk substitutes are now produced from skimmed milk, to which is added a vegetable oil, mainly coconut oil, to replace the butter fat. This milk substitute is rapidly on the increase. In 1920 one firm is reported to have produced 84,440,000 pounds of condensed milk in which vegetable oil had displaced a like quantity of milk fat. Since the product contained not less than 7 per cent of fat, there was used not less than 5,880,000 pounds of coconut or other vegetable oils. This would displace a like amount of peanut oil or oil from not less than 4,704,000 bushels of corn.

Again, in 1918 there were used 56,517,000 pounds of soya-bean oil in lard substitutes, to that extent replacing vegetable oils produced in this country. The product is wholly satisfactory for use, but displacing that amount of oil which should have been furnished by American farmers or have been produced as lard from American hogs which consumed American corn and other agricultural products.

Mr. President, the soap manufacturers, through their alleged spokesman, maintain that they must have cheap foreign oils to enable them to compete in foreign markets in the sale of soap. As a matter of fact, the soap makers, under terms of the bill, are permitted to import in bond all the oils they desire to produce soap for export, and on the exportation of the soap are refunded 99 cents out of each dollar paid as duty on the oil when removed from bond. The soap manufacturer, therefore, has no justification to complain, but he does not appear to be willing to accord the farmer a like degree of protection on his products as the soap manufacturer demands and is accorded by the Finance Committee in the bill now before the Senate, and to reasonable protection no farmer is objecting.

I am informed that for the seven years from 1914 to 1920, inclusive, there was produced in this country a total of 9,857,146,000 pounds of cottonseed oil and 915,208,000 pounds of peanut oil, or an average for the two oils of about 1,538,907,714 pounds annually. For the same seven years there was imported into this country of different oils as follows:

	Pounds.
Cottonseed oil	113,752,000
Soya-bean oil	1,086,226,000
Peanut oil	374,845,000
Coconut oil	1,201,015,000
Copra, crushed	915,068,000

And an additional amount of other vegetable oils, or an average of approximately 527,000,000 pounds of vegetable oils annually imported which should and could have been produced in this country.

Our excess of importation for vegetable oils above exports amounts annually for the same period to 292,317,000 pounds. Some of these oils are still left on the free list and the spurious argument made that since these oils are not produced at present in this country they do not come in competition with American-grown products. This is wholly an erroneous idea. The fact is every one of these imported oils are displacing oils produced in this country the amount of which could be produced in most instances might be increased manyfold with a reasonable degree of tariff protection.

TARIFF ON FLAXSEED.

Mr. President, the time-honored practice of acting in haste and repenting at leisure is just now receiving a forceful demonstration in the case of the emergency duty on flaxseed and its effect on the American linseed-oil industry. Incidentally present conditions are clearly proving the absurdity of attempting to protect the producer of any raw material without at the same time providing an equal degree of protection for the manufacturers who constitute his chief market.

The Underwood Tariff Act of 1913 carried a duty of 20 cents a bushel on imported flaxseed, and one of 10 cents a gallon on linseed oil. When the emergency tariff bill of 1921 was passed the duty on flaxseed was increased to 30 cents a bushel, but no change was made in the tariff on linseed oil. This was done ostensibly to protect the farmers against importations of cheap flaxseed from Argentina and Canada.

The American linseed mills found that they could not afford to buy the foreign flaxseed and pay the new duty on it. With them the chief product was linseed oil, the oil cake and meal being of secondary importance; their successful operation depended on their having a reasonably profitable market for oil, for which there is almost always an energetic demand.

The demand has continued, but it has found new ways of being provided for. Abroad, and particularly in Great Britain, the most important flaxseed product is the cake or meal; the oil becomes a by-product, to be sold for whatever it will bring. The British flaxseed crushers, with free access to the Canadian and Argentine supplies, have been able to import the flaxseed, secure the feed their farmers needed, and sell the oil in the United States at prices which the American manufacturers could not profitably meet.

Naturally, 1921 was a record year for the Argentine flaxseed exporters, with total shipments amounting to 53,000,000 bushels, as compared with a previous high record of 40,000,000. In earlier years the United States used to take most of Argentina's surplus flaxseed, but in 1921 the heaviest purchaser was Great Britain. This, of course, was what the farmers' advocates wanted as the result of increasing the tariff on flaxseed; what they did not take into consideration was the return of the manufactured product of this foreign flaxseed in such volume as to compel the American mills either to reduce their activity or altogether to close down.

This is exactly what is now happening. They can not meet the competition of linseed oil imported under the terms of the Underwood tariff while their purchases of foreign flaxseed are restricted by the advanced duties of the emergency act.

That such a situation is obviously disastrous for an industry representing an annual turnover of fully a hundred and twenty million dollars, and with hundreds of employees, many of whom are now facing the necessity of finding new positions, possibly does not greatly worry the farmers for whose ostensible benefit the emergency tariff law was enacted. What will distress them is the fact that the only sure and steady market for their flaxseed is being cut off, and the alleged protection of the 30-cent duty on flaxseed is becoming a sheer illusion.

A similar condition would apply to the wheat raisers if there were no compensatory duty on wheat flour and mill feeds. To some extent they are suffering from it already, for the provisions of the emergency tariff law, with a fixed duty on wheat and a sliding one on flour, have proved altogether unsatisfactory.

The only kind of protection which can ever do the farmers any good recognizes that there can be no distinction drawn between actual farm products and the manufacturers of which they are the basis. To put up a barrier against the importation of raw materials, while favoring the importation of their finished products, is to destroy the farmers' markets just as surely as if there were no protection at all. Indeed, the result is even more disastrous, because, while the farmers are always able to compete with imported farm products in domestic markets, they are powerless if these markets are destroyed.

The flaxseed crushers have at no time asked for any tariff protection on linseed oil disproportionate to the protection afforded on flaxseed, and the higher conversion costs consequent upon higher wages and better living conditions compared with those abroad.

Figures submitted by various crushers to the Finance Committee are before me, indicating that conversion costs range from 46½ cents on a single mill to 50.9 cents on three mills crushing 3,670,000 bushels. These include all costs except freight and drayage, and not including depreciation.

Costs of extracting linseed oil.

(Crushing operation, 1921, 1,274,085 bushels.)

	Per bushel.
Cost, including oil barreled and cake bagged	$0.3420
Cost of office expenses, selling, insurance, not including freight and cartage	.1340
Administration and laboratory	.0167
Total	.4927

Based on figures to October 31, 1921 (10 months), crushing 3,670,000 bushels, or 9,184,214 gallons:

	Per bushel.	
Cost of packages, packing, selling, administration, and insurance, but not inclusive of cartage and freight	$0.177	
Taxes and interest	.104	
Cake and meal	.115	
Manufacturing cost as of Buffalo, St. Paul, and Dean:		
Buffalo, 42 presses, or	$0.095	
St. Paul, 30 presses, or	.115	
Dean, 63 presses, or	.125	.113
Total average of 135 presses, or	.113	
Working cost per bushel		.509

Depreciation not included.

This represents about an average for a like period, which is 72 per cent of maximum capacity.

On the basis of these costs, using an average of 50 cents per bushel conversion here and 25 cents per bushel abroad, which latter figure is borne out by sales prices of foreign oil here, the following demonstration is made as of March 24, 1922:

Cost of production of linseed oil in Europe from Argentine linseed.

	Per bushel.
Cost of Argentine linseed calculated the same in Europe as in New York this date—basis 96 per cent purity	$2.18
Four per cent additional to bring cost to 100 per cent seed purity to conform to oil yield calculations	.0872
Duty, none	.00
Manufacturers (European) cost of conversion of seed into oil filled into barrels, sold and ready to ship	.25
	2.5172
Less value of oil cake product (37 pounds) at normal price, $30 per 2,000 pounds f. o. b. steamer New York basis—equivalent in England $36.75 per 2,000 pounds	.68
	1.8372
	Per gallon.
Divisor—19 pounds of oil the yield from 1 bushel of seed equals cost of 1 pound of oil $0.1375, or per gallon of 7.5 pounds	.7275
Plus transportation of oil in barrels to United States of America Atlantic seaports	.0485
Total cost to United States of America Atlantic seaports, per gallon of oil	.7760
Difference in conversion costs per pound of oil	.034

Where international money exchange rate enters in the above, the calculation is at $4.40 per pound sterling, current exchange rate.

Cost of production of linseed oil in the United States from Argentine linseed.

	Per bushel.
Price of Argentine linseed at New York this date for but 96 per cent purity	$2.18
4 per cent additional to bring cost to 100 per cent seed purity to conform to oil-yield calculations	.0872
Duty added to cost of seed	.40
Manufacturers' (United States of America) cost of conversion of seed into oil and oil cake, packed, sold, and ready to ship, not inclusive of plant depreciation nor of trade discount, cartage, and freight	.50
	3.1672
Less value of oil-cake product (37 pounds) at normal price, $30 per 2,000 pounds	.555
	2.6122
	Per gallon.
Divisor—19 pounds of oil, the yield from 1 bushel of seed equals cost of 1 pound of oil, $0.1375, or per gallon of 7.5 pounds	1.03125
Cost of linseed oil manufactured in Europe (including its transportation in barrels to the United States of America Atlantic seaports (see accompanying statement, above)	.7760
Difference per gallon	.25525
Difference in conversion costs per pound of oil	.034

Mr. JONES of New Mexico. Mr. President, will the Senator permit an interruption?

Mr. LADD. I yield.

Mr. JONES of New Mexico. I should like to be advised from what source the Senator gets the data which he has just given us. I am very much interested in the subject.

Mr. LADD. This part of it comes from the American Linseed Oil Co., from their three factories.

CANADA'S EXPERIENCE.

It is not alone in the United States that there is depression in the flax and linseed oil industry, but a letter from Canada clearly shows that their crushing and home oil industry is likewise severely affected by differences in the cost of production in Canada and in Europe as well as seed brought from Argentina. I read here a copy of a letter from one of the large crushers of Canada:

MONTREAL, *April 4, 1922.*

DEAR SIR: Relative to my conversation with you at your office yesterday when I made the statement that we proposed closing down our mills indefinitely when present stock of flaxseed has been crushed, which will be in two weeks; agreeable to promise I now submit below indisputable figures to show why we are compelled to close down. I submit figures based on market prices at close of market to-day. Note also my costs are based on 1 bushel of flaxseed—56 pounds—producing 19 pounds oil and 37 pounds cake, which is a fair average mill operation:

No. 1 N. W. C. flax costs at Fort William	per bushel	$2.25
Transportation charges to Montreal	do	.26
Crushing cost, including bags and barrels, material and supplies, but excluding interest on capital investment, plant depreciation, or transportation charges on oil to various markets	per bushel	.45
		2.96
Less amount realized on sale of 37 pounds cake, at £14 5s., cost, insurance, and freight, Liverpool (per ton), exchanged at $4.50, less ocean freight at 35 cents per 100 pounds, nets us $50 per ton or for 37 pounds from 1 bushel flaxseed		.92
Net cost of producing 19 pounds oil		2.04
Equals per gallon of 9 pounds		.97

English linseed oil can be purchased in the United Kingdom markets to-day at £36 10s. per ton in barrels.

Figuring exchange at $4.50 per gallon of 9 pounds	$0.66
Duty on oil and barrels	.12
Ocean freight at 35s. per ton, exchange at $4.86	.04
Cost of English oil, freight and duty paid Montreal	.82

We would thus have to suffer a loss of over $500 per day if we attempted to operate our two small mills with combined crushing capacity of 2,500 bushels daily in competition with English linseed oil.

I also submit figures showing how we stand by using Argentine seed, which is the only other seed available to us. We were offered Argentine seed yesterday at $2.03 per bushel c. i. f. New York, United States funds (96 per cent basis):

	C. i. f. New York.
Thus cost of 1 bushel flaxseed equals	$2.03
Impurities, 4 per cent, equals	.08
Exchange, 3 per cent, equals	.06
Duty equals	.10
Transportation charge to Montreal, at 3½ cents	.20
Crushing costs, same basis as above	.45
	2.92
Can realize on cake, same basis as above	.92
Cost of producing 19 pounds oil equals	2.00
Cost per gallon of 9 pounds equals	.95

NOTE.—The value allowed for cake, namely, £14 5s. c. i. f. Liverpool, represents last sale made by us on March 23 last. The signer being away from home, and not having any cake to dispose of, has not been in touch with the cake market since, but am of the opinion that we would have to accept a substantially lower price for May shipment.

You also put the question to me as to where the difference comes in, putting us at a disadvantage in competition with English crushers. Briefly, I put them as follows:

Cheaper cost of labor and material	$0.15
Ocean freight on cake to English markets	.13
Cheaper transportation cost on seed from South America to Liverpool, London, or Hull	.20
	.48

Against this we have protection by duty on oil equal to 25 cents per bushel, leaving a difference in favor of the United Kingdom crushers of 23 cents per bushel, which is equal to, say, 11 cents per gallon on oil.

In conclusion, I invite you to check above figures over carefully and tell me if you find anything wrong with them. I'll bet you a "Corona" you won't.

Thanking you for favor extended me during my short and hurried visit with you yesterday, I remain,

Yours truly,

E. LIERSCH,
Managing Director Canada Linseed Oil Mills (Ltd.).

This is the situation based on a duty on flaxseed of 40 cents per bushel. The American crushers have offered their records to substantiate their conversion costs of 50 cents per bushel. These, in my opinion, are not excessive, inasmuch as it is a fact that English and Dutch oil is being sold here at and below the prices indicated in the table just given, where conversion cost is used of 25 cents per bushel, and we all know that labor in European countries is not receiving anything like 50 per cent of wages paid here.

There can be no comparison except to the advantage of the European crusher in items of cost other than labor. The crushers in this country have to arrange their operation with respect to the seasonable nature of the business with regard to periods of heavy demand for cake from the feeders and oil from the consuming trade, and also to buy from the farmer his seed when he wants to sell. Competitive conditions also exist in the business, resulting in the carrying of a multiplicity of small stocks at all jobbing and manufacturing centers affording the small man service but increasing the cost of doing business largely as compared with costs c. i. f. New York, freight, or freight and duty for buyers' account.

The terms of domestic crushers of 30 days net, 1 per cent for cash, 10 days, is an additional cost compared with terms of European producers or brokers of cash against documents net.

In arriving at 26¼ cents per gallon as being a commensurate duty on linseed oil with flaxseed dutiable at 40 cents per bushel, no account is being taken of any addition representing profit. It might be well to state that the crushers in the United States have no advantage in manufacturing methods over those used by any European producer of linseed oil, as there are only two methods used at present commercially; one by expression through the use of solvents, the other by use of hydraulic presses.

These facts established, it is illuminating to demonstrate the insincerity of those who are contending for a duty of 20 cents per bushel on flaxseed and 12 cents per gallon on oil.

Using the prices of March 24, 1922, for seed, the relative costs of production are as follows:

Cost of production of linseed oil in the United States from Argentine linseed.

	Per bushel.
Price of Argentine linseed at New York this date for but 96 per cent purity	$2.18
Four per cent additional to bring cost to 100 per cent seed purity to conform to oil-yield calculations	.0872
Duty added to cost of seed	$0.20
Manufacturers' (United States of America) cost of conversion of seed into oil and oil cake packed, sold, and ready to ship, not inclusive of plant depreciation nor of trade discount, cartage, and freight	.50
	2.9672
Less value of oil-cake product, 37 pounds, at normal price of $30 per 2,000 pounds	.555
	2.4122
	Per gallon.
Divisor—19 pounds oil, the yield from 1 bushel of seed, equals cost per pound, or per gallon of 7½ pounds	.127
Or cost to produce in United States of America	.9525

Cost of production of linseed oil in Europe from Argentine linseed.

	Per bushel.
Cost of Argentine linseed calculated the same in Europe as in New York this date, basis 96 per cent purity	$2.18
4 per cent additional to bring cost to 100 per cent seed purity to conform to oil yield calculations	.0872
Duty, none.	
Manufacturers (Europe) cost of conversion of seed into oil filled into barrels, sold and ready to ship	.2500
Total	2.5172
Less value of oil-cake products, 37 pounds at normal price, $30 per 2,000 pounds f. o. b. steamer, New York basis, equivalent in England $37.75 per 2,000 pounds	.67425
Yield, 19 pounds	1.84295
	Per gallon.
Divisor: 19 pounds of oil yield from 1 bushel of seed equals cost per 1 pound of oil, $0.097, or per 7½-pound gallon	$0.7275
Plus transportation of oil in barrels to United States of America, Atlantic ports	.0485
Total cost to United States of America, Atlantic seaports, per gallon of oil	.7760
Difference in conversion cost per gallon	.1765

With respect to the contention of the paint and varnish manufacturers that duties which are asked for linseed oil are out of line with the proposed duties on flaxseed, attention is called to the paint schedule, paragraph 63, of H. R. 7456, which provides an import duty of 25 per cent ad valorem on mixed paints.

The linseed-oil content of 1 gallon of paint being 5$\frac{7}{10}$ pounds or 74$\frac{1}{19}$ per cent of 1 gallon of oil, the paint manufacturer in the United States is thereby protected with a duty on the linseed-oil content of 1 gallon of high-grade paint by 20½ cents.

If linseed oil as such is made dutiable at 26¼ cents per gallon of 7½ pounds and the paint manufacturer in the United States uses but 74$\frac{1}{19}$ per cent of 1 gallon of linseed oil to manufacture 1 gallon of paint, the duty of 26¼ cents or 3½ cents per pound on linseed oil if added in full by the American crusher to the price of linseed oil to the American paint manufacturer the duty on the linseed-oil content of 1 gallon of paint would be 19$\frac{6}{10}$ cents or ½ cent per gallon less than the protection on the oil if imported as paint.

If they contend the duty on linseed oil is adequate and protects the farmer and the manufacturer by a duty arrived at by computing the rate to be expressed by the number of cents per gallon that 2½ gallons bears to the import duty on flaxseed, why, under the present emergency bill, which on their basis would represent 12 cents a gallon as compensatory, have such tremendously increasing quantities of linseed oil been imported during the life of the emergency bill and have been and are being sold at from 23 cents to 27 cents per gallon under the cost of American crushers to produce, figuring that American working and production costs are double those of English and Dutch manufacturers?

COTTONSEED PRODUCERS NEED PROTECTION.

In the brief of the crude cottonseed oil tariff committee before the Ways and Means Committee of the House of Representatives, page 1169, they make the following statement, which is as applicable to flaxseed and linseed oil production as to cotton seed:

> There is no practical way to produce cottonseed oil in this country in competition with oriental oils except behind tariff barriers. Cotton seed in America is not produced nor is the oil expressed therefrom by the half-clothed, half-starved, insanitary, disease-ridden labor, requiring a handful of rice as a daily ration, and living under conditions which no American would regard as tolerable.

It is interesting to observe that Canada, with a flax crop generally of three to six million bushels in excess of their consumptive requirements, is not now nor have they exported linseed oil to the United States during the time the Underwood or emergency tariff bills have been effective, plainly indicating that they could not take advantage of the inequities of our tariff, as their labor costs and other costs of doing business were on a par with ours. As a matter of fact, I am in possession of a schedule showing conversion costs of Canada crushers to be substantially those of crushers in the United States.

BUREAU OF RAW MATERIALS FALLACIES.

It would, in my opinion, take a staff of experts to analyze and refute fallacious statements in detail which have been and are

being made by the so-called bureau of raw materials, in not only recorded hearings before the various committees of Congress which have the tariff in charge, but are spreading broadcast to the consumers of oil these very misleading figures.

In figuring the cost of the proposed duty of 40 cents, they indicate that the crushers have a net protection amounting to $9,262,000, intimating by reciting these figures that this amount goes into the crusher's pocket, representing a profit to him in his business. Nothing can be further from the truth. As a matter of fact, while it is possible that the protection to the American farmer on flaxseed represents possibly a higher cost for the raw products derived from flaxseed to the consumer thereof, it is not a fact that the compensatory duties proposed by them on linseed oil are equivalent to the duty on flaxseed and enhanced labor costs over those abroad, nor is it a fact that the money represented by this protection goes into the pockets of the crushers. On the contrary, it is a fact, and can be substantiated, that the linseed crushers of the United States have sold linseed oil at the cost of production every day in the year. This statement can not be controverted by any consumer in the country, except perhaps for a very slight period during the war, when markets were fluctuating violently and with the trend steadily upward.

VICIOUS PROPAGANDA.

There can be no reason for the vicious activity of the so-called bureau of raw materials directed against the linseed-crushing industry of this country and against the speaker, except a desire of the managers of the so-called bureau to invite foreign importations of linseed oil for the purpose of utilizing their services as brokers in its sale in this country, to their direct gain, with no investment, no factories, no employment of labor, material, and so forth, or anything but a desk and a telephone. Certainly no soap manufacturer in this country is interested, nor is his business menaced by a duty on flaxseed or on linseed oil, as he uses negligible quantities in the manufacture of soap.

Mr. John Aspegren, an authority, before the Senate Finance Committee on December 29, 1921, in a statement which he made with respect to the tariff on foreign vegetable oils and oil seeds, after calling attention to cottonseed oil and its competitors, foreign oils which are imported, at nearly the conclusion remarked—

That in asking for them—

Meaning certain action with respect to competitive oil seeds and vegetable oils with cottonseed oil—

I want to make the following reservations: Linseed oil and castor oil are not in their uses interchangeable with other vegetable oils and we are perfectly willing that should the parties interested want a duty on same that their wishes should prevail and you can disregard us entirely in the making of a duty or tariff on same.

It is a fact that linseed oil is not interchangeable, either in the edible lines nor in the soap lines, with any oils which are used generally in either department.

What, then, can be the particular reason for the bureau of raw materials' persistent attacks on the linseed manufacturers and the flaxseed farmers of the United States? They, in insisting on what they consider a compensatory duty on linseed oil in relation to any proposed duty on flaxseed, make this request, among others, in circular sent out some time between March 6 and now, which was circulated to the paint and varnish manufacturers of the United States:

First. Protest against any duty on flaxseed in excess of 20 cents per bushel.

Second. Protest against any rate of duty on linseed oil in excess of 12 cents per gallon.

THE BUREAU OF RAW MATERIALS PROPAGANDA.

The bureau of raw materials for American vegetable oils and fat industries have been very active, and their spokesman or propagandist sent out recently to varnish manufacturers a circular, which is probably familiar to most of the Senators. I shall therefore not read it, but ask permission to have it printed in the RECORD without reading, merely calling attention to their statement that in suggesting a rate of 20 cents a bushel on flaxseed and 12 cents a gallon on oil they did so for "opposition purposes." That seems to be their only line of argument.

The PRESIDING OFFICER. Without objection, the matter referred to will be printed in the RECORD.

The circular referred to is as follows:

WASHINGTON, D. C., *April 6, 1922.*

CONFIDENTIAL REPORT.

To Members of the National Varnish Manufacturers' Association:

We inclose herewith extracts from the pending tariff bill relating to oils and fats and a number of other commodities and we also inclose comparative table of rates. Please regard all of the inclosures as confidential until the tariff bill is reported to the Senate.

China wood oil has been retained on the free list in spite of representations made by certain Senators representing agricultural interests that this oil was a competitor of linseed oil. As related in our pamphlet on China wood oil, members of your association appeared before the Senate Finance Committee and effectively presented your claim for continued free entry of China wood oil.

Linseed oil: You have suffered a total defeat in the Senate Finance Committee on this item. The Senate Finance Committee adopted Senator LADD's proposed rate of 40 cents on flaxseed but adopted 3 cents per pound on linseed oil instead of Senator LADD's rate of 3½ cents per pound. Soon after this action was taken by the committee we were advised that Senator LADD arranged a private hearing for the linseed crushers before the committee, and as a result of this hearing the rate on linseed oil was again revised by the committee to 3½ cents per pound. We understand at this hearing the crushers claimed that it cost 50 cents per bushel to crush flaxseed. This would be about 25 per cent of the value of the products derived from a bushel of flaxseed. Members of our organization who own about 100 cottonseed-oil mills say their labor cost of crushing cotton seed is less than 5 per cent, and cotton seed only yields 15 per cent of oil, so the Bureau of the Census reports showing labor cost of flaxseed crushing to be about 2½ per cent is borne out by all actual evidence obtainable.

The flaxseed crushers by joining the farmers in the beginning contributed to the high duty on flaxseed and this duty on flaxseed in turn imposes a tremendous burden on linseed oil consumers without considering the crusher's differential, but when you add to this the additional 20 cents per bushel for flaxseed crushers, which is the differential between the flaxseed rate of 40 cents and the oil rate of 3½ cents per pound, linseed oil consumers are being exploited in regular Jesse James style. The drawback provisions have not yet been definitely adopted by the Senate Finance Committee, and it may finally appear that the Payne-Aldrich system will be retained, in which case the farmers' 40 cents per bushel will be reduced and the crushers' 20 cents per bushel differential increased by a corresponding amount. Had the paint industry put up a real fight on the flaxseed and linseed oil rates it is probable that nothing higher than the Payne-Aldrich rates of 25 cents on flaxseed and 15 cents per gallon on oil would have been adopted. The Paint Manufacturers' Association tariff committee, to whom we submitted our rates of 20 cents per bushel on flaxseed and 12 cents per gallon on oil early in February, have not yet adopted these rates which we proposed for opposition purposes, and in fact have adopted no opposition rates whatever as yet, and aside from the support of a total of about 40 consumers of linseed oil our hands have been tied. It is not too late, however, to conduct a winning fight. Your association through its tariff committee adopted our rates of 20 cents on flaxseed and 12 cents per gallon on oil, but being minor consumers of linseed oil your opposition has not carried the weight that the united opposition of both associations would have carried.

Rosin: Has been retained on the free list.

Other rates: You will observe a number of oils which we have maintained on the free list which are of interest to varnish manufacturers.

The future course of the tariff bill through the Senate and the conference committee of the House and Senate is full of uncertainty. The demands of agriculturists for high duties on all vegetable oils has been more insistent than on any other commodities, and our opponents propose to continue their efforts on the floor of the Senate. It is therefore most important that you do not permit your interest in the tariff to slacken, but, on the other hand, your continued support and assistance is urgently needed.

Respectfully submitted.

BUREAU OF RAW MATERIALS FOR AMERICAN VEGETABLE OILS AND FATS INDUSTRIES.

Mr. LADD. Mr. President, it will be noted that the above circular says that the rates we have proposed are for "opposition purposes." That is, it was apparently not based on any careful scientific study of data, but was in harmony with all propaganda that has been sent out to the paint and varnish people by this bureau, and only 40 of the paint and varnish manufacturers could they induce to support them in their efforts for cheap vegetable fats and oils for the soap manufacturer and to compete with dairy products.

It is evident, therefore, that the paint and varnish manufacturers have sympathy for the farmers who are trying to produce the agricultural products of this country to supply their needs. The soap manufacturers evidently have no real interest in the upbuilding and protection of the country or of its great agricultural interests so long as they can get cheap fats and oils and have high protection for their manufactured product—soap. The soap manufacturer on perfumed toilet soap asked for and received at the hands of the Finance Committee 50 per cent ad valorem duty, and yet they most bitterly attack and misrepresent with regard to the small protection that is being asked for by the producers of vegetable oils and fats.

Mr. FRELINGHUYSEN. Mr. President, I do not want to interrupt the Senator unless he wishes to be interrupted at this point.

Mr. LADD. I shall be very glad to be interrupted.

Mr. FRELINGHUYSEN. I should like to ask the Senator whether any of the coconut oil or soya-bean oil goes into the high-priced soaps. As I understand this provision, the vegetable oils go into the laundry soap rather than the high-class soap. Is that true?

Mr. LADD. I will refer to that a little later in the record.

Mr. LODGE. Mr. President, would it interrupt the Senator if I should say a word at that point?

Mr. LADD. Not at all.

Mr. LODGE. With regard to the point the Senator made earlier in his speech, which, I take it, relates to the provisos on page 22, I have been reading those provisos, and what the Senator from New Jersey says led me to give attention to them. It seems to me that those provisos are a direct invita-

tion to substitute other and perhaps inferior oils for the linseed oil and really to wreck the whole system—which I have no fault to find with—of duties which the committee has agreed upon. It opens the door to the use of all those other oils free if the manufacturers put them in nonedible products—that is, paint or soap—and it appears to me that those provisos are very destructive.

I know that the Senator has given attention to the subject, and I should like to ask him whether I am entirely wrong in that or whether the Senator thinks there is some point and force to what I have said.

Mr. LADD. I think there is some point; and the introduction of many of those oils, which will be used as substitutes, will cheapen the product and make an inferior grade of product. In the case of paints there will be a tendency to introduce some of the oils that will be inferior. Soya-bean oil may be used in paint to some extent, but it can not be used to exceed 15 or 20 per cent in a paint without very seriously interfering with its quality.

Mr. LODGE. If an inferior oil comes in in that way, free of duty, it is a great temptation to have it used instead of the other oil, it seems to me.

Mr. LADD. It certainly is.

Mr. FRELINGHUYSEN. Mr. President, may I ask the Senator from Massachusetts a question?

Mr. LODGE. The Senator may.

Mr. FRELINGHUYSEN. Does the Senator from North Dakota object?

Mr. LADD. Certainly not.

Mr. FRELINGHUYSEN. The problem that confronted the committee was the injustice to the paint and soap industry in this country of placing a high duty on vegetable oils and increasing the cost of those products when they were not made here. The principal objection of the farmers was in the fact that these oils went into edible products, such as filled milk and butter substitutes, and therefore we framed the proviso so that on that portion of the vegetable oils which were imported for industrial purposes the tariff should be remitted, but where the oils went into edible products the tariff should be imposed. I should like to ask the Senator from Massachusetts if he is in favor of imposing a tariff on all of these vegetable oils, thereby increasing——

Mr. LODGE. If the duties on the oils are now too high, and are unfair to the paint and soap industry, let us lower them.

Mr. FRELINGHUYSEN. They have always been free.

Mr. LODGE. Free?

Mr. FRELINGHUYSEN. As I understand. Coconut oil——

Mr. LADD. Coconut oil has been free.

Mr. LODGE. Coconut oil, yes; but all of them have not been free.

Mr. LADD. I understand that there has been a duty of 2 cents on soy-bean oil under the emergency tariff law.

Mr. FRELINGHUYSEN. That is under the emergency tariff law.

Mr. LODGE. Very well. That does not alter the point of what I was going to say. If the committee comes to the conclusion that it is not fair to the paint and soap industries that there should be duties on these oils, do not put duties on them; but do not put duties on them and then take them away by a proviso.

Mr. FRELINGHUYSEN. If I may continue further——

Mr. LADD. Certainly.

Mr. FRELINGHUYSEN. The principal objection of those who were interested in protecting the farmers' interests was that these vegetable oils went into edible products and displaced the products made here.

Mr. LODGE. If the Senator will pardon me, that is not the point I am making.

Mr. FRELINGHUYSEN. I understand the Senator.

Mr. LODGE. I am objecting to using a proviso to let these oils in free to take the place of linseed in making paints and soaps or the other things that are used in soaps.

Mr. FRELINGHUYSEN. Mr. President, the imposition of a duty of 4 cents upon soya-bean oil, which goes into soap, which is re-refined and exported to the extent of 47,000,000 pounds, simply places an embargo upon that oil, throws it back into Europe, throws the coconut oil back into Europe, throws the peanut oil back into Europe, and shoves back the exports of millions of pounds of cottonseed oil that we produce in this country. That is the mischief of the high duty on these vegetable oils, in my opinion.

Mr. LODGE. Cottonseed oil is our production, and I do not think the duty would affect it materially.

Mr. FRELINGHUYSEN. I do not think the duty affects it, but it does displace——

Mr. LODGE. I failed to make my point clear, and that is that this is doing by indirection what, if it is to be done at all, ought to be done directly.

Mr. LADD. There is no question of that.

Mr. FRELINGHUYSEN. It was in order to meet the protests of the farmers against the coconut oil and soya-bean oil going into filled milk, oleomargarine, and other butter substitutes—soya-bean oil in a small degree into oleomargarine, I believe, and peanut oil—but when that was insisted upon those interested in having that duty imposed also placed a duty on the industries to such an extent that it practically would increase the cost some $15,000,000 in the manufacturing industries of this country, and therefore I opposed the duty.

Mr. LODGE. The Senator refers to soap and paint?

Mr. FRELINGHUYSEN. Soap and paint and other industries.

Mr. LODGE. Have they no protection?

Mr. FRELINGHUYSEN. They have protection against the luxuries, the high-class perfumed soaps, as they should have, but they have very little protection against the laundry soaps, in which coconut oil is used, because in the hard water of the Middle West, I understand, they have to use that in order to get a lather, and rather than have this duty on the raw vegetable oils that come into this country which can not be produced here, which simply increase the cost of production, they would willingly give up any duty on the laundry soap.

Mr. LODGE. I thought the object was to give a suitable protection both to soaps and paints and to the production of linseed. It does not make much difference whether you lower the duty on linseed or whether by a proviso you take away its field of consumption. I am not thinking of the edible part of it at all.

Mr. FRELINGHUYSEN. The linseed duty is very high and a compensatory duty has been directed on linseed oil, so that it balances, and the inequality of the emergency tariff has been overcome; but soya-bean oil does not figure in the paint and oil industry.

Mr. LADD. It figures pretty largely at the present time.

Mr. FRELINGHUYSEN. I understand that only 1 per cent of the importation of soya-bean oil goes into the paint industry of this country. Does the Senator challenge that statement?

Mr. LADD. I can not say as to the total amount, but I know of many paints where from 18 to 20 per cent of the total amount of oil in those paints is soya-bean oil.

Mr. FRELINGHUYSEN. Mr. President, we must deal with this subject as a whole, not with what proportion goes into any kind of paint. I ask the Senator—I have been informed on the subject, and I think my information is authentic—what proportion of imported soya-bean oil he finds goes into the paint industry of this country?

Mr. LADD. Offhand, at this time, I can not say. I will look it up and give it a little later, but I can not give the Senator the exact figure at the present time. From knowledge of paints, however, I know that there are paints that have had up as high as 20 per cent. The paints of one of the largest manufacturers of America for years have contained approximately 20 per cent of soya-bean oil; and soya beans are grown in this country, and can be grown with protection, and the oil furnished. The oil concerns of Chicago are contracting with the farmers to grow the soya bean at the present time. It is one of the best soil enrichers we have for nitrogen in the soil. It is one of the plants that furnish an edible bean that is used as a food, and will be used more and more in this country as a food, both for animals and for man.

Mr. FRELINGHUYSEN. Mr. President, I want to change my statement. I understand that the soya-bean oil used in paints and varnishes in 1918 was slightly over 1 per cent of the linseed-oil production. I understand that that is the proportion.

Mr. McCUMBER. Mr. President, will the Senator yield to me for a moment?

Mr. LADD. Certainly.

Mr. McCUMBER. I want to say to my colleague that the splendid argument and brief which he presented to the Committee on Finance on the question of the proper differential on linseed oil were so conclusive that the Committee on Finance adopted the differential just as it was recommended by him, and I believe we all agree that that was the differential that should be made upon a 40-cent per bushel duty upon the flaxseed itself; but here is one matter that I want to call to the attention of the Senator from Massachusetts: I call his attention to the fact that under the law as it now stands cottonseed

oil is free. Our committee gave a duty of 3 cents per pound upon that, changing it from the free list to the dutiable list.

Under the present law coconut oil is free. Our committee gave coconut oil a duty of 4 cents a pound. Under the present law soya-bean oil is free. Our committee gave a duty of 3 cents a pound on soya-bean oil. We took all of those from the free list and placed them upon the dutiable list. The principal argument that induced us to place those upon the dutiable list was that they come in direct competition with the food products of the farmer, and, therefore, if they were to be used in any manner for food products they were to bear this duty of from 3 to 4 cents per pound.

We all recognize that the main use of those products was in the manufacture of soap, and necessarily the duties on them would eventually increase the cost of the manufacture of soap above that which it would cost if they had these oils free, as they now are having them under the present law; and as soap is not edible, and as there was an immense soap industry in the United States, and as there was an intense conflict between the soap manufacturers, who wanted them free, and the farmers and the dairymen, who wanted to be protected against their use in dairy products, it was finally agreed by the committee that they should pay this rather heavy duty if they went into edible products in any manner, but if they were used exclusively in the manufacture of soap—and soap was the only thing, really, that we had in view—then that by giving a bond against their use in any other manner they might be used as they are now used for the soap industry.

That covered everything but the soya bean. The soya bean could be used and was used, as indicated by my colleague, in the manufacture of paint; but, as was stated by my colleague before the committee, it detracts very much from the quality of the paint, and could not be used at all in excess of 20 per cent without seriously injuring the paint. At the present time the soya-bean oil, I believe, is higher priced than the linseed oil, and so long as its price is higher than that of the linseed oil it is not going to be used for paint as long as it deteriorates, and never will be used unless the value of the soya-bean oil becomes so very much less than the linseed oil that it will justify the manufacturers of paint in using that adulterant and selling it to the American people. I do not think there is any immediate danger. At least, that was the view taken by the Committee on Finance, and that is why they adopted this provision, which would protect the farmer and his product, except, as the Senator has already indicated, in the question of the displacement, that we could therefore very probably make this compromise as between the interests of the manufacturer and the interests of the farmer, protecting the farmer against the use of any of those articles in food, and still allow the soap manufacturer to get those articles, as he is getting them to-day, upon the free list.

Mr. GOODING. Mr. President, I would like to ask the Senator the object of putting a duty on soap if the fats which go into soap are to be on the free list, and all that is imported is to go on the free list?

Mr. McCUMBER. The principal duty on soap, I understand, is on the high-priced soap, which we use in the most expensive articles, such as perfumes, and not that in which we use the cheaper greases and oils. There is a duty here which amounts to 30 or 40 per cent upon these products, while the duty on the ordinary soap is only 5 per cent.

Mr. LODGE. The Senator from North Dakota yielded to me, and I am sorry to have been the cause of breaking into his speech.

Mr. LADD. That is all right.

Mr. LODGE. I know why this was done. I know about the absence of duties, and I know it was done to reach the edible oils. I make but one single point, and that is the point I understood to be made by the Senator from North Dakota, that it is a displacement of a farm product, and if we are going to do it, let us do it openly, and not through the back door.

Mr. LADD. It has been claimed that the paint manufacturers were opposed to the duty. I insert a letter from one of the largest paint manufacturers of the country, the Sherwin-Williams Co., of Cleveland, Ohio, in which they say:

THE SHERWIN-WILLIAMS CO.,
Cleveland, Ohio, April 7, 1922.

In response to yours of the 1st, relative to the tariff situation on flax and linseed oil, say we have had a number of the telegrams referred to, all of which have had no recognition.

As expressed to you in person, this company would have been entirely satisfied with a split on the duty on flax between that proposed by Senator LADD and that suggested by the committee of flaxseed crushers, but for choice between the high and low, we cheerfully support that of Senator LADD on 40 cents on flax and 3½ cents per pound on linseed oil.

While we have not made a canvass of other makers of paints and varnishes, we have reason to believe that if the paint and varnish makers know their business—and we grant that they do—there never was a period when the price of linseed oil was as much a factor from a psychological standpoint than it is at this moment.

I will see that whatever influence we may have will be in support of the proposed tax of 40 cents, and particularly so as to a 3½ cents per pound on linseed oil to balance that on the flaxseed.

Thanking you for your letter, I am,
Yours very truly,
G. A. MARTIN.

PROPAGANDA BY OTHERS.

Statements have been made by others than the bureau of raw materials, which are even more vicious in their insinuations than theirs. In the hearings before the Senate Finance Committee is a statement of Mr. H. E. Miles, chairman of the Fair Tariff League, Racine, Wis., January 23, 1922, page 5257 of his brief, in the last paragraph of which he makes this statement:

There must be exceptions, you see, Senator, like this Linseed Trust of seven companies—Standard Oil domination, says Moody in The Trusts. It has always been a child of the tariff except for the Underwood law.

The above statement made by a man who poses as representing 1,500,000 farmers is in some respects untrue, inasmuch as there are 14 companies, and in others purely speculative. In making the statement that the Underwood law of 20 cents per bushel on flaxseed and 10 per gallon on linseed oil was more nearly a proper ratio, he deals in pure speculation. There has been no opportunity of judging the operation of the Underwood law in this respect, compared to protective duties that were afforded by previous tariffs, inasmuch as during the entire time of the operation of this law business conditions were affected by the World War, particularly ocean transportation.

With the demonstration which has just been made that a compensatory duty on linseed oil must be placed at 17½ cents per gallon with flaxseed at 20 cents per bushel, I can safely state that if the Underwood law had been in force during a normal period it would have caused the farmer in the United States to sell his flaxseed in competition with the farmer in Argentina, and he would have been obliged to accept considerably lower prices for his flaxseed, inasmuch as the Underwood law did not afford compensatory protection on linseed oil compared with the rate of duty on flaxseed expressed therein, and the condition would have approximated that which is now confronting us.

Commencing with May, 1921, importations of linseed oil have been of such a large and increasing volume that the flaxseed-crushing mills in the United States are closing down one after another.

For opponents to contend that a 12-cent duty on linseed oil in relation to a 20-cent-per-bushel duty on flaxseed is compensatory is absurd, and there is no possible way in which the mills of this country can operate with such a ratio.

In my opinion, the interests of the linseed crushers and the interests of the paint and varnish manufacturers and other manufacturing consumers in this country are one and they are very shortsighted, indeed, when they lose sight of the broader aspects of the situation and can only see their near-by selfish advantage in insisting on a course of action by Congress which compels labor of all descriptions in this country to meet the lower wages and lower living conditions of foreigners which will most certainly react on their own business and their own customers.

The production of flaxseed can not be encouraged in this country unless in addition to the duty on imported flaxseed, whatever it may be, we put also a compensatory duty on the oil produced from same to protect the manufacturer against differences in cost of manufacturing, transportation, and exchange.

PROTECTING THE LABORER.

We can not have industrial prosperity by forcing the wage earners, who are a large part of the population, into competition with the low-waged foreigner and low conditions of living. When I speak of wage earners and the differences in labor costs, I do not altogether confine myself to that class of labor which is employed in the actual operation of the mills. These costs are only a part of the costs which go to the operation of business, and costs in European producing countries of all other classes of labor show just as great a disparity compared with the wages paid in this country. All other charges or costs against mills operating in European countries as compared with mills in the United States are in about the same proportion as the labor costs and to the disadvantage of the United States manufacturer.

I doubt if there has been a single argument for the imposition of a duty on any foreign-manufactured article competing with the same kind of an article in this country in which the argument has not been made that the manufacturer in this country is entitled to protection against low foreign wages and low living conditions.

A statement on page 1137 of Senate Finance Committee hearings on Schedule 1 by C. Rogers Brown as to the effect of the emergency tariff bill on the linseed business is enlightening, and I do not understand how, in view of his contentions in other parts of his brief, he could have made this statement, which is very true. The statement is as follows:

The effect on the linseed business was the reverse of what was intended, and domestic crushers of linseed oil were not given proper treatment in that tariff for the reason that the duty on flaxseed was increased and the duty on oil was not increased, consequently the American linseed crusher could not pay the farmer any more for his flax and the 10-cent increase in the duty on flaxseed did not operate and it was really an unjust burden on the American linseed crushers during that period.

After some questions from Senators REED and MCCUMBER, Mr. Brown made the following statement:

It just shows there was a discrepancy on the duties on flaxseed and linseed oil and they were not properly adjusted. The crusher had to adjust himself by not paying any more for domestic flaxseed than the differential justified.

In a statement by Barry Mohun, representing the Eldorado Oil Works, of San Francisco and West Berkeley, Calif., on page 1189, the following appears:

The average daily wage paid by the Eldorado Oil Works during 1920 was approximately $6.25 to each employee, whereas the wages of factory laborers in the Philippines averaged from $1 to $1.50 per day during the same period. It is well known that all labor in Japan, the South Sea islands, and the Philippines is on a very much lower wage scale than in the United States.

This statement was made in reference to his contention that coconut oil should not come in free, but should have a tax of 2 cents a pound whether coming from the Philippines or from any other country.

In the tariff hearings before the Senate Finance Committee was a statement by John F. Conway, representing E. F. Drew & Co., New York City, who were brokers interested only in the importation of oil, and who have since failed, who remarked, on page 1197, with respect to the market on flaxseed, "that the foreign market for flaxseed is very bare, and the production of flaxseed in Russia and Belgium has fallen off greatly, so that we think they—meaning the American crushers—could sell their product readily.

This statement was very true at the time and much more so now, inasmuch as Russia is still not offering flaxseed, and so far as Belgium is concerned she never has been a factor in raising flaxseed for crushing purposes. This year there was a considerable falling off in our domestic crop of flaxseed as compared with the five-year average from 1915 to 1919, the Government estimating that we raised only in the crop year 1921–22 8,000,000 bushels, but at that this represents about 14 per cent of the total produced in the world for crushing purposes. Argentina, who last year raised a crop estimated on the basis of an acreage of 3,482,000 acres—43,280,000 bushels of flaxseed—shipped from that country during the calendar year 54,737,000 bushels. This year, with 3,890,000 acres, they are estimating a total production of 33,232,000 bushels, with an estimated exportable surplus of slightly over 26,000,000 bushels.

There seems no doubt that under these circumstances there is not enough seed to furnish supplies for the normal requirements of the world, and if we are to be dependent upon Europe for our supplies of linseed oil, thus discouraging the planting of flax in this country, it seems to me that we may expect as time goes on a very considerable general rise in the price of linseed oil, inasmuch as the elimination of the United States crop of from ten to fifteen million bushels will have a considerable effect upon the general supply.

A TARIFF TO FOOL THE FARMERS.

A duty on flaxseed which is not accompanied by a compensatory duty on linseed oil calculated to help the production of flaxseed in this country and assuring the farmer a home market is not protection, and future conditions will not vary from those we are now experiencing and linseed oil will come in from foreign countries, displacing the flaxseed which might otherwise be raised by our domestic farmer.

In tariff hearings brief presented by C. Rogers Brown, before Senate Finance Committee, page 1146, it is stated, after citing present and proposed rates of House bill 7456, that the problem involved in constructing a tariff on flaxseed and linseed oil is almost entirely one of—

First. Establishing a duty on flaxseed that equitably encourages the growth of flaxseed by the American farmer without unduly imposing too great burden on the American consumer who buys the products of flaxseed.

Second. Establishing a rate of duty that equitably protects the American crusher of flaxseed who produces linseed oil from the flaxseed.

I have no fight with either of these statements; on the contrary, I heartily agree with them. From this point on, however, the brief contains so many inaccuracies and misstatements that I am compelled to take issue with the author. In the first place, he draws an entirely erroneous conclusion respecting the flaxseed crop and deliberately seeks to give a wrong impression of conditions governing its growth. The facts are that in the normal period before the war, during the years 1910–1913, inclusive, there was produced in the United States 78,014,000 bushels, an average of 19,503,500 bushels yearly, or more than two-thirds of the flaxseed required for domestic yearly consumption of linseed oil.

THE UNDERWOOD-SIMMONS TARIFF, AND WHAT IT DID.

It will be noted, however, that commencing with 1913, the year in which the Underwood-Simmons tariff bill was first in effect, we produced over 10,000,000 bushels less than the previous year and the yearly production has since continued to decline. Had it not been for the war and the tremendous demand for linseed oil for purposes connected therewith we would have seen considerably less acreage devoted to the growing of flaxseed, because the then tariff bill, Underwood-Simmons, did not provide for a compensatory duty on oil as compared with seed, namely, 20 cents seed, 10 cents oil.

There is no doubt that the smallness of the United States crops consequent upon the reduction of duty in the Underwood-Simmons bill contributed in a measure to the very high price of flaxseed during the later years of the period commencing in 1916 and continuing through 1919.

A contributing factor also to the decrease in planting of flaxseed during the years we were at war was the constant pressure of our Government for increased planting of food crops and the fixing of minimum prices on same.

With normal conditions and compensatory duties on linseed oil as compared to flaxseed, there is no reason to expect smaller acreages devoted to flaxseed than those during the years previous to 1914. As a matter of fact, the average acreage devoted to flaxseed 1904–1913, inclusive, was 2,530,000 acres. The first year of the war, 1914, this dropped to 1,645,000 acres, in 1915 to 1,387,000 acres, in 1916 to 1,474,000 acres, but in 1917 and 1918 it jumped to 1,984,000 acres and 1,910,000, respectively, for a good reason, and that one of price—flax selling at over $3 per bushel, the attainment of this figure being on account of conditions consequent to the war. The Underwood tariff still against us, together with large demand for food crops, resulted in a drop in the acreage in 1919 to 1,683,000 acres. A partial failure of the crop, due to bad growing conditions, ran flaxseed to prices above $4 per bushel, as we only harvested about 9,000,000 bushels; 1920 showed a still further reduction in the acreage from the previous year, only 1,477,000 acres being planted.

It is therefore plainly to be seen that opinions should not be formed or false impressions created in considering the period 1914 to 1921 respecting a flaxseed crop in this country. These were abnormal times, and a condition created by pressure for food crops assisted by the inequitable Underwood and emergency tariffs contributed to the decline in acreage.

The working of the Underwood-Simmons bill is exemplified in the years 1919–20. Our production of flaxseed was less than 9,000,000 bushels in each of these years, making it necessary to import large quantities of flaxseed from Argentina. In addition we imported over 2,000,000 gallons of oil in 1919 and over 4,000,000 gallons in 1920. Had we been under the Payne-Aldrich bill, flaxseed would have been imported instead of oil, giving employment to labor in the industry.

There has been imported, including May, 1921, to date a total of about 15,841,586 gallons of linseed oil from England, Holland, and Belgium, as follows:

1921.	Gallons.
May	58,399
June	488,868
July	405,592
August	661,603
September	1,384,538
October	1,578,600
November	2,078,309
December (lower than November probably for inventory reasons)	1,238,489
1922.	
January	1,543,236
February	1,403,952
March } (estimated) April }	5,000,000
Total (representing the bushels in Europe instead of United States of America)	15,841,586
Crushing of	6,336,634

This represents a considerable amount in wages paid to European instead of United States of America workmen, to say nothing of losses by dead mill overhead.

With the present business conditions in this country current importations represent more than two-fifths of present consumptive requirements. The manager of a paint-manufacturing

concern asked a crusher the other day where, with this condition and domestic mills closing down, he must look for his supplies of oil in the future. The answer was, of necessity, "abroad." "And must we be at the mercy of foreign manufacturers for our chief raw material?" he asked, and the answer was, "Yes; unless we can raise the raw material here or be protected in the conversion of imported flaxseed into linseed oil."

EFFECT ON COST OF PAINT.

Now, I come to the consumer of paint, who is not only the farmer but every other class. Great stress has been laid on the tremendous increase which he must pay in paint if the flaxseed duty is made 40 cents per bushel. This is "bunk."

One gallon of high-grade, ready prepared paint weighs 16 pounds. The linseed oil content of such gallon of paint is 35 per cent in weight; 35 per cent of 16 pounds is 5.6 pounds of linseed oil, which quantity of oil is 74.7 per cent of 1 gallon of oil of 7½ pounds.

The difference between 40 cents and 30 cents duty on flaxseed is the equivalent of 4 cents per gallon duty on oil, 74$\frac{7}{10}$ per cent of which is 3 cents in the cost of such high grade paint now selling by manufacturers wholesale at $2.30 per gallon, or a percentage of cost of but 1$\frac{3}{10}$.

However, the consumer of paint is not the only consumer to consider. The crushing of flaxseed in this country is primarily conducted for its oil content, which is about one-third of the total weight of a bushel, or 19 pounds. Thirty-seven pounds of this 56-pound bushel is linseed cake, ground for domestic consumption and sold to the farmers and dairymen for cattle feeding. In normal times when we were raising 15,000,000 to 19,000,000 bushels of seed annually, $30 a ton was a high price for cake. The average price paid by these consumers for the cattle feed produced by our 1921–22 crop of 8,000,000 bushels of flaxseed was more than $40 per ton, costing over $1,500,000 more than in times when he was adequately protected in his growing of flaxseed.

At 3 cents, the increase in the cost of paint per gallon due to proposed increase of flaxseed duty from 30 cents to 40 cents, this amount—$1,500,000—would pay this added cost on 50,000,000 gallons of paint.

From the consumer's viewpoint it is interesting to note the prices at which linseed oil sold during the years when flaxseed growing was encouraged by proper import duties and with commensurate rates on linseed oil.

Year.	High.	Low.
1904	$0.43	$0.37
1905	.52	.36
1906	.43	.37
1907	.48	.42
1908	.49	.42
1909	.72	[1].51
1910	1.00	[1].77
1911	.95	.72
1912	.77	.45
1913	.52	.48

[1] Crop failure.

Compared with prices, 1914 to 1921, herewith:

Year.	High.	Low.
1914	$0.57	$0.42
1915	.65	.48
1916	.97	.63
1917	1.27	.95
1918	1.87	1.27
1919	2.25	1.45
1920	1.87	.83
1921	.80	.67

We are the largest paint and varnish, and probably the largest linoleum consuming country in the world and we should not be dependent upon foreign sources for our supplies of as an important raw material in these industries as linseed oil, and I feel firmly convinced that a 40-cent duty on flaxseed will produce a crop sufficient to make us independent.

I hold no brief for the crushers of flaxseed in this country, but I realize that in order to protect the farmers of this country against the competition of cheap labor and living conditions of those in Argentina and India that not only must there be protection for the crops which we raise here but that there must be commensurate protection for the products manufactured from these crops. I have no interest one way or the other in those who manufacture linseed oil, but I am convinced, and it seems that the Senate Finance Committee are convinced, that a compensatory duty of 3½ cents per pound must be placed upon importations of linseed oil if the farmer in this country raising flaxseed is to receive the benefit of the duty upon flaxseed of 40 cents per bushel which we propose.

Congress must take the responsibility of giving or not giving the farmer proper protection on his crops, but one thing is certain, if the industries converting these raw materials are not given commensurate duties, you might just as well forget the duties on these raw materials.

One is surprised to note the vast amount of skimmed milk now being reinforced with coconut oil and sold in competition with condensed milk while we are importing large amounts of both casein and milk sugar that might well have been manufactured from the skimmed milk. If this were done there would be an additional market for a large amount of true milk rather than milk substitutes in which vegetable oils replace butter fat. This would tend to increase the dairy interests.

In 1920, from such data as I have been able to gather, I find we imported of vegetable oils as follows:

	Gallons.
Linseed oil	4,693,360
Soya bean oil	14,961,833
China wood oil	9,061,620
Perilla oil (9 months)	879,413
Cottonseed oil	9,457,924
Coconut oil	215,238,516
Olive oil (inedible)	496,118
Olive oil (edible)	30,591,060
Palm oil	41,948,224
Palm kernel oil	1,693,740
Peanut oil	95,124,278
Rapeseed oil	12,912,668
Total	437,058,854

The total amount, therefore, of vegetable oils which have been imported in 1920 is 437,058,854 gallons, and this oil, produced in foreign countries, either comes in through competition with like products produced in America or displaces some of the vegetable oils produced in this country. Every one of these oils displaced an American-produced oil, and so helped to take away from our farmers their market and force down the price for vegetable oils produced in this country.

Aside from china-wood oil, perilla oil, coconut oil, and palm oil, which displace an equivalent amount of other oils, all other oils could be produced in a far greater quantity than at present in this country, and thus the farmer's market for vegetable oils and fat is being destroyed, and only an adequate degree of protection will save the farmer's oil-producing crops. Some of these oils are still left on the free list, and the spurious argument made that since these oils are not produced at present in this country they do not come in competition with American-grown products. This is wholly an erroneous idea. The fact is every one of these imported oils is displacing oils produced in the country, the amount of which in most instances might be increased manyfold by a reasonable degree of tariff protection, not only on oils produced in this country but all of those which are imported into the country as replacement oils.

On one side of this tariff contest we find arrayed the farmer, the wheat grower, the flax grower, the flaxseed crusher, the cattleman, the cottonseed-oil industry as producers, the fruit grower, the sheepman, the hog grower, the dairyman, and all those who are producers of agricultural products, and with them labor is supporting their claims and is demanding a reasonable tariff protection for the agricultural interests. On the other side are the importers, the big packers, the monopolies—as the Standard Oil interests—the exporters, the soap manufacturers, who have arrayed with them the varnish men and a few producers of inferior paints, the woolen mills, and all those who want to engage in world trade even though they may destroy the great agricultural interests of the country. This means little to them so long as they can get easy money, even at the expense of the whole people of our country and with the degradation of our workers.

The first group do not begrudge a reasonable tariff for those who are manufacturers, but they demand equal protection for all of the producers of America's great and basic industry—agriculture.

Mr. President, I wish to call attention to the fact that practically all the linseed crushers of the country have been obliged to close their mills. I have here a letter from Spencer Kellogg & Sons, of Buffalo, in which they say:

All of our four mills are closed and men unemployed.

This March there was imported into this country 60,000 barrels of linseed oil, equal to 14,400,000 bushels of flaxseed for the year. Last year was a poor year, but we raised 8,000,000 bushels. We have raised 28,000,000 bushels, which about supplies the needs of this country. This amount should be raised by the farmers under favorable circumstances.

I read from a letter from a firm in Rotterdam, Holland, in which they express their desire to export linseed oil to this country. They say:

Herewith we have much pleasure to inform you that we are very well placed with regard to raw Dutch linseed oil, and we should be glad to open relations with your firm by regularly cabling you our quotations and firm offers.

For your guidance we beg to say that our firm belongs to the well-known Stinnes combine, and as to our bona fides we can refer you to Mr. Hugo Stinnes, Muelheim.

We should be very pleased to come into relations with you and are looking forward to your esteemed reply, giving us your cabling address, with interest.

I have a letter from the Toledo Seed & Oil Co., in which they say:

When the emergency tariff was passed there was a desire on the part of the so-called farm bloc to give the farmer protection on his flaxseed, and to do this the duty on flaxseed was advanced 50 per cent, the old duty being 20 cents a bushel and the duty under the emergency tariff being 30 cents a bushel. The linseed crushers, however, labored with the tariff makers, pointing out to them that unless a corresponding advance was made in the duty on import linseed oil the desired protection through the advance in the duty on flaxseed would be useless. The crushers were unable to convince the tariff makers concerning their argument. A year and more has elapsed and the prediction of the crushers has more than been fulfilled.

For the past six months foreign linseed oil made under cheap labor conditions has been entering this country in tremendous quantities, making it impossible for the American crusher to import linseed and crush it in competition with the foreign oil, and any seed bought in this country must be purchased on a basis which will enable the American crusher to compete with the foreign oil. The makers of the emergency tariff overlooked or ignored the fact that the American farmer's outlet for his material was the American crusher. Experience has demonstrated the fundamental soundness of the arguments presented by the linseed industry, and as a result of that experience the permanent tariff has been properly drawn as it relates to linseed oil and flaxseed.

Practically all the mills in this country are now shut down or running so lightly as to be virtually idle, and this condition must exist until the permanent tariff is passed. We might add that this same condition exists in many other lines; therefore, it is highly imperative that no further delay be experienced in the passage of the permanent tariff. The country is beginning to tire of the endless debate in Congress over this tariff, and, as a business man in touch with many interests affected by the tariff, it is my honest conviction that unless the permanent tariff is speedily passed the complexion of our Congress after the next election will be materially changed.

I read from a letter written by a large grain and seed house at Brookings, S. Dak., which views the question from another angle:

We regret to note by your letter of the 5th that you are obliged to close your mill because of the emergency tariff now existing on flaxseed and linseed oil. There is no question but that this discrimination is a very serious matter for the Northwest. I am sure that we are all interested in seeing that industries in the Northwest are maintained; and it also has a more important bearing upon this territory, on the cost of linseed-oil meal, which is becoming quite an important feed. If we are obliged to go to New York or to England for linseed-oil meal, the cost will become so high that it is a question if our farmers can profitably feed it. This would have a serious effect upon the live-stock and hog industry of this great Northwest.

Spencer Kellogg & Sons, in a letter to me, quote a message received from South America, which says:

America—

Meaning the United States—

America is absolutely a dead letter for our linseed at present. The small quantity of seed which they are able to import they buy from India, but they can not crush Argentine linseed in big quantities, as England provides them with the oil very freely.

I read from a copy of a letter which was sent to the Senator from New Jersey [Mr. FRELINGHUYSEN]:

We confirm our morning's message, as follows:

"We own and operate at Edgewater, N. J., one of largest linseed mills in America. More linseed oil imported since emergency tariff from England and Holland than all previous years, making it unprofitable for farmer to raise flaxseed, throwing labor out of employment, causing linseed-oil companies serious losses. If emergency tariff is not suspended in near future every linseed-oil mill in America will be closed down. If permanent tariff bill fixes duty of 40 cents per bushel on flaxseed it should fix duty of at least 4 cents per pound on linseed oil to enable American manufacturer to compete with foreign manufacturer. We hope you will promptly help to remedy injustice caused by emergency tariff."

We fear you do not understand how seriously the emergency tariff is affecting the American manufacturers of linseed, throwing a large percentage of their employees out of employment, permitting importation of a greater quantity of linseed oil from England and Holland than all previous years, reducing the demand for flaxseed produced by the American farmers, causing the last crop to be the smallest acreage of flaxseed in the history of this country, retarding the growth and development to that extent in the agricultural districts.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from North Dakota yield to the Senator from New Jersey?

Mr. LADD. I yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. Is it not true that the emergency tariff by imposing a duty on flaxseed and not giving a compensatory duty on linseed oil, or the converted product, practically put the crushers out of business, because, as a consequence, the linseed oil was imported?

Mr. LADD. There is no question of that, and that is just what would happen if the oilmen could have the tariff reduced on the oil to the rate for which they are asking.

Mr. FRELINGHUYSEN. The Senator has read a letter from an industry in my State, as well as letters from other crushing industries. He believes the crushing industry in this country should be protected, does he not?

Mr. LADD. Yes.

Mr. FRELINGHUYSEN. It is fair to assume, is it not, that if we impose this duty on the raw material we should allow a compensatory duty to men who make the refined product?

Mr. LADD. That should be the case; yes, sir.

Mr. FRELINGHUYSEN. Does the Senator believe that industries in this country which can bring in raw products not produced here in the crude state and refine them should also be protected?

Mr. LADD. I do, provided they do not displace an industry which we already have established. For instance, if they brought in the flaxseed in competition with our own product so as to convert it in this country, that would be unfair. Generally, however, I agree with the Senator.

Mr. FRELINGHUYSEN. I understand the Senator's position and I know he is perfectly sincere. I have listened to his argument with a great deal of interest; he has made a very able statement, and has undoubtedly studied this question thoroughly; but I fail to find wherein the Senator is convincing in arguing that soya-bean oil and coconut oil and peanut oil should be placed upon the dutiable list because they displace certain of our oils and other products in this country. May I ask the Senator what they displace?

Mr. LADD. Soya-bean oil displaces corn oil, peanut oil, and cottonseed oil.

Mr. FRELINGHUYSEN. In what uses?

Mr. LADD. In dairy products, in filled milk, and in the making of butter substitutes.

Mr. FRELINGHUYSEN. I am very glad the Senator has specified because he is asking that we put a duty upon commodities which are not produced here in order that they may be eliminated from the manufacture of certain edible products, and yet in doing that we penalize 90 per cent of importations amounting to millions of pounds by a duty which, as nearly as I can estimate it, will aggregate $15,000,000, in order that they may be driven out of use as food substitutes.

Mr. LADD. No; I look——

Mr. FRELINGHUYSEN. The Senator is in favor of a duty on coconut oil, is he not, because it goes into edible products such as filled milk?

Mr. LADD. Yes.

Mr. FRELINGHUYSEN. Does he not know that most of the coconut oil comes from the Philippine Islands? Therefore, how will a duty help the situation which the Senator has in mind? The product from the Philippines will not be barred out; it will come here and be used as a substitute, no matter what duty may be put on the remainder of the product that comes from elsewhere. Despite the duty coconut oil will come here and be used in edible products such as butter substitutes and filled milk.

Mr. LADD. In so far as coconut oil will come from the Philippines a duty will not help the situation; but in so far as the oil comes from other countries a duty will help when such oil is sought to replace the oils or other products of this country.

But I wish to return to the soya bean. We can grow in practically all parts of our country the soya bean. We are producing them at the present time, and a crushing industry is just beginning to develop.

The soya bean is a soil enricher and of high food value which we can produce in this country and thereby enrich our soil. Of course, when we import the product, as we have been importing duty free, it can have no such beneficent result.

Mr. FRELINGHUYSEN. I know a little something about farming and I know something of the soya bean situation. I do not think the Senator is correct when he says that we are crushing soya beans in this country to any great extent. The farmers of the Northwest may be able to produce 28,000,000 bushels of flaxseed, but I do not believe they will, although I hope the farmers of the Northwest will do that.

Mr. LADD. They have produced that much.

Mr. FRELINGHUYSEN. They have produced that much, but will they do it now under this protective tariff?

Mr. LADD. I believe they will, and more than that.

Mr. FRELINGHUYSEN. I hope so. I have stood for a tariff on that article and for compensatory duties in order that the foreign article might not replace the flaxseed of the Northwest, but the farmers in this country will not raise enough soya beans

to replace 350,000,000 pounds that we import. It will take them 50 years before they will ever develop the industry to that extent, and more than that before they will ever develop the crushing industry in this country.

Mr. LADD. It has been my good fortune to have devoted considerable attention to the soya bean. The soya bean is grown in the State of the Senator from New Jersey and in nearly every State in the Union. I have studied the physical and chemical qualities of the soya bean, which is now being crushed by a large packing concern in Chicago.

Mr. FRELINGHUYSEN. We plow it under.

Mr. LADD. Yes; because you have had no market for it; but you will have a market for it with the packers in Chicago, who are now preparing to crush it.

Mr. FRELINGHUYSEN. Does the Senator believe that it will pay to harvest the bean and crush it in this country, when we can import it for 11 cents a pound? Will the American farmer be content to furnish the American market with soya-bean oil at 11 cents a pound?

Mr. LADD. Yes; because he will do it to enrich his soil by growing the soya bean, just as he enriches the soil by growing clover.

Mr. FRELINGHUYSEN. If he harvests his crop, will he get the fertilizing effect of the soya bean after harvesting the crop?

Mr. LADD. Not all of it; but he will get a decided benefit, because the roots of the soya bean are covered with the nodules which take up the nitrogen from the air and so enrich the soil. I desire to include as a part of my remarks an article from Farm, Stock, and Home, of Minneapolis.

The PRESIDING OFFICER. The Senator from North Dakota asks unanimous consent to insert a certain document in the RECORD. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

[From Farm, Stock, and Home of April 15.]

DUTY ON LINSEED OIL MUST BE RAISED.

Somebody, in fact, a great many somebodies, in the Northwest, including the writer, was sound asleep when the emergency tariff bill slipped through with only a 10-cent a gallon tariff on linseed oil. We saw the tariff on seed and failed to figure the inadequacy of the oil rate.

The result is our crushers are not in the market for flax. The revival in building, which should have stimulated flax prices, is having no effect. While there are grounds for differences of opinion as to the real benefit of a wheat tariff, there are none when it comes to flax, as we do not produce enough to supply our own needs. The statistical situation in flax is one of the strongest ever known, stronger than when flax was selling at double present figures. Foreign oil is coming into the country, and after paying the duty is being offered from 12 to 25 cents under our oil. The result is there is very little demand for flax from crushers. Many, in fact, have shut down. On an average, the United States uses oil to the equivalent of 26,000,000 bushels of flax yearly. This is a great deal more seed than has ever been produced in this country in a year. The United States 1921 flax production was, in round numbers, 8,000,000 bushels.

If the flax production in the Northwest could be doubled, it would mean, even at present unjustifiably low prices, about $20,000,000 more money for this territory. There would also be the advantage of a larger supply of oil meal and cake for the dairyman. As matters stand now, there is no inducement for the farmers in this, the great flax-growing section, to put in any.

The duty on oil should at least be doubled, but 25 cents a gallon would be better. There is time for this duty to be fixed before flax sowing. We sent the following telegram to northwestern Senators and Congressmen:

APRIL 6.

Duty on linseed oil should be raised to 25 cents a gallon. Strongest statistical flax situation we ever had yet, farm price of the Northwest is below cost of production. Foreigners are benefiting from building boom instead of our flax growers. Foreign oil flooding our markets.

H. N. OWEN,
Publisher Farm, Stock, and Home.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from New Jersey?

Mr. LADD. I do.

Mr. FRELINGHUYSEN. Will not the Senator indicate where the soya bean is being crushed for oil at the present time and what the production of the soya bean is in this country?

Mr. LADD. I can not give the figures, but there is one crusher in Chicago, at the plant of Swift & Co., who have arranged with the farmers of Indiana for the purchase of the soya bean. They are making the experiment and putting up a plant for that purpose; at least that is the statement carried by the press.

Mr. FRELINGHUYSEN. Mr. President, I want to say to the Senator that possibly he has overlooked the summary of the Tariff Commission, in which they say that—

Reports of the Bureau of the Census show that no crude soya-bean oil has been produced either from domestic or imported beans in this country from 1919 to September 30, 1921, inclusive. The oil is imported in the crude state and refined in this country.

Mr. LADD. I think, if the Senator will note, I stated that Swift & Co. have experimented and found it successful, and are now beginning to make plans for the extraction for the coming year, and are arranging with Indiana farmers for the production of soya beans.

Mr. FRELINGHUYSEN. It will be a good many years before they will produce 350,000,000 pounds a year.

Mr. LADD. I have a letter from Chicago, from a manufacturer of oil colors and raw materials, in which he states:

Middle western consumers of linseed oil in quantities have come to realise, after receiving many shipments of English and Dutch raw linseed oil, that it is well worth while to purchase this product direct from reliable English houses with permanent, responsible, established branches in this country.

I am representing J. H. Rayner & Co., of New York, whose Liverpool and Hull factories are turning out immense quantities of linseed oil, a good part of which is coming into this country under the present tariff conditions at lower cost than American crushers can produce the same quality of oil.

I desire to close with the statement that the tariff which is asked for is 40 cents a bushel on the flax and 3½ cents a pound on the oil, as agreed to by the Finance Committee, changing that of the Fordney tariff bill as it comes over from the House. This is satisfactory, as far as I have been able to learn, not only to the farmers but to the paint manufacturers and the oil crushers of the country.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee, which will be stated.

Mr. SMOOT. Mr. President, do I understand that the Senator from New Mexico desires to proceed with this schedule?

Mr. JONES of New Mexico. No.

Mr. SIMMONS. Mr. President, I will say to the Senator from New Mexico that I have had some conversation with Senators on the other side in reference to these paragraphs dealing with oils. I will suggest that these paragraphs are very closely related to agricultural products and that the proper time for their discussion would seem to be in connection with the agricultural products out of which these oils are made.

Mr. SMOOT. Mr. President, at the request of a number of Senators, I will ask that paragraphs 50 and 50a go over.

Mr. SIMMONS. So that we will take them up when we reach the agricultural schedules? Is that the understanding?

Mr. SMOOT. That is my idea.

The PRESIDING OFFICER. Does the Senator from Utah include paragraphs 50 and 50a in his request?

Mr. SMOOT. Yes; both paragraphs, in so far as we have not already acted upon them. We have acted upon the item of olive oil in paragraph 50, and of course that will not go over; but the balance of the paragraph goes over.

Mr. JONES of New Mexico. And I suggest also that paragraph 51 go over. It is based on paragraphs 50 and 50a.

Mr. SMOOT. If the Senator wants it to go over, well and good.

Mr. JONES of New Mexico. I think it should go over.

Mr. SMOOT. The castor-oil rate has something to do with this paragraph.

Mr. JONES of New Mexico. Yes.

The PRESIDING OFFICER. Does the Senator request that paragraph 51 be passed over?

Mr. SMOOT. Yes; let paragraph 51 go over, too.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. In paragraph 52, page 23, line 5, the committee proposes to strike out "20 per centum ad valorem" and to insert in lieu thereof "5 cents per pound," so as to read:

Hydrogenated or hardened oils and fats, and other oils and fats, the composition and properties of which have been changed by vulcanizing, oxidizing, chlorinating, nitrating, or any other chemical process, and not specially provided for, 5 cents per pound.

The PRESIDING OFFICER. The question is on the amendment of the committee.

Mr. JONES of New Mexico. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ball	Harrison	McKinley	Shortridge
Brandegee	Heflin	McLean	Simmons
Broussard	Johnson	McNary	Smoot
Bursum	Jones, N. Mex.	Moses	Spencer
Capper	Jones, Wash.	New	Sterling
Curtis	Kendrick	Newberry	Swanson
Dial	Keyes	Nicholson	Townsend
Edge	King	Norbeck	Wadsworth
Fletcher	Ladd	Oddie	Walsh, Mass.
Frelinghuysen	Lenroot	Overman	Watson, Ind.
Gooding	Lodge	Page	Weller
Hale	McCormick	Sheppard	Willis
Harris	McCumber	Shields	

The PRESIDING OFFICER. Fifty-one Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment of the committee.

Mr. KING. Mr. President, may I inquire of the Senator having this item in charge what the reason is for adding to this section, or including within it, vulcanized oils in connection with the hydrogenated or hardened oils?

Mr. McCUMBER. It is simply a process by which the oil is hardened. I am not well enough acquainted with the methods by which all of these oils are hardened to speak intelligently upon it, but the whole idea is to take these hardened oils and give them the same rate that is given lard substitutes and other articles of that character.

Mr. KING. May I inquire of the Senator if 5 cents a pound was not too much for these?

Mr. SMOOT. Mr. President, I will say to my colleague that vulcanized oil is used as a substitute for lard. That is why it is put into this paragraph. Five cents a pound is the same rate as provided in paragraph 703 on all lard substitutes, so we made the rates in paragraph 52 and paragraph 703 the same identical rates, and they should be.

Mr. KING. It seems to me that this rate of 5 cents a pound is pretty high for lard substitutes, even though some of those substitutes may be used for vulcanization.

Mr. SMOOT. I hardly think it is a high rate of duty. I think 20 per cent would be even higher than 5 cents a pound.

Mr. KING. As I remember, they did not specifically mention these oils in the Payne-Aldrich law or in the Underwood law. They must have been in some basket clause, and transferred from the basket clause to this paragraph.

Mr. SMOOT. There was no corresponding provision in either the Payne-Aldrich law or the present law.

Mr. KING. That is my understanding.

Mr. SMOOT. The decision of the Treasury Department was that they were dutiable at the rate imposed on the oil of which they were composed, and therefore it had to be decided, as to every item coming in, of what oil it was made, and then the rate of duty imposed on it depended on what oil it was made of. It was decided that it was best to bring them together in paragraphs, as has been done in this instance.

Mr. KING. Perhaps the largest quantity of production under this paragraph would be cottonseed oil hydrogenated, and it seems to me that 5 cents a pound for the hydrogenated oil is too much. It is much higher than the rate in the basket clause in which it was found, as I figure it, either in the Payne-Aldrich law or in the Underwood law.

Mr. SMOOT. Perhaps there was such an article as the vulcanized, on which the duty would be higher under an ad valorem. As far as I am concerned, I would not care whether it was a specific duty or an ad valorem duty. I may say to the chairman of the committee that we could divide this and have a specific duty upon the hydrogenated and hardened oils and let the balance carry an ad valorem duty.

Mr. KING. That would seem to me to be much more scientific and accurate.

Mr. McCUMBER. I do not think anyone would object to that. I think myself it would be better if we add the 5 cents per pound after the fats on the first line and then allow the other to go in at 20 per cent ad valorem. If that is satisfactory to the Senator, I will suggest that amendment.

Mr. KING. I think it is too high, but it improves it very much, and I should be glad if the Senator would move that amendment.

Mr. McCUMBER. I move to insert after the word "fats" and the comma on line 1 the words "5 cents per pound" and a semicolon, and then strike out the word "and."

The PRESIDING OFFICER. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 23, line 1, after the words "hydrogenated or hardened oils and fats" and the comma insert the words "5 cents per pound" and a semicolon.

The amendment was agreed to.

Mr. McCUMBER. I move to strike out the word "and" at the end of line 1 before the words "other oils and fats."

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 23, line 5, where the committee proposes to strike out the words "20 per cent ad valorem" and to insert in lieu thereof the words "5 cents per pound."

Mr. KING. I move to strike out "20" and to insert "15."

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The ASSISTANT SECRETARY. On page 23, line 5, strike out "20" before the words "per cent" and insert in lieu thereof "15."

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

The next amendment was, on page 23, line 9, before the word "essential," to strike out "of" and to insert "or mixtures containing"; in the same line, after the word "oils," to strike out "or both," so as to read:

PAR. 53. Combinations and mixtures of animal, vegetable, or mineral oils or of any of them (except combinations or mixtures containing essential or distilled oils), with or without other substances, and not specially provided for, 25 per cent ad valorem.

Mr. KING. This amendment offered by the committee may be satisfactory, but it does seem to me that it is susceptible of abuse unless there are words of limitation, and yet I confess, with my limited knowledge of these oils, I could not suggest what it should be.

Mr. SMOOT. If the Senator will turn to paragraph 56, he will find exactly the same words there, and this conforms to the language of the bill right through.

Mr. KING. I am aware of that. If my colleague will pardon me a moment, I will explain what I have in mind. The point I have in mind is that under the language, "or mixtures containing essential or distilled oils," the Senator will readily perceive that the introduction of an unimportant oil would be permitted, and the introduction of the words "or mixtures containing" would give to it a different classification, calling for a very different rate of duty. You might introduce a very costly oil into an admixture with a cheap one, and thus give to the costly oil the same rate of duty as the cheaper oil.

Mr. SMOOT. That could not possibly be the case, because the essential oils mentioned in paragraph 56 carry a very much higher rate than those in this paragraph. In other words, this paragraph carries a rate of 5 per cent, and the essential oils in paragraph 56 carry 45 per cent. So that could not possibly happen without working to the detriment of the manufacturer doing it. Following nearly every paragraph where there is an animal, vegetable, or mineral oil named and such a mixture takes place, we provide that the same rate shall be imposed that is provided in the paragraph where there is a mixture of two oils of similar character.

Mr. KING. It seemed to me that the purpose was to compel the admixture of the oils in the United States, where oils were imported, rather than to permit the admixture to come in from abroad, and it might result, for instance, in petroleum, which is free, being mixed with a little rape-seed oil, when it would be subjected to a duty of 25 per cent. Or take mineral oil, and sulphurated castor oil, which is utilized in the lubrication of engines. The admixture of those two oils changes the rate entirely, perhaps to the disadvantage of the Government, measured by a revenue standard, or to the disadvantage of the consumer, who might thereby be compelled to pay a higher rate of duty.

Mr. SMOOT. I can not conceive of any such article really entering into commerce. There may be such a thing, or there may be something discovered in the future where one could use a mineral oil like that referred to by the Senator.

Mr. KING. Take mineral oil and sulphurated castor oil, or, as I stated, petroleum and rape-seed oil. Petroleum is free.

Mr. SMOOT. I do not know what on earth they would ever put it in there for. It would destroy both. Neither one would be fit for anything.

Mr. KING. Mineral oil and sulphurated castor oil are used in marine engines as a lubricating oil. I was challenging the attention of the Senate, and particularly of the members of the committee, to those words.

Mr. SMOOT. I do not see anything in it, because if they did that, it would be a mixture and fall under this paragraph, and all the free oils they put in the mixture would have to pay a 25 per cent ad valorem duty. The only way there could be any advantage in it would be for some one to take an oil with a higher rate of duty on it and mix it with the animal or vegetable oil, and then get the higher rate oil in at 25 per cent. They certainly would not want to take free oil and mix it with a little rape seed and be compelled to pay 25 per cent on the mineral oil that was in it. They would never do that. If they could take an essential oil, with a duty of 45 cents, and mix it with these oils and bring it in at 25 per cent, there would be some advantage, but that can not be done because of the cost of essential oils.

Mr. KING. The Senator knows from his long experience in framing tariff schedules that there are many jokers and that there are shrewd representatives of importers or of the domestic producers who are always alert and vigilant to introduce into the law something which makes for confusion and to their ad-

vantage in the long run, as a result of which there is very much litigation, and frequently the courts have very great difficulty in determining just what construction should be placed upon the law and as to what classification various items should be assigned. I had in mind challenging the attention of the committee to these words with a view to determining whether or not there was any loophole, and if there was, whether or not some language might not be employed which would safeguard the consuming public first, and the Government second.

Mr. SMOOT. My colleague is right as to the shrewdest lawyers being employed by importers to determine whether there can be any kind of a loophole found in the wording of a tariff law. But these words were recommended by the Tariff Commission, as the Senator will find on page 163 of the Summary of Tariff Information.

Mr. KING. Yes; I discovered that.

Mr. SMOOT. Studying the recommendation, I thought it was a very wise provision, and so did the committee.

Mr. KING. I recall the suggestion made. I have said all I care to in respect to those words, but I ask the committee to have their experts, before we finally pass the bill, examine in every possible way and from every angle the situation which I have suggested, and see whether any language may be employed which will clarify the provision.

In my opinion, the rate which has been fixed by the committee is too high. I perceive that the House rate has been followed, so I am not free to offer an amendment, but when we complete the committee amendments I shall offer an amendment to strike out "25" and insert "15."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 23, line 15, before the words "per cent," to strike out the figures "20" and to insert "30"; and in the same line, after the word "eucalyptus," to strike out "peppermint" and to insert "peppermint" and a comma, so as to read:

PAR. 54. Oils, distilled or essential: Lemon and orange, 30 per cent ad valorem; clove, eucalyptus, peppermint, patchouli, sandalwood, and all other essential and distilled oils not specially provided for, 25 per cent ad valorem: *Provided*, That no article mixed or compounded or containing alcohol shall be classified for duty under this paragraph.

Mr. KING. Mr. President, the rate carried by the Senate committee bill greatly increases the rate of the existing law. The act of 1909 placed lemon oils upon the free list. The act of 1913 fixed a rate of 10 per cent ad valorem upon the same oil. The House gave a rate of 20 per cent ad valorem, and the Senate committee proposes to increase that rate to 30 per cent ad valorem.

So that from being upon the free list under the Payne-Aldrich law, 10 per cent under the Underwood law, and 20 per cent in the House bill, we are now confronted with a proposition of imposing a rate of 30 per cent upon lemon and orange oils.

Mr. SMOOT. One is based upon the American valuation and the other upon the foreign valuation.

Mr. KING. I understand. I do not see any justification for increasing it above the rate which is fixed by the act of 1913. I call attention briefly to the Tariff Survey, which states:

Imports of lemon oil prior to the war were constant at a little over 400,000 pounds, but the value shows an increase from about $300,000 in 1911 to nearly $800,000 in 1913. The import decreased somewhat in 1914, but has shown an increase to 577,600 pounds, valued at $404,568, yielding a revenue of $40,456 in 1918.

Imports of orange oil have been much less than those of lemon oil, in 1913 being 79,797 pounds, valued at $155,299, and yielding a revenue of $38,824. In 1918 there was an increase to 196,846 pounds, valued at $330,506, and yielding a revenue of $33,050.

The imports of lemon oil in 1918 were 535,868 pounds, of a value of $387,475, and for the first nine months of 1921 were 483,616 pounds, of a value of $435,444. As to orange oil, the imports were greater in 1918 than they were in the first nine months of 1921. The unit value of the lemon oil which was imported in 1921 was 90 cents a pound and the unit value of orange oil $2.48 per pound as against the foreign price of $1.80.

I move as an amendment to the committee amendment to strike out the numerals "30" and insert in lieu thereof the numerals "10," so that it will read:

Oils, distilled or essential; lemon and orange, 10 per cent ad valorem.

As stated, under the Payne-Aldrich law they were free.

The PRESIDING OFFICER. The proposed amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 23, line 15, in lieu of the numerals "30," proposed by the committee, the Senator from Utah moves to insert the numerals "10," so as to read:

Oils, distilled or essential; lemon and orange, 10 per cent ad valorem.

Mr. McCUMBER. Mr. President, the testimony before the committee showed the requirements to be 33 cents per pound on the lemon oil as the necessary differential between the foreign and the American price. That would be equivalent to about 36 per cent ad valorem upon the price of the first nine months of 1921, which was 90 cents per pound. Instead of giving them 36 we gave them but 30, or 6 per cent less than what would measure the difference, according to the testimony.

Mr. WALSH of Montana. Mr. President, before voting upon the amendment to the committee amendment, I desire to say a few words about the discussion precipitated a while ago with reference to olive oil.

I inquired of the Senator from California [Mr. JOHNSON] what particular benefit would come to the people of my State from that particular item and just how I would justify voting for the increase in the duty to the people of my State. I have since been making some figures on the matter which to me are rather startling. I discover by that trifling item in the bill that we have imposed upon the people of my State $14,400 annually, and added to the cost of living of the people of the United States $2,400,000.

The figures are very simple. Take the importations of olive oil into the country during 1917, which were 7,700,000 gallons, which is said to be about 2 per cent of the entire consumption. Two per cent of that figure would be 154,000, making 7,854,000 gallons of olive oil consumed in this country. I do not know that the people of my State consumed their average quota of olive oil. I dare say that within the last two years they would not have done so. While the State of California has been basking in prosperity, and has experienced a growth unprecedented in its history during the last three or four years, the people of Montana have been going through a crisis the like of which they have never known before.

The two great staple products of my State are copper and wheat, both sold in the open markets of the world. There is a duty of 30 cents per bushel on wheat, but I do not want to insult the intelligence of anybody by discussing the proposition that when we are exporting 250,000,000 bushels of wheat annually the duty is of any value to the wheat growers of Montana. Copper is sold in the open market.

The copper mines have been shut down during the greater portion of the last year, so our people have had very hard times. Not only have we suffered the general depression in agriculture which has affected the entire country, but we have suffered a series of most depressing droughts. A large number of our people have been compelled to abandon their farms, sacrificing not only their labor in endeavoring to reduce those homesteads to a state of cultivation but the savings of years in the effort.

As I said, I do not know whether we have consumed our ordinary quota of olive oil in my State. It is a highly palatable food product after one acquires a taste for it and the taste is being rapidly acquired by our people.

The consumption, as was stated this afternoon, is annually increasing. But assuming that they are able to provide themselves with this staple food product to the extent that it is used generally by the people of the country—in other words, that we do not live any better than the average people throughout the country—we would consume individually four-fiftieths of 1 gallon of olive oil annually; that is, either consumed directly or in the preparation of food products into which it enters as a constituent. The tariff being raised to 30 cents a gallon on olive oil and the population of Montana being 576,000 people, would mean $14,400 more for the olive oil they consume in a year than they would, under the existing rates of duty, 20 and 30 per cent, be required to pay.

Mr. WALSH of Massachusetts. Mr. President——

Mr. WALSH of Montana. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. The Senator's figures are very much more liberal than the figures admitted by the junior Senator from California [Mr. SHORTRIDGE], when he stated that the tax would mean a burden of 4 cents per capita on every person in the United States. That would make the figures on the population of Montana somewhat higher.

Mr. WALSH of Montana. It would make it $20,000 as against $14,400 as I have figured it out. At any rate, here is a situation where by a twist of the hand a tax of at least $14,400 is put upon the people of my State for the benefit of the growers of olives in the State of California, with whatever incidental benefits may come to them.

Now, Mr. President, that amounts to $2,400,000 for the people of the United States as a whole. If the figures now suggested by the Senator from Massachusetts are more correct, it amounts to a tax of $4,000,000 upon the people of the United States upon a trifling item in the tax measure which we have before us for consideration this evening. Any Senator present can

compute the burden which will be laid upon the people of his State by the simple computation of taking 2.5 or 4, whichever figure he chooses, and multiplying by the number of people there are in his State. He will thus get approximately the amount of the burden that is put upon the people of his State by this trifling item in the bill before us, on the item of olive oil.

It was at one time argued, and I think with considerable force, that a protective tariff did not actually increase in the long run the cost of the article upon which it was imposed, because the price was temporarily increased by raising of the duty and others were induced to go into the production or cultivation of a particular article, and thus competition was instituted between the domestic producers which eventually reduced the price of the commodity lower than it otherwise would be.

But, Mr. President, we were told by the Senator from California this afternoon that the producers of olives have a cooperative association and they produce the product cooperatively. I know the capacity of those people for the organization of cooperative associations and how complete their organization becomes, so I assume that all of the producers of California, or substantially all, are in one cooperative association and that there is no competition whatever among the domestic producers so far as the market for olive oil is concerned. So that the thing would not operate in that way.

Besides, Mr. President, we have had a duty upon olive oil, as I understand, for a generation at least, and we now produce only 2 per cent of the total amount consumed in the country. How long it will take to arrive at a point where the domestic production will be so extensive and the competition between the domestic producer and the foreign producer so keen as that the price will be lowered I leave for some one more competent in mathematics than I am; but I venture to say it will be at some remote time in the future, when the domestic production will materially affect the price so far as competition between the local producers is concerned.

Mr. President, I can not understand the logic of representatives of any State situated as is mine advocating a measure of this character. I can understand very well that we might get revenue out of this proposed duty; but for revenue purposes it appears to me as though the rates fixed in the existing law are entirely adequate.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah [Mr. KING] to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. KING. Mr. President, I am not permitted under the parliamentary agreement to move an amendment to the remainder of the paragraph, which I shall do when we return to the bill, striking out the numerals "25" and inserting "15." I wish the chairman of the committee himself would offer an amendment at the proper time. It seems to me that eucalyptus and peppermint oils—oils which it is alleged are made in the United States—should bear a different rate, if protection is what is sought and fairness is what is desired, than some of the imported woods from which oils are made, when those oils are not made in the United States. Therefore I suggest to the Senator from North Dakota that patchouli and sandalwood—at least those two—should be separated from eucalyptus and peppermint and a different rate provided. When we return to the bill I shall move to segregate them, unless the Senator does so, and to provide for those oils different rates.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 23, paragraph 54, line 15, after the word "eucalyptus," to strike out the word "peppermint" and to insert the word "peppermint,".

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 24, paragraph 55, line 4, before the words "per ounce," to strike out "$2" and to insert "$2.60," so as to read:

cocaine, ecgonine, and salts, esters, and other derivatives thereof, $2.60 per ounce.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. KING. I inquire of the chairman of the committee whether the increase in this case is prompted by a desire to secure additional revenue or is aimed at protecting some compounding house or manufacturing concern in the United States?

Mr. McCUMBER. This increase is simply intended to cover the necessary differential, which is due entirely to the tariff bill and to the internal-revenue law. Paragraph 33 of the bill imposes a duty of 10 cents per pound on coca leaves. It takes 10 pounds of coca leaves to produce 1 ounce of cocaine. The tariff of 10 cents per pound, therefore, is equal to $1 per ounce of cocaine itself. Then, in addition to that, we have an internal-revenue tax of 1 cent per ounce on the coca leaves. One hundred and sixty ounces of coca leaves are required to make 1 ounce of cocaine, so that the revenue tax is equivalent to $1.60 an ounce on cocaine. The $1 plus the $1.60 makes $2.60, the duty which we have imposed.

Mr. KING. Let me ask the Senator whether he regards that as a fair method of fixing rates, either upon what might be denominated raw material—that is, the coca leaves—or the finished product? Because we are providing an additional rate upon the coca leaves, the theory now is to give an additional rate upon the product which is used as a medicine. If it were for the purpose of limiting or restricting the use of this poisonous drug, albeit a drug which is so necessary in medical practice, I do not know that there could be any objection; and yet the Senator must know that the drug is indispensable in the hospitals and is used by the most reputable physicians of the country. Unless it is revenue which is sought or it is designed in some manner to regulate the use of this drug—and that can not be done through this bill—it seems to me that the Senator has suggested no justification for this rate, but seems to be interested in protecting some industry.

Mr. McCUMBER. Mr. President, it is quite clear, of course, that the internal revenue law is to provide revenue only, and the revenue law which has been passed by Congress provides a tax of 1 cent per ounce on the coca leaves. One cent per ounce on the coca leaves is equivalent to $1.60 an ounce on cocaine. Now, that, of course, is for revenue only. In addition to that, paragraph 33 imposes a duty of 10 cents per pound on the coca leaves, and that is revenue duty, of course. All of it is simply for the purpose of getting revenue, as we do not produce the article in the United States. Cocaine is such a powerful drug that very little of it goes a good way, and the duty is not going to add very greatly to the cost to the user of it.

Mr. KING. I ask the Senator from North Dakota in good faith is not this increased rate fixed in the bill for the purpose of protecting and aiding some persons in the United States who import coca leaves and manufacture cocaine or the various products derived from it?

Mr. McCUMBER. Certainly; the revenue law as it stands does not protect the manufacturer at all, but this proposed law as it is amended gives the manufacturer an equal opportunity with the foreigner to produce the article. I will say, however, that it gives him no protection other than to compensate for the disadvantages in obtaining the raw material.

Mr. KING. It seems to me, Mr. President, that the plan is to enable the manufacturer of cocaine or other compounds and products of coca leaves to profit as much as possible in the manufacture or in the vending of this important medicine. Perhaps it is a reasonable duty—I make no comment upon that—which is imposed upon the coca leaves; but it seems to me, Mr. President, if we permit the coca leaves to come into the United States and impose a rate which is deemed adequate for revenue there ought to be an effort to make this important drug, which is so important in the hospitals and in the sick rooms of the United States, as cheap as possible to the people. Confessedly, revenue is derived from the duty of 10 cents a pound upon the coca leaves, but the proposed tax on cocaine is for the purpose of carrying a great burden to the ultimate consumer, the sick man and the sick woman, those who are compelled because of their physical ailments to purchase cocaine or other products of coca leaves. I think the House rate was entirely too high, and I shall ask the Senate to disagree to the amendment which has been reported by the Senate committee.

Mr. McCUMBER. Let me again call the Senator's attention to the fact that we are giving the American manufacturer not one penny of protection. We are simply providing a duty to compensate what he must pay for the raw material and not one penny in addition to that.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The next amendment of the Committee on Finance was, on page 24, paragraph 56, line 15, to strike out "Anethol" and to insert "Ambergris, castoreum, civet, and musk, grained or in pods, 20 per cent ad valorem; anethol," so as to read:

PAR. 56. Perfume materials: Ambergris, castoreum, civet, and musk, grained or in pods, 20 per cent ad valorem; anethol—

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. KING. Mr. President, I understand that ambergris, castoreum, civet, and musk, grained or in pods, were on the free list in the House bill. The committee now propose an amendment providing a 20 per cent ad valorem duty on these articles and transferring them from the free list in the House bill to the dutiable list here. May I ask the Senator from North Dakota whether that was for revenue purposes, or, if not, what was the object?

Mr. McCUMBER. It was for revenue purposes solely. The duty is the same as in the present Underwood law. It is 20 per cent ad valorem under the present law, and we are continuing that 20 per cent ad valorem duty.

Mr. KING. Is the Senator from North Dakota advised as to the reason the House of Representatives had for placing those items on the free list?

Mr. McCUMBER. I can not pass judgment for the House of Representatives as to why they did that. I simply say it was the judgment of the majority of the Finance Committee that the articles should have a small duty of 20 per cent ad valorem imposed upon them.

Mr. KING. Of course, the Senator knows that those particular items become the basis of a considerable industry in the United States. Has the Senator taken into account the impediment which this duty would offer to the prosecution or development or extension of the industry now existing?

Mr. McCUMBER. I do not think it will add very much of an impediment, because I think there is sufficient profit in the manufacture of perfumes to enable the manufacturer to absorb the small duty which is provided here.

Mr. KING. I am willing to have a vote on the amendment.

The PRESIDING OFFICER. The question is on the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On line 20 it is proposed to strike out "35" and insert "45."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. KING. Mr. President, that means an increase of 10 per cent. Of course, I appreciate what my friend will say—that the House fixed their rate upon the American valuation and the Senate fixed theirs upon the foreign valuation.

Mr. McCUMBER. And therefore I think it is a decrease rather than an increase.

Mr. KING. It is possible, Mr. President, that it may be somewhat of a decrease, but I wanted to call attention to that item and to another item in line 23; and I ask the Senator's attention to this language, commencing in line 21:

all mixtures or combinations containing essential or distilled oils, or natural or synthetic odoriferous or aromatic substances, 40 cents per pound and 50 per cent ad valorem.

Mr. President, it seems to me there is a very grave discrimination in the rates thus established. This is a compound rate. There might not be any complaint at the ad valorem rate, but certainly there is ground for complaint when the compound rate is applied to some of these products.

For instance, take safrol. The present domestic price of safrol is 60 to 65 cents, as I recall; the domestic price of rhodinol is $18 per pound; the foreign value is $20 per pound; the domestic price of citral is $3.25 to $3.50 per pound. Then there are some other items here which I think come within this same category. One item was over $300 a pound; but waiving that and calling attention to the ones to which I directed the Senator's attention a moment ago, if you attach a 50 per cent ad valorem duty to safrol and 50 cents per pound, it seems to me that that would bear unduly, measured by the same rate applied to a product that was worth $18 a pound in this market, such as rhodinol, and with a foreign value of $20 per pound. I should like to ask the Senator how he justifies any such discrimination as that.

Mr. McCUMBER. Mr. President, all of the first duties that the Senator mentioned are simply ad valorem duties. They are not levied upon the double method at all, and we do not have the double or the combined method of attaching the duties until we reach "all mixtures or combinations containing essential or distilled oils, or natural or synthetic odoriferous or aromatic substances." Then the House fixed the duty at 40 cents per pound and 40 per cent ad valorem upon the American valuation. We allowed the 40 cents per pound to remain, but placed a 50 per cent ad valorem duty upon the foreign valuation, which would probably be somewhat less than the duty carried by the House bill.

Now, I want to read from the Tariff Commission information.

Mr. KING. Mr. President, before the Senator proceeds may I make a suggestion? I am advised that in the second category, the one to which the Senator has just referred, there are grades of oil that would show approximately the same disparity or difference in prices as those to which I called the attention of the Senator; that is, 60 cents and $18 to $20.

Mr. McCUMBER. Does the Senator have reference to the last class I mentioned?

Mr. KING. Yes; the last class; where the ad valorem is 50 per cent and the specific rate per pound 40 cents.

Mr. McCUMBER. Of course, upon those particular nearly finished products 40 cents per pound is not high. The Senator understands that these are nearly or practically finished products. They come into this country in a finished state, and all that is done to them is to add the requisite amount of alcohol, and then they have the finished product.

Forty cents per pound is a low duty upon any of them; but as there are so many different kinds and characters, and the prices range from a few dollars per pound up to forty or fifty dollars per pound, it was necessary, of course, to have an ad valorem duty to cover them; and the committee fixed the 50 per cent ad valorem in addition to the small specific duty of 40 cents a pound. Of course we could have stricken out the House provision of 40 cents per pound and put them all upon an ad valorem basis; but I think on the whole, wherever we can have a specific duty that is not too high, and can maintain that, we ought to do so.

Mr. KING. I should like to ask the Senator why it was that these high rates of duty were sought by various representatives of manufacturing concerns in the United States, unless it was for the purpose of aiding them in advancing the prices here? In other words, is it not a fact that the primary object was not revenue, but was in the interest of certain concerns in the United States, among them being Antoine Chris & Co., Van Dyk & Co., and others represented by Mr. Isermann?

Mr. McCUMBER. I think in the case of most of the articles that are mentioned in the last clause they are new industries that have been established in this country since the war, and perhaps that is true of the greater portion of the article included under that particular paragraph. The real purpose, I suppose, of those who seek to hold the duty this high is to prevent importations being brought in which will cut the price below that at which it is possible for them to manufacture and sell at a profit.

Mr. KING. Has not the Senator fixed the rate so high that it gives these concerns a monopoly, so that instead of this being a revenue provision, instead of giving to the Government a few thousand dollars of revenue, we are merely putting many thousands of dollars into the pockets of the beneficiaries of this rate?

Mr. McCUMBER. No, Mr. President; I think nothing of the kind. I think there will be importations, and I believe they will increase very much over what we are now receiving. I think the production of the foreign countries will become cheaper rather than increase in value, and that they will be able to import into this country at even lower rates than the present importations, and I simply want to see a duty that will be sufficiently high to enable our people to maintain the production in the United States.

Mr. KING. Mr. President, the Senator will keep in mind the fact that a number of these items, such as heliotropin, vanillin, and terpineol, are already interdicted by the provisions of the emergency tariff act.

Mr. McCUMBER. Yes; but that only lasts one year, and can not last longer than two years at most, even if the President himself shall continue it for another year, and of course the bill is drawn with the idea that it will not be extended longer than a year.

Mr. KING. Mr. President, it seems to me that there is no justification for these high rates. I should be glad if the Government could obtain revenue from these articles, particularly perfumes. I think that is a legitimate subject upon which very heavy duties may well be laid; but the difficulty here is that the duties imposed are going to be prohibitive and are calculated to give to the domestic producers a monopoly. Moreover, as will be observed from reading the language of this paragraph, synthetic compounds are embraced, so that it looks as though the object in part was to protect the Du Ponts, the Allied Chemical Co., and other corporations that are engaged in the production of synthetic compounds of various kinds. We know from the demands which they have made, not only for tariff walls that prohibit importations, but for embargoes, that they would be glad to see these synthetic compounds which they are engaged

in manufacturing, or which they may engage in manufacturing, embargoed by the high rates that are found in this bill.

Mr. McCUMBER. Do I understand the Senator to say that the Du Ponts manufacture any of this material?

Mr. KING. No; what I meant to say was that synthetic compounds are manufactured by the Du Ponts, the Allied Chemical Co., and others.

Mr. McCUMBER. But none of the things in this paragraph are manufactured by the Du Ponts.

Mr. KING. I did not think so, although I am not sure. Their synthetic compounds relate to dyes and coal-tar products, and so forth; but the Senator knows that there may be made in a synthetic way many fine perfumes, and in view of the fact that the term "synthetic odoriferous or aromatic chemicals," and so forth, was employed, I was not sure but that it was intended to cover not only the products of the companies whose names I have mentioned, but the products of these other great corporations, in the event that they entered into the synthetic production of these odoriferous and aromatic perfumes.

Mr. McCUMBER. It was simply intended to secure what revenue we could secure upon these luxurious perfumes, some of which are exceedingly expensive, and all of which may be regarded as luxuries.

Mr. KING. I call the Senator's attention to the fact that vanillin ought to be differentiated, in my opinion, and I appeal to the Senator with a view to having him accept my view. For instance, vanillin is used for flavoring extracts and is in quite common use by a very large number of people. Take, for instance, vanilla extract, which is a common household commodity used, as the Senator knows, very largely in drug stores, in the manufacture of ice cream, and for other purposes. I can not quite comprehend why vanillin, used for the purposes which I have indicated, should be classed with these other more expensive perfumes and compounds.

In the act of 1913 vanillin bore a duty of only 10 cents per ounce. In the Payne-Aldrich law it was 20 cents per ounce. I appeal to the Senator to consider the propriety and the justice of differentiating vanillin from these other compounds, which, perhaps, in justice, might bear, and indeed should bear, a higher rate of duty.

Mr. McCUMBER. Mr. President, I know that vanilla is made from the vanilla bean. It may be that they produce from coal tar something which will take its place and is similar, and that may have some bearing upon the duty upon vanilla, but I really do not think it is so very important.

Mr. KING. It is a little difficult to frame a motion. I move to amend the committee amendment, if I may do so, by striking out the word "vanillin" on the eighteenth line and inserting it after the semicolon on the twenty-first line, making it read, "vanillin, 10 cents per ounce."

The PRESIDING OFFICER. If the Senator will permit, the Chair suggests that at this point that would scarcely be in order, because of the rule under which we are proceeding. Does not the Senator think that his amendment should come later? We are now considering the committee amendment at the end of line 20.

Mr. KING. I invite the attention of the Chair to the fact that the amendment tendered by the committee does affect vanillin, and if the Senate accepts the Senate committee amendment now, then I shall be precluded from offering it as an original motion, so to speak, to the unamended text of the House.

Mr. McCUMBER. I do not think there is anything which prevents the Senator from moving to insert "vanillin" after the word "pods" on line 16, because that would be an amendment to the committee amendment. Of course, we would have to deal with the same word where it appears on the eighteenth line, and if the Senator should succeed in putting it there, of course I would have to ask that it be stricken out on line 18.

Mr. KING. If the Senator will pardon me, if I place it at the point indicated by the Senator, it would bear a rate of duty which I have not suggested, namely, 20 per cent. I suggested 10 per cent.

Mr. SMOOT. It is 50 cents to-day, and that would be just 20 per cent.

Mr. FLETCHER. Ad valorem?

Mr. SMOOT. Yes; ad valorem.

Mr. KING. That is approximately correct. I have no objection to that. I would have to move, then, to reconsider the vote by which the first amendment was agreed to.

The PRESIDING OFFICER. In the absence of objection, that vote will be reconsidered. The Secretary will state the amendment to the amendment.

The ASSISTANT SECRETARY. After the word "civet" on line 16, page 24, and the comma, insert the word "vanillin" and a comma.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on lines 15 and 16.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment at the end of line 20, to strike out "35" and insert "45," so as to read:

Perfume materials: Ambergris, castoreum, civet, and musk grained or in pods, 20 per cent ad valorem; anethol, citral, geraniol, heliotropin, ionone, rhodinol, safrol, terpineol, vanillin, and all natural or synthetic odoriferous or aromatic chemicals, all the foregoing not mixed and not compounded, and not specially provided for, 45 per cent ad valorem.

The amendment was agreed to.

The next amendment of the committee was, on page 24, line 23, to strike out "pound, and 40" and insert in lieu thereof "pound and 50," so as to read:

All mixtures or combinations containing essential or distilled oils, or natural or synthetic odoriferous or aromatic substances, 40 cents per pound and 50 per cent ad valorem.

Mr. KING. Believing, as I do, that these particular commodities should bear a heavy rate, but convinced that the rate fixed is almost equivalent to an exclusion, and therefore to the establishment of a monopoly in the domestic market, I move to amend, on line 23, by striking out "40" and inserting "20." On many of those items the domestic price is only 40 or 50 or 60 cents per pound.

The PRESIDING OFFICER. The Chair is of the opinion that the amendment offered by the Senator from Utah would not be in order at this time, because that is not a committee amendment. The committee amendent is in line 24. According to the rule under which we are proceeding the Chair would hold that the amendment would not be in order where the Senator proposes it.

Mr. KING. I think the Chair is in error. It seems to me that where an item bears a certain rate per pound, say 40 cents, with no ad valorem, and the committee reports the same 40 cents a pound, but with an ad valorem, an amendment may be offered either attacking the ad valorem or attacking the specific rate. When by adding to the House provision an ad valorem rate, leaving the House specific to stand, manifestly they have augmented the House rate.

Mr. SMOOT. The House rate is an ad valorem rate, 40 per cent ad valorem.

Mr. KING. It would be immaterial. There has been an increase in the ad valorem.

The PRESIDING OFFICER. The Chair was so holding only in the interest of orderly procedure. The Chair thinks to rule otherwise might lead to confusion.

Mr. KING. If the Chair will just permit me a moment, it seems to me it would lead to confusion to pass upon these amendments now. Suppose we accepted the Senate committee amendment. Many might accept it upon the theory that there might be a reduction of the House specific, but in dealing with the entire subject, as we are dealing with it here, it occurred to me that it is immaterial whether it comes as a specific, covering the entire rate, or as an ad valorem, covering the entire duty, or specific and ad valorem, and if the Senate has changed either the specific or the ad valorem, or both, then either or both are subject to amendment.

Mr. FLETCHER. May I suggest to the Senator, Mr. President, that he might attain his purpose by amending the ad valorem? For instance, the 50 per cent ad valorem is in question.

Mr. KING. Undoubtedly that could be done; but I call the Senator's attention to the fact that that is not what I seek to do.

Mr. FLETCHER. I suppose the Senator might accomplish the same purpose by changing the ad valorem.

Mr. KING. Many of these prefumes range from 40, 50, or 60 cents to $10 or $15, and I am perfectly willing that there should be an ad valorem, because the higher priced ought to pay a higher ad valorem, and if the Senator's plan were followed, then you would perpetuate the injustice, so the only way is to reduce the specific and to permit the ad valorem to remain.

Mr. FLETCHER. I was just trying to bring the motion within the rule as to the committee amendments.

Mr. SMOOT. May I call my colleague's attention to the fact that the specific duty in this case amounts to very little, indeed. Some of these oils run from $25 to $250 a pound. The ad valorem is not much. If you want to reduce the rate, reduce the ad valorem, because 40 cents a pound on a $250 article does not amount to much.

I do not want to take the time of the Senate now to explain why this was done, but it is more of an administrative feature than anything else, with this combination rate that is put in. I do not like to refer to the manufacturers of France at this particular time, but as these perfumes come in nobody can tell

just what they are. They are sent here to the French agents, they are compounded here, and we must have some ad valorem rate to catch these different kinds of goods, running all the way from $25 a pound up to $250 a pound. The imposition of specifics will not accomplish the purpose.

Mr. KING. I call my colleague's attention to the fact that a number of these articles sell for very small sums per ounce or per pound.

Mr. SMOOT. Yes; and we put that in because we wanted to find out, on the entrance of those goods into this country, really what was claimed as to their valuation. Sometimes it is less than 40 cents per pound, and then the question arises as to whether we should make an investigation into it, and my colleague knows very well that the ad valorem duty is the duty to impose on these articles.

Mr. KING. I admit that the ad valorem is the one, and where there are these various very costly grades they ought to pay a very high rate of duty. However, I call attention to the fact that these rates will be prohibitive, as to many of these items, that they are in the interest of the local manufacturers, and will give them a monopoly of the market.

Mr. SMOOT. The Tariff Commission itself says that 40 cents per pound and 40 per cent ad valorem is only slightly less than the duty on the finished perfume. That is true, and it makes very little difference so far as the trade in these articles in the United States is concerned.

The women who buy these expensive perfumes do not care whether the price is $1 a bottle or $2 a bottle or $5 or $10; they are going to have them. When they go into a drug store and buy a little bottle about 2 inches tall holding about a quarter of an ounce, and the price is $5, of course they are not particular whether it is $5.01 or $4.99; and it is a question as to how much money we want to raise from these articles. As far as I am concerned I want to raise every dollar we can.

Mr. FLETCHER. My view about the matter is that if there are any such things as luxuries this is one of the items. I think it is good sound Democratic doctrine to tax these luxuries.

Mr. SMOOT. I think so, too.

Mr. FLETCHER. I am in favor of putting on a duty that will produce the greatest amount of revenue.

Mr. SMOOT. That is exactly the way the committee decided, and that is the reason why they raised the rate from 40 to 50 per cent. The Tariff Commission says the rate is nearly the same as upon the finished articles, and that is what we intended, because they are not made in this country. If they were made as good in this country as in France, the French label would sell the foreign articles to the people who buy them in this country.

Mr. KING. I agree entirely with what my colleague has said as to imposing a high rate of duty, and I called the attention of the chairman of the committee to that fact; but I disagree with my colleague in his prediction that they will all be imported from France. In my opinion, with this provision for synthetic chemicals, many of these perfumes will be made here. What I fear is that there will be a monopoly and imports will be so restricted that the revenue will be reduced to the vanishing point.

The PRESIDING OFFICER. The amendment offered by the Senator from Utah not being an amendment to the amendment of the committee, the Chair will be obliged to hold that it is not in order. The question is, therefore, on agreeing to the Senate committee amendment, in line 24, striking out "pound and 40" and making the rate 40 cents per pound and 50 per cent ad valorem.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 25, line 5, after the word "paragraph," to strike out the numerals "58" and insert the numerals "57," so as to make the additional proviso read:

Provided further, That all of the foregoing materials containing more than 10 per cent of alcohol shall be classified for duty under paragraph 57 as toilet preparations.

The amendment was agreed to.

The next amendment of the committee was, on page 25, line 18, to strike out "15 per cent ad valorem" and insert in lieu thereof "2 cents per pound," so as to read:

PAR. 59. Paris green and London purple, 2 cents per pound.

Mr. WALSH of Montana. Mr. President, I suppose that is merely a compensatory duty to take care of the duty of 2 cents per pound imposed upon white arsenic.

Mr. SMOOT. Really, I am a little fearful that this rate is not sufficient because of the fact that it is virtually the rate which was put on by the House before we had any duty upon white arsenic. We have 2 cents a pound on white arsenic, as the Senator knows; and the rate on Paris green is 2 cents. I presume it is a compensatory rate.

Mr. WALSH of Montana. The rate on white arsenic is 2 cents and the rate on Paris green is 2 cents, so I presume it is a compensatory duty.

Mr. SMOOT. Really it was not intended for that, I will say to the Senator. In Paris green there is 50 or 60 per cent of arsenic used. I know that the manufacturers of Paris green have filed within the last two days a bitter complaint against the rate of 2 cents a pound, because they claim that is little enough if they have the free arsenic; but with the 2-cent duty upon white arsenic, they claim that they need 4 cents on Paris green, and really there seems to be some justification for their claim.

Mr. WALSH of Montana. Of course, there being only a 50 or 60 per cent of arsenic in the Paris green, 2 cents would not only be compensatory but would also afford some additional protection. But that is a matter of no great consequence. The information of the Tariff Commission does not give the total consumption of Paris green. Can the Senator supply that?

Mr. SMOOT. I notice it is not given in the Tariff Survey. I thought it was, but it is not. I have not the production, unless I can find it in a letter which I may have here.

Mr. WALSH of Montana. Possibly the Senator from North Dakota can give us the information.

Mr. SMOOT. The production is not available, I will say to the Senator.

Mr. WALSH of Montana. I notice that the imports are negligible.

Mr. SMOOT. That is true. The Payne-Aldrich law had a rate of 15 per cent ad valorem on Paris green, with free arsenic. The present law has Paris green on the free list, and arsenic likewise on the free list.

Mr. WALSH of Montana. Paris green under the present law is free?

Mr. SMOOT. Yes; and the present price is 20 cents a pound.

Mr. WALSH of Montana. I was merely desirous of figuring out, if I could, what the effect would be. I observe the junior Senator from Kansas [Mr. CAPPER], the chairman of the agricultural bloc, is here, and I commend this particular item to his careful, not to say prayerful, consideration, so that he may notice it imposes a duty upon the agricultural States of the country.

Perhaps the junior Senator from Kansas can give us some information as to the consumption of Paris green in the country and just exactly what the extent of the burden upon the agricultural States of the country would be by having a duty of 2 cents on Paris green.

Mr. SMOOT. Let me ask the Senator from Montana if he thinks 2 cents a pound on Paris green is excessive, with 2 cents a pound duty on white arsenic?

Mr. WALSH of Montana. Assuming that there is a duty of 2 cents a pound on white arsenic, I am not quite certain that the manufacturers of Paris green ought not to have a compensatory duty.

Mr. SMOOT. There is no need to assume it, because that has already been agreed to.

Mr. WALSH of Montana. Yes; that has been agreed to by the Senate. I wanted to figure out if I could just about the extent to which the smelter trust is going to profit off of the agricultural interests.

Mr. SMOOT. I do not think this will amount to very much. The House gave 3 cents a pound, with free arsenic. The Senate committee proposes 2 cents a pound, with 2 cents on arsenic. Really I do not think the Senator can object to that if we are going to keep 2 cents a pound on arsenic.

Mr. WALSH of Montana. I do not believe there would be any serious objection to 2 cents a pound on Paris green in view of the fact that we put 2 cents a pound on arsenic; but by the time the bill gets into the Senate, the attention of the agricultural bloc now having been called to the item, we may possibly have a different result upon it and the interest of the agricultural sections may be aroused and further consideration be given to it. I think it will be a little difficult for the junior Senator from Kansas, for instance, to explain to the potato growers of the State of Kansas just exactly why there should be a duty of 2 cents a pound on white arsenic.

I said a little while ago that I was not quite sure that the people of the State of Montana consumed their proportionate share of the olive oil consumed in the country, but we are a great potato producing State. I am sure we produce very much more than our proportionate share of the total product of potatoes in the United States. In fact, it was the Montana potato that made famous the great "big potato route" for travel

across the country. I was a little desirous of figuring out about how much the tax upon the people of my State would be from this little item of 2 cents a pound on Paris green.

I would not think of taking the time of the Senate to discuss these two comparatively insignificant items except for the purpose of illustrating how even a tariff has been given upon items here which bear heavily in the aggregate upon the producing masses of the country simply because somebody has asked for it. I think that is the case with reference to white arsenic and I think that is the case with reference to olive oil.

Mr. McLEAN. I will say to the Senator from Montana that my impression is that the expert figures that it would add about 16 cents an acre to the cost of raising potatoes.

Mr. WALSH of Montana. Can the Senator give the source of his information?

Mr. McLEAN. The expert.

Mr. WALSH of Montana. What expert?

Mr. McLEAN. The same expert, I think, who acted for the committee in 1913.

Mr. WALSH of Montana. Can the Senator give his name, so that I may find out the actual facts from him?

Mr. McLEAN. I think it was Mr. McCoy, but I am not certain.

Mr. WALSH of Montana. The Senator remembers the information he gave much more accurately than the name of the informant.

Mr. McLEAN. It was a matter in which I did not take particular interest, but I think I asked him the question as to about how much extra the expense would be by using this insecticide on an acre of potatoes, and my impression is he said about 15 or 16 cents.

Mr. WALSH of Montana. The Senator has given us one of the factors entering into the total problem, and perhaps he will now be able to give us the number of acres cultivated in potatoes in the United States.

Mr. McLEAN. I can not do that.

Mr. WALSH of Montana. No; so we do not get anywhere.

Mr. McLEAN. Nor can I give the Senator the number of potatoes.

Mr. FLETCHER. Mr. President, has the Senator anything here to indicate that there will be any revenue derived from this source? There is nothing before us to show what the importations have been in the past, and certainly not what they may be when this duty is imposed. Just putting a duty on because it is fashionable to do so or because we get in the habit of doing it, it seems to me is little short of absurd. Here is a tax, even if it is only 10 or 15 cents per acre, which amounts to quite a little to the potato growers of the country. There are other uses for arsenic besides spraying potatoes. Nearly all the plants, trees—fruit trees and other trees—and all kinds of vegetables require this sort of treatment in order to get rid of insects and plant enemies. Paris green is used all over the country.

The people who use it are the producers of our food, and they will be required to be taxed even 10 or 15 cents per acre under this item just simply because some manufacturer of arsenic or something of the sort proposes to have it done, without showing any benefit to the Government or to anybody except to the people who make the Paris green. I think the item ought to go on the free list, where it has been all the while. When it was on the free list there were no importations to amount to anything.

Mr. SMOOT. Before the war there was 15 per cent ad valorem duty upon it, and the importations——

Mr. FLETCHER. Under the act of 1913 it was free.

Mr. SMOOT. But under the Payne-Aldrich law it had a 15 per cent ad valorem rate, and the importations averaged, while that law was in force, about 200,000 pounds a year.

Mr. WALSH of Montana. The information which I have is that the imports of Paris green and London purple in 1914 were 33,373 pounds, more than two-thirds from England and the remainder from Germany. The imports decreased during the war and since 1916 have been negligible. The maximum was 772 pounds in 1920.

Mr. SMOOT. Of course, and I will give the figures to the Senator if he really wants to know. The imports were as follows: In 1908 there were 195,573 pounds; in 1909, 211,856 pounds; in 1910, 192,647 pounds; in 1911, 22,193 pounds; in 1912, 183,089 pounds; and in 1913 there were 165,820 pounds.

Mr. WALSH of Montana. The Senator is as fully advised as I am concerning the reason for those conditions. We began to produce arsenic in the West only within the last 10 years, and prior to that time it was an expensive commodity. Now it is a drug. We can manufacture Paris green in this country in competition with the world simply because we can buy arsenic for almost any figure.

Mr. SMOOT. Oh, well, Mr. President, arsenic was on the free list. The manufacturers of this country made Paris green; we are now talking about Paris green; there was a 15 per cent duty on Paris green which was manufactured in the United States, and while being manufactured in the United States under a rate of duty of 15 per cent there was imported into this country the number of pounds that I have stated during the years I have indicated.

The PRESIDING OFFICER (Mr. LENROOT in the chair). The question is on agreeing to the committee amendment.

Mr. KING. My colleague might have given two years more. The Senator from Montana has just stated that the imports in 1920 were 33,000 pounds.

Mr. WALSH of Montana. Not in 1920. The imports were 33,000 pounds in 1914, but they have decreased since that time, and in 1920 were only 770 pounds.

Mr. SMOOT. I read the figures up to the time of the war.

Mr. WALSH of Montana. No doubt the Senator's figures are correct, and the importations have been decreasing simply because we have been producing white arsenic in this country at such a figure as that the importations are insignificant.

Mr. KING. The statistics of commerce and navigation gives the imports in 1914 at 15,476 pounds and in 1921 as only 325 pounds, so that the imports have been reduced to the vanishing point. As the Senator from Montana [Mr. WALSH] has stated, in view of the enormous production of arsenic by the smelters of the West, where it is a waste product, obviously the price has gone down and the necessity of importing that existed years ago ceased when there was such an enormous domestic production of arsenic in the United States.

Mr. McLEAN. Of course, if that were true, domestic competition would regulate the price of the article, especially in Montana, which is so near to the source of production.

Mr. KING. No; it does not regulate the price, unfortunately, as the Senator must know. It ought to regulate the price; but the Senator from Connecticut is a business man, the Senator is a statesman, and he knows conditions in the United States. He knows as well as anybody that there are combinations in the United States for the purpose of controlling prices.

Mr. McLEAN. But, as the Senator from Utah has stated, the production in this country has become so large that it has resulted in decreasing the price, and I assume that the decrease in price has been due to the fact that there has been competition in this country; and, of course, the Senator knows there is very active competition in the production of this article.

Mr. KING. I do not know that there is competition in its production. The article is produced because the smelters can not help themselves. In the reduction of sulphide ore the smelters are bound to emit arsenic. The arsenic is in the ores; when the ores are smelted the arsenic passes off, and unless it is intercepted by bag houses or some other contrivance it will go up through the high smokestacks out into the air and be deposited upon vegetation. The result is that animals eating the hay and the lucerne and the other grasses are killed and human beings sometimes either lose their lives or their health is impaired.

Mr. McLEAN. If it is a by-product——

Mr. KING. It is a by-product.

Mr. McLEAN. It will be sold for what the trade will bear, of course; and if, then, there is a large by-product it will be sold for what may be secured.

Mr. KING. Then, why did the Senator from Connecticut vote for a tariff on arsenic when it is a by-product and when thousands if not tens of thousands of tons are produced in the United States in the process of smelting of sulphide ores?

Mr. McLEAN. I do not think the tariff on this article makes a particle of difference in its price in this country.

Mr. KING. Then, why did not the Senator from Connecticut vote against it; for now the Senator is urging a compensatory duty on Paris green because we have imposed a 2-cent specific duty upon arsenic?

Mr. McLEAN. If we did not have the duty, there might be large importations. There are large smelters in Europe, and I assume that it is a by-product there, as it is here. I do not think it is a matter of enough consequence to waste any time in discussing it, but it does not seem to me, if the statement of the Senator from Utah is correct, that the tariff can make any difference as to its price in this country.

Mr. KING. If it be true that the tariff does not make any difference in the price of this product, the Senator from Connecticut has no right to ask us to vote a tariff of 2 cents a pound on arsenic, or for any tariff whatever, and then turn around and say, "We have already a specific tariff on arsenic; now we must put a compensatory tariff upon Paris green." The Sena-

tor's position is illogical and can not, with all due respect to him, be justified, in my opinion.

Mr. McLEAN. Paris green is manufactured in this country, but there is active competition in its production.

Mr. KING. Mr. President, let us briefly consider the situation. The distinguished Senator from Connecticut, although, perhaps, not openly, supported the committee the other day when they advocated a tariff upon arsenic. The able Senator from Montana and others opposed a tariff on arsenic, calling attention to the fact that in smelting the sulphide ores of the West arsenic passed off as a waste product until a few years ago, when by court decrees in some of the Western States smelters were compelled to arrest, by the introduction of bag houses into their metallurgical works, the expulsion of the arsenic and other solids into the air, where it would be diffused and dispersed by the winds and deposited upon vegetation, where it worked disaster to animal life.

The Republican majority succeeded in putting in the Senate a tariff upon this product. Who wanted it? Obviously it must have been the smelters; and yet it is a by-product which they are compelled to dispose of in the smelting of their sulphide ores. Those sulphide ores are smelted because of their copper content and, possibly, because of a little gold or silver or other valuable metal; but not because of the arsenical content; that is not a consideration; indeed, arsenic has always been regarded as a base metal, and the ores carrying arsenic have been penalized at the smelter; in other words, ores that do not carry arsenic are accorded a better rate by the smelters than ores that do carry arsenic. So the smelters, because of the injury to animal life in the passing off into the atmosphere of arsenic, were compelled to collect it. They had it upon their hands, did not know what disposition to make of it, and doubtless, it was sold for the manufacture of Paris green and other insecticides.

Some prudent and thrifty representative of those who produced this by-product comes here to the Republican Senate and the Republican Congress and says he wants a tariff on arsenic, and the Republican Congress puts a tariff upon arsenic. Now they want a compensatory duty on Paris green because arsenic is the base of Paris green, and the able Senator from Connecticut says he does not think the tariff put upon arsenic cuts any figure in the price of arsenic. Then I ask the Senator to take the tariff off of arsenic, and when we take it off, if we do, will the Senator consent to take off the tariff upon Paris green? Manifestly not.

Mr. McLEAN. No; and I will tell the Senator why.

Mr. KING. I knew the Senator would not.

Mr. McLEAN. I will tell the Senator why.

Mr. KING. I can tell the Senator from Connecticut why.

Mr. McLEAN. If the Senator's position is correct and this is a by-product in Europe and in this country and is produced for almost nothing, it must be evident that on the arsenic that is imported the duty will not be charged to the American consumer; it will have to be paid by the exporter; he will have to reduce his price to meet the American price, and we might just as well get a little revenue out of it as not.

Mr. FLETCHER. Only 700 pounds came in in 1921, when it was free. How can we expect to get any revenue from it when it is placed on the dutiable list?

Mr. HITCHCOCK. Mr. President, will the Senator submit to a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. KING. I yield.

Mr. HITCHCOCK. The Senator from Connecticut says that the proposed tariff on Paris green, which heretofore has been on the free list, has been made necessary or excusable because of the increased tariff on arsenic. Now, I want to ask him whether there will also be called forth a compensatory duty on potatoes, because, of course, the duty upon arsenic makes necessary the putting of a duty on Paris green; and as the farmers must use Paris green on their potatoes, I suppose the Republican Party will hand them a gold brick in the shape of a duty on potatoes as a compensation for the increased cost of Paris green.

Mr. KING. Mr. President, I commend the suggestion of my able friend, the Senator from Nebraska, to the distinguished chairman of the agricultural bloc, and I suggest when we come to the consideration of the agricultural schedule that the distinguished Senator from Kansas, the chairman or president—I do not know what his official title is; the Pooh-Bah of the bloc—arise here in his seat and say, "Gentlemen, you have imposed a tariff upon arsenic and a tariff upon Paris green; we have to buy the Paris green as an insecticide to sprinkle over our trees and our vegetation and our potatoes, and therefore we must have a higher tariff upon potatoes and upon all the products of the field and farm." That is a logical argument.

Mr. HITCHCOCK. Mr. President, it has been suggested by the Senator from Alabama that that does not end the compensatory duty program, because potatoes are used in the manufacture of yeast it will be necessary to have a compensatory duty upon yeast.

Mr. KING. And upon starch.

Mr. HITCHCOCK. And as yeast is used in the making of bread, there will have to be a compensatory tariff duty upon bread.

Mr. KING. That merely illustrates how fearfully and wonderfully constructed our tariff schedules are when drafted by our Republican friends.

I know why the Senator from Connecticut, even if we should strike down the tariff on arsenic, would not consent to take off the tariff on Paris green. It is because it is manufactured by a large number of important corporations in the United States, chief among which is the Sherwin-Williams Co., of Chicago, Ill.; Devoe & Raynolds, Chicago, Ill.; Glidden Co., Cleveland, Ohio; A. B. Ansbacher & Co., New York City; Fred L. Lavanburg Co., New York City; Pfeiffer Color Co., New York City; James Blanchard, Brooklyn, N. Y.; Bristol, Myers Co., Elizabeth, N. J.; Nitrate Agencies, Bayonne, N. J.; and Detroit White Lead Co., Detroit, Mich.

Before this debate is over, Mr. President, I shall put into the RECORD the names of every corporation whose representatives appeared before the committee and who gave testimony upon this schedule, their capital stock, their subsidiary organizations, the names of their directors, and the dividends which they have paid in cash and in stock during the past 10 or 15 years. We will then see who are the beneficiaries, who have been the power behind the demand for these extortionate rates which we find expressed upon page after page of the pending bill.

Just a word from the surveys:

> Paris green, a compound containing both copper and arsenic, is light green in color, insoluble in water, and very poisonous. It is manufactured from salts of copper and arsenic, and is used principally as an insecticide, but not as much as formerly, being replaced to a great extent by arsenate of lead. It is employed also as a pigment. London purple, a by-product of the arsenic-acid method for the manufacture of fuchsine, is essentially calcium arsenite and arsenate colored by fuchsine, and is insoluble in water and poisonous. * * *
>
> Imports of Paris green and London purple in 1914 were 33,373 pounds, more than two-thirds from England, the remainder from Germany. Imports decreased during the war, and since 1916 have been negligible.

And, as I have stated, in 1921 the imports were only 323 pounds.

Mr. President, nothing more need be said. This is simply giving a sop to some corporation, and in so doing you are imposing a burden upon the farmers of the United States. What is the reason for it? I ask the Senators upon the other side who exhibit so much solicitude for the farmer to show their real friendship for the agricultural interests now by voting against this rate which has been suggested by the committee.

Mr. President, when we reach the free list I shall ask to transfer this item to the free list; but in the meantime I move to strike out the numeral "2" and to insert in lieu thereof "one-tenth," so that it will read "one-tenth of 1 cent per pound."

The PRESIDING OFFICER. The Senator from Utah offers an amendment to the amendment of the committee, which will be stated.

The ASSISTANT SECRETARY. On page 25, line 19, it is proposed to strike out "2 cents" and in lieu thereof to insert "one-tenth of 1 cent."

Mr. SMOOT. Mr. President, I simply want the record to show that the Senate committee amendment is a reduction of 33⅓ per cent from the rate of the House bill. The House bill was made with free arsenic. The Senate committee put a duty of 2 cents on arsenic, but they did not put a compensatory duty on Paris green. The rate of 2 cents a pound on Paris green is equal to 10 per cent on the price of arsenic to-day. All this criticism is based upon that outrageous rate of 10 per cent ad valorem. Not only is it 10 per cent ad valorem but the manufacturer in America, 50 per cent of whose raw product is arsenic, is compelled to pay 2 cents a pound. If that is an outrageous tariff rate, I do not so understand.

Mr. HITCHCOCK. Mr. President, while the record is being made up, let me put in the record the fact that Paris green was one of a large number of items which were put into the farmers' free list in the so-called Underwood bill, passed in 1913, and still the law of the land. That is worth making a record of—that an effort was made at that time to create a farmers' free list, and now a deliberate purpose is pursued of

taking articles on the farmers' free list and subjecting them to a duty.

Mr. McCUMBER. Mr. President, at this time I ask unanimous consent that when the Senate closes its session to-day it recess until to-morrow at 10 o'clock. I am asking that we shall meet at 10 o'clock to-morrow morning with the idea of not holding an evening session to-morrow. I hope that will be satisfactory.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota?

Mr. UNDERWOOD. Mr. President, I do not rise to make any objection. As I said the other day, I think the Senator in charge of the bill has a difficult task before him, not by reason of any opposition on this side, but by reason of the machinery that is necessary to pass the bill, and I think he should use his own discretion in the time that he desires the Senate to work; but I should be glad if he could arrange to have daylight hours in which we could work, instead of night hours. I am not objecting, however, to the course he pursues.

Mr. McCUMBER. I am going to try daylight hours to-morrow, and see how it works, if it is agreeable.

Mr. HARRISON. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Mississippi?

Mr. McCUMBER. I yield.

Mr. HARRISON. I will suggest to the Senator that under the President's order we have put the time up one hour. Could we not meet at 9 o'clock to-morrow?

Mr. McCUMBER. I could.

Mr. SMOOT. Yes; I should like the Senator to change that request and make it 9 o'clock.

Mr. McCUMBER. I should not desire to meet at 9 o'clock and then spend an hour trying to get a quorum, and therefore at the present time I will select 10 o'clock, if I can get unanimous consent.

Mr. SMOOT. I know that the Senator from Mississippi would like to meet at 8, and I am perfectly willing to meet at 8.

Mr. HARRISON. I think if we are going to get any time on this side to talk to-morrow we will have to start about 9 o'clock, because practically all the time to-day has been taken up by speeches on the other side.

Mr. McCUMBER. I noticed that.

Mr. SMOOT. The Senator is mistaken there.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and it is so ordered.

Mr. WALSH of Montana. Mr. President, I am obliged to the Senator from Connecticut [Mr. McLEAN] for the information he gave us a few minutes ago that this little tax on Paris green amounts to the trifling sum of 15 cents an acre. I have meanwhile secured the information concerning the acreage devoted to this very necessary food product. I find that something like 5,000,000 acres are cultivated to potatoes in this country—3,929,000 acres to Irish or white potatoes, and 1,085,000 acres to sweet potatoes. Fifteen cents an acre, which we are cheerfully adding to the burden of agriculture in this country, amounts to a trifle of $750,000—three-quarters of a million dollars by this little item of 2 cents a pound on arsenic. Just a few minutes ago we subsidized the olive growers of southern California by imposing a burden upon the householders of the country annually of $2,500,000 to $4,000,000; and now we impose an additional burden upon the agricultural interests of the country so gladly advocated by the estimable Senator from Connecticut of a little trifle of three-quarters of a million more.

Mr. McLEAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Connecticut?

Mr. WALSH of Montana. I do.

Mr. McLEAN. Of course, that is assuming that the grower of potatoes pays this tax.

Mr. WALSH of Montana. Who does the Senator think pays it?

Mr. McLEAN. If it is true that the competition in this country has reduced the price to a cent or 2 cents a pound, and it can be produced across the water at the same price, it must be evident that the exporter can not get into this country unless he fixes his price to meet the domestic price, and in that event he must pay the tax.

Mr. WALSH of Montana. The argument of the Senator is that there is no occasion whatever for a duty on arsenic. I agree with him about that proposition.

Mr. McLEAN. I do not agree to that. I think we may as well get a little money out of the proportion of it that comes into this country, as long as the exporter pays it.

Mr. WALSH of Montana. And permit the domestic producer to raise his price by the amount of the tax, of course.

Mr. McLEAN. The statement of the Senator from Utah demonstrates that competition in this country has been so fierce that the result has been to reduce the price of arsenic to almost nothing.

Mr. WALSH of Montana. I have not heard the Senator say that there was any competition at all in this country in the production of arsenic.

Mr. McLEAN. The facts which he stated demonstrate that, if he did not admit it himself.

Mr. WALSH of Montana. The facts are, Mr. President, that arsenic is a by-product of the smelting industry; and the Senator ought to know, and probably does know, that the smelting industry of this country is controlled by not to exceed one-half dozen corporations, all of whom manage to keep their prices just about the same, even upon their main products.

Mr. DIAL. Mr. President——

Mr. WALSH of Montana. I have called your attention to the acreage devoted to the production of potatoes; but, of course, Paris green is used in the destruction of insects that attack other vegetables besides potatoes.

Mr. DIAL. I just wanted to call the Senator's attention to that fact.

Mr. WALSH of Montana. My understanding is that it is used extensively in the warfare upon the boll weevil of the South.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah [Mr. KING] to the amendment of the committee.

Mr. HITCHCOCK. I call for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. DIAL (when his name was called). I have a pair with the Senator from Colorado [Mr. PHIPPS]. I transfer that pair to the Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

Mr. HARRIS (when his name was called). I transfer my pair with the Senator from New York [Mr. CALDER] to the Senator from Texas [Mr. CULBERSON] and will vote. I vote "yea."

Mr. HARRISON (when his name was called). I have a general pair with the junior Senator from West Virginia [Mr. ELKINS]. I transfer that pair to the senior Senator from Ohio [Mr. POMERENE] and will vote. I vote "yea."

Mr. JONES of New Mexico (when his name was called). I transfer my pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED], and will vote. I vote "yea."

Mr. NEW (when his name was called). Transferring my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Washington [Mr. POINDEXTER], I vote "nay."

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. I transfer that pair to the junior Senator from Alabama [Mr. HEFLIN], and will vote. I vote "yea."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Tennessee [Mr. SHIELDS], and will vote. I vote "yea."

Mr. OVERMAN (when Mr. SIMMONS's name was called). My colleague [Mr. SIMMONS] is unavoidably detained. He has a general pair with the Senator from Minnesota [Mr. KELLOGG].

Mr. STERLING (when his name was called). Transferring my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Oregon [Mr. STANFIELD] I vote "nay."

Mr. McKINLEY (when his name was called). I transfer my pair with the Senator from Arkansas [Mr. CARAWAY] to the senior Senator from Minnesota [Mr. NELSON] and vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL]; and

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS].

Mr. EDGE. I transfer my pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from Pennsylvania [Mr. PEPPER], and vote "nay."

The result was announced—yeas 17, nays 35, as follows:

YEAS—17.

Ashurst	Harrison	Overman	Walsh, Mass.
Dial	Hitchcock	Robinson	Walsh, Mont.
Fletcher	Jones, N. Mex.	Sheppard	
Gerry	La Follette	Swanson	
Harris	Myers	Underwood	

NAYS—35.

Ball	Keyes	Moses	Smoot
Brandegee	Ladd	New	Spencer
Bursum	Lenroot	Newberry	Sterling
Capper	Lodge	Nicholson	Townsend
Curtis	McCormick	Norbeck	Wadsworth
Edge	McCumber	Oddie	Watson, Ind.
Frelinghuysen	McKinley	Page	Weller
Hale	McLean	Rawson	Willis
Jones, Wash.	McNary	Shortridge	

NOT VOTING—44.

Borah	Elkins	King	Reed
Broussard	Ernst	McKellar	Shields
Calder	Fernald	Nelson	Simmons
Cameron	France	Norris	Smith
Caraway	Glass	Owen	Stanfield
Colt	Gooding	Pepper	Stanley
Crow	Harreld	Phipps	Sutherland
Culberson	Hefin	Pittman	Trammell
Cummins	Johnson	Poindexter	Warren
Dillingham	Kellogg	Pomerene	Watson, Ga.
du Pont	Kendrick	Ransdell	Williams

So Mr. KING's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question now recurs on the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 25, line 20, to strike out "10" and insert "8," so as to read:

Paragraph 60. Phosphorus, 8 cents per pound.

Mr. JONES of New Mexico. Mr. President, I realize that the amendment proposed by the Finance Committee reduces the duty on phosphorus, but as this is a very important article, and it has been on the free list, I desire to say just a little on this item. Phosphorus has a very useful purpose. Among other things, it is used for killing rats, and unless there is some very good reason for it I do not see why we should increase the cost of killing rats. So I would like to have some one explain why there is a duty put on phosphorus at all. It is on the free list at the present time.

Formerly it was used in the making of matches, which has been prohibited on account of its poisonous character; but there was some special insistence on the duty on phosphorus, and I should like to know about it.

The only evidence I have been able to find on the subject is from the representative of the Diamond Match Co., and he said they did not really need any duty on phosphorus at all. He said he did not object to a small duty, but he thought that 10 cents a pound was too much, and suggested 5 cents a pound. That is the only testimony I have found. I do not happen to have here to-night the hearings of the Ways and Means Committee on this particular article.

Mr. SMOOT. Of course, Mr. Becker, who testified for the Diamond Match Co., wants it free. When he wrote to me about it, I wrote and asked him if he did not want matches free, and his answer was quite different from what he had suggested ought to be done with phosphorus. The statement of Charles W. Asbury, representing the American Phosphorus Co., follows Mr. Becker's testimony.

Mr. JONES of New Mexico. I have not reached that in the examination of this question, but I will just call attention to it. He is the president of the American Phosphorus Co., with general offices in Philadelphia. I do not know what he said, but I think I can anticipate what it will appear that he said. It is just what a great many other witnesses who appeared before the Finance Committee did say.

Mr. SMOOT. He quoted General Fries, of the War Department.

Mr. JONES of New Mexico. He said:

First, I would like, Mr. Chairman and gentlemen, to outline to you very briefly the commercial status of the business. Ours is the only American owned and operated plant in the United States. There is an English owned and operated plant in Niagara Falls, United States, with which plant we compete. Our plant has been closed since November of last year.

Senator WATSON. Why?

Mr. ASBURY. Because of the importations of phosphorus.

Senator WATSON. From where?

Mr. ASBURY. From Germany and France.

Senator MCCUMBER. Is the other one closed of which you speak.

Mr. ASBURY. The other one is operating on compounds of phosphorus. They have facilities for manufacturing compounds using phosphorus as a basis, but we make the phosphorus only.

Senator WATSON. How much have they shipped in?

Mr. ASBURY. They shipped in last year nearly 300,000 pounds.

Senator WATSON. What is the American consumption?

Mr. ASBURY. The American consumption in peace time is a little over a million pounds a year.

Senator WATSON. How much do you make?

Mr. ASBURY. We make about 400,000 pounds when we are running.

Senator WATSON. Your plant is closed down?

Mr. ASBURY. Our plant is closed down entirely and has been closed down since November last.

Senator WATSON. And the foreigners are supplying the demand.

Mr. ASBURY. The foreigners are supplying the demand.

Senator WATSON. What is the difference in cost of production in your factory and in France or Germany?

Mr. ASBURY. I can answer that perhaps a little more concretely, Senator, in this way: That the importations in the last quarter of last year were valued at 17 cents a pound. Our average cost of production is 38 cents a pound.

The present status of the duty is this: I appeared before the Ways and Means Committee of the House and asked that the rate provided in the Payne-Aldrich bill should be restored. It was 18 cents a pound.

Senator SMOOT. Before you go into that, the production in 1914 in this country was 1,315,000 pounds. The importations in 1914 were 605 pounds?

Mr. ASBURY. Yes, sir; in 1914, that is true.

Senator SMOOT. In 1917 the importations were 4,010 pounds?

Mr. ASBURY. Yes, sir.

Senator SMOOT. Have you got the information as to importations?

Mr. ASBURY. I have, sir—that is, I have not the intervening years, but I have 1919 and 1920, from the Department of Commerce.

Senator SMOOT. I will see what it is here.

Mr. ASBURY. For the year of 1919 there were 54,916 pounds.

Senator SMOOT. Is that all?

Mr. ASBURY. That is all in the year 1919. But when we come to 1920, divided by quarters, we have the first quarter, 23,971; the second quarter, 29,962; the third quarter, 202,369; for the fourth quarter, 35,447.

Senator DILLINGHAM. And that aggregates how much?

Mr. ASBURY. That aggregated over 300,000 pounds in 1920.

I also have for the first six months of 1921, as reported by the Department of Commerce, though not yet published, 123,518 pounds.

Senator LA FOLLETTE. For six months?

Mr. ASBURY. For six months.

Senator LA FOLLETTE. That is less than 10 per cent of our consumption.

Mr. ASBURY. Yes.

Mr. President, that is a sample of what this committee are recommending to the Senate. Upon such testimony as that they come and ask us to put a tariff of 8 cents a pound upon phosphorus, when it is on the free list now. I want to read to the Senate just what the Tariff Commission have to say about it. In describing it they say:

Production in 1914 was approximately 1,315,000 pounds. Phosphorus is a product of the electric furnace, the raw materials being calcium phosphate, sand, and carbon. During the war production in this country, as well as in Europe, multiplied four or five times, but since the war-time demand has abated output has declined, leaving idle a large productive capacity.

Let me call attention further to the fact that there are only these two concerns which have been manufacturing phosphorus at all, and one of them is an agent for the English concern. Here is just what happened: During the war, and for war purposes, all these countries which manufacture phosphorus accumulated a surplus, which was not needed after the war was over. It appears from the Tariff Information that prior to the war, prior to this increased demand, the factories in the United States were supplying the home consumption, and they were doing it on a free basis. They did not have any duty. They did not want any tariff. They supplied this whole consumption in competition with the world, and now, simply because some concern comes in here and says there are some importations coming in and they want a tariff—and that is the only evidence presented before the Finance Committee—they recommend this rate.

Some witness interested comes before the committee and says, "My God! There is some phosphorus coming into this country. Give me a tariff rate." And the committee very generously give the tariff. They are doling out the dollars of the people of this country simply because somebody wants a tariff.

That is what they have done regarding not only this article but hundreds of articles in this bill. Upon that flimsy testimony they put a tariff of 8 cents a pound on it. The House put a tariff of 10 cents a pound on it. The Finance Committee very generously reduced it to 8 cents. Why it became so considerate of the public welfare as to reduce from 10 to 8, the Lord only knows; I do not. There is nothing in this record which would point the way to make the discrimination, but somehow or other I imagine they got an idea that they were filching the public a little too much, and that they would take off a little. What it was that happened to the majority of the Finance Committee at that time I do not know, but this is the only evidence they have. Somebody comes in who is interested in the manufacture of phosphorus and says, "There are some importations coming in." They did not stop to inquire why. They did not stop to inquire as to the cause, but it does appear that it costs about twice what it cost before the war, and they want a tariff to keep up that price.

I do not want anybody to get mad at what I have said, because I did not mean any offense at all, but I would like to have some good-natured member of the Finance Committee explain to me this acrobatic performance, mental or otherwise. I would like to know why it is.

Mr. McCUMBER. Mr. President, both sides of the question were heard, the importer's side and the manufacturer's side. The evidence on the part of the manufacturer was that it was imported into this country for 17 cents a pound. He claimed that it cost his company 38 cents a pound. Whether his claim was well founded or not, the fact appeared to be well founded that 300,000 pounds coming in during the course of a year, against a consumption of about 1,000,000 pounds a year, closed the business of that concern which was producing 400,000 pounds a year.

They asked for 18 cents a pound. The committee, hearing both sides and recognizing that the cost of production was probably excessively high in the United States at the present time, gave 8 cents a pound protection and not 18 cents. I do not regard it as a heavy protection. Under the circumstances, even when we get our production to a point where we can open these mills again, we shall probably be producing at 25 or possibly 20 cents a pound instead of 38 cents.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the committee was on page 25, line 22, before the words "per centum," to strike out "15" and insert "25," so as to read:

Par. 61. Plasters, healing or curative, of all kinds, and court-plaster, 25 per cent ad valorem.

Mr. McCUMBER. Is it agreeable to have a vote on this amendment at the present time?

Mr. JONES of New Mexico. The junior Senator from Utah [Mr. KING] understood that after taking a vote upon the preceding amendment there would be a recess of the Senate.

Mr. McCUMBER. Very well; that was my understanding.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened and the Senate (at 10 o'clock and 7 minutes p. m.), under the order previously entered, took a recess until to-morrow, Tuesday, May 16, 1922, at 10 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 15 (legislative day of April 20), 1922.

REGISTER OF THE LAND OFFICE.

Bartlett Sinclair to be register of the land office at Boise, Idaho.

PROMOTIONS IN THE ARMY.

ADJUTANT GENERAL'S DEPARTMENT.

To be lieutenant colonels.

Jennings Benjamin Wilson.	Harry Davis Mitchell.
George Michael Holley.	William Weston Bessell.
Milton Artells Elliott, jr.	Frank C. Burnett.

To be majors.

Emory Sherwood Adams.	John Grant MacDonnell.
Edward Aloysius Brown.	Chauncey St. Claire McNeill.
William Augustus Beach.	Ralph Samuel Kimball.
Henry Balding Lewis.	

COAST ARTILLERY.

Maj. Gen. Frank Winston Coe to be Chief of Coast Artillery, with rank of major general.

AIR SERVICE.

Richard Henry Ballard to be captain.

POSTMASTERS.

OHIO.

Harold A. Carson, Bergholz.
James C. Kelley, Clarksville.
Hilton C. Hart, New Waterford.

ALABAMA.

Edward C. Barnes, Evergreen.
William C. Starke, Troy.

FLORIDA.

Jennie L. Cooley, Lynn Haven.

GEORGIA.

Ibbie G. Pearce, Sumner.

ILLINOIS.

Harley L. Miles, Elburn.
Charles O. Selfridge, Good Hope.
Norman Jefferson, Hinsdale.
William J. Dobberstein, Lombard.
J. Mac. Duncan, Mackinaw.
Henry Snow, Maquon.
Glenn W. Weeks, Tremont.
H. Malcolm Leighty, Vermont.

INDIANA.

Winona Newsom, Carthage.
Charles F. Porter, Hagerstown.
Herbert A. Milburn, Patoka.

MICHIGAN.

William Wolz, Three Oaks.
Florence C. Curtis, Whittemore.

NEW YORK.

Jul Johnson, Kinderhook.
Eugene H. Ireland, Palatine Bridge.
Albert D. Ritchie, Saratoga Springs.
Harry C. McNamara, Valatie.

OHIO.

Albert D. Owen, Austinburg.
Edgar R. Holmes, Millersport.

PENNSYLVANIA.

John H. Ammon, Beaver.
Sylvester D. R. Hill, Charleroi.
Harvey J. Hertzog, Mertztown.
George S. J. Keen, Wiconisco.

TENNESSEE.

Alexander C. Austin, Ardmore.
Woodford C. Monroe, Celina.
William R. Robinson, Charlotte.
Hugh B. Nunn, Ripley.
Irene M. Chears, Spring Hill.

HOUSE OF REPRESENTATIVES.

MONDAY, *May 15, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our God, unto Thee we lift our grateful hearts. We are still moving in the pathway of Thy providence, full of love and mercy. It fills and overflows every thought and conception of human need. Truly Thou art a wonder-making God, and all things are working together for our good. Give wisdom to this assembly in the solution of the problems of state. Look with compassion upon any who may be bearing burdens caused by others. Bless to us our silent sufferings, and make rich the experiences of the troubled life. O may the kingdom of peace, good will, and fraternity prevail wherever man is found. Through Christ. Amen.

The Journal of the proceedings of Saturday, May 13, 1922, was read and approved.

INSPECTION TRIP TO QUANTICO.

Mr. HICKS. Mr. Speaker, I ask unanimous consent to address the House for three minutes.

The SPEAKER. The gentleman from New York asks unanimous consent to address the House for three minutes. Is there objection?

There was no objection.

Mr. HICKS. Mr. Speaker, on Saturday afternoon there was read to the House a letter in reference to the trip to Quantico, which unfortunately had to be postponed a couple of weeks ago. The announcement was read rather late, and so I desire to direct the attention of Members to the new schedule. The trip has now been arranged to take place this coming Thursday. The *Mayflower* will leave the navy yard at 8.30, standard time, and will return from Quantico leaving there at 8 o'clock p. m., and should be back here in Washington by 10.30 p. m. Members who desire to return earlier will find a convenient railroad service. If those gentlemen who obtained tickets for the other trip still have them, they will be good for the Thursday trip.

Those who have not yet procured tickets should go to the room of the Naval Affairs Committee of the House, on the third floor of the House Office Building, and there sign up and get their tickets and present them by 8.30 in the morning next Thursday at the navy yard when they board the ship. As announced before, the accommodations both on the ship and at the mess halls, where the Members will be guests of the officers and men, will not permit of this invitation being extended to other than Members of Congress. The program has been enlarged and includes a review of the troops, inspection of barracks and schools, airplane flights, a presentation of trench warfare, concert by the enlisted men, and an outdoor vaudeville performance.

On behalf of Secretary Denby and Generals Lejeune and Butler, I urge all Members to take the trip, and can promise them an enjoyable as well as a profitable experience.

Mr. RAKER. Will the gentleman yield for a question?

Mr. HICKS. Certainly.

Mr. RAKER. Can the gentleman inform us whether there will be any roll calls on Thursday?

Mr. HICKS. The gentleman from Wyoming [Mr. MONDELL] is present and able to answer questions as to the program for that day.

Mr. STAFFORD. Why should there not be roll calls? We ought to be in session.

Mr. RAKER. There ought not to be any roll calls when the Members are absent from the House on official business, inspecting a public institution.

Mr. GARNER. Mr. Speaker, let us have the regular order if we are going into this——

The SPEAKER. The gentleman demands the regular order. To-day is the day when the unanimous-consent calendar is in order.

MOTHER'S DAY.

Mr. JEFFERS of Alabama. Mr. Speaker, I ask recognition for a moment to call attention very briefly to the observance on yesterday of Mother's Day, especially to the ceremony held beside the tomb of the unknown American soldier at Arlington Cemetery, in which ceremony the Gold Star Mothers of America and the American Legion Auxiliary and the American Legion united in doing honor both to the unknown American hero and to the mothers of the unknown American dead.

In this connection, Mr. Speaker, I ask unanimous consent to extend these remarks in the RECORD by inserting in 8-point type an address delivered on that occasion by a Member of the House, Hon. WALTER F. LINEBERGER, of California.

The SPEAKER. The gentleman asks unanimous consent to extend his remarks in the RECORD for the purpose indicated. Is there objection?

There was no objection.

The address referred to is as follows:

ADDRESS OF HON. WALTER F. LINEBERGER, OF CALIFORNIA, AT THE TOMB OF THE UNKNOWN AMERICAN SOLDIER, ARLINGTON NATIONAL CEMETERY, ON MOTHER'S DAY, SUNDAY, MAY 14, 1922.

Mr. LINEBERGER. Mr. Department Commander, ladies of the War Mothers, American Legion Auxiliary, and other patriotic organizations and comrades of the World War, half a year ago, on November 11, 1921, to be exact, in commemoration of Armistice Day and in tribute to the unknown soldier, whose last mortal remains lie within these sacred precincts, His Excellency, Hon. Warren G. Harding, President of the United States, delivered an address so memorable in character, so American in its perfect diction and idealism, that it will go down in history ranking with Lincoln's immortal Gettysburg Address, which was the greatest oration ever delivered by our martyred President.

We are gathered to-day in these same hallowed premises not only to pay homage to the unknown hero here, but to the unknown mother who gave him birth and to whom President Harding referred in his speech in the following touching terms:

> Some mother gave him in her love and tenderness, and with him her most cherished hopes. Hundreds of mothers are wondering to-day, finding a touch of solace in the possibility that the Nation bows in grief over the body of one she bore to live and die, if need be, for the Republic.

What more appropriate date could have been selected for paying this impersonal dual tribute to mother and son than Mother's Day, when millions of mothers throughout the land are receiving the merited gratitude of the sons and daughters of the generation which they have contributed to posterity? Well may it be that amidst this vast throng, in some American home, lives the mother who gave to the Nation our unknown soldier. At least we know that there are millions of her prototype, who, like her, gave their sons to fight for the Nation in its hour of peril that the cause of humanity and civilization might not perish, and because of this we are gathered here to-day to pay the impersonal tribute in the name of all. No word that we may utter, no deed that we may perform, can add to the imperishable glory of this unknown mother and her hero son, but we come in all humility to worship at this shrine of patriotism that we and not they may be exalted.

If the inspiration which we gather here to-day shall make us better Americans and enhance our love for our country, the country for which they have sacrificed, then these heroes shall not have faced their Calvary in vain.

From the very dawn of history it has been the custom to hold in high esteem those mothers who have given their sons for the defense of their country. In ancient Sparta the mothers of this historic fighting clan of ancient Greece crowned their victorious soldier sons with wreaths of laurel, emblematic of victory, as they returned from the field of battle. The fighting qualities of the sons of Sparta have been sung in song and story down through the intervening ages, and there are none who question that these legionnaires of old received their inspiration from the mothers who gave them birth and who sent them forth with a smile to meet the hosts of the enemy.

The American soldier, through his endurance and dauntless bravery, is to modern times what the soldier of Sparta was to the nations of antiquity, and the fortitude and courage of the American mother of our soldier sons shall go down in history as the peer of that of the Grecian mother of the heroic age of which the poets sing.

Since the very birth of the Nation we Americans have treasured in our hearts a devotion almost amounting to veneration for those of our departed heroes who have shed their life's blood in defense of our Nation and its institutions, so it is no new impulse which brings us here to-day, with simple homage and with simple words, to lay a wreath in the name of the unknown soldier's mother upon the bier of her unknown American soldier son, who gave up his life on the fields of France that we who survive might enjoy the freedom and security for which he fought.

We are not unmindful that his sacrifice and those of his like—whom he personifies to the Nation—have again confirmed to us that life, liberty, and happiness, inalienable to freemen, and which is the legacy of that glorious array of Americans of other wars, many of whom, like the one who lies here, went down to nameless graves and unknown to posterity, but whose deeds shall forever stand as an imperishable monument to their patriotic achievements.

Let us pledge here to-day renewed allegiance to the flag and institutions for which these hallowed dead have given their lives. Let us pass on to the generations which shall come after us, untarnished and unstained, the escutcheon of ideals which these young heroes held on high. Let us remember that in carrying out these ideals they made the last supreme sacrifice of devotion.

In paying tribute to the unknown and through him to all the unknown of the American forces in the great World War let it not escape us that the great national mind, or conscience, perhaps I should say, has long since and with unerring and delicate perception reached out into that great mass of patriotic womanhood of the Nation and lifted from humble complacency to the highest pedestal of national veneration that tried and true friend of the unknown hero, his unknown mother.

Enshrined in our hearts and chiseled with indelible trace in our memories is the image of the one who gave him birth, nurtured him in infancy, shared his joys and troubles in youth, and smilingly sent him forth with a mother's kiss and a mother's whispered prayer to meet the fate which the God of battles had in store for him. Thus inspired with her high faith and indomitable courage he crossed the threshold and faced the unknown future.

Those who were his comrades in the great adventure, where death rode on the wings of the morn and where men's souls were uplifted and purified in the crucible of sacrifice, know how ineradicably fixed in his mind and heart was this last picture of the parting hour. In the camp, in the billet, in the trench, and in the attack, through the hell of no man's land, in life's last fleeting moment itself, how oft have we heard, comrades, the whispered word of "mother." Sweet was the gentle thought this word entwined.

I wish to pause here to quote a few lines of verse scribbled by some unknown soldier in France, somewhere along the smoky battle line in 1917–18. For these excerpts from this untitled poem I am indebted to by colleague and comrade in the House of Representatives, Hon. LAMAR JEFFERS of Alabama, a distinguished veteran of the World War. The lines breathe something of the experiences through which the unknown hero to whom we pay homage must have passed, because they were

written by one who had been very near death, if indeed later he did not himself make the supreme sacrifice.

He has seen a summer day
That you have never dreamed,
He has seen flesh turn to clay,
While affronted Heaven screamed;
He has seen the shattered trench,
He has seen the twisted wire,
He has seen strong, living men
Charred and black in molten fire;
He has seen beneath his feet
Flesh of comrades turn to clay;
As you never could have dreamed
He has seen a summer day.

He has seen an autumn night
That you could never bear,
With hell's flare his only light
Pointing out hell's angel there;
He has known a single hour
When cold steel, red hail, and gas
Ceased and left a holy calm
Such as come when angels pass;
He has seen his comrades stand,
Half transfigured in release,
Knighted, spurred, and panoplied
By their liege, the Prince of Peace.

I need not hark back further to those dark days and experiences which are yet all too vivid to many within the sound of my voice, but we know that our unknown's mother was ever present with our unknown hero, and it is safe to say that, in spirit at least, she accompanied him with a smile through the valley, where he passed from worldly existence to life eternal and where he stands to-day "knighted, spurred, and panoplied by his liege, the Prince of Peace." May we not repeat the words of the Apostle Paul, "O death, where is thy sting; O grave, where is thy victory," for in losing mortality he has achieved immortality.

So it is, my friends, that in paying tribute to-day to the unknown we also pay tribute to his mother by placing her on a basis of equality, on the same pedestal of national veneration, as the unknown himself. In doing this we are only according to her that peculiar position of motherly preeminence which we know she occupied in his heart and life and which he, no doubt, bespoke for her in his last thoughts as he passed from beyond this earthly sphere.

May these flowers, sweet with the breath of spring, which in her name we are to lay upon his bier, carry to him across the vale which separates us some sweet reminder of her unselfish devotion, some recompense for the momentary sacrifice of that fleeting instant of transition when his soul took its flight.

We know that the patriotic womanhood of America, and particularly the War Mothers and the American Legion Auxiliary, will faithful vigil keep and see that the fires of patriotism are kept ever burning brightly before this shrine of Americanism.

In the years to come I prophesy that the day will arrive when unborn generations of Americans will come to view this spot as sacred ground and the devotion and reverence which we pay to-day will have been expanded into a cult of patriotism which will be the firm foundation stone of our national existence, against which storms may beat and tempests may rage but which shall in nowise be shaken.

We know that this labor of love which we men of the American Legion and other organizations of veterans of the World War gathered here to-day are honored to witness can best be performed by our heroic women, the mothers, wives, sisters, and sweethearts, who suffered all that their men might go forth to give all for our common country, so we shall leave the tender rites of placing the flowery tokens which we bring in the hands of the Gold Star War Mothers. Mrs. Mary E. Killeen, mother of George E. Killeen, a District of Columbia boy killed in the World War, will lay a wreath on the tomb of the unknown in the name of the unknown's mother; Mrs. George Seibold, whose son, Lieut. George Vaughn Seibold, is still listed among the unidentified dead of the American Expeditionary Forces, will also place a wreath on the grave in the name of the Gold Star Mothers of America. As the past unfolds before us our hearts are filled with deepest emotion and our thoughts go back to scenes of other days.

Looking out on this concourse of upturned faces I see among them heads of mothers whose silver strands have displaced the gold. The Women's Relief Corps, notable among women's patriotic organizations, is here. No tribute that humble tongue can pay could voice the praise to which this noble body of women is entitled. After sending forth their fathers, sons, brothers, husbands, and sweethearts to battle that our Nation might remain one and indivisible, they have kept the faith for nearly threescore years, and not only have they helped to keep this beautiful bivouac of the dead here at Arlington—this eternal camping ground of the Nation's departed heroes—green with grass and laden with flowers, but they have done more; they have kept the fields of memory green and have passed on to us of succeeding generations the history of the wonderful achievements of those whose memory a united Nation is proud to honor. With equal patriotic fervor, the Daughters of the Confederacy have accomplished a similar work in the South. With all trace of sectionalism long since obliterated we Americans of to-day look back upon Grant and Lee as the common heritage of a united people and face the future with confidence, knowing that where yon starry flag waves to the breezes is liberty and justice, and that the Nation of which it is the emblem and symbol is the greatest on earth. What pride of nationality is ours when we realize that the admiration of the world is centered on the United States of America! To this flag of our country we give undivided allegiance in life, and when the last note of taps is sounded for us over our final resting place we hope to be wrapped in its folds and to sleep in the assurance that it will continue to wave over unborn generations of Americans until the end of time.

In closing I desire to say a few words to my comrades of the American Legion. It has been said that the problems of peace are greater than those of war, and at no time in the Nation's history have we had this fact brought home to us with greater force than by the responsibilities of the day. The heartrending sacrifices of yesterday should cause us to fervently strive to avoid the horrors of war to-morrow. The world is clamoring for peace, and the spirits of tens of thousands who passed on in the "war to end wars" admonish us to keep faith with all who sleep in Flanders field. Without sacrificing the security and defense of the Nation we love and for which we are still willing to shed our life's blood if need be, can not we veterans of the World War, who have known war and all the misery that armed conflict entails, lend our best efforts and influence to soothe the nerves of a war-weary world and thus help to fulfill the aspirations of a sorely tried and long-suffering humanity? Let our slogan be that of one of our most famous soldier Presidents, who said "Let us have peace."

While standing watch against aggression from without we must be none the less mindful of dangers from within, remembering always that "eternal vigilance is the price of safety" and that this applies to nations as well as individuals. Let us respect and demand respect for the laws of our land and uphold with firm hand its Constitution. This solemn obligation is ours if we are to be worthy of the heritage which we have helped to preserve and which we are charged, above all others, with passing on as a birthright to our posterity.

No higher destiny, my comrades, could be assigned to us than that of safeguarding our Nation's laws, security, and honor, thereby giving vibrant, living fulfillment to Washington's farewell injunction to his countrymen, "to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence."

If we do these things the unknown, whom to-day we honor, shall truly not have died in vain.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 651. An act for the relief of Ethel Williams.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below:

S. 651. An act for the relief of Ethel Williams; to the Committee on Claims.

CALENDAR FOR UNANIMOUS CONSENT.

The SPEAKER. The Clerk will call the first bill on the Calendar for Unanimous Consent.

LAKE GEORGE, YAZOO COUNTY, MISS.

The first business on the Calendar for Unanimous Consent was the bill (S. 1162) declaring Lake George, Yazoo County, Miss., to be a nonnavigable stream.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. WALSH. Mr. Speaker, reserving the right to object, when this bill came up before the gentleman from Illinois [Mr. MANN] raised some question about it and directed the attention of the gentleman from Mississippi [Mr. COLLIER] to some features of the measure.

Mr. COLLIER. Mr. Speaker, all I have to say about the matter is that this is a Senate bill asking that Lake George, Yazoo County, Miss., be declared nonnavigable. Lake George flows into Sunflower River. It is about 17 miles long. It is more like a bayou than a lake, though I understand it is wide in some places. It never has been considered by anyone to be a navigable stream. It can not be navigated except during an overflow of the river or during the high-water stage. I have photographs here, which I can show to the Members of the House, showing that at the mouth of this so-called navigable stream the water during part of the year is only 14, 15, or 16 inches in depth. In fact, I have a number of copies of affidavits here showing that ordinarily the stream near the mouth is only about 6 or 7 feet wide and 5 or 6 inches deep. Farther up there are some large pockets of water, but there is no way of getting there, because there is only one mouth, opening into Sunflower River. I have here copies of affidavits of nearly all of the landowners living there. These affidavits show that the body of this lake is fenced and has been fenced since 1897; that there are crops raised nearly every year on that lake. The fact is that these people want to build some bridges there. There has never been any commerce on that lake.

Mr. WALSH. Will the gentleman allow me to ask him a question?

Mr. COLLIER. I will yield in a moment.

Mr. WALSH. I have yielded to the gentleman. I want to ask the gentleman what he has to say with reference to this language of the Assistant Secretary of War:

As the waterway in question is evidently a navigable water of the United States which may at some future day usefully serve commerce, it is my view that the proposed legislation is unnecessary, and that from the standpoint of public interests the passage of the bill for such a purpose and under such circumstances would be a harmful precedent and should be opposed.

Mr. COLLIER. All I have to say to that is that I do not see how any Army engineer or any one familiar with the facts can say that it will be a dangerous precedent to declare nonnavigable a body of water that most of the year is from 6 to 8 to 12 inches deep. There has never been a public line on that stream. There has never been a dollar asked for or expected to be spent by the Federal Government in making it navigable. Nobody should ever expect it to do so. In the old days, before they had a railroad there, and before we had the roads that we have now, during the period of high water the riparian owners could get certain commerce in the way of supplies brought up from Vicksburg and Yazoo City. But I understand from affidavits that there has never been any commerce except that which was by a boat making special trips. There are no schedule boats or schedule trips.

Mr. WALSH. What length is the lake that has only 14 inches of water?

Mr. COLLIER. Right at the mouth; the big water is up back of the entrance of the lake. The bridge that is to be built there is of such a nature by reason of its approaches that in a condition where the water is within 2 or 3 feet of what it is to-day the boats can go over the ends of the bridge. The lake is only navigable when all the surrounding country is navigable.

Mr. MONDELL. Mr. Speaker, reserving the right to object, under our laws very great stretches of rivers, bayous, swamps, sloughs, and lakes that can not be made actually navigable at any reasonable cost are technically navigable—legally navigable; they always and continuously present a temptation for the people of the locality to pester Members of Congress to secure an appropriation for their improvement. The history of the country has been that in many cases Members under such local pressure have urged and have secured appropriations of very questionable character. I am of the opinion that when a Member having a stream of that character, which clearly is not navigable, clearly should never be improved at the public expense, desires to have the fact of its nonnavigability declared he should be encouraged in doing it. I think legislation of this character is in the public interest; it reduces by that amount the rivers or waterways that we might some time be called upon or invited or urged to improve. [Applause.]

Mr. STAFFORD. As I understand, there is no real navigable stream above the lake; its source of water supply is the Sunflower River.

Mr. COLLIER. Yes; and it extends up 18 or 20 miles, within 3 miles of the Yazoo River. When the water is up, I understand, it runs into the Yazoo River, and when it is low it flows the other way into the Sunflower. But I am not certain about that.

Mr. STAFFORD. As a practical proposition, would it be possible to make it navigable into the Yazoo River?

Mr. COLLIER. It might if you built a canal.

Mr. STAFFORD. Has that ever been proposed?

Mr. COLLIER. Never that I have heard of.

Mr. STAFFORD. Can we have the gentleman's assurance that he will never ask for an improvement of this stream in connection with the Yazoo River, or is that too strong a request to make?

Mr. COLLIER. I want to say that that part of the Sunflower River has had a Representative in Congress since Mississippi became a State. I do not think during that 105 years there has been asked any improvement for Lake George. I think it will be 105 years more before there is any request.

Mr. WALSH. Better wait until we get through with the Tombigbee.

Mr. STAFFORD. But they have been here requesting improvements for Sunflower River to make it navigable.

Mr. COLLIER. Sunflower River is a great river, and money spent on it is spent wisely.

Mr. WALSH. Mr. Speaker, in view of the explanation of the gentleman from Mississippi, supplemented by the observation and enunciation of principles on the part of the distinguished majority leader, based, I take it, upon some plank in the Republican platform somewhere which I have overlooked, I withdraw my objection. [Laughter.]

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That Lake George, in Yazoo County, in the State of Mississippi, be, and the same is hereby, declared to be a nonnavigable stream within the meaning of the Constitution and laws of the United States, and jurisdiction over said lake is hereby declared to be vested in the State of Mississippi.

SEC. 2. That the right of Congress to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendments:

In line 6 change the comma after the words "United States" to a period and strike out the balance of the sentence down to and including the word "Mississippi," in line 7. After the word "the," in line 5, eliminate the following language appearing in lines 5 and 6, "Constitution and laws of the United States" and insert "laws enacted by the Congress for the preservation and protection of such waters." Also, in line 4, after the second word "be," insert the word "not," and in lines 4 and 5 eliminate the words "nonnavigable stream" and insert the words "navigable water of the United States."

The SPEAKER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. COLLIER, a motion to reconsider the vote whereby the bill was passed was laid on the table.

APPROPRIATION FOR THE PROSECUTION OF WAR FRAUDS.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 11645) making an appropriation to enable the Department of Justice to investigate and prosecute war frauds.

The Clerk read the bill, as follows:

A bill (H. R. 11645) making an appropriation to enable the Department of Justice to investigate and prosecute war frauds.

Be it enacted, etc., That for the investigation and prosecution of alleged frauds, either civil or criminal, or other crimes or offenses against the United States growing out of or arising in connection with the preparation for or prosecution of the late war, to be available for the employment of counsel and other assistants, rent, and all other purposes in connection therewith, whether in the District of Columbia or elsewhere, there is appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000, to be expended in the discretion of the Attorney General, and to remain available until June 30, 1923: *Provided*, That this appropriation shall not be available for rent of buildings in the District of Columbia if suitable space is provided by the Public Buildings Commission: *Provided further*, That not more than one person shall be employed hereunder at a rate of compensation exceeding $10,000 per annum.

The SPEAKER. Is there objection?

Mr. LONDON. I object.

Mr. MADDEN. Mr. Speaker, I move to suspend the rules and pass the bill.

The SPEAKER. The gentleman from Illinois moves to suspend the rules and pass the bill. Is a second demanded?

Mr. BYRNS of Tennessee. I demand a second.

Mr. LONDON. Mr. Speaker, if I withdraw my objection, can there be an opportunity for debate on the bill?

The SPEAKER. Of course there can be.

Mr. LONDON. Then I withdraw my objection.

Mr. DYER. Then I object, Mr. Speaker.

The SPEAKER. The gentleman from New York is too late.

Mr. MADDEN. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Illinois is entitled to 20 minutes and the gentleman from Tennessee [Mr. BYRNS] to 20 minutes.

Mr. MADDEN. Mr. Speaker, the Committee on Appropriations had referred to it by the President of the United States a recommendation for an appropriation of $500,000 for the Department of Justice to enable that department to organize a division in the Department of Justice to try pending cases in which there are disputes as to whether or not the terms of contracts entered into during the war were carried out, and to authorize the Department of Justice to prosecute these cases civilly and criminally wherever criminal prosecution was found to be necessary. It happened that during the war 150,000 contracts were let by the War Department. Fifteen thousand of these contracts and the payments made by the department under the contracts have been audited. As a result of the audit of the 15,000 contracts, the War Department has been able to collect $13,000,000 from those who have contracts and were overpaid. Two hundred and seventy-six cases, if I recollect correctly, indicate either very large excess payments, which the War Department was unable to collect and about which there was considerable dispute, or evidences of fraud in connection with the contracts, and sometimes both. For instance, take the Lincoln Motor Car Co., of Detroit. That company was overpaid something like $9,000,000. The Lincoln Motor Co., of course, dispute the amount. I do not think that they contend that there is not a large amount of overpayment, and a controversy exists between the department and the Lincoln Motor Co. as to what the amount is. It has been said, with what truth, of course, I do not know, that there is even some possibility of fraud in connection with this contract. The matter has been turned over to the Department of Justice. The Lincoln Motor Co. went into the hands of a receiver. They had some $6,000,000 in cash in the treasury of the Lincoln Motor Co. and it was about to be distributed to the creditors. The Department of Justice had an order of court issued to withhold the distribution until the case can be finally settled.

There is another case in respect to which considerable dispute arises—the Wright-Martin case. I understand that $5,000,000 is involved in that case. This matter is in controversy and could not be adjusted between the parties in interest and the War Department. In all cases such as these the War Department has turned the matter over to the Department of Justice for final adjudication and prosecution, if prosecution is found to be necessary. In all, they have 276 cases pending in the Department of Justice such as these which I have described, although not involving as large sums in many cases, but the aggregate so far indicated as due to the Government from the contractors in the 276 cases now pending amounts to $192,000,000.

The War Department is auditing all of the 150,000 contracts. They have 135,000 of these contracts yet to audit. As they make the audits, wherever they can they make settlements with the parties on the other side, in which event the matter is not referred to the Department of Justice. Wherever they find any indication of fraud or are unable to make settlement, they refer the case to the Department of Justice.

The Department of Justice has had during the year about 70,000 cases of one kind and another pending, a large percentage of which has been disposed of. Their ordinary working force is unable to cope with the work involved in the cases I have just described, and it is proposed by this appropriation to authorize the Attorney General, and he proposes, if the appropriation is granted, to organize a division particularly charged with the responsibility of following up these cases. The Attorney General indicated to the Committee on Appropriations that he would very much like to have such a division housed in one place, so that the men charged with the consideration of particular cases might be able to consult with men charged with the consideration of other particular cases and that all of the work might be under one roof, so that confidential relations might exist in respect to the various cases. As it is now, where the work is scattered about, he said that it frequently happens that they are unable to maintain the secrecy that ought to be maintained in respect to the evidence which they are endeavoring to accumulate. The Committee on Appropriations have recommended a limitation on the amount that may be paid to any one man in this activity to $10,000. The hope of the Attorney General is that he will be able to place the active work of this division in charge of some high-class lawyer, and he may be compelled to pay that man a sum greater than that proposed in the limitation. I suppose it is no secret—because I have seen it published in the newspapers, and otherwise I would not mention it, but the Attorney General is very much in hopes that he may be able to get former Secretary of War Stimson to head this division, not only because of his knowledge of the War Department but because of his eminence as a lawyer. I hope he will be able to get such a man.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. KNUTSON. It is fair to assume that these war profiteers whom it is proposed to prosecute will employ the best counsel that money can hire.

Mr. MADDEN. There is no doubt about that.

Mr. KNUTSON. Will the Government's interests be amply safeguarded by $10,000 men?

Mr. MADDEN. I do not think the Attorney General will want to pay more than $10,000 a year to anyone except the man in charge, because as a matter of fact the Attorney General proposes to be in supreme charge, although he would like some one man to assemble the organization and keep in close touch with it and be from day to day in consultation with the Attorney General in respect to the work that is hoped to be done under this appropriation.

I reserve the remainder of my time.

The SPEAKER. The Chair will recognize the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS of Tennessee. Mr. Speaker, so far as I know there is no objection to the passage of this resolution and the making of this appropriation. The Attorney General has stated that he must have this appropriation in order to prosecute, both civilly and criminally, the war-fraud cases.

Mr. LONDON. Mr. Speaker, a parliamentary inquiry. I object to this appropriation, and I think that I am entitled to 20 minutes. The gentleman from Tennessee has just said that he does not think that there is any opposition to it. I object to the entire bill, and I ask for 20 minutes.

The SPEAKER. If the gentleman had stated that at the time the Chair made the recognition the Chair would have recognized him.

Mr. LONDON. I was under the impression that the gentleman from Tennessee was opposed to the bill.

Mr. BYRNS of Tennessee. The gentleman did not get that impression from anything I said.

The SPEAKER. No one raised the point, and it is too late now.

Mr. BYRNS of Tennessee. Mr. Speaker, as I have said, the Attorney General has stated that he needs this appropriation in order to prosecute, both civilly and criminally, those who have been guilty of fraud and profiteering on the Government during the war.

In view of his statement that he must have this appropriation for this current year, or these fraud cases can not be vigorously prosecuted, I favor the appropriation, although there are some of us who feel that he has had appropriations for the present fiscal year sufficient to have enabled him to proceed with those cases and prosecute them in the courts. But I am not willing by a failure to appropriate this sum, to give the Attorney General or any officer of the Government any excuse whatsoever for a failure to vigorously prosecute these cases and recover the money due the Government and put the malefactors in jail.

Mr. KNUTSON. Will the gentleman yield?

Mr. BYRNS of Tennessee. I have not the time, I am sorry. For the present fiscal year the total appropriations for the Department of Justice were a little more than $17,000,000. That includes, of course, the expenses for the district attorneys, their assistants, marshals, clerks, and so forth, and other costs of running the courts and the department. The Department of Justice now has on its statutory roll 47 special attorneys, ranging in salaries from $9,000 to $2,400 per annum, as is shown by the following statement:

1	assistant to the Attorney General	$9,000
6	Assistant Attorneys General, at $7,500 each	45,000
4	attorneys at $5,000 each	20,000
1	attorney	4,500
1	attorney	3,750
4	attorneys at $3,500 each	14,000
1	attorney	3,250
14	attorneys at $3,000 each	42,000
2	attorneys at $2,500 each	5,000
1	assistant attorney	3,500
2	assistant attorneys at $3,000 each	6,000
2	assistant attorneys at $2,750 each	5,500
5	assistant attorneys at $2,500 each	12,500
1	assistant attorney	2,400
2	assistant attorneys at $2,400 each	4,800
47	Total	181,200

In addition to these attorneys the Department of Justice now has on its rolls 170 special assistant attorneys, who are paid

from a fund of $850,000 which was appropriated by Congress for that purpose.

He had, in addition to all these, district attorneys for whom and their offices an appropriation was made for the fiscal year of $900,000. There are also regular assistants to district attorneys for whom appropriation was made in the sum of $550,000. And yet he says the department was seriously handicapped in the prosecution of these cases on account of a lack of funds. In addition to that he had $2,000,000 appropriated for this fiscal year for the employment of special agents to detect and prosecute crime against the United States, with no salary limit except the chief investigator restricted to $7,500. So those of us who take the position that the Attorney General has had sufficient funds during this year to have prosecuted these cases with dispatch, it seems to me, are amply justified by the record. In my judgment there is no excuse for the situation in which the Department of Justice finds itself to-day. I asked the Attorney General before the committee how many of these special war-fraud cases he was investigating July 1 of last year, and I was told by him and also by one of his assistants who came to the committee with him that they had no record of cases on July 1, 1921, although the present administration had been in charge for four months. This shows that there was an indifference and a lack of activity in the Department of Justice which thoroughly justified those two highly respected Members of the majority—the gentleman from Michigan [Mr. WOODRUFF] and the gentleman from South Dakota [Mr. JOHNSON]—in arising from their seats in the performance of what they considered to be their official duty and arraigning the Secretary of War and the Attorney General for their failure to prosecute these cases.

One of them actually threatened impeachment proceedings unless the Attorney General proceeded with dispatch in the conduct of those cases. As the result of those charges the Attorney General comes at this late day and says he must have $500,000 for this purpose. He has had three different opportunities to make this request, but he never saw fit to do so until a resolution of inquiry as to the cause of the delay was introduced. He now rushes in and asks for an appropriation, and we are told that Republican leaders see no necessity for the resolution. Why not? Why should we not find out just what has been delaying these prosecutions during all these months? There was a deficiency bill passed in August of last year. In November of last year there was an estimate submitted for a supplemental deficiency for this year covering 10 departments and 17 independent establishments, aggregating $187,000,000, and in the list the department asked $945,900, but it did not include a request for an appropriation to pay the expenses of prosecuting these war-fraud cases, nor was there even a suggestion that such an appropriation would be needed. One hundred thousand dollars was given in that bill for salaries of the district attorneys and expenses of their offices, making a total for that particular purpose for 1922 of $900,000, instead of $800,000 which theretofore had been appropriated. Again in February Congress received estimates for deficiency and supplemental appropriations from the executive departments. No request was made in those estimates for appropriations for this particular purpose; although the Department of Justice did ask $729,000, nothing was specifically asked for prosecution of cases involving frauds in war contracts. Three hundred thousand dollars was asked for assistants to the Attorney General and United States district attorneys to aid in special cases. Of this estimate $250,000 was granted in the deficiency act which was approved as late as March 20 of this year.

This brought the appropriation for special assistants for 1922 up to $850,000. For pay of special assistants, 1923, the Budget asked a million dollars, and practically that sum was allowed. I fail to find in the hearings conducted in the preparation of the regular bill for next year any specific request upon the part of any representative from the Department of Justice for a specific appropriation or an additional appropriation in order to provide a fund to employ special attorneys to prosecute these special cases. So I do say there is no justification for the statement which has been made by the Attorney General that the reason he has not been able to vigorously prosecute these cases during the past 14 months of his administration is because the Congress had not given him the funds.

Mr. RAKER. Will the gentleman yield just for one question?

Mr. BYRNS of Tennessee. I have not the time. If he had not the funds, why did he not come before the Congress when the deficiency appropriation bills were under consideration and ask for a sufficient appropriation?

He undertakes to excuse his failure to ask for this money on the ground of economy, in the face of the fact that in the letter which he submitted, and which was read at the desk, he stated that $100,000,000 were involved in these claims. Before the committee he stated that those claims would aggregate $192,000,000. Yet he says that on the ground of economy he did not ask for an appropriation which he now says is necessary to recover on behalf of the Government $192,000,000 from those who profiteered upon the Government through fraud and in other ways during the conduct of the war. He hesitated for 14 months on the ground of economy. Why, a year's interest at 4 per cent on the sums claimed by the Government would amount to nearly $8,000,000.

Mr. MONDELL. Will the gentleman yield?

Mr. BYRNS of Tennessee. I have not the time. I would like to know why it is that the Director of the Budget, who is so anxious to conserve the public funds, has not discovered this, and why he did not come forward in the absence of a request from the Attorney General and ask for this $500,000 for this particular purpose in order that the Treasury might recover at least a portion of the $192,000,000, which would have gone far toward taking care of the deficit of more than half a billion dollars which we are told is going to occur during the next fiscal year. [Applause.]

The making of this appropriation should not interfere with the resolution of inquiry as to these cases and just why they have not been prosecuted. That resolution has been favorably reported out and is now presumably resting quietly in the pocket of the chairman of that committee. We are told that Republican leaders see no necessity for its passage, and that the passage of this appropriation will obviate the necessity for action on it. Let us hope that this is not true and that the resolution will be passed, for no administration can afford to object to an investigation or permit its friends to stifle one. If it should be done, then the Attorney General can not avoid the suspicion that he hastened to ask for an appropriation in order to forestall the proposed investigation.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. MADDEN. Mr. Speaker, I yield five minutes to the gentleman from Michigan [Mr. WOODRUFF]. [Applause.]

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to extend and revise my remarks.

The SPEAKER. The gentleman from Michigan asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. WOODRUFF. Mr. Speaker, I propose to discuss certain things contained in the letter of the Attorney General to the President, which was read in the House the other day. I propose, for instance, to discuss the organization within the Department of Justice which the Attorney General has perfected during his 14 months in office. I will take up different individuals in the department; I will show their duties in connection with the prosecution of war frauds, and comment upon the same. Whatever comments I make are made only for the purpose of disclosing to the House the hopelessness of attempting to do anything worth while with these war-fraud cases while the present personnel of the Department of Justice is directing affairs. I have no personal feeling either for or against any man I shall mention.

I believe, and I shall attempt to show, Mr. Speaker, that the only way in which the Department of Justice can secure results is to either replace the men I shall mention with men of known integrity and ability or to establish in the department another branch, the sole duty of which shall be the handling of these cases.

Mr. Speaker, the Attorney General, in his letter to the President, stated, among other things, that notwithstanding the serious handicap of lack of funds the Department of Justice has made gratifying progress in these war-fraud cases. That the work has thus far been largely in the way of organization and investigation. Let us see just what has been accomplished along these lines. We will discuss, first, the wonderful progress in organization. The Assistant Attorney General, who has direct charge of all these war-fraud cases, is Col. Guy D. Goff. Just what his peculiar qualities are which so eminently fit him for this important work no one seems to know. His time, when he is around the Department of Justice, seems about equally divided in proclaiming in loud and certainly unladylike language the wonderful things he has done before he came into the department and the wonderful things he is going to do. If he has ever spent a day's time looking into the merits of any of the various war-fraud cases presented to the Department of Justice he must have done so when every one else about the

department was fast asleep, for no one there seems to know of such activity on his part.

The Attorney General complains that lack of funds has held up the work on these cases and clearly intimates that the personnel of his department have been engaged at all times upon the public business in that department. I direct his attention to work which has been under way there for the past six or seven months which has nothing whatsoever to do with the public business. This work has been and is now being done at public expense. It is a compilation of the briefs of the cases which Colonel Goff and his friends have had in the courts and is known in and around the Department of Justice as the "Vanity Case." This work is being directed by Mr. Lenihan, one of the Attorney General's war-fraud organization attorneys, and of whom I shall have more to say later. The work now consists of 11 volumes, each volume consisting of from 300 to 400 pages. As many as five stenographers have been employed upon the "Vanity Case" at one time. This work covers a period of months and every line written has been written at the public expense. Mr. Lenihan is very kindly directing this work in order that his superior, Colonel Goff, may not be criticized in case the circumstances reach the ears of the unbelievers. However, Colonel Goff, with great condescension, has let it be known to a few of his favorites that upon the completion of this monumental work they shall "have a copy." To say that this work has up to this date cost the Government several thousand dollars is putting it conservatively. To say, further, that the "Vanity Case" when completed will be of no use to the department whatsoever is unnecessary. I refer to these details only for the purpose of exposing to the public view the wonderful way in which the Department of Justice organization for handling the war-fraud cases is operating under the able management of Colonel Goff.

The colonel's time being so taken up with his declamations upon the importance of the work he has done in the past and is going to do in the future—although he is strangely silent as to the work he is now doing—he has found it necessary to provide an assistant to whom he could turn over the direct charge of all these tremendously important cases. It would seem, even to the casual observer, that the dictates of duty to the public interest would demand that an attorney of known standing be assigned to a position of this character. Was this done? It was not. This work was given to Mr. Abraham F. Myers, a former law clerk of the department. Mr. Myers has been reported to me as being opposed to the prosecution of these war-fraud cases, and, judging from his activities as Colonel Goff's assistant, I am inclined to believe my informants were entirely correct as to his attitude in these matters. In a letter to me of recent date he stated he was a friend of and had the confidence of Mr. George W. Wickersham. Mr. Wickersham was at one time Attorney General, and now is one of the recognized British propagandists of the country, and also a member of the firm of Cadwalader, Wickersham & Taft, attorneys for Mitsui & Co., Japanese bankers, who financed the Standard Aircraft Corporation and Standard Aero Co. in their dealings with the Government on their aircraft contracts. Mr. Wickersham is very active in protecting his Japanese clients and apparently to date has prevented the Department of Justice from presenting to the courts the Government's claim of from six to ten millions of dollars, notwithstanding the fact that months ago the department was notified that these two concerns were undergoing liquidation and their assets were being rapidly dissipated. It is either a significant fact or a coincidence that within a few days after Mr. Wickersham had been retained by Mitsui & Co., Mr. Myers was placed in direct charge of these cases, and no action has been taken by the Department of Justice to protect the public's interest in either case, although neglect to do so has unquestionably cost the Treasury from six to ten millions of dollars.

The Attorney General, in his letter to the President, says that these cases as they come to his department from the Government auditors constitute only claims against these different concerns. This, of course, is true. But, Mr. Speaker, is there any statute which prohibits the presentation of a claim to the courts, especially where such claim is presented for the purpose of tying up such assets as are in the process of liquidation until such time as the courts have the opportunity of passing upon the legality of such claims? I do not believe there is such a statute, Mr. Speaker; and if there is none, can the Attorney General or Colonel Goff or Mr. Myers advance an explanation which could justify their very plain neglect of duty in these two cases? A sum approximating $10,000,000 in the aggregate is involved, and the Government stands to lose this amount as a direct result of the inactivity or neglect of duty of some one in the Department of Justice. Who is responsible for this reprehensible condition of affairs? Is it the Attorney General? Is it Colonel Goff, or is it Mr. Myers, the man who has direct charge of these matters and who is the friend and confident of Mr. Wickersham, the attorney of these Japanese interests? Mr. Myers is one of the very important cogs in the wonderful machine the Attorney General is perfecting for the prosecution of these war-fraud cases.

Again, I wish to call the attention of the House to certain other activities of this same Mr. Myers in regard to the cantonment cases. Months ago he informed the investigators working on these cases that they had been closed; that there was nothing to them, and all investigations were stopped. This was supposed to have closed these cases for all time, but recently, without further investigation, mind you, and since April 11, the day when I made my attack in the House upon the mismanagement of affairs in the Department of Justice, these cases have once more come to life.

The Attorney General announces with great gusto that he has asked Mr. McCullough, ex-Member of the House and a most active, able, and sincere member of the subcommittee of the House Graham Committee which investigated the cantonment contracts, had been asked to handle the prosecution of these cases, and I understand the gentleman will have a number of these cases ready for the grand jury in the immediate future. I understand also that sufficient information was found in the files of the Department of Justice to justify immediate prosecution. And yet, Mr. Myers months ago, when the department files contained all the information they contain to-day, and in face of the fact that the House by a vote of 299 to 4, after a thorough investigation requested the Attorney General to act, calmly announced there was nothing to the cases, and they were closed. Truly, Mr. Myers is a valuable acquisition to the Attorney General's organization for dealing out justice to war grafters.

This same Mr. Myers is the man who directed that the investigators working on the aircraft cases secure all information through him. If an investigator wished a certain file in the aircraft or other division of the Government, he must submit his request to Mr. Myers. If this gentleman approved of the investigator receiving such information, it was produced. If he did not approve, some good excuse was found as to why it was not available, as the following extract of a memorandum of January 4, 1922, from Mr. Myers to Capt. H. L. Scaife, an investigator of the Department of Justice, will show. The records will further show that the call made upon Mr. Myers by Captain Volandt in reference to this matter was inspired by Mr. Myers and not by General Patrick, as the memorandum would indicate:

> By direction of General Patrick, Captain Volandt called on me this morning in reference to your request for a copy of the audit of cost records of the Glenn L. Martin Co. The audit in question was conducted under a clause in the contract with that company which provided that its cost records would be available for the information of the "contracting officer." The Martin Co. and the Chief of Air Service both construe this provision to mean that as to all others, including other branches and officers of the Government, the records are to be treated as confidential.

Another very important part of the Attorney General's organization for the prosecution of these frauds is one Mr. Lenihan. This gentleman has often openly stated he is opposed to the prosecution of these cases. To show his enthusiasm for this work and his fidelity to his oath of office and the interests of the public, I will again quote from a memorandum of Maj. W. O. Watts to Mr. W. J. Burns, his superior officer in the department and Chief of the Bureau of Investigation:

> About the middle of September, 1921, the Secretary of War referred to the Department of Justice the War Department's report on lumber contract with Phillips & Stephens, showing alleged irregularities exceeding $1,800,000. This contract had been under investigation by the department for some time by Agents Borchardt and Ward, under the jurisdiction of Attorney Ramsay, so Mr. Lenihan informed me. Mr. Lenihan manipulated matters so as to get this case assigned to him, together with Agents Borchardt and Ward. Within a few days after the lumber case had been assigned to Mr. Lenihan, Mr. Phillips, of Phillips & Stephens, the contractors, called on Mr. Lenihan. Mr. Phillips introduced himself to Mr. Lenihan as of Phillips & Stephens, lumber contractors. He then proceeded to state that he had just come from the Attorney General, with whom he said he was arranging appointment of Federal judges in his district. He said he was the leader of the Republican Party in his district, and that the negro attorney (Anderson) claiming local leadership had no status as a political leader. He went on to state that President Harding had sent for him as the accredited party leader and discussed with him the local political situation and patronage.
>
> After an animated discussion of politics and public policies, Mr. Phillips impressed upon Mr. Lenihan his virtues and importance as a party leader. He said to Mr. Lenihan, in effect: "You are in charge of the lumber case concerning Phillips & Stephens. I want to say that there is nothing to this case and to get permission to destroy a lot of old records which are in the way; that Mr. Borchardt has been going over these papers for some time, and I want to close up the case." Mr. Lenihan said that he did have charge of the case; that he had not had

time to analyze it, but would go into it at once, and would see Mr. Phillips at a later date.

When this case was assigned to Mr. Lenihan I informed him that I could give him some information of value and put him in touch with a certain party (naming the man) who claimed to have extremely important information or access to such, pertaining to the lumber contract. Mr. Lenihan ignored this proffer of assistance and has never indicated to me a desire to obtain this information, although I subsequently repeated my previous offer and called his attention to the fact that the statute of limitation would soon expire, as the contract was dated February 26, 1919. On January 11 a representative of the War Department made inquiry relative to the status of the lumber case and as to when the War Department may expect formal action against the principals involved.

It is suggested that this case be inquired into.

7. At the time of Mr. Phillips's visit Mr. Lenihan expressed his views very freely to me regarding the inadvisability of the administration proceeding against the war contractors generally. As to do so, he contended, would upset business conditions, and was contrary to good policy.

He held the view that these alleged frauds had been committed during the stress of war and were a matter of past history which should be generally left alone. From my observation of Mr. Lenihan's work this attitude has been found to almost inherently characterize his action on all War Department matters. In my opinion, Mr. Lenihan lacks that sympathetic and faithful loyalty to the Government's interests which is always accorded as a fundamental duty by officials of integrity and ability, and is so necessary to the successful prosecution of these fraud cases.

8. He has stated to me that he was not interested in keeping his job in the Department of Justice for any great length of time, but would play the game for all it was worth while here with Frank Hogan and other men of influence and power, who would be of use to him in the future.

9. Mr. Hogan was and has been unquestionably oversolicitous in cultivating the friendship and association of Mr. Lenihan almost from the beginning of the latter attorney's association with the Harness case. Mr. Hogan is undoubtedly a very clever and cunning attorney, who is not averse to resorting to unethical and unscrupulous methods to gain the ends sought.

Mr. Hogan arranged an early luncheon at the "Round Table" for Mr. Lenihan, at which the latter attorney informed me some men of prominence were present. Mr. Lenihan stated that drinks were served in Mr. Hogan's office before going to luncheon.

These luncheons subsequently became common affairs. I can conceive of nothing but ulterior motives in Mr. Hogan's design. Certainly, it is improbable that a man of Mr. Hogan's accredited standing as a jurist was in the least interested in Mr. Lenihan, a young and comparatively inexperienced attorney, for purely platonic reasons.

Mr. Lenihan is a man of free conversation, little versed in worldly affairs, of mediocre ability, and in no sense equipped to contend with this masterful opponent.

Major Watts in his memorandum fully states the opinions of those people in the Department of Justice who really have the interests of the public at heart as to the importance and desirability of Mr. Lenihan as a part of the machine or organization of which the Attorney General speaks so highly.

Still another cog in this wonderful machine is one Rush L. Holland. He is another who has on numerous occasions declared his lack of sympathy in the prosecution of the war-fraud cases. I am not sure whether his recommendation for this important work is his ability to deliver votes in his home State or the facility with which he can and does, at the direction of the Attorney General, discharge faithful Government employees with an utter disregard of the law. His pathway in the Department of Justice is strewn with the remains of patriotic employees whose only dereliction has been their fidelity to the public interest. Some time, Mr. Speaker, I shall if conditions warrant call the roll on this gentleman and place in the RECORD the names of the employees discharged, the excuses advanced for such action, and last but not by any means least the facts in the case and the real reasons for the discharge of these faithful public employees.

Mr. Daugherty, in his letter to the President, also laid stress upon the fact that the Graham reports had been carefully examined and digested. Let us see about that. About November last Mr. Myers assigned to this work Mr. Paul Mullen, a young and inexperienced clerk in the department. The Graham reports comprise some 20 large volumes. Within the past month Mr. Mullen has stated that he had worked on only six cases and that he had been unable to determine the facts in any of them. His work consisted only of a study of the hearings and reports and did not extend to any further investigation of records or to the questioning of witnesses. There has been no real attempt in the Department of Justice to go into the Graham hearings, unless it has been done within the past month, and no attorney or employee in the department will state under oath that he had done so, in any case, the United States Harness Co. case and the "Old Hickory" case excepted.

I now come, Mr. Speaker, to another gentleman who is not an employee of the Department of Justice. A man who has taken no oath of office. A man who is not obligated under the law to conduct affairs in the interest solely of the public. A man who is not on the pay roll of the Government, and yet a man who for months has had an office for his personal use in the department, who has had at all times stenographers and other employees at his beck and call, and who has utilized their services. I now speak of Jess Smith. Just what is his function in the department? What reason has he had for being there? Why has he, not an employee of the department, had at all times access to the most confidential files in the department when at the same time faithful employees of the department have been discharged for disclosing to Members of Congress information relative to the public business, which the law says they may do without interference by anyone whomsoever? I understand that since an investigating committee has become an imminent possibility this gentleman has suddenly found the climate of Washington does not agree with him. That he has suddenly developed an acute case of diabetes, Bright's disease, lumbago, or is it croup? Anyway, Mr. Speaker, it is reliably reported that his indisposition is such as to compel his absence from Washington at least until all danger of a congressional investigation is past. Whether Mr. Smith is one of the "few able and conscientious officers and attorneys who have devoted themselves with untiring energy" to the work of prosecuting the war grafters I do not know, but I am quite sure the work will go on as rapidly during his absence as it has heretofore.

My position, Mr. Speaker, has been and is that the Department of Justice has not functioned in these cases. I maintain that so long as the Goffs, the Myers, the Lenihans, and the Hollands in the Department of Justice remain and have anything whatsoever to do with these cases it will not function. The Attorney General has, after 14 long months, come to Congress with a request for an appropriation with which to prosecute this work. He should have made this request more than a year ago. He would have made this request at that time had he been alive to the situation. Every Member of the House knows he was urged months ago by the gentleman from Illinois [Mr. GRAHAM] to submit such a request, and that he failed to act upon that suggestion, notwithstanding the fact that the statute of limitations were operating against everyone of these cases in which fraud was involved. Three and a half years have passed since the armistice was signed and not a prosecution. What a record.

The Attorney General's letter to the President, together with his request for this appropriation, is a direct invitation to the House to ignore the request of the gentleman from South Dakota [Mr. JOHNSON] and myself for a committee of investigation. Notwithstanding this, I am for the appropriation. And I will say further, Mr. Speaker, if he is in earnest in these matters and pushes them in the way he should he will be back again for other appropriations for this purpose. He stated to the committee that from the 276 cases he now has in his department he will, if the Government is fully sustained, recover to the Treasury the stupendous sum of $192,000,000. Surely the Congress will not prove niggardly with the department under the circumstances. There are 150,000 war contracts. The audit of the air contracts develops the fact that in every case there has been fraud or overpayment. Few of the larger ordnance or other contracts have been audited, and when they have all been covered by the audit sections I believe you will find that billions instead of millions can be recovered to the Treasury.

But it is one thing to make appropriations and quite another to expend them properly and efficiently. I believe the Congress and the people will be, and should be, rather critical as to just how this $500,000 is expended. If results are shown, we will all applaud. If not, even a greater condemnation will be heaped upon the Department of Justice.

In closing I just wish to add that this request for funds in no way affects my determination to press for action upon the Woodruff-Johnson resolution. The newspapers and the Members of the House seem to have lost sight of the fact that an investigation of more than the Department of Justice was called for in that resolution. There is the Alien Property Custodian's office, the War Department, and the Navy Department expenditures to be considered, and I do not believe the House can justify failure to pass favorably upon our resolution. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. BYRNS of Tennessee. Mr. Speaker, I yield one minute more to the gentleman from Michigan.

Mr. WOODRUFF. I thank the gentleman.

Mr. Speaker, some days ago I received the letter which I will print below. Captain Scaife, the writer, is the gentleman who was engaged by the Department of Justice to investigate the aircraft contracts, and who resigned when he discovered he was being blocked by men in the Department of Justice in his efforts to clean up these cases. It is he who has supplied me with much of the information I have used in my attempt to compel the Department of Justice to function. The letter is self-explanatory, and I shall not comment upon its contents further than to say I have seen the original Felder letter and

am informed the retainer to be given Captain Scaife was very substantial, indeed:

MAY 5, 1922.

Hon. ROY O. WOODRUFF,
House of Representatives, Washington, D. C.

MY DEAR MR. WOODRUFF: Before bringing to your attention my memorandum to Col. Guy D. Goff, Acting Attorney General, dated March 18, 1922, and incorporated in your speech to Congress on April 11, I desired to be sure that Hon. H. M. Daugherty, the Attorney General, was personally acquainted with and fully informed as to all matters involved in the situation at the Department of Justice, in order that he might act in the premises if he desired to do so.

I was informed that Col. T. B. Felder was a very close personal friend of Mr. Daugherty, and I was brought in contact with Colonel Felder and explained the situation to him and requested him to call the attention of the Attorney General to the reports that I had filed and to inform him that unless he acted I would pursue the course indicated in the memorandum referred to. The next day I was called to the office of the Attorney General and he stated to me that he had my reports before him, and I then ascertained that he had been personally acquainted with the situation.

The Attorney General stated to me that he would call me into conference on the following Tuesday, but I heard nothing further from him, and after waiting a sufficient time to give him every opportunity to act, I formally transmitted the matter to you, as is now well known. I might add that I had never known Colonel Felder before meeting him on this occasion and for the purpose stated, and subsequent thereto have only seen him casually until last night.

Yesterday I had a message from Colonel Felder to meet him in his room at the Shoreham Hotel, which I did last night, and in the presence of a witness I engaged with him in an extended discussion of conditions in the Department of Justice, of which I had complained. I stated to him that I had no animus against the Attorney General, but that I felt most bitter against the conditions which he was permitting in the Department of Justice. During the course of the conversation Colonel Felder stated that he had been retained as counsel for the Bosch Magneto Co. and that he desired to associate me with him in the case. He told me that he had been with the Attorney General during the afternoon and had gone into the matter with him fully and that the Attorney General wanted him to see me. He stated that the Attorney General had agreed to cooperate with us and that he had also talked with Col. Guy D. Goff for an hour and a half during the afternoon and that everything had been arranged for us to proceed.

Before leaving his room in the Shoreham Hotel Colonel Felder stated that he was going to spend the night with the Attorney General at the Wardman Park Hotel and that they would talk about the matter until 3 o'clock that night. Each time Colonel Felder broached the subject of my employment I shifted the subject, and when we parted he asked me to do nothing in my fight until he could see me next day. When we parted Colonel Felder took a taxi for the Wardman Park Hotel and asked me to join him that far out on my way home, but I declined. This morning I received a letter from Colonel Felder notifying me that I had been retained in the Bosch Magneto case, a copy of which is hereto attached.

While I think it is eminently proper that a suit should be brought to set aside the Bosch Magneto sale, and while under ordinary circumstances I would have had no hesitation in being employed in the case, when Colonel Felder disclosed the fact that he had come to me from the Attorney General and with the arrangements that had been suggested, the impropriety of the proposal I consider reprehensible, and I desire that you be acquainted with the facts.

In order that there may be no misconception of my true position and intentions in the matter in case I am further approached, I am reducing the foregoing statement to writing and will have this letter duly witnessed.

Very truly yours, H. L. SCAIFE.

—

SHOREHAM HOTEL,
Washington.

DEAR CAPTAIN SCAIFE: Am obliged to return to New York to-night. Sorry I did not see you before my departure. I expect to return on Monday or Tuesday next, when I will complete our tentative arrangements. You may consider yourself retained in the Bosch Magneto case. We will discuss the details on my return.

Very truly yours,
THOS. B. FELDER.

The above letter was undated, but bears postmark of May 5, 1922.

Mr. BYRNS of Tennessee. Mr. Speaker, I yield five minutes to the gentleman from Virginia [Mr. MOORE].

Mr. MOORE of Virginia. Mr. Speaker, it is evident that the Woodruff-Johnson resolution, which was introduced on April 11, at which time Messrs. WOODRUFF and JOHNSON made elaborate speeches presenting the most serious charges against the Attorney General in connection with the so-called war-fraud cases, is responsible for the course pursued by that official since that date, and those gentlemen are to be congratulated.

On May 9, less than a month after the resolution was introduced, the Attorney General addressed a letter to the President, which was read in the House on the same date. It was not written for the purpose or urging that the resolution be adopted and the investigation had, and there is no assurance now given the House by the friends of the Attorney General, the leaders of the majority, the gentleman from Wyoming [Mr. MONDELL] and the gentleman from Kansas [Mr. CAMPBELL], that they will permit the resolution to come to a vote, and the investigation brought about. If the Woodruff-Johnson charges of misconduct are untrue, the Attorney General and his friends should desire an investigation to be made. If, however, they are true, it is easy to understand why there should be a desire to stifle an investigation.

In his letter of May 9 the Attorney General seems to hold Congress accountable for his inaction. He states, first, that he has not been given funds sufficient to enable him to employ a force of competent counsel in addition to those already serving in his department. He asks for an appropriation of $500,000 for the employment of additional counsel, and that appropriation the House is about to vote for. This is a belated complaint and request, as shown by what occurred while the House Committee on Appropriations and the House and Senate were considering the bill carrying appropriations for the Department of Justice for the next fiscal year, which, of course, begins July 1. The Attorney General appeared before the Subcommittee of the House Appropriations Committee on March 6 and explained the needs of his department. He discussed the necessity of employing additional counsel, but the specific duties that were to be intrusted to them had relation not to war-fraud cases but to cases growing out of the violation of the prohibition laws, patent interference cases, and cases in the Court of Claims. He did not then stress, and I do not think he even mentioned, the cases a little later elaborately discussed by Messrs. WOODRUFF and JOHNSON. Whoever examines the figures will hardly doubt that the appropriations in the bill as finally acted on, from the point of view of the Bureau of the Budget and from the point of view of the Attorney General, as indicated to the subcommittee, were fairly satisfactory. The material question now is why was not the subcommittee in March, and why was not Congress in April, advised of the alleged conditions set forth in the letter of the Attorney General, which so quickly followed the introduction of the Woodruff-Johnson resolution?

In his letter the Attorney General states, second, that he has been embarrassed by the failure of Congress to provide for the appointment of additional district judges. The bill for the creation of new judges is still pending. But the significant fact is that when the Attorney General appeared before the Judiciary Committee not long ago to discuss the bill, so far as I can ascertain, he did not mention any court in the country where business is so congested as to prevent the consideration of war-fraud cases.

I do not think he made any reference whatever to those cases, while he did refer elaborately to the volume of prohibition cases. The question may now be asked as to whether there is such congestion in the Detroit court and in the New York and New Jersey courts and other localities as to have made it impossible for those courts to handle the class of cases mentioned by Messrs. WOODRUFF and JOHNSON, developments in which, they declare, attach more than a suspicion to the good faith of the Attorney General. The truth is that the Attorney General in his statement to the Judiciary Committee made a most unsatisfactory showing with reference to the necessity for new judges. In the main, he seemed to take naked statistics drawn from the dockets of the court, which, as all lawyers know, import very little. For example, he deduced from these statistics that a new judge should be appointed for the District Court for the Eastern District of Virginia, and later some of us developed the fact that not only was another judge not needed but the appointment of another judge would serve to produce complications that would retard the judicial work.

In his letter, the Attorney General, in the third place, claims that he has been held back by the lack of grand-jury facilities in the District of Columbia, where he admits most of such prosecutions as are had will have to be brought. Now, the facts are these: That he has been in office for more than 14 months, and, so far as the war-fraud cases are concerned, he has had the benefit of the elaborate investigation and findings of the Graham Committee, and he could have brought any of the cases that are cognizable in the District of Columbia before the grand jury in the District at almost any time. In his letter he speaks of the Knickerbocker case having taken up a large part of the time of the grand jury here. But the Knickerbocker disaster did not occur until this year. The men charged with the responsibility for that disaster were not held for the grand jury until February 14 of the present year and indictments were returned by the grand jury on April 3. He did take one alleged war-fraud case before the grand jury, the Morse case, which the grand jury began to consider on or after January 3 of this year, and in which it returned an indictment on February 27. The question may be asked as to why he could not have submitted other cases to the grand jury in the interval between March 4, 1921, and January 3, when the Morse matter was taken up, and whether in reality the grand jury has been so occupied with important cases since January 1 as to have precluded serious war-fraud cases being considered.

The SPEAKER. The time of the gentleman from Virginia has expired.

Mr. BYRNS of Tennessee. I yield one more minute to the gentleman, Mr. Speaker.

Mr. MOORE of Virginia. I thank the gentleman.

Of course, the statistics will show that a large number of cases are dealt with by the grand jury of the Supreme Court of the District of Columbia, but that is no reply to the assertion which I now confidently make that there was no more reason why other war-fraud cases should not have been submitted to the grand jury instead of confining the inquiry to the Morse case.

Until his letter of May 9, the Attorney General does not seem to have complained of the grand-jury situation in the District of Columbia, except that on April 22 he addressed a brief communication to two committees of Congress on that subject. But April 22 was after the introduction of the Woodruff-Johnson resolution, which was offered on April 11.

The Attorney General may now be speeded in handling the war-fraud cases, but that will not dispose of the resolution. The resolution is designed not to provide for proceedings against war-fraud malefactors but to enable Congress and the country to know whether the charges brought against the Attorney General are or are not well founded. [Applause.]

Mr. BYRNS of Tennessee. Mr. Speaker, I yield three minutes to the gentleman from Illinois [Mr. KING].

Mr. KING. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. KING. Mr. Speaker, when Attorney General Harry M. Daugherty permitted himself to be persuaded by the misrepresentations of two of his subordinates, Mr. Abraham F. Myers and Mr. J. L. Lenihan, to dismiss from the service of the Department of Justice Maj. W. O. Watts he performed two far-reaching and important deeds.

First, he deprived his department of the efforts of a modest, effective, and patriotic servant who had a sincere desire to be of service to his people and his country by helping to unearth and bring to light the most powerful group of grafting apaches that ever infested and threatened the life of any Government since history began.

Second, he raised the curtain upon what promises to be, if justice prevails, the greatest exhibition that ever obtained of thievery, peculation, and exploitation of a patient people and their Government, surrounded by a scene as black as hell and as rotten as the ancient State of Denmark.

If this resolution is passed, and I hope it will be, and does not go the way of the peace leak with its high-priced attorneys, in addition to enacting laws creating more grand juries in the District of Columbia, Congress will have to pass additional legislation creating a multitude of new jail apartments for their coming occupants.

Although great obstacles will be thrown in its way and many faithless men will have to be removed from positions of influence, nevertheless this is the people's movement, and its momentum now well started can not be permanently delayed.

As the Philadelphia Record says:

> Millions are in the loot; millions will be freely spent to protect not only the loot but the reputation of the looters. The public has no conception as to where the ramifications of guilt may lead. They may involve and bring to ruin men now leaders in high finance, leaders in national politics, leaders in society. Exposure may send a shudder through the body politic of the Nation; it may shake the foundations of Congress itself. Prosecution must meet legal talent of the most formidable character. Everything from blackmail to murder may be undertaken in desperate defense.

There is not a man here on the floor of the House, I am sure, who was here during the war and who, while entirely without proof—and Congress had no time to investigate—but did not feel that peculation was going on here and there and everywhere.

To me it seemed prophetic when I heard a great Senator in stentorian tones make announcement on the floor of the Senate that "the millionaires are mobilizing in the Munsey Building."

It is usual and customary to charge Congress with all the crimes in the calendar and to continually charge us with leaving undone the things that should be done and doing the things which should not be done. Graduates of all journalistic schools come out well grounded in the following ideas: That no libelous articles must be written on which damage suits can be brought against the publication, but that it is not reprehensible or libelous, but indeed highly laudatory, at all times to safely charge three different bodies of public servants with whatever they see fit to write: First, the city council; second, the State legislature; and, third, the Congress.

I believe I have never failed to stand in defense of the Congress, and particularly of the House of Representatives, and the fact should be recorded that from the very start of the late war on up to the present time no blot appears upon its escutcheon nor stains upon the "high robe" of its membership. [Applause.]

Therefore it is particularly pleasing that a Member of this House—and, in fact, the distinguished gentleman who is now chairman of the committee which brings in this resolution and a man who is the personification of honesty itself—first called attention to the permeation of dishonesty and irregularities when on the 16th day of April, 1920, on the floor of this House the gentleman to whom I am referring, the Hon. MARTIN B. MADDEN, of Illinois, said in an earnest, clear voice and in unmistakable words:

> Mr. Chairman, we have heard a great deal of talk here to-day about what the Secretary of War ought to do and why he does not do it and what this committee ought to do and why it has not done it. I am going to submit what I have heard and believe to be true. The War Department has a number of men in charge of the sale of surplus supplies of all kinds, and they have a combination of men to whom they are selling those supplies when they are declared to be surplus, and it is said they never make a declaration of surplus on certain supplies until they find that the men to whom they sell them have found a market for them; and the next day after these men report that they have sold the goods, whatever they may be, these goods are declared to be surplus.
>
> The result is that these men who are in the business of selling war surplus supplies on the market are making millions of dollars. Now, I make this statement as the result of information which comes to me. I make the charge that the War Department has not, except in instances where they have a large quantity of a particular supply that they can not dispose of in this way, declared a surplus until these favorites, if I may so state it, have reported to them that they have made the sale.
>
> I hope I make myself clear.
>
> I want to be distinctly understood as saying that the men in charge of the sale of war surplus supplies are playing favorites with men on the outside to whom an advantage is given, and that in no case, except such as I have mentioned, is anybody advised that war supplies are declared as surplus. (See CONGRESSIONAL RECORD, April 16, 1920, p. 5755.)

About the time of this statement by Mr. MADDEN, and prior thereto, there was an Army officer at work in the Munitions Building in this city as executive officer in the surplus property division of the Quartermaster Corps, the duties of which brought him in close touch with the sale of surplus property of the War Department.

This man was Maj. W. O. Watts.

It is for him and in his defense and in his praise that I rise to speak to-day.

I had the pleasure of meeting Major Watts in July, 1919, in a French railway coach on the way from Paris to Brest, and afterwards traveled home with him from Brest to New York. During this time we became very good friends and I learned to regard him as a most able, just, and upright officer.

In conversation with him I learned that in 1898 he had enlisted in the First Tennessee Volunteers and went to the Philippines. When his regiment returned he remained in the Philippines, serving in the Quartermaster Corps and in Treasury Department work until 1904, when as a chief clerk of the War Department, Quartermaster Corps, he was transferred to Nagasaki, Japan, where he remained until 1911.

In 1911 he was transferred back to the United States for duty and a year later resigned to enter business, having served 14 years. At the outbreak of the World War he received a commission as captain and was assigned to Camp Pike, Ark., as assistant camp quartermaster in charge of all purchases, inspection of supplies, road building, and construction work.

His work was so satisfactory that in July, 1918, he was ordered to France, where he organized and established Quartermaster Depot No. 3 at Montierchaume, which was one of the largest depots in France, serving as executive officer until June 28, 1919, when he returned to the United States and was detailed, because of his wide experience, knowledge, and executive ability, as executive officer, surplus property division, August 3, 1919, serving until May 20, 1920, when, because of his refusal to approve certain irregular sales, he was detailed on investigative work, which ended September 27, 1920, with an enforced honorable discharge.

Among the sales which Major Watts particularly objected to were "under cover" sales, made without publicity or solicitation of bids, at which an agreeable price was reached privately between buyer and seller without regard to market price, other purchasers, or the public.

While in the service Major Watts continued to object to each irregularity as it came up, and continued to call the attention of his superior officers to the same. He directed the attention of Col. A. W. Yates, chief of the surplus property division, to the sale of duck, such as is used in tarpaulins, wagon covers, and so forth, to H. Miller & Co., 59 White Street, New York City, who had an alleged claim approximating $69,000, and he was given material valued at more than $483,000 at less than one-half what the same material was being sold to other con-

cerns. The Government in these transactions alone lost more than $250,000.

Finally Colonel Yates suggested that Major Watts make a report in writing, and on June 22, 1920, the major made a partial report, which I am here inserting:

WAR DEPARTMENT,
OFFICE OF THE QUARTERMASTER GENERAL,
DIRECTOR OF PURCHASE AND STORAGE,
Washington, June 22, 1920.

From: Maj. W. O. Watts, Quartermaster Corps.
To: Col. A. W. Yates, Quartermaster Corps, Chief Surplus Property Division.
Subject: Report on alleged irregularities.

1. Complying with instructions contained in your letter dated June 2, 1920, subject, "Report on alleged irregularities," in which you state that it has come to your attention that I hold the opinion that certain proceedings or transactions involving the official conduct of certain ex-employees, ex-officers, and possibly an officer still connected with the Surplus Property Division were irregular, and that I have suggested verbally to you that I felt that I was possibly being relieved from duty in the executive branch of the division because of my efforts to investigate these matters and because of my opinions, and directing that I place in writing with the least practicable delay such allegations and support them by direct reference to specific instances in order that a complete investigation of all such matters may be had, and your verbal orders of this morning to submit this report to-day, the following is submitted:

2. Since June 3 I have devoted my time almost exclusively during office hours and in the evening to the investigation of records of the Surplus Property Division, with a view to submitting you a comprehensive report at the earliest possible time in this connection, but it will be a physical impossibility to render such a report within a period of less than three or four days. However, a partial report has been prepared, consisting of certain sales relating to duck and mosquito bars, which are transmitted herewith as Exhibits A, B, and C, which will be followed by supplemental reports covering other cases at the earliest possible date.

3. In order to bring out the desired facts it will be necessary to review to some extent the situation as it existed in the Surplus Property Division when you relieved Col. L. M. Purcell as chief of the division on April 15, 1920, as amplified by new matter subsequently developed by a hurried and superficial investigation of certain sales records made under difficult circumstances.

4. At the time you assumed charge of the division there was more or less general discussion about alleged favoritism shown certain buyers of surplus War Department material, bitter charges having been made by Representative MADDEN in the House of Representatives on April 16 that collusion existed between War Department officers in charge of the sale of surplus supplies and a combination of outside favorites to whom an advantage was given. (Exhibit A, pp. 17, 19.)

5. In this connection you will recall a number of matters I will later recite under specific subjects which arose and were discussed at that time. Conditions relating to sales were reported to you as being considered unsatisfactory for the reason that in some cases awards were not made in accordance with the policy authorized by the director of sales; that bids received in response to advertisements had been rejected and awards made in a number of instances at much lower prices fixed within the division, without the required approval of the director of sales; that on M and V list No. 2 bids on 25,000 wagon covers ranging as high as $12 had been rejected and awards made on the entire lot at $7.50 each, while a similar course was pursued in the case of M and E M and lists No. 5 and other lists; that adjustment of claims were improperly made without reference to the governing sales board and exceeded the authority granted that board; that favoritism was actually shown certain purchasers, etc.

6. These matters were brought to your attention solely in the interest of the service in order that corrective measures might be taken by you at the inception of your administration, and in this connection you were prompt to institute corrections as questions arose from day to day. This, however, was a most difficult task, owing to the enormous volume of business transacted daily, rendering necessary for the time being that you accept in a large measure the statements of and sign documents prepared by your subordinates. It was apparent from the start that you were being imposed upon, as it was observed that matters were placed before you in an incorrect or misleading manner. My efforts to offset this deception and bring about an improvement met with strong opposition from the forces whose actions and powers I deemed it necessary to restrict in the interest of the Government and of fair and equitable dealings with all purchasers alike; therefore, when I was relieved as executive officer on May 20, without being given another assignment, and having the previous day been instructed to apply for a 30-day leave of absence, which I had not requested, I felt that these efforts had proved ineffective.

7. Regarding my relief as executive officer, I desire to correct the erroneous impression you gathered from my remarks of June 1, when you instructed me to file an application for 14 days' leave the following morning. I did not raise the question as to my relief as executive officer, but renewed my inquiry of May 19, when I was first instructed to apply for leave, as to whether or not a position would exist for me upon the expiration of such leave, and restating my desire to apply for a transfer elsewhere in the event that my presence in the division in any way embarrassed you.

8. I am also inclosing photostat copy of a letter dated March 16, 1920, from Capt. Charles N. Neal, former chief of subsistence and retail stores branch, to Maj. Charles E. Jones, surplus property officer, Twenty-first and Oregon Avenue, Philadelphia, Pa., which indicates extreme irregularities, since this officer suggests to the surplus property officer at Philadelphia that he confuse his official records and have them lose their identity, etc. This communication may have some relation to subsequent reports, which I will make as promptly as possible.

W. O. WATTS,
Major, Quartermaster Corps.

This shows the difficulty Major Watts was in at that time with his superior officer because he insisted on reporting to him day after day the numerous irregularities which were going on.

It was about this time that Major Watts called on me at my office and reviewed some of these improprieties to me as his friend. He stated to me that he was in this delicate position: If he desired to retain his commission in the Army it was apparent to him that it would be necessary for him to cease to observe these irregularities, passing over them and even ratifying them. On the other hand, he was aware that if he persisted in what seemed his plain duty of complaining against these irregularities, he would soon lose his commission, as ways would be found to make it necessary for him to resign.

He persisted that he should pursue the course he had mapped out for himself of serving the Government according to the oath he had taken. This course, he knew, would mean the stoppage of the only income he had and the heaping of hardships upon himself, on his wife, and his two little daughters.

How few men would have taken this brave stand. No man in the surplus property division had more knowledge than he of the kind, quality, and amount of surplus Government supplies. He could easily have resigned and set up a corporation of his own, as did Col. George B. Goetz, Maj. Jos. C. Byron, Capt. Azel F. Cochran, Capt. Henry W. Benke, E. C. Morse, former director of sales, and others.

He could have made a fortune out of selling Government property purchased at a fraudulently low price, and he would have been worth a million to-day.

He objected to the sale of some 52,000,000 pounds of sugar at approximately 9 cents per pound when the market price was 23½ cents per pound, although the Government was conducting retail stores authorized by Congress at the time and the public was clamoring for sugar.

He protested when $8,000,000 worth of mosquito bar was sold to a former officer for $1,500,000 without bids and with 10 months' time allowed for payment.

He objected to the sale of Old Hickory plant, worth more than $100,000,000, of which no inventory was available, to a hastily organized corporation for $3,300,000 on time, and his efforts resulted in legal proceedings being instituted by the Attorney General in the case. These proceedings are now pending.

He exposed the infamous leather contract whereby the United States Harness Co. was to obtain from the Government approximately $150,000,000 in surplus supplies at from 1 to 10 per cent of its value. The contract was executed by Army officers who later resigned to enter the harness company. This contract was so rank that the President of the United States, when he heard of it, voided it for fraud on June 14, 1921, and the case is now pending in the courts.

Major Watts saved the Government millions of dollars in the harness contract alone, as the sales of this material since the voiding of the contract have brought greatly increased prices.

After his separation from the service on September 27, 1920, and for many months, he was practically without employment, and while he continued his patriotic work in endeavoring to bring to the attention of those in authority the manner in which the Government was being defrauded of millions of dollars he was without any means of income and lived wholly on meager credit and such small loans as his friends could advance him.

In December, 1920, he appeared before the Graham investigating committee at its request and gave the committee the benefit of his knowledge and investigations. It is a well-known fact that a large part of the genuine substance in the Graham investigation is based on the evidence and work of this same Major Watts. He served unstintingly and for meager remuneration, working night and day, for the benefit of this committee and the work it was doing.

To obtain the benefit of his work and knowledge he was called to the Department of Justice to assist in getting the matter, as he supposed, ready for lawyers who would take it to court. Evidently he made a great mistake here. If he had only realized that it was not his duty to "reason why," but simply to "do and die," he probably would be in the Department of Justice to-day.

He labored, as I did, under the hallucination that one or two at least of the big grafters of the war and after were to be placed behind the bars.

Realizing after futile attempts to reach the ear of the Attorney General himself and to place before him the voluminous and damning evidence of many plain cases of peculation and graft, he became disheartened and proceeded to Congress with his case and handed his evidence to Hon ROYAL C. JOHNSON and Hon. ROY O. WOODRUFF, who ably presented but a small portion of it for our consideration on April 11, the same appearing in the RECORD of that date.

Who should he take this information to if not to Congress? Whom should he consult if not the representatives of the people?

Yet this was regarded as reprehensible on his part and he was discharged, which event he well knew would take place after he had visited the offices of the Representatives above mentioned.

Judging from the fact that while he was in the Department of Justice at work that he was permitted to have access to a few files and to be continually watched over by that heavily twinned pair, Myers and Lenihan, I am surprised and gratified to know that he got safely away with his papers, records, and photostat copies for future use in behalf of the people. I congratulate him.

His position put me in mind of a conversation between two burglars on a dark corner at 4 o'clock one morning. One had been waiting on the corner while his pal made the inside round of an adjacent home. As the burglar emerged from the house the pal greeted him with "Hey, Bill, did you get anything?" "No," said Bill, "a bloke of a lawyer lives there." The anxious partner queried, "Did you lose anything?"

In the year 1780 three Americans by the names of Williams, Paulding, and Van Wart were playing cards under a tree near the Hudson. Suddenly Van Wart said, "Here comes a stranger, a fine gentleman; had we not better stop him?" Paulding sprang to his feet. He beheld the young traveler riding slowly on horseback. He placed a rifle to his heart.

"Dismount," said Paulding.

The stranger was searched and found to be, as you know, John Andre, the British spy, on his way from Benedict Arnold to General Clinton with the details of West Point and the plans for Washington's campaign in his stockings.

All methods of escape failing, Andre resorted to the modern plan of bribery to attain his end.

Laying his hand on Paulding's arm, he said, "Take my watch, my purse—all I have—only let me go."

This was a terrible temptation for three poor men who, living in a land demoralized by war, when neither property nor life was safe for an hour, had never in all their lives owned such a fine horse, elegant gold watch, or purse of yellow guineas.

"Yes," said Andre, "I will make each man of you rich for life—land, dry goods, money—to enable you to live independent of the world—anything—only let me go."

Deep silence prevailed for a moment. Then Andre said, "Will you accept my offer, gentlemen?"

Paulding turned to him and said, "No; if you would offer me 10,000 guineas I could not—I would not let you go."

You all know the story—Andre died a spy and the name of the patriots, Williams, Paulding, and Van Wart, are engraven in the hearts of their countrymen forever.

Had that event happened in these days, with the late faithfulness of Major Watts to the people rewarded with a charge of "disloyalty to the department," the patriots, Williams, Paulding, and Van Wart, would have been hung for disloyalty to the department of Gen. Benedict Arnold.

Major Watts has made every sacrifice in order that justice might be done not only to the people but to the malefactors who have plundered us. Instead of an attempt to assassinate his character, he should have received honor and promotion.

Some day this will be done.

For it shall not be forever written:

Right forever on the scaffold,
Wrong forever on the throne.

Mr. MADDEN. Mr. Speaker, will the gentleman from Tennessee use his time?

Mr. LONDON. Mr. Speaker, I renew my request. I am the only one opposed to this bill. All of the speakers who were given time by the gentleman from Tennessee spoke in misapprehension of the situation. May I——

The SPEAKER. The Chair can not rule on the question raised by the gentleman. He did not make the motion at the proper time.

Mr. LONDON. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. The gentleman from New York asks unanimous consent to address the House for five minutes. Is there objection?

Mr. MURPHY. I object.

Mr. BYRNS of Tennessee. Mr. Speaker, in justice to myself I will say that the gentleman did not ask me for any time.

Mr. MADDEN. Mr. Speaker, it is to be regretted that all the gentlemen who have spoken are heartily in favor of the appropriation we are granting, and yet at the same time they are criticizing the department to which they are granting the appropriation. Everybody must realize that the Department of Justice can not try cases until they come into the possession of the department. Everybody must realize that these cases come from the War Department after the audits are made, and you gentlemen who are criticizing the Department of Justice because it is not prosecuting these war profiteers may have another story to tell before the prosecutions are ended. They will prosecute more vigorously perhaps than you would like to see them prosecuted. [Applause.] I have not any doubt about that. It is very easy to criticize men in the department who are prosecuting cases. Of course, they make enemies, and if they do something that should be done against somebody who committed a crime or violated a contract that he had with the Government, of course, these men are going to criticize the men who prosecuted them. Those who criticize the department ought to be in better business. [Applause.]

I regret very much, indeed, that my friend from Michigan [Mr. WOODRUFF] felt called upon to criticize men in the Department of Justice by name—assistants to the Attorney General. I do not know these men. But I believe they are honorable men. They have no chance whatever to answer on the floor, and it is not fair to state a case against them where they have no chance to reply. [Applause.] I have no fear but that Harry Daugherty will prosecute the cases that come before him unrelentingly, and some who may think they have power in the Nation to-day will find themselves behind bars as the result of his activity. It takes time to prepare these cases. They must have accountants; they must have auditors; they must have investigators; they must have witnesses. They must prepare all the cases for trial before they can go to trial. It takes time. There is not a thing on earth that could be done by outsiders to prevent the prosecution of the cases now in the hands of the Attorney General that up to this time has not been done. The Attorney General has shown his sincerity by asking that the statute of limitations be extended so that there can be no possibility of their escape. Do not be afraid, gentlemen. The Attorney General will do his duty. [Applause.]

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and the Speaker announced that two-thirds having voted in the affirmative, the rules were suspended and the bill was passed.

UNANIMOUS-CONSENT CALENDAR.

The SPEAKER. The Chair will state that there are two matters on the Calendar for Unanimous Consent, numbers 278 and 286, the Chair is informed should be passed to-day, and the Chair accordingly has agreed to recognize motions for suspension of the rules in case objection is made to their consideration by unanimous consent, so that the Chair will direct the Clerk to call them for unanimous consent first in order to save time.

EXTENSION OF REMARKS.

Mr. SISSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the $500,000 appropriation bill just passed.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to extend his remarks in the RECORD on the bill just passed. Is there objection?

There was no objection.

UNANIMOUS-CONSENT CALENDAR.

Mr. STAFFORD. Mr. Speaker, I question whether it is good practice on the part of the House to call up bills out of their order.

The SPEAKER. The Chair agrees with the gentleman, but the Chair has the right to recognize at any moment for suspension, otherwise the Chair would not call bills up out of order. But since the Chair is authorized to recognize them for suspension, the Chair thinks it will save the time of the House to allow first an opportunity for them to be considered by unanimous consent.

Mr. MONDELL. I think the Chair is entirely right on that.

Mr. STAFFORD. If they are not to be contested, it will not take up the time of the House; but to take up a bill out of order is not good practice, and it is not in conformity with the best practice of the House.

The SPEAKER. The Chair finds nothing in the rules to prevent taking them up out of order. The Chair would not suggest it except that inasmuch as the Chair was going to recognize for suspension anyway, the Chair thinks it might save the time of the House to first try for unanimous consent, and then, if that is refused, to let them be called up for suspension.

Mr. STAFFORD. The rule says that they shall be called up in their order.

The SPEAKER. The Chair thinks the gentleman is mistaken.

Mr. MONDELL. In any event, there being on the Unanimous Consent Calendar two bills in regard to which the Speaker intends to recognize a request for suspension of the rules if they are objected to, it is highly important to have those bills disposed of in order that, when disposed of, we may then proceed in an orderly way to the consideration of the remaining bills on the calendar. There is always danger, if there is a bill well down on the calendar on which suspension has been promised in event of objection, that some one interested in that bill may be tempted to try to hurry the House along in regard to the consideration of other measures in order to reach it. It is well to dispose of these matters on which the rules are to be suspended, if objection is made, in order that we may then proceed in an orderly way to the consideration of the remainder of the calendar.

Mr. GARNER. Mr. Speaker, will the gentleman yield for a question?

Mr. MONDELL. I will, if I have the floor.

Mr. GARNER. If the Speaker should hold that he has the right to skip a certain number of bills and recognize a Member to ask unanimous consent for the consideration of a bill lower down on the calendar than those on the regular order, then you would have the Unanimous Consent Calendar in this attitude, that the Speaker would control it entirely rather than the House itself. Now, I understood that the object of the adoption of the Unanimous Consent Calendar was that a Member could have a right to have a bill called, and that unanimous consent should be asked without his going to the Speaker to get that permission. The gentleman from Wyoming will recall that a number of Members—I do not know whether he did or not, but I know that I did—spoke of having to crawl on their knees in the Speaker's room, when the gentleman from Illinois [Mr. CANNON] was Speaker, in order to get unanimous consent.

Mr. CANNON. That is very old. [Laughter.]

Mr. GARNER. Yes; that is very old, as the gentleman has properly said. But if the Speaker should adopt the policy, and it should be the rule of the House that bills are not to be called in their regular order, then it would be necessary to go to the Speaker and get his consent to have them called by unanimous consent.

The SPEAKER. The gentleman forgets a fact which the Chair thinks contradicts the logic of the gentleman, that the Chair has said he would not interfere with the regular order except in a case where he would recognize for suspension if unanimous consent was refused. The Chair has the right to recognize for suspension at any moment.

Mr. GARNER. Let me show what would be the result if that were the rule of the House. The Chair could on every unanimous-consent day say, "There are two or three bills on the calendar which I propose to recognize for suspension," so that we never would get the opportunity to call that calendar.

The SPEAKER. Does the gentleman dispute that the Chair has that right now?

Mr. GARNER. He has not that right.

The SPEAKER. The rule originally was interpreted to mean that the Chair had not the right to recognize for suspension on unanimous-consent days, but it was found in practice that that interfered with the business of the House and the rule was changed so that the Chair should have the right to recognize for suspension.

Mr. GARNER. I admit that he has, on unanimous-consent day, the right to recognize some one for suspension of the rules, but this is an innovation. While I do not object to the procedure to-day, I think the Chair should state that only on account of the particular conditions existing this method will be pursued to-day, but that it should not be the rule of the House.

The SPEAKER. The Chair stated that the Chair would direct the Clerk to call up bills on the Unanimous Consent Calendar in their order unless there was a bill which the Chair would allow to be called up under suspension. In these cases where, as the gentleman from Wyoming has stated, there are reasons which make it desirable that those motions should come early in the day, inasmuch as the Chair has the right to recognize for suspension, the Chair thinks it would save the time of the House first to call the bills for unanimous consent; and if there is no objection, that will save the necessity of recognizing for suspension, and thus save the time of the House.

Mr. WALSH. If the Chair will permit, that might be true unless consent were given, and in that event we might have two hours of debate upon a bill to which there was no objection but which people might want to talk about, whereas under suspension we would have only 40 minutes' debate, so that we would not be saving very much time.

The SPEAKER. While that is possible, of course, the House could end the debate at any moment that it desired to do so. The Clerk will report the Joint Resolution No. 278 on the Calendar for Unanimous Consent.

UNITED STATES COMMISSION TO RIO DE JANEIRO EXPOSITION.

The Clerk read the title of the joint resolution (S. J. Res. 173) authorizing the President to appoint a commission to represent the Government of the United States at the centennial celebration of the independence of Brazil, to be held at Rio de Janeiro in September next.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. BLAND of Indiana. Mr. Speaker, reserving the right to object——

Mr. STAFFORD. I object, Mr. Speaker.

The SPEAKER. The gentleman from Wisconsin objects.

Mr. ROGERS. Mr. Speaker, I move to suspend the rules and pass Senate Joint Resolution 173 as amended, and including in the motion to amend the title and the preamble.

Mr. BLAND of Indiana. Mr. Speaker, I demand a second.

The SPEAKER. The gentleman from Massachusetts moves to suspend the rules and pass the Senate joint resolution as amended, which the Clerk will report.

The Clerk read as follows:

Whereas the Government of Brazil has invited the Government of the United States to be represented at the centennial celebration of the independence of Brazil, to be held in September, 1922, at Rio de Janeiro: Be it

Resolved, etc., That the President is hereby authorized to appoint and send to Brazil a special mission of friendship, good will, and congratulation not to exceed five members to represent the Government and people of the United States at the celebration of the independence of Brazil, to be held in September, 1922, at Rio de Janeiro.

SEC. 2. That the expenses of the said special mission shall be paid, under the direction and subject to the approval of the Secretary of State, from the appropriation for the expenses of taking part in said international exposition as provided for in the deficiency appropriation act of Congress approved December 15, 1921.

Amend the title so as to read:

"Joint resolution authorizing the President to appoint a special mission of friendship, good will, and congratulation to represent the Government and people of the United States at the centennial celebration of the independence of Brazil."

Mr. BLAND of Indiana. Mr. Speaker, I demand a second.

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent that a second be considered as ordered. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Massachusetts [Mr. ROGERS] has 20 minutes, and the gentleman from Indiana [Mr. BLAND] has 20 minutes.

Mr. ROGERS. Mr. Speaker, on the 2d day of last November Congress approved a resolution under which the United States is to be represented at the Centennial Exposition of the Republic of Brazil which begins on the 7th day of next September. That same resolution authorized the appointment of a commissioner general and five commissioners, whose function should be to erect a building, to arrange for exhibits, and generally to act as the agents of the United States throughout the life of the exposition. The resolution authorized the appropriation of $1,000,000 for the expenses which should grow out of our suitable representation in accordance with the terms of the law.

By the deficiency appropriation act approved December 15, 1921, the actual appropriation of the $1,000,000 was made. By the passage of those two acts that phase of the participation of the United States was complete and the commission is now functioning and is preparing the necessary exhibits in Rio de Janeiro.

It has always been the custom of the United States, however, to send to these centennial expositions, as they have come along in the several Republics of South America, a special mission of felicitation and congratulation which has been primarily an honorary commission. Such a commission would probably not remain in Rio for more than a few days, a week at the most, and the members of that commission would serve without compensation.

There have been at least four centennial celebrations in the Republics of Latin America within the past 10 or 15 years. I think at the moment of the celebration in Argentina, the celebration in Chile, and only last year the celebration in Peru. The United States has invariably appointed and sent to those countries a commission for this limited purpose. The Secretary of State and the President have concurred in requesting Congress to authorize the appointment of such a commission in the case of Brazil. On the 6th day of March the Senate

passed the necessary resolution. The measure was then referred to the Committee on Foreign Affairs of the House, and hearings were held, at which the Secretary of State testified as to his belief in the importance of this mission, and consequently of this resolution authorizing the mission. The Committee on Foreign Affairs unanimously recommended the reporting of a resolution differing somewhat, but in no essential feature, from the form in which the resolution had already passed the Senate.

Perhaps I need add very little more. I think it would be extremely unfortunate from the standpoint of the material interests of this country, as well as from the sentimental viewpoint, if the United States were not suitably represented on this great occasion, which is intended to be, and I think bids fair to be, one of the most noteworthy ever held on the continent of South America.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. ROGERS. In a moment I shall be glad to yield. It is rather interesting—and this was brought out in connection with the discussion of the law passed last November—it is interesting to recall that the Republic of Brazil has participated in eight different expositions held at different times by the United States. She has expended, according to the best figures which are available, from $3,000,000 to $5,000,000 in these several exhibitions. Many of the Members who were at St. Louis in 1904 will recall the edifice which was erected by Brazil, and which was deemed by many competent persons to be the finest foreign building on the entire grounds. At the end of the exposition that building was transported in pieces to Rio, where it was reerected and rededicated. It now bears the honorable name of the Monroe Palace, and is one of the principal buildings in connection with the governmental activities of the Republic of Brazil. Under these circumstances it would seem particularly unfortunate if the United States should not thus evidence its friendship for Brazil. It is certainly most desirable that we thus recognize the spirit in which Brazil has herself responded to our overtures in the same direction.

Mr. STAFFORD. Will the gentleman yield?

Mr. ROGERS. I will.

Mr. STAFFORD. As I recall, in the case of Argentina, Peru, and Chile, to which we sent special delegations to represent our Government, our Government did not provide any exhibit or any commission, as provided in the act authorizing the establishment of a commission to and an exhibit at the forthcoming exhibition at Rio de Janeiro.

Mr. ROGERS. My impression is—and I think it is true of all three of the cases I alluded to—that there was no exposition at any one of them.

Mr. STAFFORD. We have in the act authorizing an exhibit at the international exposition at Rio de Janeiro an appointment of five commissioners, two of whom are to be honorary. In the other centennials the American Government had no representation—no commission—and, naturally, Congress passed an authorization for the President to appoint a commission to represent the Government. With a commission of five, two of whom are to be honorary, what is the necessity of providing a superhonorary commission to use up some of the money that heretofore has been appropriated. The letter of the President states that there is considerable money left over from the $1,000,000 appropriated for the exhibition commission.

Mr. ROGERS. The commission created by the act of November 2 was a working commission. It is true, as the gentleman says, that two of the commissioners are to serve without compensation, but it is not my understanding that that makes them "honorary" commissioners in any sense or that it makes them any different in respect to duties and functions from the others.

The fact is that the Secretary of State has testified that these two unpaid commissioners are to be American citizens who reside temporarily in Brazil. Thus they do not have to give up their business and go from the United States to Brazil, but can cooperate and participate on the spot. Consequently they do not receive compensation as would those who went from the United States for a period of many months. The honorary commission, the commission contemplated in the present resolution, is a commission which shall go down there composed of 16-inch-gun citizens of the United States. Gentlemen will remember that when our Centennial Exhibition was held at Philadelphia in 1876, the great Republic of Brazil was represented by its President, Dom Pedro, which was the most distinguished honor that a South American country could pay to this country. Secretary Hughes has said that it would be the hope and purpose of the administration to appoint upon this honorary commission the most distinguished and the most complimentary delegation that the entire citizenship of the United States can produce.

Mr. WALSH. Will the gentleman yield?

Mr. ROGERS. I will.

Mr. WALSH. If the gentleman knows, why was not this included when we appropriated $1,000,000?

Mr. ROGERS. I do not know. I think it would have been desirable if we had included it.

Mr. WALSH. I did not know but that the gentleman's committee had some reason given it why it was not brought in.

Mr. ROGERS. There was no reason given, but the gentleman from California, who introduced the original resolution, can perhaps state.

Mr. LINEBERGER. No such recommendation was made by the Secretary of State at that time. However, I presume that since the other resolution was passed he has looked into the matter, and it appears that they now think it is desirable.

Mr. ROACH. Will the gentleman yield?

Mr. ROGERS. Yes.

Mr. ROACH. I would like to inquire whether these commissioners are paid a salary.

Mr. ROGERS. Which commissioners does the gentleman mean—those provided by the former act or by the pending resolution?

Mr. ROACH. Under the pending resolution.

Mr. ROGERS. They receive no salary. They will receive no compensation of any kind; they will receive only their expenses, as the Secretary of State said in the hearings.

Mr. ROACH. I am trying to find out what the expense of the entire arrangement would be on the Government.

Mr. ROGERS. It certainly will not exceed $50,000. Probably it will not exceed $30,000 or $35,000; and this resolution involves no additional appropriation. The sum found to be requisite will be diverted from the appropriation already made.

Mr. BLAND of Indiana. Mr. Speaker and gentlemen, I never saw a clearer case of larceny in my life than that which is being attempted here in the consideration of this bill. I condemn severely, and I think the House will condemn, the tactics which are being pursued in attempting to take away from the Committee on Industrial Arts and Expositions its right to consider a bill which clearly belongs to it.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. BLAND of Indiana. Not now. Some time ago the Committee on Industrial Arts and Exhibitions was informed that there was to be a bill referred to the Committee on Foreign Affairs with reference to an exposition in Brazil. The chairman of the Industrial Arts and Expositions Committee immediately entered a protest and stated that the Industrial Arts and Exposition Committee had jurisdiction of this question and was ready to function, and if bills were not referred to it he wanted the committee abolished. As a result there was referred to the committee that bill in relation to the exposition in Brazil. Representatives of the Secretary of State came before the committee and asked us to put on two members on the commission without pay. They said that they were specially requested in the diplomatic interest, because we needed some one who did not receive pay that would go at their own expense and represent this Nation in a diplomatic way.

We put that in the bill. We authorized an appropriation of $1,000,000 for it. We were the ones who considered the legislation, and our people are down there now getting ready to construct the buildings out of the funds which we appropriated. They have a good number of men employed, in connection with the whole enterprise. Considerable interest has been stirred up all over the country. This legislation came from the Committee on Industrial Arts and Expositions. Over in the Senate the Senator from Massachusetts introduced the resolution which we have here before us. They have no committee on expositions in the Senate. Exposition affairs are handled by the Committee on Foreign Relations. The main Brazilian exposition bill was handled by the Committee on Foreign Relations of the Senate. When this bill from the Committee on Foreign Relations of the Senate came over here the parliamentary clerk inadvertently referred it to the Committee on Foreign Affairs. That committee immediately reported it out.

The minute the chairman of the Committee on Industrial Arts and Expositions found it out, he undertook to ascertain if it could not be referred to the Committee on Industrial Arts and Expositions. The chairman of the Committee on Foreign Affairs said that other members of his committee were opposed to its leaving the committee, and insisted upon maintaining jurisdiction. I looked the matter up to see what rights I had, and I determined that under the rules I had no rights until the bill came up for consideration, at which time I would have the right to move to rerefer the matter to the proper committee; but, behold, the gentleman from Massachusetts [Mr. ROGERS], who is in charge of the bill—the chairman is not here

to-day—obtained permission from the Speaker to bring the matter up under suspension of the rules, and now no motion to rerefer is possible. If that is not hog-tying a fellow, I do not know anything about it. If that is not larceny, either petty or grand, I am not familiar with the terms. I wonder if the House is going to agree to having the jurisdiction of a committee taken away from it in this manner? It is absolutely wrong. I think the Speaker will tell the Members of the House that I am correct, and I yield to the Speaker at this time to tell the House whether or not he believes this bill ought to have been referred to the Committee on Industrial Arts and Expositions. I would like to have the Speaker say.

The SPEAKER. The Chair is perfectly willing to state that he thinks the reference to the Committee on Foreign Affairs was a mistake, and that the resolution ought to have been referred to the Committee on Industrial Arts and Expositions.

Mr. BLAND of Indiana. I thank the Chair. What rights have I? The resolution was reported out. I have talked to some members of the Committee on Foreign Affairs, who say they are not in favor of their committee claiming jurisdiction of the resolution. I want to say to you now that if the House is willing to take away bills within the jurisdiction of the Committee on Industrial Arts and Expositions, then I want the House to abolish the committee. My committee has been criticized on the floor of this House for having nothing to do. If it had not anything to do it is partially because it has been robbed of its jurisdiction, and if you continue to take its jurisdiction away, then I want you to do away with the committee altogether. That is a fair proposition.

This bill provides for a mission of five men, to be appointed by the President, whose expenses are to be paid out of the funds we authorized to be appropriated in our committee. Yet the Committee on Foreign Affairs comes in here brazenly and takes the position that they ought to have the right to consider the matter, and in order to prevent a motion to rerefer the bill to the Committee on Industrial Arts and Expositions they get the consent of the Speaker to bring the matter up under suspension of the rules, when under the rules they know that I can not make that motion. I say to you that the protest of the House ought to go to the passage of this resolution.

I am for the principle of sending a mission down there. I thought we had sent enough when we put the two extra men on the committee; and, more than that, I felt that it would take every penny of the million dollars to put on a proper display down there, and I believe it will. When he wrote the long letter in favor of the Brazilian exposition the President of the United States did not say anything about wanting the extra five men to go down there, but the Secretary of State said they wanted somebody down there aside from the men who are the business men in charge of the business end of the exposition. He said that we wanted some men who would give international diplomatic matters some consideration. We gave them two men. Now, somebody is back here wanting five.

I do not know why it did not come to our committee in the form of a request when we were first considering the matter. I am inclined to think that the Speaker is not to be blamed for it, because I think the parliamentary clerk referred it without consulting the Speaker. I think the Speaker is fair in his attitude in stating publicly to the House that it was wrongly referred.

Mr. TINCHER. Mr. Speaker, will the gentleman yield?

Mr. BLAND of Indiana. Yes.

Mr. TINCHER. If the gentleman's statement is true, is it not rather an amazing thing for a committee to do this? If what the gentleman has stated is true, then what must be the attitude of the committee that tries to bring up the resolution in this way? What excuse is there for it?

Mr. BLAND of Indiana. Nothing, except that they want to steal the resolution.

Mr. TINCHER. If a mistake has been made, I am sure the committee would want to have the proper committee consider it. I am sure that I can state for the Committee on Agriculture that that committee would not want to try to steal a bill, but would want it referred to the proper committee.

Mr. BLAND of Indiana. That is not the attitude of this committee at the present time.

Mr. TINCHER. Does the gentleman know whether the chairman of this committee, who happens to be a good friend of mine, countenances this?

Mr. BLAND of Indiana. I think if he were very much interested in it and wanted to stand for this sort of thing, he would want to be here to-day.

Mr. TINCHER. Oh, I doubt if he would want to be here to-day under any circumstances, because this is his primary day. Did the gentleman talk with the chairman of the committee about this?

Mr. BLAND of Indiana. Yes.

Mr. TINCHER. Did he tell the gentleman to take the bill away from his committee?

Mr. BLAND of Indiana. The longer he considered the matter, I think, the more doubtful he was, although the chairman did say that he thought he had jurisdiction under certain precedents, but those precedents were ones that happened just like this; for instance, the mission to Peru came from the Committee on Foreign Relations of the Senate to the House and went to the Committee on Foreign Affairs of the House. It was the natural thing to do if not well considered. Nobody raised any objection, but I am here raising an objection, and I have tried to raise an objection at all times since I learned of the fact that the bill was in the wrong committee.

The SPEAKER. If the gentleman will permit, perhaps the Chair ought in fairness to state that there are unquestionably precedents which point to both the Committee on Foreign Affairs and the Committee on Industrial Arts and Expositions, and it is a question of some doubt which committee has jurisdiction. However, the Chair is of opinion that the weight of argument and the merits of the matter point to the Committee on Industrial Arts and Expositions.

Mr. BLAND of Indiana. There is no precedent where one committee handled the legislation which established the exposition and another committee handled the matter of the personnel to go to the exposition, is there?

The SPEAKER. The Chair does not remember any such thing.

Mr. BLAND of Indiana. More than that, as far as I know there is no precedent for any committee other than the expositions committee to handle a bill sending anybody to represent the United States where there is an exposition participated in by the United States.

Mr. LONGWORTH. Will the gentleman yield?

Mr. BLAND of Indiana. I will.

Mr. LONGWORTH. Assuming the gentleman is correct as to the proprieties as to the reference to his committee of this bill, the question is, Are we justified, when a bill is already before us under suspension of the rules, which is otherwise unobjectionable, in voting against it merely because a mistake was made in regard to the original reference? What is the position of the gentleman?

Mr. BLAND of Indiana. I take this position: If I felt for a minute I could get consideration promptly for the bill coming from the other committee I think the House ought to reject it. There is no other way to protect ourselves. There is no other way in the world if the Speaker wants to recognize the gentleman from Massachusetts to suspend the rules and forbid the right to send it to my committee, there is no other way on earth that I know of to rectify the wrong but to vote down the motion to suspend the rules. Are we going to acquiesce in it and establish the precedent here? Is there any other way except by defeating the motion?

Mr. ROACH. Will the gentleman yield?

Mr. BLAND of Indiana. I will.

Mr. ROACH. The gentleman from Ohio asked the question, and suppose he has made good the case, how are you going to correct the matter at this time without defeating the bill?

Mr. BLAND of Indiana. If it is sent to our committee it will come back a different kind of a bill, that is my judgment about it, and as to what the gentleman from Massachusetts says about trouble from delay——

Mr. ROACH. When does the gentleman anticipate that the bill will be brought up for consideration if it be referred to his committee?

Mr. BLAND of Indiana. I think before the Congress recesses; in two weeks anyway, probably sooner. Now, gentlemen, I do not want to take the position that I am standing in the way of needful legislation merely because the rights of my committee have been transgressed. I do not feel like being an obstructionist to legislation, but if we were considering this in the Committee of the Whole I would offer amendments to it, improving it in my judgment, and I think it could be much improved, and I believe if referred to the committee or another bill introduced, that we can improve the legislation. I know of no way by which this high-handed method and procedure of the Committee on Foreign Affairs, which seems to be determined to make a precedent of this proposition, can be corrected except by defeating the motion to suspend the rules, and I ask unanimous consent to insert in the RECORD at this point in extension of my remarks all the precedents I have on this subject.

The SPEAKER. The gentleman from Indiana asks unanimous consent to extend his remarks for the purpose indicated. Is there objection? [After a pause.] The Chair hears none.

Mr. REED of New York. Will the gentleman yield?

Mr. BLAND of Indiana. I will.

Mr. REED of New York. Does the gentleman question the merits at all?

Mr. BLAND of Indiana. I question the sending of five when we have already provided for two.

Mr. REED of New York. If the gentleman does not question the merits of the bill, this is coming on very soon, September 22, and whoever is appointed will have to make plans——

Mr. BLAND of Indiana. They do not have to go until September. We have already provided the machinery, and we have already provided for the commissioners to work to get up the exhibits and all those things—perhaps the gentleman would like to go——

Mr. REED of New York. I have no desire to go, but I am very anxious to see our Government participate. I am fearful if it was referred back to another committee that there might be danger of its failing.

Mr. BLAND of Indiana. We could get to it and pass it in two weeks.

The precedents are as follows:

PRECEDENTS IN THE HOUSE.

JURISDICTION OF INTERNATIONAL EXPOSITIONS.

58–3. Select Committee on Industrial Arts and Expositions reported the bill (H. R. 15591) providing for the Jamestown Exposition; also the bill H. R. 19203, which became the law.

Lewis and Clark Exposition concurrent resolution. Industrial Arts and Expositions. Reported.

Liege Exposition. Select Committee on Industrial Arts and Expositions.

Louisiana Purchase Exposition. Select Committee on Industrial Arts.

59–1. Jamestown Tercentennial. The bill (H. R. 12610) to authorize United States to participate. Industrial Arts and Expositions.

Tampa, Fla.; House Concurrent Resolution 28. Industrial Arts and Expositions.

Milan, Italy; appropriation to enable United States to participate; also the bill H. R. 17458. Industrial Arts and Expositions; and also the bill H. R. 18079. Industrial Arts and Expositions.

San Francisco. The bill H. R. 10698. Industrial Arts and Expositions.

59–2. House Joint Resolution 213; special commission to investigate feasibility of proposed exposition. Industrial Arts and Expositions.

International Maritime Exposition at Bordeaux, France; President's message referred to Merchant Marine and Fisheries. Item carried in an appropriation bill.

60–1. Alaska-Yukon Exposition. The bill H. R. 10530. Select Committee on Industrial Arts and Expositions.

Tokyo Exposition. House Joint Resolution 81, accepting invitation to participate. Industrial Arts and Expositions; also the bill (H. R. 16511) providing for participation. Industrial Arts and Expositions.

International Mining Exposition at New York. The bill H. R. 7659. Industrial Arts and Expositions.

Exposition at Quito, Ecuador. The bill S. 4633. Referred to Appropriations Committee.

60–2. Alaska-Yukon Exposition. The bills H. R. 27603 and 27931. Industrial Arts and Expositions.

House Joint Resolutions 243 and 257, to invite Great Britain and France to participate in proposed tercentenary celebration of discovery of Lake Champlain. Foreign Affairs.

H. R. 27882. Participation of United States in exposition at Tokyo. Industrial Arts and Expositions.

H. R. 27818. Participation of United States in exposition at Brussels, Belgium, reported by Foreign Affairs. (RECORD, p. 6814.) The bill H. R. 27824, regarding Brussels, Belgium. Industrial Arts and Expositions.

61–1. Alaska-Yukon Pacific Exposition. House Concurrent Resolutions 13, 16, and 17, accepting invitation to attend. Industrial Arts and Expositions.

The bill H. R. 10435, for participation in Universal and International Exposition at Brussels in 1910. Foreign Affairs.

61–2. Commission to attend celebration of centennial of Republic of Mexico. House Joint Resolutions 205, 208, and 232. Foreign Affairs.

House Joint Resolution 88. Commission to investigate advisability of holding a Negro centennial. Reported by Industrial Arts and Expositions.

Panama-California Exposition, 1915. House Joint Resolution 73, to invite foreign nations to attend and participate. Foreign Affairs.

61–3. Authorizing President to invite nations to send ships to an exposition. House Joint Resolution 265. Foreign Affairs.

Perry's Victory Centennial Celebration. The bill H. R. 29503. Industrial Arts and Expositions.

World's Panama Exposition. The bill H. R. 29362. Industrial Arts and Expositions.

Panama-Pacific Exposition. House Joint Resolution 213, authorizing President to invite nations to participate in. Foreign Affairs.

62–1. Florida East Coast Railway Co.; requesting President to invite nations to participate in celebration of the completion of. Industrial Arts and Expositions.

House Joint Resolution 99, authorizing President to invite nations to participate in Panama-California Exposition. Industrial Arts and Expositions.

62–1. House Joint Resolution 119, authorizing President to appoint Panama-Pacific International Exposition commissioners. Industrial Arts and Expositions.

62–2. Fifth National Corn Exposition at Columbia, S. C. Industrial Arts and Expositions.

House Joint Resolution 224, authorizing acceptance of invitation to participate in a universal and international exhibition at Ghent, Belgium. Foreign Affairs.

62–3. National Conservation Exposition at Knoxville, Tenn. The bill H. R. 26190. Industrial Arts and Expositions.

Committee to attend unveiling of statue of Jefferson at St. Louis. House Resolution 799. Industrial Arts and Expositions.

Panama-Pacific Exposition. The bill H. R. 27876. Industrial Arts and Expositions.

The bill H. R. 19224. Permanent exhibit of resources of United States at Washington, D. C. Industrial Arts and Expositions. (Reported.)

63–2. House Joint Resolution 204, authorizing Secretary of Agriculture to make exhibits at Forest Products Expositions to be held in Chicago and New York. FORDNEY, from Foreign Affairs. (Reported.)

The bill H. R. 15732, to install Government irrigation exhibit at Panama-California Exposition. Industrial Arts and Expositions. Panama-Pacific Exposition.

The bill H. R. 18663. Installation of exhibits. Industrial Arts and Expositions.

The bill S. 6454. Installation of exhibits. Industrial Arts and Expositions.

The bill H. R. 16327. Appropriation for erection of building. Industrial Arts and Expositions.

The bill H. R. 10737. Protection of copyrights. Patents.

The bill H. R. 16828. Coins for. Coinage, Weights, and Measures.

Sixth National Corn Exposition. House Concurrent Resolution 17. Industrial Arts and Expositions.

House Joint Resolution 302, to invite nations to participate in Washington navel orange industry celebration. Foreign Affairs.

House Joint Resolution 292, authorizing the President to accept an invitation to participate in City of Panama Exposition. Foreign Affairs.

63–2. Senate Joint Resolution 151, authorizing President to accept invitation to participate in international exposition of sea-fishery industries. Foreign Affairs.

House Joint Resolution 264, authorizing President to accept invitation to participate in Sixth International Congress of Chambers of Commerce and Commercial and Industrial Associations. Foreign Affairs.

63–3. Panama-California Exposition. House Joint Resolution 329, to detail officer of Army at. Military Affairs.

64–1. House Joint Resolution 252, authorizing transfer of Government exhibit from Panama-California Exposition at San Diego to Mississippi Centennial Exposition. Industrial Arts and Expositions.

House Joint Resolution 253, authorizing President to invite Latin-American nations to participate in exposition. Foreign Affairs.

Panama-California Exposition. House Joint Resolution 3 and Senate Joint Resolution 38. To transfer Government exhibit from Panama-Pacific to Panama-California. Industrial Arts and Expositions.

Panama-Pacific Exposition. The bill H. R. 6855. Free importation of articles for. Ways and Means.

Senate Joint Resolution 135 and House Joint Resolution 235. Thanking foreign Governments for participating in. Foreign Affairs.

67–1. Senate Joint Resolution 34, authorizing the President to appoint commission to attend first centennial of Republic of Peru. Foreign Affairs.

House Joint Resolution 200 and Senate Joint Resolution 114. Accepting invitation to participate in exposition at Rio de Janeiro in 1922. Industrial Arts and Expositions.

Mr. STEVENSON. Mr. Speaker, I make the point of order there is no quorum present. This is an important bill.

The SPEAKER. It is clear there is no quorum present——

Mr. ROGERS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

Ansorge	Driver	Knight	Rosenbloom
Aswell	Dupré	Kreider	Rosedale
Atkeson	Edmonds	Kuns	Rouse
Bacharach	Elliott	Lampert	Ryan
Bankhead	Ellis	Langley	Sanders, Ind.
Beck	Evans	Lee, N. Y.	Sears
Beedy	Fairchild	Longworth	Shreve
Benham	Fields	McArthur	Smith, Idaho
Bird	Fish	McClintic	Smithwick
Bixler	Focht	McDuffie	Snell
Blanton	Fulmer	McFadden	Snyder
Boies	Gallivan	McLaughlin, Nebr.	Speaks
Bond	Garrett, Tenn.	McLaughlin, Pa.	Stiness
Bowers	Gilbert	McPherson	Stoll
Brand	Goldsborough	McSwain	Strong, Pa.
Britten	Gorman	Madden	Sullivan
Brooks, Pa.	Gould	Maloney	Summers, Wash.
Bulwinkle	Graham, Pa.	Mann	Sweet
Burke	Green, Iowa	Mansfield	Tague
Burton	Griest	Martin	Taylor, Ark.
Butler	Hawley	Mead	Taylor, Colo.
Campbell, Pa.	Himes	Mills	Taylor, Tenn.
Cantrill	Hogan	Montague	Temple
Chandler, N. Y.	Hooker	Morin	Ten Eyck
Clague	Hudspeth	Mudd	Tilson
Clark, Fla.	Hukriede	Newton, Minn.	Tinkham
Classon	Humphreys	Newton, Mo.	Treadway
Cockran	Husted	O'Brien	Upshaw
Codd	Ireland	Oliver	Vare
Collins	Jacoway	Olpp	Vinson
Colton	James	Perkins	Volk
Connell	Jeffers, Ala.	Perlman	Walters
Connolly, Pa.	Johnson, Wash.	Petersen	Ward, N. Y.
Copley	Jones, Pa.	Porter	Ward, N. C.
Coughlin	Kahn	Pringey	Watson
Crago	Kearns	Rainey, Ala.	Wilson
Cullen	Kelley, Mich.	Ransley	Wingo
Darrow	Kelly, Pa.	Reavis	Winslow
Davis, Minn.	Kendall	Reber	Woodyard
Dempsey	Kennedy	Riddick	Wright
Dickinson	Kiess	Riordan	Wurzbach
Dominick	Kindred	Robertson	Wyant
Doughton	Kitchin	Rodenberg	Yates
Drane	Kline, Pa.	Rose	

The SPEAKER pro tempore (Mr. WALSH). On this call 255 Members have answered to their names. A quorum is present.

Mr. ROGERS. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER pro tempore. The Doorkeeper will open the doors. The gentleman from Indiana has six minutes and the gentleman from Massachusetts has six minutes.

Mr. ROGERS. Is the gentleman from Indiana going to use any further time?

Mr. BLAND of Indiana. I prefer the gentleman from Massachusetts to use some more time.

Mr. ROGERS. There is only one more speech on my side.

Mr. BLAND of Indiana. That is all I have. I have just spoken. [Cries of "Vote!"]

The SPEAKER pro tempore. The question is on the motion to suspend the rules and pass Senate Joint Resolution 173.

The question was taken, and the Speaker pro tempore announced that in the opinion of the Chair two-thirds had not voted in favor thereof.

Mr. ROGERS. Mr. Speaker, I ask for a division.

The House again divided; and there were—ayes 49, noes 73.

So, two-thirds not having voted in favor thereof, the House refused to suspend the rules and pass the joint resolution.

ADDITIONAL GRAND JURY FOR THE DISTRICT OF COLUMBIA.

Mr. VOLSTEAD. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3505) with the amendments recommended by the Committee on the Judiciary.

The SPEAKER pro tempore. The Clerk will report the bill.

The Clerk read as follows:

An act (S. 3505) in reference to the summoning of grand juries in the District of Columbia.

Be it enacted, etc., That the Code of Law for the District of Columbia be amended by adding a new section to read as follows:

"SEC. 204a. That whenever the United States attorney for the District of Columbia shall certify in writing to the Chief Justice of the Supreme Court of said District, or, in his absence, to the senior associate justice of said court, that the exigencies of the public service require it, said chief justice or senior associate justice may, in his discretion, order an additional grand jury summoned, which additional grand jury shall be drawn at such time as he may designate in the manner now provided by law for the drawing of grand jurors in the District of Columbia, and unless sooner discharged by order of said chief justice or, in his absence, senior associate justice, said additional grand jury shall serve during and until the end of the term in and for which it shall have been drawn."

Amend the title so as to read: "An act to amend the Code of Law for the District of Columbia."

The SPEAKER pro tempore. Is a second demanded?

Mr. CONNALLY of Texas. Mr. Speaker, I demand a second.

Mr. VOLSTEAD. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER pro tempore. The gentleman from Minnesota asks unanimous consent that a second may be considered as ordered. Is there objection? [After a pause.] The Chair hears none. The gentleman from Minnesota [Mr. VOLSTEAD] is entitled to 20 minutes and the gentleman from Texas [Mr. CONNALLY] to 20 minutes.

Mr. VOLSTEAD. Mr. Speaker, some time ago the Attorney General sent a bill, of which this is substantially a copy, to the Judiciary Committee, asking that provision be made authorizing an additional grand jury for the District of Columbia. There are a number of cases that ought to be presented, especially cases that have originated during the war. So far as I know, there is no objection to the bill. It was unanimously reported by the Committee on the Judiciary. It has been passed by the Senate, but we concluded, after looking it over and consulting with the district attorney of this District, that it ought to be slightly amended, and the committee has recommended the amendments which I have asked to be incorporated in the bill. We have made one change, which does not affect its operation. We have made it a section of the District Code, so that whenever it is printed it may be embodied in the code and be found under the proper index.

Mr. Speaker, I reserve the balance of my time.

Mr. SISSON. Will the gentleman yield for a question?

Mr. VOLSTEAD. I will.

Mr. SISSON. The question I desire to ask is this: Would this result in having two grand juries sitting at the same time in the District of Columbia?

Mr. VOLSTEAD. I think it would. I understand that is the purpose.

Mr. SISSON. And they would have jurisdiction, both of them, over the whole District, and the same kind and character of crime?

Mr. VOLSTEAD. Surely, but that is not an uncommon thing in different States.

Mr. SISSON. It is not common anywhere that I know of.

Mr. VOLSTEAD. To have an extra grand jury sitting at the same time as a regular grand jury is not novel.

Mr. SISSON. I do not know of any State where two grand juries, sitting at the same time, have the same jurisdiction. Now, if you divide this District into two judicial districts, so that one grand jury may sit for one section of the District and one for the other, it would be all right. But otherwise you would have confusion of all kinds.

Mr. VOLSTEAD. I can not see any confusion that would arise, because the court could determine what matter might be submitted.

Mr. SISSON. I do not think that. I think the grand jury ought to have the doors open all the time, so that men may know where to go. If I desire to go before one grand jury and carry my witnesses and fail, I would immediately pole out to another grand jury.

Mr. VOLSTEAD. You naturally could consult with the district attorney first, and he would tell you where to go.

Mr. SISSON. That would make a peculiar situation.

Mr. VOLSTEAD. I have acted as attorney for the State in many instances where we had grand juries, and I always found that people had to come and see me when I was in charge in order to determine what to do.

Mr. SISSON. Before they went to the grand jury?

Mr. VOLSTEAD. Before they got to the grand jury, and the district attorney generally controls the business before grand juries.

Mr. SISSON. I do not think the district attorney should be permitted to determine what case should or should not go before the grand jury.

Mr. VOLSTEAD. He is a sworn officer of the State, and it is his duty to present matters to the grand jury. Of course, if the grand jury wishes, it can brush him aside and investigate, as they see fit.

Mr. SISSON. I think there is underlying the whole judicial system the thought that when you take a body of men from a community whose duty it is to begin the prosecution in a certain character of cases it is their absolute right, unless you intrench upon the grand-jury system, so sacred among English-speaking people, to investigate, and they ought not to be in any wise prevented by the Federal district attorney.

Mr. VOLSTEAD. I am only calling attention to what I believe is the general practice everywhere. The district attorney usually has control of the matters that go before the grand jury.

Mr. SISSON. I think the matter of practice would be—because I have been prosecuting attorney myself—that they would come and consult with you about the kind and character of cases you may have, what witnesses you might need, but so far as the grand jury being told by the Federal district attorney of the State, it is a new and novel proposition.

Mr. VOLSTEAD. It is not. My experience has been that the district attorney controls the disposition of the matters before the grand jury. Now, I understand that in the Federal courts they even employ a stenographer, and he is present and takes down the testimony. The proceeding is very much the same as in a trial court except that usually only one side is presented.

Mr. JOHNSON of Mississippi. I will ask the gentleman if the grand jury is not given the exclusive right to control, and under that law the grand jury can exclude the district attorney, which was done in the last few weeks in one of the New England States?

Mr. VOLSTEAD. That is true, but that is not the general practice.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The gentleman from Minnesota reserves the balance of his time. The gentleman from Texas [Mr. CONNALLY] is recognized for 20 minutes.

Mr. SUMNERS of Texas. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. SUMNERS of Texas. I would like to ask how much time the gentleman on the other side has remaining?

The SPEAKER pro tempore. The gentleman has 14 minutes remaining, and the gentleman from Texas [Mr. CONNALLY] has 20 minutes remaining.

Mr. CONNALLY of Texas. Mr. Speaker and gentlemen of the House, in demanding a second for this legislation I did not desire to indicate opposition to the passage of the measure. I have no objection to the chairman of the Judiciary Committee or his committee bringing in a bill providing for an additional grand jury in the District of Columbia. I congratulate them and the Attorney General on finally coming to the conclusion that the only way in which to prosecute war-fraud cases is in the grand jury room and in the court room rather than in the public prints and in the political forum. Of course, some critical and

supersensitive people may say they have been a long time about it, but they have been as prompt as could be expected.

While considering the $500,000 appropriation for assistants to the Attorney General we were told this morning that there are thousands of war grafters. One gentleman stated that perhaps there were many thousands of them. And I am anxious that in all of this riot of lawlessness the Attorney General shall be able to at least get one of them before the grand jury and indict him and prosecute him and convict him. Thousands of war grafters, but not one in jail, where he ought to be! On that statement the House appropriated $500,000 this morning to hire some new lawyers to help the Attorney General. I am in favor of that, because I think we need some new ones. I do not think the ones that are already on the job are functioning, according to the gentleman from Michigan [Mr. WOODRUFF]. But when did we find out we needed additional lawyers?

On the 7th of April, 1922, the Department of Justice and the State Department appropriation bill was before the House, and the gentleman from South Dakota [Mr. JOHNSON] offered an amendment to appropriate $500,000 to provide additional employees in the Attorney General's department. I suppose that is the same $500 you appropriated this morning.

A MEMBER. Five hundred thousand dollars.

Mr. CONNALLY of Texas. Yes; $500,000. When you get to talking about war grafters and war contracts and Republican campaign promises about them your mind is apt to expand under the influence of talking about them from hundreds to thousands and from thousands to millions, because there are lots of them. [Laughter.] Yes; $500,000. Let us see what the committee said at that time, and I hope the gentleman from New York [Mr. HUSTED] is here. I hold the RECORD in my hand.

Mr. JOHNSON of South Dakota said:

I will say that I have not consulted the Attorney General.

Some one had asked him if he had talked to the Attorney General as to whether he needed the $500,000 to prosecute war grafters, that now seem as thick as hair on a dog's back, and he said:

I have not talked to the Attorney General.

Mr. HUSTED said:

Mr. Speaker, I think I can say to the gentleman from South Dakota that he is out in his estimate just the amount carried in his amendment. The Department of Justice has not asked for this item. The Department of Justice is engaged in this work and has ample funds to carry it on at this time. It does not need an additional dollar for that purpose, and if this money were appropriated it would simply add $500,000 to the amount carried in the bill which we would have to raise by taxation and which the department could put to no good purpose.

That is the language of the gentleman from New York [Mr. HUSTED], having charge of the Department of Justice appropriation bill. When? Not last year; not in 1920; not in 1919; but on April 7, 1922, a month ago. The Attorney General then did not need another dollar. The Attorney General, if he got $500,000 additional, would be taking that much money out of the pockets of the taxpayers and appropriating it to no good purpose. But to-day, under some strange inspiration; to-day, irritated perhaps by something which the gentleman from Michigan [Mr. WOODRUFF] started, or the gentleman from South Dakota [Mr. JOHNSON] originated; to-day, under some strange influence, the gentleman from Illinois [Mr. MADDEN], that economist who stands ever with blazing eyes and shining sword at the door of the Treasury [laughter], comes here and says that the Attorney General must have $500,000 to employ new Assistant Attorneys General. To do what? Why, to go out on the trail of swarming hordes of thieving war profiteers. [Applause.]

Oh, Mr. Speaker, we have provided for the lawyers; we are now providing for a grand jury, and I suppose to-morrow we shall have a bill appropriating several million dollars to get some witnesses for the grand jury.

Mr. MONDELL. Mr. Speaker, will the gentleman yield?

Mr. CONNALLY of Texas. How much time have I, Mr. Speaker? It takes some time to answer the gentleman.

The SPEAKER pro tempore (Mr. WALSH). Fourteen minutes.

Mr. MONDELL. Is the gentleman opposed to this bill?

Mr. CONNALLY of Texas. Oh, no.

Mr. MONDELL. Why, then, complain?

Mr. CONNALLY of Texas. I am not complaining about it.

Mr. MONDELL. Oh, the gentleman is really wailing about it.

Mr. CONNALLY of Texas. Oh, no; I am not wailing about it; I want to put a little stimulant on the gentleman's administration. I may say that for three years the gentleman from Wyoming himself has walked down the aisles of Congress; yes, as leader of his party on this floor, for three long years the gentleman from Wyoming has walked with stately tread down the aisles of Congress and before the country and hurled his righteous indignation against these thousands of war profiteers and fraudulent war contractors.

I believe that they are not perhaps as numerous as the imagination of the gentleman from Wyoming has led you to believe; I believe there were frauds, however, and I believe there were misdeeds committed, and I want to see the guilty parties punished. I believe that any man who, in the hour of his country's peril—when the sons of America were mustering in camp and on the front were fighting the enemies of the Republic—would rob his Government of one dollar should be in the penitentiary. [Applause.]

What I am talking about is this: Why did they not, a month ago, need the money? Why, a month ago, were they saying, "This money would be wasted if appropriated"; $500,000 would be wasted. And now unless you give them $500,000 and a new grand jury the Republic will go on the rocks.

I hope the grand jury will call as witnesses some of the gentlemen on the Republican side, because they know all about the guilty parties in the war-fraud cases. They know who they are. They told the people during the campaign in 1920 that there were thousands of them going up and down the country, out of the penitentiary, after having robbed and defrauded the Government of the United States. I think many do exist.

Now, the gentleman from Wyoming and other gentlemen would not have made the statement that there were war grafters and war-contract frauds unless there were, would they? Everybody knows these gentlemen would not have made misrepresentations; that these gentlemen would not have told the country that there were war-contract frauds and war grafters unless they actually existed. We all grant that. We also know that these gentlemen would not have made charges that men were guilty of fraud and dishonesty in dealing with the Government unless they knew who they were, would they?

No. So, knowing that such frauds existed, knowing who the perpetrators of such frauds are, those who made the charges will make good witnesses. I want to see this grand jury appointed. I would like to be a member of it; I would like to be a member of it when these gentlemen are called before the grand jury to be sworn as witnesses. "Mr. MONDELL, hold up your hand." "Wait a minute, Mr. Foreman of the grand jury." "Well, Mr. MONDELL, did you not say back in 1920 that there were thousands of these war-contract grafters and these frauds?" And the gentleman from Wyoming would make the same excuse that a lawyer friend of mine tells about a witness in the courthouse. The attorney had consulted him on the outside before he was sworn, and the witness told him one tale favorable and satisfying, and then when he got him on the witness stand he told a wholly different tale, damaging and distressing. Greatly surprised, the lawyer reminded him of the prior conversation and inquired as to the reason for the variance in his testimony. With an air of triumph he said, "Tom, I was talking then; I am swearing now." [Laughter.]

Now, the gentleman from Wyoming was only talking in 1920 when telling about these thousands and thousands of frauds, but when he gets before the grand jury and goes to swearing he will not know much about it. But I hope he will. I am for this grand jury. If the gentleman's administration and his Attorney General say they need a dozen grand juries I shall vote for them. If he says they need a million dollars, I shall vote for that. But I want to say that we shall expect something to be done. We have had enough bluster. We have had enough talk. We have had enough promises. Why not secure some convictions?

I do not care whether the trail leads to your party or whether it leads to my party, I want war-fraud criminals, wherever they may be and whoever they may be, put in the penitentiary, where they ought to be. [Applause.] This ought not to be a partisan question and it is not a partisan question. I am not seeking to take part in the controversy that is going on on that side between the gentleman from Michigan [Mr. WOODRUFF] and the gentleman from South Dakota [Mr. JOHNSON] on the one side and the accredited leaders of the Republican Party and the Attorney General on the other. I have no disposition to criticize the one or the other. I believe you ought to be able to settle that row in your own ranks; but as an American citizen, as a representative of the taxpayers, while I am willing to pay out of the Treasury every dollar which the Attorney General needs for the prosecution of these frauds, while I am willing to give you every grand jury which the Attorney General says he needs, we, as representatives of the people, expect him to get some criminals in the flesh and not in the imagination. We think it is about time, after three years of control of both branches of the Government——

SEVERAL MEMBERS. How many?

Mr. CONNALLY of Texas. Three, I said.

Mr. MONDELL. The gentleman is using his imagination.

Mr. CONNALLY of Texas. It is not such a very long time. It just seems long, and it seems a great deal longer to the American people than it does to me. We hope that at least by the time of the next campaign you will have at least one of these fellows, at least one war fraud contractor to offer as an exhibit in the congressional elections this fall. Find one of them and put him in a cage and haul him around over the country and point to him and say, "Here is that grafter that we caught. Here is the one that we convicted out of 150,000 cases." I congratulate the gentleman from Wyoming [Mr. MONDELL] upon his large and ambitious program. I congratulate his party on at least finding out that in order to get anybody into the penitentiary you have got first to indict him, and in order to indict him you have got to have a grand jury. I congratulate the gentleman and his party on finding out since the 7th of April last that the Attorney General does need this $500,000. He said he did not need it then. I believe he was honest about that, but he did not know. He just did not know that he did need it. But when he comes to Congress and asks for it I believe that he ought to have it. I am not willing to give him any excuse for failing to act.

Now, there has been some criticism of the Attorney General here by the gentleman from South Dakota [Mr. JOHNSON] and the gentleman from Michigan [Mr. WOODRUFF] that some one should resent. I refer to the charges that the Attorney General has not been diligent about this matter.

The Attorney General has a great many things to do besides running the Attorney General's office. He has been engaged for some time past in making suggestions about the revision of the civil service laws, rules, and regulations. [Laughter.] He has, perhaps, been engrossed in that matter for a great while. I understand the President has called on him to settle a great many unofficial matters in the way of the distribution of patronage and things of that kind. I think he deserves the sympathy and not the condemnation of gentlemen of his party. Why, the Attorney General, outside of his prosecutions, has pardons to pass on. The trouble about the present Attorney General is that he has a dual capacity. In his capacity of passing on pardons he has to pass on getting people out of the penitentiary and in his other capacity he has to pass on the question of getting people into the penitentiary. One complaint seems to be that the Attorney General has been devoting himself to getting people out of the penitentiary rather than to putting them into the penitentiary. Perhaps he has now closed the door—at least temporarily—to that side of his personality and that he is going to turn his attention to putting them into the penitentiary.

Mr. BARKLEY. And it occupies a good deal of his time when he is acting in different capacities with reference to the same person, and when he is acting in the same capacity with reference to different persons.

Mr. CONNALLY of Texas. Yes. I know to what the gentleman from Kentucky refers. He evidently refers to the case of Charles W. Morse. I want to say to the gentleman, however, that I think he is inconsistent in that criticism of the Attorney General. Mr. Morse was in the penitentiary. In order to get him back into the penitentiary the Attorney General had first to get him out of the penitentiary. [Laughter.]

Mr. BARKLEY. Is the gentleman assured that if the Attorney General gets Mr. Morse back into the penitentiary he will not get him out again?

Mr. CONNALLY of Texas. That is simple enough. In order to save all of the annoyance of getting him in and then getting him out, he just will not put him in. [Laughter.]

Mr. Speaker, I want to congratulate gentlemen in the House who have aroused the Attorney General.

I am gratified to know that the House wants something done. Since the Republicans came into power I have voted for every resolution that was presented to investigate any department of the Government under Democratic administration. I was a member of one of those committees of investigation and served with the present presiding officer, the gentleman from Massachusetts [Mr. WALSH], and he will testify that never once did I throw any impediment in the way of the deliberations of that committee nor endeavor to stifle any inquiry by it or its members. And I want to say, if there was anything unlawful, or fraudulent, or improper that was done during the Democratic administration, let the Attorney General bring it out and prosecute the offenders; but do not fill the papers and the press and the public platforms and the halls of this House and the CONGRESSIONAL RECORD with your vapid, stale rantings about such things unless you mean to make good, and unless you intend to put those men in the penitentiary. The majority of this House will have my support in all measures to punish the guilty. What I object to is having thousands upon thousands of war grafters and war fraud contractors, if imaginary, walking through your political speeches and the columns of the press; if real, I do not want them walking the streets under your administration and not one of them in jail. [Applause.]

Mr. KINCHELOE. Will the gentleman yield?

Mr. CONNALLY of Texas. If I have time.

Mr. KINCHELOE. If the gentleman will remember, after the investigating committees were appointed and made their report, at a cost of $2,000,000 of the taxpayers' money, the now majority Members complained that there was plenty of evidence for the prosecution and the Attorney General would not prosecute them, and they said when the Republicans got into power they were going to put these grafters in the penitentiary, because they had sufficient proof.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired. The gentleman from Minnesota has 15 minutes remaining.

Mr. VOLSTEAD. Mr. Speaker, I yield five minutes to the gentleman from Kansas [Mr. CAMPBELL].

Mr. CAMPBELL of Kansas. Mr. Speaker, it is easy to find fault and to criticize. I was a little surprised this morning that a good lawyer would make captious criticism of another lawyer about the details of whose business he has no knowledge. The gentleman from Virginia is a good lawyer, but this morning his criticisms of the Attorney General indicated that he was acting in the capacity of a politician rather than indulging in the criticism generally indulged in by lawyers.

It will not be forgotten that the Attorney General took charge of the Department of Justice after three years of inactivity upon war frauds and war crimes by his predecessor. The musty records in that office were in the files where they had been for three years unacted upon. Evidence had been scattering, witnesses had been leaving. When the Attorney General took charge of the office he found these three-year-old records with the witnesses gone, with evidence wanting upon which to ask indictments before a grand jury, or upon which he could go before a petit jury and ask for conviction in criminal cases or recovery in civil actions. It takes more than a mere charge on the floor of this House or in the columns of the newspapers to convict a man of a crime or to recover money fraudulently or wrongfully obtained by a war contractor. It takes time and care to prepare a criminal case for trial, even when the case is prepared immediately following the commission of the crime; but let three years pass without attempting to collect the evidence and have it assembled for presentation to juries and you quadruple the difficulty in making a case, and that is exactly the difficulty the Attorney General has been dealing with.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. CAMPBELL of Kansas. I can not yield; I am sorry. When you undertake to convict you must furnish evidence that satisfies the jury beyond a reasonable doubt. That is known to the gentleman from Virginia and to every lawyer in the House and should be known to every Member of the House. In order to prevail in a civil action for the recovery of money or property you must have a preponderance of the testimony. The Attorney General's office has been endeavoring to prepare the Government's cases in criminal and civil actions for the past 14 months.

That he has had difficulty no one will deny; that he has undertaken a colossal task no one will question; that the crimes he is now called upon to prosecute were committed by men who knew the importance and the art of concealing the steps by which they consummated their crimes or perpetrated their frauds will not be questioned. In addition to that, the evidence has been disappearing and witnesses have been going away for three years.

But the Attorney General has not been derelict in his duty. The Attorney General saw, after he went into the Department of Justice, the colossal task that confronted him in both civil and criminal cases. I think I can satisfy the gentleman from Virginia that the Attorney General knew from the beginning that he had more than a year's work on hand when he entered that office. Congress, at his request, on the 17th day of last November, 1921, amended section 1044 of the Revised Statutes of the United States so as to make the statute of limitation on crimes such as are alleged to have been perpetrated by the war contractors six years instead of three years. The Attorney General made that request of Congress, and it is now the law, and the Attorney General is operating under it. It may be that the Attorney General should have notified the gentleman from Virginia and other gentlemen of the steps he was pursuing in order to run down the evidence upon which he would take cases

before grand juries or upon which he would bring civil actions; but the Attorney General is so much of a lawyer that he knows he must conceal from defendants, both civil and criminal, every step he has taken to land them as convicts or secure judgment against them for the recovery of money or property. The Attorney General has asked for $500,000 to enable him to prosecute these cases, and the House has allowed the amount. He has asked, and asked some time ago, and the bill has long been on the calendar, that an additional grand jury be created in the District of Columbia, where jurisdiction is had over crimes growing out of war-graft contracts. The Attorney General asked for the creation of an additional grand jury so that he could have a forum before whom to take such evidence as he may be able to get. Gentlemen ought not to show impatience and say that the Attorney General has been derelict in his duty. He has simply been pursuing the way of a great lawyer, a cautious lawyer, as the representative of our country. He is endeavoring to do his duty. He can not try these cases through his friends in the House or through the columns of the newspapers, or in any other way except in the courts, civil and criminal. No one who has any information or knowledge about the prosecution of such cases as are in question, either on the civil or the criminal side of the court, will question the magnitude of the great work that confronts the Department of Justice at this time. Already great recoveries have been made on the civil side of the court.

Mr. GOODYKOONTZ. Will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. GOODYKOONTZ. I understand that one of the impediments has been that when the Attorney General came in he found the files in many important cases had been abstracted from the office and he had to start de novo.

Mr. CAMPBELL of Kansas. That is true, and they have been abstracting from the files of his office almost down to the present hour. He took over an organization that was created by his predecessor under the bureaucracy now existing in this country—men whom he could not change, an organization that was not of his creation, and some of them have been untrue to the Government of the United States, untrue to the Department of Justice.

Mr. MOORE of Virginia. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. For a question.

Mr. MOORE of Virginia. The gentleman's statement, as far as I am concerned, is entirely irrelevant to the proposition that I discussed this morning.

Mr. CAMPBELL of Kansas. I yielded for a question merely.

Mr. MOORE of Virginia. Then the question is this: Does the gentleman propose to bring before the House and ask the House to vote upon the resolution that has been introduced here by Messrs. JOHNSON and WOODRUFF?

Mr. CAMPBELL of Kansas. Does the gentleman from Virginia, lawyer that he is, think that a congressional investigation is of more importance now than civil and criminal prosecutions?

Mr. MOORE of Virginia. I think both are important.

Mr. CAMPBELL of Kansas. Does he not think, then, that a congressional investigation would hinder and hamper both the civil and criminal prosecutions?

Mr. MOORE of Virginia. As a lawyer standing here, if I were in the office of the Attorney General and were charged by Messrs. WOODRUFF and JOHNSON, I would court and challenge an investigation.

Mr. CAMPBELL of Kansas. And the Attorney General and the Secretary of War both court and challenge an investigation.

Mr. MOORE of Virginia. Will the gentleman give it to him?

Mr. CAMPBELL of Kansas. Just as soon as I think——

Mr. MOORE of Virginia. As the gentleman thinks?

Mr. CAMPBELL of Kansas. Just as soon as I think it will do more good to pursue a resolution of inquiry in the newspapers and elsewhere than it will do to prosecute criminal and civil actions in the courts that the Attorney General is preparing, the gentleman from Virginia will have an opportunity to vote on the resolution.

Mr. MOORE of Virginia. The gentleman has the resolution in his pocket. Will he bring it before the House?

Mr. CAMPBELL of Kansas. I deem it more important at this time to proceed with the serious matter of recovery in civil actions and of securing convictions in criminal cases than I do to fill the sewers of the newspapers with a lot of irrelevant matter upon which you could neither recover in civil action nor convict in criminal cases. [Applause on the Republican side.]

I am not afraid the Attorney General will not do his duty. I believe in Harry Daugherty as a man, and I believe in the Secretary of War. John Weeks is known to the membership of this House, and as Secretary of War John Weeks has their confidence; and the aspersions upon the character of either of these Cabinet officers is unworthy the membership of this House. [Applause on the Republican side.] They have both courted and they court to-day the fullest investigation of every act of theirs since they have assumed charge in their respective offices. [Applause on the Republican side.]

The SPEAKER. The time of the gentleman from Kansas has expired. All time has expired. The question is on suspending the rules and passing S. 3505.

The question was taken, and, in the opinion of the Chair, two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

CALENDAR FOR UNANIMOUS CONSENT.

The SPEAKER. The Clerk will call the next bill on the Calendar for Unanimous Consent.

INDIANS ON THE MESCALERO RESERVATION, N. MEX.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 6294) promoting civilization and self-support among the Indians of the Mescalero Reservation, N. Mex.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, when this bill was last under consideration, the suggestion was made that there should be some limitation of time when this money would remain available for the use of the Indians. Has the gentleman from Missouri any suggestion to make?

Mr. ROACH. Mr. Speaker, I have an amendment prepared which will conform to the suggestion the gentleman made that I am sure will be satisfactory.

Mr. STAFFORD. Mr. Speaker, I withdraw the reservation of the objection.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $250,000 for the purpose of promoting civilization and self-support among the Indians of the Mescalero Reservation, in New Mexico, to be expended or distributed in the discretion of the Secretary of the Interior, under such regulations as he may prescribe; to remain available until used, and to be reimbursed to the United States from the sale of timber on said reservation.

With the following committee amendment:

Page 1, line 3, after the word "hereby" insert the words "authorized to the."

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. ROACH. Mr. Speaker, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ROACH: Page 1, line 9, after the word "available" strike out the words "until used" in lines 9 and 10 and insert the following in lieu thereof: "for a period of five years from the date of the enactment of this act."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. ROACH, a motion to reconsider the vote by which the bill was passed was laid on the table.

UNITED STATES COMMISSION TO ATTEND THE RIO JANEIRO EXPOSITION.

Mr. BLAND of Indiana. Mr. Speaker, I offer the following motion, which I send to the desk and ask to have read.

The Clerk read as follows:

Mr. BLAND of Indiana moves to suspend the rules, discharge the Committee of the Whole House on the state of the Union and the Committee on Foreign Affairs from further consideration of Senate Joint Resolution 173, House Joint Resolution 286, and House Joint Resolution 292, and refer the same to the Committee on Industrial Arts and Expositions.

The SPEAKER. Is a second demanded?

Mr. STAFFORD. Mr. Speaker, I demand a second.

Mr. BLAND of Indiana. Mr. Speaker, I ask unanimous consent that the second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Indiana is entitled to 20 minutes and the gentleman from Wisconsin to 20 minutes.

Mr. BLAND of Indiana. Mr. Speaker, I take it that the gentleman from Wisconsin is seeking information upon this subject. The motion seeks to send Senate Joint Resolution 173, which we considered a moment ago, to a committee. It is apparent that the defeat of the resolution under the motion to suspend the rules leaves it in such a position that we would not get any action on it very soon. I think it is unanimously conceded that the resolution belongs to the Committee on Industrial Arts and Expositions. This motion seeks to discharge the Committee of the Whole House on the state of the Union and the Committee on Foreign Affairs from further consideration of the resolution and refer it to the committee to which it belongs.

Mr. STAFFORD. In the motion the gentleman has incorporated also House Joint Resolution 286 and House Joint Resolution 292. Would the gentleman inform the House to what subjects they relate?

Mr. BLAND of Indiana. They are all on the same subject. One was introduced prior to the Senate resolution. They are all on the same subject.

Mr. STAFFORD. Mr. Speaker, I have no desire to use the time at my disposal.

The SPEAKER. The question is on the motion to suspend the rules and pass the motion offered by the gentleman from Indiana.

The question was taken; and, in the opinion of the Speaker, two-thirds having voted in favor thereof, the rules were suspended and the motion was agreed to.

TRANSFER OF PROPERTY KNOWN AS FORT HALE, CONN.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 11347) authorizing the Secretary of War to transfer and convey to the State of Connecticut all right and title now vested in the United States to lands and buildings thereon known as Fort Hale.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I have not had an opportunity to refer to Twenty-sixth Statutes, page 419, which was the former act of Congress granting this tract of land to the city of New Haven for park purposes. Has the gentleman referred to that act before reporting this bill and can he give us his opinion as to its necessity?

Mr. FROTHINGHAM. Mr. Speaker, that act passed in 1890 gave permission for the use of this land, and it is now merely a question of the Government divesting itself of the title as well as the use of it. Now, the city of New Haven has spent $74,000 since 1890 on this park. There is a provision in the bill with all proper safeguards that it shall revert to the United States, and is like all other bills which have gone through here granting lands, and the only difference is in reference to the fact that the local people have spent so much money on it.

Mr. STAFFORD. The thought occurring to my mind when reading the bill and report was whether there would be any conflict by reason of the prior enactment conveying the use or title to this tract to the city of New Haven. If we have heretofore conveyed the use of this tract of land for park purposes to the city of New Haven, what is the need now to convey title to the State of Connecticut?

Mr. FROTHINGHAM. We have not conveyed——

Mr. MERRITT. It is a defeasible license.

Mr. FROTHINGHAM. They gave the use of it, and the gentleman from Connecticut [Mr. TILSON], who is interested in this bill and brought it in, thought he would get it before the House better, as I understand, if he had it made over to the State of Connecticut instead of the city, because he could get it up on this calendar instead of on the Private Calendar. That is my understanding.

Mr. STAFFORD. Under the original act approved by Congress September 1, 1890, we granted to the town of New Haven the right to occupy, improve, and control for the purpose of a park this tract of land. Now, what more can be desired? In that act we reserved the right to use it for governmental purposes in case exigency arose. What is the necessity now of passing this act conveying title to the State of Connecticut? Is there any conflict between the city of New Haven and the State of Connecticut about it?

Mr. MERRITT. No; the State, as such, has never tried to use the land at all. It is a public park in the city of New Haven, and, as I understand it, in the absence of my colleague [Mr. TILSON], the whole idea is to give the State a title subject to defeasance in case the United States wants to use it. Now, my recollection of the situation is that the Secretary of War had listed this property for sale, and now we propose the State of Connecticut shall have the fee subject to defeasance in case the Government of the United States wants to use this. There is only a very small amount involved, only about three acres of land and 30 acres of salt marsh.

Mr. GARNER. If the gentleman will yield, in view of the act of 1890 referred to, why does the Secretary of War threaten to advertise this property for sale?

Mr. MERRITT. My understanding is, we have all through the country what he calls useless pieces of public property which he desires to turn into cash.

Mr. GARNER. This bill you propose here is going right in the face of the desire of the Secretary of War.

Mr. STAFFORD. Oh, no; the Secretary of War is going in the face of a positive enactment of Congress.

Mr. FROTHINGHAM. Oh, no; the question is not that. He advises it because the letter of the Secretary of War shows that he is in favor of this.

Mr. GARNER. Why does he not keep quiet on this piece of land?

Mr. MONDELL. Is not this the fact, the Committee on Military Affairs, perhaps some Member more familiar than I am——

Mr. STAFFORD. The gentleman from Massachusetts reported it.

Mr. MONDELL. Then he knows the facts—the Committee on Military Affairs called upon the Secretary of War for a statement as to the property now held by the War Department where the War Department did not need it for its purposes, and, of course, that included, among other tracts, this particular tract. It was necessary for the Secretary to report that to the Congress. The Secretary of War immediately was called upon to sell it, and this procedure is for the purpose of placing the tract in such condition that it will not be sold, I assume.

Mr. BEGG. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. BEGG. Is it not a fact that under this statute, if the Secretary of War so desired, he could sell it? Now, if this bill protects the city of New Haven in the possession——

Mr. MONDELL. There is no conflict with the War Department. Let us get that out of our minds.

Mr. BEGG. It is not a question of conflict. It is a question of satisfying the people of the town of New Haven.

Mr. FROTHINGHAM. They are afraid this will be sold from over their heads.

Mr. MERRITT. The city of New Haven has expended $75,000 on it, and expects to spend more.

Mr. GARNER. Here is a case where the city has gotten alarmed for fear the Secretary of War may sell this property. He could not sell it as long as this act of 1890 is on the statute books. I do not assume that any Secretary of War would undertake to sell a piece of property with that statute in existence. If he did he would not get any price for it, because he would not get any title. It is an unnecessary alarm, I think. The city of New Haven has had it for 22 years, and will probably have it for many years more.

Mr. MERRITT. Under the circumstances it would do no harm by this act to quiet the mind of the city of New Haven and allow the council there to make further provisions to improve this park.

Mr. STAFFORD. The gentleman will realize that under the third paragraph of the original act the Secretary of War could not dispose of this property without action of Congress.

Mr. FROTHINGHAM. That is quite right with any of this land.

Mr. STAFFORD. As I understand, it is merely to relieve some of the fears and alarms of the people of that collegiate town of New Haven.

Having heretofore passed an act, we are just duplicating it by taking it away from the jurisdiction of the city of New Haven and transferring it to the State of Connecticut. They want to transfer it to some State authority, I suppose——

Mr. MERRITT. They want to have congressional recognition of their rights in this park.

Mr. STAFFORD. They have that to-day under the former enactment.

Mr. MERRITT. I disagree with the gentleman.

Mr. BEGG. Congress could terminate that to-morrow if they wanted to do so?

Mr. STAFFORD. Congress could. They reserve the right here to terminate the title also.

Mr. BEGG. Not without cause.

Mr. STAFFORD. Yes; without cause. This bill does not contain the customary clause of the right to repeal.

Mr. MERRITT. It provides that the United States can take it only in case they want to use it for military, naval, or lighthouse purposes. Under the old act they could sell it.

Mr. STAFFORD. Sell it?

Mr. MERRITT. Yes.

Mr. STAFFORD. They could not sell it. I beg to differ with the gentleman.

Mr. MERRITT. The United States can sell it to-day under this bill——

Mr. STAFFORD. The United States to-day can not sell it without some authoritative act of Congress.

Mr. MERRITT. Precisely; but under this bill it provides the United States shall not resume control except for naval, military, or lighthouse purposes. That alters the statute.

Mr. GREENE of Vermont. Will the gentleman yield?

It came to the attention of the Committee on Military Affairs at a time when that committee was preparing a list of properties owned or controlled in the name of the War Department all over the country, with the idea of sifting out those parcels of real estate which it was not desirable to retain in the name of the Government and then bring out to the floor of the House a bill that would authorize the Secretary of War to dispose of them. At that time, when we were preparing this general law, the request came for the exclusion of this particular piece of property, so that it could go into this park at New Haven, and so that the odd parcels of land which the city has for a long time owned and maintained could be put together in order to make a complete extension of land and thereby complete the park.

Now, it was feared that general authorization of an indiscriminate sale of property, I imagine——

Mr. STAFFORD. Has the gentleman examined the original act granting this property to the town of New Haven?

Mr. GREENE of Vermont. I did not handle this matter. I am speaking as a matter of general information now.

Mr. STAFFORD. There is no necessity for this bill.

Mr. GREENE of Vermont. There may be if the Committee on Military Affairs brings in a blanket authorization to the Secretary of War to dispose of unused property now in the name of the War Department.

Mr. MONDELL. Will not the committee consider the situation in regard to this tract?

Mr. GREENE of Vermont. If you are going to consider exceptions, it will be exceptions and nothing else. In this instance we are trying to lay down some broad, general plan of an affirmative kind and not exceptions.

Mr. MERRITT. I wish to say that the Chief Justice of the United States appeared also in favor of the bill.

Mr. STAFFORD. That was when he was a resident of New Haven.

Mr. MERRITT. Oh, no.

Mr. STAFFORD. He has not given up his residence in New Haven?

Mr. MERRITT. I hope not.

But this is a matter very much desired by the city, and I think, even if the gentleman contends that there is no necessity for this, it can do no harm.

Mr. STAFFORD. Will the gentleman have any objection to substituting, in place of "lighthouse," "or other governmental"?

Mr. FROTHINGHAM. This is the Fort Hale bill.

Mr. STAFFORD. Mr. Speaker, though I do not see much need for this bill——

Mr. CHALMERS. Will the gentleman from Wisconsin yield for a question?

Mr. STAFFORD. Yes.

Mr. CHALMERS. I would like to ask the gentleman from Vermont [Mr. GREENE] if his committee has under consideration such a blanket bill as he refers to?

Mr. GREENE of Vermont. The committee was engaged in preparing such a general bill when we were interrupted by the question of fertilizer making at Muscle Shoals by Henry Ford.

Mr. STAFFORD. Mr. Speaker, although I do not see much use in passing this bill, in view of the former enactment, I will not object, with the understanding that the gentleman has no objection to the amendment I have suggested?

Mr. MERRITT. I have no objection.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to transfer and convey to the State of Connecticut all right and title now vested in the United States to land and buildings in New Haven, Conn., known as Fort Hale: *Provided*, That the State of Connecticut shall agree to preserve the said land forever as a public park, to be known as Nathan Hale Park: *Provided further*, That in the event the said lands are not used for the purposes specified in this act the same shall revert to the Government of the United States: *And provided further*, That the land shall be subject to the right of the United States to at any and all times and in any manner assume control of, hold, use, and occupy without license, consent, or leave from said State any or all of said lands for any and all military, naval, or lighthouse purposes, free from any conveyances, charges, encumbrances, or liens made, created, permitted, or sanctioned thereon by said State.

Mr. STAFFORD. Mr. Speaker, I offer the following amendment: Page 2, line 8, strike out "lighthouse" and substitute therefor the words "other governmental."

The SPEAKER. The Clerk will report the amendment offered by the gentleman from Wisconsin.

The Clerk read as follows:

Amendment offered by Mr. STAFFORD: Amend, page 2, line 8, by striking out the word "lighthouse" and substituting therefor "other governmental."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. MERRITT, a motion to reconsider the vote whereby the bill was passed was laid on the table.

TRANSFER OF PROPERTY AT LIGHTHOUSE POINT, CONN.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11346) authorizing the Secretary of War to transfer and convey to the State of Connecticut all right and title now vested in the United States to land and buildings thereon known as the old lighthouse property at Lighthouse Point, in the city of New Haven.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, unless the chiarman has some additional information to that embodied in the report, I shall feel constrained to object.

Mr. MERRITT. I do not know that I have any additional information; but this is a piece of land at the end of the point on which the lighthouse stands, and it is desired by the city to complete a chain of parks around the harbor.

Mr. STAFFORD. Here is the Secretary of War stating that—

The reservation is now under a five-year lease from January 1, 1922, at an annual rental of $1,212, which is considered a very reasonable compensation to the Government for the use of this property. There is also located on this small tract a ferry landing, at which boats which are operated in the New Haven Harbor stop.

Adjoining Lighthouse Point, and almost completely surrounding it, is an amusement park operated by the East Shore Amusement Co., which company presumably receives much of its patronage from persons arriving by boat at the lighthouse ferry landing. It is interesting in this connection to note, and it may be regarded as a significant fact, that this company was recently an unsuccessful bidder for the lease of the Government property at Lighthouse Point.

In view of the location of this property (5 miles from the city of New Haven) and its size, only about 1 acre, and considering the circumstances attending its present surroundings, it would appear to me that it possesses no value to the city of New Haven as a public park and should therefore not be turned over to that community.

Mr. MERRITT. Who says this?

Mr. STAFFORD. The Secretary of War.

Mr. MERRITT. That statement, I think, is in some respects erroneous.

Mr. STAFFORD. He goes on to say further:

It is my belief that the War Department should be authorized to dispose of this property by sale, as was originally intended when it was reported to Congress for disposition.

That is an authoritative statement from the administrative officer of the Government.

Mr. MERRITT. I will state to the gentleman, in order to have the record straight, that since that letter was written that lease has been canceled and now the Government is receiving instead of $1,212 of revenue only $100 a year. What the city of New Haven is concerned about in this connection is to have this property become a public park, so that the city can control it, and so that it can not be sold to a private party who will make of it an objectionable resort, possibly, and interfere with the chain of parks around New Haven Harbor. This is an acre of land on the tip end of the eastern point of New Haven Harbor.

Mr. STAFFORD. Some years ago it was proposed to abandon the National Soldiers' Home grounds in the environs of Milwaukee. I would not have had the nerve to come before Congress and ask, because it was no longer of use for a national home, to have it donated to the city. Here is a piece of land that has a saleable value. If New Haven wishes it, why not purchase it? I should certainly give a preference to the city, but it ought to be put up for sale.

Mr. MERRITT. That is a matter of opinion. I think it might well be turned over to the city.

The SPEAKER. Is there objection?

Mr. STAFFORD. I object.

The SPEAKER. Objection is made. The Clerk will report the next bill.

TRANSFER OF CERTAIN LANDS IN THE STATE OF LOUISIANA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 5224) to authorize the Secretary of the Navy to certify to the Secretary of the Interior, for restoration to the public domain, lands in the State of Louisiana not needed for naval purposes.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. STAFFORD. Reserving the right to object, two weeks ago I asked unanimous consent to have this bill passed over without prejudice so as to give opportunity for further consideration of the bill. Will the gentleman from Georgia [Mr. LARSEN] explain what is intended by the phraseology "with other lands"? I direct the gentleman's attention to page 4, line 9 and line 11, "Lot 5, section 28 (with other lands)."

Mr. LARSEN of Georgia. I understand it includes all the land within this reservation.

Mr. STAFFORD. On page 4, line 9, is one instance, and another instance is on line 11.

Mr. LARSEN of Georgia. I am not in a position to say just exactly what land this is, but it is this whole lot of land set aside for naval purposes. It does not include any other land than this in Louisiana that was set aside in 1820 for naval purposes.

Mr. STAFFORD. It is rather nebulous phraseology, and I could not understand from reading the bill or the report just what was meant by that language. The committee, following the suggestion of the Acting Secretary of the Interior, struck out the language, "That so much of said lands as are subject to overflow shall be by the Secretary of the Interior certified to the State of Louisiana under the swamp land grant act of the United States." The gentleman will not object to eliminating that?

Mr. LARSEN of Georgia. No; certainly not.

Mr. STAFFORD. Mr. Speaker, I withdraw the reservation of the objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to cause to be certified to the Secretary of the Interior, for restoration to the public domain, the whole or such portion or portions of the several tracts of land in the State of Louisiana heretofore set apart and reserved for naval uses as are no longer required for the purpose for which they were reserved or for any purposes connected with the naval service, and upon such certification the tracts of land described herein shall be duly restored to and become a part of the public lands of the United States; and a preference-right entry for a period of six months from the date of this act shall be given all bona fide settlers who are qualified to enter under the homestead law and have made improvements and are now residing upon any agricultural lands in said reservations, and for a period of six months from the date of settlement, when that shall occur, after the date of this act: *Provided*, That persons who enter under the homestead law shall pay for such lands the value heretofore or hereafter determined by appraisement, not less than the price of the land at the time of entry; and such payment may, at the option of the purchaser, be made in five equal installments, at times and at rates of interest to be fixed by the Secretary of the Interior: *Provided further*, That so much of said lands as are subject to overflow shall be by the Secretary of the Interior certified to the State of Louisiana under the swamp land grant acts of the United States: *And provided further*, That the certification of lands hereby authorized by the Secretary of the Navy and the Secretary of the Interior shall be subject to confirmation of title, as follows:

Title is hereby confirmed to the original entrymen, their heirs, assigns, or legal representatives to the lands upon which entries were made at the United States land office at Opelousas, La., paid for at the legal rate at the time of entry for Government lands in that locality, and for which lands the said land office issued certificates of purchase to the original entrymen, as follows, to wit:

In township 14 south, range 11 east, on Cypress Island—

Fractional sections 31 and 32, Joseph T. Hawkins, August 7, 1844; certificate No. 4184.

In township 15 south, range 11 east, on Cypress Island—

Lot 1 of section 6 and lots 1 and 2, section 5, John Dawson, December 26, 1843; certificate No. 4115.

Lots 3, 4, and 5, section 5, and lots 2, 3, 4, and 5, section 6, John D. Alston, December 26, 1834; certificate No. 4114.

In township 15 south, range 12 east, on Navy Commissioners Island—

Fractional section 38 and lots 1 and 2, section 36, Henry Bradley, April 29, 1843; certificate No. 4081.

Lots 3 and 4, section 36, John L. Baize, September 5, 1838; certificate No. 1998.

In township 14 south, range 11 east—

Lot 3, section 27 (with other lands), John Brownson and Daniel Fisher, May 27, 1839; certificate No. 2604.

East half of southeast quarter section 27 (with other lands), Daniel Fisher, October 27, 1840; certificate No. 2799.

Lot 5, section 28 (with other lands), John Brownson and Daniel Fisher, May 27, 1839; certificate No. 2607.

Lots 3 and 4 and southwest quarter of southwest quarter section 28, Daniel Fisher, September 15, 1840; certificate No. 2759.

Fractional section 29, Daniel Fisher, September 16, 1840; certificate No. 2760.

Fractional section 32, Daniel Fisher, September 16, 1840; certificate No. 2762.

Northeast quarter section 33, John Fowler, May 10, 1839; certificate No. 2581.

West half and southeast quarter section 33, Daniel Fisher, September 16, 1840; certificate No. 2763.

East half of northeast quarter section 34, Daniel Fisher, October 27, 1840; certificate No. 2802.

Lots 3 and 4, section 34 (with other lands), Pierre Jupiter, May 10, 1839; certificate No. 2582.

Southwest quarter section 34, Daniel Fisher, September 16, 1840; certificate No. 2761.

Southeast quarter section 34 (or lots 5 and 7 and south half of southeast quarter), John Brownson and Daniel Fisher, May 27, 1839; certificate No. 2603.

West half or northwest quarter section 35, Daniel Fisher, October 27, 1840; certificate No. 2800.

Southwest quarter and west half of southeast quarter section 35, John Brownson and Daniel Fisher, May 27, 1839; certificate No. 2605.

With a committee amendment as follows:

Page 2, line 18, after the word "further," strike out "That so much of said lands as are subject to overflow shall be by the Secretary of the Interior certified to the State of Louisiana under the swamp land grant acts of the United States: *And provided further*."

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. LARSEN of Georgia, a motion to reconsider the vote whereby the bill was passed was laid on the table.

DESERT-LAND ENTRIES IN SAN BERNARDINO COUNTY, CALIF.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 10767) to exempt from cancellation certain desert-land entries in San Bernardino County, Calif.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WALSH. Reserving the right to object, I should like to know why this land should be exempted from cancellation. This is one of the bills on the calendar as to which I have not had an opportunity to examine the report.

Mr. SWING. This land can be reclaimed under the public land laws by digging wells and installing pumping plants, of which there should be at least one on every 80 acres. These wells, with the installation of the pumping plant, cost about $8,000 per well, or $16,000 for the average filing. The land has been organized into a public irrigation district, and they are seeking to acquire water rights and storage rights in a reservoir property at the headwaters of the Mojave River, which flows through the valley. If they get this reservoir, they will then have gravity flow water, which will be much cheaper than the digging of wells. They have now pending in the Federal court, for hearing in October of this year, a condemnation suit to fix the valuation of the property which they desire to take over. If they dig the wells, they will then have the wells and still have to pay for the reservoir property. There is ample water in this reservoir which they are seeking to acquire to supply the land involved in this bill, as well as the other lands in the district. Then the wells, which they had dug at a cost of $16,000 for each filing, would only be useful for domestic water. It is to obviate the necessity for doing this, or else losing their filings, that we are asking for this postponement until they can acquire water from a much more desirable and economical source.

Mr. STAFFORD. Will the gentleman yield?

Mr. SWING. Yes.

Mr. STAFFORD. What additional rights do these entrymen secure by the exemption from cancellation as carried in this bill?

Mr. SWING. They acquire no additional rights. This simply preserves their entries from being lost to them while they are concluding the purchase of this property, which will supply water to all of this land.

Mr. STAFFORD. When they transfer their rights to the lands which they have entered, will they subsequently receive from the irrigation district the same quantity of land?

Mr. SWING. They do not assign their lands to the district.

Mr. STAFFORD. I thought that was the method whereby they entered into the irrigation district proposal.

Mr. SWING. No; under the laws of California the irrigation district is simply a method of taxation to pay for bonds issued by the district. What the gentleman has in mind is a reclama-

tion project. There they would have to transfer the title to the land. In this way there is no transfer of title.

Mr. STAFFORD. So they retain title to what they have originally entered?

Mr. SWING. They retain that title, and they are under the same obligation to comply with the public land laws in other respects as they are to-day. This simply gives them one year in which to conclude their negotiations and acquire this reservoir property.

Mr. ARENTZ. Mr. Speaker, I may say that I know this territory pretty well, in San Bernardino County, at the headwaters of the Mojave River. When an entryman takes up 320 acres under one of these locations he has to put one-eighth of the land under cultivation, and the only way in which he can do it is to put down wells which are very costly. I know that they have water stored in the reservoir on the headwaters on the summit of the San Bernardino Mountains, where the snow is deep. They have organized themselves into an irrigation district, and the idea is to hold these lands intact, keep the original settlers on the land, and see if they can place a sufficient amount of water in storage to irrigate the land instead of sinking costly wells.

Mr. MONDELL. Will the gentleman yield?

Mr. SWING. Certainly.

Mr. MONDELL. It is a fact, as we all know, that where settlers are holding lands under the desert land law in good faith and endeavoring to reclaim them, we have always extended the time where there was any hope of reclamation. The only possible way in which you can secure the reclamation and improvement of these lands is by giving the opportunity, such as these people are seeking, to irrigate the land. We are simply giving them a little more time than the law now gives them in which to do the work and to expend the money necessary to reclaim the lands.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The bill was read, as follows:

Be it enacted, etc., That no desert-land entry heretofore made in good faith under the public land laws for land in sections 1, 2, 3, 4, inclusive, all; section 5, east half, northwest quarter, east half southwest quarter, section 8, east half, township 4 north, range 3 west, San Bernardino meridian; sections 9, 10, 11, inclusive, all, section 12, northwest quarter, section 15, north half and southwest quarter, section 16, all, section 17, east half, section 20, east half, section 21, all, township 4 north, range 3 west, San Bernardino meridian; section 2, southeast quarter and west half, sections 3 and 4, all; section 5, east half, section 7, south half; sections 8, 9, 10, 11, all; section 12, west half, southeast quarter; sections 13, 14, 15, 16, 17, 18, all; section 19, north half, southeast quarter, north half, southwest quarter, southeast quarter, southwest quarter; sections 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, all; section 30, east half, east half, northwest quarter, northwest quarter, northwest quarter and east half southwest quarter; sections 32, 33, 34, 35, 36, all; township 5 north, range 3 west, San Bernardino meridian, in San Bernardino County, State of California, shall be canceled prior to March 1, 1923, because of failure on the part of the entrymen to make any annual or final proof falling due upon any such entry prior to said date. The requirements of law as to annual assessments and final proof shall become operative from said date as though no suspension had been had. If the said entrymen are unable to procure water to irrigate the said lands above described through no fault of theirs, after using due diligence, or the legal questions as to their right to acquire water, water rights, and storage rights for the irrigation of said lands are still pending and undetermined by said March 1, 1923, the Secretary of the Interior is hereby authorized to grant such further extension as in his opinion may be proper for an additional period of not exceeding two years.

Mr. STAFFORD. Mr. Speaker, I think in line 5, of page 1, instead of a semicolon after the word "all" there should be a comma.

Mr. SWING. I ask unanimous consent that that change be made, a comma instead of a semicolon in line 5, page 1, after the word "all."

The SPEAKER. Without objection, the correction will be made.

There was no objection.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. SWING, a motion to reconsider the vote by which the bill was passed was laid on the table.

VALIDATING THE TITLE OF LANDS IN FORT SABINE MILITARY RESERVATION, LA.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 10517) providing for the confirmation and validation of title to certain lands situated in Cameron Parish, State of Louisiana.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

Mr. LAZARO. Will the gentleman withhold that for a moment?

This bill is designed to validate titles to certain lands in Cameron Parish, La. The bill was submitted to the Secretary of the Interior. The gentlemen who requested me to introduce the bill called on the Secretary of the Interior, and he went over with them very carefully the matter and suggested the form in which it was introduced. After that the committee held hearings, and after a thorough consideration the committee reported the bill unanimously.

Mr. STAFFORD. It is rather an important bill. I have gone over it thoroughly, went over the original act in which the State of Louisiana without authority at law transferred these lands to these persons whose claims it is sought to validate, and I think the bill ought to go over for another two weeks.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent that the bill be passed without prejudice. Is there objection?

There was no objection.

SPECIAL CANCELING STAMPS.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 11379) authorizing the Postmaster General to permit the use of special canceling stamps in the post offices of the first class in the State of Arkansas bearing the words and figures "Visit Ark. State Fair and Exposition Oct 4–14, 1922."

The SPEAKER. Is there objection?

Mr. WALSH. Observing the right to object, I notice a rather important amendment to this bill. Is there any other gathering for amusement or enterprise going to take place in the great West during the coming fall that has not thus far been provided for by special canceling stamps?

Mr. STEENERSON. I do not know of any.

Mr. WALSH. Why not start in by having a stamp reading "Reelect STEENERSON to Congress"?

Mr. STEENERSON. That would be superfluous. [Laughter.]

Mr. WALSH. I am glad to have that information, for I can see some gentlemen around me that I think would be glad to have that sort of advertising. Has the gentleman any other bills for this character of stamp?

Mr. STEENERSON. No; there is an amendment consolidating several similar bills, and there is expected to be offered by the gentleman from Wyoming or some one else an item including one canceling stamp at Cheyenne, Wyo.

Mr. STAFFORD. I thought when the last omnibus bill was passed that the gentleman gave assurance that would be the last time he would offend.

Mr. STEENERSON. Not in that language. I said I hoped that a general bill would be passed. That bill has been passed by the Senate and has been signed by the President and is the law now; but there is a request to let this bill go through because, to comply with the general law which was embodied in House bill 10941, it is necessary to make a certain showing to the Postmaster General; that it is a matter of general importance to the community and is not to be conducted for private gain. They have already shown that to my committee, and if this bill was not passed, which was introduced before the new law was passed and reported, they would have to go back home and furnish the evidence.

Mr. WALSH. What is the amendment that the gentleman refers to in reference to Wyoming?

Mr. STEENERSON. It is a canceling stamp for the post office at Cheyenne for the frontier celebration which is to take place July 25 to 28.

Mr. MONDELL. I suppose the gentleman knows that the Frontier celebration at Cheyenne is really to be the finest and most important celebration of that character in the country.

Mr. WALSH. Well, I accept the gentleman's invitation, and I have no objection.

Mr. BLANTON. Mr. Speaker, I ask for the regular order.

The SPEAKER. The gentleman from Texas demands the regular order, and the Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Postmaster General be, and he hereby is, authorized and directed to permit the use in the post offices of the first class in the State of Arkansas special canceling stamps bearing the words and figures "Visit Arkansas State Fair and Exposition, October 4–14, 1922."

With the following committee amendment:

Strike out the title of the bill and insert in lieu thereof the following: "Authorizing the use of special canceling stamps in certain post offices."

Strike out everything after the enacting clause and insert in lieu thereof the following:

"That the Postmaster General be, and he is hereby, authorized and directed, under rules and regulations to be prescribed by him, to permit the use of special canceling stamps as follows: In post offices of the first class in the State of Arkansas, special canceling stamps bearing the words and figures 'Visit Arkansas State Fair and Exposition, October 4–14, 1922.' In first-class post offices in the States of Oregon and Idaho, special canceling stamps bearing the words and figures 'Old

Oregon Trail Pageant, Baker, July 4, 1922.' In the post office at Wichita, Kans., special canceling stamps bearing the words and figures 'Reunion Thirty-fifth Division at Wichita, Kansas, September 25–27, 1922.' In the post office at Sacramento, Calif., special canceling stamps bearing the words and figures 'Come to the Days of '49 Celebration, Sacramento, California, May 23–29, 1922': *Provided*, That no permit shall be granted for a longer period than six months and the duration of the event to be advertised: *Provided further*, That nothing in this act shall be construed to authorize the expenditure of any postal funds or appropriation either for the purchase of special canceling stamps or postmarking dies or for adapting canceling machines for the use of such stamps or dies, or for installing the same, but all expense shall be prepaid by the permittee.

"SEC. 2. That any permission granted under this act is hereby revoked in the event the Government shall find it expedient or necessary to use special canceling stamps or postmarking dies for its own purposes."

Mr. STEENERSON. Mr. Speaker, I offer the following amendment to the committee amendment.

The Clerk read as follows:

Mr. STEENERSON moves to amend the committee amendment as follows: Page 2, line 7, strike out the figures "4" and "14" where they occur, and insert the figures "9" and "15" in lieu thereof.

Mr. RAKER. Mr. Speaker, I want to be heard on this matter. In addition to what has been said about Arkansas and Idaho and the old Oregon trail and the forty-nine celebration at Sacramento, I want to say that the Sacramento celebration will be one of the greatest in the history of the world when the old campaigners gather and bring back the recollections of the old days.

However, I am wondering whether or not many of the people here in Washington will not be compelled to hit the trail on or about the 23d day of this month unless we are going to get down to No. 287 on the calendar, S. 2919, a bill to extend the provisions of the rent act here. If that is not done, there will be here a real example of the old trail, when these people will be thrown out of their places of occupancy, and the advice that has been given by some of the Members, to the effect that the realtors and landlords will be kind and nice to them, will prove to be nothing but a dream. If they are going to be nice and kind, then what is the objection to passing this bill, that will give these people contentment and satisfaction when they pay their rent bills. I hope the House will get to the consideration of this bill, and if somebody should be so unfortunate as to object, then that the gentleman having charge of the bill will ask recognition of the Speaker to suspend the rules and pass the bill to-day. Do it now. Do not delay until it is too late. I hope that that will be done before the House adjourns to-day.

Mr. STEENERSON. Mr. Speaker, will the gentleman yield?

Mr. RAKER. I yield for a question.

Mr. STEENERSON. There is an item in this committee amendment providing for a "Come to the days of forty-nine celebration." That is to be celebrated from May 23 to May 29, 1922. It seems to me impossible for this bill to become a law by that time.

Mr. RAKER. I think that we can get at it in another way. The celebration is all right, it is fine, but it does not meet the situation of the poor unfortunate people living in this District of Columbia who are going to be kicked out unless we pass the bill extending the rent law. Both bills can get through.

Mr. STEENERSON. Oh, I refuse to yield further. I was going to ask the gentleman if he had any objection to striking out that item.

Mr. RAKER. The gentleman can strike out the whole bill or pass it. I would like to see the bill passed, but it could well go over until later in the day, after we have passed the rent law.

Mr. Speaker, I ask unanimous consent to extend and revise my remarks in the RECORD on this bill.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD on this bill. Is there objection?

Mr. WALSH. Which bill?

Mr. RAKER. The remarks that I have just made in regard to it.

Mr. WALSH. But the gentleman's remarks were not on the bill under consideration. He was talking about some poor tenants in the District of Columbia.

Mr. RAKER. I can extend them in regard to the forty-nine celebration.

Mr. WALSH. If that is what the gentleman intends to do, very well.

Mr. STAFFORD. Are they to be the gentleman's own remarks?

Mr. RAKER. Yes, sir. They will be when I get them into the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. STEENERSON. Mr. Speaker, I offer the following amendment to the committee amendment which I send to the desk and ask to have read.

The SPEAKER. First the vote will be taken upon the amendment to the amendment that is now pending, offered by the gentleman from Minnesota.

The amendment to the amendment was agreed to.

Mr. STEENERSON. Mr. Speaker, I now offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. STEENERSON to the committee amendment: Page 2, line 16, after the figures "1922," insert the following: "in the post office at Cheyenne, Wyo., of a special canceling stamp bearing the following words and figures: 'Frontier Days, July 25–29, 1922.'"

The SPEAKER. The question is on agreeing to the amendment to the amendment.

The amendment was agreed to.

The SPEAKER. The question now is on the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. LONDON. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LONDON: Page 2, line 16, after the figures "1922," insert "and the post office at the city of New York, special canceling stamps bearing the words 'We demand general amnesty for political offenders.'"

Mr. BLANTON. Mr. Speaker, I make the point of order against the amendment that it is not germane.

Mr. STEENERSON. Mr. Speaker, this is contrary to the express purpose of the bill. It is not in order; it is not germane. I make the point of order.

The SPEAKER. The gentleman from Minnesota makes the point of order that the amendment is not germane.

Mr. STAFFORD. Does the gentleman mean that the only canceling stamps to be recognized are canceling stamps relating to cowboy-punching affairs?

Mr. STEENERSON. The purpose is defined in the bill.

The SPEAKER. The trouble the Chair sees is that the gentleman offers this as an amendment to the bill. Where does the gentleman mean that it should go. The committee amendment has already been agreed to.

Mr. LONDON. I offer it on page 2, line 16, after the figures "1922."

The SPEAKER. But that has already been agreed to.

Mr. LONDON. An amendment to any part of the bill is in order.

The SPEAKER. An amendment to the amendment is not in order after the amendment has been agreed to.

Mr. LONDON. But my amendment is an amendment to the bill.

The SPEAKER. Section 1 of the bill has been amended by an amendment. What the gentleman is reading is an amendment. The difficulty is that that amendment has already been agreed to, and therefore it is not subject to any further amendment.

Mr. LONDON. Is not section 1 of the bill subject to amendment?

The SPEAKER. Section 1 has been stricken out and a substitute has been adopted for it.

Mr. LONDON. Then my amendment is an amendment to the substitute.

The SPEAKER. But the substitute has been adopted. It is too late. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill authorizing the use of special canceling stamps in certain post offices."

FREE TRANSMISSION THROUGH THE MAILS OF PUBLICATIONS FOR THE BLIND.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 10496) to provide for the free transmission through the mails of certain publications for the blind.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WALSH. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection?

Mr. STEENERSON. Has the gentleman any particular objection to it?

Mr. WALSH. Yes. The Member who introduced the bill is unavoidably detained, and I do not want to object in her absence.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts that the bill be passed over without prejudice?

There was no objection.

The SPEAKER. The Clerk will report the next bill.

WOMEN'S OVERSEAS SERVICE LEAGUE.

The next business in order on the Calendar for Unanimous Consent was the bill (H. R. 7299) to incorporate the Women's Overseas Service League.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. STAFFORD. Mr. Speaker, the gentleman who introduced and reported this bill is out of the city. I wish to suggest an amendment that would more or less require the gentleman's attendance, and I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent that the bill go over without prejudice. Is there objection? [After a pause.] The Chair hears none.

HOSPITAL SERVICES AND SUPPLIES FOR VETERANS OF THE WORLD WAR.

The next business in order on the Calendar for Unanimous Consent was the joint resolution (H. J. Res. 313) providing for the disposal of articles produced by patients in the United States Veterans' Bureau.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the present consideration of this joint resolution?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, would the gentleman having charge of this bill have any objection to a provision extending it to governmental institutions housing war veterans? For instance, these war veterans are housed in Army and Navy hospitals and in certain of the soldiers' homes. Why should not the heads of these institutions have the same privilege which it is now attempted to confer upon the Director of the Veterans' Bureau?

Mr. PARKER of New York. Mr. Speaker, the hospitals, of course, as the gentleman knows, have just been turned over from the Public Health Service to the Veterans' Bureau. I am speaking now of the ex-soldiers in hospitals, and they are practically now under the control of the Veterans' Bureau, whereas before they were under the control of the Public Health Service.

Mr. STAFFORD. If the gentleman will yield in that particular. I want to get clear in mind as to the facts. Does the gentleman contend the hospitals authorized by the first hospitalization bill, by which some of the money was transferred to the Board of Managers of the National Home for a hospital, as at Milwaukee, have been transferred over to the Veterans' Bureau?

Mr. PARKER of New York. Some of them have and some of them have not.

Mr. STAFFORD. Which ones under control of the Board of Managers of the Soldiers' Home have been transferred to the Veterans' Bureau? What classes have been transferred?

Mr. PARKER of New York. They have only been transferred as far as they deal with this particular class of inmates. The general control of the Army, navy, and soldiers' home hospitals has not been turned over. We appropriated some $17,000,000 to build hospitals, and those hospitals were started under the Public Health Department.

Mr. STAFFORD. Some were.

Mr. PARKER of New York. Now, in the recent bill those hospitals have been all taken out from under the control of the Public Health Service and put under the Veterans' Bureau. Now, this bill seeks to give the Veterans' Bureau the same rights and the same privilege of disposing of these articles that the Public Health Service Department had.

Mr. STAFFORD. I am in hearty sympathy with the purpose of the bill, but I am asking the gentleman's opinion of the fact that the inmates housed in the hospitals under the control of the Board of Managers of the Soldiers' Home are in hospitals under the control of the Veterans' Bureau.

Mr. PARKER of New York. There is no question. I will answer the gentleman's question this way: I am very much inclined to think under the hospitals the gentleman mentions they have that right now, because they are under the control of the Public Health Service.

Mr. STAFFORD. I beg the gentleman's pardon, they are not under the control of the Public Health Service, they are under the control of the Board of Managers of the National Soldiers' Home. The hospitals that are under the control of the Public Health Service are independent entirely of the hospitals which are erected on National Soldiers' Home grounds.

I have an amendment extending that and in no wise destroying the purpose of the bill and the amendment is that instead of the Director of the United States Veterans' Bureau substitute the heads of Government institutions where the veterans of the World War are domiciled are authorized to make regulations, and so forth. So far as the Board of Managers of the Soldiers' Home or so far as the hospitals where the war veterans are housed are concerned there are many; there is one at Johnson City, Tenn.; there is one at Marion, Ind.; and there is a hospital at Milwaukee shortly to be completed, given over exclusively to war veterans.

Mr. PARKER of New York. Are they not under the control of the Veterans' Bureau?

Mr. STAFFORD. No; they are under the control of the Board of Managers of the National Soldiers' Home. This is a character of legislation you should extend to the heads of all these hospitals rather than limit it to the Veterans' Bureau. I am trying to find out what objection there could be to extending it to the heads of all of these governmental institutions.

Mr. PARKER of New York. I would like to say to the gentleman that before accepting that amendment I would want to know what effect it would have on the hospitals he mentioned.

Mr. STAFFORD. What possible effect could it have but good? The gentleman's report shows that the Public Health Service has this privilege to-day. The Veterans' Bureau does not have it to-day but is rather assuming to take jurisdiction over these hospitals. Why should not the heads of these other institutions have the same privilege? It will redound to the benefit of the war veterans.

Mr. PARKER of New York. We are only giving one man the right to do this; we are not giving blanket authority to everybody.

Mr. STAFFORD. If it is good, as far as one individual is concerned, having jurisdiction of one character of hospital, why is it not good for the hospitals under the control of these other activities which house these veterans?

Mr. FESS. Will the gentleman yield?

Mr. STAFFORD. I will.

Mr. FESS. Has the gentleman made an investigation whether this privilege is not already extended to the board of managers of the Soldiers' Home at Dayton, for example?

Mr. STAFFORD. I have not. The report only shows that the Public Health Service has it.

Mr. SISSON. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. SISSON. Do you not believe that all of these people should be treated just alike?

Mr. STAFFORD. It is an urgent condition, where the World War veterans should have this privilege and the heads of the hospitals having them in charge should have that authority.

Mr. SISSON. I agree with the gentleman.

Mr. STAFFORD. This is for the benefit of the World War veterans.

Mr. SISSON. I think the bill ought to be objected to unless you can treat them all alike.

Mr. McLAUGHLIN of Michigan. Does the gentleman think the authorities of the soldiers' homes have not this power now?

Mr. STAFFORD. I do not think they have.

Mr. McLAUGHLIN of Michigan. I think they have, and have exercised it.

Mr. STAFFORD. What is the basis of the gentleman's opinion?

Mr. McLAUGHLIN of Michigan. I do not know just where I got my information. I am not sure that I am correct.

Mr. STAFFORD. The report of the director only refers to the authority so far as the Public Health Service is concerned.

Mr. RAYBURN. Will the gentleman yield?

Mr. STAFFORD. I will.

Mr. RAYBURN. Does not the gentleman think it risky to put on an amendment of that sort when nobody seems to have information as to whether the other department should be included in this?

Mr. STAFFORD. Risky, when it comes to having jurisdiction for the good of those in the institutions? It is all to the World War veterans' advantage. We are legislating on one subject. What harm can come?

Mr. RAYBURN. After investigation it may be determined that it ought not to apply to some of the institutions.

Mr. STAFFORD. How can the gentleman conceive of that condition?

Mr. RAYBURN. I can not conceive of that condition, because I do not know anything about it. I think there is but little information to act upon in amending a bill like this.

Mr. ANDREWS of Nebraska. This subject of management was discussed at considerable length when the question was before the Committee on Public Buildings and Grounds, and the assignment of space in the soldiers' homes for the care of the veterans of the World War. We tried to reach an agreement by means of which the Public Health Service could have control of the medical side of the question, and the board of managers to have the general control of the institutions.

That agreement could not be arrived at. Finally it was decided by the committee that the Director of the Veterans' Bureau, then the Bureau of War Risk Insurance, could make the assignment of patients to these homes, but the soldiers so placed should be under the management of the institution itself. We did not take out of the hands of the board of managers of soldiers' homes any authority that belonged to them. We found it impossible to reach an agreement by means of which cooperation on the part of these various agencies could be secured, and we were obliged to make practically an arbitrary decision in our own action in order to make that space available for some 7,000 or 8,000 people. And so in that action it was not contemplated at all that the authority of the board of managers of these homes should be abrogated in any particular whatever.

Mr. RAYBURN. I know; but is it not the policy that we are going to follow in any hospital to take care of the veterans of this war, and that the soldiers' homes will have no jurisdiction in any wise?

Mr. STAFFORD. Oh, no. It is not attempted to supersede the jurisdiction of the hospitals now under construction on soldiers' homes grounds that are under the jurisdiction of the board of managers of national homes. This applies to one in Milwaukee nearing completion, a 500-bed hospital for tubercular patients, and jurisdiction of those patients is under the exclusive control, as the gentleman from Nebraska [Mr. ANDREWS] has stated, of the board of managers of national homes.

Mr. ANDREWS of Nebraska. Will the gentleman yield once more?

Mr. STAFFORD. Yes.

Mr. ANDREWS of Nebraska. I am in order, I judge, according to the ruling of the gentleman from Kansas.

We understood that in the method of procedure the director of the bureau had full authority under the law to assign any number of World War veterans to these homes that their facilities there would accommodate. He could leave them there at his own discretion for such length of time as he deemed proper. If he should have under his control at a subsequent time hospitals of sufficient capacity so that he could withdraw the men from the soldiers' homes and place them in hospitals under his own independent jurisdiction, he had the authority to do so, and that was the basis on which the whole proposition was settled in the Committee on Public Buildings and Grounds as to allotting space.

Mr. HUSTED. Will the gentleman yield?

Mr. STAFFORD. Yes; if I have the floor.

Mr. HUSTED. Mr. Speaker, under the act creating the Veterans' Bureau, all of the World War veterans receiving hospitalization were placed under the jurisdiction of the Director of the Veterans' Bureau. Now, the Director of the Veterans' Bureau was allowed to use various facilities, among others, the National Soldiers' Home, and, as a matter of fact, he did make contracts with some of these outside hospitals for the care of sick ex-service men. But this bill provides that the Director of the Veterans' Bureau may make such regulations as he deems fit and proper for the disposition of articles produced by these men who are in the hospitals. Now, notwithstanding these men may be in the National Soldiers' Home, or wherever they may be, they are still under the jurisdiction of the Director of the Veterans' Bureau. And when you pass an act of Congress which vests in the Director of the Veterans' Bureau the power to make rules and regulations for the disposition of these articles which are produced in hospitals by sick ex-service men, that act applies everywhere, to every hospital, whether it is a hospital under the jurisdiction of the Public Health Service or of the managers of the National Soldiers' Home, or of the Veterans' Bureau. This act is of general application and applies everywhere. So that it gives the Director of the Veterans' Bureau power to make these rules applicable in the National Soldiers' Home or in a hospital under the Public Health Service or in a hospital under the direct supervision of the Veterans' Bureau. In my opinion, the amendment suggested by the gentleman from Wisconsin would not broaden the scope of the bill one iota.

Mr. SISSON. Then there could be no objection to an amendment that would remove all doubt. There is some doubt about the jurisdiction.

Mr. STAFFORD. In reply to the position stated by the gentleman from New York [Mr. HUSTED], I wish to direct his attention to the provision of the pending bill which authorizes the director to either dispose of these articles that the war veteran makes, by allowing the money to go for his benefit or depositing the money received to the credit of the appropriation from which materials for making the articles are purchased.

Now under the actual operation of the hospitals under the control of the Board of Managers of the National Soldiers' Home the Director of the Veterans' Bureau allots a certain amount of money for each war veteran received into the soldiers' home, and it is for the purpose of enabling the heads of those homes to determine whether the money should be granted for the benefit of the war veterans, or whether it should go to the appropriation received by the Veterans' Bureau. There should not be any objection to the proposed amendment.

Mr. PARKER of New York. I hope the gentleman will not insist on his objection to the bill. This amendment came from the Veterans' Bureau. I have no personal objection to the amendment offered by the gentleman from Wisconsin, but I would certainly like to know what the objection of the Veterans' Bureau is.

Mr. STAFFORD. Then I will ask unanimous consent that the bill be passed over without prejudice for two weeks.

Mr. PARKER of New York. Wait a minute.

Mr. STAFFORD. I thought the gentleman had finished.

Mr. PARKER of New York. No. I wish the gentleman would let this bill go through now, and let it be amended in the Senate. I will help him do it. The Veterans' Bureau are particularly anxious that this bill be passed.

Mr. SISSON. Mr. Speaker, if that is the course to be pursued, I shall object; but if the suggestion of the gentleman from Wisconsin is carried out I shall have no desire to oppose it.

Mr. PARKER of New York. I accept the amendment, Mr. Speaker.

Mr. STAFFORD. I withdraw the reservation of an objection with the understanding that this amendment be adopted.

Mr. HAYDEN. Let us have a vote on it.

Mr. STAFFORD. I ask unanimous consent that the bill be passed over without prejudice.

Mr. RAKER. I object.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. STAFFORD. I object.

Mr. CAMPBELL of Kansas. The gentleman from California objected. The effect of the gentleman's objection is to strike the bill from the calendar.

Mr. RAKER. The gentleman from Wisconsin asked that it be passed over for two weeks?

The SPEAKER. The gentleman asked that it be passed over without prejudice. Is there objection to the request of the gentleman from Wisconsin, that it be passed over without prejudice? [There was no objection.]

The SPEAKER. The Clerk will report the next bill.

RURAL DELIVERY SERVICE.

The next business on the Calendar for Unanimous Consent was the bill (H. R. 7544) authorizing the Postmaster General to temporarily reduce the pay of rural carriers for disciplinary purposes instead of suspending them without pay.

The title of the bill was read.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. RAYBURN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order that there is no quorum present.

Mr. STEENERSON. I hope the gentleman will withhold that until we can consider this bill.

The SPEAKER. The Chair will count. [After counting.] It is quite clear that there is no quorum present.

Mr. RAYBURN. I withdraw that.

The SPEAKER. It is too late. The Chair was quite slow in counting.

Mr. STEENERSON. Mr. Speaker, I demand a call of the House.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 15 minutes p. m.) the House adjourned until to-morrow, Tuesday, May 16, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

612. Under clause 2 of Rule XXIV, a letter from the Secretary of the Navy, transmitting a tentative draft of a bill to credit the general account of advances to the midshipmen's store fund at the United States Naval Academy, was taken from the Speaker's table and referred to the Committee on Naval Affairs.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. HAYDEN: Committee on the Public Lands. S. 2556. An act for the relief of Edwin Gantner; without amendment (Rept. No. 1009). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A joint resolution (S. J. Res. 173) authorizing the President to appoint a commission to represent the Government of the United States at the centennial celebration of the independence of Brazil, to be held at Rio de Janeiro in September next; Committee of the Whole House on the state of the Union discharged, and referred to the Committee on Industrial Arts and Expositions.

A joint resolution (H. J. Res. 286) authorizing the President to appoint a commission to represent the Government of the United States at the centennial celebration of the independence of Brazil, to be held at Rio de Janeiro in September next; Committee on Foreign Affairs discharged, and referred to the Committee on Industrial Arts and Expositions.

A joint resolution (H. J. Res. 292) authorizing the President to appoint a special commission of friendship, good will, and congratulation to represent the Government and people of the United States at the centennial celebration of the independence of Brazil; Committee on Foreign Affairs discharged, and referred to the Committee on Industrial Arts and Expositions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MONTOYA: A bill (H. R. 11655) to continue the land offices at Clayton, Tucumcari, and Fort Sumner, in the State of New Mexico, and for other purposes; to the Committee on the Public Lands.

By Mr. TINKHAM: A bill (H. R. 11656) to provide for a census of the population of the United States as of 1922; to the Committee on the Census.

By Mr. EDMONDS: A bill (H. R. 11657) to amend section 190 of the Revised Statutes of the United States; to the Committee on the Judiciary.

By Mr. FREE: A bill (H. R. 11658) making it unlawful to require the attendance of children under the age of 14 years at any school, kindergarten, or academy in the District of Columbia before the hour of 9 o'clock a. m. standard time; to the Committee on the District of Columbia.

By Mr. OLDFIELD (by request): A bill (H. R. 11659) authorizing and directing the Secretary of the Interior to issue certain placer-mining patents, and for other purposes; to the Committee on the Public Lands.

By Mr. WINSLOW: A bill (H. R. 11660) to provide for the construction of a vessel for the Coast Guard; to the Committee on Interstate and Foreign Commerce.

By Mr. RHODES: Joint resolution (H. J. Res. 325) appropriating $2,000,000 to be expended by the Secretary of Agriculture in furnishing free seed for the relief of destitute flood sufferers on the Mississippi River, its tributaries, and other rivers within the United States; to the Committee on Appropriations.

By Mr. DENISON: Joint resolution (H. J. Res. 326) appropriating $1,000,000 for repairing and restoring the levees on the Mississippi River that have been destroyed or seriously injured by recent floods, and for other purposes; to the Committee on Appropriations.

By Mr. STINESS: Memorial of the Legislature of the State of Rhode Island relative to the recognition of Palestine as the homeland of the Jewish people; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENHAM: A bill (H. R. 11661) granting an increase of pension to Nancy Ralston; to the Committee on Invalid Pensions.

By Mr. FAUST: A bill (H. R. 11662) granting a pension to David Housel; to the Committee on Invalid Pensions.

By Mr. FITZGERALD: A bill (H. R. 11663) granting a pension to Henry C. Williams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11664) granting a pension to Sylvester Haus; to the Committee on Invalid Pensions.

By Mr. JEFFERIS of Nebraska: A bill (H. R. 11665) for the relief of William Quinlan; to the Committee on the Public Lands.

By Mr. KINKAID: A bill (H. R. 11666) granting a pension to Henry C. Bagley; to the Committee on Invalid Pensions.

By Mr. LINEBERGER: A bill (H. R. 11667) granting a pension to Sarah E. Young; to the Committee on Invalid Pensions.

By Mr. MOTT: A bill (H. R. 11668) granting a pension to Margaret Newell; to the Committee on Invalid Pensions.

By Mr. PAIGE: A bill (H. R. 11669) granting a pension to Albert Goldthwaite; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 11670) granting a pension to Frances Laport; to the Committee on Invalid Pensions.

By Mr. TREADWAY: A bill (H. R. 11671) granting an increase of pension to Margaret A. Bryant; to the Committee on Invalid Pensions.

By Mr. TYSON: A bill (H. R. 11672) for the relief of William H. Armstrong; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5607. By the SPEAKER (by request): Resolution adopted by the Richard J. Harden Camp, No. 2, Department of the District of Columbia, United Spanish War Veterans, indorsing the alien-registration provisions incorporated in H. R. 10860; to the Committee on Immigration and Naturalization.

5608. By Mr. BENHAM: Petition of the Presbytery of Indianapolis, at Columbus, Ind., indorsing House bill 9753, to secure Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia.

5609. Also, petition of the Presbytery of Indianapolis, at Columbus, Ind., indorsing House Joint Resolution 131, relative to prohibiting polygamy and polygamous cohabitation in the United States; to the Committee on the Judiciary.

5610. Also, petition of the Presbytery of Indianapolis, at Columbus, Ind., indorsing Senate Joint Resolution 31, relative to uniform laws on the subject of marriage and divorce; to the Committee on the Judiciary.

5611. By Mr. FRENCH: Petition indorsing House bill 9753 and other Sunday bills; to the Committee on the District of of Columbia.

5612. By Mr. GALLIVAN: Resolution adopted by the Council of the Appalachian Mountain Club at a meeting held April 11, 1922, protesting the transfer of the administration of the national forests from the Department of Agriculture to the Department of the Interior; to the Committee on Agriculture.

5613. Also, petition of the New England Conference for Protection of National Parks, urging early passage of Barbour bill, providing for the establishment of the Roosevelt-Sequoia National Park; to the Committee on the Public Lands.

5614. By Mr. KISSEL: Petition of Rover Legion, No. 2, Private Soldiers and Sailors' Legion, of the United States of America, Washington, D. C., relative to House bill 6309; to the Committee on the District of Columbia.

5615. Also, petition of the Southern Tariff Association, Fort Worth, Tex., relative to the pending tariff bill; to the Committee on Ways and Means.

5616. Also, petition of the Chamber of Commerce of the State of New York urging the passage of the Greene-Jones shipping bills; to the Committee on the Merchant Marine and Fisheries.

5617. By Mr. LINEBERGER: Petition of 50 members of the Junior Order of United American Mechanics of the State of California, favoring the Sterling-Towner bill; to the Committee on Education.

5618. Also, petition of citizens of Hibbing, Minn., favoring House bill 7; to the Committee on Education.

5619. Also, petition of residents of Pasadena, Calif., to pass House bill 9753 or any other Sunday bill; to the Committee on the District of Columbia.

5620. Also, petition of the Presbytery of Los Angeles, Calif., favoring House bill 9753, for the observance of Sunday as a day of rest; to the Committee on the District of Columbia.

5621. Also, petition of citizens of Los Angeles County, Calif., opposing H. R. 9753, H. R. 4388, and S. 1948, regarding proposed compulsory Sunday observance bills; to the Committee on the District of Columbia.

5622. By Mr. RADCLIFFE: Petition of citizens of Paterson, N. J., protesting against H. R. 9753, or any other Sunday bill such as H. R. 4388 or S. 1948; to the Committee on the District of Columbia.

5623. By Mr. STINESS: Memorial of Roger Williams Council, No. 29, Sons and Daughters of Liberty, Wickford, R. I., urging the passage of the Sterling-Towner bill; to the Committee on Education.

5624. Also, memorial of Providence and Vicinity (R. I.) Methodist Ministers' Association, protesting any encroachment of a railroad on the property or in the vicinity of the Sibley Memorial Hospital; to the Committee on the District of Columbia.

5625. Also, petition of 229 citizens of Providence, East Providence, North Providence, East Greenwich, and other parts of Rhode Island, protesting against the enactment of H. R. 9753, H. R. 4388, and S. 1948, or other similar Sunday legislation; to the Committee on the District of Columbia.

5626. Also, petition of 76 citizens of East Greenwich, R. I., protesting against the enactment of H. R. 9753, H. R. 4388, and S. 1948, or other similar Sunday legislation; to the Committee on the District of Columbia.

5627. By Mr. TOWNER: Petition of Mr. C. E. Williams, of Nenah, Wash., and 25 other citizens of the State of Washington, asking for the passage of the Towner-Sterling educational bill; to the Committee on Education.

5628. Also, petition of Mr. Bennett Hayes, of Melford, Nebr., and nine other citizens of the State of Nebraska, asking for the passage of the Towner-Sterling educational bill; to the Committee on Education.

5629. Also, petition of Mr. J. A. Baxley and 20 other citizens, of Savannah, Ga., for the passage of the Towner-Sterling educational bill; to the Committee on Education.

SENATE.

TUESDAY, *May 16, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

PETITIONS.

Mr. NICHOLSON presented petitions of sundry citizens of the State of Colorado, praying that only a moderate duty be imposed in the pending tariff bill on imported kid gloves, which were referred to the Committee on Finance.

GOVERNMENT OF THE PHILIPPINE ISLANDS.

Mr. NEW, from the Committee on Territories and Insular Possessions, to which was referred the bill (H. R. 10442) to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916, as amended by an act to amend said act approved July 21, 1921, reported it with an amendment and submitted a report (No. 718) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILLIS:

A bill (S. 3610) authorizing the construction of a bridge across the Ohio River near Steubenville, Ohio; and

A bill (S. 3611) authorizing and directing the Secretary of War to abrogate a contract lease of land and water power on the Muskingum River; to the Committee on Commerce.

By Mr. DU PONT:

A bill (S. 3612) to purchase a site for a United States post-office building for the city of Wilmington, Del.; to the Committee on Public Buildings and Grounds.

By Mr. GLASS:

A bill (S. 3613) to amend the first paragraph of section 14 of the merchant marine act of June 5, 1920 (with an accompanying paper); to the Committee on Commerce.

By Mr. NELSON:

A bill (S. 3614) relating to the official bond of the United States marshal for the southern judicial district of the State of New York; to the Committee on the Judiciary.

By Mr. NORRIS:

A bill (S. 3615) for the relief of Joseph F. Becker; to the Committee on Naval Affairs.

A bill (S. 3616) to encourage public, quasi-public, and co-operative associations to conduct or operate stockyards, and to slaughter, process, preserve, or store live-stock products or perishable foodstuffs; to the Committee on Agriculture and Forestry.

By Mr. NEW:

A bill (S. 3617) to fix the salaries of the auditor and deputy auditor of the Philippine Islands; to the Committee on Territories and Insular Possessions.

By Mr. McKINLEY:

A joint resolution (S. J. Res. 198) appropriating $1,000,000 for repairing and restoring levees on the Mississippi River that have been destroyed or seriously injured by recent floods, and for other purposes; to the Committee on Appropriations.

TARIFF BILL AMENDMENT.

Mr. LADD submitted an amendment, intended to be proposed by him to House bill 7456, the tariff bill, which was ordered to lie on the table and to be printed.

VISIT OF 1881 NAVAL CLASS TO JAPAN.

Mr. McCORMICK. Mr. President, I offer and ask unanimous consent for the immediate consideration of a resolution to which I am certain there will be no opposition.

The resolution (S. Res. 296) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That it is the sense of the Senate of the United States that the transport *Henderson* should not proceed to Japan to convey thither certain former midshipmen of the United States.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed the following bills, each with amendments, in which it requested the concurrence of the Senate:

S. 1162. An act declaring Lake George, Yazoo County, Miss., to be a nonnavigable stream; and

S. 3505. An act in reference to the summoning of grand juries in the District of Columbia.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5224. An act to authorize the Secretary of the Navy to certify to the Secretary of the Interior, for restoration to the public domain, lands in the State of Louisiana not needed for naval purposes;

H. R. 6294. An act promoting civilization and self-support among the Indians of the Mescalero Reservation, in New Mexico;

H. R. 10767. An act to exempt from cancellation certain desert-land entries in San Bernardino County, Calif.;

H. R. 11347. An act authorizing the Secretary of War to transfer and convey to the State of Connecticut all right and title now vested in the United States to land and buildings thereon known as Fort Hale;

H. R. 11379. An act authorizing the use of special canceling stamps in certain post offices; and

H. R. 11645. An act making an appropriation to enable the Department of Justice to investigate and prosecute war frauds.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that May 15, 1922, the President approved and signed the following acts:

S. 1813. An act for the relief of the owner of the steamer *Mayflower;*

S. 1814. An act for the relief of the owner of the steam lighter *Cornelia;* and

S. 1817. An act for the relief of the owners of the schooner *Horatio G. Foss.*

HOUSE BILLS REFERRED.

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 5224. An act to authorize the Secretary of the Navy to certify to the Secretary of the Interior, for restoration to the public domain, lands in the State of Louisiana not needed for naval purposes; to the Committee on Naval Affairs.

H. R. 6294. An act promoting civilization and self-support among the Indians of the Mescalero Reservation, in New Mexico; to the Committee on Indian Affairs.

H. R. 10767. An act to exempt from cancellation certain desert-land entries in San Bernardino County, Calif.; to the Committee on Public Lands and Surveys.

H. R. 11347. An act authorizing the Secretary of War to transfer and convey to the State of Connecticut all right and title now vested in the United States to land and buildings thereon known as Fort Hale; to the Committee on Military Affairs.

H. R. 11379. An act authorizing the use of special canceling stamps in certain post offices; to the Committee on Post Offices and Post Roads.

H. R. 11645. An act making an appropriation to enable the Department of Justice to investigate and prosecute war frauds; to the Committee on Appropriations.

LAKE GEORGE, YAZOO COUNTY, MISS.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1162) declaring Lake George, Yazoo County, Miss., to be a nonnavigable stream, which were, on page 1, lines 4 and 5, to strike out "a nonnavigable stream" and to insert "not a navigable water of the United States"; and, on page 1, line 5, to strike out all after "the" where it occurs the second time, down to and including "Mississippi," in line 7, and insert "laws enacted by the Congress for the preservation and protection of such waters."

Mr. HARRISON. Mr. President, the amendments are of small moment, and I am sure there is no opposition to the bill as amended by the House. I move that the Senate concur in the House amendments. There will be no discussion of the matter.

The amendments were concurred in.

SUMMONING GRAND JURIES IN THE DISTRICT OF COLUMBIA.

Mr. NELSON. I ask the Chair to lay before the Senate the amendments of the House of Representatives on Senate bill 3505.

The PRESIDING OFFICER (Mr. LADD in the chair) laid before the Senate the amendments of the House to the bill (S. 3505) in reference to the summoning of grand juries in the District of Columbia, which were, on page 1, after line 2, to insert "That the Code of Law for the District of Columbia be amended by adding a new section to read as follows"; on page 1, begin line 3 as a paragraph, and before "That," to insert "Sec. 204a"; on page 1, line 7, after "or," to insert "senior"; on page 1, line 8, to strike out the article "a" and insert "an additional"; on page 1, line 9, to strike out "at such time as he may designate, which" and insert "which additional grand"; on page 2, line 1, after "drawn," to insert "at such time as he may designate"; on page 2, line 2, after "Columbia," to insert "and unless sooner discharged by order of said chief justice or, in his absence, senior associate justice, said additional grand jury shall serve during and until the end of the term in and for which it shall have been drawn"; and to amend the title so as to read: "An act to amend the Code of Law for the District of Columbia."

Mr. NELSON. I wish to state that the only change is that as we passed the bill it was an independent measure prepared by the Attorney General; the House has made it a section of the Code of the District of Columbia.

Mr. KING. Making it a permanent law?

Mr. NELSON. It will be a part of the Code of the District of Columbia.

Mr. KING. And to that extent it is a permanent law?

Mr. NELSON. Yes.

Mr. KING. Incorporated in the code so that the grand juries in the future——

Mr. NELSON. It will be section 204a. That is the substantial change, so that a lawyer looking at the code can find the law right there.

Mr. KING. The purpose is to permit special grand juries to be summoned in the future as therein provided?

Mr. NELSON. Yes; as provided in the act. The Senator will remember that it was explained when we passed the bill.

I move that the Senate concur in the amendments of the House.

The motion was agreed to.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. I ask that we may go back to paragraph 33a, page 18, line 3. We agreed some days ago that we would bring up that item this morning.

The PRESIDENT pro tempore. Without objection, that will be done. The amendment at that point will be stated.

The READING CLERK. On page 18, after line 2, the committee proposes to insert:

PAR. 33a. Cyanide: Potassium cyanide, sodium cyanide, all cyanide salts and cyanide mixtures, combinations, and compounds containing cyanide, not specially provided for, 10 per cent ad valorem.

Mr. McNARY. Mr. President, the junior Senator from Nevada [Mr. ODDIE] and other Senators not now here are especially interested in this paragraph. I do not see the junior Senator from Nevada present at the moment, and I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gooding	McLean	Simmons
Ball	Hale	McNary	Smoot
Brandegee	Harreld	Moses	Spencer
Broussard	Harris	Myers	Stanley
Bursum	Harrison	Nelson	Sterling
Capper	Hitchcock	New	Sutherland
Caraway	Johnson	Newberry	Swanson
Culberson	Jones, N. Mex.	Nicholson	Townsend
Cummins	Jones, Wash.	Norris	Underwood
Curtis	Keyes	Oddie	Wadsworth
Dial	King	Overman	Walsh, Mass.
Dillingham	Ladd	Page	Walsh, Mont.
du Pont	Lenroot	Pomerene	Watson, Ga.
Edge	Lodge	Ransdell	Watson, Ind.
Fletcher	McCormick	Rawson	Willis
France	McCumber	Robinson	
Frelinghuysen	McKinley	Sheppard	

Mr. DIAL. I wish to announce that my colleague [Mr. SMITH] is unavoidably absent. I ask that this announcement may continue through the day.

The PRESIDENT pro tempore. Sixty-six Senators have answered to their names. There is a quorum present.

Mr. GOODING. Mr. President, continuing my remarks at this time on the tariff bill, I am going to take up the Underwood-Simmons Act and make a comparison of other laws passed by the Democratic Party with the McCumber bill, which is now before the Senate, beginning with the compromise act of 1832, the Walker Act of 1846, and the Democratic tariff measure known as the Wilson-Gorman Act, passed during Grover Cleveland's second administration. I shall use the Underwood-Simmons law as the basis for comparison of duties which these different tariff measures gave to agriculture.

I am not going to charge that the Underwood-Simmons law is the most infamous or the most iniquitous tariff measure ever passed or that it placed practically all of the farm products on the free list in order to exploit the farmers in the interest of the manufacturers. Nor am I going to charge that in the enactment of that law the leaders of the Democratic Party tried to bunco the American people and hand them a gold brick. I have too much confidence in the men who drafted the Underwood-Simmons law to make any such serious indictment. Some of those things have been charged by a few Senators against the emergency tariff bill. They have all been charged against the McCumber bill or the Finance Committee bill now before the Senate.

All the talk we hear on the other side about the pending bill being framed behind closed doors is without a shadow of foundation. I was in attendance at the open meetings held by the Finance Committee almost as much as were the members of the committee, and very much more than were some of the Democratic members of the committee, and I wish to say that I never saw men who labored harder or who were more serious in their work than were the members of the Finance Committee in drafting the bill which is now before the Senate. Weeks and months of time were consumed; sessions were held sometimes late into the night. When the doors were closed and public hearings ceased, every Senator—and I think the Democratic Senators know that as well as Republicans on this side of the Chamber—would have been welcome to have gone before the Finance Committee if he had any matter to present to the committee. I was there on several occasions with a large number of farmers, some representing dairy products and some other agricultural products; other Republican Senators were there, as were also Democratic Senators. The doors were always open, and any Senator who cared to appear at any time was welcome. I repeat that all this talk about the pending bill being framed behind closed doors and in the interest of predatory wealth has no foundation. There is no basis for such a statement at all.

Mr. President, if it is the purpose of the Democratic Party to brand this bill as an infamous measure, which has been

framed entirely in favor of the selfish interests of the country, let me say to Members of that party who are on the other side of the Chamber that they are making a mistake, because the farmers of the country understand and know that this is the first tariff bill which has ever been presented to Congress which gives the agricultural interests of the country a square deal. About all there is back of the campaign being conducted by the minority to delay the bill at the present time is an effort to mold public opinion into the conviction that it is an infamous tariff measure; that it is unfair and unjust to the country and to the people at large. When the Democratic Senators make up their mind that they are not going to succeed in giving the American people that impression, they will be ready to permit the tariff bill to pass, and I think it will not take very long to pass it.

Taking the Underwood-Simmons bill, which was passed in 1913, I find that in that bill 39 farm products were put on the dutiable list, while 52 farm products were put on the free list. An average duty of 4.9 per cent was given to the 91 farm products and 11.4 per cent to 39 products which were placed on the dutiable list; not enough on an average really to be a revenue duty.

The act of 1832 placed 11 farm products on the dutiable list, and 10 farm products were placed on the free list. The average duty provided for in that bill was 14.05 per cent. Taking the Underwood bill as the basis and rating it at 100 per cent, the act of 1832 gave to the farmers 285 per cent more protection than did that bill. If the Democrats want to call it protection, very possibly those duties were protective in these days.

The act of 1832 gave to 11 farm products placed on the dutiable list an average of 26 per cent, which is a higher average duty than is imposed on farm products under the Finance Committee bill.

The act of 1846, which is known as the Walker Act, placed 48 farm products on the dutiable list and 9 on the free list. It gave to the 57 farm products an average duty of 24 per cent, while those on the protective list—and the duties on farm commodities in that act afforded high protection compared to the duties in the present bill—received an average duty of 28 per cent. The relative protection which was afforded by the Walker bill was 495 per cent greater than that which was afforded under the Underwood-Simmons law.

The Wilson-Gorman Act placed 37 farm products on the protective list and 13 on the free list. It gave to the 50 farm products covered by the bill a little over 13 per cent, or 270 per cent more than the rates imposed in the Underwood-Simmons law.

The Finance Committee bill which is now before the Senate puts 92 farm products on the protective list and none on the free list. If there is any farm product that is not on the protective list I do not know what it is; and if we find that any have been omitted we are going to place them on the dutiable list, if they need protection. The pending bill gives an average duty as to 92 farm products of 21.3 per cent.

I wish to say, Mr. President, that all the agricultural interests of the country and those who have been representing the agricultural interests in an effort properly to present their needs before the Finance Committee have been very moderate, and, I might say modest, in their requests for proper protection to the farm products of the country, the average duty imposed in the pending bill on agricultural products, as I have said, being 21.3 per cent.

I have a table here showing the farm products which were placed on the dutiable list and the free list, respectively, under the act of 1832, the act of 1846, the act of 1894, the act of 1913, and the pending bill reported by the Committee on Finance and now before the Senate. I have reduced the duties to an ad valorem basis in each instance. The act of 1832 imposed on wheat a duty of 17 per cent; the act of 1846 also imposed a duty of 17 per cent; the act of 1894, 20 per cent; under the Underwood-Simmons law wheat was on the free list; and in the bill reported by the Finance Committee a duty of 28 per cent is provided.

I have a record of the wheat prices in Minneapolis and in Winnipeg. I understand the market value of wheat, so far as freight rates are concerned from those points to Liverpool, is about the same. The information which I am about to give has been furnished me by the Tariff Board, and shows that No. 1 northern in the month of November, 1920, sold, on an average, in Minneapolis for $1.77 a bushel and in Winnipeg for $1.83 a bushel, or 6 cents more than the price for which it sold in Minneapolis. Wheat was then on the free list under the Underwood-Simmons law. In the month of November, 1921, No. 1 northern sold for a monthly average of $1.30 a bushel in Minneapolis and for $1.01 a bushel in Winnipeg, or a difference of 29 cents a bushel in favor of the American wheat. On April 25 of this year No. 1 northern was quoted in Minneapolis at $1.65 and in Winnipeg $1.45, or a difference of 20 cents a bushel in favor of the American wheat. It is very evident, Mr. President, that the emergency tariff bill has been a factor in giving the wheat growers of this country a little better price for their wheat.

I believe, Mr. President, it is just as important to protect the wheat grower when there is an overproduction in this country as it is to protect the woolgrower when there is an underproduction; in fact, I think it is more important, if anything. I think we ought pretty nearly to close our ports to farm products of which there is an overproduction in this country. If we are going to apply the Democratic doctrine of supply and demand, I want to tell the Senate that when there is an overproduction, when our markets in this country are flooded and millions of bushels of foreign wheat are forced in, as was the case in the fall of 1920, it can have but one result, as it only had one result in that instance, and that was to smash the American market. The farmers at that time lost hundreds of millions of dollars simply because Canada tried to market all of her wheat in this country. Every elevator, every railroad, every avenue was jammed with Canadian wheat which the Canadian producer was trying to rush into our market at exactly the same time the American farmers were trying to market their wheat; and at that time, if you please, wheat was 6 cents lower in Minneapolis than it was in Winnipeg, simply because they had overcrowded the market in this country and swamped it.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Massachusetts?

Mr. GOODING. I yield.

Mr. WALSH of Massachusetts. Does the Senator apply the principle just enunciated by him to overproduction in manufactured products?

Mr. GOODING. I will be very glad to make that comparison. When there is an overproduction of manufactured products, the manufacturers close down their mills, and public opinion sustains them in their action. If you want to drive the American farmer to close down his farm and stop production, just continue the policy of free trade for the farmer and that is what you will force him to do.

Mr. WALSH of Massachusetts. An overproduction of manufactured products can destroy a manufacturing industry as well as an overproduction of farm products can destroy the farmer's business.

Mr. GOODING. I beg to differ with the Senator. The manufacturer has the remedy in his own hands, and public opinion sustains him in employing it, and I think very properly so. If we continue the policy of free trade for agricultural products and protection for manufactures, we will have the condition that has prevailed in the South when the tobacco growers became "night riders" and controlled production in that way. There is no comparison at all. We want to encourage the farmers all the time to till the soil. Anything less than that will be a crime, and he will never falter in his efforts unless he is driven to do so, and your policy will drive him to do it.

The Democrats in the Underwood-Simmons law imposed a revenue duty on barley. It was free in the act of 1832 and in the act of 1846; the act of 1894 placed a 30 per cent ad valorem duty on barley, and the Underwood-Simmons law provided an ad valorem duty of 30 per cent. In the opinion of the framers of that measure, I presume, barley was a good revenue item, and so they put it on the dutiable list. The farmers were very glad to have it there. The Finance Committee bill puts a duty of 40 per cent ad valorem on barley.

I am making this comparison to show that the Democratic Party, as far as the agricultural interests are concerned, is nearer a free-trade party to-day than it has been at any time in its history, and there is plenty of proof of it, too.

Oats had an ad valorem duty in 1832 of 26 per cent; in 1846, 20 per cent; in 1894, 20 per cent; in 1913, 16 per cent; in the Finance Committee bill there is an ad valorem duty of 39 per cent.

Rye was on the free list in 1832. In 1846 it had a 20 per cent duty, in 1894 it had a 20 per cent duty, it is free in the Underwood bill, and it has a 20 per cent duty in the Finance Committee bill.

Corn was free in 1832, had a 20 per cent duty in the act of 1846, a 20 per cent duty in 1894, was free in the Underwood bill, and has a 33 per cent duty in the Finance Committee bill.

Cattle were free in 1832, free in 1846, free in 1894, free in 1913, and have an ad valorem duty now of 23 per cent.

Beef and veal had a duty in the act of 1832 of 13 per cent, in 1846 of 40 per cent, in 1894 of 20 per cent, were free in the Underwood bill, and have a duty of 22 per cent in the Finance Committee bill.

Fresh mutton was free in 1832, had a duty of 40 per cent in 1846, 20 per cent in 1894, is free in the Underwood bill, and has a duty of 25 per cent ad valorem in the Finance Committee bill.

Lamb was free in 1832, had a duty of 40 per cent in 1846, was not specially provided for in the Wilson bill, was free in the Underwood bill, and has a duty of 33 per cent in the Finance Committee bill.

Swine were free in the act of 1832, were free in 1846, were not specially provided for in 1894, were free in the act of 1913, and have a 17 per cent ad valorem duty in the Finance Committee bill.

Bacon and ham had a duty of 13 per cent in the act of 1832, of 20 per cent in the act of 1846, were not specially provided for in 1894, were free in the Underwood bill, and have a duty of 9 per cent in the Finance Committee bill.

Milk was free in all the bills, and cream was free in all the bills, prior to the Finance Committee bill. The Finance Committee bill gives milk a duty of 6 per cent, and cream a duty of 9 per cent.

Eggs in the shell were free in 1832, free in 1846, had a duty of 7½ per cent ad valorem in the act of 1894, were free in the Underwood bill, and have a duty of 20 per cent in the Finance Committee bill. I will say that these prices were taken some time in last October. They have a duty of 8 cents a dozen, or an ad valorem duty of 20 per cent, in the Finance Committee bill.

Dried eggs were free in all the bills until the act of 1909, when they were given a duty of 30 per cent. The act of 1913 reduced this duty to 20 per cent. The present Finance Committee bill gives them a duty of 33 per cent, and we are asking a duty of 24 cents a pound on dried eggs.

There is a sad story connected with the dried-egg industry in America. The Democratic Party reduced the duty on dried eggs, and every manufacturing institution in the business of drying eggs in America, with the exception of one, moved to China; and to-day a large part, practically all the dried eggs that we use in America, come from China. The bakers have made a terrific fight against a great industry, if you please, which has been wiped out and has gone to China. American capital has gone to China and built its factories there and is furnishing this country with dried eggs. I have very little respect and regard for the American who makes his money in this country as a citizen of this country and then goes to China or any other Asiatic or European country where labor costs nothing at all, takes the money that he had made here from the American people, sets up an establishment, and then comes back here and fights for American markets. He is the most undesirable citizen in the world, without any exception; and any law that permits that to be done is wrong and an outrage, not only in drying eggs but in other things. Take American capital and go abroad, and you can supply the American people with practically everything they need. There is no lack of soil in the world. We have not commenced tilling it yet.

Onions were free in 1832 and 1846, had a duty of 20 cents a bushel in the act of 1894, which was equivalent to an ad valorem duty of 7 per cent, and the same duty is in the act of 1913, the Underwood bill. I think I will call these bills by their proper names; it will be very much easier. Onions have an ad valorem duty of 20 per cent in the McCumber bill.

Potatoes had a 12 per cent duty in the compromise act, the act of 1832, a 12 per cent duty in the Walker bill, an 18 per cent duty in the Wilson bill, were free in the Underwood bill, and have a duty of 29 per cent in the McCumber bill.

Millet was free in all the bills down to the present one, including the Underwood bill, and has a duty of 27 per cent in the McCumber bill.

Flaxseed had a duty of 20 cents a bushel, equivalent to an ad valorem duty of 11 per cent in the Wilson bill, 11 per cent ad valorem in the Underwood bill, and 23 per cent in the McCumber bill.

Green hides had a duty of 5 per cent in the Walker bill, were free in the Wilson bill, free in the Underwood bill, and have a duty of 13 per cent in the McCumber bill.

Linseed oil had a duty of 14 per cent in the act of 1832, 20 per cent in the Walker bill, 11 per cent in the Wilson bill, was free in the Underwood bill, and has a duty of 14 per cent in the McCumber bill.

Rice had a 20 per cent duty in the Walker bill, 32 per cent in the Wilson bill, 15 per cent in the Underwood bill, and 15 per cent in the McCumber bill. I have introduced a resolution, which is going to pass, too, giving the southern rice growers proper protection. There is not any doubt about that. They ought to have it. I do not care where the farm product is grown or where it is produced; I am going to do the best I can to see that every industry is properly protected.

Almonds, unshelled, were free in the act of 1832, had a duty of 40 per cent in the Walker bill, 20 per cent in the Wilson bill, 20 per cent in the Underwood bill, and 25 per cent in the McCumber bill.

Almonds, shelled, had a duty of 40 per cent in the Walker bill, 14 per cent in the Wilson bill, 11 per cent in the Underwood bill, and 40 per cent in the McCumber bill.

Walnuts, unshelled, were free until the Wilson bill, when they were given a duty of 8 per cent, 8 per cent in the Underwood bill, and 17 per cent in the McCumber bill.

Now we come down to vegetable oils—coconut oil, soya-bean oil, cottonseed oil, peanut oil, and olive oil. Coconut oil, soya-bean oil, and cottonseed oil are free under all the bills until we reach the McCumber bill, when there is a duty of 50 per cent on coconut oil, 27 per cent on soya-bean oil, and 42 per cent on cottonseed oil.

Long-staple cotton was free under all the bills until we reach the emergency bill, when there is an ad valorem duty of 14 per cent on long-staple cotton. We are asking for a duty of 10 cents a pound instead of 7 cents a pound. We believe that long-staple cotton ought to be developed in this country; that we can produce all the long-staple cotton that we need. There is not any doubt about that. It is an infant industry and ought to be encouraged, and I have never been much of an infant-industry protectionist. I think building up an industry in this country and then tearing it down is nothing less than a crime. After we have encouraged an industry and established it, if there is ever a time when it ought to be protected it is then. Keep it going. It can not be a going concern unless you do give it protection. Surely every Senator understands that there is a wide difference between the cost of production in this country and the cost of production in any other country on earth, and it is a great deal wider to-day than it has ever been before in the history of our Government.

Peanuts were free in all the bills until the act of 1894 was passed, which gave them a 20 per cent ad valorem. The Underwood bill gave them 6 per cent. The Finance Committee in this bill has given them 12 per cent. This is another article on which the duty must be raised in order to give them proper protection, and this industry is going to have the support of that group of Senators who have been trying to get fair protection for the agricultural interests of the country, and I think we will succeed in getting the peanut growers of the country a protective duty, not a revenue duty.

The next is alfalfa, alsike clover, and other grass seeds. They were free in all the bills until we reach the McCumber bill, in which alfalfa is given a duty of 22 per cent, alsike clover 13 per cent, crimson clover 13 per cent, red clover 20 per cent, and white clover 6 per cent.

Timothy was free in all the bills until we reach the McCumber bill, where it is given a duty of 28 per cent.

Wool had a duty in the act of 1832 of 75 per cent, in the Walker Act of 75 per cent; was free, of course, in the act of 1894 and in the Underwood law. It has a duty in this bill of 35 per cent. I am going to discuss this wool schedule when I take up the duty the Democratic Party has given to the manufacturers.

Sugar had a duty of 90 per cent in the act of 1832, and an ad valorem duty of 90 per cent in the act of 1846. I say it is free in the Underwood bill, because if it had not been for the war, it would have been free. It was only a question of time when it would have been free, and if it had been, the great sugar industry of this country would have been absolutely destroyed.

Enough sugar is grown in Cuba to-day to feed practically all the American people. American capital has gone down there and spent a billion or more, and this year's crop will be something over 3,500,000 tons of sugar. I think our consumption is something like 4,000,000 tons of sugar. Is that correct?

Mr. McNARY. That is right.

Mr. GOODING. Their production is over 3,500,000 tons this year, as against a consumption of 4,000,000 tons of sugar in the United States.

In the hearings I heard one of the witnesses make this statement in giving his evidence before the committee, that the capital invested in Cuba had gone to China and brought coolie

labor in, under a contract for five years, to work on the sugar plantations of Cuba, brought that coolie labor from China through this country in bond, and the Cuban sugar growers have a freight rate of about 12 cents a hundred into New York City, while the sugar growers of Louisiana must pay a freight rate of 58 cents to carry their sugar to Chicago, where their sugar is marketed. With a freight rate on the Cuban sugar growers of about one-fifth our rate, and labor that practically costs nothing at all compared with what we have to pay in America, tell me, if you please, what chance the cane growers of Louisiana and the beet growers of the West have in competing with the conditions of that kind. American capital pays it, too, if you please; Americans owning the plantations to a very large extent.

There is no necessity of our growing any sugar in America. We can go out of the sugar industry very quickly, and we are going out of it unless the sugar industry of this country is given proper protection.

A report from the Bureau of Labor Statistics this morning gives the average wages of to-day at 205 per cent, taking those paid in 1913 at 100 per cent. In other words, the price of labor in this country to-day is 105 per cent more than it was in 1913. Freight rates are somewhere near 57 per cent more, possibly a little higher than that. I do not believe we are going to have any great reduction in the price of labor, and I hope there will not be any decrease in some lines of labor. It is possible that in some lines the scale is too high; but in other lines it is too low. I think it would be most regrettable if labor were forced back to pre-war conditions, and I am sure the wages of labor will not be reduced to those levels. While I think in some instances freight rates are too high and could properly be reduced, there will not be any great reduction in freight rates. When the American producers have to meet a condition of that kind, what is the use of talking about producing in this country as cheaply as we did before the war?

I submitted figures showing the price of labor, given by a member of Parliament, the number of hours an ounce of gold purchases in the six great countries of the world. Then I gave some other figures of production in this country, and I have here a table which I received from the Tariff Commission giving the average prices paid for labor in 1913 in the large cities in Germany, and I will read only the averages and the prices paid in Germany at the present time.

The average wage to bakers in 1913 was $6.14 a week. The wage paid on December 31, 1921, was $2.52 a week.

The average wage paid for brewery workers in 1913 was $7.73 a week. The average on December 31, 1921, was $2.43 a week.

The average paid for common unskilled brewery workers in 1913 was $5.83 a week, and on December 31, 1921, it was $2.39 a week.

The average wage paid to tailors in 1913 was $11.17 a week, and the average on December 31, 1921, was $2.78 a week.

Painters received an average of $14.38 a week in 1913. In 1921 they received $2.58 on an average.

Stone cutters received in 1913 an average of $17.41 a week, and in 1921 they received an average of $2.56 a week.

Stone masons received $7.22 in 1913 on an average, and $3 a week in 1921.

Bookbinders in 1913 received an average of $6.69 a week, and in 1921 they received an average of $2.59.

Printers—I suppose, newspaper printers—received in 1913 an average of $7.71 a week, and in 1921 an average of $2.74 a week.

Joiners received in 1913 an average of $13 a week, and in 1921 an average of $2.59 a week.

This is the weekly average all the way through. Transport workers received in 1913 an average of $6.57 a week, and in 1921 an average of $2.30 in our money.

The average pre-war weekly wage of the different classes I have read was $10.08, and on December 31, 1921, it was $2.59, or about one-tenth the wages we have to pay in America. So, with 105 per cent of an increase in this country and 75 per cent of a decrease in Germany over pre-war wages, what chance is there in America for us to compete at all?

Let us not forget that before the war one-half of all the people in Germany were employed in getting ready for a great struggle in the World War, and had been for half a century, supporting standing armies, manufacturing munitions of war. Half of all her people were getting ready for the greatest struggle civilization has ever known. Now they are all back in industrial life bending their backs. It is said they are working 12 hours a day. Germany can manufacture for the world in many lines. She has developed in the last 20 years. Just open your ports to Germany and she will do the rest.

Mr. President, I am not going to charge those who framed the Underwood-Simmons bill with being unfair at all. The Underwood-Simmons law represents very truly Democratic policy, for which they have been fighting for a hundred years—free trade in the farm products of America. There is no question about that, and those products which have been given duties are so nearly free that they are not even revenue bearers. While they put the farmers' products practically all on the free list they have given the manufacturers high protective duties, I venture to say, as to some things, although I do not think they will plead guilty of giving protection to the manufacturers while they put the farmer on the free list, forcing him to compete with Asiatic labor and all the labor of the world.

You might just as well open your ports and repeal the Chinese exclusion act as to let them bring their products in free of duty, which they were doing before the emergency tariff bill was passed and are doing now to some extent. I think I would prefer to have that labor here, as far as that is concerned, and I believe every laboring man would rather the foreigner would come in and compete with him in his own market, than to ship his products from foreign markets and compete in that way. The American laborer would be one hundred times better off.

I am going to discuss this tariff question from a laboring man's standpoint, because it is his question, and nobody else's. I do not care where the laboring man of America is working, whether it is on a printing press or on a farm or in the mine, all must stand together on the protective tariff question as a principle or all will go down in a crash. You can not protect one industry in America and force the others to compete with the peons of foreign countries.

There is too much independence in America for all that. We have fought for our freedom once, but I do not think we will have to fight for it again, because we have too much intelligence in America for that. This question is going to be settled some day and is going to be settled right. I think the greatest crime in America to-day is the fact that the largest interests of the country are the political football, to be kicked about by the political parties.

Henry Clay said the question would never be settled until it was settled on the line of protection, and that is where it is going to be settled. Every industry in the country that needs protection is some day going to be given proper protection, and that is going to be our fixed and permanent policy. We are going to fight it out along that line until it comes. All we have to do is to bring the South back to it, and they are coming back slowly. There is where all our free trade came from, in the interest of slavery, and that is what it means to the laboring man of America to-day—slavery, or a condition that is not better than slavery—if American labor is forced to compete with foreign countries, considering the freight rates which we have in America as compared with those abroad, which are less than half what some of our States have to pay to get their products to market. This is the unfair part of it. It is forcing the farmer of the country to compete with that condition, to compete in a free-trade market with what he produces, and then have to buy in a protected market.

In the matter of wool blankets the Underwood law gave a duty of 25 per cent ad valorem. The McCumber bill gives a duty of from 20 cents to 40 cents per pound plus 20 to 40 per cent ad valorem. That is a manifest protection, and then there is properly a compensatory duty. Of course, there is a duty on wool that has been given the manufacturer because he is expected to and will of course pay more for his wool than he would if it were on the free list. But the difference is a 25 per cent ad valorem duty on blankets with wool on the free list and a 20 to 40 per cent ad valorem protective duty.

I am going to submit a proposition to my Democratic friends. I am going to make the statement now that when they take into consideration the cost of production, with labor 105 per cent above the price in 1913, when the Underwood bill was passed, that Underwood tariff law gives a higher duty in favor of manufactures than does the McCumber bill—a higher duty, if you please. Those were only revenue duties. Do not forget that. They are not protective duties. The minority leader, the Senator from Alabama [Mr. UNDERWOOD], will not admit that he gave the manufacturer a protective duty, not a single one, although some of the duties are pretty high. They are revenue duties, however, and not protection duties.

The Underwood law gives ready-made clothing a duty of 35 per cent ad valorem. The McCumber bill gives it a duty of 40 to 55 per cent ad valorem, with labor 105 per cent higher than

when the Underwood law was enacted, and labor in Germany 25 per cent of what it was when the Underwood bill was passed. I do not think the duties are high enough. I have not agreed with the senior Senator from Utah [Mr. SMOOT] that we do not dare adopt the American plan because the duties are too high. I think the people would accept any duty that would save the life of an industry in America regardless of what policy must be adopted to save it. I think we are passing through the most crucial period in the history of America and we will not start the mills to work again until we have proper protection in America.

On cotton quilts a 25 per cent duty was levied in the Underwood law and a 45 per cent duty is levied in the McCumber bill, with labor 105 per cent higher, with freight rates 57 per cent higher—and I think they are little higher than that now—and labor in Germany 25 per cent of what it was when the Underwood bill was passed.

The Underwood law puts a duty of from 20 to 50 per cent on wool carpets and puts wool on the free list. The McCumber bill puts a duty of 30 to 55 per cent on wool carpets, and carpet wool is on the free list. Which is the highest? I will let the Senator from Alabama [Mr. UNDERWOOD] answer the question, which is the highest duty so far as wool and woolens are concerned? All through the schedule it runs high.

Mr. UNDERWOOD. Mr. President, I do not like to interrupt the Senator. I will endeavor, when he is through, if I get recognition, to say something in reference to what he has said.

Mr. GOODING. It will not interrupt me at all any time the Senator desires to answer the questions I am propounding.

Mr. UNDERWOOD. I do not care to interrupt the Senator because I usually prefer to speak myself without interruption, and therefore do not trespass upon the time of other Senators. But the Senator asks which is the highest duty. Will the Senator tell me which requires the American people to pay the most in taxes? That is the issue with me.

Mr. GOODING. We are talking about the tariff question. We have had a Democratic administration for eight years, and it is not strange that taxes are high.

Mr. UNDERWOOD. But the Senator must not overlook the question that a tariff is a tax, and the issue involved in my thought is, which makes the American people pay the greatest taxes? That is the standpoint from which I approach the subject.

Mr. GOODING. The Senator's position has been made very clear and the Democratic position has been made very clear through him. They put the farmers' products on the free list to give the American people cheaper living at the expense of the American farmer. If I have not stated the Senator's position correctly, I hope the Senator will put me right.

Mr. UNDERWOOD. Of course, I am willing to admit that a reduction in taxes on certain farm products reduced the cost of living to the American people, but the reduction was not on the farmer alone. The greater portion of the reduction in taxes in the present law was on the manufacturer, and that is the equation I consider.

Mr. GOODING. But the Senator gave the manufacturers free raw material, which is the point I am making, and that the duties fixed in the Senator's bill, now the Underwood law, are much higher than those in the McCumber bill.

Mr. UNDERWOOD. I do not think the Senator is right, but he is arguing it purely from the standpoint of protection as to which gets the benefit. The present law was not written for the benefit of the producer and manufacturer; it was attempted to be written in the interest of the consuming masses of the American people.

Mr. GOODING. I am making the point that so far as the cost of production is concerned, the manufacturer is getting less protection to-day than he did when the Underwood-Simmons bill was framed and enacted into law. I am talking from the protective standpoint, from the standpoint of one who believes in protection. That must be taken into consideration, and there is no question about it. I do not think that even the senior Senator from Alabama would agree to open the ports of our country to foreign manufacturing industries, whether we have free raw materials or not.

The cotton manufacturers have always had a high protection, very much more than appears in the laws. I might discuss that some day with the Senator.

Mr. UNDERWOOD. I would have no objection to discussing the question with the Senator. I think he is mistaken about the manufacturer getting more in the way of protection, but to me it is an idle discussion.

Mr. GOODING. The point I am making is that he is getting less. I mean to be understood as saying that he is getting less.

Mr. UNDERWOOD. That is not material with me. With me it is purely a question of how much we are taxing the American people; how much we make a man pay out of his living to build up somebody else. That is my objection to the proposition. The others are minor questions from my point of view.

Mr. GOODING. I am sure that the Senator and I understand one another very clearly. The Senator has no thought of protection at all in framing the Underwood bill. It was entirely a revenue measure, and the Senator never took into consideration the protection of a single industry. May I ask the Senator if I am correct in that statement?

Mr. UNDERWOOD. I will say to the Senator that he is right in principle, but not entirely in fact, to be perfectly candid with him. I stated when the Underwood tariff bill was written that it was moving in the direction of the theory in which I believed, and that is that we should not abandon taxes at the customhouse entirely, but that taxes should be primarily levied for revenue. But I also said at that time that "this house of protection has been built up on stilts. It is away above the ground of necessity and we are proposing to break down those stilts. But," I said, "in writing this bill we do not propose to remove the stilts with an ax and let the house fall. We are endeavoring to lower the house with a jackscrew."

Therefore, from the viewpoint of a revenue bill, the present law was an attempt to approach the subject conservatively. Of course, I recognize that in lowering the house of protection with a jackscrew instead of an ax it left incidentally some protection which might have been taken away without injury to the producer or manufacturer and to the benefit of the American people, but it was wise, in my judgment, to move conservatively instead of radically to gain the point.

Mr. GOODING. Then the idea is to force it still lower and turn the jackscrew around until it gets lower and until we will not have any use for the customhouse. Is that the idea the Senator wishes to convey?

Mr. UNDERWOOD. I have always said the customhouse was useful for the purpose of raising revenue to support the Government, but there is a very different proposition between a revenue tariff that does not cut off competition and a protective tariff that is levied for the purpose of cutting off competition and making the masses of the American people pay the price for the riches to be accumulated by a few special interests. It is immaterial to me whether that special interest works on a farm or works in a factory; they are American citizens. The Senator said he would protect them equally, whether on the farm or in the factory. So far as I am concerned, I would apply the same rule of equality to all, whether they are on the farm or in the factory.

Mr. GOODING. The Senator did not do that in his bill. The Senator kept the jackscrew under the manufacturer, but he applied an ax to the stilt so far as the farmer was concerned. There is no question about that, in my opinion. The farmer got the ax where the chicken usually gets it.

Mr. UNDERWOOD. The Senator is entirely mistaken about that. A great many duties were left on agricultural products which ultimately might have been removed.

Mr. GOODING. The Senator gave them the magnificent duty of 4.9 per cent.

Mr. UNDERWOOD. We removed all that class of taxes which were levied merely to fool the farmer into believing that he was getting something when he was not.

Mr. GOODING. I think I can prove very conclusively, so far as the emergency tariff bill is concerned, that the Senator is mistaken. If the Senator will read the telegrams which I have had inserted in the RECORD from his own State and from 29 other States in the Union, from men who are out tilling the soil, men having something to do with the greatest industry of the country—agriculture—he will be convinced that these men believe that the emergency tariff bill was a great benefit. I know that is true so far as my industry was concerned, and I am going to say "my industry," because my life's work has been given to live stock to the extent of 35 years, and I think I can say I am the oldest sheep grower in the State of Idaho to-day. If, in the estimation of the Senator from Alabama, I am committing a crime because I am standing for a duty on wool, he will have to accept it in that light. Every citizen of America is interested in the live-stock industry. The Senator is very anxious about an appropriation for Muscle Shoals to make fertilizer for the American farmer. Nature's remedy is the live-stock industry, and the history of the world is that where the live-stock industry has been destroyed civilization

has been destroyed with it. That is a rule to which there is no exception.

Mr. McCUMBER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from North Dakota?

Mr. GOODING. I yield.

Mr. McCUMBER. If the Senator will allow me, I think the Senator from Alabama has scarcely reached the Senator's suggestion. The Senator from Idaho suggested that the wage earner, the American laborer, is receiving a wage more than twice what it was in 1913. The laborer is now receiving $2.05 where he only received $1 at that time. The American manufacturer is paying that $2.05, and after we make the allowance for the extra wages that are being paid we are giving a protection that scarcely equals some of the rates that are provided even under the present law.

Mr. GOODING. I will say to the Senator from North Dakota that when the wages and increased cost of production are taken into consideration 90 per cent of the Underwood rates are higher than are the rates in the pending McCumber bill.

Mr. McCUMBER. The principal way to reduce the manufacturers' cost is to reduce the labor cost. If the Senator from Alabama wants the manufacturer to go back to the 1913 schedule and pay only $1 where he is now paying $2.05, the cost of living may be reduced; there is no question about that. What we are trying to do, however, in the pending bill is not to pull the laborers' wages down but to equalize conditions, so far as the agricultural interests are concerned, by giving the farmer a rate on his products that will enable him to furnish employment and pay these high wages—or, at least, a portion of them—without reducing the laborer's wage in the manufacturing industry.

Mr. UNDERWOOD. Mr. President, will the Senator from Idaho yield for just a moment?

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Alabama?

Mr. GOODING. I yield.

Mr. UNDERWOOD. The Senator from North Dakota, in charge of the pending bill, makes the most remarkable argument to which I have ever listened. Under what the Senator has denominated a free-trade law, but one which I call a revenue law, he says that the great increase of wages which has occurred since 1913, during the life of this low-tariff law——

Mr. McCUMBER. The increase occurred during the war.

Mr. UNDERWOOD. Well, but that was during the life of the law. If wages are affected by a tax at the customhouse, they have been affected under the present law, a low-rate tariff law; and because wages have gone up under a low-rate tariff law, a low-rate system of taxation at the customhouse, the Senator from North Dakota reaches a conclusion, which he claims to be logical but which I claim to be illogical, that we must now pass a protective tariff in order to pay somebody back for the increased wages. My mind is entirely incapable of following that line of reasoning.

Mr. McCUMBER. I do not think the mind of the Senator from Alabama is incapable of following the real reason for the high wages in the United States. I do not think the Senator would for one second claim that wages increased on account of the Underwood tariff law. Wages increased because of the war, and the war conditions had the effect of an embargo, which prevented the natural effect of the Underwood tariff law, which would have driven wages down to one-half of what they were instead of their being doubled.

Mr. UNDERWOOD. Then, if the existing tax at the customhouse did not affect wages, it seems to me it is illogical for the Senator to claim that a different tax at the customhouse would keep them up.

Mr. McCUMBER. Oh, Mr. President, when a tariff is not in effect it does not affect wages. The Senator from Alabama understands that during the war there was an embargo, which afforded higher protection than any possible tariff bill that ever was enacted. That embargo prevented the continuance of importations under the Underwood-Simmons law which were beginning to pour into the country and to drive down prices. We were saved, so far as wages and prices were concerned, by the embargo which the war produced; but the Underwood tariff law had not the slightest thing to do in raising either the prices of commodities or wages in the United States. Certainly the Senator from Alabama will not claim anything of that kind.

Mr. UNDERWOOD. Mr. President, if I may trespass upon the good nature of the Senator from Idaho for just a moment——

Mr. GOODING. I shall be very glad to yield to the Senator from Alabama.

Mr. UNDERWOOD. The Senator from North Dakota in charge of the bill has made the statement so often that I have no doubt he believes it, that wages went up during the war because of an embargo on commodities. The Senator entirely overlooks one fact. Of course, I admit that war conditions amounted to an embargo on certain goods that came out of Belgium and Germany, from which exportations ceased, but it did not affect a great line of goods coming out of England, and more or less goods coming out of France. It did not affect the exportation of any goods that came from South America or Africa or the Orient; it did not affect the raw materials that we got from those countries, because they were not engaged in the war.

More than that, the so-called embargo which was due to war conditions ended more than three and a half years ago; it ceased when the armistice was signed; and the Senator from North Dakota himself has repeatedly stated here on the floor since this bill has been under discussion that one reason why we had to increase tariff rates was that Europe was already dumping her products in the American market; and the Senator has read statistics to show that there is such dumping here. Now he comes back and claims that he wants to increase the tariff rates in order to preserve the present scale of wages which increased under the present law, and yet he claims that those wages are entirely due to a war embargo which ceased to the extent to which it was effective three and a half years ago.

Mr. McCUMBER. Mr. President——

Mr. UNDERWOOD. The Senator from North Dakota may be logical when he claims that he wants a protective tariff to put money in somebody's pocket—which is the real animus behind the protective tariff—but when he claims that it is necessary to contend against conditions that no longer exist I can not see the logic of his argument.

Mr. McCUMBER. Mr. President, if the Senator from Idaho will yield further to me——

The PRESIDENT pro tempore. Does the Senator from Idaho yield further?

Mr. GOODING. I yield.

Mr. McCUMBER. I wish the Senator from Alabama would hold to facts and not draw upon his imagination for his facts.

Mr. UNDERWOOD. I was trying to hold, and think I did hold, to the facts.

Mr. McCUMBER. In the first place, I have never stated that there was any dumping here at all. I have never used that argument. There is no dumping, so far as I know, in the markets of the United States.

Mr. UNDERWOOD rose.

Mr. GOODING. Mr. President, I do not wish to yield to a protracted discussion. I do not wish to be diverted from the point that I am making in my argument.

Mr. McCUMBER. I trust the Senator from Idaho will pardon me until I merely finish my sentence.

Mr. UNDERWOOD. I beg the Senator's pardon for interrupting him.

Mr. McCUMBER. I do, however, say that goods are being offered at prices with which the American manufacturer can not compete. The reason for that is that such commodities are being produced in foreign countries at prices at which they may be laid down in our markets without any dumping whatever but under the general range of values. I regret that I have taken so much of the time of the Senator from Idaho.

Mr. GOODING. Mr. President, I should like very much to give the credit to the law which bears the name of my friend from Alabama, whom I have learned to admire very much in the short time I have been in the Senate, for the increase in the price of labor in America, but I am inclined to think that the war, and the war alone, is responsible for that great increase, because as I read the history of conditions and as I remember the statement and predictions of the great newspapers of the country just prior to the war, we were headed for an industrial crash. There is no question as to that at all, and that is true despite the fact that Germany was getting ready for the war.

I wish to say to the Senator from Alabama that when he undertakes to discuss this question before the country he is going to meet 2,000,000 young men who went across the sea and saw service on foreign soil. There they saw people satisfied with little in this life, and in some cases the farmer and his family living under the same roof with their farm animals and the mother working on the farm, not because there was a great war in the world but because it had been the custom for ages

for the mother to go out on the farm and do the work of the farm. The Senator will find 2,000,000 young men who saw that condition and know what free trade means. In my opinion, the Senator had better take that circumstance into account.

I think we will all agree that the world has not returned to normalcy by any means. We find Russia almost destroyed and other countries staggering under a load of debt that God only knows whether or not they will every be able to pay. Yet the Senator talks about three years having elapsed since the armistice and intimates that the conditions now confronting us are not due to the war. I am rather surprised at such a statement coming from so great a Senator and so great a statesman as the Senator from Alabama, the minority leader in this body. I think we all realize that we have been through a war, and a world war at that.

On castile soap the duty under the Underwood bill is 10 per cent, while in the pending Finance Committee bill it is 15 per cent. On toilet soap the duty in the Underwood bill is 30 per cent, and in the McCumber bill it is 50 per cent. There is no duty now on vegetable oils, but they will not be on the free list when this bill passes. I submit, Mr. President, that the duty on soap is higher in the Underwood bill than it will be in the McCumber bill, as well, of course, as the duty on vegetable oils.

On oilcloth—and the poor use a great deal of oilcloth—the duty in the Underwood bill is 30 per cent, while in the McCumber bill the duty is 25 per cent. The rate of duty is higher in the present law than it will be under the pending bill when it shall be enacted, and yet the labor cost in the factory is 105 per cent more to-day than it was when the Underwood bill became a law. Under such circumstances, what is the use of talking about high rates of duty?

I have picked out these articles, Mr. President, because they are to a great extent articles which the farmer has to use. The farmer is selling his product in a free-trade market and yet paying the high prices charged by the manufacturers in a protected market. I am glad the manufacturer has had protection, so far as I am concerned, because God knows that we are headed for hard times, and if the manufactures had been on the free list, as the farmer's products have been, it would have been so much the worse for the country. History shows the necessity for a balance between various industries. It would not make any difference whether or not there were a high duty on farm products if manufactures were not protected. This country has got to stand together, so far as its great industries are concerned, as one family, for if one industry is not prosperous that very fact, of course, has its effect and contributes to hard times for other industries.

On pillowcases the duty in the Underwood bill is 25 per cent, and 35 per cent in the McCumber bill. On handkerchiefs the duty in the Underwood bill is 35 per cent, and from 30 to 40 per cent in the McCumber bill. On satchels the duty in the Underwood bill is 30 per cent, and 45 per cent in the bill reported by the Finance Committee. On straw hats the duty in the Underwood bill is 25 per cent, and in the McCumber bill from 30 to 50 per cent. On fur hats the Underwood bill imposes a duty of 45 per cent, while the McCumber bill levies a duty of from $1.50 to $16 a dozen, plus 30 per cent.

Shirts had a duty of 30 per cent in the Underwood bill, and 45 per cent in the McCumber bill; and so I could go on down the list, Mr. President. I submit that these duties in the Underwood bill would have to be increased at least 100 per cent, with the costs of labor what they are, in order to put the manufacturer on a basis where he could compete to-day, and that Germany would of necessity have to have wages something like she had in pre-war times, instead of her people working for 25 per cent of their pre-war wages.

Table covers had a duty of 25 per cent in the Underwood bill, and 35 per cent in the McCumber bill.

Glass bottles had a duty of 30 per cent in the Underwood bill, and 50 per cent in the McCumber bill.

Toothpicks—I presume the farmer uses toothpicks as well as other people—had a duty of 25 per cent in the Underwood bill, and 25 per cent in the McCumber bill.

On tobacco the duties are pretty much the same. Tobacco always has been considered a revenue-bearing commodity, and I will not discuss that.

The Senator from Alabama [Mr. UNDERWOOD] spoke yesterday about the bill bearing his name putting farming machinery on the free list. That is true; but it was an insult to the American farmer when you say you put it on the free list to give the American farmer cheaper farming material, because the facts are that the American genius on the farms in this country has led the whole world with improved American-made farming machinery. There is no farming machinery made elsewhere in the world that the American farmer can use; and so, if there is not any that can be imported, what is the use in insulting the intelligence of the American farmer by telling him that it was put on the free list for his benefit? Furthermore, within 60 days after the Underwood bill was passed it went up 5 per cent in price, and within 6 months it went up 5 per cent more, making an increase of 10 per cent. Of course, it would not benefit him anyway. There is not a single item that they put on the free list, unless it is cotton ties, where there was any benefit to the American farmer. They put barbed wire on the free list, but they gave the steel manufacturer a protection on the steel out of which that barbed wire was made. If you can go into the old farmer's home and find anything that is not protected under the Underwood bill, you will do better than I have been able to do. If you can go on his farm and find anything that the farmer and his family have anything to do with that the Underwood bill has not protected, with the exception of his harness and the shoes that he wears, I do not know what it is; while as far as the farmer's labor is concerned nothing has been protected. They call it a revenue duty, and yet it is a higher duty than the McCumber bill carries to-day.

Now, let me devote just a little time to the emergency tariff bill, Mr. President.

In the five months preceding the passage of the emergency tariff bill there was imported into this country $3,545,737 worth of cattle. There was no duty on cattle and no revenue was collected. Under the emergency tariff bill in 10 months there was imported $2,407,145 worth of cattle, and with an ad valorem duty of 30 per cent there was collected a revenue of $722,143.

Sheep: $76,137 worth were imported in the 5 months before the emergency tariff bill was passed. The emergency tariff bill placed a duty of $1 and $2 a head on sheep, and in the 10-month period there were imported $475,057 worth, and a revenue collected of $135,000.

Corn: $128,132 worth was imported in the 5 months before the emergency tariff bill was passed. There was no revenue collected. In the 10 months after the passage of the emergency tariff bill there was $127,305 worth imported, and a revenue of $17,250 was collected.

Wheat: I will just read the first figures. Twenty-nine million dollars' worth was imported in the 5 months prior to the passage of the emergency tariff bill. The emergency tariff bill placed a rate of 35 cents a bushel on wheat, and for the 10 months after the passage of the emergency tariff bill there was $12,000,000 worth of wheat imported, and a duty collected of $5,000,000.

Wheat flour: $6,000,000 worth of wheat flour was imported in the 5 months before the passage of the emergency tariff bill. That bill placed a duty of 20 per cent ad valorem on flour; $2,000,000 worth was imported in the 10 months after the passage of the emergency tariff act, with a revenue collected of $503,000.

Long-staple cotton: No duty was collected under the Underwood Act. The emergency tariff bill placed a duty of 7 cents a pound on long-staple cotton. The importations were $6,000,000 worth, and there was collected a revenue of $1,310,000.

Beef and veal: $1,884,000 worth of beef and veal was imported in the 5 months before the passage of the emergency tariff bill; $2,292,000 worth was imported in the 10 months after the passage of the bill and there was collected a revenue of $430,000.

Mutton and lamb: $2,000,000 worth was imported in the 5 months before the passage of the emergency tariff bill. The emergency tariff bill placed a duty of 2 cents a pound on lamb. In the 10 months there has been $1,373,000 worth imported with a revenue of $167,000.

Milk and cream, fresh: In the 5 months before the emergency tariff bill was passed there was imported $585,000 worth of milk and cream, with no duty; it came in free. Under the emergency tariff bill, in 10 months there was $2,660,000 worth of milk and cream imported, with a revenue collected of $89,000.

Condensed milk: $1,195,000 worth of condensed milk was imported in the 5 months before the passage of the emergency tariff bill; $278,000 worth was imported in the 10 months after the passage of the emergency tariff bill with a revenue of $26,000.

Coconut oil: $7,581,000 worth of coconut oil was imported in the 5 months before the emergency tariff bill was passed; a duty of 20 cents a gallon was placed on it in that bill, and the importation for 10 months following the passage of that bill was only $155,036 and a duty of $74,000 was collected.

Soya-bean oil: $328,000 worth of soya-bean oil was imported in the 5 months before the passage of the emergency tariff bill;

a duty of 20 cents a gallon was placed on it, and in 10 months we had $96,000 worth of soya-bean oil imported and collected a duty of $55,000.

Potatoes: $1,179,000 worth of potatoes was imported in the 5 months prior to the passage of the emergency tariff bill with no duty; a duty of 25 cents a bushel was put on potatoes in that bill, and we had an importation of $1,444,000 worth of potatoes in the 10 months' period with a duty collected of $394,000.

Butter: $4,770,000 worth of butter was imported in the 5 months prior to the passage of the emergency tariff bill; there was a duty of 2½ cents a pound on butter in the Underwood bill and a revenue of $274,000 was collected. The emergency tariff bill put a duty of 6 cents a pound on butter, and $3,187,000 worth was imported in 10 months giving a revenue of $560,000.

Wool: $45,915,161 worth of wool was imported in the 5 months prior to the passage of the emergency tariff bill, and a duty of 45 cents a pound on the cleaned content was placed on wool in the emergency tariff bill. In the 10 months after the passage of the emergency tariff bill $11,968,000 worth of wool was imported giving the Government a revenue of $25,420,000.

Importations of wheat during the first period of 5 months were 20,000,000 bushels, and during the second period of 10 months the importations were 11,000,000 bushels.

Importations of wool during the first period, the 5 months prior to the emergency tariff bill, were 217,000,000 pounds. During the second period there was 56,000,000 pounds of wool imported.

Mr. President, I want to say that at the rate that wool was pouring in here if it had not been for the emergency tariff bill that great industry would have been absolutely destroyed. There is no question or doubt about it. That great industry went down from 64,000,000 head of sheep to 32,000,000 head, and they were practically what we call old shelly ewes, 4 years old, with a life in them of possibly from one to two years. The industry, through free trade and lack of proper protection, had been almost destroyed. The emergency tariff bill has brought it back almost like magic, and to-day it is almost back to better than pre-war prices with this high duty.

That is all I have to say at the present time, Mr. President. I ask unanimous consent that the various tables to which I have referred may be printed as an appendix to my remarks.

There being no objection, the tables referred to were ordered to be printed in the RECORD, as follows:

APPENDIX.

Prices of wheat in Minneapolis and Winnipeg.

Period.	Minneapolis, No. 1 dark northern.	Winnipeg, No. 1 northern Manitoba, current exchange.	Period.	Minneapolis, No. 1 dark northern.	Winnipeg, No. 1 northern Manitoba, current exchange.
1920.			1921.		
Nov. 1	$2.16	$2.09	Nov. 1	$1.28	$0.98
Nov. 2	.....	2.08	Nov. 2	1.28	.96
Nov. 3	2.11	2.05	Nov. 3	1.23	.94
Nov. 4	2.04	2.02	Nov. 4	1.25	.96
Nov. 5	2.00	2.01	Nov. 5	1.24	.97
Nov. 6	1.93	1.94	Nov. 7	1.25	.....
Nov. 8	1.86	1.88	Nov. 8	1.27	1.01
Nov. 9	1.78	1.80	Nov. 9	1.29	1.02
Nov. 10	1.84	1.90	Nov. 10	1.29	1.01
Nov. 11	1.80	1.88	Nov. 11	.....	.....
Nov. 12	1.74	1.88	Nov. 12	1.32	1.03
Nov. 13	1.78	1.85	Nov. 14	1.30	1.01
Nov. 15	1.83	1.86	Nov. 15	1.27	.97
Nov. 16	1.86	1.89	Nov. 16	1.29	1.00
Nov. 17	1.81	1.88	Nov. 17	1.27	.99
Nov. 18	1.78	1.84	Nov. 18	1.31	1.02
Nov. 19	1.70	1.83	Nov. 19	1.30	1.01
Nov. 20	1.62	1.76	Nov. 21	1.31	1.03
Nov. 22	1.57	1.73	Nov. 22	1.32	1.04
Nov. 23	1.60	1.72	Nov. 23	1.35	1.05
Nov. 24	1.58	1.56	Nov. 25	1.36	1.06
Nov. 25	.....	1.60	Nov. 26	1.36	1.05
Nov. 26	1.51	1.57	Nov. 28	1.41	1.08
Nov. 28	1.53	1.61	Nov. 29	1.36	1.05
Nov. 29	1.55	1.68	Nov. 30	1.38	1.06
Nov. 30	1.53	1.57			
Average	1.77	1.83	Average	1.30	1.01

Underwood Act, free; emergency tariff act, 35 cents per bushel.
Source: U. S. Tariff Commission.
NOTE.—On April 26 No. 1 northern was quoted at $1.65 in Minneapolis and $1.45 in Winnipeg, cash price. (Northwestern Miller, May 3, 1922.)

Imports of agricultural products for the period, January to May, 1921, inclusive, under the Underwood-Simmons bill and for the period, June, 1921, to March, 1922, inclusive, under the emergency tariff, together with revenue collected therefrom.

Articles.	Underwood tariff, January to May, 1921 (5 months).		Emergency tariff, June, 1921, to March, 1922 (10 months).		
	Imports.	Revenue.	Rate.	Imports.	Estimated duty collected.
Cattle	$3,545,737	None.	30 per cent	$2,407,145	$722,143
Sheep	76,137	None.	$1 and $2 per head.	475,057	135,000
Corn	128,132	None.	15 cents per bushel.	127,305	17,250
Wheat	29,468,383	None.	35 cents per bushel.	12,614,018	5,001,264
Wheat flour	6,580,180	None.	20 per cent	2,519,345	503,900
Cotton, long staple	(1)	None.	7 cents per pound	6,026,661	1,310,680
Beef and veal	1,884,493	None.	2 cents per pound	2,292,653	430,360
Mutton and lamb	2,608,232	None.	....do	1,373,125	167,916
Pork	84,348	None.	....do	154,897	17,020
Canned meats	.....	None.	25 per cent	35,446	8,861
Milk, per cent cream, fresh	585,077	None.	2 and 5 cents per gallon.	2,660,648	80,745
Milk, condensed, etc.	1,195,494	None.	2 cents per pound	278,671	26,180
Coconut oil	7,581,627	None.	20 cents per gallon.	155,035	74,500
Cottonseed oil	52,565	None.	....do	22	5
Soya-bean oil	$28,521	None.	....do	96,094	55,275
Potatoes	1,179,227	None.	25 cents per bushel.	1,444,193	394,000
Butter	4,770,259	$274,979	6 cents per pound	3,187,265	560,443
Wool	45,915,161	None.	45 cents per pound.	11,968,080	25,420,950
Total	105,384,273	274,979	.....	47,475,571	34,935,497

[1] Not classified.
Butter paid a duty of 2½ cents per pound under the Underwood bill.
Quantity imports of wheat: First period, 20,889,048 bushels; second period, 11,146,508 bushels.
Quantity importation of wool: First period, 217,900,691 pounds; second period, 56,918,765 pounds.

SEATTLE, WASH., *May 7, 1922.*

Senator GOODING,
Care Senate Office Building, Washington, D. C.:

Rebates on vegetable oils will greatly reduce value of tariffs to dairy industry. Emergency tariff on butter did materially help to keep dairying alive by lessening flood of imports, but expansion of imitation butter and milk industry progressed, and vegetable-oil prices advanced. West coast dairymen know that rebates will leave door open to evil practices. Our association with 6,000 well-informed members implores you to secure adequate tariffs on dairy products and full tariffs without rebates on vegetable oils.

UNITED DAIRY ASSOCIATION OF WASHINGTON,
J. A. SCOLLARD, *President.*

PROSSER, WASH., *May 3, 1922.*

Senator F. R. GOODING,
Washington, D. C.:

Emergency tariff, in our opinion, entirely responsible for comeback in wool market. Sheep industry in weakened condition and dependent upon future earnings to restore even its capital. A protective tariff of great proportion imperative for reestablishment of this industry. Its capital impaired and will take several years to restore it to normal.

J. F. SEARS,
Secretary Washington Wool Growers' Association.

EVERETT, WASH., *April 22, 1922.*

Hon. FRANK R. GOODING,
United States Senate, Washington, D. C.:

Protest action Senate Finance Committee placing shingles on free list as absolutely unfair. We can not compete 8-hour day, American standard of wages, as against British Columbia oriental labor, 9 and 10 hour day. Regardless of what the figures of Tariff Commission show, how can you expect under these conditions to build up American industry, placing duty on raw material and admitting manufactured product from such raw material free? Is this taking care of the American workmen and American capital? To my mind, it is absolutely un-American, and it is with regret this telegram should be necessary.

GEORGE A. BERGSTROM.

DELTA, COLO., *May 2, 1922.*

FRANK R. GOODING,
Senate Building, Washington, D. C.:

Farmers of western slope unanimously favor not less than 2 cents per pound tariff on Cuban sugar as absolutely essential to sugar-beet industry.

BOARD OF COUNTY COMMISSIONERS.

MONTROSE, COLO., *May 1, 1922.*

Senator FRANK R. GOODING,
Senate Building, Washington, D. C.:

A tariff of 2 cents per pound against Cuban sugar and higher against other countries will make but little difference to the consumer, but will insure a profit to our growers. We are under a reclamation project and begin paying this year. Railroad rates are against us. Our farmers must grow crops that will bring a return sufficient to pay expenses and Government costs. The beet contract is based on the selling price of sugar. We, being a debtor to the Government, feel Congress should extend every consideration that will aid our beet growers.

BOARD OF COUNTY COMMISSIONERS.

MONTROSE, COLO., *May 1, 1922.*

Senator FRANK R. GOODING,
Senate Building, Washington, D. C.

The sugar beet growers of the Uncompahgre Valley operate under a sliding scale. Labor costs us $3 per day. We can not compete with Cuban labor. The tariff on sugar must be high enough to get American labor and allow the farmer a profit. Millions are invested by the farmers and capitalists in producing beet sugar. We ask of Congress consideration of our people first.

ED FAAST, *Secretary Montrose Grange.*

—

MONTROSE, COLO., *May 1, 1922.*

Senator FRANK R. GOODING,
Senate Building, Washington, D. C.

Our farmers lost heavily on potatoes. We are just recovering from shrink in live stock values. Sugar beets offer us a partial solution if price is right. Our farmers have a cooperative contract with sugar company based on selling price of sugar. The consumer cares nothing if price of sugar is reasonable and the grower secures his part. The slump in farm activity is reflected in every branch of industrial life to-day.

HARRY V. MONELL,
Secretary Montrose County Farm Bureau.

—

MONTROSE, COLO., *May 1, 1922.*

Senator FRANK R. GOODING,
Senate Building, Washington, D. C.

Without the farmer the cattleman goes out of business. We don't care what the price of sugar is up to $10 per bag if the grower is paid accordingly for his beets. Our farmers have a contract based on the selling price of sugar. This is a reclamation project and $7,000,000 must be paid the Government. We can not grow beets and compete with Cuban labor. A tariff based on the difference between Cuban labor and American labor is only fair.

AL A. NEWLE,
President Uncompahgre Valley Cattle and Horse Growers Association.

—

COLORADO SPRINGS, COLO., *April 30, 1922.*

Senator FRANK R. GOODING,
Senate Building, Washington, D. C.:

With a 1-cent duty on Cuban sugar prevailing at the time the emergency tariff became effective sugar would have sold at 60 cents per 100 pounds less than it did, which loss would have been shared practically in equal proportions by the manufacturer and beet owner. This would have brought immediate bankruptcy to the manufacturers and established an impossible price for beets, with no hope of reestablishing the industry in the future. Encouraged by the emergency tariff the manufacturers undertook to continue in business, but due to price competition by Cuba with depleted treasuries, occasioned by last year's losses, our bankers declined to continue financing our operations, and only because of the assistance rendered by the War Finance Corporation was it possible to complete our manufacturing campaign. Based on last year's experience and giving consideration to every possible reduction in costs it will not be possible for the industry to function without an increase in present duty of four-tenths cent per pound. This applies without qualifications to the Holly Sugar Corporation, producing over 1,000,000 bags per year, and I believe our situation is rather better than the average.

A. E. CARLTON,
President Holly Sugar Corporation.

—

MONTROSE, COLO., *May 1, 1922.*

Senator FRANK R. GOODING,
Senate Building, Washington, D. C.:

The Montrose County Beet Growers' Association asks Congress to place a 2-cent duty on Cuban sugar, to insure the American grower an opportunity to operate. The sugar companies have suffered heavy losses. We are operating under contract based on price of sugar. Labor is high also. We must begin repayment $7,000,000 to Government this year.

JOE BERTORELLO, *Secretary.*

—

COLORADO SPRINGS, COLO., *April 30, 1922.*

Senator FRANK R. GOODING,
Senate Building, Washington, D. C.:

The emergency tariff saved the day in so far as the Garden City Co. is concerned. Under the Underwood tariff operations would have been suspended before this. While we have operated at a loss, we are still running in the confident belief that the Congress of the United States will provide a tariff adequate to preserve this very important industry. Already the low price which we are compelled to pay for beets in order to continue operating at all has seriously affected our acreage. In the final analysis the price which we pay to the farmer will control the amount of sugar which we can produce.

JOE STEWART,
Manager the Garden City Co.

—

ROCKY FORD, COLO., *April 30, 1922.*

Hon. FRANK R. GOODING,
Chairman Tariff Group Senators,
Senate Office Building, Washington, D. C.:

There is no question in our minds that the emergency tariff was beneficial to us as well as the factories, although it is not large enough to enable beet growers to grow beets at a profit or the factories to operate in a progressive manner. All contracts signed with the factories this year were with the expectation that a $2 tariff would be enacted against Cuba and that this Congress would give agriculture protection against foreign standards.

ARKANSAS VALLEY BEET GROWERS' ASSOCIATION,
GEORGE C. BEVERS, *President.*

—

GRAND JUNCTION, COLO., *May 2, 1922.*

Senator FRANK R. GOODING,
Senate Chamber, Washington, D. C.:

It is very apparent that the production of sugar beets in this community will cease if the price to be paid to producers is lowered. It is difficult to secure production, even under the price paid during the last two years. The beet industry has been an important item in this locality, and, in our opinion, can not withstand any decrease in price to the producer. Unless the industry is protected by substantial tariff we feel that a severe loss will result to this locality.

SILMON L. SMITH,
President of Grand Junction Lions Club.

—

GRAND JUNCTION, COLO., *May 2, 1922.*

Senator FRANK R. GOODING,
Senate Chamber, Washington, D. C.:

Sugar beets during the past have proven to be one of our best cash crops, but as they are paid for according to the price received for sugar and on account of the uncertainty of the tariff the sugar-beet acreage is diminishing, and unless a substantial tariff is placed on sugar this great industry of our community will soon be destroyed. We think such a tariff is necessary if the sugar-beet business is to continue, for the farmer is the main beneficiary and should be protected at the present time.

D. T. STONE,
President United States Bank & Trust Co.

—

ROCKY FORD, COLO., *May 1, 1922.*

Hon. FRANK R. GOODING,
Chairman Tariff Group Senators,
Senate Office Building, Washington, D. C.:

It is our opinion that the emergency tariff now in effect has stabilized the sugar market to such an extent that it has enabled beet-sugar factories to pay farmers for beets delivered at a greater price than would have been possible without the additional protection, but protection is still insufficient to make the sugar-beet crop under present conditions a profitable one. However, with the expectation of increased protection a large area of sugar beets has been contracted, the basis of payment for same being in accordance with the net return to the factories for sugar sold; therefore we respectfully urge that a $2 tariff be enacted against Cuba in order to enable the beet-sugar industry, which is essentially an agricultural one and of great benefit in a systematic crop-rotation scheme, to reestablish itself on a profitable basis.

OTERO COUNTY FARMS BUREAU,
C. J. COVER, *President.*
H. P. BADGER, *Secretary.*
DAN W. JONES,
H. L. WADLEIGH,
F. J. KASPAR,
WILL MORRISON,
P. K. BLINN,
Executive Committee.

—

DENVER, COLO., *May 1, 1922.*

Senator FRANK R. GOODING,
Senate Office Building, Washington, D. C.:

Our losses on carry-over sugar, 1921, were large, but had it not been for emergency tariff these losses would have been increased to a point of ruination of this company, as it is account of necessity of paying low price to farmers for beets we can not get sufficient acreage contracted to warrant operating this year and are disposing of such beets as we get to neighboring plants. We are continuing in business in the conviction that the Congress of the United States will not permit this condition to continue and will grant us a 2-cent tariff against Cuba, which we figure would permit us to again operate.

SOUTHERN CALIFORNIA SUGAR CO.

—

GRAND JUNCTION, COLO., *May 2, 1922.*

Senator FRANK R. GOODING,
Senate Chamber, Washington, D. C.:

As farmers, raising sugar beets in this section, we feel that we are entitled to protection against Cuban sugar competition, because we raised beets during the war when labor was scarce and expensive in order to help our country by producing foodstuffs. Benefits of tariff on foreign sugar go mainly to farmer, and we can not continue in beet-growing business unless we are adequately protected.

LOMA BEET GROWERS' ASSOCIATION,
H. M. LONG, *President.*

—

GRAND JUNCTION, COLO., *May 2, 1922.*

Senator FRANK R. GOODING,
Senate Chamber, Washington, D. C.:

Beet growers anxiously awaiting assurance protective tariff against Cuban sugar. Our principal cash crop is that of sugar-beet growing, which surely will be discontinued unless protective action is taken. The industry is of benefit to the entire community, as our growers share in the profits.

GRAND JUNCTION CHAMBER OF COMMERCE,
W. M. WOOD, *Secretary.*

—

GRAND JUNCTION, COLO., *May 2, 1922.*

Senator FRANK R. GOODING,
Senate Chamber, Washington, D. C.:

The raising of sugar beets is our main cash crop in this territory, and unless beet sugar has protection against Cuban sugar we will have to discontinue raising beets, because the sugar companies pay us on basis of what they receive for sugar. The present price of sugar beets is low, and the uncertainty of a tariff has caused many of our members to either leave the territory or resort to other crops.

APPLETON BEET GROWERS' ASSOCIATION,
C. E. BLUMENSHINE, *President.*

—

DELTA, COLO., *May 2, 1922.*

Hon. FRANK R. GOODING,
Senate Building, Washington, D. C.:

Earnestly request your support 2-cent tariff Cuban sugar. Absolutely necessary western beet growers receive protection; otherwise industry doomed.

DELTA CHAMBER OF COMMERCE.

—

GRAND JUNCTION, COLO., *May 2, 1922.*

Senator FRANK R. GOODING,
Senate Chamber, Washington, D. C.:

Sugar beets is one of our main crops in this community, and especially on the Government high-line land known as the Grand Valley project, and as our farmers are paid by the factories on the basis of

amount received for sugar they are vitally interested; but on account of the uncertainty of the tariff beet acreage here is diminishing, and if the price is reduced to any extent the farmers will be forced to abandon this great industry, which, we believe, should be protected with a substantial tariff on Cuban sugar.

WM. WEISER,
President Grand Valley National Bank.

—

DENVER, COLO., *May 1, 1922.*

Senator FRANK R. GOODING,
Senate Office, Washington, D. C.:

We sustained large losses last year. Without emergency tariff we could not continue to operate; relying on Congress for protection, we are contracting for coming year on sliding scale. The life of the western beet-sugar industry will depend, however, upon the passage of a tariff which will enable it to compete with Cuban product, produced with cheap labor. A 2-cent tariff would save and encourage the industry, and would not be noticed by any family. If such a tariff is not established the whole United States will feel the destruction of our domestic beet-sugar industry, and when this is accomplished will pay for being dependent on foreign supplies, as happened in 1920.

SANTA ANNA SUGAR CO.

—

GRAND JUNCTION, COLO., *May 2, 1922.*

Senator FRANK R. GOODING,
Senate Chamber, Washington, D. C.:

Reduction in price of beets to growers made necessary by competition of Cuban sugar with beet sugar has caused many beet growers to abandon the business, and unless a 2-cent tariff on Cuban sugar is established people in this section of country are going to gradually discontinue raising beets, and the sugar industry will be destroyed. Farmers under Government project in this country depend on beets as only sure fixed income, and lack of production will force many to abandon holdings under Government project.

FRED G. HOLMES,
Manager Grand Junction Plant Holly Sugar Corporation.

—

MONTROSE, COLO., *May 2, 1922.*

Senator FRANK R. GOODING,
Senate Building, Washington, D. C.:

The stockmen are just recovering from the slump in live-stock market, and, without the cattlemen and the sheepmen, every industry is affected. We, therefore, urge sufficient tariff on wool to protect us from cheap foreign wool. We ask of Congress consideration of our people first.

WESTERN SLOPE WOOL GROWERS' ASSOCIATION,
A. M. MCANALLY, *President.*

—

OWOSSO, MICH., *May 1, 1922.*

Hon. FRANK R. GOODING,
Chairman Tariff Group, United States Senate,
Washington, D. C.:

We earnestly urge your holding out for a $2 tariff against Cuban sugar, this being essential to the welfare of our growers and to the continuance of the beet-sugar industry, especially where located in the Midwestern States. We do not see why eastern cane interests, after investing in Cuban plants for profits when, during the war, they loomed large, should now wish to protect their investments in a foreign land to the detriment and possible destruction of a long-established home industry and to the great injury of the American farmer. We stand firmly for the protection of American industry so closely connected with the prosperity of our farmers, and we ask for protection of at least that afforded by the emergency tariff, if not an increase in said protection to $2 against Cuban sugar.

C. D. BELL,
Vice President and General Manager Owosso Sugar Co.

—

CROSWELL, MICH., *May 1, 1922.*

Hon. FRANK R. GOODING,
Chairman Tariff Group, United States Senate,
Washington, D. C.:

Tariff on world's sugar does not interest us in beet-sugar belt. It is Cuba that is raising devil with beet factories. Protective tariff 2 cents sugar will not make sugar cost American citizens more than it would after beet sugar is driven out of country, and 2 cents tariff will save this great industry to beet-sugar States. Cuba can supply the world, and why give them advantage over countries that do not supply any great amount. This board in favor of 2 cents tariff.

D. E. HUBBELL,
President Board of Commerce.

—

CROSWELL, MICH., *May 1, 1922.*

Hon. FRANK R. GOODING,
Chairman Tariff Group, United States Senate,
Washington, D. C.:

Have heard of disloyal husbands being reminded of marriage vows. New York bankers and Cuban planters are trying to persuade us to disregard loyalty to home agricultural industries and put us out of business. Unless they are interested in putting us on our back, why should they worry about Cuba, with a 20 per cent advantage over the world. Emergency tariff a godsend, but not strong enough on sugar. We need 2 cents against Cuba to live. All lost past two years, and many beet factories out of business. We are looking to you to see platform pledges are carried out and we are allowed to stay on earth.

F. E. HARVEY,
Manager Croswell Sugar Co.

—

MENOMINEE, MICH., *May 1, 1922.*

Hon. F. R. GOODING,
United States Senate, Washington, D. C.:

The beet-sugar companies of Michigan and Wisconsin have suffered such severe reverses in the past two years that 90 per cent of them would to-day be in bankruptcy had not the confidence of their bankers been restored by the passage of the emergency tariff bill to maintain the domestic beet-sugar industry and prevent a repetition of the robbery of the American consumer by the manufacturers of foreign sugar. A duty of 2 cents per pound should be placed upon Cuban sugar.

MENOMINEE RIVER SUGAR CO.,
By G. W. MCCORMICH, *Manager.*

LANSING, MICH., *May 2, 1922.*

FRANK R. GOODING,
Washington, D. C.:

Tariff should be sufficient to protect home industries. Am informed that beet-sugar industry can not live on 1.6 cents against Cuba. Must have 2 cents. Am also informed all sugar companies have lost heavily the past two years, and many are on verge of bankruptcy, and that but for emergency tariff beet-sugar industry should have been eliminated. Believe this information reliable, and respectfully urge firm stand to protect this important American industry.

ALEX J. GROESBECK,
Governor of Michigan.

—

LANSING, MICH., *May 2, 1922.*

FRANK R. GOODING,
Senate Office Building, Washington, D. C.:

Emergency tariff has helped. Continuance strengthened. Imperative to farm interests.

A. B. COOK,
Master Michigan State Grange.

—

SAGINAW, MICH., *May 1, 1922.*

Senator FRANK R. GOODING.
Chief Tariff Group, United States Senate Building,
Washington, D. C.:

Merchants of Saginaw can not stand continued loss sustained by decrease in sugar-beet production in this section of Michigan. Beet growing one of Saginaw's most important industries, and all merchants interested in the success of the grower. Industry needs 2 cents against Cuba to live, and we need the industry.

SAGINAW RETAIL MERCHANTS' BUREAU.

—

LANSING, MICH., *May 2, 1922.*

FRANK R. GOODING,
Chairman Tariff Group, United States Senate,
Washington, D. C.:

Trust that you are paying no attention to the false propaganda the Havemeyer interests, New York bankers, and Cuban planters have issued, and that you will stand pat and give us 2 cents against Cuba on sugar. All beet-sugar manufacturers lost heavily the past two years. Many are in bankruptcy, majority of others have bonded heavily. Beet-sugar interests can not survive on 1.6 preferential; have to have 2 cents.

SAMUEL ODELL,
Chairman Public Utilities Commission.

—

BAY CITY, MICH., *May 1, 1922.*

Hon. F. R. GOODING,
United States Senate, Washington, D. C.:

The losses sustained by the beet-sugar industries of this country during 1922 are appalling. Probably 90 per cent of all the companies will have to do more or less financing in order to meet their obligations. Were it not for the emergency tariff this would have been practically impossible. While the emergency tariff is a step in the right direction, the protection it affords is absolutely inadequate. A tariff of 2 cents a pound against Cuba is the least amount under which the companies can afford to pay the farmers a remnuerative price for beets. The eastern banks want a lower duty for Cuba's benefit, so that Cuba can pay her debts. The seaboard refiners wanted to protect their investments in Cuba, also to wipe out their only competitors in the beet-sugar industry. Cuba wants this for her own profits. None of these interests care for the American farmer or the American beet-sugar industry. After the domestic sugar producers shall have been wiped out by a lower tariff the price of sugar will advance, as we have already seen what Cuba will do along these lines when they have the opportunity.

THE COLUMBIA SUGAR CO.

—

ALMA, MICH., *May 1, 1922.*

Hon. FRANK R. GOODING,
Chairman Tariff Group, United States Senate,
Washington, D. C.

MY DEAR MR. GOODING: Strong competition is the life of trade and the foundation block which develops efficiency in all industries. The beet-sugar industry can not survive without a tariff of 2 cents per pound against Cuban sugar, and if you kill our home industry, competition is gone, and pray where will prices go? All beet-sugar companies, excepting one not Havemeyer control, are asking for 2 cents tariff against foreign sugar. All companies lost heavily this past two years, some of them hanging only by a thread outside of bankruptcy and are begging for a chance to live. Please won't you do everything in your power and give us that chance, because we are surely gone if you don't? But for emergency tariff beet industry would have been eliminated and all other agricultural industry crippled worse than they have been. Farmers can not raise beets very profitably for less than a minimum price of $6 per ton. This country must have an adequate tariff to make it prosperous. The importation of wheat for eight months preceding the emergency tariff and eight months following speak volumes for an adequate tariff to protect our home industries and thereby preserve competition, which is the strongest factor known for keeping all commodities down to the lowest possible price.

Very truly yours,

ALMA SUGAR CO.,
JOTHAM ALLEN, *Manager.*

—

SEBEWAING, MICH., *May 1, 1922.*

Hon. FRANK R. GOODING,
Chairman Tariff Group, United States Senate,
Washington, D. C.:

Have heard of disloyal husbands being reminded of their marriage vows. New York bankers and Cuban planters are trying to fool you and to induce you to destroy home agricultural industry, thereby putting us out of business and removing beet-sugar competition. We all have the picture before us of what Cuba did to us when they had it all their own way and the beet sugar of the United States was all sold. Unless Cuba and the Havemeyer interests are interested in putting us on our backs, why should they worry about Cuba with a 20 per cent advantage over the world? The emergency tariff is certainly a godsend, but not strong enough on sugar. We need 2 cents against

Cuba to live. All beet-sugar companies lost heavily during the past two years. Many of them are out of business, and some of the plants will never be operated again by the same companies. We are looking to you to see that party platform pledges are carried out and that we are allowed to stay on earth. In order to do this, it is necessary to pay a minimum of $6 per ton for sugar beets. With only $1.60, is impossible. We will appreciate fully anything you can do for us.

SEBEWAING SUGAR CO.,
W. M. SMITH, *Manager.*

—

CARO, MICH., *May 1, 1922.*

Hon. FRANK R. GOODING,
Chairman of Tariff Group, United States Senate,
Washington, D. C.:

I sincerely hope no attention is given to false and misleading propaganda of New York bankers and Cuban planters, and that, regardless of this, you will give us 2 cents per pound duty against Cuba. We need it to live. All beet-sugar manufacturers are behind in the United States. Lost heavily during the past two years and many of them will not operate this year, some of them never again. Why should Cuba worry with 20 per cent preferential against the world unless the purpose is to kill us off? Emergency tariff has given wonderful results, but is low on sugar against Cuba. We hope you will stand firm in the interest and protection of your own home industry and against Cuban producers and Havemeyer-controlled beet-sugar companies. We appreciate your effort and hope for a square deal.

L. R. STEWART,
Manager Caro Sugar Co., Caro, Mich.

—

SAGINAW, MICH., *May 1, 1922.*

Senator FRANK R. GOODING,
Chief Tariff Group, United States Senate Building,
Washington, D. C.:

Beet-sugar industry important to this district of Michigan. Can not survive with less than 2-cent protection against Cuban sugar. We consider this chance for an important industry to live a part of Republican campaign pledges and looking to you to help carry to a successful conclusion.

SAGINAW BOARD OF COMMERCE.

—

BAY CITY, MICH., *May 1, 1922.*

Hon. FRANK GOODING,
Chairman Tariff Group, United States Senate,
Washington, D. C.:

If it were not for the emergency tariff the manufacturers of beet sugar would be out of business and the agricultural interests seriously embarrassed. One sixty against Cuba is not enough to keep us alive; all lost money past two years; many will not operate this year. Some of them are in hands of receivers. G. O. P. have to disregard New York bankers and Cuban producers as against the whole agricultural interests. The former has squandered a decent dividend in false and misleading propaganda you must be familiar with. We need your assistance to stay in business, and are looking to you and depending on you, and will appreciate your best efforts. We have not yet lost our faith in the Republican Party platform pledges.

EUGENE FIFIELD,
Manager Michigan Sugar Co., Bay City Plant.

—

SAGINAW, MICH., *May 1, 1922.*

Hon. FRANK R. GOODING,
Chairman Tariff Group, United States Senate,
Washington, D. C.:

Beet-sugar industry should have not less than 2 cents against Cuba to survive; it is necessary to have this duty in order to be in a position to contract with the grower for a minimum of $6 per ton for beets and a guaranty that beet prices follow advance in sugar. The loss sustained by the beet-sugar industry during the past two years is astonishing. Some of them will probably never do business again. The emergency tariff has helped us wonderfully and allowed some of us to stay in the game. The eastern banks are seemingly undertaking to protect their investment and Cuba to pay her debts at our expense. None of these interests give a whit for the American farmer or beet-sugar interests. We all know what Cuba did to us during the war when she had the opportunity, and if we did not have beet sugar the people of the United States would be paying at least twice as much for their sugar to-day. Your efforts in our behalf will be appreciated.

GEO. B. MORLEY,
Vice President Michigan Sugar Co.

—

SAGINAW, MICH., *May 1, 1922.*

Hon. FRANK R. GOODING,
Chairman Senate Tariff Group, Washington, D. C.:

We firmly believe that beet-sugar industry can not survive with less than 2 cents against Cuba. Except for the emergency tariff the beet-sugar industry would have been eliminated and all agricultural industries seriously crippled. All growers must receive minimum price of $6 per ton to insure reasonable profits, and less than 2 cents against Cuba will not permit this. We strongly urge that you stand firm and protect home industry as against Cuban producers and Havemeyer controlled beet sugar.

SAGINAW MANUFACTURERS' ASSOCIATION.

—

ALMA, MICH., *May 1, 1922.*

Hon. FRANK R. GOODING,
Chairman Tariff Group, United States Senate,
Washington, D. C.:

Two beet-sugar factories in this community on which farmers depend have lost money past two years. Farmers can not produce beets for less than $6 per ton. Industry must be protected or quit. Two cents is fair differential and will permit industry to proceed, otherwise it must quit. Home industry should be protected against Cuban sugar by adequate tariff. Please make tariff adequate to allow American farmers and manufacturers to live.

H. S. BABCOCK,
President Chamber of Commerce.

MENOMINEE, MICH., *May 1, 1922.*

Senator FRANK R. GOODING,
United States Senate, Washington, D. C.:

Representing nearly 1,200 farmers of Menominee County who grow sugar beets, we urgently request your assistance in securing an import duty of 2 cents a pound on sugar from Cuba. If the farmers are to get a price for their beets that will give them a living profit, we must have this protection.

MENOMINEE COUNTY FARM BUREAU.

—

DETROIT, MICH., *April 29, 1922.*

Senator FRANK R. GOODING,
United States Senate, Washington, D. C.:

The sugar schedule of the emergency tariff bill served the purpose for which it was enacted, namely, to tide over an emergency and check the slump in the price of sugar, thereby preventing the absolute destruction of the domestic sugar industry during the period of reconstruction. The rates named in that bill are not sufficient to encourage the development of the beet-sugar industry against the competition, especially of Cuba, so that continental United States shall be certain of producing a war ration of sugar for this country. The experience of the United States during the last war, and especially in 1920, demonstrates the advisability of producing in continental United States at least a war ration of sugar, not only because such production is sound economic policy but also because such a production of domestic sugar is essential as a means of national defense. We should have a duty of 2 cents a pound on 96° Cuban sugar entering the United States.

F. R. HATHAWAY,
Secretary-Treasurer Eastern Beet Sugar Manufacturers' Association.

—

DETROIT, MICH., *April 29, 1922.*

Senator FRANK R. GOODING,
The Capitol, Washington, D. C.:

Emergency tariff bill has been important factor in saving beet-sugar industries during recent adverse conditions. Think it absolutely necessary that a 2-cent tariff as against Cuba be maintained.

SHERWIN A. HILL.

—

DETROIT, MICH.

Hon. FRANK R. GOODING,
Washington, D. C.:

Being vitally interested in welfare of beet-sugar industry, I strongly urge that you oppose any effort to remove the protection afforded domestic sugar contained in the emergency tariff. This protection is absolutely necessary for the development of an important domestic industry. We can not afford to be at the mercy of foreign producers, who would not hesitate to boost the price if without domestic competition. Sugar beets are invaluable crop in rotation, resulting in increased yield of other crops. We have had one experience in war time of depending on foreign countries for basic products. We can not afford to do it again.

JAMES E. LARROWE.

—

HOLLAND, MICH., *May 1, 1922.*

Senator FRANK R. GOODING,
Washington, D. C.:

Beet-sugar industry, including our company, is far from a prosperous condition. We sustained every manufacturing losses past two years. The emergency tariff saved our lives, but we are still very sick. To continue to live we must have 2 cents against Cuba. Help, please.

C. M. MCLEAN,
Secretary Holland-St. Louis Sugar Co.

—

BAY CITY, MICH., *May 2, 1922.*

Hon. FRANK R. GOODING,
Chairman Tariff Group, United States Senate,
Washington, D. C.:

Bay City has three sugar factories. We are looking to you to see that pledges and understandings in regard to tariff are carried out. Do not give us less than 2 cents on Cuban sugar. All good wishes.

BAY CITY BOARD OF COMMERCE.

—

LANSING, MICH., *May 2, 1922.*

FRANK R. GOODING,
Chairman Tariff Group, United States Senate,
Washington, D. C.:

If it were not for the emergency tariff, the manufacturers of beet sugar would be out of business and all agricultural interests seriously embarrassed. One and six-tenths cents against Cuba is not enough to keep us alive. All lost money past two years and many will not operate this year. The G. O. P. has its choice between New York bankers and Cuban producers and home agricultural interests. Stand pat for 2 cents against Cuba. We have not yet lost our faith in Republican Party pledges.

CHARLES J. DELAND,
Secretary of State.

—

LANSING, MICH., *May 3, 1922.*

FRANK R. GOODING,
United States Senate, Washington, D. C.:

Michigan State Farm Bureau urges you to stand for 2-cent duty on Cuban sugar. Of vital concern to beet growers.

C. L. BRODY, *Secretary.*

—

FORT WORTH, TEX., *May 1, 1922.*

Senator F. R. GOODING,
Washington, D. C.:

As stated in our brief filed with the Senate tariff bloc, the emergency tariff act has added $8 per ton to the value of cotton seed and $18 per ton to the value of peanuts. It has saved the southern producers of vegetable oils from ruin. Our organization represents 105 independent crude cottonseed oil mills and speaks the sentiment of the independent crushers of the South.

W. A. BENNETT,
President Texas Cottonseed Crushers' Association.

WEATHERFORD, TEX., *May 2, 1922.*

Senator F. R. GOODING,
Washington, D. C.:

Without question emergency tariff saved peanut industry, and the industry must be protected by permanent tariff. After the war, and practically under free trade, imported peanuts and oil forced the shelled-peanut market down between 3 and 4 cents and the peanut-oil market to between 4 and 5 cents. Since the passage of the emergency tariff and after imported stocks were exhausted shelled peanuts advanced to 6 cents per pound and peanut oil to 10 cents per pound. The emergency tariff has actually doubled the value of peanuts to the producer. The time actually existed before the emergency tariff when the farmer could not sell peanuts at more than 50 to 55 cents per bushel, and to-day the same stock is bringing from $1 to $1.10 per bushel.

WEATHERFORD PEANUT MILLS.

—

WEATHERFORD, TEX., *May 2, 1922.*

Hon. F. R. GOODING,
Senate Finance Committee, Washington, D. C.:

Referring to statements of Members of Congress that the emergency tariff act has had no beneficial effect on the productive industries of the South, I want to say that this is not true so far as the peanut industry is concerned.

Under the Underwood tariff bill our industry found it impossible, on account of foreign competition, to do any business on the Pacific coast, but after the passage of the emergency tariff act and when Chinese and Japanese stocks in this country were exhausted a market for the Texas peanuts was created, and 5,000,000 pounds of shelled peanuts have already been sold from Texas to points along the Pacific coast.

Under the Underwood tariff the price of shelled peanuts dropped to 3¼ cents per pound, and after the passage of the emergency act it increased to 6¼ cents; the price of peanut oil advanced from 3¼ cents under the Underwood bill to 11 cents under the emergency act; and the price of farmers' peanuts, which had fallen to 60 cents per bushel under the Underwood Act, increased to 90 cents per bushel following the emergency act.

J. R. FLEMING,
Secretary Southwestern Peanut Shellers' Association.

—

LAYTON, UTAH, *May 3, 1922.*

Senator FRANK R. GOODING,
Washington, D. C.:

Our beet acreage only 50 per cent of last year. Unless duty on sugar is increased so we can pay farmers more for beets, thus increasing our acreage, it will be useless to try to operate our plant in the future. The emergency tariff was certainly beneficial, and any increase will materially help out.

LAYTON SUGAR CO.

—

PROVO, UTAH, *May 1, 1922.*

Senator FRANK R. GOODING,
Chairman Tariff Group of Senators, Washington, D. C.:

Owing to tariff uncertainty, Utah and Idaho sugar companies' maximum guaranty on this year's beet contracts only $5 per ton. Result about two-thirds normal beet acreage contracted. Short tonnage will necessarily raise the year's cost above last year level. Companies operated last year on normal tonnage, but manufacturing costs were and still are above market sugar prices. Present beet contract prices discouraging to growers, but we realize manufacturers can do no better without additional tariff protection. Failure of the sugar-beet industry in this section United States would work irreparable damage to the farmer. Nothing short of 2 cents on Cuba's can save us.

UTAH COUNTY FARM BUREAU,
By L. L. BUNNELL, *President.*

—

SALT LAKE CITY, UTAH, *April 30, 1922.*

Hon. FRANK R. GOODING,
Chairman Tariff Group Senators, Washington, D. C.:

As operating receiver for this sugar company I am convinced that a 2-cent tariff on sugar as against Cuba is absolutely necessary for the continued operation of this plant.

JAMES J. BURKE,
Receiver Interstate Sugar Co.

—

SALT LAKE CITY, UTAH, *May 2, 1922.*

Senator FRANK R. GOODING,
United States Senate, Washington, D. C.:

Beet-sugar production last year less than 300,000 tons over 1914, while Cuba's increase amounts to 1,500,000 tons. Tariff rates of United Kingdom and France being three to five times higher than ours, it naturally follows that Cuba seeks this market for her sugar, where tax is lowest and money best.

UTAH-IDAHO SUGAR CO.

—

SALT LAKE CITY, UTAH, *May 2, 1922.*

Senator FRANK R. GOODING,
United States Senate, Washington, D. C.:

Our contract with farmers anticipates division of returns above guaranteed price of $5 per ton in Utah and $5.50 in Idaho. In attempting to secure sufficient acreage to warrant operating our factories the coming year we were obliged to hold out hope to our farmers that Congress would give industry adequate protection by the establishment of 2-cent duty against Cuba; hence in advocating increase above emergency rate we feel that we are representing the interests of the farmers as well as our own.

UTAH-IDAHO SUGAR CO.

—

SALT LAKE CITY, UTAH, *May 2, 1922.*

Senator FRANK R. GOODING,
United States Senate, Washington, D. C.:

The increase in the tariff rate from 1 cent to 1.60 under the emergency tariff was not reflected in the price of sugar, as anticipated, due largely to an imminent carry over of 1,000,000 tons Cuban sugar, but in the final analysis without question was of great benefit to the industry, as it had the effect of encouraging our manufacturers and farmers to continue in business with a hope that adequate relief would come later. Had Congress failed to act in that emergency results, in our opinion, would have been disastrous, as fully 90 per cent of beet-sugar producers would have been unable to survive unless growers of beets could have been induced to lower their standard of living to the basis of that prevailing in Cuba, which every American concedes is unthinkable.

UTAH-IDAHO SUGAR CO.

—

OGDEN, UTAH, *May 2, 1922.*

Senator FRANK H. GOODING,
Chairman Tariff Group Senators, Washington, D. C.:

Our company incorporated 1917 with $1,000,000 invested capital. After four years' operation entire profits wiped out during year 1921, and over period five years stockholders have never received one dollar on their investment. Due enormous losses last year we were forced to sell practically entire crop before enactment emergency tariff, and benefits to us negligible. Our 1922 operating costs compare favorably with large companies, and in some instances are improvement, and with Fordney emergency tariff earnings will not exceed 2½ per cent on investment. By increasing tariff on Cuban sugar to 2 cents per pound and continued application of drastic and rigid economy it will then be possible for us to make fair profit on our investment. Without emergency tariff our factory would have been idle and we would have been confronted with bankruptcy last September. Under existing conditions many independent beet-sugar companies in serious financial difficulties and are unable to offer beet contracts sufficiently attractive to pay farmers a price that will insure them a profit. Practically every independent beet-sugar company in hands of its bankers to-day or being operated by receivers.

WYOMING SUGAR CO.

—

SALT LAKE CITY, UTAH, *May 1, 1922.*

Hon. F. R. GOODING,
United States Senate, Washington, D. C.:

Absolutely vital for the maintenance of the sugar industry in this country that the pending tariff bill provide a duty of at least 2 cents as against importation of Cuban sugar. This duty absolutely essential as regards the beet-sugar industry in order to make possible payments to growers of beets, as well as make the crop profitable to them from the standpoint of the manufacturer, and under existing prices for sugar it is impossible to operate with a profit. Under a lesser measure of protection it is doubtful, even with a 2-cent duty, whether the sugar industry in this country may be able to survive.

GUNNISON VALLEY SUGAR CO.

—

SALT LAKE CITY, UTAH, *May 2, 1922.*

Senator FRANK R. GOODING,
United States Senate, Washington, D. C.:

Full representation of beet-sugar interests appeared before the Senate Finance Committee December 20 and 21 last and submitted facts and figures respecting all phases of the industry and showing absolute necessity of not less than 2 cents tariff duty against Cuba. Difficulty in securing sufficient beet acreage to operate factories the coming season, due to present and prospective price of sugar, demonstrates beyond question the futility of trying to continue the beet-sugar industry unless adequate protection is provided by Congress.

UTAH-IDAHO SUGAR CO.

—

PROVO, UTAH, *May 1, 1922.*

FRANK R. GOODING,
Chairman Tariff Group of Senators, Washington, D. C.:

Operating last year under emergency tariff rates with unusually high sugar content in beets our average sugar sales to date show a loss. Consequently we lowered our guarantee this year on beet contracts to $5 per ton. Beet acreage fell off one-third as a result. Beet shortage will be reflected necessarily in higher manufacturing costs. Both manufacturer and beet raiser are trying to keep sugar beet industry alive pending enactment of permanent tariff. Operations for 1920 and 1921 show conclusive industry can not continue under present uncertainty. This year's beet contract is written on profit-sharing basis, but unless 2-cent tariff on Cuba's is enacted there will be an additional deficit for sugar companies to assume. Our surplus has already disappeared and our capital is seriously impaired. Sugar beet industry can not readjust itself to present industrial conditions short of 2-cent tariff on Cuba's. Utah County Farm Bureau wiring you direct.

SPRINGVILLE MAPLETON SUGAR CO.

—

MILWAUKEE, WIS., *May 1, 1922.*

Hon. FRANK R. GOODING,
Washington, D. C.:

No sugar beet factory in Wisconsin would have continued to operate without the emergency tariff. Contracts with farmers for raising sugar beets made sliding scale, based on price of sugar. Must have 2-cent protection against Cuba to bring reasonable returns to farmers and to permit factories to continue operating.

CHIPPEWA SUGAR REFINING CO.

—

OCONTO, WIS., *May 1, 1922.*

Senator F. R. GOODING,
Washington, D. C.:

Am one of the largest growers of sugar beets in Oconto County and can speak for a large number of farmers in this section who are interested in the beet-sugar industry. We know that the existing tariff was an important factor in helping to save the beet sugar companies in this district from disaster. The farmers of this county want this industry to prosper, so we can have an open and steady cash market for our sugar-beet crop. We hope you will place at least a 2-cent duty on Cuban sugar.

O. B. GEORGE.

—

MILWAUKEE, WIS., *May 1, 1922.*

Hon. FRANK R. GOODING,
Washington, D. C.:

Referring to telegraphic inquiry, had it not been for extension of emergency tariff on sugar no attempt would have been made to operate our beet-sugar factories this year. Permanent tariff must have 2 cents against Cuba to protect sugar-beet growers and producers.

UNITED STATES SUGAR CO.

—

GREEN BAY, WIS., *May 1, 1922.*

Senator F. R. GOODING,
Chairman Tariff Group Senators, Washington, D. C.:

The emergency tariff has helped the beet-sugar manufacturers to a considerable extent, but at that it is not large enough, and at least 2 cents is absolutely necessary as against Cuba. Please note that two

beet-sugar companies in Wisconsin still owe farmer growers account beets grown in 1921. All sugar companies hesitate to push operations in 1922 because for two years sugar has been sold below cost of production, and every beet-sugar company shows terrific losses in recent inventories. Unless at least 2 cents protection is provided against Cuba the American sugar industry is doomed and then the old high sugar prices will prevail.

GREEN BAY SUGAR CO.

—

WICHITA, KANS., *March 25, 1922.*

Senator GOODING,
Washington, D. C.:

Understanding that the Senate Finance Committee, in considering the tariff bill, contemplates recommending admitting coconut oil and cottonseed oil and copra and soya beans free and placing only a 1-cent per pound duty on soya-bean oil and only one-half cent on peanut oil, we wish to enter protest, and ask that in the interest of the great dairy business of the United States a 4-cent duty be placed on oils mentioned above and 2 cents on copra and soya beans.

WICHITA CREAMERY,
Member of Kansas Creamery Association.

—

GARDEN CITY, KANS., *May 2, 1922.*

Senator FRANK R. GOODING,
Senate Building, Washington, D. C.:

The Garden City Co. has been operating a 1,000-ton mill here since 1906 and has been contracting with the local growers for from 8,000 to 10,000 acres of beets each year during the period until last year. Last year the acreage was reduced to 5,500 acres and this year to 4,500 acres. This reduction is caused solely from the fact that the company has been compelled to reduce the price of beets to a price commensurate with what it receives for sugar. Last year they lost approximately 50 cents on each bag of sugar they manufactured. Notwithstanding this fact, they are paying this year the same price for beets that they did last year, hoping that the tariff this year would be increased at least four-tenths cent per pound over present duty. Local farmers can not raise beets at a lesser price than they are now receiving, and it is self-evident that the factory can not continue operations long at losses sustained as above enumerated. We consider this question to be a most vital one for the interests of our community.

THE GARDEN CITY CHAMBER OF COMMERCE,
By CHAS. I. ZIRKLE, *President.*

—

RIGBY, IDAHO, *May 2, 1922.*

Hon. FRANK R. GOODING,
United States Senate, Washington, D. C.:

There are 5,000 sugar-beet growers in Idaho dependent upon an increased tariff of 2 cents against Cuban sugars and 2½ cents against other foreign sugars. Our farmers must have this protection before they will resume the growing of sugar beets. We can not continue to grow beets at a loss as we did in 1921 and have planted our land to other crops. Please support the higher tariff, as we need the beet crop on our farms in this section.

JEFFERSON COUNTY FARM BUREAU,
MELVING LUKE, *Agent.*

—

RIGBY, IDAHO, *April 29, 1922.*

FRANK R. GOODING,
Chairman Tariff Group Senators, Washington, D. C.:

Sales on last year's output of sugar has netted this company $4.42 per bag up to date. This sugar cost $5.77 to manufacture. Added to the enormous losses of 1920, this loss of $1.35 per bag has forced us out of business. Due to the uncertain and demoralized condition of the beet-sugar industry, this company was unable to finance another campaign and will not operate this year. Unless there is a higher tariff against Cuban raw sugar so that a higher price is absolutely assured for refined granulated, this company can not resume next year. This company has 2,400 farmer stockholders who show they can not grow beets at present prices for refined granulated sugar. Answer.

BEET GROWERS SUGAR CO.

—

RIGBY, IDAHO.

FRANK R. GOODING,
Chairman Tariff Group of Senators, Washington, D. C.:

On account of low priced beet sugar and demoralized condition of the sugar-beet industry it is impossible for Idaho farmers to grow sugar beets at a profit. Upper Snake River Valley has five beet-sugar factories backed by ample beet acreage, but there is not sufficient beets planted to date to operate one factory to capacity.

Under present conditions the sugar-beet industry in Idaho is doomed and our sugar factories can only be reopened by protection from Congress, which we strongly recommend. Answer.

JEFFERSON COUNTY FARM BUREAU.

—

SALT LAKE CITY, UTAH, *April 29, 1922.*

Senator FRANK R. GOODING,
United States Senate, Washington, D. C.:

Telegram requesting information regarding facts on emergency tariff rates received. Will telegraph you Monday our opinion, and will also endeavor to get farm bureau to do likewise.

UTAH-IDAHO SUGAR CO.

—

RIGBY, IDAHO.

Hon. FRANK R. GOODING,
United States Senate, Washington, D. C.:

This company with 2,400 farmers, who are stockholders, can not operate without a duty of at least 2 cents against Cuba and 2½ cents as against all other foreign sugars. On account of present demoralized sugar market and uncertainty of reasonable tariff protection our company is unable to operate this year.

BEET GROWERS SUGAR CO.,
By A. G. GOODWIN, *Vice President.*

—

SPENCER, IDAHO, *April 30, 1922.*

Senator FRANK R GOODING,
Senate Office Building, Washington, D. C.:

Note Senate resolution directing Tariff Commission to submit findings and investigations as to operation and results of emergency tariff. I consider this the best and most beneficial piece of tariff legislation from the point of immediate effectiveness that was ever passed by Congress. It has saved the wool and sheep growing industry absolutely; it has stimulated and encouraged the cattle and meat interests; it has saved the lemon producers of California, as I learned during my visit there this winter; and has also encouraged and materially helped producers of long-staple cotton in the Imperial Valley and Salt River Valley, Ariz. In my judgment, a large percentage of western banks and cattle loan companies have been or will be saved from closing their doors by this legislation.

F. J. HAGENBARTH.

—

MARION, OHIO, *April 30, 1922.*

Senator FRANK R. GOODING,
Washington, D. C.:

Answering Senator HARRISON'S resolution, without emergency tariff sugar would be 80 cents less per hundred pounds at present prices. Farmers reluctant to grow sugar in competition with other crops without emergency tariff; impossible for them; it saved the industry a national disgrace, economical and political, to buy farm products we can grow on our own land.

C. H. ALLEN.

—

TOLEDO, OHIO, *April 29, 1922.*

Hon. FRANK R. GOODING,
United States Senate, Washington, D. C.:

Rates named in emergency tariff bill will not develop the beet-sugar industry in the United States with Cuban competition. We should have a $2 per hundred duty on 96° sugar entering United States from Cuba.

F. L. CARROLL, *Manager Toledo Sugar Co.*

—

ELYRIA, OHIO, *May 1, 1922.*

Senator GOODING,
Senate Office Building, Washington, D. C.:

Adequate protection to dairy industry with full tariffs, without rebate to soap makers on vegetable oils, essential. Emergency rate assisted in keeping back the flood of foreign butter. We ask your support of present tariff protecting dairy industry.

THE OHIO FARMERS' COOPERATIVE MILK CO.,
By H. W. INGERSOLL, *Vice President.*

—

OKLAHOMA CITY, OKLA., *April 29.*

Hon. F. R. GOODING,
Senator, Washington:

Fifty-three of the fifty-five Oklahoma oil millers feel that emergency tariff helped the industry and added at least $8 per ton to value of farmers cotton seed and over twice that amount on peanuts. We urgently request that tariff be continued on vegetable oils and oil-bearing substances.

OKLAHOMA COTTON SEED CRUSHERS' ASSOCIATION.

—

ROSWELL, N. MEX., *May 1, 1922.*

Hon. F. R. GOODING,
United States Senate, Washington, D. C.:

Understand emergency tariff being attacked in Senate. When emergency bill was enacted warehouses here were overflowing with alfalfa hay, other farm products, wool pelts, and hides. Importations of wool from Australia and South America were being laid down in Boston at that time at 9 cents for crossbreds and 15 to 20 cents for best light shrinking long-staple fine wools. Freight and commission charges from the West to Boston were 6 cents per pound, leaving Northwestern growers 3 cents for their crossbred wools and Western and Southwestern growers 9 to 14 cents for their fine wools. There being no sale for live-stock hides, pelts, and wool, farm products went begging, resulting in destroyed confidence and business stagnation. Surplus cheap foreign wools and curtailment of credits forced 1920 and 1921 wool clips on market at destructive prices. Emergency tariff discouraged importation and surplus stocks of cheap foreign wools have been consumed. Sheep and wool are now bringing normal prices, considering production costs, with restored confidence in all lines of industry. If permanent tariff measure passes Senate with truly protective duties on wool, agricultural, mineral, and pastural products, with equal protection for the industries of the East, including American valuation, increased activities in our factories and in the fields will be immediate, idle labor will be employed, and complete confidence in Congress and in our country restored.

PRAGER MILLER MILLER,
President New Mexico Wool Growers' Association.

—

RENO, NEV., *May 2, 1922.*

Hon. FRANK R. GOODING,
United States Senate, Washington, D. C.:

Nevada growers credit prevailing wool prices to emergency tariff act, without which industry would have been ruined.

VERNON METCALF,
Secretary Nevada Live Stock Association.

—

SUFFOLK, VA., *May 1, 1922.*

Senator F. R. GOODING,
Washington, D. C.:

When emergency tariff law went into effect peanut and cottonseed oils were in limited quantities marketable at 4½ cents per pound. Southern peanuts with limited market $40 per ton. After emergency tariff law began to function prices of these commodities began to rise until to-day oils are selling for 11 cents per pound and southern peanuts $70 and $75 per ton. We resent with all our power statement that the emergency tariff bill has not been of any benefit to the South.

UNITED PEANUT ASSOCIATION OF AMERICA,
M. M. OSBORN, *Secretary.*

—

WOODBURY, N. J., *May 1, 1922.*

Senator E. D. GOODING,
Senate Office Building, Washington, D. C.:

Request your support of adequate protection for dairy industry with full tariffs without rebate on vegetable oils. The emergency tariff helped.

HERBERT T. BORDIN, *Mickleton, N. J.*

GLOUCESTER, N. J., *May 1, 1922.*

Senator F. R. GOODING,
Senate Office Building, Washington, D. C.:

Gloucester County farmers urge have vegetable oil emergency rate helped.

JAMES WHITE,
President Gloucester County Board of Agriculture.

—

PHILADELPHIA, *May 1, 1922.*

Senator FRANK GOODING,
Member United States Senate, Washington:

Dairymen here urge full rates on butter and all vegetable oils in new tariff.

R. W. BALDERSTON,
Secretary Philadelphia Interstate Dairy Council.

—

PHILADELPHIA, PA., *May 1, 1922.*

Senator FRANK GOODING,
Member United States Senate, Washington:

Rebate on vegetable oils must be eliminated to insure protection American farmers. Emergency tariff demonstrated in principle keeping our butter and vegetable oils.

F. P. WILLITS.

—

PHILADELPHIA, PA., *May 1, 1922.*

Senator FRANK GOODING, *Washington:*

Representing 16,000 dairy farmers, insist that rebate on vegetable oils is extremely dangerous and should be eliminated. Emergency tariff clearly demonstrated in principle value in holding back flood foreign butter and vegetable oils.

INTERSTATE MILK PRODUCERS' ASSOCIATION.
H. D. ALLEBACH, *President.*

—

BOSTON, MASS., *May 1, 1922.*

Senator FRANK GOODING,
Senate Office Building, Washington, D. C.:

Any cut in tariff rates on dairy products reported by Senate would be calamity. Emergency tariff rates great help, but not enough. We urge full tariff on vegetable oils without rebate.

NEW ENGLAND MILK PRODUCERS' ASSOCIATION.

—

CHICAGO, ILL., *April 29, 1922.*

A. M. LOOMIS,
Secretary National Dairy Union,
630 Louisiana Avenue NW., Washington, D. C.:

Prior to emergency tariff, the butter market in this country was in a demoralized condition during period of year when most of our best butter is made. It is mostly all placed in storage for purpose of carrying it over from time of plenty to time of scarcity. Everybody that had butter in storage prior to emergency tariff lost money on the same due to influx of butter from Denmark, Canada, Argentina, New Zealand, and Australia. It was not alone the amount of butter that affected our market and caused demoralization, but the uncertainty as to how much butter would come in had its effect. If we did not have tariff on butter at the present time in my judgment butter would go into storage 5 cents a pound less than it will go in at the present time.

G. L. MCKAY,
Secretary American Association Creamery Butter Manufacturers.

—

EAST ST. LOUIS, ILL., *May 1, 1922.*

Senator GOODING,
Senate Office Building, Washington, D. C.

DEAR SIR: The members of the Southern Illinois Milk Producers' Association, through their office, urgently request adequate protection to dairy industry, with full tariffs without rebate to soap makers on vegetable oils. The emergency rate does assist in keeping back the flood of foreign butter and giving vegetable oils a start upwards. You will remember that this tariff on oils was put on when they were at a low price point, and it almost immediately marked the beginning of the upward rise in vegetable oil prices. We urgently request that you give this matter special attention.

Truly yours,
N. E. BAUM, *Secretary.*

—

LINCOLN, NEBR., *May 1, 1922.*

Emergency tariff on dairy products has been of tremendous value in reestablishing confidence in American dairy industry, and the prices have reacted very favorably for the dairy farmer. Psychological effect more important than actual amount. Also favor vegetable oil protection.

J. H. FRANSDEN,
Dairy Editor Capper Farm Publications.

—

MONTPELIER, VT., *April 30, 1922.*

Senator GOODING,
Capitol, Washington, D. C.:

Emergency tariff has been steadying influence on price of dairy products. Vermont grange desirous of continuance of said tariff.

O. L. MARTIN.

—

MINNEAPOLIS, MINN., *May 1, 1922.*

Senator FRANK R. GOODING,
Washington, D. C.:

Emergency tariff prevented Cuba from completely strangling beet sugar out of existence. Without this tariff, Cuba would have absorbed our entire market and killed beet industry. Beet-sugar industry, after taking lead reducing prices during war, is almost wiped out by Cuba, and our Government stood by and watched the process. Eastern press leading campaign of propaganda for Cuban interests to secure low tariff, which would give Cuba our market. If Cuba is successful in reducing beet-sugar competition, prices will then quickly advance. We need 2-cent tariff against Cuba. Help our farmers in Minnesota and Iowa grow beets at reasonable return and assist industry to live.

NORTHERN SUGAR CORPORATION MINNESOTA SUGAR CO.,
H. A. GOUDLAS, *President.*

DASSEL, MINN., *April 28, 1922.*

Senator GOODING,
United States Senate, Washington, D. C.:

Emergency tariff measure great benefit to dairy industry. Stabilization of prices. Importation of butter now would be disastrous.

J. R. MORLEY,
Director National Dairy Union.

—

WORLAND, WYO., *May 2, 1922.*

Senator FRANK R. GOODING,
Chairman Tariff Committee, Washington, D. C.:

The Alfalfa Commercial Club, consisting of the business men of Worland, Washakie County, Wyo., wherein the Wyoming Sugar Co.'s beet-sugar factory is located, recommend the passage of a tariff on Cuban raw sugars of not less than 2 cents per pound, and request you use your best efforts to the securing of its final passage. The farmers in this section have been greatly benefited by the emergency tariff in the securing of a better price for their sugar beets during the past season's operations which they would not otherwise have received. The sugar industry, considered a very valuable asset to this section of Wyoming, can not continue to exist and pay to the farmers a price for their sugar beets which they are justly entitled to receive without at least a 2-cent tariff, and the farmers must be paid more for their product or they will discontinue the growing of beets, which will probably result in the destroying of the industry, which will result in at least two-thirds of the farms in this section remaining vacant.

WORLAND ALFALFA COMMERCIAL CLUB,
W. O. GRAY, *President.*

—

WORLAND, WYO., *May 2, 1922.*

Senator FRANK R. GOODING,
Chairman Tariff Committee, Washington, D. C.:

Representing the farmers in this section and being large producers of sugar beets in the vicinity of the Wyoming Sugar Co.'s beet-sugar factory, we have been greatly benefited through the passage of the emergency tariff bill, which has resulted in the farmers receiving a better price this year for sugar beets than they would have otherwise received. We earnestly request you use your best efforts in securing a tariff on Cuban raw sugar of not less than 2 cents per pound, which we deem absolutely necessary to enable the sugar company to pay the farmer more per ton for the beets, and also for the industry, which is of great value to us, to continue to operate. Farmers can not continue the growing of sugar beets at present prices, and must be paid more or discontinue the growing of them, which would destroy the industry.

H. L. CLARK,
President Farm Bureau, Worland, Washakie County, Wyo.

—

WORLAND, WYO., *May 2, 1922.*

Senator FRANK R. GOODING,
Chairman Tariff Committee, Washington, D. C.:

In order that the beet-sugar industry in this locality may continue it is absolutely necessary the farmers have more encouragement and offered greater inducements to grow beets. The emergency tariff bill practically saved our company from discontinuing operations, and in order to continue the manufacturing of beet sugar and pay the farmers a fair price for beets we must have at least a 2-cent tariff. Farmers in this locality are demanding and must be paid more per ton for their beets than the sugar company under existing tariff can pay, and in order for the beet-sugar industry in this section to continue operations it must have further protection.

W. A. BUDGE,
Manager Wyoming Sugar Co.

—

EL CENTRO, CALIF., *April 28, 1922.*

Hon. FRANK R. GOODING,
United States Senate, Washington, D. C.:

The 500 dairymen members of this cooperative association ask that you use every effort to cause a protective duty of not less than 4 cents per pound to be placed on casein. It is plain that if casein can be imported free of duty it weakens the protection supposedly afforded the other dairy products, and this would mean the death of the dairy industry in Imperial Valley.

IMPERIAL VALLEY MILK PRODUCERS' ASSOCIATION.

—

LOS ANGELES, CALIF., *April 28, 1922.*

Hon. FRANK R. GOODING.
United States Senate, Washington, D. C.:

The Produce Exchange of Los Angeles, representing all the manufacturers of dairy product in southern California as well as a large percentage of the producers, desire to call your attention to serious situation to California dairy industry by placing casein on free tariff list. To allow casein to be imported free automatically weakens and practically nullifies the protection afforded other dairy products. Tax-free casein leaves American manufacturers exposed to competition from every dairy section of the world. California needs outlet which will be closed if Argentina casein can be imported tax free. We therefore urgently request a tax of 4 cents per pound on all imports of casein.

PRODUCE EXCHANGE OF LOS ANGELES,
F. M. HUDSON, *Secretary.*

—

ARCATA, CALIF., *April 27, 1922.*

Senator F. R. GOODING,
Washington, D. C.:

We are advised by the California Dairy Council that in fixing the duties on dairy products casein was left on the free list. We sincerely hope you will do all in your power to have a 4-cent per pound duty placed on all casein. Prices that we have been paid the past year would barely pay for the manufacturing, and 75 per cent of the dairymen have received nothing for their labor nor interest on money invested.

UNITED CREAMERY ASSN.

—

PETALUMA, CALIF., *April 27, 1922.*

Senator FRANK R. GOODING,
House of Representatives, Washington, D. C.:

Outlet for skim milk, from which casein is made, practically closed to California dairymen, owing to imports from foreign countries. Tons

of skim milk in California now going to waste or manufactured at a loss because of cheap foreign competition. We urge 4 cents per pound on casein.

PETALUMA CHAMBER OF COMMERCE,
H. W. KERRIGAN, *Secretary.*

—

SACRAMENTO, CALIF., *April 27, 1922.*

FRANK R. GOODING,
Washington, D. C.:

Senate Finance Committee in fixing rate on dairy products left casein on free list. California needs outlet, which will be closed if Argentine casein comes in free of duty. We urge that you help us place casein on dutiable list at 4 cents per pound.

NORTHERN CALIFORNIA MILK PRODUCERS' ASSOCIATION.

—

SAN DIEGO, CALIF., *April 27, 1922.*

Senator FRANK R. GOODING,
United States Senate, Washington, D. C.:

California casein can not compete with foreign production if this item is on free list. Will you do utmost to obtain duty of 4 cents per pound.

MILK PRODUCERS' ASSOCIATION OF SAN DIEGO COUNTY.

—

SAN FRANCISCO, *April 27, 1922.*

Hon. FRANK R. GOODING,
Senate Chamber, Capitol Building, Washington, D. C.:

From information just received we learn casein has been put on free list by Senate Finance Committee, other products of milk being on dutiable list. We desire to point out this greatly weakens value of duty on other products, with resultant injury to industry and no benefit except to provide cheap glazing material for paper manufacturers. Dairying conditions require that California have outlet for casein, the principal market for which is New York and Philadelphia. If allowed to come in free, the California dairy industry will be brought into direct competition with Argentina on this product to our insurmountable disadvantage. We earnestly urge you to make strongest possible effort to have the Senate Finance Committee amend the dairy products schedule to include casein at 4 cents per pound duty.

CALIFORNIA DAIRY COUNCIL.

—

SAN FRANCISCO, CALIF., *April 28, 1922.*

Hon. FRANK R. GOODING,
United States Senate, Washington, D. C.:

Had it not been for the protection afforded by the emergency tariff law the great dairy industry of America would have been seriously crippled. If this protection had not been provided hundreds of thousands of dairy cows would have gone to the stockyards and thus additionally depressed prices for beef cattle with increased injury to another great American industry. California, the fourth State in the Union in point of volume of butter production, has reason to appreciate the effect of the tariff most keenly, for we know that it protected the industry in this State from a flood of butter from New Zealand and Australia. With butter at unprofitable prices, dairymen would have first endeavored to save themselves through marketing the fresh milk. The oversupply of fresh milk would be again followed by unprofitable prices, thus forcing still more dairymen out of business and eventually depriving our children of this food most essential for their physical and mental development. The dairy industry of America is thankful for the emergency tariff and must have a continuance of the protection it affords.

SAM H. GREENE,
Secretary California Dairy Control.

—

SAN FRANCISCO, CALIF., *April 29, 1922.*

Hon. FRANK R. GOODING,
United States Senate, Washington, D. C.:

Information reaches us emergency tariff being criticized as not benefiting American dairy industry. Emergency tariff on dairy products has restricted importation of such products and tariff on vegetable oils has resulted in higher cost of nut oleomargarine. In these ways it has unquestionably served to stabilize prices of dairy products, thus generally benefiting the dairy industry.

C. E. GRAY,
President California Central Creameries.

—

RED BLUFF, CALIF., *May 3, 1922.*

Senator F. R. GOODING,
Senate Office Building, Washington, D. C.:

The effect of the emergency tariff was shown immediately after passing by better wool market. Again in November when it was extended was when the real benefit was noticed with better prices and a more active demand; this only saved us from going broke.

FRED A. ELLENWOOD,
President California Wool Growers' Association.

—

OCEAN PARK, CALIF., *May 3, 1922.*

Hon. FRANK R. GOODING,
United States Capitol Building, Washington, D. C.:

Have been advised that if dairy products bill is adopted that casein will be admitted free, thus allowing foreign products to compete by importing dairy products in another form. Ask that you use your influence toward placing 4 cents per pound duty on casein, thus protecting one of our important home products from certain disaster.

SOUTHERN CALIFORNIA MILK DEALERS' ASSOCIATION,
W. H. JACKSON, *Secretary.*

—

STUTTGART, ARK., *May 7, 1922.*

F. R. GOODING,
Senate Office Building, Washington, D. C.:

Urge you to use utmost efforts to retain 2-cent duty on rice and proportionate duties on off grades, if you would keep rice farmer producing food. All machinery he uses is heavily protected and freight rates are high, increasing cost about normal. Farmers must be kept from moving to cities.

ARKANSAS COUNTY BANK.

STUTTGART, ARK., *May 5, 1922.*

Senator FRANK R. GOODING,
Senate Office Building, Washington, D. C.:

The people of the rice-producing section of Arkansas are unanimous in their approval of the splendid stand you have taken in regard to tariff situation. We can not emphasize too strong the absolute necessity of maintaining the present emergency tariff schedule on clean rice. Our prosperity in this section depends, in a large measure, on this protective tariff. Rice ranks third in agricultural value in our State.

PEOPLE'S NATIONAL BANK,
By PAUL R. MCCOY, *President.*

—

STUTTGART ARK., *May 6, 1922.*

F. R. GOODING,
Senate Office Building, Washington, D. C.:

Passage of the emergency tariff measure on clean rice resulted in the saving of millions of dollars to rice producers of this community last year. A repeal of this measure at this time, or a reduction of the present duty on clean rice, would result in nothing less than a disaster to the farmers of this section of the State, in our opinion. We urge that you support and use your influence in maintaining the present duty on clean rice.

FIRST NATIONAL BANK.

—

JONESBORO, ARK., *May 9, 1922.*

F. R. GOODING,
Senate Office Building, Washington, D. C.:

In behalf of our farmer customers we believe the future of the rice industry in this country depends to a considerable extent upon maintaining the tariff on cleaned rice, and proportionately on the by-products.

AMERICAN TRUST CO.

—

STUTTGART, ARK., *May 5, 1922.*

Senator FRANK R. GOODING,
Washington, D. C.:

The farmers in this section of the country are wholly dependent upon rice growing, and it is the unanimous opinion of all, without exception, that the future of the rice industry in America depends in a large measure upon the maintenance of the 2-cent tariff on clean rice, and on the by-products in proportion. Therefore we earnestly request that you do everything possible to maintain the present tariff.

RICE PLANTERS BANK,
By I. M. BENNETT,
Vice President, Almyra, Ark.

—

STUTTGART, ARK., *May 5, 1922.*

Senator FRANK R. GOODING,
Care Senate Office Building, Washington, D. C.:

The future of our rice industry depends in a large measure upon the maintaining of a 2-cent tariff on clean rice. To lower this tariff rate would work irreparable harm to our farmer clientele. Your efforts along this line are appreciated.

W. B. WALL,
Vice President the Exchange Bank, Stuttgart, Ark.

—

STUTTGART, ARK., *May 1, 1922.*

Senator F. R. GOODING,
Senate Building, Washington, D. C.:

We are advised Senator PAT HARRISON, of Mississippi, is vigorously attacking emergency tariff act. The State of Mississippi produces little or no rice, and we are not familiar as to what extent low tariff will affect agriculture in that State. However, Louisiana, Texas, and Arkansas, producing over 75 per cent of the total crop of rice produced in the United States, not only need protection to the extent of not under 2 cents per pound, but the success or failure of the industry in these States depends primarily upon a tariff not lower than indicated. As an illustration of what may be expected in event of enactment of Underwood schedule as affecting rice, call your attention to fact that after October, 1913, when Underwood law became effective, importations of rice increased enormously. Increase November, 1913, over November, 1912, over 324 per cent. Increase December over 795 per cent. Average increase for entire year 1913 over 1912, 260 per cent.

Urge you to do all in your power to see that this all-important industry is given ample protection in final tariff measure.

ARKANSAS RICE GROWERS' COOPERATIVE ASSOCIATION,
B. E. CHANEY, *President.*

—

NEW YORK, N. Y., *May 2, 1922.*

Hon. FRANK R. GOODING,
United States Senate, Washington, D. C.:

Good morning, Senator. Just another friendly reminder in your busy day asking in behalf of American glass manufacturers that you don't forget to try to keep Grossalmerode clay on free list. Duty on Grossalmerode clay would be a hardship, and therefore a mistake. We thank you.

J. GOEBEL & CO.

—

NEW YORK, N. Y., *May 1, 1922.*

Hon. FRANK R. GOODING,
United States Senate, Washington, D. C.:

Pardon friendly reminder to ask in behalf American glass manufacturers that you use greatest effort to keep Grossalmerode clay on free list, where it positively belongs. Duty on Grossalmerode clay would surely cause hardship and dissatisfaction to glass manufacturers. Kindly do everything possible to prevent duty. We thank you.

J. GOEBEL & CO.

—

ITHACA, N. Y., *April 27, 1922.*

Senator F. R. GOODING,
United States Senate, Washington, D. C.:

Poultry men determined and prepared to defend throughout the United States rates 8 shelled, 8 frozen, 24 dried as our irreducible minimum. They are convinced that these rates would not stop importation, but stimulate freezing, and might encourage drying eggs in the United States. The American people prefer to eat American products produced in America, and believe that prosperous American farmers are better

buyers of American manufactured products than low-priced laborers in foreign countries. Stand pat, and the largest group of producers in America—the poultry men and poultry women—will stay by you.

JAMES E. RICE.

—

UTICA, N. Y., *May 3, 1922.*

Hon. F. R. GOODING,
United States Senate, Washington, D. C.:

Dairy and other agricultural interests in this country urgently need adequate tariff protection against competing products produced on cheap lands and by cheap labor in foreign countries. For this purpose there are necessary import duties based on equivalent of 10 cents per pound on butter and 4 cents per pound on vegetable oils, without any drawback on oils when used for nonedible articles. Emergency tariff proved great assistance in recovery of farmers from one of greatest economic plights in history, and increased protection should be given, so that the purchasing power of farm products will reach normal and so that there will occur in future no such breakdown of the farmers' economic position as recently was so detrimental to the entire country. The board of directors of this association, representing over 100,000 farmers, unanimously passed resolution urging tariff duties as recommended by farm organizations, and your efforts toward this end are urgently solicited.

DAIRYMEN'S LEAGUE COOPERATIVE ASSOCIATION (INC.),
C. F. CRESWELL, *Director of Research.*

—

UTICA, N. Y., *May 3, 1922.*

Senator F. R. GOODING,
Senate Office Building, Washington, D. C.:

To protect American industry duty of 10 cents on butter positively necessary, and with this rate it is inconsistent to allow importation of cream testing above 30 per cent of butter fat unless duty of 35 cents per gallon is imposed. With lower duty on cream, effect of duty on butter would be nullified by importations of cream to be made into butter. Duty of 4½ cents should be put on casein and 1 cent a gallon on skim milk. As American farmer has never had a market for the complete salvage and profitable disposition of skim milk, it seems inconsistent to permit importation of foreign products made from skim milk when there is in this country more than a sufficient quantity to supply a year's needs annually turned into creeks and sewers. Duty also should be increased to 3½ cents gallon on fresh and sour whole milk and the drawback provision on vegetable oils should be entirely eliminated. You are urgently requested to champion these rates, as they are in the interests of American agriculture.

DAIRYMEN'S LEAGUE COOPERATIVE ASSOCIATION (INC.),
W. W. HOVEY, *General Manager.*

—

WOODSTOWN, N. Y., *May 1, 1922.*

Hon. F. R. GOODING,
Senate Office Building, Washington, D. C.:

Please try to keep an adequate tariff on all dairy products. Try also to get a duty on oil-bearing seeds and get the drawback clause away from vegetable oils. If the farmer has to pay a duty on potash, the manufacturer sure ought to pay duty on soap grease.

ASHER B. WADDINGTON.

—

SCHAGHTICOKE, N. Y., *May 1, 1922.*

Senator GOODING,
Senate Office Building, Washington, D. C.:

Very important that dairy farmers have full tariff protection without rebates to soap manufacturers on vegetable oils. Emergency-tariff rate rendered great assistance in holding back a flood of foreign butter and started oils upward in price. Dairy producers sincerely request the above protection.

G. R. LITTLE.

—

NEW YORK, N. Y., *May 2, 1922.*

Hon. FRANK R. GOODING,
United States Senate, Washington, D. C.:

Half of big sugar factories very large borrowers from bank. Without emergency tariff they would have been in hands of receivers. Emergency tariff enabled us to pay the farmers enough to grow beets with fair profit. Without it most of the big factories would have had to close.

HENRY T. OXNARD.

—

AMES, IOWA, *April 28, 1922.*

Senator FRANK R. GOODING,
United States Senator, Washington, D. C.:

The dairymen of our country need protection of their industry. It can be done only through tariff. If protection is not given, some farmers will discontinue dairying; others will reduce their herds, which will eventually result in higher prices for dairy products, and we will produce less than is consumed in our country. We are at present consuming in United States about all dairy products we produce. It takes Denmark about five years to gain 20 per cent in production lost during the war. It would mean calamity to the people of the United States should our dairy production be reduced. Many of our farmers are at present making no profits from dairying. At best only a small profit is made. Our butter makers and dairy laborers are making only a living wage. They object to being compelled to live on a European standard.

M. MORTENSEN,
Professor of Dairying, Iowa State College, and President National Creamery Butter Makers' Association.

—

MASON CITY, IOWA, *May 2, 1922.*

Senator F. R. GOODING,
Washington, D. C.:

The beet-sugar industry is in a critical condition and will not survive unless we get 2-cent net tariff against Cuba. The emergency tariff has given hope to growers, but we find that it is not sufficient to give growers any profit and allow them to pay the hand labor sufficient wages to live decently and educate their children. We urge you to leave no stone unturned to secure for the beet-sugar industry what is justly done. With such a duty United States can build up the beet-sugar industry and protect United States consumers against the recurrence of exorbitant prices, such as Cuba placed on her product in United States when beet sugar was all sold out at the close of the World War. Two-cent tariff on sugar will produce more much-needed revenue for the United States and shall be paid by everyone alike. A review of prices since the emergency tariff went into effect will show that prices have declined.

IOWA VALLEY OPERATING CO.,
Belmond, Iowa.
W. C. TYRRELL, *President.*

—

NEW ORLEANS, LA., *April 29, 1922.*

Hon. FRANK R. GOODING,
United States Senate, Washington, D. C.:

We note Senate resolution by PAT HARRISON, of Mississippi. Were it not for the emergency tariff the entire domestic sugar industry, both beet and cane, would have been completely annihilated. We have asked for 2-cent tariff on Cuba and 2½-cent tariff on other foreign sugars, because we know that it will require this tariff if our domestic industry is to survive. We are in favor of adequate tariff protection for all American industries, agricultural, mineral, and manufacturing.

AMERICAN CANE GROWERS' ASSOCIATION.

—

PELZER, S. C., *May 1, 1922.*

Hon. F. R. GOODING,
Senate Chamber, Washington, D. C.:

As president Willmont Oil Mills, Pelzer, S. C., I state positively the emergency tariff has been a great benefit to our industry, also to southern raisers of cotton seed and peanuts.

JOHN A. HUDGENS.

—

CHARLESTON, S. C., *May 1, 1922.*

F. R. GOODING,
Chairman Tariff Bloc, United States Senate, Washington, D. C.:

I believe emergency tariff on oriental oils has been extremely beneficial to the producers of peanut and cotton seed in helping to maintain prices above cost of production. Without a protective tariff the peanut industry would have no chance to prosper.

EDWARD A. EVE,
General Manager Sea Island Cotton Oil Co.

—

SPARTANBURG, S. C., *May 1, 1922.*

Senator F. R. GOODING,
United States Senate, Washington, D. C.:

Emergency tariff on oriental oil has proven beneficial to vegetable-oil industry and southern farmers producing cotton seed and peanuts. Crude oil went to 4 cents pound, now 10; cotton seed $15 ton, now $50; short cotton crop probably had some effect. We favor tariff on oriental oil.

CALDWELL & CO.

—

ATLANTA, GA., *May 1, 1922.*

Senator F. R. GOODING,
Care United States Senate, Washington, D. C.:

Referring to reported attack being made on emergency tariff, we consider emergency tariff beneficial, and favor permanent tariff on oriental vegetable oils. Last year, before emergency tariff became effective, crude cottonseed oil sold at less than 4 cents and afterwards sold at 8 cents in August and September. We consider recent price of 10 cents for crude possible only due to emergency tariff and prospect of continued protection in permanent bill. The emergency tariff enabled farmers to realize very much more for cotton seed. We favor protection for farmers' products, as he pays tariff protection on practically everything he buys. Success of our industry dependent on success of agriculture.

ELBERTON OIL MILLS.

—

WEST POINT, GA., *May 1, 1922.*

Senator F. R. GOODING,
Washington, D. C.:

It develops without any doubt that emergency tariff on oriental oil proving great benefit to oil-mill industries, this protection adding greatly to welfare of cottonseed and peanut producers.

FARMERS' COTTON OIL CO.

—

AMERICUS, GA., *May 1, 1922.*

Senator F. R. GOODING,
Washington, D. C.:

Emergency tax on oriental oils has been of great benefit to our industry; has been worth millions of dollars to farmers of United States. Hope you will insist on protection, as our farmers can not compete with oriental labor.

R. L. MCMATH,
President Americus Oil Co.

—

CARROLLTON, GA., *May 1, 1922.*

Senator F. R. GOODING,
Washington, D. C.:

Emergency tariff on vegetable oils was and is great benefit to crude oil mills, and American producers of cotton seed and peanuts hope you will do everything possible to keep these protected, eliminating drawback feature in proposed tariffs.

H. O. LOVVORN,
Vice President and Manager Mandeville Mills.

—

DAWSON, GA., *May 1, 1922.*

Senator F. R. GOODING,
United States Senate, Washington, D. C.:

Emergency tariff on oriental oils has been of very great benefit to industry, as well as to southern producers of cotton seed and peanuts. Confident that if ample protection not continued our industry will be very greatly crippled and southern farmers greatly injured, due to low prices that will be paid for cotton seed and peanuts, and that peanut industry of South will absolutely be killed. Since advent of boll weevils many sections can't grow cotton and have turned to peanuts. Lack of protection will cause many thousand acres valuable farm lands to become idle.

ED STEVENS,
Manager Dawson Cotton Oil Co.

AMERICUS, GA., *May 1, 1922.*

Senator GOODING,
Washington, D. C.:

The emergency tariff on oriental oils has been of great benefit to our industry, as well as to southern producers of cotton seed and peanuts. There was scarcely any demand for our oils last spring until the emergency tariff was enacted.

FARMERS' COTTON OIL CO.

—

ATLANTA, GA., *May 1, 1922.*

Senator F. R. GOODING,
United States Senate, Washington, D. C.:

In view of the fact that in March, 1921, crude cottonseed oil sold around 4 cents per pound, and in May, when the emergency tariff was passed the market began advancing and sold as high as 8 cents per pound in August, and has since sold relatively higher for a longer period than any time in the history of the business, we know that this protection has been of inestimable value to the crude cottonseed-oil mill industry and the southern cottonseed and peanut producers. We feel to remove this protection would mean a loss of approximately $8 per ton on cotton seed and $15 per ton on peanuts to the American producer, and since everything he buys is protected he should be protected on what he produces.

T. S. KENAN, Jr.,
President Atlanta Cotton Oil Co.

—

PHOENIX, ARIZ., *May 5, 1922.*

Hon. FRANK GOODING,
United States Senator, Washington, D. C.:

The emergency tariff has been of inestimable benefit to the live-stock industry of the whole country. We, the people in Arizona interested in the raising of live stock, wish to express to you and the Senate Finance Committee our hearty appreciation of the passage of the emergency tariff bill. It certainly saved the sheep industry of this Nation and helped all industries very materially.

HUGH E. CAMPBELL,
President Arizona Wool Growers' Association.

—

DEERLODGE, MONT., *May 5, 1922.*

Senator FRANK GOODING,
Washington, D. C.:

Nine thousand voters, regardless of political affiliation, directly interested in woolgrowing, with 2,000,000 sheep, proclaim in one voice that the emergency tariff saved the industry in Montana. Without it bankruptcy would have been inevitable. By all means retain it until permanent tariff is in force.

MONTANA WOOL GROWERS' ASSOCIATION,
By C. H. WILLIAMS, *President.*

—

SAGINAW, MICH., *May 6, 1922.*

Hon. FRANK R. GOODING,
United States Senate, Washington, D. C.:

Farmers in our State have been greatly benefited by the emergency tariff bill during the reconstruction period following the war. This especially true in reference to sugar schedule. General effect of bill was to check slump in price of farm products, which prices are not yet back to general paying basis for farmers. Our farmers are therefore in favor of the agriculture schedule for which the so-called farmer Senators are standing. The sugar schedule is of vital interest to our State, which has 17 beet-sugar factories and 30,000 beet growers, who must receive a minimum of $6 per ton for beets to insure reasonable returns. My investigation develops fact that sugar companies can not pay minimum of $6 for beets with less than 2-cent duty on Cuban sugar.

J. A. DOELLE,
Director Bureau of Agricultural Development.

Mr. CAPPER obtained the floor.

Mr. WATSON of Georgia. Mr. President——

The PRESIDENT pro tempore. Does the Senator yield to the Senator from Georgia?

Mr. CAPPER. I yield.

Mr. WATSON of Georgia. Mr. President, in the course of his remarkable written address, which he asked not to have interrupted, the Senator from Idaho [Mr. GOODING] made a statement which he can not sustain, and I invite him now to sustain it, if he can. If I understood the Senator right, he said that it was the slave sentiment which clamored for free trade, and that the free traders now were in favor of slavery, or words to that effect.

Mr. GOODING. Mr. President, I think the Senator is mistaken. I said that slave pressure was responsible for free trade in America.

Mr. WATSON of Georgia. That is substantially the same thing.

Mr. GOODING. That was the statement I made. The South had been strong for protection; but the sentiment drifted toward free trade about 1824, and in 1832 we had what was called the compromise act on the tariff question, the Clay tariff.

Mr. WATSON of Georgia. Mr. President, I did not substantially misquote the Senator. He says now that it was the slave pressure which was responsible for free trade. If I remember correctly, the Senator from Idaho was born in England. Was it the slave pressure which, in 1846, abolished the main arch of her protective system by abolishing the "corn laws," leading directly and quickly to the abolition of the entire protective system? Was Sir Robert Peel yielding to slave pressure? Did Richard Cobden and John Bright yield to slave pressure?

Mr. GOODING. Does the Senator want me to answer that question?

Mr. WATSON of Georgia. I do.

Mr. GOODING. It is very true that I had the misfortune to be born in England. As I had no control of my birth, I am not going to find much fault about it. Fortunately, my parents brought me to America when I was eight years of age, but while I lived in England I lived a life little better than that of a slave. I went to work in a lace factory when I was 7 years of age. I got up at half-past 5 in the morning and went to work before breakfast, and then went home and got a dish of porridge. That is the condition I was under in free-trade England. I do not think poor people in those days were treated as well as the slaves on American plantations. That is why I am a protectionist; it is because I know the condition of the people of England and of other foreign countries under free-trade conditions.

Mr. WATSON of Georgia. Mr. President, was the condition of the Senator from Idaho when he was in England, a poor boy, working himself up amid privations, any worse than the labor conditions in the coal regions of West Virginia? Was it any worse than the conditions of the laboring people in the coal regions of Pennsylvania? Was it any worse than the conditions which existed in the coal regions of Colorado?

Mr. GOODING. The Senator is discussing labor troubles now, and there can be no doubt they are serious. I am not discussing labor troubles, but as far as the wage scale is concerned, if the Senator wants to discuss that, there is no question but what the American wage scale has always been higher than the wage scale of foreign countries, from the time we adopted the Constitution down to to-day. There is no honest difference of opinion as to the prices paid for labor in America and those paid in any other country in the world, I do not care what class of labor it is. I can understand that the Senator has a different viewpoint from mine on the tariff question, he being born and bred in the South, where there is not the respect for labor that is found in the North. In the South your farms are mostly leased out to colored men, a great many of them, at least. What chance has the farm boy down there? I have worked on a farm in Michigan and other Northern and Western States. I was one of the family. I slept under the roof with the family at night. I sat at the table with the farmer and his family. That is the condition we have in the North. You do not have those conditions down South. You see things differently from what I do. You have a different viewpoint in life. Labor on the farms in Georgia is paid not over 50 per cent of what it is paid in the North and 30 per cent of what it is paid in my State, Idaho. If we in Idaho had the conditions you have down there, and if we should have those conditions all over the country, labor getting practically nothing at all on the farms, I do not believe the farmer would need any protection, but if he is going to give a man a chance to live and be a man in America he has to pay better prices than they pay down South for farm labor.

Mr. WATSON of Georgia. The Senator does not seem to have completed the two-hour speech which he has been reading all morning, and he now retires from the deck, from the scene of action, and he does well to retire, because my answer will be crushing.

Mr. President, in the South, as the statistics will show, since the chains were stricken from the arms of the negro, he has rapidly acquired property as no emancipated serf ever did in the history of the world. He is the owner of farms throughout the South. He is the owner of houses throughout the South. He is the owner of automobiles throughout the South. He is the owner of banks throughout the South. He is the owner of stores throughout the South. Show me the laboring men of the Middle East or the East or the North of whom that can be said!

The Senator from Idaho alludes to the condition of the slaves in the South before the war. I was born into that system, and lived in it until it was ended, and know it to its uttermost detail. Every slave on the plantation was provided with a comfortable cottage with a garden attached to it. Every slave was well clothed and well fed. When he became sick a doctor was hurriedly sent for. When he was too young to work he was not put at labor. When he was too old to work he was virtually emancipated and supported in his declining years.

There have been emancipated slaves who have said of recent years that the condition of free labor to-day is no better than the condition of the slaves in the South during the existence of that patriarchal system. How many men here, or throughout the other sections of the Union, know that the slave had his weekly holiday, and that on Sunday he could go where he pleased?

In the steel mills they work 12 hours a day and every day in the year, and have vacations neither on Saturday afternoon nor on the Sabbath.

The Senator talks about the effect of protection in England. The direct results of protection in England for centuries had been that the laborers in the coal mines never saw the sunlight; never stood in the splendor of the day; never heard the songs of birds or the ripple of the streams; never saw the green grass and the beautiful groves. They spent their lives beneath the surface in the darkness and the damp, and they were such utter slaves that when the mines were sold they were sold along with them as the other machinery was transferred.

In those mines women pulled the coal carts along the tunnels, clad in old gunnysacks, pulling the cart by a chain which passed between their limbs and was fastened around their necks.

Children of 5 and 6 years of age were repeatedly hired to feed the machines in the factories, and the poor little things were waked up so early in the morning and kept so long at work that it was no infrequent thing for them to fall asleep, fall upon a machine, and be mangled to death.

When Toussaint L'Ouverture liberated the blacks in San Domingo almost the first law he passed was one for absolute free trade; and when Wendell Phillips in his lecture on Toussaint mentioned that fact with such eulogy we almost assumed that Wendell Phillips was a free trader. Was he acting under slave pressure? Was Gladstone acting under slave pressure? Was Macaulay? Was Adam Smith? Such a contention is absurd.

As to the negro tenant of the South, he is working for himself; when he rents the land it is his for that year, and if he fails to make enough to pay himself good wages it is no fault of the landlord.

The southern negro on the farm regulates hours of labor for himself, wife, and children, and there are no workers on earth who take more time for rest, recreation, and vacation.

Mr. HARRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Kansas yield to the Senator from Georgia?

Mr. CAPPER. I yield.

Mr. HARRIS. Mr. President, I came in while my colleague was replying to the junior Senator from Idaho and I did not hear all of his speech. I do not care to discuss the matter except to reply to the statement of the Senator from Idaho when he referred to labor conditions in the South and how little farm labor was paid in that section. Unfortunately for the South, the principal product is cotton, 60 per cent of which is exported, and our farmers must compete with the pauper labor of Egypt, India, China, and other countries of the world. The tariff does not help the southern farmer, as no short-staple cotton is imported into this country; even pauper labor of the world can not compete with us. I greatly regret that under this bill they are putting a tax on potash fertilizers, bagging, ties, and everything else the farmer and his family consumes and must use in producing his crop. The price of cotton is not fixed by the cotton producer of the South, but by the Liverpool and New York Cotton Exchanges, which are manipulated against the cotton producer. After paying expenses of labor, taxes, and so forth, the farmers who own the land in the South get less return on their investment than the owner of any other farm lands in our country. Our farmers would be only too glad to pay more for labor if they could get a better price for cotton, which at present is far below the cost of production. Under the tariff bill we are now considering when it becomes a law it will not help increase the price of cotton, but it will greatly increase the cost of living to the farmer's family who raises cotton, when his burdens are already greater than he can bear.

BASIS OF VALUATION IN THE TARIFF BILL.

Mr. CAPPER. Mr. President, probably no feature of the pending tariff bill has provoked more discussion and has been the object of more propaganda than the basis for the assessment of ad valorem duties. The Committee on Finance of the Senate has given exhaustive consideration to this fundamental question, and I am persuaded that it proposes a solution which is from every point of view much sounder than that proposed by the Committee on Ways and Means or than any other type of so-called American valuation.

AMERICAN VALUATION NOT A PART OF PROTECTIONIST POLICY.

Before taking up directly the subject of valuation, I wish to clear the ground of a side issue raised by some of the most zealous advocates of American valuation. They have worked themselves up to a point where they desire to impose an acceptance of American valuation as a test of our protectionist faith. Probably few of them are so confused in their thinking as to believe that American valuation has a general and necessary connection with protection. We have had a century of protection without American valuation. Obviously, the basis of valuation is independent of the rates of duty and, therefore, likewise independent of the amount of protection. One man may believe in foreign valuation and high rates, and another man may believe in American valuation and low rates. I repeat, there is no general or necessary connection, and each of the two policies should be rejected or adopted on its own merits. But, unfortunately, both questions are in fact before us, since both are connected with the tariff.

It will be found that the most zealous advocates of American valuation are interested in it not altogether for itself; they are interested in its adoption now along with the fixing of the rates of duty. They desire this change of system because it would complicate and confuse the issue; because they believe that by this change they can conceal from the American people the extent to which they desire to raise the rates. In effect, they admit that they are seeking rates so high as to be unpopular; that they are endeavoring not to represent the will of the people, but to fool the people. I am a protectionist, and I believe that a considerable majority of the American people share that belief. But I do not believe in protection so high that the increases in the rates must be glossed over and covered up. These zealous advocates of American valuation who would make its acceptance a protectionist password are in my opinion exorbitant and exaggerated protectionists. They represent a comparatively small group that inherits its protectionist ideas from a period three or four decades in the past. They fail to appreciate the fundamental changes which have come over America's economic position in recent years. American valuation to them means the revival of a policy of exclusiveness which was outgrown 20 years ago. I say it was outgrown upon the authority of that great protectionist, President McKinley, who so stated in his last speech at Buffalo.

Mr. President, that a change to American valuation at the present moment would conceal the extent to which the tariff is being raised is to my mind in itself a serious objection to the present adoption of that plan. I want no jokers in this tariff. Let us keep the tariff issue as simple as the complexity of the subject allows. Let us keep the question of protection wholly apart from the question of valuation. We on this side of the Chamber are agreed that American interests, both manufacturing and agricultural, are to be protected by rates sufficient to equalize the differences in competitive conditions between the United States and foreign countries. The manufacturer is entitled to protection, as is the American farmer. But a change in the basis of valuation is not necessary to afford this protection.

BASES FOR ASSESSING AD VALOREM DUTIES.

Mr. President, I wish we could avoid the question of valuation altogether. It is not very clear to me why the system of specific duties—i. e., so much per pound, per yard, per head, and so on—should be feasible in France and on the Continent generally and should not be applicable here. But the Committee on Finance assures us that they have adopted specific duties for all items in which the range of value is small enough to make a specific rate feasible. There remain hundreds of items, each of which covers such a range of qualities or such diversities of products that the fairest way seems to be to assess duties on each particular shipment according to its value. But value, whether it be the value of wheat, or of land, or of imported woolens and silks, is something that changes constantly. Hence our problem is to formulate a rule to determine the exact value of goods as they pass the customhouse.

As pointed out by the Committee on Finance in reporting the tariff bill, three plans of valuation of imported merchandise have been considered in preparing the present bill. These plans are:

(a) The value of American products comparable and competitive with the imported article.

(b) The value or wholesale selling price of the imported article in the United States.

(c) The value or wholesale price of the imported article in the country of origin.

The House bill embodied the first and second plans—the value of comparable American goods, and, in the absence of such goods, the value in the United States of the imported article.

The bill as reported by the Senate Committee on Finance accepted the third plan—foreign valuation—as the basis of rates, with the provision that in certain cases the President may change the basis to that of the value of comparable articles produced in the United States. This power granted to the President is an emergency power. It is to be used when an investigation shows that an American industry is being or is likely to be materially injured by foreign competition in spite of the protection carried in this bill, and that in that particular case the foreign valuation is not a certain and effective basis for our protective system. Within a few years, perhaps, when Europe shall have recovered from the more violent effects

of the war and stabilized her currencies, it is not unlikely that this provision for the proclamation of American valuation will become a dead letter.

HOME VALUATION IN FOREIGN COUNTRIES.

Superficial students of the subject have declared that the most advanced foreign countries have adopted home valuation. But the report of the Tariff Commission on American valuation shows that this is not the case. Many countries assess duties on the landed cost, i. e., the c. i. f. value in the port of importation. But, obviously, this value is merely the foreign cost plus certain expenses. Where foreign countries have approached in their customs procedure valuation plans labeled in this country "American," they have placed in customs officials more arbitrary power than we have been willing to grant under our free institutions.

UNDERVALUATION.

Mr. President, the positive arguments for American valuation are few. One of them is that it will prevent undervaluation. The present system of valuing goods at the usual wholesale price of the goods in the principal markets of the country of origin is represented as a huge fraud. But proof of undervaluation is strangely absent. Cases cited happened years ago. Students of customs procedure, on the other hand, assert that comparatively little undervaluation is now taking place. However that may be, the defects of the present system are not arguments for a radical, untried, and revolutionary departure in valuation for the adoption of a basis of valuation which will be more expensive and uncertain in its administration than the present system. If the present system, indeed, had worked as badly as the enthusiasts for American valuation claim, it would have been discarded long ago.

DISTURBANCE TO BUSINESS AND CUSTOMS PROCEDURE.

The first and most obvious objection to either form of American valuation, whether the duty is based upon the value of the comparable American product or upon the value in the United States of the imported article, is the disturbance to business and to our customs administration by the wholesale change from one basis of valuation to another. Under American valuation the documents and consular invoices which accompany imports would not be the basis for assessing the duties. The precedents and procedures which have accumulated for a century would largely go by the board. Customs officials must suddenly revise their point of view and build almost overnight a structure of dutiable values based on American prices to apply to imported goods. For months, or perhaps years, either there would be insufferable delays in the administration of our tariff law or else duties would be assessed largely by guesswork.

LITIGATION.

The change of basis of valuation would involve not only delay and guesswork but litigation. Almost any sweeping legal change is likely to bring a flood of new questions before the courts; but the plan of American valuation which was embodied in the House bill positively requires litigation, because of the uncertainty of the standard which it sets up. Heretofore, only occasionally have our laws used such vague expressions as "comparable" or "competitive," and their use has naturally led to differences of opinion and to litigation. Mr. President, if we should now suddenly base our whole tariff system, except in so far as its rates are specific, upon the valuation of "comparable and competitive" American products, the duties leviable upon a large fraction of our total imports might easily be contested in the courts. It will be the exception rather than the rule that the importers and the customs authorities will agree. Among the articles which bear ad valorem rates in this bill one may almost count on one's fingers those which are admittedly comparable with domestic products. It is true such standard articles as sugar, wheat, and pig iron are comparable, grade for grade, in the world's market, but these articles as a rule bear specific duties.

Ad valorem rates are largely reserved for imported specialties or for classes of goods whose constituent items are as varied as the arts can make them. Silk—the duties in those items under which the largest importations of silk take place are specific, with a minimum ad valorem; prices are such, however, that the specific duties are likely to be largely inoperative, so that throughout the silk schedule the ad valorem duties will be effective ones. Cotton or wool fabrics, for example, are made in innumerable varieties, and each manufacturer, whether domestic or foreign, attempts to turn out a product which, in pattern and texture, and therefore in price, is not comparable with the products of other factories. Even if the physical qualities are the same, the imported article often carries a higher price because of its prestige.

SHIFT IN POSITION OF ADVOCATES OF AMERICAN VALUATION.

So serious are these and other defects of the plan of basing duties upon the values of the comparable American products that the advocates of American valuation have largely shifted their position since that plan was written into the House bill. Some of the original boosters of this plan have abandoned the plan in the House bill and are now urging that the Senate and the House "compromise" in conference by adopting the plan to assess ad valorem duties on the value of imported articles in the markets of the United States. This so-called compromise plan, which was also considered and rejected by the Committee on Finance, is as different from the basis of valuation adopted by the House as is foreign valuation, and in some respects is subject to more criticism than is the House provision.

Mr. President, at the present time business needs, almost more than anything else, certainty and stability. We should not further disturb it by introducing the difficulties and uncertainties of a new customs procedure. Any unfamiliar system disturbs business, but the plan of basing valuations upon the American selling price of the imported article is such that no amount of familiarity with its workings could remove the element of uncertainty. A thousand legal decisions might enable importers and customs officials to determine with some success the identity of the "comparable and competitive" articles, but no amount of experience would enable them to determine future prices, and only the ability so to determine future prices would eliminate the element of uncertainty from this compromise plan.

In many lines of merchandise orders are placed at the factories six or eight months ahead of the jobbing or retailing season; therefore importers have no way of calculating their duties when placing a foreign order, because they can only surmise the future American price. Even if previous shipments of identical articles were already being sold on the American market, there would remain this uncertainty in regard to the duty. Not being able to calculate the duties, importers could make no contracts for the sale of their merchandise except by demanding an additional price to cover the additional risk. This additional profit which the importers would necessarily demand would itself operate further to increase the duty so that the price of the imported merchandise would be doubly raised to the consumer.

It may be claimed, Mr. President, that importers would be able to eliminate risk due to uncertain dutiable values by refusing to make future contracts and by selling on the open market when the goods arrived. Under such a practice, if prices fell between the dates of purchase and sale, the importer would lose less by having to pay a somewhat less duty. On the other hand, if prices should rise in the interim, his higher profits would more than offset the additional duty which he would have to pay. In so far as this practice prevailed it would limit contract sales, but, in general, the contract system, especially for seasonal goods, is so fundamental to stable business enterprises that it would probably not be abandoned to any great extent even under American valuation. Contracts will be made by importers and they will merely raise the price of their goods to cover the new risk injected into business conditions. In so far as American valuation does limit contract orders it will be a distinctly retrograde step in the direction of uncertainty and price fluctuations.

In discussing the import business it is sometimes forgotten that raw materials and semifinished products are frequently imported by American manufacturers. Many American concerns are dependent upon foreign countries for articles which it is their business to advance further in the process of manufacture. If American valuation is intended as a device to cripple the importing business in the United States, it will, in so far as it achieves this result, injure also many basic industries upon which American capital and labor depend for their prosperity.

AMERICAN VALUATION A CLOAK FOR PROHIBITIVE DUTIES.

Mr. President, the objections to American valuation which I have enumerated are based largely upon the difficulty of administering the law and the uncertainties which would beset business under its operation. There are, however, other objections more serious than the disturbance of customs routine; objections which are even more far-reaching than the economic demoralization which may result from the enactment of the law. These objections are known to all of you who have seriously studied the House bill; that is, that American valuation as interpreted by some of the leaders in the House and by some manufacturers was nothing more or less than a cloak to hide the enormous duties which were being imposed. Do not misunderstand me when I make this statement—a state-

ment which will be supported by facts presently. I do not mean that any sinister influence was brought to bear on the House or on any of its Members. I do not believe any manufacturer, much less any Congressman, had any motive beyond the earnest desire to protect American industry, but in their earnestness, I may say in their enthusiasm, to erect a tariff barrier against the low-cost countries of Europe they went far beyond the point of justifiable duties.

Believing sincerely that a rate approximately as high as those of the Payne-Aldrich tariff was necessary and knowing the uncertain conditions in Europe, the Committee on Ways and Means turned to American valuation as the surest method of accomplishing its purpose. When the bill was reported, however, the whole country was astonished to see that the absolute duties levied—that is, the specific equivalents of the ad valorem rates—were far beyond anything that this country had ever attempted by way of protective duties. Rates equivalent to 100 per cent on foreign values were so common as to lead one to suppose that the slogan "100 per cent American tariff" was meant in a literal sense. In proof of this statement let me present some facts and figures from the valuation report of the Committee on Finance. In addition to the equivalents of the Fordney rates, computed on foreign values, the rates under the Underwood, the Payne-Aldrich, and the Senate bills are also given on the same basis for purposes of comparison.

Dutiable articles.	Percentage of foreign value.			
	Underwood bill.	Payne-Aldrich bill.	Senate bill.	House bill.
Average of 17 items of reed furniture	20	45	60	453
Average of 23 items of perfume materials	20	25	52	107
Average of 8 classes of silk handkerchiefs	40	52	60	137
Average of 8 classes of post cards	16	25	44	100

In this table there is a total of 56 items picked at random from different schedules showing duties under the House bill ranging from 100 to 450 per cent on foreign valuation.

It may be objected, Mr. President, that these special cases are not typical of the bill as a whole. They are, indeed, special cases, but they illustrate the point that prohibitive rates were not accidental. And that these rates are prohibitive requires no argument. I may point out, further, that these rates are upon the value of the finished product and represent even higher percentages of conversion costs.

I have here another comparison of the different bills in the form of average rates for the important items in each schedule. The table does not include all the items in any one schedule, but a sufficient number is given to indicate the tendencies in the various bills:

Schedule.	Number of items.	Equivalent ad valorem rates of foreign values.			
		Underwood bill.	Payne-Aldrich bill.	Senate bill.	Fordney bill.
Chemical schedule	81	16	18	33	71
Manufactures of wool	78	35	57	51	78
Silk schedule	87	44	52	55	83
Paper schedule	124	16	28	28	36
Wood schedule	237	12	18	19	41

An examination of this table will show that the averages in the Senate bill are close to the rates of the Payne-Aldrich law. The chemical schedule is the only one of the five given that is seriously out of line with the law of 1909. The average of 81 chemicals in the Senate bill is almost double the average of the same items in the Payne-Aldrich bill, but this grows out of the well-known fact that many of the items in the chemical schedule require special protection under present industrial conditions. The other schedules shown have average rates which are surprisingly close together in the two bills—57 and 51 per cent for manufactures of wool; 52 and 55 per cent for silk; 28 and 28 per cent for paper; and 18 and 19 per cent for wood products. The average House rates, however, are far beyond these figures—in some cases more than double the Senate averages.

A fact of equal importance with this comparison of the three bills is that the Committee on Ways and Means made a special effort to levy rates which would conform fairly close to those of the Payne-Aldrich law. "No higher and possibly a little under the Payne-Aldrich law" became the watchword in the House.

From the above comparisons, however, it is evident that the House did not succeed in its purpose. Another method of showing how far it fell short of a true comparison with the act of 1909 is presented in the following table of familiar chemicals copied from the Senate valuation report. The last column in this table is the significant one. It is headed the "Adjusted ad valorem rate to equal Payne-Aldrich rate," which means that the percentages given in the column, when applied to American values of the products named, would give the same specific duties as those which resulted from the Payne-Aldrich law. I ask unanimous consent to include the short table in my remarks.

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Without objection, it is so ordered.

The table referred to is as follows:

Article.	Payne-Aldrich rate of duty.	Fordney bill rate of duty.	Adjusted ad valorem rate to equal Payne-Aldrich rate.
	Per cent.	*Per cent.*	*Per cent.*
Formic acid	25	25	13.01
Atropine sulphate	25	25	16.87
Aluminum nitrate	25	25	7.43
Aluminum acetate, pure	25	25	11.23
Aluminum chloride	25	25	7.08
Ammonium nitrate, C. P.	25	25	4.12
Ammonium nitrate, commercial	25	25	13.43
Ammonium phosphate	25	25	14.82
Antimony, sulphide, golden H-6	25	25	18.75
Antimony, sulphide, crimson, 15-17 per cent	25	25	18.99

Mr. CAPPER. The meaning of this table is clear. To the superficial observer it seems that the same duty is imposed in the Fordney bill as was in the Payne-Aldrich law, 25 per cent on these items in both cases. As a matter of fact, the House bill was far too high. In one case a duty as low as 4 per cent on American valuation would have been sufficient to give the same specific amount of duty as 25 per cent on the foreign value; the specific duty collectible under the Fordney bill would have been six times as great as that collected under the Payne-Aldrich law. The equivalent duty on most of the items shown ranges around 10 or 12 per cent, showing that the change to American valuation would more than double the duty.

THE WAY IN WHICH HOUSE RATES WERE DETERMINED.

The high ad valorem duties of the House bill seem to have risen from a number of causes. In the first place, the rates were originally written on the assumption of foreign valuation, because the question of American valuation was not decided on until late in the consideration of the bill. In many cases the old rates on foreign values were taken over without change when the basis of valuation was changed. This seems to have been true for the items just quoted. In other instances high rates were due to a defective formula which was used to convert rates on foreign values to those of American values. This formula did not take into consideration the transportation expenses necessary to land foreign goods in this country nor allow the importers any margin for overhead expenses and profits. That is to say, if an article sold for $1 abroad it was assumed that the American selling price of the imported article would be $1 plus the duty imposed by the bill. If this duty were 50 per cent on the foreign value, or 50 cents, then the equivalent rate on the American price would be 50 cents divided by $1.50, or 33⅓ per cent. Obviously this is wrong, because the expenses of transporting the goods and marketing them in this country is an appreciable item. An article costing $1 abroad and paying 50 cents duty will probably sell for $2 in this country. If, then, the duty is to be based on the American selling price, an ad valorem duty of 25 per cent would be the proper rate to result in the same duty as the 50 per cent ad valorem on foreign valuation. Furthermore, this method of estimating American prices was even further in error, because in the Fordney bill the chief basis of valuation was that of the American selling price of articles comparable with the importer's product. To assume, therefore, that the price of articles of domestic manufacture will be equal merely to the price of similar goods abroad plus any duty we may impose is stretching the theory of comparability beyond its elastic limits.

AMERICAN VALUATION IN THE COMMITTEE ON FINANCE.

Mr. President, the Committee on Finance recognized these errors in the House bill and attempted to correct them, first, by considering the possibility of calculating duties on the

American value of the imported article by means of a formula which allowed for transportation and landing charges an item of 10 per cent on the foreign cost and for importers' expenses and profits a margin of 25 per cent on the landed cost. These assumptions of importing expenses and profits lead to some complicated arithmetic in converting rates on foreign values to the rates on American values, but I need not repeat the detailed explanations which the Senator from Utah [Mr. SMOOT] has already so ably presented. For present purposes it is sufficient to remind you that a 50 per cent duty on foreign values becomes 33⅓ per cent on American values under the Fordney plan of conversion but only 25 per cent under the method of calculation of the Committee on Finance.

When it became known that the Committee on Finance was considering American valuation, using this rule of converting foreign values, I am told that a curious result followed among the proponents of the Fordney bill. Many of them became lukewarm and even silent on the subject, and in some cases direct opposition developed among those who had formerly espoused the cause. The reason for this sudden shift in opinion on the part of many eastern manufacturers is clear. The high secret protection under the name of "American values" was largely eliminated by the Senate formula and manufacturers were no longer interested in the plan merely as a change in administrative procedure. In other words, it was not American valuation that they wanted but secret protection under a popular name.

As a matter of fact, rates on foreign values finally adopted as the base by the Finance Committee furnish a more stable protection than equivalent rates on American values. The valuation report prepared for the Committee on Finance shows very wide variations in importers' profits and expenses. This report, which was intended to show how American valuation would work, demonstrated to impartial students of the subject that American valuation could be serviceable only in a very limited field and as an emergency measure. Low rates of duty on American valuation which may be adequate at one time may be wholly insufficient at another if prices change. If rates of duty should be fixed in the present tariff bill on high importers' prices—when compared with the foreign cost—and then prices should fall, the rates thus fixed would be wholly inadequate. A 4 or 5 per cent rate would yield a high duty as long as high prices prevailed, but if the market slumped and importers' margins were reduced to almost nothing the amount of the duty would be so low as to afford practically no protection to the domestic industry affected. On the other hand, if the rates on American valuation were placed sufficiently high to be protective when importers' margins were low, these rates would be prohibitive on many articles when importers' margins were normal.

AMERICAN VALUATION AND DEPRECIATED CURRENCY.

There is some truth in the statement that foreign values in terms of paper money are not as certain a basis for valuation as the prices in the United States of similar articles, but the margin of error in foreign valuation is not large for the ordinary run of goods. This is true, first, because international competition forces the prices of exportable products up to a gold basis, regardless of the value of the paper money in which prices are quoted. That is to say, in the long run an American importer can not get special bargains in Germany regularly and for large quantities of goods, because competing purchasers in America and elsewhere will bid up the price in terms of gold; second, German exporters are quoting prices either in gold or dollars at world-market levels. This practice is followed (a) because individual sellers charge what the market will bear, and (b) more especially, because the export trade of Germany is controlled by the Government largely for the purpose of forcing export prices up to something near world-market values. I do not mean that all articles in Germany are priced on an international gold basis, but the standard articles of export are usually so priced—as, indeed, they must necessarily be—under competitive buying. If copper, wool, and iron and their chief products were undervalued in gold as compared with the remainder of the world, fortunes could be made overnight by brokers who deal in these products.

It seems, therefore, that foreign valuation is not condemned by the paper-money régime of Europe, for, as a matter of fact, most exports from there are on a gold basis, regardless of paper quotations. In the relatively few cases where paper values are uncertain the President will have power under the proposed law to change the basis of valuation to that of comparable American products.

Some have thought that American valuation will correct the competitive advantages which purchasers in central Europe enjoy because of paper money and the resulting low costs of production. This idea is erroneous, except to the extent that the duties will be higher on American valuation than on foreign valuation. Obviously no plan of valuation will prevent American buyers from picking up special bargains in the remote villages of central Europe where paper prices rule. Such imports would merely pay a higher duty, and unless the duty is very high the goods would still be obtained at bargain prices. But no plan of valuation will be tolerated by the American people which is merely a scheme for assessing higher duties under the guise of higher values.

AGRICULTURE AND AMERICAN VALUATION.

Mr. President, ad valorem rates on agricultural products are comparatively few. Our great agricultural staples, such as wool, wheat, cotton, and meat products, carry specific duties. On the other hand, the great percentage of manufactured articles used by the American farmer carry ad valorem rates of duty. Necessities of tariff making justify this difference to a large degree. Specific rates are preferable, particularly on agricultural products, because the farmer needs protection most when prices are low. Where ad valorem rates, however, are imposed the farmer is interested in having them no higher than is necessary for equalizing competitive conditions.

Virtually every duty in the agricultural schedule—Schedule 7—is specific, except a few basket clauses which cover a small number of commodities which are unimportant, or are in the nature of luxuries of a considerable range in value. Thus cheese, valued at 30 cents or more per pound, largely a commodity for luxurious consumption, is dutiable at 25 per cent ad valorem. Miscellaneous fresh, prepared, or preserved meats, not specially provided for, covers a number of meat products, none of them of more than trifling importance in our import trade. The same is true of prepared and preserved birds and poultry, dutiable at 35 per cent ad valorem. Almost the only item on an ad valorem basis in which the farmers have more than a passing interest is mixed feeds (par. 731), which are dutiable at 15 per cent. There are a few paragraphs dealing with dried fruits, and so forth, which certain sections of the country produce, and certain imports of which are dutiable at 35 per cent. Every other duty on items of any importance is specific. I shall not go into further details, but I ask unanimous consent that the table which I present, giving the schedule of rates on the principal agricultural products, may be printed as part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is as follows:

Agricultural rates in Senate bill.

PRINCIPAL PRODUCTS.

Commodity.	Ad valorem.	Specific.
	Per cent.	
Cattle		1½ to 2 cents per pound.
Fresh beef and veal		3½ cents per pound.
Tallow		½ cent per pound.
Oleo oil and oleo stearin		1 cent per pound.
Cattle hides		2 to 4 cents per pound.
Sheep and goats		$2 per head.
Mutton and goat meat		2½ cents per pound.
Lamb		5 cents per pound.
Swine		½ cent per pound.
Fresh pork		½ cent per pound.
Bacon, hams, shoulders, and other pork, prepared or preserved.		2 cents per pound.
Lard		1 cent per pound.
Lard compounds and lard substitutes		5 cents per pound.
Extract of meat, including fluid		15 cents per pound.
Meats, fresh, prepared, or preserved, n. s. p. f.	20	
Sausage casings, etc.	Free.	
Milk, fresh		2½ cents per gallon.
Sour or buttermilk		1 cent per gallon.
Cream		22½ cents per gallon.
Milk, condensed or evaporated, unsweetened		1 cent per pound.
Sweetened		1½ cents per pound.
All other		1½ cents per pound.
Whole milk powder		3 cents per pound.
Cream powder		6 cents per pound.
Skim milk powder		1½ cents per pound.
Malted milk and compounds or mixture of and substitutes for milk or cream.	20	
Butter, oleomargarine, and other butter substitutes.		8 cents per pound.
Cheese, valued at less than 30 cents per pound		5 cents per pound.
Valued at more than 30 cents per pound	25	
Substitutes		Do.
Poultry (birds, live)		3 cents per pound.
All other birds, valued at $5 or less		50 cents each.
All other birds, valued at more than $5	20	
Poultry, dead (birds), dressed or undressed		6 cents per pound.
All other birds, dressed or undressed		8 cents per pound.
All the foregoing, prepared or preserved	35	
Eggs, in the shell		8 cents per dozen.
Frozen (whole, yolks, or albumen)		6 cents per pound.
Dried (whole, yolks, or albumen)		18 cents per pound.
Honey		3 cents per pound.

Agricultural rates in Senate bill—Continued.
PRINCIPAL PRODUCTS—continued.

Commodity.	Ad valorem.	Specific.
	Per cent.	
Barley, hulled or unhulled		20 cents per bushel.
Malt		40 cents per 100 pounds.
Pearl, and barley flour		2 cents per pound.
Buckwheat, hulled or unhulled		10 cents per 100 pounds.
Flour or grits, or groats		½ cent per pound.
Corn or maize, including cracked		15 cents per bushel.
Grits, meal, flour, and similar products		30 cents per 100 pounds.
Oats, hulled or unhulled		15 cents per bushel.
Unhulled ground		45 cents per 100 pounds.
Oatmeal, rolled oats, oat grits, and similar		90 cents per 100 pounds.
Rice, paddy or rough		¾ cent per pound.
Brown (hulled)		1 cent per pound.
Milled (bran removed)		1 cent per pound.
Broken, rice meal, flour, polish, and bran		½ cent per pound.
Rye		15 cents per bushel.
Flour and meal		45 cents per 100 bushels.
Wheat		30 cents per bushel.
Flour, seminola, crushed or cracked wheat and similar wheat products, n. s. p. f.		78 cents per 100 pounds.
Bran, shorts, and other by-products feeds from milling wheat and other cereals.	10	
Hulls of oats, barley, buckwheat, or other grains, ground or unground.		10 cents per 100 pounds.
Malt sprouts, brewers' grains, and dried-beet pulp		$5 per ton.
Mixed feeds	15	
Screenings, scalpings, chaff, etc., unground		$1.50 per ton.
Ground		75 cents per ton.
Cereal breakfast foods, and similar	25	
Biscuits, wafers, cakes, etc	30	
Bread	15	
Apples, green or ripe		30 cents per bushel.
Dried		2 cents per pound.
Otherwise prepared and n. s. p. f.		2½ cents per pound.
Berries, edible, in natural state or in brine		1½ cents per pound.
Dried		2½ cents per pound.
Otherwise prepared or preserved and n. s. p. f.	35	
Cherries, in natural state, sulphured, or in brine		2 cents per pound.
Maraschino, or other, prepared or preserved	40	
Cider		5 cents per gallon.
Vinegar		6 cents per proof gallon.
Figs, fresh or dried		2 cents per pound.
Prepared or preserved in any manner	35	
Dates, fresh or dried		1 cent per pound.
Prepared or preserved in any manner	35	
Grapes, in barrels or other packages		25 cents per cubic foot.
Raisins		2½ cents per pound.
Currants		2 cents per pound.
Lemons		Do.
Limes and oranges		1 cent per pound.
Grapefruit		½ cent per pound.
Olives, in brine, green or ripe		20 cents per gallon.
Pitted or stuffed		30 cents per gallon.
Dried, ripe		4 cents per pound.
Peaches or pears, green or ripe		½ cent per pound.
Dried		2 cents per pound.
Otherwise prepared or preserved, n. s. p. f.	35	
Pineapples		22½ cents per crate.
In bulk		¾ cent each.
Prepared or preserved in any manner		2 cents per pound.
Plums, prunes, prunellas, green or ripe, or dried		½ cent per pound.
Otherwise prepared or preserved, n. s. p. f.	35	
Jellies, etc	30	
Fruits, in natural state, in brine, or pickled, dried, or otherwise prepared or preserved, n. s. p. f.	35	
Trees, etc, seedlings, layers, etc		$2 per 1,000.
Grafted or budded	30	
Almonds, not shelled		5 cents per pound.
Shelled		15 cents per pound.
Brazil nuts		1 cent per pound.
Filberts, not shelled		2½ cents per pound.
Shelled		5 cents per pound.
Pignolia nuts and pistache nuts		1 cent per pound.
Coconuts		½ cent each.
Coconut meat, shredded and dried, or similarly prepared.		4 cents per pound.
Peanuts, not shelled		¾ cent per pound.
Shelled		1½ cents per pound.
Walnuts, not shelled		4 cents per pound.
Shelled		12 cents per pound.
Pecans, not shelled		1 cent per pound.
Shelled		2 cents per pound.
Edible nuts:		
Shelled or unshelled, n. s. p. f.		1 cent per pound.
Pickled or otherwise prepared or preserved, n. s. p. f.	35	
Oil-bearing seeds:		
Castor beans		½ cent per pound.
Flaxseed		40 cents per bushel.
Poppy seed		32 cents per 100 pounds.
Sunflower seed		2 cents per pound.
Apricot and peach kernels		3 cents per pound.
Soya beans		1/10 cent per pound.
Cotton seed		¼ cent per pound.
Grass seeds—alfalfa, clover, timothy, millet, vetch, etc.		¼ cent per pound.
Garden and field seeds (except n. s. p. f. at 20 per cent).		1/10 cent per pound.
Sugar beets		80 cents per ton.
Mushrooms, fresh, dried, or otherwise prepared or preserved.	55	
Beans, n. s. p. f.—green		½ cent per pound.
Dried		2 cents per pound.
In brine or prepared or preserved in any manner.		2½ cents per pound.

Agricultural rates in Senate bill—Continued.
PRINCIPAL PRODUCTS—continued.

Commodity.	Ad valorem.	Specific.
	Per cent.	
Peas, green or dried		1 cent per pound.
Split		1½ cents per pound.
Prepared or preserved		2 cents per pound.
Onions		1 cent per pound.
Garlic		2 cents per pound.
Potatoes, white or Irish		58 cents per 100 pounds.
Dried		2½ cents per pound.
Flour		3 cents per pound.
Tomatoes		1 cent per pound.
Tomato paste	45	
Turnips		12 cents per 100 pounds.
Vegetables, in natural state, n. s. p. f.	30	
Not in natural state and prepared or preserved in any way, n. s. p. f.	35	
Hay		$3 per ton.
Straw		$1.50 per ton.
Hops		24 cents per pound.
Teasels	25	

Mr. CAPPER. Mr. President, an argument advanced in favor of American valuation is that it will protect our industries from severe competition from countries with greatly depreciated currencies. I have already shown how little there is to this argument. What little there is does not interest the farmer, for most of the countries in that group do not export agricultural products to the United States. The countries from which we import commodities which compete with the products of our farms are in a more favorable position in regard to international exchange. Here, again, the manufacturer has a much more vital interest in the adoption of American valuation than has the farmer.

On the other hand, if American valuation is to be used as a method of concealing undue increases in protective rates it becomes clearly a bunco game at the expense of the farmer, for plainly it is not applied in favor of his products, while its use will increase the price of many products which he uses.

Again, American valuation, by increasing the height of the tariff wall, would limit the exportation of agricultural products in exchange for the manufactured goods bought in foreign countries. The nature of international trade should be clear to all after the experience of the last few years. During the war our outflow of goods was enormous and our inflow of gold correspondingly great. We received so much gold that we did not know what to do with it, while the international exchange has been affected so that it is next to impossible for other countries to buy from us now. It must be clear that international trade has to be an exchange of goods.

Many of our agricultural products are on an export basis, and the tariff will not help the producers of these products except under exceptional conditions and on special grades. If, in addition to this, the power of foreign countries to buy the products of our farms and ranches is limited by a tariff which prevents our people from buying on a fair competitive basis the manufactured articles of the highly industrialized countries of Europe, the plight of agriculture will be even worse than it is at present.

Mr. President, my final point on the farmer's relation to ad valorem duties is that the price levels of the present moment make ad valorem duties especially disadvantageous to the farmer. There is good reason for believing that we are now at, or at least near, the bottom so far as prices are concerned. Certainly agricultural commodities are very low. As prices rise the ad valorem equivalent of the specific duties upon agricultural products will decrease, and the relative amount of protection afforded to the farmer will decrease. On the other hand, the duty upon manufactures protected by ad valorem duties will increase with the increase of prices whatever be the basis of valuation. It should be noted that when manufactured articles rise in value because of the rise in the price of raw materials, the amount of protection afforded to the manufacturer increases whether his conversion costs have increased or not.

I do not say that the duties on agricultural produce should be changed to an ad valorem basis. Specific duties are so simply and easily administered, and there is so much to be said against fluctuating rates of duty for the protection either of agricultural produce or of the conversion costs of manufacturing, that the specific duties in our system should be extended rather than curtailed. But I do say that the farmer is in no wise benefited by the fact that the tariff contains so many ad valorem rates and that these rates are so high; he has rather a great interest in seeing that these ad valorem rates are no higher than is absolutely necessary to give adequate protection to the American manufacturers.

CHEAP APPEAL OF THE PHRASE "AMERICAN VALUATION."

Some proponents of American valuation have made a naïve and superficial appeal. They have urged that we should have an "all-American tariff," or "a tariff for Americans," and that, therefore, anything "foreign," including "foreign valuation," should have no place in the tariff schedules. The thoughtless may have been won by the cheap appeal contained in the very phrase "American valuation," but we can not allow catch phrases to influence our decision upon the issues before us. There can be no more objection to assessing duties on foreign values than there is to making the foreign purchase itself. Perhaps some of the advocates of American valuation, who believe in Chinese-wall protection, would urge that no loyal American would purchase goods from a foreign country, and to these probably no argument of mine in favor of foreign valuation will seem reasonable. However, our position in international trade does not permit us to shut ourselves off from fair and equitable commerce with other nations of the world.

In conclusion, Mr. President, I wish to repeat the statement made in the beginning, that the question of American valuation and the question of protection are wholly distinct. I favor protection for the American manufacturer, and what I have said is not to be construed as a desire to withhold from him duties which will place him in a fair and equal competitive position with foreign producers in the American market. I am, however, opposed to the wholesale adoption of a valuation plan which can not fail to have serious political and economic consequences. In tariff procedure which affects so many interests it is safe to begin with the experience we have and approach innovations by stages. American valuation should be treated, as it is in the amendment proposed by the Senator from Utah, as an emergency measure. Like antidumping duties, it may be properly resorted to to meet unusual competitive situations. Beyond that it is a cloak for excessive protection and a needless political burden for the Republican Party to carry.

Mr. UNDERWOOD obtained the floor.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Dakota?

Mr. UNDERWOOD. I yield.

Mr. McCUMBER. The cyanide paragraph is now under consideration. There are, however, a number of Senators who do not wish to have a vote upon that subject at this time, and have asked me to allow the matter to go over. If there is no objection, I ask that paragraph 33a may be passed over for the present.

The PRESIDING OFFICER. Without objection paragraph 33a will be passed over.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Massachusetts?

Mr. UNDERWOOD. I yield.

Mr. WALSH of Massachusetts. Yesterday, when I was arguing against the increased tariff duty on olive oil, the junior Senator from California [Mr. SHORTRIDGE] interrupted me to make the comment that the increased duty in this bill would result only in a per capita tax of 4 cents. Upon this estimate I have had some figures prepared. On the basis of the population of our country being 110,000,000, the total cost to the consuming public of America for that one item alone will be $4,400,000. As there are estimated to be 4,000 important items—of course there are many thousand more—in this bill, and olive oil is a very insignificant one of those 4,000, based upon the per capita tax fixures submitted by the junior Senator from California, the total cost to the consuming public of America, if the same ratio of tax per capita is maintained, will amount to $17,600,000,000.

The figures can be very easily proved by anybody who wants to take the trouble to figure them out. Four cents on 110,000,000 individuals represents $4,400,000, and 4,000 items in this bill will make the total tax to the American people $17,600,000,000.

Mr. SMOOT. Mr. President, the Senator might just as well say——

Mr. WALSH of Massachusetts. I have not the floor.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Capper	Dial	Frelinghuysen
Ball	Caraway	Dillingham	Gerry
Borah	Colt	Edge	Glass
Brandegee	Culberson	Ernst	Gooding
Bursum	Curtis	Fletcher	Harris
Harrison	Lodge	Oddie	Simmons
Hitchcock	McCormick	Overman	Smoot
Johnson	McCumber	Page	Sterling
Jones, N. Mex.	McKinley	Phipps	Sutherland
Jones, Wash.	McLean	Pittman	Townsend
Kendrick	McNary	Pomerene	Underwood
Keyes	Moses	Ransdell	Walsh, Mass.
King	Nelson	Robinson	Walsh, Mont.
Ladd	New	Sheppard	Watson, Ga.
La Follette	Newberry	Shortridge	Willis

Mr. CURTIS. I have been requested to announce the absence of the Senator from Wyoming [Mr. WARREN] on account of a death in his family. I will let this announcement stand for the day.

The PRESIDING OFFICER (Mr. WILLIS in the chair). Sixty Senators having answered to their names, a quorum is present.

Mr. UNDERWOOD. Mr. President, I stated to the Senator from Idaho [Mr. GOODING] that I would endeavor to say something in answer to his discussion this morning when he concluded, as I did not want to interrupt him, but, unfortunately, I was not able to get the floor at that time.

Of course, the Senator from Idaho and I differ primarily on fundamental questions. He advocates the passage of this bill from the standpoint of doing something for somebody, and makes his argument on the basis that what is accomplished results in ultimate good to the person for whom that accomplishment is intended. Of course, my view of using the power of the Government is entirely different from that of the Senator from Idaho. I believe that the great powers of the Government are intended to be used only for the benefit of all the people, and not for the promotion of special interests, and I care not whether those special interests come out of the fields of agriculture or arise from the smokestacks of a foundry, to me they are equally special interests, and obnoxious to the principle I believe in.

This use of the taxing power of our Government to promote special interests can be illustrated by a decision of the Supreme Court on yesterday. Very often the use of the taxing power to promote special interests or to accomplish a result for some particular endeavor has behind it an excellent motive, and the purpose is often good, if it could be limited to that sole purpose, but too often those who are interested in accomplishing what they think is desirable for the end they have in view violate principles in a way which would be most disastrous to the people of the United States if the application were to be applied universally.

For instance, on yesterday the Supreme Court, in an opinion in which all the justices concurred, rendered one of the most important opinions that has been rendered in the life of the court. The decision was rendered in the so-called Child Labor case.

I suppose there is not a man on this floor and but few in America not in thorough accord with the viewpoint that children of a tender age should not be worked in the factories and the foundries, their opportunity for education neglected, and their opportunity for growth and development in the fresh air interfered with. As a matter of fact, most of the States of the Union have adopted laws protecting children against these unreasonable exactions on the part of employers working them under age. My State has a most meritorious law, which in the main conforms to the law which was passed by Congress, and most of the States of the Union have similar laws. But in the formation of our Government the Constitution granted certain powers to the Federal Government and reserved the balance of the power to the States. Questions involving police regulations, the protection of the health and happiness of the people, were left in the States, and there they should remain, because in the great scope of this country the conditions in Maine are not those found in Alabama and the conditions in New York are not those of San Francisco, and when we come to regulating human life and human endeavor it can be more satisfactorily worked out and regulated by those in each local community to meet the conditions which exist with them.

Of course, when we find the individual of good heart who lets his heart carry him beyond the lines his reason would dictate we often see in the cause of good a demand to extend our powers of government beyond the line of safety, where we endanger other great principles, and on yesterday the Supreme Court held that it was not within the power of Congress to use the taxing power of this great Government to enforce the regulation against the employment of children in factories and mines of the various States of the Union; that that was a question of local jurisdiction, belonging to the sovereign power of the States, and that under the subterfuge of taxation the

power of the State could not be invaded to regulate, even if the purpose were good.

Those who have sympathetic hearts for the child and would like to see laws of that kind extended to the furthermost ends of the Union can well recognize that if the Congress has the power, under the guise of taxation, to say how many hours and under what conditions a child may labor, it would have the power to say that all labor in the United States, agricultural or mechanical, shall be allowed to work only four hours a day, or that the person employing labor in excess of that time should undergo heavy penalties of taxation. In other words, this power of taxation, when used in that way, and allowed to be used in that way, in violation of the constitutional limitations, would break down the entire fabric of State government and destroy the local government of the people.

I only say that in the way of illustration of the use of the taxing power. I belong to that school of thought which believes that the legislative body, the Congress of the United States, has no constitutional right—I might go further and say no moral right—to use the taxing power of this great Government for the purpose of building up fortunes or tearing them down. I am just as much opposed to the idea of so levying a tax, under the guise of protecting American industry, that the great mass of the American people must contribute out of their pockets money to build up a special industry, and make a few rich, as I am of extending the power of taxation so far that it confiscates the property of the individual and accomplishes by the power and force of taxation what the communism of Russia has accomplished by a red flag.

The Senator from Idaho does not believe in that principle. He announces that the power of taxation in the Federal Government can and should be legitimately used for the purpose of building up agriculture primarily, from his standpoint, and, secondarily, for the purpose of building up industry, not for the purpose of raising revenue, allowing the incidental benefits which arise from it to help somebody, but the main purpose of the taxation should be to develop the business of some individual or some corporation.

It is an old theory, one which has been fought out year in and year out, but we are facing it in a new guise to-day. If it were not for the support which those who represent agricultural constituencies on this floor carry to the protective manufacturer of America, it would be impossible to pass such a bill as is now pending before the Senate. The argument is used that because taxes have been levied on manufactured products taxes should be levied on agricultural products, and if you are going to penalize the American people by taxation for the benefit of the manufacturer you should penalize them with taxation for the benefit of the farmer.

If you are going into that false philosophy and going to use the taxing power for some purpose other than the revenues of the Government, I might very well concede that if you could you should throw the blanket of protection as far as possible if it was beneficial. But I think where the fallacy of the argument comes is that under the guise of protection, under the guise of doing something to help the agricultural interests in some particular item, you ask their support for a bill which means that for every dollar of benefit they may derive out of the bill they must pay $100 in taxes to benefit some one else, or for the 1 per cent of protection which they may get under the bill they must pay the 99 per cent of protection which is afforded to other people. I do not think there is any question about that proposition.

When we come down to agriculture, in my judgment there are very few items as to which the levying of a tax at the customhouse would be effective in raising the price of the product to the farmer. For many years, as a smoke cloud to make the farmers of America think they were getting something out of a tax bill, a tax has been levied on corn—20 cents per bushel of corn, if I recall correctly. That is the rate levied in the pending bill. When the present law was written corn was taken off of the tax list and placed on the free list, and why? It was because there was no appreciable revenue that could be raised from taxing corn. We could not raise revenue from taxing corn because America is the great producer of corn. There may be a little corn drift over the Canadian border occasionally; there may be a little corn come from here or there; but in comparison with the great corn production of America the importations would not amount to one ten-thousandth of 1 per cent. It was idle to say that you levied a tax for protection when it did not protect, because nothing would come in when corn was on the free list. It was idle to say we would keep it there for revenue when no revenue could come to the Government. To keep a tax on corn, such as is put there to-day, is only for the purpose of fooling the producer of corn into the belief that he is going to get something out of the bill.

I might go on with 100 other items in the bill on which it makes no difference whether you levy a tax of 1 per cent or 100 per cent. Nothing will come in on the free-trade basis, nothing appreciable will come in on a 1 per cent tax, and it would not change the result if it were made a 100 per cent tax. But our friends on the other side of the Chamber are in the habit of putting corn and similar commodities on the tax list, which mean nothing except that it gives the local orator at the crossroads in the Corn Belt an opportunity to say that the great Republican Party protects the farmer along with other people. Of course if it is the desire to engage in subterfuge for the sake of votes, that is a political proposition. Possibly political parties may do that here and there, but it can not be justified from the standpoint of high morals or sound reasoning.

There are a few agricultural items, of course, which will produce revenue if a tax is levied at the customhouse and thus raise the price to the American producer. I admit that. I think sugar is one of them. I think wool is another. There are comparatively few men in the country who are raising sugar. The production of cane sugar is confined practically to one State and a part of another. The beet sugar of the great West has a market that consumes practically the entire product which is protected by freight rates, and the sugar from Louisiana and the sugar from abroad can not enter the domain of that production as long as its product is ready for market.

Mr. SMOOT. Mr. President——

Mr. UNDERWOOD. I will yield in just a moment. Of course we all know that the sugar of the great West does not stand preservation as the cane sugar does, and that it has to be marketed and sold within a reasonable time. While it is undergoing that sale it drives the imported sugar out of its market, but when it is sold out the cane sugar again invades its market.

I now yield to the Senator from Utah.

Mr. SMOOT. I do not think the Senator understands where the market for the beet sugar is or he would never have mentioned the question of freight rates. There is about 15 per cent of the quantity of sugar used in the intermountain country that is manufactured there, and no more than that. The great market for that sugar is Chicago. The New York refiners have a rate about one-third the amount of the beet sugar manufacturers' rate. They have every advantage in the world in the markets where the beet sugar is disposed of.

Mr. UNDERWOOD. I know that just as well as the Senator from Utah.

Mr. SMOOT. I did not think the Senator understood it or he would not have made the statement which he did make.

Mr. UNDERWOOD, I have not defined the locality of the market yet. I can say more than that. I sat for years and heard the testimony on this subject. I know that at times the beet sugar from the West can come as far east as the Buffalo market beyond Chicago. I know that along the line of the Mississippi River is about as far as it usually comes, but I did not say it was confined to the intermountain States, of course. I said its market was confined to where it was protected by the freight rate. The freight rate from New York to Chicago is a protection against that sugar, and every mile that it goes into the other territory the freight rate further protects it against that product.

Mr. SMOOT. The freight rate from New York to Chicago is not one-third of the freight rate from the intermountain country to Chicago. Chicago is the central market for sugar. That is where the great bulk of it is distributed and that is where at least 75 per cent of the beet sugar goes for sale.

Mr. UNDERWOOD. Undoubtedly. That is just what I am arguing.

Mr. SMOOT. Therefore if anyone has the advantage in freight rates it is the sugar refiner in New York and not the beet grower in the West.

Mr. UNDERWOOD. Of course the Senator was not listening to me——

Mr. SMOOT. Oh, I was listening.

Mr. UNDERWOOD. If the Senator was listening to me he misunderstood what I said or he would not have interrupted me, because by his own statement he now verifies what I said. I said that the sugar raised in the intermountain country could invade the cane-sugar importations and meet them in the competitive market, and the Senator proves what I said to be true by saying that they have a much greater freight rate to Chicago than the cane-sugar man has from New York to Chicago. That is true, but I am not arguing the question now as to how much

tax should be placed on sugar. If revenue is needed, I recognize that sugar is a revenue producer, and I have never denied it.

When we started out 10 years ago we placed sugar on the free list, which was because we had put $100,000,000 of taxes on wealth, and we supposed we did not need the revenue from sugar and so took it off the tax list. We felt that we were taking the tax off of a commodity which we knew the masses of the American people use and that they would be benefited, but when the war came on and we needed more revenue no one heard me object to levying a tax on sugar as a revenue producer for the purpose of bringing revenue to the Government. It undoubtedly does that.

But that is not my objection to the taxes. I have never denied that a reasonable revenue should be raised at the customhouse out of articles which are susceptible of producing revenue. I am objecting to the way taxes are levied on most articles, trying to build up a wall so high that nothing can come in, and the American Treasury thus not getting any benefit from it. The tax is levied entirely in behalf of the special interests which are being protected. Also, I object to that camouflage and that smoke cloud when a tax was levied on corn to try to make the American farmer think he was getting some protection because of that tax on corn. That is just an absurdity.

But I want to get back to what I started to say in reference to the argument of the junior Senator from Idaho, who is contending that the McCumber bill is in the interest of the American farmer and that this tax should be levied in order that the American farmer may get the benefit of it. I do not deny that a few farmers will be benefited by the bill. On the other hand, I do not deny that the farmer as a general rule is not a dirt farmer. He is very often a very large, substantial business man who, for instance, raises sugar in Louisiana, who will be benefited by an increased tax on sugar, and I am glad to say that this is a revenue producer. It responds in revenue very largely in proportion. More than that, it is not handed down into a finished product, where it is doubled and redoubled several times over before it gets to the ultimate consumer.

I am free to admit that the proposed tax of 33 cents a pound on scoured wool will raise the price of wool in the American market and will raise some revenue. It will be a small amount of revenue in proportion to the taxes on the American people, but it will raise some revenue for the Government. But I am also willing to admit that the very large number of farmers who raise wool, who will be benefited by this tax, are the men who are in an industrial business called farming, but who are in reality very large owners of sheep and very large employers of labor. It is no poor farmer who is to be benefited. But, taking them all in all, even down to the farmer who has a few head of sheep on a small farm, I say you make that farmer pay an enormous price for the protection you are giving in the bill to the few men who specialize in raising sheep. You make him pay until he bleeds in taxation for what you pretend to give him.

The figures of last year's crop were given in the hearings, and I think the figures are substantially correct. I think the figures refer to the crop of 1920, but I am not sure. However, that makes no difference; it is a crop of recent years. I am not substantiating the figures, but making the argument. Last year's crop of raw wool was valued at $65,000,000. Of the domestic requirements, 55 per cent are imported. That means that to supply the American market in the consumption of manufactured wool we are to get 55 per cent of the wool from abroad and 45 per cent at home; but you can call it 50–50, if it pleases you better.

Figuring mixed wool at 30 cents a pound at Boston with 60 per cent freightage, we have the following comparison of dutiable and free wool. This gentleman makes the comparison with a tax of 25 cents on raw wool. He figures scoured wool at 75 cents per pound, duty 25 cents. So that if there is a tax of 25 cents a pound on the dutiable list you have scoured wool costing $1 and free wool, as under the present law, 75 cents.

Then he takes the next item and says, allowing for waste 36 per cent, less 6 per cent recoverable, net 30 per cent, with wool dutiable, a pound in the cloth will cost $1.43. Free wool will make that pound of cloth cost but $1.07. The mill profit of 8 per cent and the selling profit of 2 per cent, making a total of 10 per cent, add 14 cents to the wool in the cloth on the dutiable side and 11 cents to that on the free side, making a total of $1.57 for cloth the wool in which pays the duty and $1.18 for cloth made of wool on the free list.

Add to that the garment maker's profit and the selling expense of 10 per cent, 16 cents on the dutiable side and 12 cents on the free side, making a total for the cost of $1.73 for the dutiable product and $1.30 for the product with free wool.

Then to the retail dealer's profit and the selling expense of 50 per cent add on the dutiable side 87 cents and on the free side 65 cents, making the total cost when it goes to the consumer of a pound of manufactured cloth which is made from dutiable wool taxed at 25 cents a pound $2.60, and $1.95 for cloth that is made from free wool. In other words, with a tax of 25 cents on raw wool, the consumer of each pound of cloth will pay 65 cents more a pound. But that 25 cents a pound is not the tax which it is now proposed to levy. It is proposed to levy a tax of 33 cents a pound. Each 1 cent of duty per pound on raw wool will cost the consumer of clothing 2.6 cents, so that under the tax of 33 cents a pound instead of 25 cents a pound there will be added to the cost of the manufactured cloth when sold to the purchaser 85.8 cents, nearly 86 cents, a pound. That amount is proposed to be taken out of the consumer.

The American people do not comprise merely those who live in cities; the clerks in stores and the men who run the railroads of the country do not constitute the mass of the population; but the farmers as well make up a large element, and farmers wear woolen clothes as well as do city people. If the proposed tax on wool shall be levied, the farmer will have to pay the tax as well as the man who lives in the city, as well as the man who works in the foundry or in the machine shop. If the analysis which I have suggested be worked out, it demonstrates that the tax of 33 cents per pound on scoured wool at the customhouse will result in a cost to the public of about $198,000,000 a year—nearly $200,000,000—of which those who are engaged in the business of wool growing will get $79,200,000, against which the farmers as a whole will pay $99,000,000, and the remainder of the public who are not farmers will pay about an equal amount; and the Government of the United States will only realize out of this enormous tax the sum of $19,800,000. I do not say that there may not be a variance here or there, but the substance of the statement is correct, that by taking wool off the free list and levying a tax of 33 cents a pound on scoured wool the price which the people of America must pay for the cloth when it goes into their clothes will be lifted to the extent of nearly $200,000,000; but the Government of the United States out of this tax is only going to get about $20,000,000 of revenue. That is what the majority party propose to do.

Now, how about the farmer? The farmer wears clothes as well as the merchant or the clerk, and there are nearly as many farmers in this country as there are people who live in the cities. The burden of this tax on the farmers of the country will amount to nearly $100,000,000; yet Senators on the other side say it will be beneficial to the farmers of America. Of course, I admit it will be profitable to those particular farmers whose entire business is the raising of sheep and who will secure the bulk of this tax which is going to be levied on the American people, but the remainder of the farmers of America, the men whose principal business is raising corn in the Middle West, and the farmers who raise cotton in the Southern States, are going to get a bunco duty and a subterfuge for a duty.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Alabama yield to the Senator from Idaho?

Mr. UNDERWOOD. I yield.

Mr. GOODING. I should like to ask the Senator a question. I do not know whether he is familiar with the sheep industry, but if he is, he knows that the wool industry of America can not exist without protection. Would he protect it and save the industry or would he put wool on the free list where it has always been put by the Democratic Party?

Mr. UNDERWOOD. Of course, that is what the Senator from Idaho asserts, and I am sure he believes in his assertion.

Mr. GOODING. I am sure that every Senator from the West who lives in a sheep-raising or woolgrowing State will agree with me that the industry can not exist without protection. I wish to say to the Senator also that, so far as the corn grower is concerned, his whole market is dependent on the live stock in the country, for without live stock there is not any market for corn at all.

Mr. UNDERWOOD. I will get back to live stock in a moment.

Mr. GOODING. So that the corn grower is vitally dependent upon live stock.

Mr. UNDERWOOD. That is another bunco game, in my judgment, but, of course, I am not reflecting on the Senator. It is one of those subterfuges which are thrown out to fool the American people into believing they are getting something for nothing.

Mr. GOODING. What I am anxious about and what I hope will happen—and I think it has already happened, so far as that is concerned—is that the Senator and his party will before the country take the position where they properly belong, where

they have stood for a hundred years in the Senate, and not go out among the people and talk about incidental protection and assert they are not trying to destroy any industry. I will not say all Democratic Senators conduct that kind of a campaign before the people. I merely want to have defined the position of the Democratic Party that a protective tariff is unconstitutional and not proper in any way.

I hope the Senator and his Democratic colleagues will define their position clearly before the people, so that we may go out and discuss it before them and let them settle it. The Senator from Alabama has been very frank and very clear about his position, and I understand it exactly, that if protection is not unconstitutional it ought to be and that we have no right to tax the people in order to protect any industry, whether it be the sheep industry or the manufacture of wool or anything else.

Mr. UNDERWOOD. I want the Senator to understand, of course, that I am speaking for no one but myself; but I believe what I have said, and when I stood on the bridge and commanded the tariff ship in the House I did not hesitate to put the products in which I was personally interested on the free list, because I believed they belonged there. I am applying no rule to anyone else that I do not apply to myself. I shall be delighted if what the Senator says may come about, because I know that then the question will be settled.

I never have contended that the Democratic Party is a free-trade party, for it believes in a revenue tariff and believes in collecting some revenue at the customhouse; but it believes in levying the tax so that the Government will derive the benefit of the revenue and not the special interests, such as is the case when the Republican Party build their tariff wall so high as to prevent importations.

The Senator from Idaho says he would like to see the Democratic Party come out and say that they are for such a tariff policy, and so would I, for I think one of the great faults of the Democratic Party has been that we have had too many who compromise with the evil of protection. They do not stand for it as a whole; they do not stand for it as a system; but they stand for it as to what their individual constituencies demand and compromise with the question instead of denouncing it as a false theory and telling the American people the truth, that wherever a dollar of protection is levied they pay it every time from five to ten fold in the increased cost of living.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Idaho?

Mr. UNDERWOOD. I yield, of course.

Mr. GOODING. As far as taxation is concerned, I am unable to understand the difference between a revenue duty and a protective duty; and this is true as far as the Underwood-Simmons bill is concerned, with one or two exceptions. There is not a trust or a combination or a great industry, predatory or otherwise, that has not been and is not protected under the Underwood law. There are only one or two exceptions to that rule.

There is a lot of talk here about "predatory wealth" and "special interests." As far as revenue is concerned, if you call it revenue, the Democratic Party has protected every trust and combination in America. It is all right if it is a revenue bill; it is a crime if it is a protective bill, although in many instances your revenue tax is higher than the protective tax.

Mr. UNDERWOOD. That is not so. Of course, I know the Senator does not mean it in the way he says it.

Mr. GOODING. I mean it exactly as I say it.

Mr. UNDERWOOD. The Senator does not mean——

Mr. GOODING. I mean if you take the cost of production into consideration.

Mr. UNDERWOOD. Oh, to be sure; it needs an explanation to show what the Senator means.

Mr. GOODING. Not an explanation if you believe in a tariff. Of course, with you, a revenue tariff is wrong. It is a tax. That is your principle. It is entirely wrong, even as a revenue measure, because it is a tax.

Mr. UNDERWOOD. Oh, no; I am not opposed to taxation.

Mr. GOODING. I wish you would tax the special interests. You are protecting the special interests and taxing the American people very fully.

Mr. UNDERWOOD. If the Senator will stop a minute, and not continue to make a noise so that I can not talk myself, I shall be glad to answer him. I am perfectly willing for him to interrupt me, but I want the privilege of replying.

The Senator says we have taxed every great trust. So far as I know, there is no tax on kerosene oil under the present law, although I believe the Senator's party is going to put one on. We certainly left out the so-called Standard Oil Trust.

Mr. SMOOT. There is none in this bill.

Mr. UNDERWOOD. I understand that it was proposed in the House; so that we did not cover them all. On the great Steel Trusts of America we cut the tariff all down the line, and where we did not think the tax would produce revenue we put the product on the free list, and in answer to that you are going back and putting back the taxes that you had before we attended to them. We levied the taxes only for revenue. We cut the manufacturing interest in this country far more than we actually cut any agricultural interest, because there are only a few cases where agriculture could be really cut. You may say that we took the tax off of corn and other things of that kind, beets, and household vegetables. Of course, if you want to fool the American people into thinking that that tax was effective, or meant anything, you can try to do so. I do not think you will get very far with it; but I want to come back to where you are levying a tax that counts.

This tax on raw wool is going to cost the American people in the neighborhood of $200,000,000 a year before they get their clothing, and the Government of the United States, in round figures, will not get over $20,000,000 from the tax, and you are going to levy that tax as much on the farmer as you are on anybody else.

The farmer with a few head of sheep running on his farm will have to go a long way to get enough tax out of this to pay for the clothes he has to buy; and the farmer who has not any sheep, the man who raises corn and has a subterfuge of a tax, and the man who raises cotton, on whom you are trying to practice a subterfuge for the first time by levying a little tax on long-staple cotton that will do nobody any good, must pay their proportion of this tax of $200,000,000 that you are going to put on the American people for the benefit of the few raisers of sheep.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield again?

Mr. UNDERWOOD. I yield.

Mr. GOODING. If I remember the Senator's figures, the total value of the wool clip in America was only $65,000,000; and yet he says that the people are taxed something like $200,000,000, or over three times the real value of all the wool that is produced in America.

Mr. UNDERWOOD. Surely.

Mr. GOODING. The Underwood bill put a duty on shoddy. It taxed the American people, if the Senator calls it a tax, for shoddy; and I presume the McCumber bill has done exactly the same thing. The woolgrowers do not grow shoddy. The manufacturer gets the protection, however; and if you are going to hold the woolgrowers responsible for the entire tax, as you call it, for the protection that you gave the manufacturer and the protection that the McCumber bill is giving him on all these articles, simply because there is a duty on wool, you might get the amount up to $200,000,000. That is the only way in which you can build it up that high, and that is not fair.

Mr. UNDERWOOD. I am sorry that the Senator, after I carefully went into details as to how this $200,000,000 came about, did not realize it.

Mr. GOODING. Yes; I understand it thoroughly.

Mr. UNDERWOOD. For fear, however, that somebody may misunderstand it, I will go into it again, and say that, of course, I do not mean that the tax stops with the tax on raw wool. If it did, it would not be so bad. The vicious part of this tax and this class of taxation is that with every step you take away from raw wool you add the manufacturer's profit to the tax, and the wholesale seller's profit to the tax, and the retail seller's profit to the tax, so when you start this tax it is not merely the tax on the raw wool but you are accumulating all these profits as they go along that are added to the tax and the increased cost of carrying the goods, until, starting out with a tax of only 33 per cent on raw wool that is untaxed now, you put a burden of $200,000,000 on the American people; and that figure can not be disputed by anybody who has followed this subject.

The Senator says we taxed shoddy. Yes; I think in the present law there is a very low tax on shoddy. What was that for? It was to tax a class of goods that were coming in here that would bear a revenue duty, and for no other purpose. We did not propose to abandon the customhouse; we have not abandoned the customhouse; but we do not propose to levy taxes that are any more burdensome than that which is necessary to support the Government. I am not objecting to your way of raising taxes at the customhouse if you would only raise taxes; but you are trying to raise a wall, instead of taxation, behind which monopoly and special interests may flourish.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Alabama yield to the Senator from Idaho?

Mr. UNDERWOOD. If the Senator wants to interrupt me, I shall be glad to yield, although I want to go ahead and finish my speech.

Mr. GOODING. I want to say to the Senator again that if he will study this bill he will not find that there is any monopoly there or that the duty is so high that it will not admit a reasonable amount of imports in practically everything. There is not a rate in the bill that is excessively high—not one.

Mr. UNDERWOOD. That is merely an assertion on the Senator's part.

Mr. GOODING. I have gone over them very carefully, and I have worked out many of them, and I have the comparison with the Underwood law in most of the schedules, and I think I know what I am talking about. I have given a great deal of time to it.

Mr. UNDERWOOD. I am sure the Senator thinks so, but I do not. I have the greatest respect for the Senator. He is earnest in what he says. He deserves great credit for his achievements. He has been in the Senate about a year. I suppose before he came here he studied the wool schedule carefully, but I know that the Senator is mistaken. He says that these rates will all produce revenue. I will tell him why I think they will not.

I have not worked out every rate in this bill. I could not do so. It is a task that would be impossible in the limited time that we have known what the rates are, because they were only given to the public in the Senate bill about a month ago; but I know this: I have gone through this bill enough to understand that on the average the taxes levied in it are greatly higher than those in the Payne-Aldrich Act. I am talking about the Senate bill now, not the House bill. I think the House bill, with its American valuation, was still higher. I know that when I came to rewrite a tariff bill 10 or 11 years ago, and the Payne-Aldrich law was on the statute books, I had the experts gather the statistics and find out what importations there were and what there were not, and how far the bill was effective as a revenue producer; and I found out that at least a fourth of the articles that were named in the bill that were consumed by the American people had prohibitive rates, and many of them would not appear in the list of importations at all, because the rate was so high that they could not get in; they could not appear at the customhouse because they were excluded entirely.

When I know that that condition existed under your law that was written 12 years ago, and I know that you have higher rates in this bill than you had in that bill, I think it is a very safe assertion that a large percentage of the rates in this bill are levied purely to build a tariff wall to keep out importations for the benefit of special interests and not for the purpose of raising revenue.

I want to pursue the argument, though, in reference to the farmer.

A number of years ago there were very few peanuts raised in my State. On account of the boll weevil the people of my southern country had to diversify their crops, and among other things they went into the raising of peanuts. They complained against the importation of oils against their peanuts. In the present law a small revenue tax is levied on peanuts. There is a small, reasonable tax on oil. Under the emergency tariff bill, however—and it was carried into this bill—they are being fooled with the idea that they are going to get something out of it if you give them a tax that will prohibit the importation of peanuts into the Southern States or into America, or will build a wall high enough to keep out vegetable oils that compete with their oils.

I do not think it has been effective in putting up the price so far and I do not think it will be effective in putting up the price, because the production of peanuts and vegetable oils in this country is so great that any tax would be ineffective except in particular moments of stress.

But I say that an agricultural people, who raise cotton as their chief product, and must sell it in the markets of the world, and must receive their pay in return by allowing imports to come into this country, as the other people of the world no longer have gold to pay, will be playing with a fallacy which will produce their destruction if they tie themselves to this protective ship. But outside of that, even if they got some little benefit in the price of their peanuts, think of the enormous price they must pay to special interests for the protection in this bill. On wool alone, in the value of the cloth for their clothes, the American people must pay $200,000,000, and the farmers will pay their share. But that is only one item. When it comes to the increase you have made on iron and steel products, on their supplies, the increased price of their axes, their saws, their wire, most of the products which under the present law are on the free list—and although the importations may not be great there is no wall behind which monopoly can flourish—you are going to build up this wall in order that monopoly can exact out of this farming class of people a higher price. Yet you say, "We will compensate you for your support. We will take you aboard the protective ship and buy your support by giving you a protective tariff on peanuts."

Agricultural implements are on the free list now under the present law. One of the main propositions, as I said the other day, in which the southern farmer is interested is the item of bagging and ties. You propose to return them to taxation after we put them on the free list.

What I rose to say here to-day is that it is absurd to talk of the American farmer getting anything out of a protective tariff except in special cases, such as the great growers of wool in the West, whose sole business it is to grow wool, or the producers of sugar in Louisiana, or possibly the lemon growers in California—a few particular interests. It is a subterfuge, and they are being led into a cul-de-sac to be shot to pieces with taxation. There is no justification for it.

You provide in this bill for taxes on butter and milk and chickens. Along the Canadian border, within a limited distance of transportation, you may shut off some competition with the farmer who lives within that limited radius, but you do not do anything for the farmer. Of what value is a tax at the customhouse on butter and eggs and chickens to the farmer of Alabama or Ohio or Wyoming? None whatever. He gets nothing out of it. What good does it do the wheat farmer to tax sugar? What good does it do the wheat farmer to tax wool? Yet on those two items alone you are penalizing him twice as much as any possible benefit he could get, even if his tariff were effective.

So that I say, Mr. President, that we might as well look this question squarely in the face. The pretension that the great mass of the agricultural people of America are going to be benefited by this bill absolutely can not be justified. It is false in theory and false in fact, and the sooner we let the agriculturists of America know that under the guise of protection, under the false doctrine of protection, they are being led into a charnel house for their own destruction by way of taxation, instead of deriving a reasonable or a just benefit from it, the sooner we will get a decision on the question which will be in accordance with the fundamental principles of our Government and in accordance with abstract justice to the great mass of the American people.

Mr. GOODING. Mr. President, I want to say merely a word in reply to one question of the Senator from Alabama. He asked what interest in wool the southern farmers have, who do not grow wool, and what interest the farmer who does not grow sugar in some other State has in sugar, and all those things. I want to say to the Senator that there are 40,000,000 acres in production in America more than in consumption, and unless we grow all of our wool and all of our own sugar, and everything else we consume in America, the time will come when there are not going to be 40,000,000, but fifty or sixty million, and that is why the farmer in Alabama is interested in the prosperity of the farmer in Idaho and the Idaho farmer is interested in the prosperity of the farmer in Texas.

They stand together as a great industry, feeding a great people, and if we are ever going to get to the point where we will not have a great surplus to import, we will at least have to produce our own sugar and all of our own wool, and finally reach a balanced condition. So it is with every farmer, because if he does not grow sugar he must grow peanuts in the South, and if he does not grow wool in Idaho he must grow wheat, and that is why every farmer is interested in every other farmer, as far as that is concerned, and in the industry as a whole.

Mr. UNDERWOOD. Mr. President, I am glad to hear the Senator's new-made theories, for they certainly are new made; but, so far as I know, wherever I have met a farmer who wants protection, or a manufacturer who wants protection, his theory and his arguments are not based on taking care of the whole United States. He says he wants protection because he desires a higher price on a particular commodity which he is producing, and for no other reason that I ever heard of. When the farmer himself talks about it, that is what he says.

The Senator says this wall should be so high that we should grow all in America that America consumes, and he illustrates it by mentioning sugar, when, as a matter of fact, less than half of the sugar we consume is raised in the great West, in Louisiana, and the Hawaiian Islands combined; and if you forced the production of the additional sugar in the United States, you would enormously burden the housewife of America

and the tables of America, because you would have to produce it in such an artificial way that the present tax would not only be burdensome but the cost would be enormously increased, and everybody knows that.

The reason why Arizona can not compete with Cuba in the raising of sugar is not because of labor. That may cut some figure in it, but it is because when the Cuban planter plants his cane he only has to replant it every three to five years. He can cut it and it grows, but the Louisiana planter must replant his cane every year. It is due to a difference in climatic conditions, which makes competition difficult, and raises the price to the American people. You might as well say that because we can raise some bananas along the Rio Grande we can raise enough bananas to supply the entire American market, if you carry the Senator's argument to its logical conclusion.

Mr. GOODING. I do not want to be unfair to the Senator——

Mr. UNDERWOOD. The Senator is not unfair to me.

Mr. GOODING. And I do not think I shall be when I say that he has not quite the bigger view of this great country of ours, and I can understand that. A man who gives his life work to the law, or to Congress, who does not get back among his people, has not grown up with them, in other words, does not see it in the bigger light.

With all due respect to the Senator, I state to him that we have reached a new condition in America, a new world, so far as that is concerned, and the day is coming when we will not be able to find employment for our own people. That is not only true of this country but it is true in other parts of the world. They are scrapping our Navy and reducing our Army, and that is taking place everywhere, and the great problem which comes to every country is that of finding employment for their own people. There is no longer a single homestead to be taken up anywhere in the West. In my lifetime I have seen all that great country west of the Missouri River settled, and it has furnished employment for millions of people. I think the great question confronting the American people is to find employment, and you can only find employment through the production of the necessities of life for America. We have a great problem confronting us, that of finding employment for our own people, and we must grow our own sugar, and we can grow sugar enough for the whole world. We do not have to hothouse it at all.

The Senator is not fair in his statement, because if you look up the reports of the Secretary of Agriculture you will find that my statement is true. We can grow sugar beets in nearly every State in the Union, and without hothousing it. We are growing it in a great many States now. We can grow cane in more States than Louisiana, I dare say, if it were made profitable.

But let me say that we have an American standard in this country to maintain, the highest standard in all the world, and if you are going to maintain it there must be some way of equalizing the difference in the cost of production in this country and abroad, and I do not think there has ever been a time in the history of the country when we needed a protective tariff as much as we do to-day, because the lines are farther apart than they have ever been in the history of this country, as far as the price of labor is concerned, and the price of labor practically controls the price of nearly every product in the whole world.

Mr. UNDERWOOD. Mr. President, I do not care to continue to occupy the time of the Senate, but this question is too important to let it rest without meeting it squarely.

The Senator says that we must have this protective-tariff wall in order that we can produce employment for our own people and develop our own country. Nobody knows better than the Senator that the difficulty with American labor and American employment to-day is overproduction. The wheat fields of the West are overproducing for American consumption. The cotton fields of the South are overproducing for American consumption. The great iron manufactories of America are overproducing for American consumption, and so I might go on to an endless degree. We are overproducing for American consumption, and unless we find foreign markets to consume the surplus of American toil we will be eating up ourselves. If we continue to build a Chinese tariff wall around this country by a protective tariff, we will die of our own dry rot, and it goes without saying that we must find those surplus markets, and we can not do that by excluding all importations. We can not do that by not allowing the other nations of the world to trade with us. We can not do that by saying that we will ship abroad and that we will receive nothing in return, because, as has been repeatedly said, and the Senator knows as well as I do, the world has nothing to pay us with except the product of their toil. They have neither gold, nor credit, nor American securities, and as long as you refuse to allow the products of their fields and their factories to come into America, then you must limit the production of American workmen, American labor, and American opportunity, and it is folly to say otherwise. The great spirit of America has reached that point.

I am perfectly willing to accept what the Senator thinks is his judgment, that my view is narrow and his is broad, that his experience in Idaho for the past 25 years in the fields and mountains of Idaho has given him a broader view of what is necessary for the expansion of American trade and American commerce and the upbuilding of our people than the viewpoint I have obtained while serving my country under the dome of this Capitol for more than a quarter of a century. I am perfectly willing to accept the Senator's judgment of myself because that is immaterial. It does not amount to anything as to whether the Senator's viewpoint is greater or less than mine or mine is better than his. That is of no importance to the American people.

Mr. GOODING. I agree with the Senator.

Mr. UNDERWOOD. It is of no importance to the world. The question is that America is confronting a great economic crisis. Whether the Senator and his party are proposing the proper remedy or the wrong remedy to meet this crisis is an issue which the American people themselves must determine.

Mr. GOODING. Mr. President, the Senator is not quite fair in his debate in this respect. I have never stated that we should place an embargo duty so high that no imports would come into the country at all. My statement has been that there must be a duty sufficient to cover the honest difference in the cost of production in this country and abroad, and enough, too, to give us practically our market.

I want to say to the Senator that we spent last year for products of the soil something like $780,000,000 more than our entire foreign trade amounted to before the war. We shall have plenty to buy. We have paid out $250,000,000 for silk that we do not produce in this country, and $75,000,000 for rubber. I regret that I have not the figures to refer to, but I shall put them in the RECORD later. We shall have plenty to buy from the world. We buy more now than any other country is buying and will continue to do so. There is plenty to trade with and plenty to buy. I do not want to tear down or burn up the customhouse and give the foreigners a chance to come here and destroy our industries. I am only asking for the honest difference in the cost of production. That is all; that and nothing more.

Mr. SMOOT. Mr. President, I have before me a carbon copy of the statement made by the Senator from Massachusetts [Mr. WALSH]. I can not see any real reason for the statement being made other than that it was an endeavor to impress the American people with the idea that this tariff bill will cost the consuming public of America $17,600,000,000. I do not think the Senator from Massachusetts believes that, nor do I think for a moment that he really intended it to be accepted as a statement of what the result of the tariff bill will be.

Mr. HARRISON. Mr. President, may I ask what are the Senator's figures on that proposition? How much does he think the bill will cost the American consumer?

Mr. SMOOT. Nobody can figure what it will cost on the basis of the figures presented by the Senator from Massachusetts.

Mr. HARRISON. On the Senator's basis, how much would he figure it will cost?

Mr. SMOOT. I can not say, and no living man can say, in my opinion, what it will cost the American people.

Mr. WALSH of Massachusetts. Mr. President——

Mr. SMOOT. Will the Senator please wait until I get through, and then I think he will know more of what I have to say in relation to his statement than the mere statement I have already made.

Mr. WALSH of Massachusetts. Is there any doubt that at 4 cents per capita the tax upon this one item would be $4,400,000?

Mr. SMOOT. The Senator says "if." His statement was based on an assertion made by the Senator from California, and the Senator from Massachusetts does not figure upon the facts in the case as they really are. I want to call the attention of the Senate to that fact.

Mr. WALSH of Massachusetts. I figured on the basis of the figure given by the Senator from California, which was 4 cents per capita. There are 4,000 items in the bill. As a matter of fact, there are many more than 4,000 items. The Senator from Utah informed the Senate the other day that in the chemical schedule alone there are 6,000 items.

Mr. SMOOT. I think the Senator is wrong. On a large number of items there is a great reduction made in the rates. The Senator says "if" all the 4,000 items had the same increase and "if" every one of the 4,000 rates was a 4-cent tax upon every person in the United States, then it would mean $4,400,000.

Then, "if" there were 4,000 schedules with this rate, it would cost $17,600,000,000.

The fact is that the rate under existing law is 30 cents, instead of 60 cents, on the item to which the Senator referred—olive oil. Therefore we might just as well say that on the 4,000 items in the Underwood bill it has cost the American people $8,800,000,000.

I have never said that, and I do not believe the Senator from Massachusetts believes it. I do not believe the Senator thinks for a moment that is going to happen. I simply rose to show that such a thing could not possibly be. It was figured upon the basis of "if," and not upon the facts as they exist.

Mr. WALSH of Massachusetts. Of course, it was an estimate based upon the statement of the Senator from California.

Mr. SMOOT. The average annual importation of olive oil for the last 21 years was 6,500,000 gallons. That would be a duty, at the increased rate, of $3,500,000, or 3 cents per capita, and under the Underwood law the duty would be just one-half of that. That, of course, could not give any information to the American people as to what the pending bill would really cost because of the increase in the rate on olive oil.

Mr. KING. Mr. President, of course my colleague with his large experience knows that where there are importations and also domestic products and a tariff is levied, it reflects itself in the increased prices upon the domestic production. So that when my colleague says the importations during the 21 years were a certain figure he does not mean to state that the tariff imposed would not more or less reflect itself upon the domestic product.

Mr. SMOOT. The domestic product, I will say to the Senator, in this case is only 2 per cent of the consumption. Ninety-eight per cent is imported into the United States. That is why I called particular attention to this item. I thought it was not very fair even to intimate that the result would be the way it was stated by the Senator from Massachusetts. In other words, the reason why the statement was made—at least, I can not conceive any other reason—was to have the American people believe the pending bill would cost them $17,600,000,000.

The Senator knows that the entire production of everything in the United States is only $62,000,000,000, and that includes every item that is manufactured and every stage of manufacture; that is, the pyramiding of every manufactured article from the raw material to the finished product, which sometimes includes six or seven turnovers before it is in the finished product. With all of that, it is only $62,000,000,000. Of course, the Senator knows that it could not possibly be the amount he stated.

Mr. McCUMBER. Mr. President, I would like to ask the Senator from Utah, because possibly he has it in mind, what is the total income of all the American dealers? I am assuming that they are not spending more than their income, and it seems to me that this additional cost is almost equal to their income from all sources.

Mr. SMOOT. I would not want to say offhand, because I have not the figures in mind right now, but I think it was about $8,000,000,000 during the war.

Mr. KING. If my colleague will pardon me, it was between five and six billion dollars nine years ago, referring to the savings of all the people of the United States. The difference between the total value of production and that which was required in its production, available for investment, or the savings of all the people, was approximately $5,000,000,000.

Mr. McCUMBER. I thought it was in the neighborhood of something like $40,000,000,000.

Mr. SMOOT. Oh, no; the Senator is mistaken.

Mr. McCUMBER. But according to this estimate the entire income of all the people was $25,000,000,000.

Mr. SMOOT. I thought the Senator said profits.

Mr. McCUMBER. No; I am asking the amount of the entire income of all the people in the United States. They can not spend more than their income. According to the figures that are being given here, if we did not have any tariff it would not cost them anything to live. They would get everything free.

Mr. SMOOT. All the wages paid in the United States in all of the industries of every name and nature were $10,531,600,340. That is every cent of wages paid to every employee in every industry in the United States. I understood the Senator from North Dakota to ask what the profits were. During the war I think the profits were $8,000,000,000 in the United States, because that was the figure upon which we based our revenue law during the war period. Of course, they are not half that amount now.

Mr. WALSH of Massachusetts. It was not very long ago that the Senator from Utah was claiming that with a 3 per cent sales tax on the manufactured articles he could raise a revenue of $1,000,000,000.

Mr. SMOOT. Oh, no—$750,000,000; and that was on the completed article.

Mr. WALSH of Massachusetts. And exempting all farm products and all producers who produced products of less than $5,000 in value.

Mr. SMOOT. That is true. I am quite sure that can be done. That was on the basis of a turnover of $62,000,000. If the Senator will look up my speech of November 11 last, he will find exactly what the figures were. I simply rose at this time to show that such a thing as stated by the Senator from Massachusetts could not possibly be.

Mr. KING. Mr. President, the production of the United States in 1909 or in one of the years between 1909 and 1912—that is, the value of all the products of the United States of the farm and field and mine and manufacturing plant—was approximately $35,000,000,000. In the production of that aggregate sum $30,000,000,000 were required as the wage or price paid for the various materials entering into the value of the raw material or the completed product. So that at the end of the year there was only $5,000,000,000 saved and available for investment. The value of the products, as has been stated by my colleague and as was stated likewise by the Senator from North Carolina [Mr. SIMMONS] a few days ago, last year amount to approximately $62,500,000,000.

In part that enormous advance of which I spoke over $35,000,000,000 is attributable to the increased prices, and undoubtedly the products of the United States last year, in volume as well as in price, exceeded the volume and the price when the $35,000,000,000 registered the correct amount.

In the production of that $62,500,000,000 approximately all of it was used but $8,000,000,000 or $9,000,000,000. Our publicists and statisticians who are trying to familiarize themselves with the subject disagree, but I should estimate, judging by the ratio of past production to cost, that the savings would probably be $8,000,000,000.

Mr. President, with respect to the statement made by the Senator from Massachusetts [Mr. WALSH] and the statement which was made by my colleague [Mr. SMOOT] I desire to say that I think my colleague is right in stating that it is difficult to determine just what the additional cost will be annually to the American people as the result of the enactment of this bill into law; but assume that the bill perpetuates the present high prices, then undoubtedly its passage will result in costing the American people annually between $5,000,000,000 and $10,000,000,000, and perhaps more. I think it will be almost impossible to determine what the additional cost will be. It has been avowed, not by my colleague but by some who are defending the bill, that one of its objects is to perpetuate high prices. They do not say that in so many words, but that is the effect of their position. If we are to perpetuate these high prices, then the bill will cost the American people annually billions upon billions of dollars and the burden which will be imposed upon them no one can approximate; but it will be so great, Mr. President, that, in my opinion, they will be compelled to turn for relief from the party which enacted it to the party which is opposing it.

Mr. WALSH of Massachusetts. Mr. President, the figures which I used were suggested by the junior Senator from California [Mr. SHORTRIDGE]. I thought at the time he stated them that they were excessive as to the per capita amount of the proposed tax, but, in view of the fact that he was from the State which produces olives and was supporting the committee amendment, I thought my calculation might well be made upon the figures furnished by the man who ought to know best what the burden of the tax upon the American people would be.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the Committee on Finance.

Mr. KING. I ask that the amendment may be stated.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On page 25, paragraph 61, line 22, before the words "per centum," it is proposed by the Committee on Finance to strike out the numerals "15" and to insert the numerals "25," so as to make the paragraph read:

PAR. 61. Plasters, healing or curative, of all kinds, and court-plaster, 25 per cent ad valorem.

Mr. HARRISON. Mr. President, until about two days ago every other hour we had a lecture in the Senate from the distinguished chairman of the Committee on Finance, the Senator from North Dakota [Mr. McCUMBER], with the object of creating the impression among the people of the country that the Democrats were filibustering against the pending tariff bill,

If those who watched the proceedings on yesterday and to-day had any such idea, I am sure it is now dissipated. For about two hours this morning one Senator on the other side of the Chamber discussed the agricultural phases of the tariff, and the remainder of the time has been used, for the most part, by Senators on the other side of the aisle.

Mr. SMOOT. We were, however, speaking on the pending tariff bill all the time.

Mr. HARRISON. No; Senators on the other side of the Chamber were trying to defend the iniquitous provisions of the bill.

Mr. SMOOT. But, I repeat, we were discussing the tariff bill.

Mr. HARRISON. The Senator from Utah himself, like the old woman's snake—

> Has squirmed in and squirmed out
> And left the people all in doubt,
> As to whether the snake that made the track
> Was coming in or going back.

The Senator has not explained anything but is merely trying to get away from the charge that the distinguished Senator from Massachusetts has elaborated upon as to what the junior Senator from California on yesterday stated in reference to olive oil. That is the trouble. The whole situation here now is a mess; it is a muddle, because no Senator on the other side of the Chamber has explained the provisions of the bill. They merely want to delay its passage, of course.

Mr. SMOOT. May I say to the Senator——

Mr. HARRISON. In one moment I will yield to the Senator from Utah. Of course, we understand that the plan of the majority is to allow the consideration of the pending bill to occupy a long time in the Senate, to permit it to drag along for months and months, then the bill will go to conference, and it will then stay in conference during and until after the election. Then, of course, the big industries which are interested in the provisions of the bill which will cause delay in conference will be appealed to to help the Republicans retain control of the House of Representatives. Then Congress will adjourn without a tariff bill having been passed.

I wish to say, however, that if this tariff bill must be passed and forced upon the American people we want to see it gotten out of the way, and if the Senator from Utah and his colleagues on the other side of the Chamber will stop filibustering and unnecessarily delaying the bill, we will let them pass it and we shall get away from here, so that they will not be allowed to carry out their scheme of letting the bill die in conference while they extort from the large interests campaign contributions in order to elect the House of Representatives.

Mr. SMOOT rose.

Mr. HARRISON. Does the Senator from Utah wish to interrupt me now?

Mr. SMOOT. I will merely say to the Senator that I hope he is speaking with authority when he states that the Democratic Senators will allow the bill to pass. Up to the present time, however, I have not noticed any indication at all of a disposition on the part of the Democrats to do that. If the Senator from Mississippi had been present in the Chamber when we have been trying to explain various items, I think he would not have made the statement he has in reference to Senators on this side of the Chamber.

Mr. HARRISON. The Senator from Mississippi stays in the Chamber all the time. He tries to keep in close touch with the distinguished Senator from Utah. He likes the association.

Mr. SMOOT. I do not know that it is worth while now to take the time to read them, but I have here nearly two pages——

Mr. HARRISON. The Senator from Utah may do that in his own time.

Mr. SMOOT. I repeat, I have two pages here which will show who has consumed the time in filibustering, what has been done, and how it has all happened. I can read these memoranda if it becomes necessary to do so.

Mr. HARRISON. The Senator from Utah may do that after I have concluded. I have not yet spoken on the bill. I have sat here and listened to the Senator from Utah day in and day out and night in and night out. I have been merely waiting for a time so that I could recall some facts and circumstances to the Senator and his colleagues.

If they will heed me and follow my advice, I will tell them something that will set them right, because they are traveling to a fall too fast. We want this bill out of the way. We know what will be its effects and the condemnation you will receive as soon as its iniquitous provisions are ascertained.

The Senator from Utah will probably admit that this is about the worst tariff bill that has been framed by any committee of the Congress in the history of the Government. I understand the Senator from Utah did his best to remedy some of its defects; but I further understand that the Senator's advice as to many of the items was not taken, and consequently we have this mess and muddle before us. This tariff bill imposes the highest rates that have ever been attempted to be forced upon the American people. Of course, I may not restate that a tariff is but a tax, and if you think the American people will welcome more taxes you are mistaken.

Now, the Senate, I hope, will bear with me for a moment, and I want Senators on the other side of the Chamber to listen, because what I say may be useful to them between now and the election. In the Sixty-second Congress, in 1911, the Democrats obtained control of the House of Representatives by a majority of 68. The Republicans had been in control previously and had placed upon the people the Payne-Aldrich tariff law, with its obnoxious Schedule K. The majority in this Congress are so ashamed of that schedule, and are smart enough to change the letter or the number of that schedule in the pending bill, but they are not going to fool anybody by that. I repeat the Republicans had control of Congress in the Sixty-first Congress, but the Democrats had control of the Sixty-second Congress by a majority of 68. What did we do? We had won that election by appealing to the people to repudiate those gentlemen who had sponsored and advocated the Payne-Aldrich tariff law. It smelled to high heaven and was nauseating to all people who believed in equity, fairness, and justice. They did repudiate them and gave us control. We immediately went to work, and a tariff measure was one of the first bills that we passed.

I look into the classic countenance of my good friend from Iowa [Mr. CUMMINS] and remind him that he voted for that measure when it came to the Senate. I look into the bewitching and smiling face of my friend from North Dakota [Mr. MCCUMBER], chairman of the great Committee on Finance, and remind him that he voted for it when it came to the Senate. I refer to the farmers' free list bill. The Senator from Utah [Mr. SMOOT] did not vote for it, but the Senator from North Dakota and the Senator from Iowa did. That measure placed upon the free list plows, barbed-wire fencing, bagging, ties, and similar commodities in order to relieve the situation which confronted the farmer, for we really wanted to help him. The Senator from Utah apparently did not want to do that, but the Senator from Iowa did, and the Senator from North Dakota did. We passed that bill in the House. As I have stated, we had 68 majority, but we passed it by 127 majority. All the progressive Republicans lined up with us and voted with us for that bill. Some progressive Senators, who now are not so progressive as they were in former days, voted with the Democrats and the bill was passed in the Senate, but a Republican President [Mr. Taft] vetoed it.

The Senator from Utah will recall that in the same Congress the Democrats passed a bill which reduced the rates on wool 40 per cent. The Senator from Iowa voted for that bill when it reached the Senate, and the Senator from North Dakota also voted for it. Does that statement surprise Senators? It finally passed the Senate and went to the same President who vetoed it. We passed through the House at that time by a large majority a bill reducing the rates on cotton goods 38 per cent, as I recall, and again the Senator from Iowa and the Senator from North Dakota in the Senate voted for the reduction, and the bill was passed.

Then what happened? We went before the American people in the following election asking approval of our course in Congress in passing that legislation, reducing the high tariff which had been placed in the Payne-Aldrich tariff law by the Republican Congress upon the necessaries of life, including agricultural implements to the American farmer. What happened? How did the American people respond? Did they repudiate us? No. From a majority of 68 in the Sixty-second Congress we came back with a majority of 163, and made a gain in the Senate, overturning control of that body by the Republicans from 11 majority to 7 majority in our favor.

The cost of living was high in those days, but it was not one-third as high as it is to-day. In the last campaign—the campaign of 1920—the Senators on the other side talked about the high cost of living. I have heard the Senator from Utah talk about it here and all of you on the hustings promised to reduce it; but what are you doing toward reducing the high cost of living? Can you do it by placing a tax upon bread, meat, flour, and similar commodities? No. You propose in this bill to tax the toys and the joys of the little children; you propose to tax the shawls and the sorrows of the aged women. I even heard a Senator on the Republican side advocate the other day a tax on the chalk which the little schoolboy and schoolgirl needs to write

their lessons upon the blackboard. Hungry mouths get no relief from this bill, but the Republican majority goes down the line and protects by this bill everything in utter forgetfulness of the consumers of the country.

I want to read to you, because it is apropos of this discussion, what a distinguished Progressive—he was called a "Bull Mooser" in those days—said in speaking of the Payne-Aldrich tariff law. He said it to the American people, and it was printed in the Saturday Evening Post. It was back in 1913. You Republicans had better take some advice. On June 28, 1913, this article was printed in the Saturday Evening Post. It was on "The Progressive-Republican merger." This gentleman has recently won in a contest in Indiana over one who has been faithful to this administration, who is a splendid gentleman and conscientious statesman; but this man, whom I shall quote, is now the nominee of the Republican Party for the Senate in Indiana, and here is the way he talked about some of you fellows and your party back in 1913. I think he used the name of the distinguished Senator from Utah [Mr. SMOOT] in this article. If he did not he was talking about him, because no one could speak of reaction in the Republican Party without having the Senator from Utah in mind.

Here is what Beveridge said in this article:

True, some Republicans and some Democrats favor this Progressive Party principle; but the majority of both Democratic and Republican leaders are against it. Mr. LA FOLLETTE is for it and Mr. LODGE so unalterably opposed to it that he gave this as his excuse for deserting his personal friend and greatest benefactor, Colonel Roosevelt. Mr. CUMMINS is for it, but Senator Root thinks it will break down our Government.

Then he goes on to say that a party could hardly exist with men of the type of SMOOT and BORAH in it at the same time. Here is what he said, talking about the tariff, and that is what I want to read to the Senate. He was speaking at a time when the tariff question was rife before the American people.

What then? Does anybody imagine that people who have thus been so fooled and wronged will not strike down the party which has promised all this and not made good? Of course they will.

He is talking about your party now.

What will the people then do? If they turn to the Republican Party, that party will say that at least the people have indorsed the Payne-Aldrich tariff bill; at least Mr. Taft's statement at Winona that the Payne-Aldrich bill was the best ever passed has been proved to be true. That is what the Republican Party will say, and that party will have a right to say just those things. Its leaders are saying just those things right now by way of prophecy. So if the people in their disappointment and despair turn to the Republicans the latter will give us another dose out of the same bottle from which they dosed us with the Payne-Aldrich tariff bill.

I do not know whether this part of this statement was put in pamphlet form and circulated in Indiana in the recent primary campaign or not; but evidently they knew that you were discussing the tariff down here and framing a bill that was worse than the Payne-Aldrich tariff law, and they knew that this man had made that expression and they nominated him as your candidate for the Senate in that State.

We should have again the same one-sided and worthless hearings; the same star-chamber caucus methods; the same framing of a bill by a few men, with the unjustly favored interests in the background; the same slugging of the bill through Congress; the same outrages and injustices in the end.

That is what Beveridge said in 1913 would happen again should the Republican Party get control of the Government.

The only difference would be that the Republican Party will feel licensed to be more extreme than ever, for it will reason that the people, tired and exhausted with this endless tearing down and building up of tariffs, will stand for anything rather than see it continue.

He says further:

You see, Americans are the only people on earth who can afford a government by politicians. We are so few in numbers and so wealthy in resources that we can manage to get along with politician-made tariffs and dark-lantern tariff methods. But ought we go on with such tariffs and such methods just because our wealth is so great and our numbers so few that we still can live in spite of such tariffs and such methods? The Progressive Party believes that we ought not.

And he further says:

And we are at relentless war with the present-day Republican doctrine of a guaranty of profit to manufacturers.

Oh, if he were here now, would he employ those words in indicting your party and in opposing this bill?

Such an idea never was heard of before the Taft-Aldrich-Root-Lodge combine forced it into the Republican platform.

Let me read that again. That is a wonderful expression:

And we are at relentless war with the present-day Republican doctrine of a guaranty of profit to manufacturers. Such an idea never was heard of before the Taft-Aldrich-Root-Lodge combine forced it into the Republican platform.

He could have employed the name of the distinguished Senator from Utah [Mr. SMOOT] in that connection, but he did not.

Why not guarantee profits to farmers and barbers and doctors and lawyers?

Some day, when I do not want to take up too much time of the Senate, I am going to read the rest of this speech to you. It is interesting at this time.

The Senator from Idaho [Mr. GOODING] talked about this bill doing something for the farmers. We did something for the farmers. Our record was made when we placed plows and tooth and disk harrows and headers and harvesters and binders and reapers on the free list in the Sixty-second Congress, and they have stayed there ever since; bagging for cotton, gunny cloth and similar fabrics, barbed-wire fencing, hoop or band iron and steel, leather, boots, and shoes. Yes; you were going to reduce the high cost of living. What is higher, what tax will bear down heavier, than the tax that you are placing on shoes and boots, that the poor people over this country will be forced to buy? Why, if the honest laborer to-day who is making two and three dollars a day has five or six children and has to go to the store to purchase some shoes for them, how can he do it? And yet, with the high price of shoes that is now existing, you propose to make the price still higher.

Beef, veal, mutton, lamb, pork, meats of all kinds, were placed upon the free list in the Democratic measure. But you change it by the proposed bill and lay the heavy hand of taxation upon all these necessities of life.

Flour and corn meal were on the free list, and if he needed a home we placed shingles and lumber upon the free list; and yet you propose in this bill to tax these things; aye, you tax even the crust upon the lips of the hungry, and yet you are going to have the audacity, with such a record, to go before the American people in the coming election. What they will do to you you will see. The landslide of two years ago will be but a molehill by the side of what will happen in that election.

Friends of the people? Why, you are not thinking about anybody but the huge manufacturers and special interests of the country that you permitted to come behind closed doors and tell you what to do. The record shows that the chairman of the Ways and Means Committee of the House, when these manufacturing interests and representatives came before them, asked them, "How much tax do you want us to levy?" and the bill shows that they got about what they asked in every instance; and you, in instance after instance, have gone further and increased the tax.

Let us see what you are going to permit the American people to get free of tax. It shows your generous spirit, your kindly disposition, your interest in behalf of the consumers.

I notice, first, that you are going to let them have "sand." That can come in free under your bill.

You are going to give them "fish sounds." They may be either "crude, dried, or salted," but "fish sounds" can come in free.

Then you have put on the free list "dried blood." Well, who wants "dried blood?"—and yet you permit that to come in free.

Then "bones." You let "bones" come in without any tax.

I go through the bill and I see "Brazilian pebble." You let "Brazilian pebble" come in without a tax. Who knows what it is?

Then "bristles." They have to be "crude bristles," or they can not come in free, but if they are "crude bristles" they can come in without being taxed.

"Cuttlefish bone," "dried insects," "stems" of vegetables and flowers can come in free. I do not understand how these things escaped.

"Bird eggs" and "fish eggs" and "insect eggs" can all come in free of tax, and "fishskin," you permit that to come in.

"Fossils," "dragon's blood," "horsehair," and "cattle hair" can come in free.

"Hoofs," "unmanufactured hoofs," can come in without tax.

"Old junk." If it is new junk it can not come in, but if it is "old junk" no tax under this bill can be levied on it.

"Leeches." You permit "leeches" to come in without tax.

"Lodestones." I do not know whether you let "loaded dice" come in or not, but you are playing on the American people "loaded dice" in this bill that you are passing.

"Marrow," "crude marrow." That can come in free of tax.

"Seaweed." Of course seaweed drifts in. They are not going to tax "seaweed."

"Nux vomica." The American people will administer you a dose in the coming election if you pass such a bill as this.

"Rags," "shavings," "old paper," "rope ends," "waste rope" and "waste bagging," "old gunny cloth," and "old gunny bags." All those things can come in free.

"Sausage casing" and "bladders."

"Skeletons." You do not tax them.

"Spunk." I wonder if you tax nerve.

"Teeth." If you pass this bill and levy these exorbitant taxes on the consuming masses, they will not need any "teeth," be-

cause they will not have anything with which to buy the necessaries of life.

Mr. CARAWAY. I hope the Senator will not overlook the fact that "joss sticks" are also on the free list.

Mr. HARRISON. Yes; I was about to omit that. "Turtles." "Wormgut" also.

So that is the free list the American people are going to get. Those are some of the articles that may come in free of tax under the beneficent provisions of this bill. I received a letter the other day to which I wish to call attention. It seems that some big manufacturing plant, the Phillips Co., of Chicago, wrote a letter to the Peru Plow & Wheel Co., and the Peru Plow & Wheel Co. answered them. The Phillips Co. had a sprinkling system they wanted to sell to their correspondents, and here is the copy of the reply they received. It is very interesting, and if Senators will just follow the suggestions in this letter it will be well for them:

APRIL 5, 1922.

The PHILLIPS CO.,
718 The Temple, 108 South La Salle Street, Chicago, Ill.

GENTLEMEN: Your valued favor of the 28th ultimo received.

We thank you heartily for keeping us in mind for a fire-prevention or sprinkling system, and when we buy you shall have the first opportunity. However, manufacturers have now a far surer system of "putting out fires" than those you advocate; a system that has been thoroughly tried and tested for the last three and a half years and never once has been found lacking or inefficient.

They began to manufacture these in the fall of 1918, and they have put out the fires of practically every manufacturer in the United States. This same combination, known as the Incorporated G. O. P., has not only put the fires out of factories and furnaces but have ruthlessly and cruelly turned 5,000,000 honest, beguiled American workmen into idleness—yes, more, snatched the food from the children's mouths and torn the clothes and shoes from their little bodies—made loafers of honest workingmen.

There is but one fire extinguisher, and it is so easily operated that its head plays golf half of the time, and in a recent speech stated that he felt he had been our President for 20 years. Lord only knows, I feel he has been my President for 20 years; the lines in front of the soup houses feel he has been their President 20 years; the man that got what he voted for in 1920 feels he has had him 20 years; and I venture to say that your good concern feels itself that he has been your President for 20 years. Times do seem long when we are miserable, but remember when the bright and hopeful lights for prosperity are again kindled by honest Democrats, and the flames flare in the ruddy faces of the firemen and engineers, then we will have use for your kind of fire extinguishers, and not until then.

Yours in the Lord,

PERU PLOW & WHEEL CO.,
By D. W. VOORHEES, *President*.

Mr. President, I shall not take up any further time of the Senate. I hope that the advice I have offered will be accepted, this filibustering upon your part stopped, so that we can get along with this bill.

Mr. McCUMBER. Mr. President, I suppose we will reach the millennium when we can raise $4,500,000,000 a year, necessary for running the Government, without taxing anybody to pay it. I suppose we will all be equally happy when foreigners furnish everything we wear and eat and the American people furnish none of it. But until that good Democratic millennium comes, I think we had better take the situation which confronts us and begin the consideration of a bill which will help us to take care of some of the indebtedness which we must immediately meet.

The funny man of the Senate has given us an address just now upon the free list. The gallery enjoyed it, as he enjoyed telling it. The only trouble was that the Senator made a mistake. He got hold of the wrong bill, and was reading the Democratic free list. Every one of the articles the Senator was having such a funny time about is upon the Democratic free list in the present law. He told us all about fishskins and free fossils. Yes; those are in the Underwood law. He told us about dragon's blood. Yes; that was made free under the Democratic tariff law. He told us about the hair of horses and cattle. Yes; and hides, raw, and whetstones, and unmanufactured hoofs, and joss sticks, and old junk, and leather, and half a thousand other things; and he followed right down the paragraph here which the Democrats put upon the free list, things which have always been upon the free list, and which the Republican tariff makers left upon the free list.

Mr. HARRISON. If the Senator will permit, if he will go a little further on the Democratic list he will find that cotton bagging and ties were on the free list, National cash registers were on the free list, and many other things which are not on the free list in this bill.

Mr. McCUMBER. Oh, Mr. President, we took some things off the free list——

Mr. HARRISON. You took most of the things off the free list.

Mr. McCUMBER. Which the Democrats put on the free list; but we left leeches, just as they put them on there, and we left joss sticks, because we thought if it pleased our Democratic friends to have joss sticks upon the free list we would continue it for their dear sakes. We left old junk upon the free list because they seemed to be married to it and wanted it, and they got it; and now, for Heaven's sake, let them quit kicking about it. They put it there themselves. They put every one of these things upon the free list about which they are talking at the present time. I do not think they would bring in a great deal of revenue, consequently we left those for their dear consolation; and now let them take all they can out of it.

In the meantime let us get at this bill. We have been here now nearly five hours to-day and have not voted upon a single item. If any of our duties are too high, vote them down; change them. We think they are fair. We do not think a 25 per cent ad valorem on general drugs, and so forth, will add very materially to the cost which only the consumer will pay when he gets a prescription filled.

Mr. WALSH of Montana. If the Senator will permit, I desire to advert in that connection to the fact that the discussion to-day was precipitated by general political discussion and tariff discussion by the Senator from Idaho [Mr. GOODING]. Senators upon this side felt called upon to respond to some of his political observations.

Mr. McCUMBER. They were discussing what was in the bill, I will have to admit, and they have to get that out of their systems some time, and these speeches will be made; but now, since we have spent five hours to-day, it seems to me we might get back to the bill itself.

Mr. WALSH of Montana. I thought so, and so I desired to remark that the discussion which prevented the vote which the Senator so much desires was precipitated from the other side of the Chamber.

Mr. McCUMBER. Mr. President, I am not complaining about which side started it, as long as the speeches are on the tariff, but I think we are wasting time discussing whether leeches ought to be free or taxed, or some other things ought to be free or taxed, which have been on the Democratic free list ever since there was a Democratic Party.

Mr. NELSON. Mr. President——

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. McCUMBER. I yield.

Mr. NELSON. I was listening to the articles on the free list enumerated by the Senator from Mississippi. I was much surprised that he did not call attention to ice, for that is on the free list.

Mr. WILLIAMS obtained the floor.

Mr. SPENCER. Mr. President, I can not agree with the Senator from North Dakota in characterizing the distinguished Senator from Mississippi as the funny man of the Senate. I was particularly impressed by what the Senator from Mississippi said as to the wishes of the other side of the Chamber to vote upon the pending bill, and the strong and eloquent manner in which he characterized the delays as coming from this side of the Chamber. I believe in the absolute sincerity of what he said, precisely as I do always when he speaks upon any political question. He is not a member of the Finance Committee, nor am I, but evidently he speaks with some authority, which authority perhaps I lack. I now ask him to join with me in a request for unanimous consent that on the 1st day of June, unless he desires another date, we shall proceed to vote upon every pending amendment, and every amendment which may be offered, and every other matter in connection with the bill, and upon the bill itself, without any further debate.

I suggest the absence of a quorum, and will call up the unanimous-consent request as soon as the quorum is present.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gerry	McCumber	Shields
Ball	Gooding	McKinley	Simmons
Borah	Hale	McNary	Smoot
Brandegee	Harris	Moses	Spencer
Bursum	Harrison	Nelson	Stanley
Capper	Hitchcock	New	Sterling
Caraway	Johnson	Newberry	Townsend
Colt	Jones, Wash.	Nicholson	Underwood
Cummins	Kendrick	Norris	Wadsworth
Curtis	Keyes	Oddie	Walsh, Mass.
Dial	King	Page	Walsh, Mont.
Dillingham	Ladd	Phipps	Watson, Ga.
Elkins	La Follette	Pomerene	Williams
Ernst	Lenroot	Ransdell	Willis
Fletcher	Lodge	Rawson	
Frelinghuysen	McCormick	Sheppard	

The VICE PRESIDENT. Sixty-two Senators have answered to their names. There is a quorum present.

Mr. SPENCER. Mr. President, I now ask unanimous consent that upon the 1st day of June following, unless an earlier date is proposed, the Senate shall proceed to vote without fur-

ther debate upon every pending amendment, upon every amendment that may be offered, and upon the bill itself.

I may say to the Senate in a sentence, because it is by the courtesy of the Senator from Mississippi [Mr. WILLIAMS] that I am now speaking——

Mr. WILLIAMS. The Senator is not speaking by my courtesy. I have not yielded to him. The Senator is making a mistake if he puts it on that ground.

Mr. SPENCER. Perhaps that is true. The reason why I make the request at this time is because the junior Senator from Mississippi [Mr. HARRISON] stated in a very forceful manner, which impressed me exceedingly, that the cause for the delay of the tariff bill was on this side of the Chamber, that upon the other side of the Chamber they are anxious to vote to dispose of the tariff bill and get away. Therefore I ask for the unanimous-consent agreement which I have suggested.

Mr. BORAH. Make it not later than the 1st of June.

Mr. SPENCER. Yes; not later than the 1st of June.

Mr. WATSON of Georgia. Mr. President, I object to any unanimous-consent agreement of any kind at this time.

Mr. WILLIAMS. Mr. President, just for the sake of getting before the Senate myself, I object to the request for unanimous consent for the moment, at any rate.

I am a little bit afraid that the Senate may have forgotten what we were talking about. There has been a labored attempt this morning upon the part of the Senator from North Dakota [Mr. MCCUMBER] and the Senator from Missouri [Mr. SPENCER] to "damn my colleague with the faint praise" of being "a funny man." I do not think my colleague ever was funny. I do not think the other side of the Chamber regards him as being very funny. I notice that they take very seriously pretty nearly everything he says.

I am very fond of the Senator from North Dakota, as fond of him as I am of any man on that side of the Chamber, but certainly he could never be dubbed a funny man even by his worst enemy nor a judge of who was funny. It would be very difficult indeed for any human being with an ordinary sense of humor to find the Senator from North Dakota even amusing, much less humorous.

As to the Senator from Missouri [Mr. SPENCER] he has wittingly taken the place that he sought to give to my colleague. This body will not forget to remember that it was the junior Senator from Missouri who wanted to hurry up proceedings in the Newberry case and have the debate cease before the country could find out what had happened in Michigan in that election. Now he is engaged in the same old business of trying to close debate before the country can find out what is in another—this tariff bill. I do not mean what is in it in detail as to every duty. The country would not find that out in five years, and would then find it out only by experience. I am merely emphasizing the fact that the Senator from Missouri has assumed the place which he chose to try to give to my colleague. He is when tried by his recent request for unanimous consent par excellence the funny man of the Senate.

Whenever the debate gets too close for the Republican Party, whether upon a contested-election case or upon a tariff bill, there comes to the front, with the appearance of a Presbyterian elder—so serious is his countenance—the junior Senator from Missouri, and solemnly proposes that we now proceed to vote. Of course, the Senator from Missouri does not care whether we proceed to vote or not. He does not know enough about the bill to know whether we ought to proceed to vote or not. He merely intended to be funny, and he was. He was funnier than I imagine my colleague could possibly be under any circumstances whatsoever, even in the imagination of the Senator from Missouri, and his imagination is one of the funniest things I have ever come in contact with during 30 years of public life.

Now, Mr. President, to come back to the Senator from North Dakota [Mr. MCCUMBER], for whom I have a real, an earnest, and an honest, good opinion; I would not select him as a judge of who was "a funny man," because he has not sense of humor enough to be a judge of who is funny, outside or inside of himself even. He is a regular bonny Scotchman, and what old Samuel Johnson said about the race is true about him. It will be remembered that Sam Johnson said if you wanted to get a Scotchman to appreciate a joke, you had to split his skull with a hatchet and put the joke inside bodily. That is about the situation of the Senator from North Dakota as regards humor, particularly or generally, generically or specifically. So if he were the only man in the world to pronounce my colleague to be "a funny man," nobody would pay any attention to the indictment, because the Senator from North Dakota is the least qualified of all possible grand jurors to bring in the indictment.

Now, a few words seriously about the pending bill, and I am talking about it seriously. The Senator from North Dakota said one thing that aroused my attention and made me take my feet. He said, in substance, that he wanted a bill that would "put money in the United States Treasury." I am not quoting him literally, but I am quoting the meaning of what he said. Mr. President, if there ever was a bill brought before the Congress of the United States whose intention was *not* to put money in the United States Treasury this is the bill. It is brought here for the purpose of putting a stop to importations, and unless there be importations there can be no duties collected upon importations, and therefore there can be no money put in the Treasury of the United States through this particular vehicle.

There have been various theories of what a protective tariff ought to be. All of them have been wrong, because there ought not to be any protective tariff at all. A man who can not make his living by the sweat of his brow or the ingenuity of his intellect or the inventiveness of his genius ought not to appeal to the Government to frame its laws so as to give him an advantage over the foreigner who has intellect, who has genius, or who has productive capacity. There is only one excuse ever given that has justified a protective duty upon any article, and that was the excuse given by John C. Calhoun. The things absolutely necessary for self-defense in war ought to be protected to the extent of giving an opportunity to produce them, so that the country should not be defenseless in war. That is the only good reason ever given for a protective duty upon any subject matter. The balance of it is bare beggary, a bare confession of pauperism, a bare admission that the man asking it is unable to make his own living in competition with the world.

Mr. President, for a great people like this, abounding in invention, abounding in adventure, abounding in mental capacity, to use the natural resources which are abundant in the country for self-enrichment, is nonsense. All this talk about our paying superior wages is nonsense. Why, Mr. President, we paid them before we were an independent country. When we were still colonies we paid three times the wage that was paid in Great Britain. We paid it and we prospered, not only without a protective tariff against Great Britain and the balance of the world, but when Great Britain was restricting our manufactures by laws prohibitive of their operation. Australia has done it; Canada has done it; every new country has done it. Every man who has any sense at all knows that high wages are due to cheap land and abundant land, that the two run in inverse ratio to one another, and that it is a habit of new countries to pay high wages, and the habit of overcrowded manufacturing countries gradually to reduce wages to the starvation point or very near it, at least to the point where the laborer can barely get a decent profit and maybe educate his children. So that has nothing to do with it.

Mr. President, a bill that "wants to put money in the Treasury" by stopping importations, by putting an end to the very utmost limit of legislative ability to all importations in the United States, is a self-evident absurdity. A bill which will put money in the Treasury would answer the purposes of one of the theories of a protective tariff, the theory of which the distinguished senior Senator from Alabama was the original father.

He was the father of the idea of a "competitive tariff," as he called it. I never believed in it, but still it is the only sort of protective tariff that may be justified. What does a competitive tariff mean? It means a tariff that will put our producers upon competitive ground with the foreigner. A tariff that goes higher than that gives to our producers an advantage that shuts out competition is not competitive. When it shuts out competition it shuts out imports, and when it shuts out imports it shuts out revenue. Do Senators think that my good friend the Senator from North Dakota [Mr. MCCUMBER], whom I value very highly, with his Scotch honesty would get up and tell me that this bill was intended to provide a "competitive tariff"; that it was to give to the foreigner a chance to compete with our producers while our producers could compete with him? If I went further and said that his bill not only shut off competition but enabled the American producer to make a monopolist of himself and his adventures, he might deny that, because that is not his intention; but he will not say that he believes that this bill gives a fair chance for competition between foreign and American producers, with an opportunity for the American consumer to buy from one or the other at his will at a fair price. That is not the object of the bill. The object of the bill is to close competition.

I said there were several theories of the protective tariff. One of them is the competitive theory, which my friend from Alabama for the nonce assumed more for the sake of argument than of anything else, and it was a theory which he said was

at the root of the Underwood-Simmons bill. Even that was a protective bill in the main features.

Then there is the old idea of protecting infant industries. The only trouble about that is that the industries got to be older than the idea itself after a while and that some of them never did become of adult age. I do not know of any that ever have from the beginning of time reached adult age, from sugar in Louisiana down to cotton goods up in Massachusetts.

They start with the idea of being raised on the bottle while they are very young, but they insist upon increasing the size of the bottle and the richness of the milk as they grow older. That is true as to every one of them.

Mr. President, the Senator from North Dakota says, and says very truly, that we are in a bad fix financially, and if modern patriotism prevails amongst "our boys" and they get a bonus—how much is as yet unsettled—we shall be in a worse condition financially. There is a strong appeal to each of us, if we can, to put money into the Treasury. So far as import duties are concerned the only way of putting money into the Treasury is to let the imports come in and collect the tax on them, unless we are going to levy an internal tax upon exactly the same products. My friend from North Dakota knows that the object of this bill is *not* to put money into the Treasury. He knows that the effect of this bill will be to keep money out of the Treasury; he knows that *the purpose* is to stop importations; he knows that the effect, if the purpose is carried out, will be to stop payments into the Treasury. So that defense of the bill as made by its friends will not do a little bit, whether a man has the sense of humor or whether he has not. That pretense of putting money in the Treasury will not pass for a fact or for a joke, either one.

Now, here we are in this fix: We can not balance our Budget, even this year, and we have a soldiers' bonus threatening us from the so-called "patriotism" of every boy, who calls himself "a veteran," who went abroad and fought for his country, and now wants to collect, and wants to collect in cash. If he collects in cash we not only can not balance our Budget this year, nor next year, nor the year after next, but we can not balance it for 20 years to come, unless we tax the people to death at home.

We are told that all of these tariff taxes are paid by the foreigner. Well, if so, then, for God's sake, let us tax the foreigner and let him pay these taxes that we need for the soldiers' bonus and for various other things that are certain to come after a while. Of course, however, there again Senators would usurp the place that they sought to give my colleague [Mr. HARRISON] and are speaking merely as funny men. Of course, they know that the foreigner does *not* pay the tax. There is a sense in which the foreigner suffers, and that is by the inability to export to us because we will not let him import to us, but he does not pay the tax on the stuff that does come in. The consumer pays that.

The foreigner may suffer a loss on that part of it that *can not* come in, but he does not pay the tax on that which *does* come in.

Now, here we are in this bad fix in the Treasury. It is going to get worse, too, because just as sure as fate, if a cash bonus bill comes before these two Houses of the National Legislature, composed as they are of men of ordinary weaknesses and of ordinary political ambitions, it is going to pass, and the President will have to have the courage to veto it if it is not to become a law. I shall not say beforehand that he will not have the courage because he may have it; I do not know; but it will be an immense strain upon a purely political conscience to expect him to do it, and I rather imagine he will not.

But that is not all. With the world owing us $11,000,000,000—a world which has neither cash nor credit wherewith to pay; having nothing but commodities; nothing but the things that it can produce on the farm or in the factory or in the mine—we are confronted with this bill which says to them in effect: "It is true you have no cash, and it is true you have but little credit, and what credit you have we must extend, for the balance of the world can not extend it, because it has not the financial ability, and if we extend it we must extend it on security and you have no security. It is true that the only way you can pay is from the produce of the farm and the mine and the workshop. We decline to let you pay in that way. We isolate ourselves from your products and your products from us. What we demand is a pound of flesh, and we will not have any blood with it, either; it must be pure, unadulterated flesh—gold flesh. We are standing upon a mountain of gold, and we do not want it to get away from us.

"We do not want to pay you anything; we want to trade with you in the way of having you buy all that we produce at a good profit, without having to buy anything from you, whether with or without a profit. We are going to shut you out of our market to the very fullest extent of our ability." That is the situation.

Mr. President, I always did scorn to go into the details of the rates of one tariff bill as compared with another. It was always sufficient for me to know that a rate was high enough to give some citizen of the United States, through the exercise of the taxing power, an unfair advantage over the great body of the American consumers. That was enough for me, and I never cared a baubee about discussing an x duty, a 2x duty, or a 3x duty upon apatite or upon something else in the chemical schedule.

I am just reminded by a note from some colleague that my friend the Senator from North Dakota [Mr. MCCUMBER], in his report, does not even claim that the pending bill will put more money into the Treasury. I do not myself make that statement, because I have not examined the report sufficiently to know, but, at any rate, I am inclined to believe it is true, for I know that the Senator from North Dakota is not the sort of a man to make any claim which in his opinion is not true, and I am inclined to believe that, even in his opinion, it is not true that this bill can result in any increase of the revenue of the Government.

Mr. President, what is the Treasury of the United States? Very frequently people speak of the Treasury as if it were a sort of independent entity of some description that has nothing to do with the citizen. A dollar can not get into the Treasury unless it be taken, after subtracting the cost of collection, out of some citizen's pocket. Every tax is an evil; it may be a necessary evil, it may be a justifiable evil under certain circumstances, but it is still an evil, and an import duty is as much a tax as any other description of tax that can be levied by any Government at any time.

How are the people who owe us $11,000,000,000 going to pay us? They have a fool notion in Europe that somehow or other they are going to borrow from us the money with which to pay us. Of course, they can not do that. Our Government is not going to lend to the Governments of Europe any more money; that is something distinctly impermissible, except during war, and it is not going to happen. Is anybody in Europe crazy enough to imagine that the American capitalist is going to let one squeezed dollar go from his fist unless he can find some opportunity of getting it back with an increase and a security to make him believe that he can get the principal back? And can any man blame him? Capitalism is his business, and increasing his capital is a part of his business. While I would dislike to be one of them, and thank God that I do not have to be, at the same time when one becomes a so-called business man he has got to be a business man, and "business is business," as the saying is. How in the name of common sense are we going to increase our trade with the world by shutting off their products in our market? How in the name of common sense are we going to increase the ability of our debtors to pay us their honest debts by declining to take the products which are the fruit of the sweat of their brow and the result of their intellectual ingenuity? Now, how?

Mr. President, there have been parties in this country, there have been parties in other countries, who in the presence of great emergencies have made asses of themselves, and I do not say this with a particle of bad feeling, because there is nothing personal in it. I merely say that the party in all the history of the world which, faced by a given situation inviting human solution of a world-wide, human problem, has made the greatest ass of itself, is the present existing Republican Party. Faced with a deficient Treasury, faced with debtors that can not pay us, faced with a bankrupt world, faced with restless labor and restless social conditions all over Europe and Asia, and partially in America, faced with a fluctuating exchange, called upon to solve these problems, they do it how?

Faced with an unstable exchange growing out of the fact that all trade is one way, called upon to solve that problem, how do they undertake to do it? By saying to the debtor: "We will not let you pay in anything except cash. We can not give you credit unless you give security, and you have none, or but little," and by saying to a world where there is immense unemployment of labor: "Your salvation, it is true, lies in the reemployment of your labor, in making things and growing things and doing things with a profitable result, so that out of the product of your labor you can get cash or credit; we know all that, but we refuse to receive the products of your labor. You are nothing but foreigners." Why, "we deny that we live on the earth equally with you. God did not make us all at the same time. I have no debt toward you. I have no obligation to help you in your trouble. God made me specially on a Monday and neglected you until the next Saturday, or some other time." Like the ancient Greeks and like the ancient Romans,

we look upon all foreigners as barbarians, and there is no particular reason why we should trade with them unless they want to buy from us and pay cash and not by any means sell to us. "That is a hard job right now, because I have all the gold, a whole mountain of it, and I am sitting on top of it, and I am not going to slide down it for fear I might disturb a few pieces and might lose them."

Mr. President, what is the use of entering into details about a thing of this sort? What is the use of calling my colleague a funny man? Especially, what is the use when he is called a funny man by people who have no sense of humor at all? If they had any sense of humor, they would see that it is not a question of a funny *man;* it is a question of a funny *thing*, a funny bill, a funny act, a funny piece of legislation, a funny and curious attempted solution of a live, world-wide problem. It is world-wide. You can not get rid of it. There is only one way to solve it, and that is by mutual helpfulness; and if you attempt to isolate yourselves, not only politically but economically and in every other way, how can you help the other fellow to meet his obligations?

Mr. President, I have heard of so-called free-trade tariffs—of course, there never was one, because "free trade" means no tariff—I have heard of competitive tariffs; I have heard of mildy protective tariffs; I have heard of severely high protective tariffs; I have heard of all sorts of methods of curing the existing exchange trouble; I have heard of all sorts of propositions, as wild as a hyena in moonlight, of lending money to our foreign debtors in order to have them pay it back to us, and somehow or other extinguishing the debt by the reloan; but there is not a particle of sense in any of it. It is utterly impossible to help the situation in this way.

One more word: Speaking for myself alone—I am not speaking for others; I recognize the fact that I have about reached the stage of my parliamentary career when I can not speak for anybody except myself—but as far as I am concerned, speaking now as a partisan, throwing aside the interest of the country for the time being, replying to the challenge that has been thrown down to me and others as a Democrat, I wish, if this bill were to pass, that it would pass to-day.

If it were done when 'tis done, then 'twere well it were done quickly.

I wish it could be passed in time to let the American people feel the heel of it on their business before the election. The only thing I am afraid of as a partisan Democrat is that it will pass so late that its effect can not be felt, and that some Republican speakers will go out and deny that it will have any bad effect, on the ground that it has not been able to have it in two or three weeks. That is all I am afraid of about this bill as a partisan, because if there ever was anything surely written in the book of fate it is that the Republican Party is pursuing its old self-destructive course, only it is taking longer and quicker strides.

It never won a victory in this country upon any subject, no matter what the issue was, whether it was gold monometallism, whether it was Philippine annexation, whether it was anything—it makes no difference what—without obeying the voice of its commanders and masters and purse holders and contributors and proceeding at once to raise the tariff rates; and it never but twice in its entire history has raised them without suffering defeat in consequence of it at the next general election. It is going to do it now, provided everybody on both sides will let this bill pass in time enough to let the people feel it before the election.

Mr. McCUMBER. Mr. President, I have no doubt that my good friend the senior Senator from Mississippi [Mr. WILLIAMS] has often heard some one, possibly in an adjoining room, singing most lustily, and he has wished to God that he were deaf, at least temporarily. Possibly the good lady who had been splitting the skies with her shrieks would say that the Senator from Mississippi had not a true sense of music. That is a question for the Senator from Mississippi and the singer to settle between themselves; and so it often happens that when some of my good friends think they are humorous I thank God for my Scotch dullness that is unable to understand their particular kind of humor. Sometimes I think that they mistake hilarity for humor. They get confused. They are like a drunken man who thinks he is humorous and tells me that he is a humorist, and I say: "No; you are drunk." It is a difference in the viewpoint. It is a difference in our idea of what constitutes humor.

The filly colt kicking her heels skyward may think that she is a humorous little animal. I think she is simply hilarious, feeling good, and wants to show how she feels. It is simply a question of the viewpoint. If I can not join in that kind of humor, I suppose I shall be accused of having a dull Scotch intellect; but, after all, it is a question of what you call humor and what you call sense.

Mr. WILLIAMS. Mr. President——

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Mississippi?

Mr. McCUMBER. I yield.

Mr. WILLIAMS. This is another tribute to the genuineness of my friend's Scotch descent. As I understand him now, he is not only pleading not guilty to the charge of not being sensitive to humor but he is also arguing that there is no such thing. That is just what Sam Johnson said about him.

Mr. McCUMBER. No, Mr. President; I am arguing that I think I understand the difference between humor and mere hilarity, and I do not think it is just exactly the kind of a subject to discourse upon at any length on any kind of a tariff bill.

The junior Senator from Mississippi [Mr. HARRISON] may have thought that he was humorous when he was quoting a lot of articles on the free list which were quoted really from the Democratic tariff law, and he was charging them entirely to the Republicans. I saw neither humor nor anything else in it. I saw a good deal of time being wasted, however.

Mr. WILLIAMS. Mr. President——

The VICE PRESIDENT. Does the Senator from North Dakota further yield to the Senator from Mississippi?

Mr. McCUMBER. I yield.

Mr. WILLIAMS. The Senator thinks that a Republican protective tariff is rather a tragedy than a comedy. I quite agree with him; and if any apology is due for having in a semiserious moment treated it as a comedy, I apologize.

Mr. McCUMBER. Mr. President, I will accept the apology of the Senator for almost anything he says. I want to answer the Senator's remark that this bill was designed not to secure any revenue for the Government.

In the making of the Democratic tariff in 1913, and in the making of the Republican tariff in 1909, we had with us Mr. McCoy, the actuary of the Treasury Department, and I think no man in the United States has a greater right to claim to be a prophet than this actuary of the Treasury Department. He made his calculations as to what the tariff law of 1909 would bring in, and within a very few millions of the exact amount. He made his calculations as to the amount of revenue the tariff law of 1913 would bring in, and he came within a very few millions of the mark. He made his estimate as to what the revenue bill would bring in in the year 1920, and out of the billions he came within a very few millions of the exact amount. He has made an estimate as to the amount of revenue this tariff bill will bring in, and he says it will be at least $350,000,000. He has not worked out all the details as yet, and indeed, as with all the others, he has made allowances for conditions which will be likely to happen during the next year, on which he is making his estimates, and according to his calculations, this bill will bring in more revenue by from $25,000,000 to $50,000,000 per annum than any other tariff law that has ever been passed.

Mr. WALSH of Montana. Mr. President——

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Montana?

Mr. McCUMBER. I yield.

Mr. WALSH of Montana. I notice in the report made by the committee, doubtless the work of the Senator from North Dakota, the purpose of the bill is expressed as follows:

In the preparation of this measure your committee has endeavored to recommend rates that will afford protection to American industries and permit them to pay wages sufficient to enable our workmen to maintain an American standard of living.

Until now I understood that this bill was framed primarily not as a revenue bill, but for the purpose of affording protection to the American producer, the rates being measured by the difference in the cost of production here and abroad, including in the cost of production abroad the cost of transportation to this country. In 1908 the Republican Party declared in its platform in favor of a protective tariff measured by the difference between the cost of production at home and abroad and a reasonable profit to the American producer, but I did not understand that the Senator practiced, in the fixing of rates in this bill, the inclusion of a profit to the American producer. Now, however, I understand that this is a revenue measure, that its primary purpose is to produce revenue, and that it will operate effectively to that end.

Of course, it would make a very considerable difference in the attitude of a good many of us toward the bill if its main purpose were to raise revenue. None of us could seriously object to that. I should like to hear from the Senator on that matter. I am a little confused just now as to his attitude.

Mr. McCUMBER. Mr. President, I do not know how many times I have declared upon the floor in this debate that the pending bill is both for revenue and for protection. The Senator

possibly can not understand how a bill can be both a revenue producer and a bill for protection; I can understand it.

Mr. WALSH of Montana. It is not at all difficult for me to understand that, because every bill for the purpose of raising revenue must necessarily, as incidental to that purpose, afford some measure of protection to the producers of the articles upon which the duties are laid, if there is any importation whatever of those articles.

Mr. McCUMBER. I can hardly agree with the statement that a duty will give some protection. It may, and it may not.

Mr. WALSH of Montana. I did not understand that that was the theory upon which this bill was framed. My understanding about the matter was that the purpose was, as expressed in the report of the Senator, to afford protection to the domestic producer. I continue reading from the report:

> Your committee has also endeavored to recommend rates sufficient to maintain essential industries created as a result of the war and considered vital to the future industrial independence of the American people.

That seems to have been the purpose of the bill, and the other was some incidental revenue, which, of course, is obvious; but I rather felt that the Senator was shifting positions, and that he is now insisting that it is the purpose of the bill to raise revenue, and that it would incidentally afford protection.

Mr. McCUMBER. I have not said anything of the kind. I said the bill is both to raise revenue and to afford protection. That is a clear, clean-cut statement, which anyone can understand; and the Senator understands it, and does not understand me to mean that it is incidental protection with revenue, or revenue with incidental protection.

Mr. WALSH of Montana. That is, there are two purposes, neither one being subordinate to the other?

Mr. McCUMBER. I think the Senator is really quibbling over matters.

Mr. WALSH of Montana. Not at all.

Mr. McCUMBER. If the Senator will read the title of the bill, he will understand its purpose. Whether in is rates it conforms to that purpose is a question the Senator and I may disagree upon, but I stated in my opening address upon the subject, when I presented it, the following:

> Mr. President, we have written our tariff law on the basis of both revenue and protection. We believe we have made no rate so low that it will compel the American producer to surrender the American market to the foreign producer, if he exercises proper economy in the manufacturing and marketing of his product. On the other hand, we do not believe we have made any rate so high as to prevent reasonable foreign competition.

I do not know how I could have made the matter clearer or more easily understood than in that statement. So I do not see how the Senator or any other Senator can say now that, "We have a new idea, this is something else, and after this long time, this is the first time we have heard that it is a tariff for revenue." The statement I have read was made when we opened the debate. I insist that it is true now, as I insisted at that time.

Mr. WALSH of Montana. If the Senator will pardon me for just one other statement, I advert also to the fact that not only is the purpose so explicitly stated in the report to which I have called attention, but, so far as I can learn, there is not a suggestion in the report as to the amount of revenue which will be produced by the bill.

Mr. McCUMBER. No, Mr. President; because I reported it before the actuary had time to go thoroughly into the matter as to just what revenue it would bring in; and after the report was made, and at the time I opened the debate with my address, he had given me his calculation, not made with great care, as he stated, because he was then going over it item by item, and he has not quite finished his work yet.

Mr. WALSH of Montana. The Senator did not regard the revenue feature of it as of sufficient importance to acquaint the Senate with it in his report, even in a general way.

Mr. McCUMBER. I did; in the address which I gave explaining the bill, and the two were before the Senate. I could say a great many things in a report possibly which might enlighten, and I might enlighten the Senator by something I might say in my opening address. A report is not expected to cover everything; and I assumed that when a bill stated that its purpose was to raise revenue, the Senator from Montana would understand, without my reiterating it in the report, that that was one of its purposes.

INVESTIGATION OF WAR FRAUDS.

Mr. SMOOT. Mr. President, I report back favorably from the Committee on Appropriations without amendment the bill (H. R. 11645) making an appropriation to enable the Department of Justice to investigate and prosecute war frauds. The bill appropriates $500,000 for the use of the Attorney General. I ask for its immediate consideration as an emergency matter.

The VICE PRESIDENT. Without objection, the report will be received. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

> *Be it enacted, etc.*, That for the investigation and prosecution of alleged frauds, either civil or criminal, or other crimes or offenses against the United States, growing out of or arising in connection with the preparation for or prosecution of the late war, to be available for the employment of counsel and other assistants, rent, and all other purposes in connection therewith, whether in the District of Columbia or elsewhere, there is appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000, to be expended in the discretion of the Attorney General, and to remain available until June 30, 1923: *Provided*, That this appropriation shall not be available for rent of buildings in the District of Columbia if suitable space is provided by the Public Buildings Commission: *Provided further*, That not more than one person shall be employed hereunder at a rate of compensation exceeding $10,000 per annum.

Mr. KING. Mr. President, I do not object to the consideration and passage of this bill.

We have heretofore made liberal appropriations for the Department of Justice to prosecute violations of the Sherman antitrust law and the Clayton Act. I have believed, and I think that is the opinion of many, that there has not been that earnest effort to enforce these acts that should have characterized those charged with the duty of executing the laws. I do not say that this administration is more derelict than other administrations have been, but I do believe that never before have trusts and combinations in restraint of trade been more truculent and audacious than at present. While I believe that Colonel Goff, of the Department of Justice, is a faithful and able official, I do not think the Department of Justice has prosecuted offenders against these laws with that vigor which the situation demands. If the laws enacted to secure competition are not enforced and trusts and monopolies are permitted to dominate the industrial and business life of the Nation, then demands will be made for radical changes in our social life which may greatly modify our political form and our political institutions. Never before has the Department of Justice been confronted with greater problems, and never before has its responsibilities been greater. I hope it will act promptly in proceeding against infractions of the Sherman law. I believe the predecessor of the present Attorney General left records in the office showing that action, either criminal or civil, or both, should be taken against corporations who had violated either the Sherman or the Clayton Acts. There is a broad field for immediate action by the department in enforcing the acts referred to, and it should act and act promptly.

Only the other day when Colonel Hayward, in New York, procured an indictment against a corporation for violating the Sherman antitrust law the matter was suspended by the Department of Justice here in Washington.

I do not think that the large sums appropriated for the enforcement of that law are bringing the fruit which Congress had a right to expect. There is much disappointment—and it is not at all partisan—over the record made by the department in dealing with this vital matter. I hope the Department of Justice will act more vigorously under this appropriation than it has under the appropriations made to enforce the antitrust laws. Something should be done to impress upon the Department of Justice the necessity of enforcing these laws, particularly as there is accumulating evidence of plans to evade the law by means of open-price associations or similar devices. And with the passage of the tariff law, which will prevent foreign competition, and with the disposition of many corporations and business organizations in the United States to combine for the purpose of suppressing domestic competition, there will be an oppressive industrial and economic condition which will disturb the peace of our country and provoke unrest and discontent among the people. This tariff bill will strengthen monopolies and promote trusts. If the Department of Justice fails in its duty it will bring reproach upon the administration and conduce to socialistic development and disturbing industrial movements.

Mr. WALSH of Massachusetts. I presume the bill has the unanimous approval of the Committee on Appropriations?

Mr. SMOOT. It is a unanimous report. I am going to ask to have the report of the House committee printed in the RECORD following the action taken by the Senate on the bill.

Mr. WALSH of Massachusetts. I think there ought to be no objection to the passage of the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. SMOOT. I ask that the report on the bill prepared by the House Committee on Appropriations be printed in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered. The report referred to is as follows:

[House Report No. 1008. Sixty-seventh Congress, second session.]

APPROPRIATION TO ENABLE THE DEPARTMENT OF JUSTICE TO INVESTIGATE AND PROSECUTE WAR FRAUDS.

Mr. MADDEN, from the Committee on Appropriations, submitted the following report to accompany H. R. 11645:

The Committee on Appropriations, to whom was referred House Document No. 298 of the present session, being an estimate from the Executive for $500,000 to enable the Department of Justice to investigate and prosecute alleged frauds, civil or criminal, growing out of or arising in connection with the preparation for or prosecution of the late war, report the accompanying bill appropriating the full amount and submit the following in explanation thereof:

There is pending in the Department of Justice at the present time between 250 and 275 cases of this class of litigation. The amounts involved range from a few hundred thousand dollars in a single case to several million dollars. The total amount involved in all is approximately $192,000,000. The character of the cases is such that the expense of handling them is greater than that of any class of work the department has to deal with except, perhaps, antitrust prosecutions.

The defendants will employ the best legal talent that private means can secure and the Government should be adequately prepared to meet them. The cases are complicated, and in addition to capable counsel will require the services of high-grade auditors and accountants, expert witnesses, and investigators. The number of the cases referred to the Department of Justice thus far will unquestionably increase from time to time as the War Department progresses with the work of going over the 135,000 cases which are yet to be gone over by that department.

Up to the present time this character of litigation has been handled by the Department of Justice with its regular organization. The Attorney General stated to the committee that the magnitude of the task has reached the point where it is no longer possible to carry it on with the present funds. The work at the present time is distributed in the department, about one-fourth of the time of the best men in the service being devoted to it. It is the hope of the Attorney General, if this appropriation is approved, to concentrate the work in a single division, to place at the head of it a man of unusual ability and character, and to expedite the investigations and prosecutions to the limit of the department's ability.

The appropriation is to be used for the compensation of special assistants to the Attorney General, for salaries of accountants, investigators, clerks, stenographers, fees of expert witnesses, traveling expenses, reporting testimony, and for necessary office expenses. The committee recommends a limitation upon the salaries to be paid from the appropriation, prohibiting any payment at a rate in excess of $10,000 except to the person in charge of the work, and for him the fixing of the maximum is left in the discretion of the Attorney General.

The establishment of a special fund for the prosecution of a special class of litigation by the Department of Justice is not unprecedented when that class of litigation had reached the point where the ordinary funds of the department were no longer able to support it. The Congress for many years past has provided a separate fund for the enforcement of antitrust laws, a class of work equal only in importance to the work for which the special appropriation is asked in this bill.

It is an undoubted fact that the amounts which the Government will recover in these cases will be many times the amount which is granted to defray the expenses incident to their prosecution.

The committee recommends the early passage of the bill in order that the Department of Justice may be adequately equipped with every facility necessary to a rapid and successful disposition of these cases. Those who have defrauded the Government during the war should be prosecuted to the limit with all the vigor that the Government can command. Those upon whom an unjust suspicion may rest are entitled to know as soon as possible that the suspicion is not justified.

EXPORTATION OF WHEAT.

The VICE PRESIDENT laid before the Senate a communication from the chairman of the Federal Trade Commission, transmitting, pursuant to Senate Resolution 133, agreed to December 22, 1921, Volume I of a report on the Methods and Operations of Grain Exporters, which was referred to the Committee on Agriculture and Forestry.

ALIEN REGISTRATION.

The VICE PRESIDENT laid before the Senate resolutions adopted by Richard J. Harden Camp, No. 2, United Spanish War Veterans, of Washington, D. C., favoring the enactment of House bill 10860, containing provisions relative to alien registration, which were referred to the Committee on Immigration.

PAY OF THE ARMY AND KINDRED SERVICES.

Mr. WADSWORTH. Out of order, from the special committee of five Senators appointed under the provisions of Senate Resolution 240, agreed to February 16, 1922, to consider and report by bill if necessary a revision of the pay and allowances of the Army, the Navy, the Marine Corps, the Coast Guard, the Public Health Service, and the Coast and Geodetic Survey, I report back favorably with amendments the bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, and I submit a report (No. 719) thereon.

I desire to give notice at this time, if I may, that at the first opportunity I shall ask the Senate to take up this bill for consideration and action, in view of the fact that its passage or disposition bears a most important relation to the passage of the War Department appropriation bill and the naval appropriation bill.

Mr. KING. Mr. President, may I inquire of the Senator from New York the reason for not taking up the question of the pay of officers and enlisted men in the Army appropriation bill? Of course, I am not criticizing the Senator.

Mr. WADSWORTH. The bill which I have reported revises the pay schedules of officers and enlisted men of all the services affected. The appropriation bills do not fix the pay; of course, the pay is fixed by permanent legislation.

Mr. KING. But we have in the Army appropriation bill in the past, as I recall, fixed the pay.

Mr. WADSWORTH. We appropriate in the regular appropriation bill the amount necessary to meet the pay schedules already on the statute books, but we do not fix the rates of pay.

Mr. KING. I inquire of the Senator whether or not in an appropriation bill we did not raise the pay both of officers and enlisted men?

Mr. WADSWORTH. We never have; that would be legislation on an appropriation bill and out of order.

Mr. KING. My recollection is that it was done during the war.

Mr. WADSWORTH. No; I think the Senator is mistaken.

Mr. KING. My recollection is that we increased the pay of enlisted men from $13 to $30 a month.

Mr. WADSWORTH. That was done by a separate act.

Mr. KING. Very well.

The VICE PRESIDENT. The bill will be placed on the calendar.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. HITCHCOCK. Mr. President, I wish to say a word in comment upon what the Senator from North Dakota [Mr. McCUMBER] stated, to the effect that this bill is a bill to assure revenue. It seems to me that claim is just as unfounded as the claim that the bill levying taxes upon the products of factories using child labor in violation of law was a bill to assure revenue. The report which the Senator himself made to the Senate, the majority report of the committee in support of the bill, does not even mention the word "revenue" in it. The Senator there distinctly states, under the head of the purpose of the bill, that it is intended to protect industries and regulate commerce.

Not only that, but his present claim that the pending bill will raise $370,000,000 is an estimate made up after the bill has been considered and reported to the Senate. When the bill was considered and when the bill was reported the committee evidently did not know what revenue it would raise. Nor is that all. The Senator now estimates that the revenue to be derived from the bill will approximate $350,000,000. The fact is that the present law raises almost that much. The revenue last year from the existing law was over $308,000,000 and the revenue for the previous year was $323,000,000. The fact is that the present law raises as much revenue as was ever raised in the previous history of the country by a tariff law, with the exception of five years, and even in those cases it is approximately the same.

It is inconceivable that the Congress of the United States has taken over a year in the consideration of this bill, that the Finance Committee has considered it for nine months, and that the Senate proposes to consider it for a number of weeks still to come, if the purpose is to raise revenue, when, as a matter of fact, the estimated revenue is just a few scant millions above what has actually been received during the last year and during the previous year. If the Senator will point out in his written report, which I have before me, embracing some 20 printed pages, a single statement that the purpose of the bill is to raise revenue, I would like to have him do so. I have been through it several times, and I find a long argument that it is for the purpose of regulating commerce, that it is for the purpose of promoting industry, that it is for the purpose of making profitable certain industries deemed to be unprofitable, but I can not find a word that it is for the purpose of raising revenue.

Mr. McCUMBER. Mr. President——

Mr. HITCHCOCK. I want to call attention to another thing.

Mr. McCUMBER. I want to call the Senator's attention to the place where he will find it, if he really desires to do so.

Mr. HITCHCOCK. Here is a great bill, which for the first time in the history of tariff legislation, so far as I know, incorporates in its title the statement that it is for the purpose of regulating commerce. We have had bills heretofore which have stated they were for the purpose of raising revenue and encouraging home industries, but never before, so far as I know, in the history of tariff legislation has it been baldly stated in the title of the bill that it was for the purpose of regulating commerce with foreign countries, as well as for encouraging the

industries of the United States. True, it is stated that it is to provide revenue, but I have shown that the existing law provides the revenue within a few scant million dollars.

It is not conceivable that the Congress, which is in the habit of levying taxes and raising hundreds of millions of dollars at a time, should have been engaged for the past year in considering a bill which can only raise fifteen or twenty million dollars more than the present law actually raises. It seems to me a very late day for the Senator to rise on the floor of the Senate and claim, as he has done to-day, that the excuse for this bill is to provide revenue for the Government of the United States.

Mr. WALSH of Massachusetts. Mr. President——

Mr. HITCHCOCK. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. I have before me a statement of the revenue collected from tariff duties during nine months of the present fiscal year. The sum is $282,000,000. Assuming that the same ratio is continued for the remaining three months, the total sum collected under the present revenue law will be nearly $375,000,000, or more than is claimed for the pending bill. I have before me the figures to prove that fact.

Mr. HITCHCOCK. I do not doubt that at all. The existing law is perfectly capable of producing as much revenue from the customs duties as the country has ever raised from customs duties. The fact that the chairman of the committee has confessed upon the floor to-day that when the bill was drawn and when it was reported to the Senate he did not know how much revenue it would raise, and the committee did not know how much money it would raise, is the very best evidence that the committee did not frame the bill for the purpose of raising revenue.

Mr. McCUMBER. Mr. President, the Senator should have some sense of fairness. He certainly knows that no committee, the moment that it fixes a rate, can sit down and tell what amount the rate on a particular commodity will bring in the way of revenue. Nobody ever attempted it in any tariff bill that was ever framed. The committee can know in a general way what that rate of duty brought in under the existing law, what it has brought in under previous laws on previous rates. The committee may, on the very best estimate that they can possibly get, estimate what it would bring in under this different rate depending upon a thousand conditions affecting trade.

The expert, the actuary, engaged in his ordinary work during the day, can not work these matters out as the committee proceeds. As we are running over item after item it is impossible for him to do so. With the other work he may have to do he is busy day and night, and he has not completed every item yet, but he told me the last time I talked with him that it would bring in at least $350,000,000.

Mr. WALSH of Massachusetts. The revenue for the present fiscal year appears to be $375,000,000 under existing law.

The VICE PRESIDENT. The pending amendment will be stated.

The ASSISTANT SECRETARY. On page 25, line 22, the committee proposes to strike out "15" and insert "25," so that if amended the paragraph will read:

PAR. 61. Plasters, healing or curative, of all kinds, and court-plaster, 25 per cent ad valorem.

Mr. KING. Mr. President, I move to amend the committee amendment by striking out the numerals "25" and inserting in lieu thereof the numerals "10."

The Underwood law gives a rate of 15 per cent ad valorem upon the commodities embraced within this item. The Payne-Aldrich law gives a rate of 25 per cent ad valorem, the Senate committee bill proposes 25 per cent ad valorem, and the House bill provided 15 per cent ad valorem.

While the items comprised within this paragraph are in the view of many unimportant, I submit that they are important relatively to the people, particularly those who are ill and require the items herein referred to.

The Tariff Survey, describing the items embraced within this paragraph, states:

Healing and curative plasters are intended for external application. They are usually pliable at the temperature of the body. The plastic material may be "lead plaster" (a lead soap made by beating together equal parts of lead oxide, olive oil, and lard), a mixture containing crude rubber, or a mixture of resinous substances with fats and waxes. The substances are spread upon linen, muslin, paper, or leather before using. The active principle used in the plaster depends upon the curative action desired.

Adhesive plasters are used in surgery to keep dressings in place, to cover ulcers, and to strengthen weak muscles. Court-plaster is made by applying to silk a coating of isinglass and tincture of benzoin.

What I have just read indicates the character of the products, the uses to which they are put, and the Tariff Survey shows that the items are important to the sick and the ailing. Why there should be a tariff upon them at all surpasses my comprehension. They ought to be on the free list. When we reach the free list I shall move to transfer them from the dutiable to the free list.

Moreover, to show the absurdity of imposing this high tariff on these articles, I direct attention to the fact that the imports are comparatively unimportant. The imports for four years prior to the war averaged a little less than $5,000 in value. The value of the imports in 1914 was $10,129; in 1916, $8,094; in 1918, $7,000 plus; in 1919, $6,000 plus; in 1920, $10,000 plus; and for the first nine months of 1921 was $9,754.

Adhesive plaster, mustard plaster, and various kinds of plaster are used by persons who have pleurisy, backache, and various other sorts of ailments. With the limited importation, with the domestic market established, the domestic production assured, the enterprise or business being one of long standing, it is obvious that the purpose of the tax is not for revenue, because the amount of revenue would be unimportant, but it is to enable the producers in the United States to swell their profits and to impose additional burdens upon the American people.

For instance, the amount derived as duty in 1919 was only $921; in 1920, $1,500; in 1918, $1,100. From the limited imports it is manifest that no considerable revenue is expected to be derived from this source. Then what is the object of the duty? This is not an infant industry. The question of wages here and abroad cuts no figure whatever. So upon no theory can this be justified except upon the theory that we are to perpetuate, so far as we can, present prices and project the high level of prices of to-day into the future, thus increasing the burdens resting upon the people.

Mr. McCUMBER. Mr. President——

Mr. KING. I yield to the Senator from North Dakota.

Mr. McCUMBER. Does the Senator know what are the imported prices of mustard plasters?

Mr. KING. The imported prices?

Mr. McCUMBER. Yes; the imported value on which we levy the duty.

Mr. KING. Yes.

Mr. McCUMBER. I notice by the Reynolds report that 100 sheets were $1.92 or $1.82. The imported article is $1, I am informed. If it is based upon the $1 price and a 10 per cent duty upon that in addition to the present rates, it would be 1 mill on each sheet. Does the Senator imagine for a single instant that the druggist will take into consideration that 1 mill on one sheet when he sells a mustard plaster? It would probably sell for 10 cents, just the same——

Mr. SMOOT. It sells for 15 cents.

Mr. McCUMBER. Does the Senator really think that it is going to cost a person who wants to buy a mustard plaster 15 cents and 1 mill?

Mr. KING. Mr. President, the argument of the Senator from North Dakota, if I understand it aright, I must confess, goes over my head. The object of this tariff bill, if I have been able to understand the Senator's colloquy with the able Senator from Montana [Mr. WALSH], is to raise revenue and to afford protection. The Senator's own admission now is that this will raise 1 mill on a sheet. It is obvious, then, that there is no revenue to be derived from it. Then, if there is no revenue to be derived from it, and the tariff does not enhance the price of the article—and that seems to be his contention after the suggestion made by my able colleague—then the Senator can not justify this tariff tax upon the theory that it is important for protective purposes. So what is the object of it?

Mr. President, we may indulge in all of the casuistry possible, but, despite the sarcasm of my good friend, the thought and the accepted view that tariff rates are imposed to enable the domestic producer to increase the price can not be dissipated. That is the only object of it, unless in some instances revenue be sought; but primarily our Republican friends are framing a protective tariff bill. The panegyrics which have been delivered to-day by the Senator from Idaho [Mr. GOODING] and the Senator from Kansas [Mr. CAPPER] upon the bill indicate that they regard this bill as the apotheosis of Republican protectionism. It is the greatest tariff bill that ever was drawn because it imposes the highest rates that have ever been found within a tariff bill. Those Senators measure the greatness and the perfection of tariff bills by the altitudinous heights reached by the rates prescribed in the bill.

I asked again, What is the purpose of the rate with reference to this item? It is either for protection or revenue, or both. I have shown that but little revenue may be derived from it. The Senator from North Dakota himself confesses that but little, if any, revenue will be derived from it. Then there is

only one other reason why the tax is levied, and that is to permit the domestic producer to increase the price.

Ah, but my friend may say the producer will not increase the price. How do we know he will not? Has not the history of tariff laws shown that, whenever buttressed behind tariff walls, the domestic producer has taken advantage, as far as he possibly could, of tariff laws which have been enacted and of the tariff rates which have been prescribed?

The Senator from Idaho wants a high tariff upon various products. Why? To increase the price. The Senator from California [Mr. JOHNSON] has asked for a high tariff upon olive oil. Why? To increase the price of the product. He justified it upon the ground that it would not amount to much in any way; and he asked the Senator from Montana as to the cost to the people of his State. The Senator from Montana shortly afterwards figured it up hastily and announced that it would cost his State more than $14,000 per annum, dependent, of course, upon the use which the people of that State make of olives. Doubtless, with an increasing use of that important edible, the tax would be greater. That is exactly the position taken.

When we mentioned castor oil and Epsom salts and various other drugs and medicines the other day, my good friend, the Senator from North Dakota, with that smile of his—that bland smile which so often dissipates our displeasure, if it does not destroy our arguments—said, "It is such a little thing; a man will only take one dose, perhaps, a week or one dose a month, and the tax on one dose does not amount to much." Mr. President, it is the little things, the little doses, the little accretions, the little burdens, that in the end break down the courage of the people and bring upon them burdens which are oppressive. When the Senator from North Dakota [Mr. MCCUMBER] was a boy he read about the "Little drops of water" and "little grains of sand" making "the mighty ocean and the pleasant land." So it is these little drops here—a mill here, a cent there, 5 cents in another place, a dime, a dollar, $5, $10, $100—built up in these tariff rates which impose upon the people of the United States burdens which, I aver, will amount to billions of dollars annually—perhaps not as much as the learned junior Senator from Massachusetts stated a few moments ago, but undoubtedly, Mr. President, the aggregate resulting from the imposition of these high rates will impose upon the people of the United States an annual burden, not of hundreds of millions of dollars but of billions of dollars.

This is a little item, but it is of importance to the great mass of people, to the sick people, to those who have pains and aches. We ought to have some regard for the sick if we have no compassion for the well and strong. One of the largest domestic producers of these plasters is the firm of Johnson & Johnson, an establishment having considerable capital. It is not a mushroom organization; it is not a "war baby"—and we have heard much about "war babies" and industries which are the product of war—it does not come within that category. It is a well-established business with large capital, of considerable earnings and large profits. Seabury & Johnson, in New York, is another large firm engaged in the manufacture of these products. Barr & Black, of Chicago, are another. The Reynolds report, to which my friend referred, shows that only a few mustard and kidney plasters came into the United States from England, and those at relatively low prices. What is the purpose? The few kidney plasters and adhesive plasters, perhaps, which have come from England and from Italy have aroused the committee, because, as I read the report, I can not find anybody has asked for a tariff duty upon these plasters.

Mr. President, that is all I care to say in regard to this matter. It is an item of importance to the people. These plasters are used very largely and, indeed, universally, and there is no purpose in imposing duties upon them in this bill other than to permit the corporations which are producing them in the United States to increase or to maintain their prices at levels which are entirely too high.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The question is on agreeing to the amendment offered by the Senator from Utah to the amendment reported by the committee.

Mr. KING. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HARRIS (when his name was called). I transfer my pair with the junior Senator from New York [Mr. CALDER] to the senior Senator from Texas [Mr. CULBERSON] and will vote. I vote "yea."

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. I transfer that pair to the junior Senator from Alabama [Mr. HEFLIN] and will vote. I vote "yea."

While I am on my feet I have been requested to announce that the Senator from South Carolina [Mr. DIAL] is unavoidably detained. He has a general pair with the Senator from Colorado [Mr. PHIPPS]. If the Senator from South Carolina were present he would vote "yea."

Mr. SIMMONS (when his name was called). I transfer my general pair with the junior Senator from Minnesota [Mr. KELLOGG] to the senior Senator from Tennessee [Mr. SHIELDS] and will vote. I vote "yea."

Mr. WATSON of Georgia (when his name was called). I transfer my pair with the Senator from Arizona [Mr. CAMERON] to the Senator from Rhode Island [Mr. GERRY] and will vote. I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as on the last roll call, I vote "nay."

The roll call was concluded.

Mr. NEW. Transferring my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Washington [Mr. POINDEXTER], I vote "nay."

Mr. STERLING. Transferring my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Oregon [Mr. STANFIELD], I vote "nay."

Mr. LODGE (after having voted in the negative). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD]. In his absence, I transfer that pair to the Senator from Nevada [Mr. ODDIE] and will let my vote stand.

Mr. COLT. I transfer my general pair with the junior Senator from Florida [Mr. TRAMMELL] to the junior Senator from Pennsylvania [Mr. PEPPER] and will vote. I vote "nay."

Mr. ELKINS. I transfer my pair with the Senator from Mississippi [Mr. HARRISON] to the Senator from Maryland [Mr. WELLER] and will vote. I vote "nay."

Mr. GLASS. I transfer my general pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the senior Senator from Arizona [Mr. ASHURST] and will vote. I vote "yea."

Mr. FLETCHER (after having voted in the affirmative). I find that my general pair, the Senator from Delaware [Mr. BALL], is absent. I transfer that pair to the Senator from Nevada [Mr. PITTMAN] and will allow my vote to stand.

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and will vote. I vote "yea."

Mr. EDGE. I transfer my general pair with the Senator from Oklahoma [Mr. OWEN] to the senior Senator from Oregon [Mr. MCNARY] and will vote. I vote "nay."

Mr. CURTIS. I have been requested to announce that the Senator from West Virginia [Mr. SUTHERLAND] is paired with the Senator from Arkansas [Mr. ROBINSON].

The result was announced—yeas 17, nays 34, as follows:

YEAS—17.

Caraway	Jones, N. Mex.	Sheppard	Walsh, Mont.
Fletcher	King	Simmons	Watson, Ga.
Glass	Myers	Stanley	
Harris	Overman	Swanson	
Hitchcock	Pomerene	Walsh, Mass.	

NAYS—34.

Borah	Gooding	McLean	Smoot
Capper	Hale	Moses	Spencer
Colt	Jones, Wash.	Nelson	Sterling
Curtis	Keyes	New	Townsend
Edge	Ladd	Newberry	Wadsworth
Elkins	Lenroot	Norris	Watson, Ind.
Ernst	Lodge	Page	Willis
France	McCumber	Rawson	
Frelinghuysen	McKinley	Shortridge	

NOT VOTING—45.

Ashurst	du Pont	McNary	Shields
Ball	Fernald	Nicholson	Smith
Brandegee	Gerry	Norbeck	Stanfield
Broussard	Harreld	Oddie	Sutherland
Bursum	Harrison	Owen	Trammell
Calder	Heflin	Pepper	Underwood
Cameron	Johnson	Phipps	Warren
Crow	Kellogg	Pittman	Weller
Culberson	Kendrick	Poindexter	Williams
Cummins	La Follette	Ransdell	
Dial	McCormick	Reed	
Dillingham	McKellar	Robinson	

So Mr. KING's amendment to the amendment of the committee was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. WALSH of Montana. Mr. President, before we vote on that I should like to understand just why the Finance Committee felt obliged to increase the House rate on this remedy, imposing an additional tax upon the sick and disabled.

Mr. McCUMBER. In the confusion I could not hear the Senator.

Mr. WALSH of Montana. The House fixed a rate of 15 per cent ad valorem.

Mr. McCUMBER. On what?

Mr. WALSH of Montana. On plasters, healing or curative, of all kinds, and court-plaster. The Finance Committee recommends that that be raised to 25 per cent. I merely inquire the reason for the increase.

Mr. McCUMBER. The 15 per cent was upon the American valuation. The 25 per cent is upon the foreign valuation, which is about the equivalent of the other.

Mr. WALSH of Montana. What is the foreign valuation?

Mr. McCUMBER. Taking one item—mustard plaster, for instance—the foreign valuation was $1 a hundred, and the American valuation was $1.82, or something like that. Of course, the Senator can see that one would be about the equivalent of the other.

Mr. WALSH of Montana. One dollar and eighty-two cents is the figure that is asked by the American producer?

Mr. McCUMBER. Yes; $1.82 is the American selling price, and $1 is the foreign selling price, and it would be about the same difference as we have given here.

Mr. WALSH of Montana. Can the Senator tell us how much profit there is in the price of the American manufacturer who sells at $1.82?

Mr. McCUMBER. No. I can not tell how much profit there is in the price of the foreign manufacturer, either.

Mr. SMOOT. Mr. President, I want to say to the Senator that when in the Dingley bill the duty on plasters was 35 per cent they sold at exactly the same price that they do to-day. In the Payne-Aldrich bill the duty on plasters was 25 per cent, and they sold at exactly the same price that they do to-day. Under the Underwood bill the duty on plasters was 15 per cent, and they sold at exactly the same price as to-day for the sick and afflicted; and when the rate is 25 per cent, the sick and the afflicted will pay the same identical rate at the drug stores that they pay to-day.

Mr. WALSH of Montana. I notice, in this connection, that there have been practically no importations.

Mr. SMOOT. That is true.

Mr. WALSH of Montana. So I suppose that there are no importations, because the American manufacturer is able to put the product upon the market at a figure that affords no profit to the importer.

Mr. McCUMBER. There never has been a great quantity imported.

Mr. HITCHCOCK. Mr. President, I should like to ask the Senator from North Dakota whether he admits the figures given by the Senator from Utah [Mr. KING], that the imports under the existing law approximate only $5,000 a year?

Mr. McCUMBER. They are very small; but we have passed that. Let us go to the next item.

Mr. HITCHCOCK. We have not passed it yet. I should like to know on what basis the Senator justifies an increase of the tax when the imports are almost negligible and there is no competition?

Mr. McCUMBER. On the same basis that the Underwood bill put a tax of 15 per cent upon the importations when they were also negligible.

Mr. HITCHCOCK. At the present time the tax is 15 per cent.

Mr. McCUMBER. Yes.

Mr. HITCHCOCK. No imports are coming in. Why, then, raise it?

Mr. McCUMBER. Just as great imports are coming in as when there was a tax of 15 per cent on the product.

Mr. HITCHCOCK. What is the purpose of putting it on, then, if it will not have any effect?

Mr. McCUMBER. To secure a little revenue from it.

Mr. HITCHCOCK. Is it not the purpose to give the American manufacturers an opportunity to raise their prices without encountering some foreign competition?

Mr. McCUMBER. I do not think they will raise the prices one mill on a plaster.

Mr. HITCHCOCK. The Senator admits that under the existing tariff of 15 per cent, which has been in effect since 1913, the American manufacturers are not suffering any disastrous competition. They are supplying the market with a comparatively small volume of imports. Now, I should like to have him say on what theory of Republicanism, even of protection, he can justify raising the tax under those circumstances so as to give an opportunity for the American manufacturers to raise their prices?

The Senator can not answer. Of course, he can not answer. There is no Republican on the other side of the aisle who can defend a schedule of that sort. It is just typical of the other schedules in the bill. They are raised, not because there is any competition from abroad that is injuring the industry in this country, but simply for the purpose of giving an opportunity for somebody who is engaged in the manufacture in this country to raise the prices and increase the cost of living.

What was said earlier in the day here is true of almost every schedule as it comes up. The Republican Party, which promised the people of the United States a reduction in the cost of living, which made that one of the issues of the campaign, is deliberately in this bill, in thousands of instances, making it absolutely certain that the cost of living is going to be increased to the consumers of the United States.

Mr. POMERENE. Mr. President, I want to ask the chairman of the committee a further question. He has indicated that the foreign valuation cost is a dollar, and that the American valuation price is $1.82. That indicates a very great difference between the two valuations, without any imports, or very few. I want to ask the Senator a general question. Is this relative difference between the American valuation and the foreign valuation on this article substantially the same as prevails as to all other imports? What information have we on that subject?

Mr. McCUMBER. I can not say that it is an average. You can scarcely compare them. In some instances they are very close, depending on the country from which they come. In other instances there is a very wide difference. The Senator understands, of course, that this is the foreign wholesale price.

Mr. POMERENE. I assumed so.

Mr. McCUMBER. Then, of course, there is the added expense of freight, overhead charges, and profits to put it upon the American market, and I assume when it gets on the American market it sells for about the same price as the American article.

Mr. POMERENE. I asked the question because I desired the information. The House adopted the American valuation plan, and the Republican members of the Senate Finance Committee, by a vote of 7 to 3, discarded it, and I think very properly so. I do not know how any man can defend that system unless his purpose is to conceal from the public just what are the real rates which the consumer must pay. But I was hoping that we could get some very definite information on this subject either through the committee or elsewhere.

Mr. McCUMBER. I will tell the Senator why it is difficult to get definite information. As we all admit, values are very fluctuating, and have been for the last six months. The latest we have is in the Reynolds report. The Senator can get one of those. We cover the principal items upon which an ad valorem duty is based, and in the Reynolds report are set out the foreign selling price, the landing cost, the profits, the price the same article is selling for in the American market, and the comparable American article. That is as nearly up to date as anything we have in the way of a general publication.

Mr. POMERENE. This was based upon prices as they were last August, I believe.

Mr. McCUMBER. Yes; and for that reason I am perfectly free to admit that they are not very reliable at the present time.

Mr. POMERENE. I thank the Senator for his candor in that statement. I have no doubt that led the majority of the committee to the conclusion which they reached, namely, to discard the American-valuation plan; but word comes from the other House that that plan is to be adopted, or we will stay here until the snow flies. I hope we will stay until the snow flies before the Senate will yield on a proposition of that kind. I may have some observations to make later, as I am making some investigation of that subject myself. I understand, of course, that the report to which the Senator refers pretends to give information touching only a portion of these imports.

Mr. McCUMBER. Of course, the Senator understands that it is limited to articles on which the ad valorem duty is imposed, and does not cover any of those articles on which we levy a specific duty only.

Mr. POMERENE. I understand that to be true; but, as I examine this report, and without making any very definite comparison, I have been led to the conclusion that the committee has very largely increased the number of articles upon which the ad valorem duty is placed. Am I right about that?

Mr. McCUMBER. Increased over what?

Mr. POMERENE. Over the previous legislation.

Mr. McCUMBER. Over the bill as it passed the House?

Mr. POMERENE. No; over the Payne-Aldrich law or the Underwood-Simmons law.

Mr. McCUMBER. No; I think I can give it as nearly as possible in this way: In the case of those things which were upon the free list under the Payne-Aldrich law, but which have been made dutiable, undoubtedly the duty upon the finished product, after making allowance for the differentials, would be higher than in the Payne-Aldrich law. I think if the Senator will eliminate those probably the others will be found to be a little lower, although I have no definite statement upon it. Of course, they are higher than in the present law.

Mr. POMERENE. That does not answer the question I asked.

Mr. McCUMBER. I thought I answered it.

Mr. POMERENE. Perhaps I did not make myself clear. A certain number of articles were made dutiable by the ad valorem system under the Underwood law and under the Payne-Aldrich law. Have you adopted more generally the ad valorem system under this bill than under previous legislation?

Mr. McCUMBER. Have we placed a greater number on the ad valorem basis?

Mr. POMERENE. That is the question.

Mr. McCUMBER. No; just the contrary. We have taken the ad valorem rates off of quite a number and placed specific duties on them.

Mr. POMERENE. That answers my question.

Mr. McCUMBER. We have increased the number bearing a specific duty and decreased the number bearing an ad valorem rate.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 25, paragraph 62, line 25, to strike out "25" and insert "30," so as to read:

PAR. 62. Paints, colors, and pigments commonly known as artists' paints or colors, whether in tubes, pans, cakes, or other forms, 30 per cent ad valorem.

Mr. McCUMBER. I understand that one Senator desires to have this amendment go over.

The PRESIDING OFFICER. The paragraph will be passed over.

Mr. KING. May I inquire of the Senator whether he expects to take it up to-morrow morning when we meet?

Mr. McCUMBER. I hope so, but I can not say definitely. It will depend on whether the Senator who desired to have it passed over has the information he wished to obtain.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The next amendment of the committee was, in paragraph 64, on page 26, line 8, to strike out "$4" and insert "$5," so as to read:

Barytes ore, crude or unmanufactured, $5 per ton.

Mr. KING. Mr. President, under the act of 1913, baryta sulphate, or barytes, including barytes earth, unmanufactured, carried a duty of 15 per cent ad valorem; when manufactured, 20 per cent ad valorem. Blanc fixe, or artificial sulphate of barytes, carried a duty of 20 per cent ad valorem.

The act of 1909 provided for a tariff of $1.50 per ton upon baryta, sulphate of, or barytes, including barytes earth, unmanufactured; manufactured, $5.25 per ton; and blanc fixe, or artificial sulphate of barytes, $1.01 per ton.

The House fixed a duty on barytes ore, crude or unmanufactured, of $4 a ton. That has been increased to $5 a ton; and ground or otherwise manufactured barytes was given a specific rate of $7.50 per ton in the House and increased to $10 in the Senate; precipitated barium sulphate, or blanc fixe, was increased from 1 cent specific per pound to 1¼ cents specific per pound.

Coming to the imports of the ores of crude barytes, in 1921 there were imported into the United States 9,870 tons, at $6 per ton; that is the foreign valuation. The ground barytes imports in 1921 amounted to 16,902 pounds, at $19.20 a pound, foreign valuation.

Of the precipitated the imports were 22,470 pounds in 1921, at a foreign valuation of $1.005 per ton.

On the first item, which we are now considering, the duty which is sought by the Senate committee amendment, of $5 a ton, amounts to approximately 83 per cent ad valorem; so that upon this crude product the Senate committee asks us to fix a duty of 83 per cent. On the ground barytes the committee asks us to give a duty of 51 per cent, and on the precipitated a duty of 83 per cent.

I call attention now to the ore. Before the war the price was $2.14 per ton, foreign valuation. Now it is proposed to give a duty of $5 a ton upon a product which cost in the foreign market only $2.14 before the war. That would mean a duty of considerably more than 200 per cent over the pre-war foreign value. Of course, it is obvious that the design is to increase the prices not only of the crude but of the manufactured and of the precipitated, so that upon each of these various grades of the product the prices will be increased above the pre-war prices two, three, or four hundred per cent, all of which, of course, will be reflected in the finished product or in the various forms of the product in which the same may be used by the people.

Let me call attention to the importance of these particular products. I concede that when you mention many of these products by their chemical names they may not be fully comprehended by the people, and they do not understand how intimately these products are connected with their lives. They do not understand that thousands of the products or commodities comprised within this bill enter into their daily lives. They do not understand that some of the tannin acids, to which we will address ourselves soon, affect the prices of shoes; that the duties on the pigments and paints, to which we shall address our attention in a few moments, will affect the price of the paints which they buy to paint the barn or the home or to be used in various other ways by the farmers or by the mechanics or by the home owners.

So we come to barytes. That is important, and some of the uses to which it is put are explained by the Tariff Commission. One-half of the barytes ore consumed in the United States goes into the pigment lithopone, which is a paint, and the remainder is used in manufacturing ground barytes and barium chemicals, and a few of the barium chemicals are medicinal in character. But they are used very largely in the rubber-tire industry, so that the high rate of duty which is recommended will, of course, be reflected in an increased cost of the rubber products of the United States, including the rubber tires used by the owners of automobiles.

Barytes is a mineral found in many places in the United States. Proceeding, the Tariff Survey says:

It is employed in the preparation of dark-colored paints, and as a filler in the paper industry, chiefly in the manufacture of heavy and stiff materials, such as used for playing cards and Bristol board. Bleached ground barytes which has been treated with acid to dissolve out the iron and thereby improve its color is known as "prime white" and "floated" barytes. It is used in white paints and as a filler in paper and rubber goods where a white product is desired.

Production of crude barytes in the United States since 1912 has been as follows:

	Tons.
1912	37,478
1913	45,298
1914	52,747
1915	108,547
1916	221,952

Speaking of foreign production, it is stated in the Survey:

Up to the beginning of the war Germany, which has unlimited deposits of barytes of an exceedingly good grade, was one of the largest producers. In 1913, for example, she exported about four times as much as was produced in the United States in the same year. Since the war, however, production in this country has increased until the present output is greater than the exports of Germany previous to 1914. The United Kingdom also has large high-grade deposits.

Imports: Prior to 1915 from 35 to 45 per cent of our consumption of crude barytes was imported, chiefly from Germany. During the war importation was practically negligible.

And yet, in view of that fact that we find a duty of $10 per ton, whereas the pre-war price was $7.89 per ton. So we are asked now for a tariff rate of more than 130 per cent ad valorem upon ground barytes, and we are asked for a tariff of 110 per cent plus upon the precipitate. These rates can not be justified. As I stated, upon crude, the pre-war price being $2.14 per ton, we are asked to lay a duty of $5 per ton specific or a rate of more than 200 per cent.

I was commenting upon the fact that although the imports of the ground barytes have always been small, practically negligible, yet we are asked to lay a duty of 130 per cent, a duty greatly in excess of the pre-war price. Of course, the purpose is to compel the domestic buyer to pay these enormous post-war prices, prices which have been forced by the domestic producer, and because of a lack of importations, undoubtedly largely owing to conditions in Germany and the economic chaos which prevails in Europe.

Because I did not desire to take up the time of the Senate, I have briefly discussed the three items together. I wish now to move an amendment to the committee amendment on barytes ore, striking out the "$5" and inserting in lieu thereof "15 per cent ad valorem."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah to the committee amendment.

Mr. WALSH of Montana. Mr. President, before we vote on this item, perhaps we can have some explanation from some member of the committee as to why there should be a duty of $5 a ton on crude ore. I must confess that I do not know

very much about the mining of barytes, but if I have any true conception of it at all, it is a very simple process. Why should there be a duty of $4 or $5 per ton on crude ore?

Mr. McCUMBER. I understand it is mined by steam shovel in both countries.

Mr. WALSH of Montana. So I understand.

Mr. McCUMBER. I can state generally for the information of the Senator——

Mr. WALSH of Montana. I understand that both Georgia and Missouri are the great sources of supply, with cheap coal available in both sections.

Mr. McCUMBER. Let me give the prices. At present the crude barytes from Germany is selling at the Atlantic ports for $5.20 per ton. That, of course, is the ore. The freight rate from Georgia to the Atlantic points is about $5.50 per ton. The cost of producing barytes in Georgia in 1919—and I do not observe that it is different now—was $6.31 per ton. Taking the cost of $6.31 per ton at the mines and the freight of $5.50 per ton to land it at the Atlantic seaboard, we have $11.81. It costs the American producer in Georgia, therefore, $11.81 to put his product down, we will say, in New York. It costs the German $5.20 to put his product down in New York. That makes a difference of $6.61. We, however, gave but $5 duty instead of a sufficient amount to measure that difference, assuming that probably the cost of production would go down in this country.

Mr. WALSH of Montana. The information given to us by the Senator from North Dakota is particularly interesting, because it appears quite clearly from the statement now made that a prime element in fixing the rate of duty in this case is the cost of transportation from the point of production to the market.

Mr. McCUMBER. That necessarily is an element which enters into the computation.

Mr. WALSH of Montana. That introduces an element which, so far as my information goes, has never heretofore been avowed in the fixing of tariff rates. Some other features of the bill will give particular pertinence to that consideration when we reach them.

Mr. HITCHCOCK. That is assuming that the port of New York is the only place where the product is consumed in the United States.

Mr. WALSH of Montana. That is true.

Mr. HITCHCOCK. Of course if the product brought from Europe comes into this country, it would have the same freight to pay to the interior points that the interior points have to pay to get to New York.

Mr. WALSH of Montana. That is true. The point I am making is that here is an item in which the cost of transportation is brought into consideration. I speak of it because the producers of manganese in my State have been contending for that principle. They have been contending that they should have a duty upon manganese not only sufficient to take care of the difference in the cost of production in Brazil or Cuba, for instance, and in Montana, but also to cover the cost of transportation from Montana to the various points of consumption in the United States—Pittsburgh, Duluth, Chicago, and other centers of the manufacture of steel. That principle was denied by both the House committee and the Senate committee as entirely inadmissible, as contrary, I understand, to the basic principle upon which a protective tariff is framed, but apparently it is a principle which is made applicable to the case of barytes, though found to be inapplicable to the case of manganese.

Mr. McCUMBER. It is often difficult to determine whether or not we can afford to put a duty high enough upon an article to bring it from the west coast, for instance, to the east coast, and whether the trade itself could afford to pay that much freight. It is quite serious. In some instances, I think, we fix the duties where the article could go probably as far as Pittsburgh and no farther, as far as Chicago and no farther, while the imported article would have most of the market east of those points, governed at all times, of course, by its effect upon the business of the country and the manufacturing interests.

From Georgia to New York is not a great distance, and yet, if we were producing the barytes in San Francisco and had to bring it clear across to New York, the freight might be so great that we would be indisposed to add a duty which would measure the freight for all that distance and in other respects to meet the competition. Upon heavy articles like that it is difficult to determine where to draw the line.

Mr. WALSH of Montana. That clarifies the situation very well. Those who live in the West are to get no advantage, if there is any advantage in a protective-tariff system at all, by reason of their unfortunate location. If we were located in Georgia or Alabama or Mississippi we would come in under the protection of the bill, but as it is it seems the committee can not do anything for us.

Mr. McCUMBER. I do not think the Senator is justified in making that statement. I think he will find a great many things which we have tried to protect in the far West so as to give them a market in the most easterly sections of the United States.

Mr. WALSH of Montana. Am I to understand the Senator that there is any commodity produced in my State as to which the duty has been fixed with respect to the cost of transportation to the eastern market?

Mr. McCUMBER. I think the Senator will find that a number of commodities produced in his State—I do not know that I can now recall each particular item—have been so treated.

Mr. WALSH of Montana. But can the Senator recall any?

Mr. McCUMBER. I think there are a number.

Mr. WALSH of Montana. Can the Senator tell me of one? I am not asking for many.

Mr. SIMMONS. Mr. President——

Mr. SMOOT. Mr. President, I desire to say to the Senator from Montana that I think the controlling factor in the situation which induced the majority of the Republican members of the Committee on Finance to place manganese on the free list was the report made by the Geological Survey to the effect that there were no deposits of manganese of any extent in the United States which were of sufficient content to enable them to be worked profitably.

I think it is fair also to the Senate to say that there was a divided sentiment in the committee; but what I have stated was the controlling factor in the action of the majority of the committee in placing the article upon the free list. So far as freight rates are concerned, as the Senator knows, in the case of magnesite that question was taken into consideration, and there are other items in connection with which it was taken into consideration, both as to articles produced in his State and also in my own State, and it would have been taken into consideration also with reference to manganese if it had not been for the report of the Geological Survey, the nature of which I have stated. That is the absolute situation as it existed.

Mr. WALSH of Montana. When we reach the item of manganese we shall discuss the question as to whether or not there are any manganese deposits in the United States worthy of development; but the point just now made, so far as barytes was concerned, is that the duty is fixed not on the principle of the difference in the cost of production at all—or, at least, that is only one element, and perhaps an unimportant element—the important element being the cost of transportation from the place at which it is produced to the place where it is consumed.

Mr. SMOOT. I am certainly willing to wait until the manganese item is reached and then to discuss it, and I think that is the best method of procedure. If the occasion arises I shall tell the Senator from Montana precisely the position which I took upon the matter; but I desire to say now that I do not believe in treating manganese in any different manner than other products are treated which are produced in the same way as is manganese, no matter whether the place of production is Montana or California or Oregon or Washington.

Mr. McCUMBER. Mr. President, I desire to ask unanimous consent at this time that when the Senate closes its business for the calendar day that it take a recess until to-morrow at 11 o'clock a. m.

Mr. SIMMONS. At what time does the Senator propose that the session to-day shall close?

Mr. McCUMBER. By 6 o'clock, at any rate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and the order will be entered.

Mr. SMOOT. Mr. President, in the meantime, if the Senator from Montana desires to turn quickly to the statement made by the Geological Survey in relation to the amount of manganese that is likely to be produced in the United States, he will find it recorded on page 2097 of the hearings.

Mr. SPENCER and Mr. SIMMONS addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. SIMMONS. I was recognized when the Senator from Utah [Mr. SMOOT] interrupted me.

The PRESIDING OFFICER. The Chair begs pardon of the Senator from North Carolina. The Chair recognized the Senator from Missouri. The Chair will recognize the Senator from North Carolina in a moment.

Mr. SPENCER. I yield to the Senator from North Carolina.

Mr. SIMMONS. I assert positively the Chair recognized me. I had been standing here and the Senator from Utah got up without my consent and began to speak.

Mr. SMOOT. If I did so I did not know that the Senator from North Carolina had been recognized. I thought that I had the floor.

Mr. SIMMONS. I have been standing ever since I was recognized.

Mr. SPENCER. I yield to the Senator from North Carolina, and then may I ask the Senator from North Carolina to yield to me for a moment to answer a question which was asked by the Senator from Montana [Mr. WALSH]?

Mr. SIMMONS. If I had been asked to yield, I should have done so, but I did not desire to be taken off the floor.

Mr. SPENCER. I will yield the floor if the Senator desires.

Mr. SIMMONS. No; the Senator may proceed.

Mr. SPENCER. I should like to say to the Senator from Montana [Mr. WALSH] in regard to barytes that Missouri up to 1916 was the largest producer of barytes in the United States, and then for that year Georgia took the lead. We have since assumed the lead, so that the largest present production of barytes in the United States is in Missouri. The transportation question, though it seriously complicates the situation in Missouri, is not determinative of it, because where the largest amount of barytes is produced—namely, in Missouri—the actual cost of production is $10 a ton. When in 1918 the importations were practically zero there was put upon the United States the necessity of producing barytes. In Missouri we call it "tiff." It is a white substance which goes into paints and linoleums and rubber fillings, and is rather extensively used. The industry developed until in 1918, when there were no imports there were produced in the United States 226,000 tons, though the consumption before the war had been something like only 60,000 tons.

It costs in Missouri to produce barytes upward of $10 a ton. When the war ended and importations again came in, principally from Germany, but to some extent from Italy, they were brought in at such a low price, as I shall show in a moment, that the effect was to close down every mine in Missouri, so that in 1921, although previously hundreds of families had been dependent upon the industry of the mining of barytes, there was a scene of desolation and want that I can not begin to picture. There was not a mine operating.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Montana?

Mr. SPENCER. I yield.

Mr. WALSH of Montana. The Senator is making a very persuasive kind of an argument; but let me tell him that exactly the same condition existed in my State with reference to copper. The copper mines have been shut down in my State for nine months. What is the difference? The barytes mines are shut down in Missouri; the copper mines are shut down in Montana for exactly the same cause, namely, general depression in industry. There is no demand for the barytes of Missouri or for the copper of Montana.

Mr. President, while I am addressing this inquiry to the Senator I should like to understand from him upon what kind of evidence he assures the Senate that it costs $10 a ton to mine an ore which is mined with a steam shovel? Why, Mr. President, in Montana we go down into the depths of the ground to a distance almost of 1 mile from the surface, and if we could not mine even that character of ore for less than $10 a ton we would have to let it stay in the bowels of the earth. Upon what kind of testimony does the Senator from Missouri desire to have gentlemen who are acquainted, to some extent at least, with the rudiments of mining understand that it costs $10 a ton to mine with a steam shovel?

Mr. SPENCER. If the Senator would like the authority and will turn to page 192 of the document entitled "Barytes and Barium Production," issued by the Government of the United States, he will find the cost exactly as I have given it; and that is the cost in Missouri.

I can tell the remedy for that condition in Missouri, and it might apply also in Montana. Germany brings over barytes and lays it down in New York at less than $7 a ton. Therefore it is laid down in New York at less than it can be produced for in Missouri, and when there is added——

Mr. WALSH of Montana. Mr. President——

Mr. SPENCER. If I may finish the sentence—when there is added to the cost of production in Missouri the transportation charges from Missouri to New York, where the Missouri product has to compete with the German barytes, because the places where the barytes is used are on the Atlantic seaboard, then there is apparently a cost of from $17 to $18 a ton for the American production as compared with $7 to $8 per ton for the German product. What is the remedy? The remedy is precisely what is proposed in this bill, although I do not think the bill has gone far enough, and that is to impose a tariff duty of $5 a ton on the German production, which will raise the German cost to $12 a ton. How can that compare, however, with the American cost of $17?

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield further to the Senator from Montana?

Mr. SPENCER. I will yield in a moment. If the cost of carriage lessens, as we hope it may, and if the cost of production increases, as we hope it may, every mine in Missouri, on the strength of those possibilities, will open when this tariff bill goes into effect.

Mr. WALSH of Montana. Mr. President, the force of the argument of the Senator is that the Missouri producers are being driven out of business by imports from Germany. Let me give the figures: In 1919, 35 tons were imported into this country from Germany; in 1920, 22,209 tons were imported from Germany; and for the first nine months of 1921, 6,316 tons were imported from Germany—practically a negligible amount in any year, considering that the American production in 1919 was 209,330 tons and in 1920, 228,113 tons.

Mr. SPENCER. The Senator has answered his own argument. The consumption in the United States in 1920 was 228,000 tons, but where did we get it? We got it from the mines of the United States, every one of which is now closed. The demand, however, for the product will continue.

Mr. WALSH of Montana. But suppose they are closed, there are no importations. Why? Because there is no demand in this country, for the industries consuming barytes are not operating.

Mr. SPENCER. The Senator is mistaken, because the official report shows that for the first few months of 1921 the importations exceeded the pre-war importations.

Mr. WALSH of Montana. I have read the figures, showing that there were imported during nine months in 1921 6,315 tons, whereas the year before there were 22,209 tons imported. It is perfectly obvious that there was no demand; and the barytes mines in Missouri are shut down for just exactly the same reason that the copper mines in Montana are shut down, and not because there was any foreign competition, for there was none in either the case of copper or in the case of barytes.

Mr. SPENCER. I quote from page 191 of Barytes and Barium Production, issued by the Government of the United States, as follows:

> The total quantity of barytes imported in 1920 surpassed that imported in 1914 before such shipments were stopped by the war, and the value of these imports—
>
> That is, for 1920—
>
> was more than three times the value of the imports of 1914.

Mr. WALSH of Montana. Before the war the consumption was on an average about 60,000 tons, but in 1918 228,000 tons were produced in the United States.

Mr. SPENCER. I have before me the Summary of Information furnished by the Tariff Commission concerning barytes. That information tells us that in 1920—to which the Senator refers—there were imported 22,209 tons, and that the American production was 228,113 tons.

Mr. HITCHCOCK. Mr. President, I want to call the attention of the Senator from Montana, however, to the fact that he is misconceiving the situation. The figures he gives show that the imports of barytes, even in the largest year, were only one-tenth of the production in Missouri.

Mr. WALSH of Montana. Exactly.

Mr. HITCHCOCK. But that is not what Senators on the other side of the aisle want. They do not want any importations at all. They want to shut out all importations. They want to kill trade. They want to have commerce collapse. They do not want a dollar's worth coming into the country. They are not satisfied with having 90 per cent of the consumption of the country produced here; they want to produce 100 per cent. They want to have no commerce at all; and the very fact that the Senator from Montana shows that we produced, even in that high year, 90 per cent of all the consumption of barytes is not any argument to a Republican statesman in these days.

Mr. SPENCER. That is not what is desired, and that is not the purpose of this tariff on barytes. The purpose of it is that with wages in Germany at 45 cents a day, the product of that wage, which enables them to produce a ton of barytes in Germany at less than $5, shall not come into competition with the barytes produced in American States with an American wage and close those American mines. Does the Senator disagree with the desirability of such a purpose?

Mr. WALSH of Montana. But the trouble about the Senator is that he assumes that the mines were closed for that reason.

Mr. SPENCER. Mr. President——

Mr. WALSH of Montana. Wait a minute, now; let us try to get the facts right. From what does the Senator read?

Mr. SPENCER. The quotation that I read was from the pamphlet "Barytes and Barium," Government Printing Office, 1921.

Mr. WALSH of Montana. Does it tell just how many tons were imported in 1920?

Mr. SPENCER. Yes.

Mr. WALSH of Montana. What does it give?

Mr. SPENCER. Twenty-four thousand eight hundred and seventy-four short tons.

Mr. WALSH of Montana. This information is 22,209 tons, but the difference is of no consequence.

Mr. SMOOT. One is long tons, and the other is short tons.

Mr. WALSH of Montana. Very well. Whatever it may be, it is a matter of no consequence. Now, are we to understand from the Senator from Missouri that the introduction into this country during the year 1920 of 24,000 tons closed down the Missouri mines?

Mr. SPENCER. No; the Missouri mines were operated in 1920; but if the Senator will read a little further in the book that he has—because I doubt not it is a replica of what I have—he will find that in the beginning of 1921 the importations exceeded even the pre-war importations.

Mr. WALSH of Montana. Very well. Now, I will ask the Senator to refer to his document again. Does it give the number of tons imported?

Mr. SPENCER. No; it does not; and, of course, you could only apply——

Mr. WALSH of Montana. Wait a minute; mine does. My book gives me, for the first nine months of 1921, just 6,315 tons. Now, I inquire of the Senator, did the importation from Germany, or all other countries, wherever it came from, in 1921 of 6,315 tons shut down the Missouri mines?

Mr. SPENCER. The importations in 1921 exceeded the pre-war importations. We were competing before the war. In 1921, because Germany brought into the United States her barytes at a price so low that the American mines could not compete with it, the fact is that every mine in Missouri closed down, and the fact is that the day this tariff goes into effect every mine in Missouri will reopen.

Mr. KING. Mr. President, will the Senator yield?

Mr. WALSH of Montana. The Senator is indulging in predictions. We have the fact that there were just 6,315 tons imported into this country during the year 1921, and the Senator will have us understand that the introduction of that amount into this country from foreign countries shut down the Missouri mines, the total production in the United States annually being something over 220,000 tons.

Mr. SPENCER. That was in 1918. That was when there was nothing imported, and when the demand was exceedingly large.

Mr. WALSH of Montana. In 1919 the production was 209,330 tons, and in 1920 the production was 228,113 tons; and the Senator wants us to believe that the introduction of 6,315 tons in the first nine months of 1921 shut down the mines of the United States!

Mr. KING. Mr. President, will the Senator from Missouri permit a suggestion at this point?

Mr. SPENCER. Certainly.

Mr. KING. I understood the Senator from Missouri to say that the importations in 1921 exceeded the importations into the United States in any preceding year.

Mr. SPENCER. No; I did not say that. I quoted from the Government report—

> The total quantity of barytes imported in 1920 surpassed that imported in 1914, before such shipments were stopped by the war, and the value of these imports was more than three times the value of the imports in 1914.

That was the quotation.

Mr. WALSH of Montana. If the Senator will pardon me, for the sake of information, will the Senator give us now the American production and the importation in 1914?

Mr. SPENCER. The amount imported in 1914 was 24,423 tons.

Mr. WALSH of Montana. And what was the American production in that year?

Mr. SPENCER. I can not tell the Senator. I have not it.

Mr. KING. Mr. President——

Mr. WALSH of Montana. One moment; I can give it to the Senator. The American production in that year was 52,747 tons; that is to say, Mr. President, under free-trade conditions or under the 15 per cent tariff that existed at that time, we were even then putting on the market two-thirds of all the barytes consumed in this country.

Mr. SPENCER. Because the effect of the war still hung over.

Mr. WALSH of Montana. Oh, but this was before the war.

Mr. SPENCER. Oh! I thought the Senator meant during 1920.

Mr. WALSH of Montana. Before the war, when we were operating under the Payne-Aldrich Act, the American producer was able to hold the market to the extent that he supplied two-thirds of all the barytes consumed in this country.

Mr. KING. May I say to the Senator from Missouri that the record here, the Tariff Survey, shows, on page 31, that the imports as early as 1911 were 20,602 tons; that in 1912 they were 23,507 tons; and that in 1913 they were 31,761 tons. During that time the domestic production was very large, and, as the Senator from Montana has just stated, supplied the greater portion of the demand; so that away back in 1912 and 1913, under the Payne-Aldrich law, the importations of the crude ore were greater than at any time since.

Mr. SPENCER. And yet the Senator from Utah will agree with me that the main decisive fact of the whole question lies here: That as it costs in Missouri approximately $10 a ton to produce, and $7 a ton to carry it to its place of market, the Atlantic seaboard, making a total of $17 a ton, so long as Germany is allowed to bring her barytes into the seaboard at $7 a ton no Missouri barytes will be produced. That is undeniable. That can not be denied. That is evident.

The situation in Georgia is a little better than that in Missouri, because the cost in Georgia is somewhat less than the cost in Missouri; and yet it is equally true that when you add to the cost in Georgia the carriage cost of bringing that barytes to the seaboard, where it is sold, it does not come within $11 of the price at which the German barytes can be laid down on the Atlantic seaboard; and therefore it follows that the mines in Georgia, precisely as the mines in Missouri, close.

Mr. NORRIS. Mr. President, may I interrupt the Senator from Missouri?

Mr. SPENCER. Yes.

Mr. NORRIS. The tariff is a matter about which I get my information largely from the debate as I go along. The Senator from Missouri is assuming that the market for barytes is New York.

Mr. SPENCER. On the eastern seaboard.

Mr. NORRIS. I want to ask if the only market is there, where it is shipped, on the Atlantic seaboard? As a matter of fact, is not a good deal of it manufactured in St. Louis, right in the State where it is mined?

Mr. SPENCER. That is not entirely true.

Mr. NORRIS. To what extent is it true?

Mr. SPENCER. This is what is true: Barytes, in so far as it goes into the making of barium products, goes to the Atlantic seaboard. Therefore, perhaps 10 or 11 great manufacturers of barium products are all on the Atlantic seaboard.

A part, however, of the barium that we produce in Missouri in the rough as a filling used in pigment, in white paint, has a market not as far as the Atlantic seaboard, around in Missouri, at St. Louis, at Cincinnati, in the general neighborhood; and a certain amount of the product can be sold there, but not enough to keep the mines going.

Mr. NORRIS. I should like, if the Senator can give the information, to know about what per cent of the product mined in Missouri goes to the seaboard and what per cent is kept in Missouri, or the general neighborhood?

Mr. SPENCER. I can not give the Senator the per cent.

Mr. KING. Mr. President, if the Senator will pardon me, I direct his attention to the fact that in his own city of St. Louis there are a number of firms engaged in the production of barium products—the National Pigments & Chemical Co., of St. Louis, Mo.; the Collinsville Zinc Corporation, of St. Louis; and the Mallinckrodt Chemical Works, of St. Louis. The Senator knows that the latter is a very large concern. They are engaged in the production of barium sulphate and other of the barium products.

Mr. SPENCER. I think that is true; and may I say, as I take my seat, that the figures in regard to Georgia would be very much like these: The cost in Georgia is approximately $6.31 a ton. The cost of freight to the market is $5.50 a ton. That makes the cost of the Georgia ore at the market $11.81 a ton. Germany, under present conditions, can lay down her barytes in that same market at $5.20 a ton. There is a differential there of $6.61 a ton.

Mr. HITCHCOCK. Mr. President, can the Senator state why Germany does not do it?

Mr. SPENCER. First, she has broken the American market.

Mr. HITCHCOCK. When?

Mr. SPENCER. Early in 1921.

Mr. HITCHCOCK. She sent only 6,000 tons.

Mr. SPENCER. She has closed the American mines. She has closed the place where they manufacture these barium compounds. Undoubtedly it is true that the general depres-

sion and lack of demand has a temporary effect, and Germany sends over only enough to meet the demand under the depressed condition of industry. That condition, as the Senator knows, fortunately is changing every day; so that we get right back to what is the basic difference between the cost of what Germany produces and the cost of what we can produce, because the Senator must know that the demand for barytes, like the demand for other minerals and for other products of those minerals, is on the upgrade; that the demand is constantly growing larger; that everyone expects with confidence that the demand will soon be normal. So, what is the difference between the German cost of production and the cost of production in the United States, for that is what inevitably we have to come to?

Mr. HITCHCOCK. Does the Senator maintain that the arrival of 6,000 tons of barytes in New York in 1921 broke the market in which we were consuming 200,000 tons?

Mr. SPENCER. That question has been asked four or five times already this afternoon.

Mr. HITCHCOCK. Does the Senator say that?

Mr. SPENCER. Let me say again that the market was broken in 1921. I do not know just when those 6,000 tons came in.

Mr. HITCHCOCK. They came in in the first nine months of 1921.

Mr. SPENCER. My impression is that they came in in the latter part of the nine months and that the market had been broken before.

Mr. HITCHCOCK. That broke the market in which we were consuming 200,000 tons?

Mr. SPENCER. As the Senator must know, not that small amount of importations. What broke the market was the potential German price of $5.20 a ton in New York, which would enable Germany to import any amount of her barytes at that price in New York. What mine could operate when they knew that the more they produced at a cost of $17 a ton—or, as in Georgia, for $11.81 a ton—the greater deficit they were piling up for themselves? That is what broke the market.

Mr. HITCHCOCK. Will the Senator state what the country has been doing in order to get barytes? It was consuming something like 250,000 tons of barytes a year. Now he states that the American mines have been closed a year, but admits that only 6,000 tons arrived from Germany. What has become of the rest of the consumption?

Mr. SPENCER. The average consumption before the war was approximately 60,000 tons. In 1920 the United States alone produced 228,000 tons, quite enough to run a considerable time.

Mr. HITCHCOCK. Let me read the Senator the figures. He is mistaken, because that was not the production. We produced in the United States 206,888 tons in 1917. We produced 155,300 tons in 1918, we produced 209,000 tons in 1919, and 228,000 tons in 1920, and after all that production the Senator argues that the market was broken by the arrival of 6,000 tons in New York in 1921, and that that closed the mines of Missouri.

Mr. SPENCER. That is precisely the thing I did not say.

Mr. HITCHCOCK. I ask the Senator what has become of that production? The Senator knows that it has dropped, because the consumption has stopped, just the same thing that has happened in the case of copper.

Mr. SPENCER. I have said that; I admit it again.

Mr. HITCHCOCK. So the Senator admits that it was not the arrival of 6,000 tons which closed the Missouri mines, but the falling off of the demand under Republican prosperity.

Mr. SPENCER. I admit no such thing.

Mr. HITCHCOCK. That is what you ought to admit.

Mr. SPENCER. That may be as the Senator from Nebraska may think. What broke the mines of Missouri and of Georgia, and of the other 12 States where barytes is produced, is the possibility of Germany landing that product in New York at $5.20 and demonstrating their power by actually doing it.

Mr. HITCHCOCK. When did they do it?

Mr. SPENCER. They did it in 1921.

Mr. HITCHCOCK. How many tons did they send in?

Mr. SPENCER. Six thousand tons.

Mr. HITCHCOCK. Six thousand tons broke the market?

Mr. SPENCER. The Senator harps on that.

Mr. HITCHCOCK. That is what the Senator said.

Mr. SPENCER. It was the power to produce and land in New York an unlimited quantity of ore at $5.20 which absolutely closed the American mines. The Senator is a keen business man——

Mr. HITCHCOCK. Let me ask the Senator a question.

Mr. SPENCER. Let me finish this sentence. Where is the incentive to open and continue the operation of a mine when every ton the Senator produces costs him at the mine $10, and costs him at the market $17, and he knows that his rival in Germany can duplicate every ton he produces at $5.20 in New York? Of course, he would close his mine down.

Mr. HITCHCOCK. These possibilities do not compare with the actual figures.

Mr. SPENCER. I am giving actual figures.

Mr. HITCHCOCK. The Senator says the mines in Missouri closed. When was that?

Mr. SPENCER. In 1921.

Mr. HITCHCOCK. And 6,000 tons of German ore arrived. What has become of the rest of the consumption?

Mr. SPENCER. I repeat, if the Senator did not understand it before, undoubtedly there is a lack of demand; but that is not what affects basically the condition.

Mr. HITCHCOCK. Let me ask the Senator another question. Suppose no German ore arrived; could the mines run now, when there is no demand for the ore?

Mr. SPENCER. There is a demand for the ore.

Mr. HITCHCOCK. Then why does not the German ore come in?

Mr. SPENCER. It is coming in, to an increasing degree. If the Senator will refer to the figures, he will see that in 1920 the importation exceeded that before the war, in 1914.

Mr. HITCHCOCK. Yes; but the Senator knows that in 1921 it fell off to one-third of what it had been.

Mr. SPENCER. That was largely due to the lack of demand.

Mr. HITCHCOCK. It is absolutely due to that.

Mr. SPENCER. Not absolutely; largely it is that. But the fact of the case is that if the mines of Missouri and Georgia are to operate, instead of a duty of $5 a ton on barytes there ought to be one of $7.50 a ton. The only thing that will open those mines and keep them open is the confidence that the railroad rates may decrease and the danger of German competition decrease.

Mr. HITCHCOCK. Then the Senator contends that the barytes mines of Missouri can not run with anything less than 100 per cent tariff?

Mr. KING. More than 100 per cent they are asking.

Mr. HITCHCOCK. I said 100 per cent.

Mr. SPENCER. I did not figure the percentage. The Senator has figured that; it is arithmetical and mathematical, and I will not dispute his figures. They can not run without a tariff of at least $5 a ton, and it ought to be more than that. Close those mines if you like.

Mr. HITCHCOCK. I will restate it. The Senator says the barytes can be produced in Germany for $5 a ton.

Mr. SPENCER. Laid down in New York.

Mr. HITCHCOCK. And the tariff proposed is $10 a ton. So it is 200 per cent.

Mr. SPENCER. The only mistake the Senator makes is that it is $5 a ton.

Mr. HITCHCOCK. It is $5 a ton for the unmanufactured. That is a hundred per cent, just as I first stated.

Mr. SPENCER. Substantially.

Mr. HITCHCOCK. I withdraw the statement about 200 per cent. So the Senator is claiming before the American people a right to levy a tariff of 100 per cent protection?

Mr. SPENCER. Without any doubt; and it ought to be larger.

Mr. NORRIS. Will the Senator yield?

Mr. SPENCER. Certainly.

Mr. NORRIS. Since I interrupted the Senator before I have been informed by one of the experts that the Missouri crude barytes is never shipped to the Atlantic coast; that that is not the market at all.

Mr. SPENCER. That is my information; though I do think, as I said to the Senator before, that the market for Missouri barytes is largely within a geographical circle around the mines.

Mr. NORRIS. The report of the Tariff Commission states that the raw Missouri barytes is consumed in St. Louis and Chicago. If the freight question which the Senator raised, about which I questioned him before, is vital, it seems to me that the Missouri barytes in the raw state would never be able to reach the New York market, even if we had 1,000 per cent duty on importations, because of the difference in the freight between the seacoast and the southern field and between the coast and Missouri.

Mr. SPENCER. I think there is merit in what the Senator says. I think Georgia has a distinct advantage in the New York market over Missouri.

Mr. NORRIS. Georgia, Tennessee, and Kentucky.

Mr. SPENCER. Georgia is the main producer.

Mr. NORRIS. Georgia produces more of it.

Mr. SPENCER. I think that is true.

Mr. KING. May I interrupt the Senator to state that in Kentucky there are undeveloped deposits of barytes which would, perhaps, supply the United States for many, many years. All you need to do is to uncover the ground. It is there.

Mr. NORRIS. I interrupted the Senator from Missouri purely for the purpose of obtaining information, because I have not looked it up. He has made quite a point of the freight. If the Missouri barytes were the barytes which was used to supply the coast market, his point would be good, it seems to me; but he was claiming that they could not compete with the imported because they had to pay freight from Missouri to New York. It develops, if my information is correct, that the theory of the Senator from Missouri is absolutely without any foundation, because the barytes is never shipped to the coast from Missouri, and if the foreign barytes were kept out by a sufficiently high tariff, so that none of it could come in, still the coast market for Missouri barytes would be denied, because of the proximity of the barytes fields in Georgia, particularly, and in Tennessee.

Mr. SIMMONS. No crude barytes is shipped from Missouri to New York, and for the very same reason no foreign barytes landing in New York is shipped to St. Louis.

Mr. NORRIS. I was coming to that, and I thank the Senator for bringing me to it quicker than I probably would have reached it. It does seem to me that if the Missouri barytes can not reach the New York market to compete with the imported article on account of the freight, the freight on the imported article from New York to St. Louis, for instance, would very likely act as a protective tariff and keep the imported article from competing at St. Louis with that which was produced in Missouri.

Mr. SPENCER. I have not figured the exact cost of transportation, but my information generally would be that the imported article would drive the Missouri barytes even out of the St. Louis market.

Mr. NORRIS. These rates are not always based on scientific bases I admit, but it ought to be practically the same rate from New York to St. Louis as it is from St. Louis to New York.

Mr. SPENCER. As a matter of fact, it is not.

Mr. NORRIS. That would be a very material item, and would act in the way of protecting the market of the Missouri article in its proper sphere.

Mr. SPENCER. Taking the cost of transportation from where the barytes is mined first to the railroad, and then over the railroad to St. Louis, and adding that to the cost of production in Missouri; then taking the German article landed in New York at $5.20 a ton, and adding the cost of transportation westward, without being able to give the Senator the exact figures, my judgment is that the foreign article would drive the Missouri product even from the St. Louis market.

Mr. WALSH of Montana. Before the debate closes on this matter I want to submit that the Payne-Aldrich rate on crude barytes was $1.50 a ton. Under that rate in 1914 the American producers supplied over two-thirds of all of the barytes consumed in the United States.

Mr. SMOOT. The Underwood rate was in force in 1914.

Mr. WALSH of Montana. It went into force the 1st of January, 1914, but the figures for 1913 are practically the same. The American production was 45,298 pounds, and the importations were practically the same.

Mr. SPENCER. The cost of production in Germany was very much higher then.

Mr. WALSH of Montana. The facts I am giving the Senate are to this effect, that under a tariff of $1.50 upon crude barytes the American producers were able to maintain themselves so well in the American market prior to the war that they furnished two-thirds and more of the entire consumption.

Mr. SPENCER. The wages in Germany were over 45 cents a day then.

Mr. KING. They are now.

Mr. SPENCER. Not now.

EXECUTIVE SESSION.

Mr. SMOOT. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened; and (at 6 o'clock p. m.) under the order previously entered, the Senate took a recess until to-morrow, Wednesday, May 17, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate May 16 (legislative day of April 20), 1922.

MEMBER OF CALIFORNIA DÉBRIS COMMISSION.

Maj. Edward D. Ardery, Corps of Engineers, United States Army, for appointment as a member of the California Débris Commission provided for by the act of Congress approved March 1, 1893, entitled "An act to create the California Débris Commission and regulate hydraulic mining in the State of California," vice Col. Thomas H. Rees, Corps of Engineers, United States Army.

PROMOTIONS IN THE REGULAR ARMY.

To be colonels.

Lieut. Col. Albert N. McClure, Quartermaster Corps, from May 1, 1922.

Lieut. Col. Edwin Albert Hickman, Finance Department, from May 2, 1922.

To be lieutenant colonels.

Maj. Henry Tilghman Bull, Cavalry, from May 1, 1922.

Maj. Girard Lindsley McEntee, Infantry, from May 2, 1922.

To be majors.

Capt. Frederick McCabe, Infantry, from May 1, 1922.

Capt. Milton Raymond Fisher, Cavalry, from May 2, 1922.

POSTMASTERS.

ALABAMA.

Washington H. Carlisle to be postmaster at Alexander City, Ala., in place of J. L. Thornton. Incumbent's commission expired July 23, 1921.

John H. McEniry to be postmaster at Bessemer, Ala., in place of J. H. Read, deceased.

CALIFORNIA.

Stella L. Vincent to be postmaster at Carmel, Calif., in place of S. L. Vincent. Incumbent's commission expired May 20, 1922.

COLORADO.

Susan L. Clark to be postmaster at Blanca, Colo. Office became presidential October 1, 1921.

Grace M. Fawcett to be postmaster at Smuggler, Colo. Office became presidential April 1, 1922.

CONNECTICUT.

Edward A. Honan to be postmaster at Gaylordsville, Conn. Office became presidential April 1, 1922.

ILLINOIS.

Anna M. Peters to be postmaster at Sandoval, Ill., in place of J. F. Knight, removed.

INDIANA.

Frank B. Husted to be postmaster at Liberty, Ind., in place of A. T. Sering, resigned.

KENTUCKY.

Boyd M. Williams to be postmaster at Kenvir, Ky. Office became presidential January 1, 1922.

MICHIGAN.

George K. Hoyt to be postmaster at Suttons Bay, Mich., in place of F. B. Clark, resigned.

MINNESOTA.

George P. Dickinson to be postmaster at Excelsior, Minn., in place of G. H. Smith. Incumbent's commission expired August 7, 1921.

MISSOURI.

Philip G. Wild to be postmaster at Spickard, Mo., in place of R. J. Mulford, resigned.

NEBRASKA.

James E. Schoonover to be postmaster at Aurora, Nebr., in place of J. H. Grosvenor, resigned.

William H. Willis to be postmaster at Bridgeport, Nebr., in place of C. E. Steuteville, removed.

NEW JERSEY.

Ralph G. Riggins to be postmaster at Bridgeton, N. J., in place of W. B. Hurff. Incumbent's commission expired January 24, 1922.

NEW YORK.

Ella L. Winch to be postmaster at Lakewood, N. Y. Office became presidential July 1, 1921.

Edmund E. Bandy to be postmaster at St. Regis Falls, N. Y., in place of W. B. Hollister, removed.

OKLAHOMA.

James M. Baggett to be postmaster at Tuskahoma, Okla. Office became presidential April 1, 1921.

Agnes L. Dillon to be postmaster at Geary, Okla., in place of M. B. Carley. Incumbent's commission expired February 4, 1922.

William C. Colvin to be postmaster at Westville, Okla., in place of Fred Couch, resigned.

PENNSYLVANIA.

Alex L. Carlier to be postmaster at Point Marion, Pa., in place of Lewis Dilliner, resigned.

RHODE ISLAND.

Jonathan Bateman to be postmaster at Manville, R. I., in place of E. H. Desilets, removed.

SOUTH CAROLINA.

Hugh C. Finklea to be postmaster at Latta, S. C., in place of Hoyt Watson, declined.

SOUTH DAKOTA.

Robert C. Gibson to be postmaster at Geddes, S. Dak., in place of J. L. Minahan. Incumbent's commission expired January 24, 1922.

Theresa R. Zimmerman to be postmaster at Montrose, S. Dak., in place of P. G. Williams. Incumbent's commission expired January 31, 1922.

TENNESSEE.

Link Monday to be postmaster at Kimberlin Heights, Tenn. Office became presidential April 1, 1922.

TEXAS.

Benjamin F. Womack to be postmaster at Snyder, Tex., in place of E. B. Barnes. Incumbent's commission expired January 24, 1922.

UTAH.

Clyde A. Pons to be postmaster at Standardville, Utah. Office became presidential April 1, 1922.

VIRGINIA.

Milton S. Roberts to be postmaster at Faber, Va. Office became presidential April 1, 1921.

Jessie R. Haven to be postmaster at Greenwood, Va. Office became presidential January 1, 1921.

WASHINGTON.

Andrew F. Farris to be postmaster at Dryden, Wash. Office became presidential April 1, 1922.

WEST VIRGINIA.

Harry M. Slush to be postmaster at Whitesville, W. Va. Office became presidential April 1, 1922.

WISCONSIN.

Emil H. Lang to be postmaster at Gleason, Wis. Office became presidential April 1, 1922.

WYOMING.

Ellen L. George to be postmaster at Superior, Wyo., in place of R. G. Chappell, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 16 (legislative day of April 20), 1922.

CIRCUIT COURT JUDGE.

Daniel H. Case to be circuit judge, second circuit, Territory of Hawaii.

UNITED STATES DISTRICT JUDGES.

John Foster Symes to be United States district judge, district of Colorado.

John T. DeBolt to be United States district judge, district of Hawaii.

UNITED STATES ATTORNEY.

J. D. Ernest Meyer to be United States attorney, eastern district of South Carolina.

UNITED STATES MARSHAL.

Samuel J. Leaphart to be United States marshal, eastern district of South Carolina.

POSTMASTERS.

MASSACHUSETTS.

Luke W. Hemmenway, Bryantville.
Cleon F. Fobes, Stoughton.
James H. Jenks, jr., West Dennis.

MISSOURI.

Walter S. Johnston, Crocker.
Flavius A. Rumbuhl, Leslie.
Hattie Biggs, Neelyville.

NEW JERSEY.

William Jeffers, Hackensack.
Harold Chafey, Point Pleasant.

OKLAHOMA.

William C. Yates, Comanche.
Nellie E. Vincent, Mutual.
Leroy D. Harding, Pryor.
Asa A. Puckett, Shattuck.

HOUSE OF REPRESENTATIVES.

TUESDAY, *May 16, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

The eyes of the Lord are upon His children. Thou dost neither slumber nor sleep. Thou knowest all outward circumstances, every inward impulse, and every secret thing. Behold our earthly estate, and may the light of Thy truth be in us. Measure Thy gifts according to Thy abundance and bestow them according to Thy wisdom. Lead us in the ways of wider knowledge and enlargement of understanding. Be with any to whom life may bring but little pleasure and much toil. For Thy name's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

REQUEST TO PRINT REMARKS.

Mr. ANDREWS of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing in regular 8-point type an address delivered by my colleague, the gentleman from Illinois [Mr. GRAHAM], at Lincoln, Nebr., on the 11th instant. It relates to the financial affairs of the Treasury during the period of the World War.

The SPEAKER. Is there objection to the request?

Mr. GARNER. I was interrupted for the moment and did not hear the request. Will the Speaker kindly repeat the request?

The SPEAKER. The gentleman from Nebraska asks unanimous consent to extend his remarks in the RECORD in 8-point type by printing a speech delivered by the gentleman from Illinois [Mr. GRAHAM] at Lincoln, Nebr., covering Treasury transactions during the war. Is there objection?

Mr. GARNER. For the present I object. I would like to look at that speech before I agree that it may go into the RECORD.

Mr. ANDREWS of Nebraska. Mr. Speaker, may I ask the gentleman to reserve his objection for a moment?

Mr. GARNER. I will.

Mr. ANDREWS of Nebraska. I think that a similar request was granted in relation to a speech delivered by a former Member of the House, Mr. Hull, of Tennessee, on some questions relating to the financial affairs of the Treasury, and I had hoped that there would be no objection to the insertion of this speech also.

Mr. GARNER. I presume it is not a pressing matter, and I would like to have an opportunity to glance over the speech, and then I will be able to tell more about it.

The SPEAKER. The gentleman from Texas objects.

CHILD LABOR.

Mr. LAYTON. Mr. Speaker, yesterday the Supreme Court of the United States by a unanimous decision delivered what I believe to be one of the most interesting and opportune decisions that has been made by that court for a long time. A résumé of that opinion is found in the Washington Post this morning. As you all know, it is upon the question of the child labor laws passed by this Congress. I ask unanimous consent to have that article from the Washington Post printed in the RECORD.

The SPEAKER. The gentleman from Delaware asks unanimous consent to print in the RECORD an article from the Washington Post. Is there objection?

Mr. DYER. Mr. Speaker, will not the gentleman amend his request, to print the opinion of the court instead of the article in the newspaper?

Mr. LAYTON. I will be very glad to, if it is agreeable to the House.

Mr. DYER. Just put the decision in the RECORD.

The SPEAKER. The gentleman amends his request and asks that the decision be printed in the RECORD. Is there objection to that?

Mr. LAYTON. It only occurred to me, Mr. Speaker, that the newspaper article was of such a character that it would attract more attention throughout the whole country in the manner in which it is presented than it would if the whole decision was printed.

Mr. WALSH. Nothing in the RECORD attracts attention. [Laughter.] I do not think we ought to print a newspaper article.

Mr. MONTAGUE. Reserving the right to object, this opinion, of course, is a matter of very great importance to the country and of very great interest to this House, at least it is to be hoped so.

Mr. LAYTON. I hope it is so.

Mr. MONTAGUE. Therefore, if the opinion is to be published, would it not be proper to print it in 8-point type? If it is printed in small type nobody will read it.

Mr. LAYTON. I think that is very proper.

Mr. WALSH. The opinion will not be ready for distribution until Thursday. I think the entire opinion should be printed.

Mr. LAYTON. Mr. Speaker, in obedience to what I think is the sentiment of the House I will ask unanimous consent to insert in the RECORD in 8-point type the opinion of the court in the child-labor case, and I will defer publication until the official printed opinion is obtainable.

The SPEAKER. The gentleman from Delaware asks unanimous consent that the opinion of the Supreme Court in the child-labor case be printed in the RECORD in 8-point type. Is there objection?

There was no objection.

Mr. LAYTON. Mr. Speaker, under the leave granted by the House, I insert the opinion of the Supreme Court of the United States, delivered by Mr. Chief Justice Taft, on the child labor law. The opinion is as follows:

Supreme Court of the United States. No. 657.—October term, 1921. J. W. Bailey and J. W. Bailey, Collector of Internal Revenue for the District of North Carolina, plaintiff in error, v. The Drexel Furniture Co. In error to the District Court of the United States for the Western District of North Carolina. (May 15, 1922.)

Mr. Chief Justice Taft delivered the opinion of the court.

This case presents the question of the constitutional validity of the child labor tax law. The plaintiff below, the Drexel Furniture Co., is engaged in the manufacture of furniture in the western district of North Carolina. On September 20, 1921, it received a notice from Bailey, United States collector of internal revenue for the district, that it had been assessed $6,312.79 for having during the taxable year 1919 employed and permitted to work in its factory a boy under 14 years of age, thus incurring the tax of 10 per cent on its net profits for that year. The company paid the tax under protest, and after rejection of its claim for a refund brought this suit. On demurrer to an amended complaint judgment was entered for the company against the collector for the full amount with interest. The writ of error is prosecuted by the collector direct from the district court under section 238 of the Judicial Code.

The child labor tax law is Title No. XII of an act entitled "An act to provide revenue, and for other purposes," approved February 24, 1919 (40 Stat. 1057, 1138.) The heading of the title is "Tax on employment of child labor." It begins with section 1200 and includes eight sections. Section 1200 is as follows:

SEC. 1200. That every person (other than a bona fide boys' or girls' canning club recognized by the Agricultural Department of a State and of the United States) operating (a) any mine or quarry situated in the United States in which children under the age of 16 years have been employed or permitted to work during any portion of the taxable year; or (b) any mill, cannery, workshop, factory, or manufacturing establishment situated in the United States in which children under the age of 14 years have been employed or permitted to work, or children between the ages of 14 and 16 have been employed or permitted to work more than eight hours in any day or more than six days in any week, or after the hour of 7 o'clock p. m., or before the hour of 6 o'clock a. m., during any portion of the taxable year, shall pay for each taxable year, in addition to all other taxes imposed by law, an excise tax equivalent to 10 per cent of the entire net profits received or accrued for such year from the sale or disposition of the product of such mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment.

Section 1203 relieves from liability to the tax anyone who employs a child, believing him to be of proper age, relying on a certificate to this effect issued by persons prescribed by a board consisting of the Secretary of the Treasury, the Commissioner of Internal Revenue, and the Secretary of Labor, or issued by State authorities. The section also provides in paragraph (b) that—

The tax imposed by this title shall not be imposed in the case of any person who proves to the satisfaction of the Secretary that the only employment or permission to work which but for this section would subject him to the tax has been of a child employed or permitted to work under a mistake of fact as to the age of such child and without intention to evade the tax.

Section 1206 gives authority to the Commissioner of Internal Revenue, or any other person authorized by him, "to enter and inspect at any time any mine, quarry, mill, cannery, workshop, factory, or manufacturing establishment." The Secretary of Labor, or any person whom he authorizes, is given like authority in order to comply with a request of the commissioner to make such inspection and report the same. Any person who refuses entry or obstructs inspection is made subject to fine or imprisonment, or both.

The law is attacked on the ground that it is a regulation of the employment of child labor in the States, an exclusive State function under the Federal Constitution and within the reservations of the tenth amendment. It is defended on the ground that it is a mere excise tax levied by the Congress of the United States under its broad power of taxation conferred by section 8, Article I, of the Federal Constitution. We must construe the law and interpret the intent and meaning of Congress from the language of the act. The words are to be given their ordinary meaning unless the context shows that they are differently used. Does this law impose a tax with only that incidental restraint and regulation which a tax must inevitably involve? Or does it regulate by the use of the so-called tax as a penalty? If a tax, it is clearly an excise.

If it were an excise on a commodity or other thing of value, we might not be permitted under previous decisions of this court to infer solely from its heavy burden that the act intends a prohibition instead of a tax. But this act is more. It provides a heavy exaction for a departure from a detailed and specified course of conduct in business. That course of business is that employers shall employ in mines and quarries children of an age greater than 16 years; in mills and factories, children of an age greater than 14 years, and shall prevent children of less than 16 years in mills and factories from working more than eight hours a day or six days in the week. If an employer departs from this prescribed course of business, he is to pay to the Government one-tenth of his entire net income in the business for a full year. The amount is not to be proportioned in any degree to the extent or frequency of the departures, but is to be paid by the employer in full measure, whether he employs 500 children for a year or employs only 1 for a day. Moreover, if he does not know the child is within the named age limit, he is not to pay; that is to say, it is only where he knowingly departs from the prescribed course that payment is to be exacted. Scienters are associated with penalties, not with taxes. The employer's factory is to be subject to inspection at any time not only by the taxing officers of the Treasury, the department normally charged with the collection of taxes, but also by the Secretary of Labor and his subordinates whose normal function is the advancement and protection of the welfare of the workers. In the light of these features of the act, a court must be blind not to see that the so-called tax is imposed to stop the employment of children within the age limits prescribed. Its prohibitory and regulatory effect and purpose are palpable. All others can see and understand this. How can we properly shut our minds to it?

It is the high duty and function of this court in cases regularly brought to its bar to decline to recognize or enforce seeming laws of Congress dealing with subjects not intrusted to Congress but left or committed by the supreme law of the land to the control of the States. We can not avoid the duty, even though it require us to refuse to give effect to legislation designed to promote the highest good. The good sought in unconstitutional legislation is an insidious feature, because it leads citizens and legislators of good purpose to promote it without thought of the serious breach it will make in the ark of our covenant or the harm which will come from breaking down recognized standards. In the maintenance of local self-government, on the one hand, and the national power, on the other, our country has been able to endure and prosper for near a century and a half.

Out of a proper respect for the acts of a coordinate branch of the Government, this court has gone far to sustain taxing acts as such, even though there has been ground for suspecting from the weight of the tax it was intended to destroy its subject. But in the act before us the presumption of validity can not prevail, because the proof of the contrary is found on the very face of its provisions. Grant the validity of this law and all that Congress would need to do hereafter in seeking to take over to its control any one of the great number of subjects of public interest, jurisdiction of which the States have never

parted with, and which are reserved to them by the tenth amendment, would be to enact a detailed measure of complete regulation of the subject and enforce it by a so-called tax upon departures from it. To give such magic to the word "tax" would be to break down all constitutional limitation of the powers of Congress and completely wipe out the sovereignty of the States.

The difference between a tax and a penalty is sometimes difficult to define, and yet the consequences of the distinction in the required method of their collection often are important. Where the sovereign enacting the law has power to impose both tax and penalty the difference between revenue production and mere regulation may be immaterial, but not so when one sovereign can impose a tax only and the power of regulation rests in another. Taxes are occasionally imposed in the discretion of the legislature on proper subjects with the primary motive of obtaining revenue from them and with the incidental motive of discouraging them by making their continuance onerous. They do not lose their character as taxes because of the incidental motive. But there comes a time in the extension of the penalizing features of the so-called tax when it loses its character as such and becomes a mere penalty with the characteristics of regulation and punishment. Such is the case in the law before us. Although Congress does not invalidate the contract of employment or expressly declare that the employment within the mentioned ages is illegal, it does exhibit its intent practically to achieve the latter result by adopting the criteria of wrongdoing and imposing its principal consequence on those who transgress its standard.

The case before us can not be distinguished from that of Hammer *v.* Dagenhart (247 U. S. 251). Congress there enacted a law to prohibit transportation in interstate commerce of goods made at a factory in which there was employment of children within the same ages and for the same number of hours a day and days in a week as are penalized by the act in this case. This court held the law in that case to be void. It said:

> In our view the necessary effect of this act is, by means of a prohibition against the movement in interstate commerce of ordinary commercial commodities, to regulate the hours of labor of children in factories and mines within the States, a purely State authority.

In the case at the bar Congress, in the name of a tax which on the face of the act is a penalty, seeks to do the same thing, and the effort must be equally futile.

The analogy of the Dagenhart case is clear. The congressional power over interstate commerce is, within its proper scope, just as complete and unlimited as the congressional power to tax, and the legislative motive in its exercise is just as free from judicial suspicion and inquiry. Yet when Congress threatened to stop interstate commerce in ordinary and necessary commodities, unobjectionable as subjects of transportation, and to deny the same to the people of a State in order to coerce them into compliance with Congress's regulation of State concerns, the court said this was not in fact regulation of interstate commerce, but, rather, that of State concerns and was invalid. So here the so-called tax is a penalty to coerce people of a State to act as Congress wishes them to act in respect of a matter completely the business of the State government under the Federal Constitution. This case requires, as did the Dagenhart case, the application of the principle announced by Chief Justice Marshall in McCullough *v.* Maryland (4 Wheaton 316, 423) in a much-quoted passage:

> Should Congress, in the execution of its powers, adopt measures which are prohibited by the Constitution; or should Congress, under the pretext of executing its powers, pass laws for the accomplishment of objects not intrusted to the Government, it would become the painful duty of this tribunal, should a case requiring such a decision come before it, to say that such an act was not the law of the land.

But it is pressed upon us that this court has gone so far in sustaining taxing measures the effect and tendency of which was to accomplish purposes not directly within congressional power that we are bound by authority to maintain this law.

The first of these is Veazie Bank *v.* Fenno (8 Wallace 533). In that case the validity of a law which increased a tax on the circulating notes of persons and State banks from 1 per cent to 10 per cent was in question. The main question was whether this was a direct tax to be apportioned among the several States "according to their respective numbers." This was answered in the negative. The second objection was stated by the court:

> It is insisted, however, that the tax in the case before us is excessive, and so excessive as to indicate a purpose on the part of Congress to destroy the franchise of the bank, and is, therefore, beyond the constitutional power of Congress.

To this the court answered:

> The first answer to this is that the judicial can not prescribe to the legislative departments of the Government limitations upon the exercise of its acknowledged powers. The power to tax may be exercised oppressively upon persons, but the responsibility of the legislature is not to the courts, but to the people by whom its members are elected. So if a particular tax bears heavily upon a corporation, or a class of corporations, it can not for that reason only be pronounced contrary to the Constitution.

It will be observed that the sole objection to the tax here was its excessive character. Nothing else appeared on the face of the act. It was an increase of a tax admittedly legal to a higher rate, and that was all. There were no elaborate specifications on the face of the act, as here, indicating the purpose to regulate matters of State concern and jurisdiction through an exaction so applied as to give it the qualities of a penalty for violation of law rather than a tax.

It should be noted, too, that the court, speaking of the extent of the taxing power, used these cautionary words (p. 541):

> There are, indeed, certain virtual limitations arising from the principles of the Constitution itself. It would undoubtedly be an abuse of the power if so exercised as to impair the separate existence and independent self-government of the States, or if exercised for ends inconsistent with the limited grants of power in the Constitution.

But more than this, what was charged to be the object of the excessive tax was within the congressional authority, as appears from the second answer which the court gave to the objection. After having pointed out the legitimate means taken by Congress to secure a national medium or currency, the court said (p. 549):

> Having thus, in the exercise of undisputed constitutional powers, undertaken to provide a currency for the whole country, it can not be questioned that Congress may, constitutionally, secure the benefit of it to the people by appropriate legislation. To this end, Congress has denied the quality of legal tender to foreign coins and has provided by law against the imposition of counterfeit and base coin on the community. To the same end, Congress may restrain, by suitable enactments, the circulation as money of any notes not issued under its own authority. Without this power, indeed, its attempts to secure a sound and uniform currency for the country must be futile.

The next case is that of McCray *v.* The United States (195 U. S. 27). That, like the Veazie Bank case, was the increase of an excise tax upon a subject properly taxable in which the taxpayers claimed that the tax had become invalid because the increase was excessive. It was a tax on oleomargarine, a substitute for butter. The tax on the white oleomargarine was one-quarter of a cent a pound, and on the yellow oleomargarine was first 2 cents and was then by the act in question increased to 10 cents per pound. This court held that the discretion of Congress in the exercise of its constitutional powers to levy excise taxes could not be controlled or limited by the courts because the latter might deem the incidence of the tax oppressive or even destructive. It was the same principle as that applied in the Veazie Bank case. This was that Congress in selecting its subjects for taxation might impose the burden where and as it would, and that a motive disclosed in its selection to discourage sale or manufacture of an article by a higher tax than on some other did not invalidate the tax. In neither of these cases did the law objected to show on its face as does the law before us the detailed specifications of a regulation of a State concern and business with a heavy exaction to promote the efficacy of such regulation.

The third case is that of Flint *v.* Stone Tracy Co. (220 U. S. 107). It involved the validity of an excise tax levied on the doing of business by all corporations, joint-stock companies, associations organized for profit having a capital stock represented by shares, and insurance companies, and measured the excise by the net income of the corporations. There was not in that case the slightest doubt that the tax was a tax and a tax for revenue, but it was attacked on the ground that such a tax could be made excessive and thus used by Congress to destroy the existence of State corporations. To this, this court gave the same answer as in the Veazie Bank and McCray cases. It is not so strong an authority for the Government's contention as they are.

The fourth case is United States *v.* Doremus (249 U. S. 86). That involved the validity of the narcotic drug act (38 Stats. 785), which imposed a special tax on the manufacture, importation, and sale or gift of opium or coca leaves or their compounds or derivatives. It required every person subject to the special tax to register with the collector of internal revenue his name and place of business and forbade him to sell except upon the written order of the person to whom the sale was made on a form prescribed by the Commissioner of Internal Revenue. The vendor was required to keep the order for two years, and the purchaser to keep a duplicate for the same time, and all were to be subject to official inspection. Similar requirements were made as to sales upon prescriptions of a physician and as to the dispensing of such drugs directly to a patient by a physician. The validity of a special tax in the nature of an excise tax on the manufacture, importation, and sale of such drugs was, of course, unquestioned. The provisions for subjecting the sale and distribution of the drugs to official

supervision and inspection were held to have a reasonable relation to the enforcement of the tax and [illegible]re therefore held valid.

The court said that the act could not be declared invalid just because another motive than taxation, not shown on the face of the act, might have contributed to its passage. This case does not militate against the conclusion we have reached in respect to the law now before us. The court there made manifest its view that the provisions of the so-called taxing act must be naturally and reasonably adapted to the collection of the tax and not solely to the achievement of some other purpose plainly within State power.

For the reasons given, we must hold the child labor tax law invalid, and the judgment of the district court is affirmed.

Mr. Justice Clarke dissents.

DISPENSING WITH CALENDAR WEDNESDAY.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that the House dispense with business under the Calendar Wednesday rule to-morrow. I make this request in order that we may be able to complete, if possible, the consideration of the bill that will be taken up to-morrow, and in order that we may then take up for consideration and complete this week the consideration of the river and harbor bill.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to dispense with the business of Calendar Wednesday to-morrow. Is there objection?

There was no objection.

Mr. SNELL. Is it intended to have regular business on Thursday?

Mr. MONDELL. Yes; we will be in session on Thursday, but just what the character of the business will be I can not say at this time, although it may be general debate on the river and harbor bill.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted—

To Mr. GARRETT of Tennessee, indefinitely, on account of important business.

IMPORTATION AND EXPORTATION OF OPIUM.

Mr. HADLEY. Mr. Speaker, I move to take from the Speaker's table the bill H. R. 2193, amending the export and import drugs act, and concur in the Senate amendment.

The SPEAKER. The gentleman from Washington moves to take from the Speaker's table the bill with a Senate amendment, of which the Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 2193) to amend section 6 of an act approved January 17, 1914, entitled "An act to amend an act entitled 'An act to prohibit the importation and use of opium for other than medicinal purposes,' approved February 9, 1909."

The Senate amendment was read.

The SPEAKER. The gentleman from Washington moves to concur in the Senate amendment.

Mr. GARNER. Will the gentleman yield?

Mr. HADLEY. Yes.

Mr. GARNER. If I understand the gentleman, he has consulted with the gentleman from Arkansas [Mr. OLDFIELD], who was on the subcommittee that drew this bill, and the amendment is satisfactory to Mr. OLDFIELD, and he thinks that this will contribute to the effectiveness of the legislation?

Mr. HADLEY. I have consulted with the gentleman from Arkansas [Mr. OLDFIELD] and gone over the subject with him, and I understand this is entirely agreeable to him.

Mr. OLDFIELD. Yes; I think the amendment improves the bill.

Mr. HADLEY. The bill as it passed the House contained a provision making the master of a vessel which brings in a narcotic drug not shown on the vessel's manifest liable to a penalty equal to the value of the drug, the drug being seized and forfeited besides. As a matter of fact, it appears that smoking opium has no market or commercial or determinable value, while other drugs covered by the bill have a commercial and ascertainable value. Therefore by the Senate amendment smoking opium is segregated, so as to provide in its case a specific penalty of $25 an ounce and a penalty equal to the value in the case of the other drugs. It is an amendment that will make the administration of the law more effective.

Mr. STAFFORD. And it makes it more stringent.

Mr. HADLEY. It does.

The SPEAKER. The question is on agreeing to the Senate amendment.

The Senate amendment was agreed to.

TO SCRAP CERTAIN NAVAL VESSELS.

Mr. CAMPBELL of Kansas. Mr. Speaker, I submit a privileged report from the Committee on Rules.

The Clerk read as follows:

House Resolution 347. Report No. 1010.

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into Committee of the Whole House on the state of the Union to consider H. R. 11214, being "A bill authorizing the President to scrap certain vessels in conformity with the provisions of the treaty to limit naval armaments, and for other purposes." That there shall be not to exceed four and a half hours of general debate on said bill, one-half to be controlled by the gentleman from New York, Mr. HICKS, and one-half to be controlled by the gentleman from Tennessee, Mr. PADGETT. At the conclusion of the general debate the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendments the committee shall rise and report the bill back to the House with the amendments, if any; the previous question shall be considered as ordered on the bill and all amendments thereto to final passage, without intervening motion, except one motion to recommit.

Mr. CAMPBELL of Kansas. Mr. Speaker, I am very happy to be able to report this resolution to the House. It comes as a unanimous report from the Committee on Rules, making in order a bill unanimously reported from the Committee on Naval Affairs providing for the scrapping of certain battleships.

One of the greatest days in the political history of civilization was the day upon which the representatives of the great Governments of the world met in Continental Hall and listened to the words of the President of the United States, in which he breathed the hope that civilization had finally arrived at a day when differences between nations might be adjusted without resorting to the arbitrament of arms. [Applause.] It was not only inspiring but encouraging to hope when the Secretary of State, Mr. Hughes, submitted a program that was in part the fulfillment of prophecy that the day might come when nations should beat their swords into plowshares and their spears into pruning hooks and have war no more.

The followers of Christ, of Mohammed, and of Confucius all assembled together in the same place, indulging in the same hope, the hope of peace on earth.

I am, therefore, happy, I say, to have the opportunity of bringing on the floor of the House for its consideration a bill providing for the scrapping of battleships, the greatest instrumentalities of war. The world has long hoped that some condition might be brought about that would enable nations differing with one another over international questions to adjust these without resort to force of arms. The Conference on the Limitation of Armaments showed the nations of the world how the rule of reason could take the place of the rule of force—communication, debate, conversation will enable them hereafter, when great international questions arise threatening war, to adjust those questions in conference by mutual understanding. That is the purpose of laying aside great instruments of war and hereafter securing peace by negotiation.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. CAMPBELL of Kansas. I will.

Mr. CONNALLY of Texas. The gentleman says that in case of a threat of war it is the desire to settle it by debate. Suppose war should be threatened by some nation not a party to the disarmament conference; would the gentleman be willing to submit that in the same way? Suppose Russia or Germany or some great nation not a party to the conference was involved.

Mr. CAMPBELL of Kansas. A nation that is not present can not discuss questions of difference between such nations.

Mr. CONNALLY of Texas. If the gentleman is right in his theory, would not he favor an association that would comprehend all the nations of the earth rather than four particular nations, if his principle is correct?

Mr. CAMPBELL of Kansas. With a view to constant meddling in international questions?

Mr. CONNALLY of Texas. No; I am following the gentleman. He says that when war threatens anywhere his theory is that it ought to be prevented by debate and consultation and conciliation. Would the gentleman from Kansas limit the beneficence and the effect of that policy to four nations instead of all the nations of the world?

Mr. CAMPBELL of Kansas. I would limit it to the controversy between the nations—to the nations involved, and not involve the whole world in the debate between those two nations. [Applause.]

Mr. CONNALLY of Texas. Will the gentleman yield further?

Mr. CAMPBELL of Kansas. For a question.

Mr. CONNALLY of Texas. The gentleman would limit it to the two nations that were in dispute?

Mr. CAMPBELL of Kansas. I would limit the conversation to the two nations.

Mr. CONNALLY of Texas. Does not the gentleman know that every war that has ever occurred in history has been left to the two nations that were fighting, and that it always resulted in a war rather than a settlement by debate?

Mr. CAMPBELL of Kansas. No; the gentleman does not know that. The gentleman does know that after the fighting the representatives of the two nations get together and have conversations that should have occurred before the fighting began. [Applause on the Republican side.] That is always so. The treaty of peace should have been called before rather than after the fighting. That is what I favor. That is what we should do hereafter; but it is not necessary when a debate arises, say, between Bolivia and Uruguay, to involve the United States and all the other Central and South American countries. It is not necessary when a dispute arises between two nations in Europe to involve all Europe or the whole world in the debate.

Mr. CONNALLY of Texas. The gentleman says that he would leave it to the controversial parties?

Mr. CAMPBELL of Kansas. Yes.

Mr. CONNALLY of Texas. Peru and Bolivia have had this question up for 40 years.

Mr. CAMPBELL of Kansas. Yes.

Mr. CONNALLY of Texas. And have been unable to settle it; and it was only at the instance of the United States, not a party to the controversy, that the present conference was called. Does the gentleman oppose the intervention of the United States in controversies of that kind in an endeavor to settle the matter?

Mr. CAMPBELL of Kansas. Where a friendly power is called in to aid in the adjustment of international disputes, certainly there could be no objections; but this is aside from the matter that I rose to discuss. I congratulate the United States and I congratulate the whole world upon the opportunity now offered for beginning a limitation of armaments, for the beginning of that era in which international disputes may be adjusted without resorting to the arbitrament of the sword.

Mr. GARNER. Mr. Speaker, will the gentleman yield for a question?

Mr. CAMPBELL of Kansas. Yes.

Mr. GARNER. If I understand the gentleman, this resolution has the unanimous support of the Committee on Rules.

Mr. CAMPBELL of Kansas. It has.

Mr. GARNER. And the bill has been unanimously reported by the Committee on Naval Affairs.

Mr. CAMPBELL of Kansas. It has.

Mr. GARNER. Considering the very effective argument of the gentleman from Kansas, I think the resolution ought to pass.

Mr. CAMPBELL of Kansas. Mr. President, I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. HICKS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11214) authorizing the President to scrap certain vessels in conformity with the provisions of the treaty to limit naval armaments, and for the conversion of two battle cruisers into aircraft carriers.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11214, with Mr. HUSTED in the chair.

The Clerk read the bill, as follows:

Be it enacted, etc., That for the purpose of giving effect to the provisions in the treaty to limit naval armament, concluded February 6, 1922, by the United States of America and the British Empire, France, Italy, and Japan, respecting the abandonment of shipbuilding programs and the scrapping of capital ships in excess of the number which the United States may retain in conformity with the said provisions, the President of the United States be, and he is hereby, authorized to make such disposition as in his judgment may be proper of any capital ship of the Navy built or building and to cause to be taken such action as is necessary for the scrapping of capital ships to be dealt with in that manner in accordance with the said provisions.

SEC. 2. That the President of the United States is hereby authorized and empowered to discontinue the construction of and to cancel or modify any contract entered into for and on behalf of the United States for the construction of seven of the first-class battleships and the six battle cruisers authorized in the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes," approved August 29, 1916, and for the machinery, materials, equipment, armor, armament, and ordnance equipment therefor: *Provided*, That whenever any such contract is canceled or modified just compensation therefor shall be made in the manner and upon the basis provided in the act of July 1, 1918, entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1919, and for other purposes," out of any funds hereafter to be appropriated for that purpose.

SEC. 3. That of the battle cruisers authorized in the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes," approved August 29, 1916, the President of the United States is hereby authorized to undertake the conversion of the two battle cruisers now building which in his judgment are furthest advanced in construction, or will be the most economical to convert into airplane carriers, within the limits of cost heretofore authorized for said battle cruisers; and the President is hereby further authorized to utilize any such funds and materials that may be on hand or under contract at this time for the construction of battle cruisers heretofore authorized.

The CHAIRMAN. Under the rule, general debate upon the bill is limited to four and a half hours, one-half under the control of the gentleman from New York [Mr. HICKS] and one-half under the control of the gentleman from Tennessee [Mr. PADGETT]. The Chair recognizes the gentleman from New York [Mr. HICKS].

Mr. HICKS. Mr. Chairman and gentlemen of the committee, it is with a good deal of regret that I stand here to present this bill to the committee—a regret which comes not from lack of faith in the fulfillment of the aims and purposes of the treaties concluded by the Washington conference, nor from any doubt of the wisdom and desirability of carrying those treaties into effect, but from the fact that the chairman of the committee, Mr. THOMAS S. BUTLER, of Pennsylvania, can not be here to take charge of the proceedings. Mr. BUTLER is at his home in West Chester, at the bedside of a seriously ill daughter-in-law, for whose recovery we express all hope. Having served on the committee with Mr. BUTLER for many years, knowing his feelings in regard to this bill, I wish to testify that one of the things nearest and dearest to his heart is to be here to-day to add his word in favor of the measure which seeks to curtail the great naval armaments of the world. Mr. BUTLER, a man of the greatest honesty, a conscientious man, and a true friend, has worked steadfastly and earnestly to upbuild the great naval forces of the United States, but with it all there has been ever present in his heart the hope that some day by international agreement the nations of the world would ratify a compact by which those naval programs would be curtailed, competitive construction plans ended, and operation costs reduced. If he were here to-day he would voice these sentiments, for the hour has come for those results to be attained.

When the Washington conference assembled at the invitation of President Harding, the hopes of humanity and the aspirations of the world were centered in its deliberations. That event will be recorded in history as one of the greatest in the story of civilization. For centuries idealists have dreamed of that day when the armed forces of the earth would be limited and preparations for war minimized. To-day that hope of the ages is a reality; and the bill now before us carries out the mandate of the conference and makes effective the provisions of the treaties to accomplish those purposes. The bill provides, first, for the scrapping of ships now in commission and upon the ways, and, second, for the conversion of two of the unfinished battle cruisers into airplane carriers.

At this time I desire to speak briefly of the conference, and later will take up in detail the question of the construction of the much-needed airplane carriers.

Under the lead of America—the Nation most fortunately situated for carrying forward great military programs, yet willing to make the greatest sacrifices—inspired by Mr. Harding who holds the affection of his own countrymen and commands the respect of nations abroad and guided by the superior ability of Secretary Hughes, ably supported by the American delegates, statesmen formulated a practical, workable agreement whereby competitive naval programs shall be checked, ever-increasing costs of maintenance reduced, and the chances of future wars lessened.

Mr. CONNALLY of Texas. Mr. Chairman, will the gentleman yield?

Mr. HICKS. If the gentleman has any special question. What is the purpose of the gentleman's interruption?

Mr. CONNALLY of Texas. I want to ask the gentleman a question.

Mr. HICKS. What is it?

Mr. CONNALLY of Texas. Does the gentleman yield?

Mr. HICKS. I will for a question.

Mr. CONNALLY of Texas. The gentleman spoke about the President being guided by high inspiration and he also spoke of the superior ability of Secretary Hughes. Does he mean to make a comparison as between the President and the Secretary of State in that respect?

Mr. HICKS. Oh, Mr. Chairman, I do wish the gentleman from Texas [Mr. CONNALLY], with all of his ability and broadness of character, would try once in a while to leave out these petty, foolish questions, which I think are beneath his standard of statesmanship. If the gentleman had followed my statement clearly, he would have seen that my allusion to Mr. Hughes referred to the statesmen who were at the conference and did not refer to President Harding in comparison with the Secretary of State.

Accepting completely the conference treaties, I voice the feeling that this conference will be a milestone on the pathway of an ever-advancing civilization, and that it ushers in a new era in the affairs of men, when justice, mutual confidence, and abiding peace among the nations shall cast their beneficent mantle over the world. Let us accept the covenants in letter and in spirit, with conviction of their righteousness and with a determination that they shall be adhered to with honor and good will.

By the ratification of these treaties one nation surrenders the proud position it has maintained for 300 years as mistress of the seas, and without the terrific expenditures which naval supremacy would have entailed, the fleets of America in friendly rivalry will meet on the blue waters on terms of equality, the fleets of Great Britain.

While we rejoice over the achievements of the conference, acknowledge the benefits to be derived therefrom, and scan the future with confidence, yet the passage of this bill is tinged with sadness. Great ships which in honor have carried the flag in peace and in war will be reduced to shapeless hulks, and other ships, the most powerful ever designed by the genius of man, will be torn to scrap iron ere they have had the opportunity of adding to the glory which would have been theirs by service. Let us have no Roman festival when the hour comes for dismantlement; let there be no gala day when the flag which these noble ships carried in defense of their country is forever lowered from their masts.

To those who may feel that we will be without a sufficient navy, let me remind them that the Navy provided for under the conference plan will be far stronger than was our Navy at the commencement of the World War. In efficient fighting ships in commission it will be heavier in tonnage and more powerful in gunfire than was our Navy at any period of that war. Let me give you some figures as to comparative strength of the American Navy.

On November 1, 1918, the Navy, in vessels actually completed, exclusive of those building or authorized, consisted of:

	Tons.
39 battleships	711,596
93 destroyers	94,583
0 airplane carriers	
79 submarines	29,886
365 auxiliary combat vessels	255,071
207 other auxiliary vessels	713,045
Total	1,804,181

Total number of vessels in service, 783.

The Navy under the conference plan, including the completion of ships under construction permitted by the naval treaty, and excluding those to be scrapped, will consist of:

	Tons.
18 battleships (2 being built)	525,850
318 destroyers (3 being built)	368,643
3 airplane carriers (including 2 to be converted)	80,000
130 submarines (38 being built)	91,186
129 auxiliary combat vessels	324,143
237 other auxiliary vessels	1,114,428
Total	2,504,250

Total number of vessels to be retained, 835.

To complete the record, I submit the number of vessels to be scrapped under the conference plan:

In commission, 2 first line battleships, 3 second line battleships; out of commission, 13 second line battleships; under construction, 7 first line battleships, 4 battle cruisers. (This assumes that 2 of the 6 cruisers on the ways will be converted into aircraft carriers.) Total, 29 ships.

Let me also suggest that naval strength is comparative and is measured by the strength of one's adversary. With the international agreement limiting the ratio between nations, an agreement which I fervently believe will be a covenant of honor, we are as strong relatively as we would be if that ratio was doubled or quadrupled.

Let no one think that the Navy of the present will be impotent or inefficient. Let no one think the Navy of the future will live only upon the traditions and the memories of the past. Let no one harbor the belief that the greatness of the American Navy will reside in the achievements of former days, glorious as those achievements were.

Adhering to the letter and to the spirit of that conference, adjusting ourselves to its provisions, the American Navy of tomorrow will "carry on," strong and resolute, the bulwark for defense, protecting our rights and maintaining our policies as of yore. The Navy means more than men and ships; it means more than might of shell and strength of steel; it connotes the power and the will, the ideals and the hopes of those whose guardian and benefactor it always has been and always will be. It is the symbol not only of daring but of sacrifice, not only of courage but of constructive endeavor, constant in purpose and steadfast to the end.

Mr. Chairman, I will ask the gentleman from Tennessee if he will use some of his time.

Mr. PADGETT. Mr. Chairman, I yield 45 minutes to the gentleman from Virginia [Mr. TUCKER]. [Applause.]

Mr. TUCKER. Mr. Chairman and gentlemen of the committee, I join with the gentleman from New York [Mr. HICKS] in the expression of regret that the honorable chairman of this committee [Mr. BUTLER] is not with us to-day, and unite with him in the hope that the cause of his detention may soon be removed in the restoration to health again of his loved one. This bill, as has been stated, has been unanimously reported by the Committee on Naval Affairs to carry out the five-power treaty entered into by the United States, Great Britain, France, Italy, and Japan in this city in the past few months and ratified by the Senate of the United States on the 29th of March last. It is a bill to carry out that treaty. I notice in the hearings before the committee that one gentleman who appeared before them to give his opinion of the bill said it seemed to be harmless, and that while he thought the President of the United States had ample power to carry it out, that there could be no harm in a bill going through the Congress such as this.

Mr. Chairman, I am for this bill not because it is a harmless way in which this matter may be carried out, but I am for this bill because it is the only way in which this treaty can be executed legally and constitutionally. To this question I invite the attention of the committee. Look at the very first article of the treaty:

> The contracting powers agree to limit their respective naval armament as provided in the present treaty.

They agree to limit. That is, this treaty says, in effect, you shall not "provide and maintain a navy" except as far as we say. Take the next provision:

> ART. II. The contracting powers may retain respectively the capital ships which are specified in chapter 2, part 1.

All others are to be scrapped.

> ART. III. Subject to the provisions of Article II, the contracting powers shall abandon their capital-ship building program.
>
> ART. XVIII. Each of the contracting powers undertakes not to dispose by gift, sale, or any mode of transfer of any vessel of war in such a manner that such vessel may become a vessel of war in the Navy of any foreign power.

Now, Mr. Chairman, each one of these provisions—the right to scrap the Navy, the agreement not to sell or give away any vessels, the agreement to cancel all capital-ship building contracts—embrace subjects under powers which belong to the Congress of the United States, as set forth in Article I (sec. 8, c. 13; sec. 8, c. 14; sec. 8, c. 18) and Article IV (sec. 3, c. 2), as follows: The power to "provide and maintain a Navy," to "make rules for the government and regulation of the land and naval forces," to "dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States." These powers are specifically granted to the Congress of the United States.

Gentlemen will recall that Article 1, section 8, of the Constitution specifies 17 great grants of power to the Congress, and then, as if fearful something might escape, there was added the coefficient clause that—

> Congress shall have power to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

Under the Articles of Confederation, as you will remember, the United States possessed only powers which were expressly granted; and here are 17 great powers expressly granted to Congress, while implied powers were given in the coefficient clause which I have just given you.

How, then, can this treaty be executed without the help of Congress, when it contains subjects that the Constitution commits solely and exclusively to Congress? This same Constitution, in Article II, section 2, clause 2, gives the power to the President, by and with the advice and consent of the Senate, to make treaties, an unlimited power, seemingly, with no restrictions. What is a treaty? It is an agreement, a contract, between two or more nations to do or not to do something. That contract, like any other contract, may be an executed contract, or an executory contract. If it is an executed contract, then the treaty is self-executing. But if the treaty provides something that must be done by another arm of the Government it is executory—inchoate—and can not become a part of the supreme law of the land until that arm of the Government acts. Gentle-

men say, "Oh, well, but in the Constitution the treaty power is given in a way that can leave no doubt that the treaty can execute itself, for it is declared to be the supreme law of the land."

Notice that they read Article VI as if it were "all treaties made or that shall be made under the authority of the United States shall be the supreme law of the land." That is the way it is often read by gentlemen. But pick up the sixth article of the Constitution and read it, and what do you find? Here it is. First:

This Constitution—

And second—

and the laws of the United States which shall be made in pursuance thereof;

And third—

and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land.

Of the three, which is supreme? A trinity in unity. The same words that carry into the treaty power supremacy carry the same supremacy into the laws of Congress and into the Constitution itself. If the same words convey the same supremacy, how can the treaty power be supreme over the power of Congress or the Constitution itself, as some people claim? Why, gentlemen, is it possible that the treaty power, the child of the Constitution, can be superior to the parent? Can a part be more powerful than the whole? Therefore, I say that the supremacy of the treaty power carried in the sixth article of the Constitution is valid, but the same article carries the same supremacy to the Constitution and to the laws of Congress.

Let us see. This is no new question; oh, no. This has been before this House for 125 years. My good friend who sits before me, "Uncle Joe," has fought this question out in favor of this House and its powers in the good old days in which he has served his country. It started with the Jay treaty in 1796. George Washington, the President of the United States—from Fairfax County, Va., for the benefit of my friend MOORE—was requested by this House to send to it the Jay treaty with all accompanying papers. And what was the reply of that great man? With great dignity and force he said in effect:

I will not send the treaty and the papers to the House. You have nothing to do with the making of treaties. My function, with the Senate, is to make treaties, and it is your duty to carry out those treaties by voting appropriations that they carry.

The House did not agree with the President and put on record a defiant resolution which from that time to the present they have upheld in the history of this country, until finally it has triumphed, and is recognized to-day as a great principle controlling our Government.

I put into a resolution which I offered in the House some days ago the very language used by this House when the same question was considered under the Jay treaty, asking President Harding to send this treaty to the House, not that we especially cared for it, but to keep up the orderly conduct of business and the recognition of the powers of this House in respect to treaties. Why, gentlemen, not only was that fight made under the Jay treaty, but when Jefferson acquired Louisiana he sent the treaty to this House, or, rather, he got the House to appropriate the money first, telling them what he wanted with it before the treaty was ratified. When Florida was acquired, the same principle was adopted. With the Ashburton treaty, involving a part of the State of Maine, the same principle was carried out, and when Alaska was purchased the same principle was also carried out. It has been a great and long fight; but this House has won out and will never surrender its power. James G. Blaine, a former great Speaker of this House, in his "Twenty Years in Congress," Volume II, page 837, states that that struggle, which had continued for a century, had finally been settled in favor of this House, not the claim of having the right to make treaties but its claim to pass upon the question when a revenue law was sought to be changed or an appropriation made by a treaty.

Now, gentlemen, not only that—and I beg gentlemen to hear this—not only that, *but every President from John Adams to Woodrow Wilson, except William Henry Harrison and James A. Garfield, who held office only a short time—every one of them—sent to this House voluntarily, not by request of this House, as under the Jay treaty, but voluntarily they sent to this House one or more treaties either carrying an appropriation or providing for a change in the revenue laws.*

Why? Because Congress alone can appropriate money and lay taxes. If gentlemen want to see these treaties, I have them collected and arranged. So that this principle which is asserted is this bill, and which the committee is entitled to the congratulations of the House for thus framing, has the sanction of 125 years of procedure here, the sanction of the great name of James G. Blaine, of Crandall and Charles Henry Butler, who have written on this subject, and not only these but the sanction of every President of the United States except the alpha and the omega—Presidents Washington and Harding.

Another view seems to be conclusive. Under the coefficient clause Congress has power "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers and all other powers vested by this Constitution in the Government of the United States or in any department or officer thereof." That is, Congress has power to pass laws to carry out the 17 enumerated powers, and by this provision also any powers necessarily implied in them. But not only has Congress that power, but note it has the power to carry into execution "all other powers vested by this Constitution in the Government of the United States or in any department or office thereof." One of these powers vested in the Government of the United States is the treaty power, and when Congress finds that it is "necessary and proper" to carry out an executory contract made by the treaty power, here is a distinct authority for the same. A treaty may be by its very terms executed, and there is no law necessary to carry that out; but if it is executory and needs the ancillary help of a coordinate power, here is the express provision for it. This shows that the validity of a treaty may be conditioned upon the will of Congress, and Congress has the power under this Constitution to pass all laws which they shall deem necessary and proper to carry it into execution; but they are unrestrained; no moral or legal obligation under the treaty power to do what may not commend itself to their judgment. Again, the common rule of construction of instruments is that a *general* grant of power must yield to a *specific* grant in the same instrument. Here we have the general grant to make treaties, which may embrace any subject, practically. Now, the specific grant to Congress to pass revenue laws qualifies the general grant to that extent, for how could the general grant to make treaties fail to yield to the special grant to Congress to pass and to this House to originate revenue bills? And, again, the treaties before us require execution by Congress, and the very first article of the Constitution and the very first section of that article declares "All legislative powers herein granted shall be vested in a Congress of the United States," not in the treaty-making power.

Mr. MONDELL. Would it be agreeable to the gentleman from Virginia to yield to a question at this point?

Mr. TUCKER. Certainly.

Mr. MONDELL. I am not sure that I clearly understand the gentleman's position. Is it the gentleman's contention that the President should have sent the naval treaty to the House?

Mr. TUCKER. What is the gentleman's question?

Mr. MONDELL. Is it the gentleman's contention that the President should have sent the naval treaty to the House? Of course, it was necessary to send it to the Senate. Do I understand the President should have sent the treaty to the House?

Mr. TUCKER. I think to conform to the practice of the country ever since the days of President John Adams, in recognition of the established position of the House in this matter, the President ought to have sent the treaty to the House.

Mr. MONDELL. Well, if the gentleman will yield——

Mr. TUCKER. Yes.

Mr. MONDELL (continuing). I think it is proper that I should say that the President considered that matter. He was anxious to have the House participate, take a part in, and do whatever it was proper to do under the Constitution touching the matters and questions involved in the naval treaty, and the President, of course, is in full accord with what it is proposed to do in the bill before us, in the first section. I am not certain it would have been in accordance with precedent for the President to have transmitted the treaty itself to the House. Of course, it was essential that the treaty should be transmitted to the Senate, because under the Constitution the Senate must act upon it. But I am very much interested in the gentleman's position. In the main I am inclined to agree with him.

Mr. TUCKER. Come all the way over.

Mr. MONDELL. But I do not know just what the procedure might have been following the gentleman's view.

Mr. TUCKER. If the gentleman will permit me, we must not get things mixed. This House has no power to make a treaty. It does not claim any. But when the treaty contains a provision that this House must act upon in order to effectuate it, such treaty should be sent to the House as well as the Senate, and the uniform action of all Presidents from John Adams to Wilson would seem to make such action not only proper, but necessary. I am not sure that this treaty is one the sending

of which would have given much light to the House, but very often papers that are used in the course of making a treaty may throw light upon the question of an appropriation or the change of a revenue law, and, therefore, while this treaty might not have carried many papers of that sort I wanted the President to keep in line with the precedents which are before us. For, gentlemen of the House, if American liberty is to be preserved this House is to be the instrumentality by which it is to be done. [Applause.] Its powers, then, must be preserved.

Mr. MONDELL. I am anxious to know——

Mr. TUCKER. Will my friend pardon me just a moment? I probably can bring it out more clearly. President Washington, when he refused to send the Jay treaty and papers to the House, said in effect, "You are bound to carry out the appropriation in that treaty." The House said, "We bound? To whom? We must use our own judgment, our own discretion in reference to all other matters, but when it comes to a treaty we are to surrender it. Never!" That was the position of the House, and that is the position here.

Mr. MONDELL. What I am anxious to know is what the gentleman's view is as to what might have been done by the President in carrying out, as I understand it, the gentleman's view of the proper procedure. Assuming that the President had sent the treaty to the House, what would have been our action, if any, in the gentleman's view, touching the treaty or in regard to the treaty? Of course, we are now acting upon the subject matter.

Mr. TUCKER. Exactly; we are acting on the thing that is published in this pamphlet as the treaty. I do not know whether it is the treaty or not. We have no official document here that I know of.

Mr. MONDELL. But is it the gentleman's contention that the President should have transmitted the treaty to the House? And if so, what action could the House have taken on the treaty itself?

Mr. TUCKER. I think the President by all means ought to have sent the treaty to the House.

Mr. MONDELL. Merely as a matter of information?

Mr. TUCKER. No; but because it contained matters of legislation that the treaty power could not carry out.

Mr. MONDELL. But we could not have acted directly upon the treaty itself?

Mr. TUCKER. No, indeed. We had nothing to do with it, except so far as it contains executory contracts that we must act upon.

Mr. MONDELL. We are now proceeding, then, to do the thing which the gentleman thinks we should do touching the treaty?

Mr. TUCKER. Yes.

Mr. MONDELL. Then the only contention that the gentleman makes in regard to the matter is that it would have been more in accordance with the precedents had the President transmitted the treaty for information?

Mr. TUCKER. Yes. We wanted to be sure of what it was, whether we had a treaty; and any treaty that contains matter requiring legislation should be sent by the President to this House.

Mr. MONDELL. As a matter of information?

Mr. TUCKER. Yes.

Mr. MONDELL. We have the information otherwise.

Mr. TUCKER. We have something here. I hope it is correct.

Mr. LAYTON. Mr. Chairman, will the gentleman yield for a question?

Mr. TUCKER. Yes.

Mr. LAYTON. I am not as clear on that point as I want to be. Let us take the Colombian treaty, for instance. Does the gentleman hold or not hold that when that treaty was negotiated it was absolutely incumbent upon this House to vote for $25,000,000?

Mr. TUCKER. Never!

Mr. LAYTON. That is my idea. Does the gentleman hold that with respect to this recent treaty it was incumbent upon this House to abrogate its powers and let the matter of the destruction of property, which under the Constitution belongs to this House, go by the board?

Mr. TUCKER. The gentleman is right, beyond question. Undoubtedly when the executive department negotiates a treaty with a foreign country or agrees to a matter implying legislation, that treaty is strongly persuasive to this House. That far it should go, and no further. General Washington claimed that, because the treaty power put an appropriation into the treaty, we were bound like slaves, without discretion, without deliberation, without exercising our own judgments to pass it. O, no; never!

Mr. CRISP. Will my friend yield for a question?

Mr. TUCKER. Yes.

Mr. CRISP. When this treaty was first entered into there was some question in the minds of some of the Members of the House as to whether the treaty itself gave the Executive authority the right and power to destroy the ships in accordance with the treaty without congressional legislation. I would like to know the views of the gentleman, whether or not it was absolutely necessary to have legislative authority before the executive department of the Government could be authorized to scrap or destroy the ships in accordance with the treaty?

Mr. TUCKER. That is my view exactly.

Mr. HICKS. Mr. Chairman, will the gentleman yield?

Mr. TUCKER. Yes.

Mr. HICKS. Having had the benefit of the very able presentation of the gentleman's view before our committee, it seems to me this is the line of thought that he is leading toward, that under the general acceptation treaties are the supreme law of the land, but the Constitution also is the supreme law of the land; that treaties may provide for one thing; the Constitution also provides that Congress shall support and maintain a Navy. Now, that is in the Constitution. In order to have the power given to destroy the Navy it might seem to avoid any conflict or contention if Congress itself could pass a law providing for their destruction. Is that the gentleman's idea?

Mr. TUCKER. That is my idea.

You see, gentlemen, we are not only considering this bill, but we are also considering the question of where the principle involved in this bill may lead to. If the contention of the school whose theory I am contesting to-day is that we are bound in this House without regard to deliberation or consideration to pass any appropriation that may be in a treaty, then the treaty power can annihilate the powers of Congress, and Judge Storey said with great power that no one power in the Constitution can annihilate another. (Storey on the Constitution, sec. 1508.) Of course, it can not.

And yet some gentlemen take that view. Just think of it! That supremacy of the treaty power is incorporated in the sixth article of the Constitution, the last article of the Constitution in which any substantive grant of power is made. For months the makers of the Constitution had been adjusting the niceties between the States and the Federal Government, and with skillful hands had been doing what they could to satisfy the people of the country; and yet, according to the theory of these gentlemen, after doing all that, they inserted in the last article of the Constitution a power which could destroy not only the powers of Congress, the powers of the Executive and the judiciary, but the Constitution itself.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. TUCKER. In a moment.

For if it be true, in reference to this House, that a treaty can absorb powers granted to the Congress and thereby annihilate their powers, the same treaty power can override the executive power or the judicial power of this Government, for the executive and the judicial powers have supremacy infused into them to the same extent that Congress has and no greater. We could make a treaty under this theory with Haiti or with Liberia—Liberia seems now to be one of our favorites—providing that any inhabitant of Liberia that came to the United States could be eligible to the Presidency of the United States. That is not more extreme than the power which is sought by the treaty power to destroy the power of Congress. We have a provision of the Constitution, "The trial of all crimes * * * shall be by jury" (Art. III, sec. 2). Why not a treaty between this country and Italy by which we agree that all Italians that may be brought up for trial here shall be tried before the court without a jury? There is not a right, there is not a civil or a religious right, embodied in the granitic foundations of this Constitution for the benefit of American citizens that can not be wiped away by agreement in a treaty between this country and Patagonia or some other country equally as important if the doctrine of the unlimited treaty power advocated by many should come to be the law of the land.

So I may add that not only might this power, if allowed to go unlimited, overcome the powers of Congress, the powers of the Executive, the powers of the judiciary, but it might come down to the homes of the people, to their firesides, and destroy their local rights in their States, their counties, and their magisterial districts, because provisions might be put into a treaty which would destroy those rights. The tenth amendment secures to the people of the States all the powers not granted to the Federal Government. What would become of them?

No local right is nearer to the hearts of the people than that of educating their children in their own way. Suppose a treaty

with Liberia or Haiti should attempt to guarantee the right of the children of either country residing in this country to attend such schools as they desired. Many States of the Union do not permit mixed schools. Could the treaty power do in this matter what Congress could not do? Or take another example: I live in the Godly town of Lexington, Va., nestled in the foothills of the Blue Ridge and Allegheny Mountains, surrounded by mountains even as the mountains are around about Jerusalem. Long before national prohibition Lexington had driven the barrooms out. Now, suppose a treaty between the United States and France, which guarantees to the citizens of each country the reciprocal rights of doing business in that of the other, wholesale or retail, and with no further limitations or conditions; a Frenchman coming to Lexington, and finding it exceedingly dry, and imagining that it would be a fine place to open a barroom and do business as he had done in his own country, opens a barroom. He is promptly brought before Judge Holt by the sheriff, and his lawyer pleads in justification the treaty between the United States and France as 'the supreme law of the land' under which he claims the right to run the barroom. Judge Holt reluctantly admits the force of the plea and says the Frenchman is protected by the treaty, which is the supreme law of the land. The Frenchman, I am sorry to admit, does a large business, and Jim Johnson, a citizen of Lexington, who had borne arms in defense of his native State in the Civil War, furnished four sons to the Government in the war against Germany, who has been paying his taxes and discharging the duties of citizenship with unquestioned credit, but being poor, and desiring to make money, determines to open a barroom also himself. At once the vigilant sheriff takes him before Judge Holt, the law of Virginia is read to him, the court promptly sentences him to jail and puts a big fine on him, and there he stands, day by day, at the window of his cell looking at his hoped-for customers crowding the door of the Frenchman's barroom. Can these things be in Israel, under the treaty power or any other power?

So, gentlemen of the committee, because of my intense interest in this great question, so essential to the power of this House and the liberty of the people, I was delighted when I found that the committee presided over by my old friend [Mr. BUTLER] had adopted the only measure by which this treaty can be carried out legally and constitutionally.

Mr. MOORE of Virginia. Will my friend, to whom I am listening with the greatest profit and pleasure, permit an interruption?

Mr. TUCKER. Certainly.

Mr. MOORE of Virginia. I have been impressed with the suggestion he made awhile ago that we can take executory and executed contracts as furnishing an analogy. Now, what would the gentleman say to the proposition advanced by some of the leading writers, Judge Cooley among them, I think, that it is competent under the treaty-making power, without any assistance by Congress, for this Government to dispose of territory or acquire territory by treaty? Would that be such a contract—such an executed contract—as would operate of itself to accomplish a surrender or acquisition of territory?

Mr. TUCKER. I think not, and we have very ample and splendid backing for that proposition. In the Ashburton treaty, familiar to many of you, wherein a part of the State of Maine was involved, Mr. Webster, the great statesmen, said no, that that treaty could not be carried into effect without the consent, as I remember it, of the State of Maine. Mr. Webster upheld that view.

I find myself tempted to go into other inviting paths to follow this principle in other directions. But, gentlemen of the House, our forefathers in the Parliament of England fought the battle of individual liberty and won it. It took many years, but it was the power of Parliament over the purse strings that caused them when His Majesty came to them for an appropriation to demand a redress of grievances also. That great fight should give us courage and give us hope and give us determination to uphold the dignity of this House, its power and its usefulness to the people of the country. [Applause.]

I do not care to discuss the details of this bill. Others will do that. I am told that this bill does not amount to anything, that it provides for just a little scrapping, but that it does not amount to anything substantial. I do not know, Mr. Chairman, whether it amounts to much or not.

But one thing I do know. It is in the right direction. It points to Peace. We may never get international peace. We do not know whether the hearts of men have been changed by the Great War, or whether envy, hatred, malice, and all uncharitableness have been purged from the souls of men. We do not know whether the iron hand of despotic power is entirely crippled. But this much I do know, that we can not get disarmament without starting.

I do not ask to see the distant scene;
One step enough for me.

[Applause.]

I do not care whether the proposition for peace comes from Woodrow Wilson or from Harding, I am for it. [Applause.] Let us do our duty. I can not fully express the feeling I have—I suppose we all have it—that after listening here in the last few weeks to the splendid eulogies on the glory of the American Navy, we come now to its funeral. We will drop a tear. Indeed, I should like to ask the gentleman in charge of the bill if he will not permit an amendment, providing that when the President scraps or sinks one of these great dreadnoughts that have added so much of power and glory to the American name, that when she goes down he shall erect a buoy there on which shall be written the word, "Resurgam!" For—

"If peace should be hopeless and justice denied,
And war's bloody vulture should spread her black pinions,
Then gladly to arms, while we hurl in our pride
Defiance to tyrants and death to their minions,"
And the folds of Old Glory shall triumphantly wave
To light us to freedom and glory again.

[Applause.]

Under leave to extend his remarks, Mr. TUCKER further said: This discussion has taken so wide a range involving the treaty power that I desire to submit to the committee a review of the decisions of the Supreme Court on this subject, which may be of interest.

"The first case brought to the Supreme Court on the construction of this clause was Ware *v.* Hylton (3d Dallas, 199). It was decided in 1796. This case is familiar to many of you, no doubt, as involving old British debts, a case that grew out of claims of British creditors against American debtors just after the Revolutionary War. This case has been quoted for 120 years as having first and finally decided the question that a treaty is superior to and annuls all laws of a State in conflict with it. It is a case which you will remember Patrick Henry argued in the city of Richmond with John Marshall for the Virginia debtors. The case was heard before Justices Jay and Ireland, and Griffin, the district judge. It was in May, 1794, that the case was heard. The old Chief Justice, as he left his apartments that morning to go to the hearing of the case, was walking with Judge Ireland, and Judge Ireland said to him, 'I am very curious to hear this Governor Henry; he is said to be quite a speaker, and I understand he is to appear in this case.' 'Oh, yes,' said the Chief Justice, 'he is a remarkable speaker.' The account which I read in an old magazine of this incident said that when Governor Henry had been speaking about two days and was coming down the home stretch with all flags flying and with that wonderful eloquence peculiar to him, Judge Ireland was so enthused by it that he grabbed the Chief Justice by the arm and said 'Great God, what an orator!' The case was decided in the lower court in favor of the Virginia debtors, and was taken to the Supreme Court. Patrick Henry did not follow the case there, but Marshall did. It is the only case that Judge Marshall ever argued, by the way, in the Supreme Court, and he lost it. The case was heard before four judges; Justice Ireland sat in the case, but announced that he would take no part in its decision, as he had sat on the court below. It required, of course, a majority of the four to reverse the decision below; it required three out of the four.

"Now, what was the case? It was a suit on a bond, an action brought by a British creditor against a Virginia debtor. There were two pleas to the declaration, one of which we need not consider, and the second plea was a plea setting up a Virginia law of 1777, which it was claimed confiscated British debts. To that law of 1777, when that plea was filed, immediately a replication was filed setting up the treaty of peace between the United States and Great Britain, in which it was declared that no legal impediment should be set up against the collection of debts between the two countries, and that the law of Virginia of 1777 was a legal impediment. To that replication there was a rejoinder by the Virginia debtors, in which they said in effect, 'Your old treaty is no good; you promised to do certain things and you haven't done them, and as your treaty has been violated in some respects it is no good in any.' That was the rejoinder. To that rejoinder there was a demurrer. Now, brethren of the bar, what was the effect of that demurrer? Why, virtually that demurrer went not only to the rejoinder but to every prior pleading in the case beginning with the declaration and stopped where the first error was found. When this second plea was reached, what did they say to that? Three of the four judges declared that the Virginia act of 1777 was invalid. What was the effect of that? Why, the plea fell, of

course; when the plea fell, the replication to the plea fell; when the replication went out, the rejoinder went out; and there was nothing left except the declaration and a clear road to judgment, and the court held in favor of the British creditor by eliminating the Virginia law, declaring that it was no law. It was not decided that the treaty was in conflict with the law, for the court held that there was no law. Yet that case has been quoted and cited for 120 years as deciding a conflict between the law and the treaty, when three of the four judges declared there was no law. The case was decided right, but the point I am addressing my attention to is that it is claimed that this case decided a conflict between the law and the treaty, when, as a matter of fact, you see there could be no conflict between the law and the treaty if the court declared there was no law.

"Judge Chase, who was a man of clear legal vision, delivered the clearest and ablest opinion in the case. He uses the following language:

"The second point made by counsel for the plaintiff in error was, 'If the Legislature of Virginia had a right to confiscate British debts, yet she did not exercise that right by the act of the 20th of October, 1777': *if this objection is well founded, the plaintiff in error must have judgment for the money covered by the plea of that law and the payment under it.* (Three of the four judges sitting in the case found this 'objection' well 'founded,' namely, Paterson, Wilson, and Cushing.)

"That was Judge Chase's view of the case; but each judge delivered a separate opinion, and his was not the opinion of the court. So misunderstood has this case been, however, that six years ago, in the city of Washington, where the National Society of International Law was meeting and discussing the treaty power, no less a lawyer than Mr. Root, as president of that association, in speaking of Judge Chase's opinion, declared it was the opinion of the court. If Judge Chase's opinion had been the opinion of the court the issue would have been decided clearly in favor of the treaty. Two deans of law schools in the same meeting quoted Judge Chase's opinion as the opinion of the court; so that this case for 120 years has been quoted as deciding that the treaty annulled the State law of Virginia; and yet it shows by analysis that it could not have decided that, as the majority of the court held either that the State law was invalid, or if valid that it did not actually attempt to confiscate debts.

"The next case is that of Chirac *v.* Chirac (2 Wheat. 259), followed by Hauenstein *v.* Lynham (100 U. S. 483), and then by Geofroy *v.* Riggs (133 U. S. 266).

"John Baptiste Chirac became a resident of Maryland in 1793. In 1795 he took the oath of citizenship under the law of said State, and received a conveyance in fee of land from the State. In 1798 he became a naturalized citizen under the laws of the United States, and died in 1799, leaving heirs in France. His land was escheated to the State. In 1809 his heirs brought ejectment for the land.

"The treaty between France and the United States of 1800, which was in existence when the heirs brought the suit in ejectment, contained the following:

"The citizens and inhabitants of either of the two countries who shall be heirs of goods, movable or immovable, shall be able to succeed *ab intestato* without *being obliged to obtain letters of naturalization* and without having the effect of this provision contested or impeded under any pretext whatever.

"The law of Maryland referred to contained the following:

"If any subject of France, who shall become a citizen of Maryland, 'shall die intestate, the natural kindred of such decedent, whether living in France or elsewhere, shall receive the property in like manner as if such decedent and his kindred were the citizens of the United States.' * * *

"But to this enacting clause is added a proviso; that whenever any subject of France shall by virtue of this act become seized in fee of any real estate his or her estate, 'after the term of 10 years be expired,' shall vest in the State, unless the person seized of the same shall within that time either come and settle in *and become a citizen of this State* or enfeoff thereof some citizen of this or some other of the United States of America."

"The heirs of Chirac complied with neither of these requirements. The effect of the clause from the treaty of 1800, quoted above, Judge Marshall tells us in the following:

"The direct object of this stipulation is to give French subjects the rights of citizens so far as respects property and to dispense with the necessity of obtaining letters of naturalization. It does away with the incapacity of alienage and places the defendants in precisely the same situation with respect to lands as if they had become citizens. It renders the performance of the condition a useless formality.

"When the Maryland law said that the estate should cease after 10 years unless the owners became citizens of Maryland, or some other State of the Union, Judge Marshall says that that condition of the law of Maryland was met by the treaty which put the Frenchmen 'in the same situation with respect to land as if they had become citizens.' The treaty did not change the law of Maryland, which required a man to be a citizen of that State or the United States to hold the land. It simply removed the badge of alienage from him that would prevent his holding it, and *quoad* this privilege made him a citizen, and the whole question therefore turns on whether the treaty power can remove the badge of alienage and not whether it can change the law of descent of the State.

"In Ekiu *v.* United States, 143 U. S. 659, Judge Gray says:

"It is an accepted maxim of international law that every sovereign nation has the power, as inherent in sovereignty and essential to self-preservation, to forbid the entrance of foreigners within its domain, or to admit them only *in such cases and upon such conditions as it may see* fit to prescribe. In the United States this power is vested in the National Government; it belongs to the political department of the Government and may be exercised either through treaties made by the President and Senate or through statutes enacted by Congress.

"In Bohannd *v.* Bize, 105 Fed. 485, the court said:

"It is not an open question that the United States has power to make treaties removing the disability of aliens to inherit, and that such treaties are a valid exercise of and within the power of the Constitution of the United States."

"In short, the law of Maryland prohibited a Frenchman from holding land that he had acquired after 10 years unless he became a citizen of that State or some other State; this law was valid, but undoubtedly the question of who is a citizen must be determined not by the law of Maryland but by the law of the United States, and when a treaty removed the badge of alienage, as Judge Marshall said, from the Frenchman it did not make him a citizen of Maryland, but it prevented Maryland from denying to him a right under her laws because he was a foreigner, because the treaty power that had the right to do so declared that *quoad* that property in Maryland the Frenchman was not a foreigner, but, as Judge Marshall said, he was placed 'in precisely the same situation with respect to land as if he had become a citizen.'

"The condition of the law of Maryland, that he who acquired real estate within the bounds of the State was to be a citizen, was not annulled by the treaty, but who was to be considered a citizen was the question which under the Constitution was left with the Government of the United States. In other words, Maryland could say that none but a citizen could hold her lands, but the Federal Government alone could say who was to be regarded as a citizen.

"The case of Geofroy *v.* Riggs (133 U. S. 270) is to the same effect. In this case two Frenchmen, nephews of a citizen of the United States, resident in Washington, sought to inherit from their uncle under the laws of descent of the District, which under the act of Congress of February, 1801, made the laws of Maryland in force at that time the laws of the District. The common law prevailed there. Under this aliens could not inherit; but in 1780 the State of Maryland passed an act modifying the common law as to subjects of France who settled in Maryland and who had given allegiance to the State, and allowed the heirs of such Frenchmen who died intestate to inherit the estate, whether they were subjects of France or of the United States. This, however, did not reach the case at bar, for here the intestate was a citizen of the United States and not a citizen of France, as provided for under the law of 1780.

"In 1791 an act was passed by Maryland that any foreigners, not Frenchmen alone, might hold lands in that State as if they were citizens, and that they might be inherited by their foreign heirs as if they were citizens of the State, but this law did not cover the case at bar, for, as was said, the decedent here was a citizen of the United States. So that as to this case the common law was applicable, that an alien could not inherit land; and by the convention of 1853 between France and the United States the following provision was incorporated:

"In all the States of the Union, whose existing laws permit it, so long and to the same extent as the said laws shall remain in force, Frenchmen shall enjoy the right of possessing personal and real property by the same title and in the same manner as the citizens of the United States. They shall be free to dispose of it as they may please, either gratuitously or for value received, by donation, testament, or otherwise, *just as those citizens themselves;* and in no case shall they be subjected to taxes on transfer, inheritance, or any others different from those paid by the latter, or to taxes which shall not be equally imposed.

"As to the States of the Union, by whose existing laws aliens are not permitted to hold real estate, the President engages to recommend to them the passage of such laws as may be necessary for the purpose of conferring this right.

"In like manner, but with the reservation of the ulterior right of establishing reciprocity in regard to possession and inheritance, the Government of France accords to the citizens of the United States the same rights within its territory in respect to real and personal property and to inheritance as are enjoyed there by its own citizens."

"Judge Field, in construing this provision of the treaty, declares that its meaning is 'that there shall be reciprocity in respect to the acquisition and inheritance of property in one country by the citizens of the other—that is, in all political communities in the United States where legislation permits aliens to hold real estate the disability of Frenchmen from alienage from disposing and inheriting property, real and personal, is

removed and the same right of disposition and inheritance of property in France is accorded to citizens of the United States as are there enjoyed by its own citizens.'

"When the treaty says in that section that Frenchmen shall enjoy the rights of possessing real property in the same manner as the citizens of the United States, and that they shall be free to dispose of it as they may please, 'by donation, testament, or otherwise, just as though citizens themselves,' there can be no doubt, as Judge Field says, that the alienage of the heirs was removed, which the treaty had the right to do.

"The court in Chirac *v.* Chirac, and in this case, do not undertake to say that the treaty annuls the laws of inheritance of the States, for in both cases the foreign heirs took their inheritance under the laws of descent of Maryland, nor did the court in either case declare that the treaty power could make a Frenchman a citizen of the United States, for this, under the Constitution, would naturally be left to Congress to naturalize the foreigner. But in both cases the court does hold in effect that while the treaty can not make the Frenchman an American citizen, it can declare his status when he comes to America, and while the treaty power may not clothe him with positive rights, it may change his status in such a way as to permit his enjoyment of rights which would have been denied him but for such change. And when the law of the State says that no alien shall inherit, that law is valid, but its validity can not prevent the Government of the United States, to whom is committed all power over aliens, from declaring who is an alien.

"Judge Field says:

"As commercial intercourse increases between different countries the residence of citizens of the country within the territory of the other naturally follows, and the *removal* of their disability from alienage to hold, transfer, and inherit property in such cases tends to promote amicable relations. Such removal has been within the present century the frequent subject of treaty arrangement. (P. 266–67.)

"It is seen, therefore, that under the treaty power there exists the right to remove the badge of alienage and to clothe the foreigner with the right of sonship to his inheritance before he touches American soil. And though 'aliens from the Commonwealth of Israel, and strangers from the covenants of promise' (I Ephesians ii, 12), the Government of the United States through this treaty power may in its wisdom remove the fetters upon alienage and declare that those who are the subjects of its favor may enter the country free from the hindrance of alienage. The magic words, 'I pronounce you man and wife,' are not more potent when uttered at the altar in changing the status of a blushing bride and clothing her with marital rights unknown to her before their utterance than are the provisions of a treaty changing the former status of the alien and clothing him with privileges unknown to him before adoption.

"The marriage ceremony does not change the law of inheritance in the State where the ceremony is performed—that alone can be done by the legislative power—but it places some in the line of inheritance under the State law who were outside of its provisions by changing the status of such persons. Had the bridegroom suddenly died 10 minutes before the ceremony, the prospective bride, under the law of the domicile, would have been deprived of the inheritance which would go to her had the death of the bridegroom occurred 10 minutes after the ceremony, instead of 10 minutes before, as supposed. The law of the State is the same, the persons are the same, but the status of such persons has been changed.

"This case is always quoted as deciding that a treaty can annul the laws of inheritance and descent of a State. Judge Field delivered the opinion of the court. If the case so decides, then Judge Field had changed his opinion on that subject, for he said, in Fox *v.* United States (94 U. S. 320, 24 L. ed. 192), speaking for the court:

"The power of the State to regulate the tenure of real property within her limits, and the modes of its acquisition and transfer, and the rules of its descent, and the extent to which testamentary disposition of it may be exercised by its owners, is undoubted. It is an established principle of law, everywhere recognized, arising from the necessity of the case, that the disposition of immovable property, whether by deed, descent, or any other mode, is exclusively subject to the government within whose jurisdiction the property is situated.

"If the above is law, then, of course, neither a treaty nor any other power can change the laws of inheritance of a State. Did Judge Field in Geofroy *v.* Riggs intend to overrule his opinion in Fox *v.* United States? And that, too, without referring to the case? For there is no reference to Fox *v.* United States in Geofroy *v.* Riggs. How, then, can both opinions stand as valid and correct? Only by adopting the suggestion above given, that when Judge Field, in his dictum, declared the treaty suspended for the while the law of the State, he meant it was suspended by the removal of the badge of alienage from the Frenchman. He did not declare the law was null and void, but only suspended. If the treaty was in conflict with the law and superior to it, why did it not annul the law? It is quite improbable that Judge Field in Geofroy *v.* Riggs could have intended to uproot the principles laid down in Fox *v.* United States without a word giving his reasons for the change and without even referring to the case. Judge Field was too bold and too great a judge to have pursued such a course.

"The examination of the facts in this case shows quite conclusively that in point of fact there was no conflict between a treaty and a law, and that that question was not necessary to the decision of the case, and in the latter part of his opinion Judge Field strongly intimates this in his discussion of the statute of 1887.

"An American citizen died intestate seized of real estate in the District of Columbia. He had heirs who were Frenchmen. Article 7 of the treaty between France and the United States of 1853 provided:

"In all the States of the Union whose existing laws permit it, so long and to the same extent as the said laws shall remain in force, Frenchmen shall enjoy the right of *possessing* personal and real property by the same title and in the same manner as the citizens of the United States.

"Now, what law referred to in this case contravenes the language of this treaty? Congress in 1801 adopted the laws of Maryland which were in force on the 27th day of February, 1801, in that State, and the law of Maryland as to the inheritance by aliens was the common law, modified by two statutes, one of 1870 and one of 1791, but these statutes did not change the common law as to the right of aliens to inherit from citizens of the United States; but the Congress of the United States on the 3d of March, 1887, with complete legislative jurisdiction over the District of Columbia, where the property in question was situated, passed an act declaring that it—

"shall be unlawful for any citizen or persons not citizens of the United States, or who have not lawfully declared their intention to become such citizens * * * to hereafter acquire, hold, or own real estate so hereafter acquired, or any interests therein, in any of the Territories of the United States or in the District of Columbia, except such as may be acquired by inheritance or in good faith in the natural course of justice in the collection of debts heretofore created, etc.

"Under the language of the seventh article of the treaty of 1853 the court holds that the District of Columbia is to be considered as a State of the Union, so far as the provisions of the treaty are concerned, and, therefore, that if the laws of the District permit the Frenchman to enjoy the right of possessing personal and real property that they shall hold it by the same title as citizens of the United States, and further on under the treaty they are permitted to dispose of it by testament or otherwise. The law of March 3, 1887, covering the District of Columbia, allows a Frenchman to take property by inheritance; and if so, so far from conflicting with the treaty it conforms to the treaty. When the law of 1887 was passed, Riggs, the ancestor from whom complainants claimed the inheritance, was still living, and did not die until January 19, 1888, so that the common law of Maryland, which would have prevented the French heirs from inheriting, had been supplanted by the law of Congress granting such right of inheritance, and there was no conflict, therefore, between the treaty and the law, and therefore Judge Field's opinion as to the suspension of the statute law of Maryland by the treaty of 1880 was dictum.

"The case of Hauenstein *v.* Lynham (100 U. S.), I think, is improperly cited as a case involving a conflict between the law of the State and the treaty. The case came up from Richmond, Va., and the learned judge of the Supreme Court of Virginia who decided it, as well as Justice Swayne, who delivered the opinion of the court in the Supreme Court of the United States, both admitted that it turned on a mere question of construction. That such was the case is plainly seen from a recital of the law of Virginia and of the treaty with which it was supposed to collide.

"The treaty between the United States and Switzerland of November, 1855, contained the following provision:

"But in case real estate situated within the territories of one of the contracting parties should fall to a citizen of the other party, who, on account of his being an alien, could not be permitted to hold such property in the State or in the canton in which it may be situated, there shall be accorded to the said heir or other successor *such term as the laws of the State or canton will permit* to sell such property; he shall be at liberty at all times to withdraw and export the proceeds thereof without difficulty, and without paying to the Government any other charges than those which, in a similar case, would be paid by an inhabitant of the country in which the real estate may be situated.

"The law of Virginia did not permit an alien to inherit lands, except under conditions which had no relation to the case. The law of Virginia (6th sec., ch. 115, p. 557), Code of Virginia, 1860, is as follows:

"When by any treaty now in force between the United States and any foreign country a citizen or subject of such country is allowed to sell real property in this State such citizen or subject may sell and convey the same and receive the proceeds thereof *within the time prescribed by such treaty.*

"Hauenstein was an alien. The law of Virginia did not permit him to hold real estate. The provision of the treaty above quoted provided for such a case and the law of Virginia above quoted likewise recognized such cases. The treaty declared in such cases such time should be given for the sale as the law of the State might prescribe; with equal politeness the law of the State said that in such cases such time should be given as the treaty might prescribe. Neither the treaty nor the law prescribed any limitations of time. The Virginia court held that no time was allowed to sell the land and it escheated. The Supreme Court of the United States held that as no time was mentioned, a reasonable time was presumed to have been meant.

"There was no conflict here between the Virginia law and the treaty, but it was a mere question of construction.

"Two cases involving the right of inheritance by foreigners were decided by Justice Storey, Orr *v.* Hodgson (4 Wheat. 453), and Fairfax, devisee, *v.* Hunter (7 Cranch, 603). In both of these cases the treaty between the United States and Great Britain of 1794 was involved. That treaty provided that British subjects in this country in reference to land might 'grant, sell, or devise the same to whom they pleased, in like manner as if they were *natives*, and that neither they nor their heirs or assigns should, so far as respects the said lands and the legal remedies thereto, *be considered as aliens*.' In both of these cases Judge Storey took the position that the treaty removed the badge of alienage and did not decide that the treaty annulled the local law of the State. Indeed, Judge Storey has emphasized his position on this subject in his great work on the Constitution, volume 1, 359, where he says:

"Independent of all other considerations, the fact that the States possess a concurrent power of taxation and an *exclusive* power to regulate the descents, devise, and distribution of estates (a power the most formidable to despotism, and the most indispensable in its right exercise to republicanism) will forever give them an influence which will be as commanding as, with reference to the safety of the Union, they could deliberately desire.

"If the States possessed the exclusive power to regulate descents, etc., as Judge Storey says, and which he says is most indispensable in its right exercise to republicanism, it would require very clear language in any opinion by this learned judge to show that he has falsified his opinion thus expressed in favor of the treaty power of the United States.

"Mr. Charles Henry Butler, in his admirable book on the treaty power, says that it can regulate 'the descent or possession of property within the otherwise exclusive jurisdiction of the States.' The cases that we have referred to in no wise claim the power of the treaty to change the laws of descent of the States. These remain in force, and the foreign heirs who secured their inheritances in these cases made claim for them under the laws of descent of the States and secured them under such laws. If a treaty between the United States and France provided that the citizens of each country could inherit property in that of the other under the law of descent of their own country, and such treaty were held valid, then, indeed, would the treaty annul the law of descent of the States. (See also Gonzales *v.* Williams, 192 U. S. 1.) On this branch of the subject, therefore, we conclude that no case has arisen in the Supreme Court where the court has decided that the treaty had annulled the law of the State. There are undoubtedly expressions by the judges which are mere dicta, declaring that the treaty is the supreme law of the land and therefore superior to the law of the State, but the cases I have cited produce no such conflict and no such decision.

"On the other hand, we think the court has practically decided that a treaty can not overrule and annul the police law of a State enacted in the interest of the health or safety of the people of the State. The case of Compagnie Francaise *v.* The Board of Health (186 U. S. 380) is a case of great interest.

"The *Britannia*, a French vessel, with 400 Italian immigrants on board, entered the mouth of the Mississippi River en route to New Orleans and was stopped by the quarantine officer of the State and denied entrance to the port of New Orleans. The ground for his action was based upon the action of the board of health of the State, as set forth in the following resolution:

"That hereafter, in the case of any town, city, or parish of Louisiana being declared in quarantine, no body or bodies of people, immigrants, soldiers, or others, shall be allowed to enter said town, city, or parish so long as said quarantine shall exist, and that the president of the board shall enforce this resolution.

"Yellow fever was in New Orleans. It was quarantined. Acting under this resolution the board of health instructed the quarantine officer as follows:

"Referring to the detention of the steamship *Britannia* at the Mississippi River quarantine station with 408 Italian immigrants on board, I have to inform you that under the provisions of the new State board of health law, section 8, of which I inclose a marked copy, this board has adopted a resolution forbidding the landing of any body of people in any town, city, or parish in quarantine.

"The *Britannia* relied upon her rights under a treaty between the United States and France to justify her entrance into the forbidden port. That treaty provided for her treatment on the footing of the most favored nation, and an appeal was had to the treaty between the United States and Greece with the following provision in it:

"It is agreed that vessels arriving directly from the United States of America at a port within the dominion of His Majesty the King of Greece, or from the Kingdom of Greece at a port of the United States of America, and provided with a bill of health granted by an officer having competent power to that effect at the port whence such vessel shall have sailed, setting forth that no malignant or contagious diseases prevailed in that port, *shall be subjected to no other quarantine than such as may be necessary for the visit of the health officer of the port where such vessel shall have arrived, after which said vessel shall be allowed immediately to enter and unload their cargoes;* provided always that there shall be on board no person who during the voyage shall have been attacked with any malignant or contagious disease; that such vessel shall not during the passage have communicated with any vessel liable itself to undergo quarantine; and that the country whence they came shall not at any time be so far infected or suspected that before their arrival an ordinance had been issued in consequence of which all vessels coming from that country should be considered as suspected and consequently subjected to quarantine.

"Under the provision of this article, the papers of the *Britannia* were found to be correct. She was provided with a bill of health from the competent officer of the port from which she had sailed. It was also shown that none on board had during the voyage been sick with any contagious disease; that she had had no communication with any vessel during the voyage liable to undergo quarantine, and that the country from which she had sailed had not been infected with malignant disease since the departure from that country.

"Justice White delivered the opinion of the court and said:

"Conceding, *arguendo*, this latter proposition, and therefore assuming that all the treaties relied on are applicable, we think it clearly results from their context that they were not intended to and did not deprive the Government of the United States of those powers necessarily inhering in it and essential to the health and safety of its people. We say the United States, because if the treaties relied on have the effect claimed for them that effect would be equally as operative and conclusive against a quarantine established by the Government of the United States as it would be against a State quarantine operating upon and affecting foreign commerce by virtue of the inaction of Congress. * * *

"Nothing in the text of the treaty, we think, gives even color to the suggestion that it was intended to deal with the exercise by the Government of the United States of its power to legislate for the safety and health of its people or to render the exertion of such power nugatory by exempting the vessels of the Kingdom of Greece, when coming to the United States, from the operation of such laws. In other words, the treaty was made subject to the enactment of such health laws as the local conditions might evoke, not paramount to them.

"Justice White in his opinion states clearly that the treaty did not attempt to annul the police power of the State in the health laws of Louisiana, and his reason for it is quite convincing, because 'the treaty was made subject to the enactment of such health laws as the local conditions might evoke, not paramount to them.' When he says that the treaty was made subject to the enactment of health laws, and so construes the treaty as having been thus made, clearly there is no conflict between the treaty and the law, but for the reason, as he says, that the treaty was made *subject to the law*. The conflict between a treaty and a law may be evaded always on these terms, that the one is subject to the other, but if the quarantine law was sustained, as it was, it was because the treaty must have been made subject to its provisions.

"The case of Rocca *v.* Thompson (223 U. S. 318), decided in 1912, is of interest. The case came up from California and presented a conflict between the law of California providing for a public administrator and a treaty between Italy and the United States. Under this treaty Italy enjoyed the most favored nation clause in reference to rights, prerogatives, and privileges of consular officers, and when on the death of an Italian subject of California the public administrator sought to take charge of the estate the Italian consul invoked a clause of a treaty between the United States and the Argentine Republic which he relied upon under the most favored nation clause, which was as follows:

"If any citizen of either of the two contracting parties shall die without will or testament in any of the territories of the other, the consul general or consul of the nation to which the deceased belonged, or the representative of such consul general or consul in his absence, shall have the right *to intervene in the possession, administration, and judicial liquidation of the estate of the deceased* conformably with the laws of the country, for the benefit of the creditors and legal heirs.

"This clause of the treaty and the law of California in establishing a public administrator would seem to create a direct conflict. If the consul had the right to intervene 'in the possession, administration, and judicial liquidation of the estate of the deceased conformably with the laws of the country, for the benefit of the creditors and legal heirs,' it would seem that such right would certainly exclude the right of the public administrator. The court sustained the right of the public admin-

istrator, but did so by holding that the California law did not conflict with the language of the treaty.

"Judge Day's opinion in the case seems to me to have been a masterpiece of critical dissection of the treaty that it might not collide with the law of the State. The decision of the court sustained the State law, but it would seem that the words quoted above from the treaty are complete in giving the right to the consul above the public administrator. Certainly this is true that if it had been settled by the court from the day of Ware *v.* Hylton up to the time of the decision of this case, that a law of a State was annulled by a treaty which conflicted with it, the case could never have been decided as it was. (Following this decision two strong State courts have decided the same question in the same way. In re D'Adams, 212 N. Y. 214, 106 N. E. 81; Pegano *v.* Cerri, 112 N. E. 1037.)

"Another case of interest on this question is that of Patsone *v.* The State of Pennsylvania (232 U. S. 245), decided in 1913. In this case the State of Pennsylvania, nominally for the protection of game, passed a law making it 'unlawful for any unnaturalized foreign-born resident to kill any wild bird or animal except in defense of person or property, and to that end makes it unlawful for any such foreign-born person to own or be possessed of a shotgun or rifle, with a penalty of $25.' In an indictment against an Italian for owning a shotgun, he plead the treaty between the United States and Italy of 1871, which provided that in reference to the person and property of Italians they 'shall enjoy in this respect the same rights and privileges as are or shall be granted to the natives, on their submitting themselves to the conditions imposed upon the natives.'

"Justice Holmes, in delivering the opinion of the court, said:

> "There remains then only article 3 (of the treaty). With regard to that it was pointed out below that the equality of rights that it assures is equality only in respect of protection and security for persons and property. The prohibition of a particular kind of destruction and of acquiring property in instruments intended for that purpose established no inequality in either respect. It is to be remembered that the subject of this whole discussion is wild game, *which the State may preserve for its own citizens if it please.*

"The State law was upheld. There was no question that the law of Pennsylvania discriminated against the Italians for the citizens of Pennsylvania were not denied the right to own shotguns, though they might kill game with them also, and the treaty distinctly declared that the Italians should have the same rights and privileges as the natives. It is true Judge Holmes seeks to justify the judgment of the court on the ground that the object of the law was to preserve wild game, 'which the State may preserve for its own citizens if it pleases.' If the State might do this for its own citizens, then no treaty can invade that right, and if no treaty can invade that right the treaty must be made subject to that right.

"The case of Heim *v.* McCall (239 U. S. 175) is the last case on the subject. The law of New York provided, 'In the construction of public works by the State or a municipality, or by persons contracting with the State or municipality, only citizens of the United States shall be employed.' The treaty between the United States and Italy, 1871, provided:

> "That the subjects of the King of Italy residing in the United States shall have and enjoy the same rights and privileges with respect to persons and property as are secured to the citizens of the United States residing in the United States.

"The court decided that the law of New York was valid and that the State of New York on its public works was not obliged to employ Italians who applied under the treaty. Justice McKenna rendered the decision of the court. Commenting upon the case of Patsone *v.* Pennsylvania (232 U. S. 145), Justice McKenna says, 'Adopting the declaration of the court below it was said "that the equality of rights that the treaty assures is equality only in respect of protection and security for persons and property." And the ruling was given point by a citation of the power of the State over its wild game which might be preserved for its own citizens. In other words, the ruling was given point by the special power of the State over the subject matter, a power which exists in the case at bar, as we have seen.' Now, if the State has the power over the subject matter, then clearly rights claimed under a treaty against such power of the State are void, and if void they are void because the State power which collides with the treaty power is superior to it.

"The cases which I have referred to are divided into two distinct classes, the first beginning with Ware *v.* Hylton and ending with Geofroy *v.* Riggs. The advocates of the unlimited treaty-making power uniformly claim that these cases have forever settled the question that a treaty annuls the laws of a State which are in conflict with it. I have sought to show you that in Ware *v.* Hylton this question was not decided, because the court had eliminated the question by deciding that the law of the State of Virginia was invalid and void, and of course therefore there could be no conflict between the treaty and the law, as the law was void. In Geofroy *v.* Riggs, Judge Field's expressions in his opinion of the supremacy of a treaty over a law of a State in conflict with it were clearly *dicta*, because the law of Congress of 1887, which controlled real estate in the District of Columbia, repealed the law of Maryland, and was not in conflict with the treaty but in entire accordance with the treaty (see Ward *v.* Race Horse, 163 U. S. 514), while his opinion was based largely on the effect of the laws of Maryland, which had been adopted by Congress in 1801 as the laws of the District of Columbia applying to realty, but which had been changed by the act of Congress of 1887, passed a year before Riggs died. Congress had a right to pass such an act, and *that act specifically gave the right to aliens to acquire property by inheritance.* If so, the laws of Maryland adopted by Congress for the District of Columbia in 1801, which denied the right of inheritance to aliens, were repealed by the act of 1887, which in direct language gave the right of inheritance to them. Judge Field refers to the act of 1887 in the latter part of his opinion. How can it be said that this case decided a conflict between a treaty and the State law of Maryland when Congress by the act of 1887 supplanted the law of Maryland and enacted its own law giving aliens the right of inheritance in the District of Columbia?

"If my conclusions about these cases be not correct, this anomaly is presented that the Supreme Court from Ware *v.* Hylton to Geofroy *v.* Riggs has decided uniformly that a treaty annulled State laws in conflict with it and yet has recently decided the cases of Compagnie Francaise *v.* The Board of Health, Rocca *v.* Thompson, Patsone *v.* Pennsylvania, and Heim *v.* McCall, sustaining the laws of States which conflicted with existing treaties between the United States and foreign countries. To adopt such a conclusion is to hold that the Supreme Court has reversed its position on this question. This I do not believe, but more rationally these later decisions serve to interpret the earlier ones, making the action of the court throughout its history consistent and uniform."

Mr. HICKS. Mr. Chairman, I yield 30 minutes to the gentleman from Ohio [Mr. BURTON], and I think the gentleman from Tennessee [Mr. PADGETT] will also yield him 10 minutes.

Mr. PADGETT. I yield to the gentleman from Ohio 10 minutes additional.

The CHAIRMAN. The gentleman from Ohio [Mr. BURTON] is recognized for 40 minutes. [Applause.]

Mr. BURTON. Mr. Chairman and gentlemen of the committee, I am unable to agree with my learned and eloquent friend [Mr. TUCKER] in his assertion of the limitations on the treaty-making power. I recognize that he has written a very able work on this subject, and that he has behind him three generations of the notable names of Tucker and Randolph, all of whom have maintained the same view which he holds.

I do not believe the first section of this bill is necessary. It assumes to grant to the President power for the scrapping of ships of the Navy, which he already possesses under the treaty. It may do no harm to include this section in the bill. The second and third sections are altogether desirable, but I believe the first to be superfluous. What is the history of the position in which we now are, and what has led up to it?

After the World War there was a yearning for the inauguration of an era of peace and cooperation among the nations. The Conference on Limitation of Armament, convened at the call of President Harding last November, was in response to a universal wish and in compliance with the practically unanimous approval of the Congress of the United States.

The central idea of the call was that the most promising and effective beginning and at the same time the most practical results could be accomplished by a limitation of naval armaments, in the enlargement of which at least three great powers were manifesting the liveliest competition.

The results of the conference have merited and received the acclaim of the whole world.

It was anticipated by some, maybe a majority, that in the meeting of the nations there would be an unprecedented display of diplomatic amenities; that the representatives of the various nations, including orators of world-wide distinction, would utter resonant declarations of good will. They would proclaim an undying desire for the avoidance of future bloodshed, pass resolutions breathing a spirit of amity, appoint committees to deliberate upon the welfare of the nations, decide to report at a future time, maybe at a different place, and then each go home to pursue old policies of national selfishness and repulsion. But all these anticipations were dispelled—it may be said rudely dispelled—by the speech of Secretary Hughes. The

keynote of his address was the statement that the time had come, not for general resolutions or mutual advice but for action. He also said, "Preparation for offensive naval warfare will stop now," and laid down a definite, clean-cut program which contemplated the cessation of naval construction, the scrapping of hundreds of thousands of warship tonnage, and the abandonment of ships upon which hundreds of millions had been expended.

Now, all will agree that the provisions of that treaty and of the other treaties, including that regulating submarines, and the treaty providing for the integrity of China and for giving to that great country an opportunity in the world should receive the support of this whole people.

It will be profitable to briefly recapitulate what was accomplished in the limitation of armament and the regulation of naval warfare.

By treaty No. 1, signed at Washington February 6, 1922, the contracting nations expressed themselves as desiring to contribute to the maintenance of a general peace and to reduce the burdens of competition in armament, and resolved, with a view to accomplishing these purposes, to conclude a treaty to limit their respective naval armaments. By chapter 1, article 3, they agreed to abandon their respective capital-ship building programs. The total capital-ship replacement tonnage must not be in excess of 525,000 tons for the United States and British Empire, respectively, and 175,000 tons for Italy and France, respectively, and 315,000 tons for Japan. No capital ship exceeding 35,000 tons shall be acquired by, or constructed by, for, or within the jurisdiction of any of the contracting powers. No capital ship of any of the contracting powers shall carry a gun with a caliber in excess of 16 inches.

Vessels of war other than a capital ship must not be constructed or acquired of a tonnage exceeding 10,000 tons nor carry a gun of a caliber in excess of 8 inches. The total naval tonnage to be scrapped by the United States is 845,000 tons; the amount expended on ships to be abandoned is $332,000,000. No preparations shall be made upon merchant ships in time of peace for the installation of warlike armaments for the purpose of converting such ships into vessels of war, other than the necessary stiffening of decks for the mounting of guns not exceeding 6 inches. Ships under construction within the jurisdiction of any power for another power shall not be used in case such country becomes engaged in war. Part 2 of chapter 2 of the treaty gives rules for scrapping vessels of war, laying down as a general principle that the vessel to be scrapped must be placed in such a condition that it can not be put to combatant use in any one of the following ways: Permanent sinking of the vessel; breaking the vessel up by removing machinery, boilers, and so forth; converting the vessel to target use exclusively, for which purpose not more than one capital ship may be retained. It is provided that the so-called first stage of scrapping shall be immediately undertaken. There are definitions of capital ships and aircraft carriers. The treaty shall remain in force until December 31, 1936.

On the same day another treaty was concluded containing a declaration of the principles of international law for the protection of neutral and noncombatants at sea in the time of war. It is provided that a merchant vessel must not be attacked unless it refuse to submit to visit and search after warning, or to proceed as directed after seizure. A merchant vessel must not be destroyed unless the crew and passengers have been first placed in safety. Belligerent submarines are not under any circumstances exempt from the rules above stated. All other civilized powers are invited to express their assent to this statement of established law, and it is declared that in case any person in the service of any power who shall violate any of these rules shall be deemed to have violated the laws of war and shall be liable to trial and punishment as if for an act of piracy. The treaty, so comprehensive in its nature, assents to the prohibition in war of the use of asphyxiating, poisonous, or other gases, and all analogous liquids, materials, or devices.

This treaty, eclipsing The Hague confreences of 1899 and 1907, may be confidently termed the greatest step ever taken by any agreement among nations for humane conditions in warfare and for staying the inhuman development of means for destruction.

No one can deny that this treaty with other treaties concluded at the conference is far and away the most potent achievement for peace accomplished since the war.

THE TREATY-MAKING POWER—ITS SCOPE AND IMPORTANCE.

Events of the time, closer international relations, the late conference, all emphasize the importance of the treaty-making power. How shall it be exercised and what are its limits? It is claimed the late treaty is not valid without action by the House, such as by the passage of this bill. Is this correct?

In the material which I will present to the House—and I am not intending to take a specially partisan stand—I must acknowledge my obligations to the gentleman from Virginia, Mr. TUCKER, to the excellent works of Charles H. Butler and Mr. Crandall, and to the two speeches delivered in the Senate by Senator KELLOGG and Senator WALSH, both of whom maintain the strongest ground for the validity of treaties when negotiated by the President and ratified by two-thirds of the Senators present. In this connection I desire to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

The following are the provisions of the Constitution which have the most obvious bearing upon this question:

Article II, section 2, clause 2: He—

The President—

shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur.

Article VI, clause 2: This Constitution and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the constitution or laws of any State to the contrary notwithstanding.

Article I, section 8, clause 18: Congress shall have power to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States or in any department or officer thereof.

Those which give powers to Congress which, it has been alleged, are limitations on the treaty-making power are:

Article I, section 7, clause 1: All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills.

Article I, section 8, clause 1: The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States, but all duties, imposts, and excises shall be uniform throughout the United States.

Clause 3: To regulate commerce with foreign nations and among the several States and with the Indian tribes.

Clause 4: To establish an uniform dule of naturalization and uniform laws on the subject of bankruptcies throughout the United States.

Clause 11: To declare war, grant letters of marque and reprisal, and make rules concerning captures on land and water.

Clause 12: To raise and support armies, but no appropriation of money to that use shall be for a longer term than two years.

Clause 13: To provide and maintain a Navy.

Clause 14: To make rules for the government and regulation of the land and naval forces.

Article I, section 9, clause 7: No money shall be drawn from the Treasury but in consequence of appropriations made by law, and a regular statement and account of the receipts and expenditures of all public moneys shall be published from time to time.

Article IV, section 3, clause 2: The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States.

Other provisions of the Constitution which have a bearing on the subject are:

Article I, section 10, clause 1: No State shall enter into any treaty, alliance, or confederation; grant letters of marque and reprisal.

Article I, section 10, clause 3: No State shall without the consent of Congress lay any duty of tonnage, keep troops or ships of war in time of peace, enter into an agreement or compact with another State or with a foreign power, or engage in war unless actually invaded or in such imminent danger as will not admit of delay.

THREE DISTINCT THEORIES ON THE BINDING FORCE OF TREATIES.

In determining the respective powers of the President, acting with the concurrence of the Senate, on the one hand, and of the Congress, or the House of Representatives, on the other, three distinct theories have been advanced: First, this treaty-making power is final and binding on every subject for negotiation with a foreign power. The concurrence of the House of Representatives is obligatory, and in its essential nature only formal or perfunctory. In the language of Justice Daniel in a Supreme Court opinion opposing this view, it would be a power single, universal, engrossing, absolute. Second, that it is the right of the House of Representatives to nullify a treaty which contains provisions which in any way infringe upon the powers of the House or may require its separate action, as in making appropriations or fixing duties upon imports, and that this right of confirmation or rejection is a salutary check upon the Executive and the Senate which may be exercised at will. Third, that while the right of the House to disapprove or nullify exists, there is, nevertheless, a necessary comity between the respective departments of the Government, a binding moral obligation, and it would be in violation of the established division of powers to withhold action; also that the observance of good faith in dealing with other countries requires that stipulations contained in any treaty ratified in the manner prescribed by the Constitution be made effectual by action of the House.

The first view was strenuously maintained by President Washington in a letter transmitted to the House of Representatives March 30, 1796, in response to a request for the papers relating to the Jay treaty. In this letter he expressed himself as follows:

Having been a member of the general convention and knowing the principles on which the Constitution was formed, I have ever entertained but one opinion on this subject; and from the first establishment of the Government to this moment my conduct has exemplified that opinion—that the power of making treaties is exclusively vested in the President, by and with the advice and consent of the Senate, provided two-thirds of the Senators present concur; and that every treaty so made and promulgated thenceforward became the law of the land. It is thus that the treaty-making power has been understood by foreign nations, and in all the treaties made with them we have declared and they have believed that, when ratified by the President, with the advice and consent of the Senate, they became obligatory. In this construction of the Constitution every House of Representatives has heretofore acquiesced, and until the present time not a doubt or suspicion has appeared, to my knowledge, that this construction was not the true one. Nay, they have more than acquiesced, for till now, without controverting the obligation of such treaties, they have made all the requisite provisions for carrying them into effect.

The same contention was supported by Alexander Hamilton in a series of letters and at other times. Mr. Hamilton asserted that the making of treaties was an essential fact incident to the existence of a nation; that its proper prerogatives could not be exercised unless complete authority was given to some agency of the Government to negotiate agreements with other countries and included all proper subjects of compacts with foreign nations. He argued with great force that the contention of those who objected to the right of the President to make treaties with the concurrence of the Senate leads to an absurdity. Such a principle would interfere with the making of treaties of commerce, treaties of alliance, and treaties of peace, and that on a minute analysis there were hardly any treaties which would not in some way clash with these objections, and thus the power to make treaties granted in such comprehensive and indefinite terms and guarded with so much precaution would become essentially nugatory. He said:

But the construction which is advanced would cause the legislative power to destroy the power of making treaties. Moreover, if the power of the executive department be inadequate to the making of the several kinds of treaties which have been mentioned, there is then no power in the Government to make them, for there is not a syllable in the Constitution which authorizes either the legislative or judiciary departments to make a treaty with a foreign nation. And our Constitution would then exhibit the ridiculous spectacle of a Government without a power to make treaties with foreign nations, a result as inadmissible as it is absurd, since, in fact, our Constitution grants the power of making treaties in the most explicit and ample terms to the President, with the advice and consent of the Senate.

The same view was maintained by many leading men of that time. Mr. Ellsworth, who was later appointed Chief Justice and was a member of the Constitutional Convention, said:

The grant of the treaty-making power is in these words: "The President, with the advice and consent of the Senate, shall make treaties." The power goes to all kinds of treaties, because no exception is expressed, and also because no treaty-making power is elsewhere granted to others, and it is not to be supposed that the Constitution has omitted to vest sufficient power to make all kinds of treaties which have been usually made or which the existence or interests of the Nation may require.

Mr. Oliver Wolcott, Secretary of the Treasury in President Washington's administration, under date of March 26, 1796, wrote:

The obligations arising from public faith when pledged by the representative organ of our Nation in all foreign concerns, agreeably to the mode prescribed by the Constitution, are justly and properly declared to be laws. The legislative power is bound not to contravene them; on the contrary, it is bound to regard and give them effect.

Chancellor Kent sustained this theory. He wrote (vol. 1 of his Commentaries, early edition, p. 165):

If a treaty requires the payment of money or any other special act which can not be done without legislation, the treaty is still binding on the Nation, and it is the duty of the Nation to pass the necessary laws. If that duty is not performed, the result is a breach of the treaty by the Nation, just as much as if the breach had been an affirmative act by any other department of the Government. Each nation is responsible for the right working of the internal system by which it distributes its sovereign functions, and as foreign nations dealing with it can not be permitted to interfere with or control these, so they are not to be affected or concluded by them to their own injury.

Mr. Caleb Cushing, Attorney General, in interpreting a treaty with Great Britain, said on February 16, 1854:

The conventions being a contract between the two nations, duly entered into and ratified by the President of the United States, by and with the advice and consent of the Senate, it thereby is a law of the United States without any further action by the Government of the United States. No act of Congress is necessary to create or perfect the vinculum juris. The stipulations of the convention operate as a law to the courts of justice, State and Federal; they are of a character to operate of themselves as constitutionally obligatory, without the aid of any legislation by Congress. Such is the effect of the Constitution of the United States. A treaty, it is true, though it be as such a portion of the supreme law of the land, yet may require the enactment of a statute to regulate the details of a process or of a right embraced in its stipulations; but such necessity, if it exists, does not affect the question of the legal force of the treaty per se. 1. A treaty constitutionally concluded and ratified abrogates whatever law of any one of the States may be inconsistent therewith.

So recently as the time when the payment of $20,000,000 to Spain under the treaty of 1898 was under consideration in the House of Representatives, on February 14, 1899, Mr. Joseph W. Bailey, a very thorough student of the Constitution, afterwards Senator, said:

Mr. Chairman, I would like to submit this proposition to the gentleman from Kentucky. The Constitution makes the Senate and the President "the Government" in the making of treaties. Now, when the President and the Senate make a treaty with a foreign nation, that foreign nation deals with the Government. The Government, as recognized by the Constitution, obligates itself to pay a given amount of money. That obligation is complete. The Constitution itself says that the Senate and the President can make the treaty, and when made it is the supreme law of the land. Every nation in the world has a right to deal with us on the ground that the Senate and the President constitute our Government in the making of treaties.

Mr. Carmack, of Tennessee, afterwards Senator; Mr. Henry, of Texas; and Mr. Clayton, now a Federal judge, though all opposed the treaty, supported the same view.

It was plainly not the intention of the framers of the Constitution to require legislative approval to insure the validity of treaties. On August 23, 1787, Mr. Gouverneur Morris moved in the Constitutional Convention to add to the section defining the treaty-making power the words—

but no treaty shall be binding on the United States which is not ratified by law.

In the vote on this proposed amendment Pennsylvania alone voted in the affirmative with North Carolina divided, New York and New Hampshire not voting. On September 7, James Wilson, of Pennsylvania, having stated that treaties were to be the "laws of the land," moved to insert, after the words "by and with the advice and consent of the Senate," the words "and the House of Representatives," maintaining that "as treaties have the operation of laws they ought to have the sanction of laws also." This motion received only the support of his own State of Pennsylvania. A proposition that no rights acquired by the treaty of peace should be ceded without the consent of the legislature was not pressed to a vote. Also, when a proposed draft of what is now clause 15 of section 8, article 1, was reported so as to read: "To execute the laws of the Union, enforce treaties, suppress insurrections, and repel invasions," the words "enforce treaties" were stricken out on the suggestion that they were superfluous, since treaties were to be laws.

Mr. Crandall, in his review of the discussions in the convention, concludes:

From these debates it appears that the House was excluded from participation in the making of treaties by the framers of the Constitution, with the understanding that treaties were to have the force of laws. (Crandall, p. 48.)

One argument in favor of limiting consideration of treaties to the President and Senate frequently expressed in the convention was the necessity for secrecy and dispatch. In the later debates on the ratification of the Constitution in State conventions and among the people it was taken for granted that the negotiation and ratification of treaties was vested exclusively in the President and the Senate, and this fact was one of the principal objections to ratification.

The second, or opposing, theory is to the effect that the Constitution, laws passed in pursuance thereof, and treaties are all upon an equal footing and each must be taken into account in determining the validity of a treaty. These three fundamental features relating to governmental action constitute, as it has been termed, a trinity. Attention is called to the fact that a statute may nullify a treaty and a treaty may nullify a statute, the one last ratified or enacted becoming binding. Under this theory, in order that a treaty may become operative, it must have the support of Congress if any action is contemplated upon which the legislative branch has power to act, such as the raising of revenue or the making of appropriations, control of the territory or property of the United States, regulations relating to commerce, provisions pertaining to the Army and Navy—in fact, upon any subject on which Congress has authority to legislate. This means practically the House of Representatives, as the approval of the Senate may be taken for granted if two-thirds of the Members present have already advised ratification. Foreign nations, it is alleged, must be held to understand the limitations upon the treaty-making power as interpreted under the Constitution, and while the failure to comply may create international complications—indeed, may even lead to war—the agreement is not binding upon the people of the United States until the necessary action has been taken by Congress. There is also the argument that certain forms of legislative action, as in the case of the levying of duties, must

originate in the House of Representatives. Mr. Jefferson was a supporter of this view. Perhaps the best statement of his opinions may be found in a letter to James Monroe of March 21, 1796, in which he says:

We conceive the constitutional doctrine to be that though the President and Senate have the general power of making treaties, yet whenever they include in a treaty matters confided by the Constitution to the three branches of legislature, an act of legislation will be requisite to confirm these articles, and that the House of Representatives, as one branch of the Legislature, are perfectly free to pass the act or to refuse it, governing themselves by their own judgment whether it is for the good of their constituents to let the treaty go into effect or not. On the precedent now to be set will depend the future construction of our Constitution and whether the powers of legislation shall be transferred from the President, Senate, and House of Representatives to the President and Senate, and Plarningo, or any other Indian, Algerine, or other chief.

This differs somewhat from an earlier expression of his recorded in the Anas under date of April 9, 1792, which was as follows:

The President has wished to redeem our captives at Algiers and to make peace with them on paying an annual tribute. The Senate were willing to approve this, but unwilling to have the lower House applied to previously to furnish money; they wished the President to take the money from the Treasury, or open a loan for it. * * * He asked me if the treaty stipulating a sum and ratified by him, with the advice of the Senate, would not be good under the Constitution and obligatory on the Representatives to furnish the money? I answered it certainly would, and that it would be the duty of the Representatives to raise the money; but that they might decline to do what was their duty, and I thought it might be incautious to commit himself by a ratification with a foreign nation, where he might be left in the lurch in the execution; it was possible, too, to conceive a treaty which it would not be their duty to provide for.

He was violently opposed to the Jay treaty and used the strongest expressions against the treaty-making power while it was under consideration.

In a letter to Madison, of March 17, 1796, he writes:

The objects on which the President and Senate may exclusively act by treaty are much reduced, but the field in which they may act, with the sanction of the Legislature, is large enough, and I see no harm in rendering their sanction necessary and not much harm in annihilating the whole treaty-making power except as to making peace.

In a message to the Congress in 1803, stating that a treaty had been concluded with France for the cession of Louisiana, Mr. Jefferson conceded that action by the House and Senate was necessary for the fulfillment of the treaty in this language:

You will observe that some important conditions can not be carried into execution but with the aid of the Legislature and that time presses a decision on them without delay.

Another expression by Mr. Jefferson was on the occasion of a treaty with an Indian tribe for the acquisition of lands for which a consideration was to be paid. He said:

As the stipulations in this treaty also involve matters within the competence of both Houses only, it will be laid before Congress as soon as the Senate shall have advised its ratification.

Mr. Calhoun while a Member of the House of Representatives concurred in the same view. In a debate in January, 1816, he said:

To talk of the right of this House to sanction treaties and at the same time to assert that it is under a moral obligation not to withhold that sanction is a solecism. No sound mind that understands the terms can possibly assent to it. I would caution the House, while it is extending its powers to cases which I believe do not belong to it, to take care lest it lose its substantial and undoubted power. I would put it on its guard against the dangerous doctrine that it can in any case become a mere registering body. * * * The treaty-making power has many and powerful limits, and it will be found, when I come to discuss what those limits are, that it can not destroy the Constitution, or our personal liberty, or involve us, without the assent of this House, in war or grant away our money.

But as Secretary of State in 1844, when a commercial treaty had been negotiated with the German States in 1843 and the Senate committee reported adversely on the ground of "want of constitutional competency" to make it, Mr. Calhoun thus commented on this action:

If this be a true view of the treaty-making power it may be truly said that its exercise has been one continual series of habitual and uninterrupted infringements of the Constitution. From the beginning, and throughout the whole existence of the Federal Government, it has been exercised constantly on commerce, navigation, and other delegated powers.

In treating of necessary appropriations he said:

It—the power—is expressly delegated to Congress, and yet scarcely a treaty has been made of any importance which does not stipulate for the payment of money.

Mr. Clay, in a discussion on a treaty relating to a boundary between Louisiana and Mexico, in 1820, expressed himself very vigorously against the binding power of treaties without the concurrence of the House. He said:

The Constitution of the United States has not defined the precise limits of that power, because from the nature of it they could not be presented. It appears to me, however, that no safe American statesman will assign to it a boundless scope. * * * If the concurrence of this House be not necessary in the cases asserted, if there be no restriction upon the power I am considering, it may draw to itself and absorb the whole of the power of the Government. To contract alliances, to stipulate for raising troops to be employed in a common war about to be waged, to grant subsidies, even to introduce foreign troops within the bosom of the country, are not infrequent instances of the exercise of this power; and if in all such cases the honor and faith of the Nation are committed by the exclusive act of the President and Senate, the melancholy duty alone might be left to Congress of recording the ruin of the Republic.

Mr. Blaine, on the occasion of a claim by the Chinese Government for indemnity under treaty provisions for Chinese killed within the jurisdiction of one of the States, said in a letter to the Chinese minister:

Your observations to the effect that treaties form a part of the supreme law of the land equally with the Constitution of the United States is evidently based on a misconception of the true nature of the Constitution. * * * Such is the language of the Constitution, but it must be observed that the treaty no less than the statute law must be made in conformity with the Constitution, and were a provision in either treaty or a law found to contravene the principles of the Constitution, such provision must give way to the superior force of the Constitution, which is the organic law of the Republic, binding alike on the Government and the Nation.

Judge Cooley, in his work on Principles of Constitutional Law, said:

The Constitution imposes no restriction upon this power, but it is subject to the implied restriction that nothing can be done under it which changes the Constitution of the country, or robs a department of the Government or any of the States of its constitutional authority.

Perhaps the most extreme statement asserting the limitations on the treaty-making power of the President and the Senate is contained in an article by a German publicist, Prof. Ernest Meier, of the University of Halle, as follows:

Congress has under the Constitution the right to lay taxes and imposts, as well as to regulate foreign trade, but the President and Senate, if the treaty-making power be regarded as absolute, would be able to evade this limitation by adopting treaties which would compel Congress to destroy its whole tariff system. According to the Constitution, Congress has the right to determine questions of naturalization, of patents, and of copyright. Yet, according to the view here contested, the President and Senate by a treaty could on these important questions utterly destroy the legislative capacity of the House of Representatives. The Constitution gives Congress the control of the Army. Participation in this control would be snatched from the House of Representatives by a treaty with a foreign power by which the United States would bind itself to keep in the field an Army of a particular size. The Constitution gives Congress the right of declaring war; this right would be illusory if the President and Senate could by a treaty launch the country into a foreign war. The power of borrowing money on the credit of the United States resides in Congress; this power would cease to exist if the President and Senate could by treaty bind the country to the borrowing of foreign funds. By the Constitution "no money shall be drawn from the Treasury but in consequence of appropriations made by law"; but this limitation would cease to exist if by a treaty the United States could be bound to pay money to a foreign power. * * * Congress would cease to be the law-making power as is prescribed by the Constitution; the law-making power would be the President and the Senate. Such a condition would become the more dangerous from the fact that treaties so adopted being on this particular hypothesis superior to legislation, would continue in force until superseded by other treaties. Not only, therefore, would a Congress consisting of two Houses be made to give way to an oligarchy of President and Senate, but the decrees of this oligarchy when once made could only be changed by concurrence of President and of senatorial majority of two-thirds.

Professor von Holst, in his work entitled "Constitutional Law of the United States," says:

As to the extent of the treaty-making power the Constitution says nothing, but it evidently can not be unlimited. The power exists only under the Constitution, and every treaty stipulation inconsistent with a provision of the Constitution is therefore inadmissible and according to constitutional law ipso facto null and void.

According to the third theory, while it is conceded that the House of Representatives can refuse to render operative the provisions of a treaty, it is nevertheless maintained that there is a moral obligation to do so. The treaty is in the international forum a binding agreement, and every consideration of good faith requires its fulfillment. On this subject at the time of the conference between the President and the Foreign Relations Committee of the Senate on August 19, 1919, President Wilson contended that Article 10 of the Versailles treaty constituted a very grave and solemn moral obligation. He said:

It is a moral, not a legal, obligation.

When asked by Senator Knox if in case of external aggression against some power which could not be repelled except by force of arms we would be under any legal obligation to participate, he answered:

No, sir; but we would be under an absolutely compelling moral obligation.

Senator—now President—Harding asked him as to the scope of the obligations proposed to be incurred, and President Wilson replied:

There is a national good conscience in such a matter. * * * Now, a moral obligation is of course superior to a legal obligation, and, if I may say so, has a greater binding force.

And during the presidential campaign of 1920 President Harding said, in speaking of the right to refuse to perform a treaty obligation:

Technically, of course—

Congress—

could do so. Morally, with equal certainty, it could not do so, nor would it ever do so. The American people would never permit a repudiation of a debt of honor. No Congress would ever dare make this Nation appear as a welcher, as it would appear and would be in such an event before the eyes of the world.

Judge Cooley, when asserting that the House of Representatives may in its discretion at any time refuse to give assent to legislation necessary to give a treaty effect, adds:

This would be an extreme measure, but it is conceivable that a case might arise in which a resort to it would be justified.

The facts which militate against the unqualified admission of the first theory are perfectly plain. There are three departments in the Federal Government. There are two legislative bodies. In the performance of the conditions of a treaty action by the House in numerous cases is essential. That action may be withheld. The different legislative bodies or the departments of the Government may clash, but the question arises whether the omission or refusal of the House to act differs from failure to act by an official or by Congress in other activities of the Government. The President after the ratification of a treaty might decide not to carry it out. It is conceivable he might omit to enforce a law passed by Congress.

President Jackson is said to have remarked of a decision of the Supreme Court:

John Marshall has made a decision, now let him enforce it.

Congress might refuse to make appropriations for the established salaries of Federal officials, or might decline to take action in pursuance of the laws of the land. Committees of the House such as those on naval or military affairs might recommend substantive legislation which afterwards would become law, and the Committee on Appropriations might postpone or refuse the insertion of the necessary amounts in appropriation bills. The whole theory of the machinery of government contemplates the possibility of failure in cooperation, or in the performance of duties by different organs of the Government. That, however, does not render laws or treaties less obligatory, and it must be reiterated that there are no obligations of a higher type than those which pertain to our relations with other countries.

Acceptance of the second theory is equally out of the question as contrary to the intention of the framers of the Constitution and as creating a situation which would hopelessly embarrass us in our foreign relations. Stated briefly, there is, in the enforcement of treaties, a possible conflict between international and municipal law. Which shall prevail? Opinions expressed upon this subject have not been free from confusion. But if we expect to maintain good faith in our dealings with other nations and to secure the fulfillment of promises made by them, every consideration of national interest as well as of national honor demands strict compliance with agreements or treaties made in conformity with the provisions of the Constitution.

The question of the function of the House of Representatives in passing upon treaties has been repeatedly under discussion. The first instance was on the occasion of the Jay treaty. This treaty was held to require action by Congress and on March 24, 1796, a resolution was carried by a vote of 62 to 37 requesting President Washington to lay before the House copies of the instructions to the minister who had negotiated the treaty with Great Britain, together with the correspondence and other documents relating thereto. President Washington on the 30th of March, 1796, in the message from which quotation has already been made, declined and a heated debate ensued. Two resolutions were voted upon, one to the effect that the treaty was highly objectionable and another that it was objectionable. The vote on both of these was a tie, 48 to 48 and 49 to 49, respectively, the deciding vote being cast against the resolutions by the Speaker. A resolution to carry the treaty into effect was passed by a vote of 51 to 48.

In 1803, when Mr. Jefferson transmitted his message asking for an appropriation for the purchase of Louisiana, a similar resolution asking for papers was adopted. There was a difference in party alignment in the support and opposition to this resolution. It was rejected. Similar discussion occurred upon the commercial treaty of 1815 with Great Britain. Among other provisions, this treaty abolished discriminating duties. It was contended that no commercial regulation could be made by treaty without the concurrence of Congress.

After the purchase of Alaska in 1867, which required a payment of $7,200,000 in gold, there was opposition to making the appropriation on two grounds; first, that the Territory was worthless and it was a waste of money, and, second, that the treaty for the acquisition should not have been enacted without the action of the House. This led to a conference report, the House asserting its rights in the premises, and the Senate finally made the concession that under some circumstances treaty stipulations can not be carried into full force and effect until the House shall take action.

Again, in 1887 the question was before the House of Representatives upon the question of an extension by a later treaty of the reciprocity treaty of 1875 with the Hawaiian Islands, which provided for the free importation of rice, unrefined sugar, and other products. The first treaty was not to take effect until a law to carry it into operation should be passed by Congress. The second omitted this provision. A very able report was prepared on this subject by Mr. J. Randolph Tucker, which is printed as Report No. 4177, Forty-ninth Congress, second session. This is monumental in scholarship and strength of reasoning, and sets forth as clearly as any document the arguments favoring the necessary concurrence of the House of Representatives in treaties whenever modification of duties, appropriations, or supplemental legislation are required.

The appropriation of $20,000,000 for the purchase of the Philippines in the treaty with Spain, which was ratified by the Senate on February 6, 1899, was adopted, and but slight opposition arose. Another treaty of recent date, under which the amount promised was appropriated without substantial opposition in the House, was that of November 18, 1903, with Panama. This treaty contained an agreement that $10,000,000 should be paid for the necessary rights acquired for the building of the canal and for further payments of $250,000 per annum beginning nine years later. These later payments have been appropriated without question. A substantial argument for the binding force of treaties is found in this provision for deferred installments of $250,000 per year. How could Congress have appropriated for these installments in advance? On the other hand, such a provision was an essential part of the treaty. Very recently the treaty with Colombia, involving the appropriation of $20,000,000, was regarded as conclusive, and no objection was made in the House to an appropriation of $5,000,000 for the first payment required.

It has been said that every President from John Adams down to date, in treaties requiring appropriations, has asked Congress for action, but the question may well be raised whether messages asking for appropriations have been in the nature of a request or of an injunction to perform a duty.

President Johnson, in notifying Congress of the treaty for the purchase of Alaska, said, in a message of July 6, 1867:

The attention of Congress is invited to the subject of an appropriation for this payment.

And President Grant, in a message on the 8th of March, 1870, transmitted a communication from the Secretary of the Interior relative to what he termed the obligation of Congress to make the necessary appropriations to carry out the Indian treaties made by what is known as the Peace Commission of 1867. Mr. Crandall in his work on treaties, page 179, enumerates some 30 treaties carrying appropriations, all of which have been approved by the House. He adds that in no case has the necessary amount been refused, and that since 1868 little question has been raised. In fact, there has never been a failure to pass the necessary legislation.

It will be seen from these facts that in recent years the authority of the President and the Senate in the making of treaties has aroused little question.

Another class of treaties should be named in which a condition has been inserted in the treaty itself to the effect that duties should not be changed without the concurrence of Congress. There is a considerable number of these. They create a condition, and notice is given to foreign countries that the agreement is not binding until Congress acts. In this regard there has been a marked difference between treaties relating to duties and those which require appropriations. In almost every treaty, beginning in 1854, with the treaty with Great Britain for reciprocity with Canada, followed by that with Hawaii in 1875, and then by the treaty with Cuba in 1902, in all of which there were regulations as to duties, the provision is inserted that the treaty must be approved by Congress or by the appropriate authorities. Section 3 of the tariff act of 1897 authorized the President to enter into reciprocal commercial conventions with other countries. The proposed reciprocity treaty with Canada in 1911, which failed because of the nonconcurrence of Canada, was submitted to the Congress for approval.

SOME JUDICIAL DECISIONS WOULD SEEM TO LIMIT THE BINDING FORCE OF TREATIES.

As regards action by the Supreme Court, it must be understood that the judiciary have to do merely with interpretations in accordance with the action of the legislative and executive departments of the United States. With the question of observance of good faith they have nothing to do. This fact was most clearly

stated in what is called the Cherokee Tobacco case (11 Wall., pp. 616, 620, and 621), to the effect that an act of Congress may supersede a prior treaty and a treaty may supersede a prior act of Congress. This was a very strong case. A treaty with the Cherokee Nation exempted the produce of the farmers from taxation. Afterwards an internal-revenue tax was levied on tobacco, and it was held not only that the law imposing the tax applied to the Cherokee Nation but that it annulled the previous treaty. The treaty was made in 1866 and the act levying the tax was passed in 1868.

As a result of its distinctive position the Supreme Court has repeatedly stated that treaties must be in accordance with the Constitution, and while as regards private rights of individuals under treaties it has frequently asserted that their construction is the peculiar province of the judiciary, the court has limited its decisions upon political questions. The general scope of the treaty-making power from the standpoint of the judiciary is nowhere better stated than by Chief Justice Marshall in the case of Foster *v.* Neilson (2 Peters, 233, 314):

> A treaty is in its nature a contract between two nations, not a legislative act. It does not generally effect, of itself, the object to be accomplished, especially so far as its operation is infraterritorial, but is carried into execution by the sovereign power of the respective parties to the instrument.
>
> In the United States a different principle is established. Our Constitution declares a treaty to be the law of the land. It is, consequently, to be regarded in courts of justice as equivalent to an act of the legislature whenever it operates of itself without the aid of any legislative provision. But when the terms of the stipulation import a contract, when either of the parties engages to perform a particular act, the treaty addresses itself to the political, not the judicial, department; and the legislature must execute the contract before it can become a rule for the court.

It has been asserted by the Supreme Court, as in United States *v.* Arredondo (6 Peters, 691), that a treaty is in its nature a contract between two nations and the legislature must execute the contract before it can become a rule for the court.

That treaties are subject to such acts as Congress may pass for the enforcement, modification, or repeal is maintained in Edye *v.* Robertson (112 U. S. 580), in which last case Justice Miller says:

> The Constitution gives it—
>
> A treaty—
>
> no superiority over an act of Congress * * * nor is there anything in its essential character, or in the branches of the Government by which the treaty is made, which gives it this superior sanctity. A treaty is made by the President and Senate. Statutes are made by the President, the Senate, and the House of Representatives.

On this subject Justice Field says in One hundred and thirty-third United States, 266, 267—

> The treaty power, as expressed in the Constitution, is in terms unlimited except by those restraints which are found in that instrument against the action of the Government or of its departments, and those arising from the nature of the Government itself and that of the States. It would not be contended that it extends so far as to authorize what the Constitution forbids, or a change in the character of the Government or in that of one of the States, or a cession of any portion of the territory of the latter without its consent. But with these exceptions, it is not perceived that there is any limit to the questions which can be adjusted touching any matter which is properly the subject of negotiations with a foreign country.

One of the latest discussions in which the question of the duties of Congress to take steps for the enforcement of a treaty is in the case of De Lima *v.* Bidwell (182 U. S. 1). By the treaty of Paris Porto Rico was ceded to the United States. After the treaty had been duly ratified goods were imported into the United States which if brought from a foreign country would be subject to a duty. It was maintained by the Government that until legislation was enacted for the administration of the island and a recognition of its position as a Territory of the United States, duties must be imposed as in the case of all importations from a foreign country. This case was elaborately discussed, and by a majority the court decided that Porto Rico became domestic territory on the ratification of the treaty and no further action by Congress was necessary to make it such.

In the majority opinion, on page 198, Justice Brown said:

> We express no opinion as to whether Congress is bound to appropriate the money to pay for it. This has been much discussed by writers upon constitutional law, but it is not necessary to consider it in this case, as Congress made prompt appropriation of the money stipulated in the treaty.

He refuted the contention that ceded territory might be treated in every particular except for tariff purposes as domestic territory, and that until Congress enacts otherwise it would remain a foreign country. Yet the Supreme Court has sustained treaties contravening State laws, for illustration, relieving aliens from disabilities under State laws pertaining to land ownership; also in annulling discriminatory taxes upon foreigners. Laws of States and municipal ordinances under State authority discriminating against foreign immigrants protected by treaties have been declared void. The same is true of the enforcement of treaties superseding or contrary to Federal laws.

There is a collateral question, which assumes especial importance, of the right of the Federal Government to assume jurisdiction for the protection of aliens under treaty rights. On this subject President Harrison, in his message of December 9, 1891, said:

> It would, I believe, be entirely competent for Congress to make offenses against the treaty rights of foreigners domiciled in the United States cognizable in the Federal courts.

Presidents McKinley and Roosevelt sustained this contention in messages; also President Taft, in both his inaugural address and his annual message of December, 1910. He also expresses himself to the same effect in an address to the members of the American Society of International Law, in April, 1910, saying:

> I can not suppose that the Federal Constitution was drawn by men who proposed to put in the hands of one set of authorities the power to promise and then withhold from them the means of fulfilling them.

In a report to the Lake Mohonk Conference of May 26, 1911, Senator Root with Messrs. Baldwin and Kirchwey say:

> After careful deliberation we have come unanimously to the conclusion that the power to make good its treaty obligations is now vested in the Government under the Constitution.

Extended references on this subject are contained in chapter 17 of Mr. Crandall's book on Treaties.

It is said that there are two classes of treaties, executed and executory. The fact is practically all treaties are executory. They do not pertain to something that has been done. They pertain to something that is to be done. They constitute a contract which is to be carried into effect, and are quite as binding as any agreements, so we can not, in judging of the treaty-making power, give any especial weight to this distinction. When the treaty is negotiated by the President and has the advice and consent of two-thirds of the Senate, either it is complete or not complete. There is no time when, like Mahomet's coffin, it is suspended in the air. There must be a time when those with whom we are dealing know whether minds have met. How desirable that is, because if another nation knows that the treaty must be mulled over by at least two legislative bodies, that country by its representatives will not make the concessions to which it would otherwise agree. There will be certain reservations made to meet reservations.

I can not agree to the argument just advanced that a treaty should be submitted to the House of Representatives. What would the House do with it? When would it be submitted? When the parties first meet for negotiations, should the President transmit the subject under consideration and ask for instructions, although this House has no power to make treaties? Should he transmit it when the first draft is completed? Should he send it here before or after it is approved by the Senate? There is no possible warrant for such a course. What good would it do? What could happen except that it would create confusion and interfere not merely with the orderly course of proceedings but with securing a favorable result. I recognize very clearly that it is a bit ungracious for a Member of the House to in any way decry its powers in treaty making. In view of our larger relations with other countries I regard it as one reason why this House is at a disadvantage, that it does not have more to do with foreign relations, and I am always loath in any way to say anything which would in the least diminish the powers and prerogatives of this House. Mr. Fisher Ames, the eloquent orator, expressed himself very aptly upon the desire of a legislative body to maintain its prerogatives. He said:

> The self-love of an individual is not warmer in its sense or more constant in its action than the self-love of an assembly—that jealous affection which a body of men is always found to bear toward its own prerogatives and powers. I will not condemn this passion.

Following him, no more shall I. But there is a point where our powers have a limit.

I may add that I can not agree with the argument which has been made on this subject by the gentleman from Virginia that a treaty can not override a statute of the State in regard to the rights of aliens. In addition to the general statements I have made, reference may be had to the case of Ware against Hylton (3 Dal., p. 199), decided in 1796 and repeatedly referred to with approval. Anyone who will read that decision must come to a different conclusion from that which the gentleman has expressed. That involved the question of a British subject.

Mr. TUCKER. Will the gentleman yield?

Mr. BURTON. I would like to complete some other arguments.

Mr. TUCKER. As the gentleman has mentioned that case I merely want to say that case did not decide what is so generally understood it decided; that the treaty overrode the law of the State. It not only did not decide, but it could not have

decided it, because the court held that there was no law of the State; that the law of the State was invalid.

Mr. BURTON. I can not agree with that statement.

Mr. MONDELL. Will the gentleman yield?

Mr. BURTON. I will yield.

Mr. MONDELL. In carrying out a treaty involving an appropriation it is wholly within the power of the House by withholding its approval to prevent the carrying out of the treaty. I think the gentleman in discussing that said that he considered it the duty of the House under those circumstances to make the appropriation to be bound by the treaty.

Mr. BURTON. The matter of terms employed is immaterial. If we make a treaty, it is binding, and our faith is pledged to the foreign nations by that treaty, and as to the necessary amount it is just as important that provision be made as is any action involving good faith between nations.

Mr. TUCKER. It is just as important, I agree; but are we obliged, are we bound, have we no discretion, that is the point?

Mr. BURTON. Of course, you can conceive of a case where a treaty would be made which would violate not merely the Constitution but the fundamental rights which belong to popular government. In such a case the House might say, We will not carry it out. But let me say to the gentleman from Virginia we never should judge the scope of powers by the possibilities of their abuse. We never should conjure up possibilities to destroy the plain law of the land in the obligation of treaties. It is not conceivable that the President and two-thirds of the Senators present would heedlessly disregard the Constitution or be unmindful of the public interest. Let us consider the question of cession of territory.

Suppose that which we regard as improbable might occur and we were at a disadvantage in a terrible war, and our opponent might demand a portion of the State of Texas. It is as if a human being sacrificed a limb to save his life. This Government in an extreme case like that might by treaty give away a piece of its property. That, however, is an extreme and practically impossible case. Now, I wish to call attention to some things which we have done. We have made treaties which have bound us to use the military and naval forces of the United States. Let me read a section from the Webster-Ashburton treaty of August 9, 1842, in regard to the slave trade:

> The parties mutually stipulate that each shall prepare, equip, and maintain in service on the coast of Africa a sufficient or adequate squadron, or naval forces of suitable numbers and descriptions, to carry in all not less than 80 guns, to enforce separately and respectively the laws, rights, and obligations of each of the two countries for the suppression of the slave trade.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BURTON. I understood that I had 40 minutes, 30 minutes from the gentleman from New York and 10 minutes from the gentleman from Tennessee.

In 1846 we made a treaty with New Granada guaranteeing the neutrality of the Isthmus of Panama, and after the Boxer rebellion of 1900 we joined with other powers and agreed to maintain a military force at Peking and at Tientsin in China, and those forces are there until this day. In 1904 we guaranteed the independence of Panama. At one time our warships were sent there to carry out treaty provisions.

Let us look at the other side of the shield, that in regard to treaties of arbitration and for the promotion of peace. In the Rush-Bagot agreement of 1817 we agreed that there should be maintained a warship of not more than 100 tons on each of the lakes, Champlain and Ontario, and two on the "upper" lakes, and no more. Each of these ships, as I recall it, was to carry one 18-pounder gun. We did more than that. We agreed to scrap, as in this treaty, the rest of our naval armament upon those lakes, and President Monroe issued a proclamation in 1817 saying that the treaty, or arrangement as he termed it, having been approved by the Senate, was of full force and effect.

He did not ask the concurrence of the House. We have entered into arbitration treaties almost without number, and it is the most splendid phase in all of our diplomacy. I need go no further than to refer to the so-called Bryan treaties, some 20 in number. Those treaties provide that when a dispute arises between our country and any other which can not be settled by the ordinary processes of diplomacy the questions of law and fact shall be submitted to a commission of inquiry, and no step looking toward war shall be taken until that commission reports. Will some Member come in here and say that those treaties are invalid because they disable the House of Representatives from sending bristling bayonets into the field? They are binding on the country, and they should be binding. Suppose Mr. Hughes while he was speaking before that great gathering and was received with so much acclaim had said, "We are moving to stop this made race of naval expansion right now." "The time for action has come," as he did actually say. "We will scrap certain of our ships; we will abate our naval program. We will take hold of every golden chain to bind us in amity and cooperation with those nations between which and us there has been friction." These were inspiring thoughts, but suppose he had punctuated his remarks by saying, "All this can be done, provided the House of Representatives comes to the conclusion it is not an interference with a bill they passed in 1916 for an ambitious naval program." What kind of a position would have been occupied before the nations of the earth if such a postscript had been added? And in this day, this day when the threat of chaos still hangs over the world, I most earnestly desire to impress upon the Members of this House the importance of contracting in the easiest and readiest way any treaty that looks toward peace with nations. We no longer can say, as did a distinguished United States Senator, "What have we to do with abroad?"

Our relations extend to the remotest bounds. Whatever happens in Petrograd or in Tokyo or in far-off Bagdad is of the utmost interest to the United States. Our trade relations, our social relations, all those things which make for the betterment of humanity, are bound up with the hopes and fears of all the peoples of the earth. The most ardent hope is that the movement for peace may be a mighty procession, ever moving onward. Gentlemen of the committee, it is not altogether a constitutional proposition which concerns us, though I think these treaties are clearly binding under the Constitution. If we concede it is within the power of this House to stand in the way and stop progress toward peace, we surely will never do it. I hope this bill will pass by a unanimous vote. This question of treaties is of the utmost consequence to us in our international relations, which are assuming ever-increasing, almost supreme, importance among our national policies. We will not neglect the home life of the Nation; we will not neglect the welfare of the weak and of the struggling. We will endeavor in all our legislation to hold the scales equally and to devise such laws as, like gracious drops of dew, shall spread their blessings all abroad.

But there is need of the broadest vision. Our larger outlook is beyond the windows which look out upon a narrow landscape. It is upon the whole world, and in the making of treaties we should define clearly where that power rests. And may the time never come when in pursuance of any constitutional theory or any policy of obstruction this House shall for one moment stand in the way of that great mission which we have to perform for peace, for good will, and for an advancing civilization. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. HICKS. Mr. Chairman, I yield 15 minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Will the gentleman from Tennessee [Mr. PADGETT] yield me five minutes?

Mr. PADGETT. Yes; I yield to the gentleman five minutes.

The CHAIRMAN. The gentleman from Wyoming is recognized for 20 minutes.

Mr. MONDELL. Mr. Chairman, when the doctors disagree it may seem presumptuous for a mere layman to suggest an opinion. I am not a lawyer, much less a constitutional lawyer, and yet I have some rather definite opinions with regard to the matters that have been so ably discussed by the gentleman from Virginia [Mr. TUCKER] and the gentleman from Ohio [Mr. BURTON], and while I have some hesitancy in venturing an opinion that may not be in harmony with that of one or the other of these gentlemen on a subject like this, I feel it somewhat incumbent upon me to express my views because of the fact that I am responsible—perhaps more responsible than any other one individual—for the presence in this bill of the first section, which is the basis of this discussion.

As I understand the attitude of the gentleman from Virginia [Mr. TUCKER], it is that this treaty at least could not under the Constitution be legally executed without action by the House of Representatives in approving and accepting its terms.

The gentleman from Ohio [Mr. BURTON] takes the position, as I understand it, that this is absolutely superfluous and unnecessary; that without any action by the House of Representatives the President could proceed to put into effect the declarations, and decisions, and agreements of the treaty. I am not sure that I fully agree with either of these learned and distinguished gentlemen. My own thought with regard to the matter is, speaking now of the case before us, that the treaty would be binding and effective, and the President justified—I am not absolutely certain that he would be—in enforcing the treaty and putting it into effect by the scrapping of ships, without action by the House of Representatives. In other words, that our failure to act might amount to an acquiescence in the treaty provisions. And in that event the President be justified

in proceeding to carry the treaty into effect even to the extent of scrapping ships and otherwise making effective the terms of the treaty.

I have no manner of doubt, however, that it is wise and proper and seemly and in accordance with the theory of our Government that in a matter affecting the destruction of property created through appropriations, and involving the fixing of the limit and extent of the national defense, that the House of Representatives should act affirmatively or otherwise.

Mr. MOORE of Virginia. Does not the gentleman mean that Congress should express its opinion?

Mr. MONDELL. I am speaking now of the House. This discussion is as to the power of the House, the duty of the House, the authority of the House, in the premises.

The rule with regard to the relative force and effect of treaties and laws is laid down by the Supreme Court as follows:

That a treaty may supersede a prior act of Congress and an act of Congress may supersede a prior treaty is elementary.

In other words, a treaty may be valid notwithstanding the fact that it does nullify an act of Congress; likewise an act of Congress may nullify a treaty.

In a case with which we are very familiar in the western country, the case of Ward against Racehorse, the court held that an act of Congress admitting a State into the Union nullified and rendered of no effect the provisions of a treaty.

Mr. CONNALLY of Texas. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. CONNALLY of Texas. That was on the theory, was it not, that when a State came into the Union it came in as a State, and that this treaty affected the internal affairs and police regulations of that State, and consequently it was in conflict with our theory of government?

Mr. MONDELL. Yes; the act of Congress brought the operation of the treaty to an end, and an act of Congress would supersede and set aside this treaty as well as any other treaty.

Mr. TUCKER. Mr. Chairman, may I interrupt my friend merely to call attention to the fact that Judge Marshall, in Foster against Neilson and the Cherokee tobacco case, affirmed exactly what my friend is setting forth now?

Mr. MONDELL. Now, whether or no it is absolutely essential to the execution of the naval treaty that the House and the Congress shall act affirmatively, it is certainly proper and wise that the Congress should so act. Such action places the matter on the broad, firm, and, under our Constitution, the more secure foundation of acquiescence and approval by all of the coordinate branches of the Government.

In suggesting the wisdom and propriety of a provision of this kind I had in mind two things: First, that the House and its Members should have an opportunity to voice their approval of the treaty clearly, definitely, and by official action; and, second, that this procedure serves to aid in maintaining the prestige and authority of the House under our form of Government. In my philosophy the theory that the President and the Senate may bind the Nation by a treaty contrary to the will of the elected Representatives of the people is scarcely tolerable. A treaty may become effective by our mere failure to act, but I can not agree that the House is under any binding obligation, regardless of its view of the merits of the matter, to do what may be necessary for the Congress to do in making appropriations or otherwise for the carrying out of a treaty that it does not approve.

I do not say that the House might not be under such an obligation if, having taken the matter up in the form of modifying legislation and having expressed an adverse view of the matter, the coordinate branches of the Government, one or both, declined to agree with the position thus taken. We have never met just that situation; I hope we never shall. I do believe, however, that in every case where a treaty involves, as it does in this case, property of great value and importance, policies which the Congress has deliberately entered upon and adopted, and far-reaching questions of national defense, there should be a recognition of the voice and opinion of the House.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield there?

Mr. MONDELL. I will.

Mr. NEWTON of Minnesota. If the decision of the Supreme Court is the law, and that is that a treaty can repeal a statute, why then would not the statute authorizing this Navy which is under construction be repealed by the ratification of these treaties? And why, then, the necessity of action by Congress acting as a legislative body?

Mr. MONDELL. Well, the courts have held that neither a treaty nor a law can be repealed by implication. There is nothing in the treaty itself which repeals the acts of Congress providing for the construction of these ships, but there are provisions in the treaty under which the President might be held to be authorized to destroy the ships the Congress ordered built, and under which the Congress is bound not to make further provision for vessels of a certain character; and that being true, whether or no it be absolutely essential, it is certainly seemly and proper and, I think, essential for the maintenance of the position of the House that we shall take definite action.

Mr. BURTON. Mr. Chairman, will the gentleman yield for a question?

Mr. MONDELL. Certainly.

Mr. BURTON. While repeals by implication are not favored, I wish to say to the gentleman that it is laid down by the textbook writers that a treaty may by implication be repealed by a statute.

Mr. MONDELL. Well, an implication that is so clear that there can be little or no question as to the intent may, of course, effect a repeal, but neither a statute nor the treaty may be set aside by mere implication. That is the position of the courts, as I understand it.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. WALSH. Will the gentleman contend that the House could provide for scrapping less than is provided by the treaty?

Mr. MONDELL. The House could express its view to that effect, undoubtedly.

Mr. ANDREWS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. ANDREWS of Nebraska. Has the executive branch of the Government any right to destroy public property without legislative authority from Congress so to do?

Mr. MONDELL. That is the question. Some of the gentlemen are contending that that can be done under a treaty. I think it might be accomplished under a treaty in the absence of any action by the Congress to the contrary. But I am persuaded that in a case like this there should be a definite acceptance and approval by the Congress in order that the House may share, as is its right, in the determination of the limitations that may be placed on the character and extent of the national defense.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. MONDELL. If I can have one minute more I will yield.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HICKS. I yield to the gentleman one minute more.

Mr. NEWTON of Minnesota. Suppose the House takes affirmative action and passes this measure, and that it does not receive the approval of the Senate or the Executive. Then the legislation will fail. What, in that event, will happen to the scrapping program?

Mr. MONDELL. If the Senate did not pass it or the Executive did not approve it, then the same power that ratified the treaty would have repudiated an approval of it, as there are provisions in the bill which clearly require the action of Congress. I do not understand how the treaty could legally be fully executed without the legislation. [Applause.]

Mr. PADGETT. I yield 10 minutes to the gentleman from Texas [Mr. BLACK].

Mr. BLACK. Mr. Chairman, on May 4 the bill to extend the operation of the War Finance Corporation was taken up in the Senate, and during the debate on the bill the statement was made that the Federal Reserve Board had sent out an order to the Federal reserve banks prohibiting the rediscounting of agricultural paper which was secured by warehouse and cotton and wheat while such products were being held for a higher price. During the debate one Senator made a statement substantially equivalent to what I have just stated, and another inserted in the CONGRESSIONAL RECORD a similar statement which had recently been made by Mr. Harvie Jordan, secretary of the American Cotton Association.

As soon as I read the debate and Mr. Jordan's printed statement I knew that if the Federal Reserve Board had issued an order of that kind it was a matter of very great concern to the agricultural interests of the United States. I knew that if such an order had been issued it was in direct violation of the Federal reserve act, which provides for the rediscounting of agricultural paper secured by proper warehoused products, where the paper has a maturity within six months. So I took the matter up with the governor of the Federal Reserve Board, Mr. W. P. G. Harding, and he says that the statement to which I have referred is entirely unfounded. Evidently the gentlemen

who made it were mistaken. I think Mr. Harding's statement should go into the RECORD at this place, and with the permission of the House I would like to read it. The statement of Governor Harding says:

I wish to point out that the Federal Reserve Board has never interpreted the Federal reserve act in the manner suggested in the statement in quotation. On the contrary, the Federal Reserve Board, in its ruling and on every appropriate occasion, has taken the position that such holding of agricultural products as is incident to orderly marketing is a legitimate and necessary part of the business of agriculture, and that a loan made to a producer or farmer for the purpose of financing such holding is clearly an agricultural loan which is eligible for rediscount by Federal reserve banks within six months of maturity. Furthermore, the Federal Reserve Board and the Federal reserve banks have recognized that in determining to what extent the holding of agricultural products is incident to orderly marketing the condition of the market for such products or the market demand must be taken into consideration, and that renewal loans made necessary by reason of inability to dispose of products at a reasonable figure and in orderly manner during the period of the original loan may also be eligible. In other words, in direct contradiction of the published statement of Mr. Jordan, the Federal reserve act has been interpreted by the board so as to permit the gradual and orderly marketing of agricultural products as and when there is a demand for them, instead of requiring the farmers to market their products by the so-called "dumping method."

Mr. Chairman, there is one feature of the Federal reserve act that a great many of our people seem to have overlooked, and that is that no paper having a maturity of longer than six months can be legally rediscounted by the Federal reserve banks; and in order to provide for agricultural and live-stock paper having a maturity of more than six months and not more than three years Congress has found it necessary to set up the War Finance Corporation as a temporary measure and which, up until this time, has made advances of about $350,000,000 for agricultural and live-stock loans in the different sections of the country. The proposition that confronts Congress now—and I regard it as one of very great importance—is that if we are to provide adequate and permanent financial machinery for the future to take care of this particular class of loans we must either amend the Federal reserve act so as to permit the rediscounting of paper having a longer maturity than six months, or else we must provide some other adequate machinery for doing it.

It is for this reason that our Committee on Banking and Currency has thought it necessary to extend the life of the War Finance Corporation for another year, until July 1, 1923. Meanwhile committees of Congress will have before them the proposition as to whether we should amend the Federal reserve act or whether we should amend the farm loan act, or whether we should set up some independent agency to take care of the situation. The question is not free from difficulty. It must be carefully studied. One thing we should always bear in mind is that there are two kinds of credit. One of them is the mother of production, to wit, credit based on production. The other is credit based on consumption. In the framing of the law which I have just been discussing we should be careful to see that the proposed credit facilities for paper of this kind are framed strictly to take care of production and orderly marketing. That should be the fundamental object in view.

Credit can not fill the gap that is created by the failure of production; it can only bridge it over; and so the big task of Congress now is to provide some adequate effectual method to finance farm and live-stock production requiring a maturity of more than six months and not more than three years. I have confidence that Congress will solve it. As a member of the Banking and Currency Committee of the House I stand ready and willing to do my part. [Applause.]

Mr. HICKS. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. TOWNER].

Mr. TOWNER. Mr. Chairman, I am in entire agreement with the gentleman from Virginia [Mr. TUCKER] in his statement that regardless of the question of the necessity of this legislation it is perfectly proper that this legislation should be enacted. I am also in entire accord with the statement made by the gentleman from Wyoming [Mr. MONDELL] to the same effect. If I understood the position of the gentleman from Ohio [Mr. BURTON] that the treaty would be ample for the purpose of carrying out all its terms without legislation, then I certainly have to take issue with the position.

Let us examine briefly where we would find ourselves in carrying out some of the provisions provided for under the terms of this bill. The first section gives the President power to make disposition, as in his judgment may be proper, of the capital ships. That is not scrapping. The terms of the treaty are an authorization for an appropriation to scrap ships but not to dispose of them. This goes beyond that proposition. It proposes to give the President power to dispose of ships by selling them or otherwise, and in that sense carry out scrapping. But certainly the President would not be authorized to do that without the authorization of Congress. I do not know how far the President's power to destroy may go. We know that the President can destroy any battleship in existence in time of war under his war powers. I think we also know just as well that if we build a new battleship and the President orders it destroyed in time of peace he would not have the power to do so. So I think it is always a question as to how far the power of the President to destroy may go without authority from Congress.

We must remember that back of all of these provisions lies the necessity of appropriating money, and that power is exclusively in the hands of Congress, exclusively in the hands of the body of which the House is a component part.

If to carry out the provisions of any treaty an appropriation of money is necessary, the consent of the House is required, and it may be either granted or withheld as the House shall determine. So if a treaty provides that we will scrap ships and it requires an appropriation of money to scrap them, then there must be authority somewhere upon which that appropriation shall be based. It may be said that it can be done under the treaty. If the treaty itself be considered as an authorization item, the terms of the treaty must be strictly complied with. It certainly could not be held that the terms of a treaty made between the five powers that the United States would scrap or destroy certain ships could be construed as giving the President the power to sell some of the battleships. That would be going too far. If we consider the provisions of the second section we find a still stronger showing of the necessity of legislation. We have already authorized, we have already provided for, we have already entered upon, the construction of seven first-class battleships and six battle cruisers. What do we do now? We now say that the contracts for the building of these ships shall be canceled. Would there be any authority for the cancellation of the contracts in a provision for scrapping ships? This method of disposition is extraneous to that employed by the treaty, and therefore the necessity for legislation for carrying it into effect.

Now, if we come to the third section we find like conditions arising; we are to take two cruisers intended for battle cruisers and reconvert them into airplane carriers. Is there any authority for that in the treaty? Certainly not. It provides that we may have airplane carriers, but it does not provide for the transformation of battle cruisers into airplane carriers, and in doing so we are compelled to legislate and to cancel the contracts and give the Executive power to do so.

So we are confronted all the way along with things that must be provided for by legislation, and it seems to me that if we desire to carry out our wishes as to methods of carrying out the provisions of the treaty, legislation is required. It is not safe to depend on the treaty regarding matters of this kind. They are properly matters of legislation that ought to be taken up and discussed by Congress as well as the treaty-making power. By that means we can arrive at a conclusion that is agreed to by all, and which will effectually carry out what is intended both by the treaty and by the legislative power as the methods of carrying it out.

Mr. MILLER. Will the gentleman yield?

Mr. TOWNER. I beg the gentleman's pardon, I can not yield. I want to make one other short statement and I have but little time. Let us remember all the time this proposition, that we are simply one of five individual nations agreeing to a contract between these nations.

We can violate the contract at any time, and that ends the treaty so far as we are concerned. We can violate any treaty at any time, either by act of Congress or by nonperformance, or by laches, or any other means we choose to adopt. Good faith is all that is necessary on our part, and good faith is all that is necessary on the part of any nation to carry out any treaty. Good faith is required, and that is what we expect to use toward this treaty. It meets with the approval of the Congress, its meets with the approval of the United States of America, it carries out the purposes of the nations of the earth to take as immediate and as far-reaching steps as can be secured in order to bring about not only a limitation of armament, but eventually the cessation of wars among the nations of the world. We want to do that. We want to do it well, we want to do it effectually, we want to do it with the sanction of the people of the United States, and I am very glad that this opportunity is afforded the House of Representatives of the United States to give its approval to this treaty in this marked and distinctive manner.

I hope that not one single word of this act will be changed by amendment. I can not believe that it is necessary. I would like to have it stand just as it does now, as an effective and complete approval, put into practical form of the treaty. In doing this I think we will be doing no more than our duty,

and in doing less than that I think we would not be carrying out the best interests of the people and the objects and purpose of the people.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. PADGETT. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. LONDON].

Mr. LONDON. Mr. Chairman, from whatever viewpoint you approach the scrapping bill one must welcome it as a step forward. Although in their entirety the treaties which make the scrapping necessary provide a truce for only 10 years, although they may merely provide for the limitation of the use of only a certain kind of weapon of destruction during that period, the proposed scrapping is a step forward.

I want to present to the House, now that you are all singing the praises of those who love peace, of those who advocate international concord, of those who seek the abolition of war, the question of amnesty for the men who had the courage to speak their true convictions about war during the war. Everyone can be a hero now. Everyone can bravely proclaim his love of peace. I want to submit to you the cases of those men and women to whom the love of peace was a life passion, to whom it was a religion, to whom it was the meaning of their existence—the case of men and women who believed that it was their mission to preach peace on earth when men were killing one another.

There are hundreds of them in jail. There are 113 political offenders of the kind I have described in the Federal jails. There are hundreds of them in the State prisons, over which Congress has no jurisdiction. The men on whose behalf I speak have been convicted under section 3 of the espionage act. Let us see what Thomas Jefferson, a fairly good Democrat, said about the espionage law of his days—the sedition law of 1798. Thomas Jefferson was replying to Mrs. Adams, who had complained to him that he, Jefferson, had pardoned a certain individual who had said scurrilous and mean things about her husband. Here is the exact language of Thomas Jefferson:

> I do not know who was the particular wretch alluded to; but I discharged every person under punishment or prosecution under the sedition law, because I considered, and now consider, that law to be a nullity, as absolute and as palpable as if Congress had ordered us to fall down and worship a golden image; and that it was as much my duty to arrest its execution in every stage as it would have been to have rescued from the fiery furnace those who should have been cast into it for refusing to worship the image. It was accordingly done in every instance, without asking what the offenders had done, or against whom they had offended, but whether the pains they were suffering were inflicted under the pretended sedition law.

I want you to bear in mind the distinction between the constitutionality of a law, so far as the phrases making up the law are concerned, and the constitutionality of a law in its actual effect. The espionage law was in its effect a violation of every constitutional right. War, with its peculiar psychology, or rather psychopathy, when the souls of men are sick, when all wear masks, when they do not say what is in their hearts, when they all obey commands from above, when they do not reason, when passion rules, when the wisest behave like foolish children, makes it utterly impossible that any law which in anywise restricts freedom of expression should not become an instrument of oppression.

The espionage law was wicked. It copied the worst features of the law of 1798. It made it a crime to employ abusive language about the Constitution, as if one could insult a constitution. The law of 1798 prohibited the employment of scurrilous language about individuals. The espionage law imposed cruel penalties upon critics of policies or institutions. It was impossible for a man to get a square deal when charged with a violation of the espionage law, if it was known that he had at one time or another opposed the entry of the United States into the war.

But if in addition to that the man happened to be an advocate of an unpopular economic doctrine, if in addition to that the jury was composed of employers of labor, if the prisoner at the bar chanced to be a member of a union which had conducted a strike in the locality, he had no chance on earth; and of the 113 political offenders now in Federal jails the great majority, almost all of them, are in that class.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. LONDON. Yes.

Mr. MICHENER. Of these 113 men, how many of them are members of the I. W. W.?

Mr. LONDON. A great majority of them are either members of the I. W. W. or were members of the I. W. W. at some time or other. A most interesting thing is that many of them have been convicted because at one time they had been members of the I. W. W. They convicted men whose names were on the rolls of some secretary of an I. W. W. local. Since when is it a crime to be a member of that body? It may be a crime from the standpoint of a business man against whom there has been organized a strike.

Mr. MICHENER. Did not many of these same prisoners advocate the evading of the draft law?

Mr. LONDON. They have been convicted under section 3 of the espionage law, and that section deals with offenses——

Mr. MICHENER. Like the Kansas rebellion, where they all went up into the hills.

Mr. LONDON. Oh, the gentleman is mixing up the Kansas case with the Oklahoma case.

Mr. MICHENER. Yes; the Oklahoma case.

Mr. LONDON. The Oklahoma case involves only three men, and it is an exception. We can not expect much from Oklahoma, whether it be an Oklahoma Democrat, an Oklahoma Republican, or an Oklahoma Socialist. That case is distinct from the others. Two organizations formed prior to the war for the purpose of protecting tenant farmers against excessive rentals and usurious interest furnished several hundred defendants.

There were two cases in Oklahoma. In one there were 175 defendants, and only 3 of them are still in prison. It seems that they had organized a meeting to protest against the war and against the draft. According to the statement of a witness who made a special investigation of the Oklahoma cases and who testified before the Judiciary Committee of the House, all the accused pleaded guilty under a promise that they would be dealt with leniently. As I said, there are only three of them in prison now. Out of the other case, which the same witness declared to be a case of expression of opinion, there are only two prisoners now.

With the exception of the one Oklahoma case, all the other cases are cases of expression of opinion.

The children of some of these prisoners have been for some time in Washington. The President has refused to see them. I have a sort of suspicion that the President has been advised by his friends not to see them. It is very likely that he could not have seen the children without granting their request, and his advisers, the Wall Street clique, the open-shop supporters, the enemies of every progressive thought, see to it that the President should not be influenced by the plea of the children, and that the appeal of the victims of the espionage law should not reach his heart.

I have introduced a bill dealing with this subject. Three Members have introduced resolutions for amnesty, Mr. GRIFFITH, of New York, a Democrat, Senator LADD in the Senate, a Republican, and myself. We have introduced three identical bills calling upon the Congress to grant amnesty. It is evident that the interests which surround the President just now are too strong for him to consider this proposition. I want the Congress to act upon it. There are enough of historical precedents for such action.

Mr. JOHNSON of Mississippi. If the gentleman will yield, how many political prisoners are there now——

Mr. LONDON. There are now in the Federal jails 113.

Mr. ANDREWS of Nebraska. If the gentleman will yield for a short question; does the gentleman think those 113 prisoners should be scrapped along with the ships which come under this bill?

Mr. LONDON. I think with the ships you should scrap your hatreds, your passions, your prejudices, and bring the human element into our legislation. That is what we need.

Mr. MILLER. Will the gentleman yield?

Mr. LONDON. I will.

Mr. MILLER. Why does not the gentleman introduce a bill for some of these other folks to scrap their hatred?

Mr. LONDON. They have been preaching international love, and that has been called a crime. They preached international cooperation when the cowards kept their mouths shut, and I want you Republicans——

Mr. ANDREWS of Nebraska. Will the gentleman yield for just one question?

Mr. LONDON. I have very little time and I am more interested in what I shall say than what the gentleman will say. [Applause.] Please sit down.

Mr. ANDREWS of Nebraska. If the gentleman will just yield for one more question. Do you think it is right for any person when our Nation is at war to seek by any means to thwart the Government of the United States in winning the war?

Mr. LONDON. The doctrine that during war all lips must be sealed lies at the basis of monarchial institutions. There is nothing more dangerous than the theory that the mere declaration of war deprives one of the right to criticize. That is how monarchies came to be established. The government that will say to the citizen, "Keep your mouth shut; I will

decide for you; you have no voice," puts the country in danger. If you will take the trouble to study the history of the origin of monarchical institutions, you will find where——

Mr. MILLER. Will the gentleman yield for just a question? Is the gentleman undertaking to defend the principles of Trotski and Lenin in the Congress of the United States?

Mr. LONDON. The question is too absurd to require an answer.

Mr. MILLER. Answer it then.

Mr. LONDON. The question shows an amazing ignorance.

The ideas I have just expressed here were expressed many generations ago by Sumner, Webster, and others. Lenin was still unborn and Trotski's name was unknown. This form of insinuation appeals only to the very ignorant, and it has no place here. It might have worked three years ago. Even war should not be permitted to destroy the essence of a democratic form of government. Even during war the people are the principal and the Government is the agent. There can be no people's rule when the people are not allowed to speak their minds.

Mr. ANDREWS of Nebraska. Will the gentleman yield for one more question?

Mr. LONDON. Yes.

Mr. ANDREWS of Nebraska. Can the gentleman cite any Government of any form that has practiced more cruelty than Lenin and Trotski?

Mr. LONDON. What in the world has that got to do with it? If it be true, does the gentleman want to imitate them?

The CHAIRMAN. The time of the gentleman has expired.

Mr. HICKS. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. FORDNEY].

Mr. FORDNEY. Mr. Chairman and gentlemen, I will be grateful to the gentlemen if they will permit me to make my statement without interruption, as I have but 20 minutes. About three months ago I made a speech in the House and I placed in the RECORD at that time copies of invoices of certain imported foreign-made goods. I stated to the House that I also had in my possession sales slips from the house where those goods were sold, retailed in this country at prices far in advance of the invoice value or the landed value, duty paid, of those goods. I was obliged to and did refer to one of the great importing houses of this country, Marshall Field & Co. Later on, the 19th of January, my very beloved friend from Chicago [Mr. MANN] made a speech on the floor of the House. He presented to the House statements furnished him by Marshall Field & Co. in which that company claimed that all of my statements were incorrect or false. I do not criticize Mr. MANN, but I criticize the people who furnished him with the information which he placed in the RECORD at that time denying the correctness of the statement made by me. Mr. MANN, however, was severe in his remarks and concluded by saying that what the gentleman from Michigan had said was pure bunk. He was prompted to make that statement from the information given him by that company's manager, John G. Schedd. All right. So much for that. I wish to prove to the House whether or not what I said at that time was pure bunk. I never did say that Marshall Field & Co. imported these goods, these particular articles, pocketknives. I did say the invoice value of those goods was, in round numbers, $1.50 per dozen knives.

I hold in my hand one of the knives I then spoke about, manufactured by J. A. Henkel in Germany. Marshall Field & Co., in the statement put in the RECORD by the gentleman from Illinois [Mr. MANN], say they did not import those knives, but purchased them in New York, and paid twenty-five times as much as Mr. FORDNEY stated they were imported for. That would be $37.50 a dozen or thereabouts. I stated that the import value of the knives was about $1.50. I sent a man to Chicago, who purchased this knife which I have here, and paid Marshall Field & Co. $5 for it. I have the sales slip. I have taken time and finally located J. A. Henkel's agent in New York, and from that representative of J. A. Henkel, where undoubtedly Marshall Field & Co. purchased these knives, this man purchased a dozen knives for $2.70. Here is a list of the prices at which these knives were purchased in New York. So much for "bunk" that they, Marshall Field & Co., paid $37.50 a dozen for. I assume that when any merchant can purchase knives from the agent of J. A. Henkel in New York for $2.70 a dozen, Marshall Field & Co. can purchase them just as cheaply. I am going to leave it to you as to whether or not what I said before about these knives was "bunk."

I have another knife made by the same man, J. A. Henkel, of Germany, sold by Marshall Field & Co. to me through the agent I sent to their store. He paid $8.50 for that knife [exhibiting the knife]. It carries one blade, one file blade, and a small pair of scissors. The price quoted by the New York agent for one dozen of these knives is $7.62. So much for "bunk" on this knife.

I have never made a statement about any of these imported articles where I did not have proof of the correctness of the statement, and I never will. By the way, here is one of the knives made by J. A. Henkel, purchased in Germany in July of last year, a more valuable knife, with three blades and a file, purchased by a friend of mine for 18 paper marks in Germany. At that time the mark had a value of 9.6 cents in gold—sold at retail for $5 over here. I stated that I had in my possession a cup and saucer imported from Japan. The invoice value is 48 sen. A sen is a fraction less than half a cent of our money. The gentleman is in this room that made this purchase for me; and the correctness of my statement was disputed by one man, an importer of chinaware. But he is in error; they were imported for 48 sen, or a fraction less than 24 cents a dozen cups and a dozen saucers. I made a speech at Peoria, Ill., and a man came on the platform afterwards and said that my information was not correct; that he was an importer and dealer in Japanese goods of that kind and that he paid more money for them than the price stated by me to be in the invoice. I do not know what the purchaser paid for these goods in Japan. I only know the invoice value—what they were entered at our customs office for. But to bear out my statement, I have here the original invoice furnished to me by the Secretary of the Treasury, and the invoice value is 48 sen, as set out in the original invoice and as I formerly stated. I did make a correct statement—that my friend paid $4.20 a dozen at retail for those cups and saucers, or 35 cents for one cup and one saucer, where the dozen cups and dozen saucers, duty paid, were imported for about 37½ cents. The duty is 55 per cent ad valorem.

I am making these statements, gentlemen, to substantiate my position that in our new tariff law we should carry a provision for collecting ad valorem duties based on American values and not on foreign values. [Applause.]

I will show you another imported article. Here is an electric flatiron. It weighs six and three-fourths pounds. It was imported from Germany. Here is a copy of the invoice. Three thousand five hundred of them came in one shipment; to be exactly correct, 3,496. I am told they are retailing for $1.12½ per pound; that is, $6.75 for a 6-pound flatiron. That iron, including the cord, was imported for 19 cents, which is an absolute, clean-cut case of undervaluation—fraud. That flatiron paid 3.8 cents duty, or 20 per cent ad valorem. I have in my office three flatirons made in the United States, comparable with this one here. The wholesale selling value of one is $3.51; of another, $3.58; and of another, $3.65. A manufacturer of this part, namely, the part that enters the electric socket, was in my office yesterday, and says that he can not manufacture that part alone for less than 50 cents, and these two smaller pieces at 8 cents each.

Mr. FREAR. Can not manufacture what?

Mr. FORDNEY. This part; the fixture that connects the cord with the electric lamp or fixture; and the two smaller pieces that connect the cord with the iron.

Mr. FREAR. What is the idea? Describe it.

Mr. FORDNEY. He tells me the cord is of very poor quality, and would not be accepted by our insurance companies here where they carry policies on a building in which that cord would be used. But my good wife paid the other day in this city $2 for a cord alone, while this iron, cord, and the whole apparatus was imported at a cost of 19 cents.

Mr. TIMBERLAKE. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. TIMBERLAKE. Did the cord that was purchased by your wife have that attachment to it?

Mr. FORDNEY. It had, but the attachment was not as modern—this one is in two pieces, while the one purchased by Mrs. Fordney is all one piece. This can be put in the socket without twisting the cord, the other can not.

But most striking of all the samples which I have is this clock. I have in my home a clock like this one here [exhibiting]—I believe the exact duplicate. I do not know where the clock that I own was made. I have had it in our home for 10 or 15 years, and I am not clear what price I paid for it, but it is my recollection that I paid $38. Here is a copy of the invoice, as you see here. This clock was imported recently at $1.10. That is the foreign value. Yesterday morning I went down town and in two stores in this city I was asked $40 for that kind of a clock.

Mr. FREAR. Describe the clock. How often do you wind it?

Mr. FORDNEY. It runs 400 days with one winding. It is a remarkable piece of machinery, known as the "four-hundred-day clock." The board of general appraisers over at New York revalued that clock and admitted it at $1.66 instead of at $1.10—a wonderful increase. [Laughter.]

I have in my possession a lady's wrist watch furnished me by the Treasury Department, billed, of course, guaranteed for

20 years; invoiced at $1.33, an undervaluation, of course; imported from Germany.

Mr. RAMSEYER. Mr. Chairman, will the gentleman yield right there?

Mr. FORDNEY. Yes.

Mr. RAMSEYER. Is that what it cost to make the article over there, or what it is invoiced at, for the purpose of valuation?

Mr. FORDNEY. The invoice value. I have no means of knowing the actual selling value over there, or the actual cost of production. I am confining myself to the invoiced value to show you how those goods are undervalued and the United States Treasury robbed of the correct amount of duty.

Mr. MILLER. Mr. Chairman, will the gentleman yield there?

Mr. FORDNEY. Yes.

Mr. MILLER. Is not the invoiced value supposed to be based on the production value?

Mr. FORDNEY. No; the invoiced value is supposed to be based on the wholesale selling value in the country of origin.

I have here a safety razor. The handle is in two pieces, so as to be inclosed in this little box, invoiced at 72 cents a dozen.

Mr. MONDELL. That is the invoiced value?

Mr. FORDNEY. Yes. I am speaking altogether, brother, of the invoiced value. Goods exported to the United States when invoiced are supposed to carry the actual wholesale selling value. I know of no way by which we can prevent the undervaluation of these goods under existing law.

I have in my possession in my office in this Capitol some 40 articles of import, not selected for the purpose of extreme illustration but selected because they were the only available articles that we could run down from the actual invoice to the counter where they were sold. These goods here are among the many articles that I have collected.

Now I want to go a little further——

Mr. ANDREWS of Nebraska. Mr. Chairman will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. ANDREWS of Nebraska. The duties imposed on those articles are ad valorem duties not specific.

Mr. FORDNEY. Yes. The duties are ad valorem.

I have here some imported pocketknives which were sold at wholesale at $7.62 a dozen. A friend of mine paid $8.50 for one of them at retail—a single knife—or 88 cents more for that one knife purchased at Marshall Field & Co.'s at Chicago, than a dozen was purchased for at J. A. Henkle's agents at New York.

Mr. FREAR. Where did you get it?

Mr. FORDNEY. From J. A. Henkle's agents in New York.

Mr. SMITH of Michigan. That was the wholesale price?

Mr. FORDNEY. Yes; that was the wholesale price in New York, and undoubtedly any merchant can buy them at that price.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Certainly.

Mr. KINCHELOE. Do your customs agents under the present law have to levy the duty on articles at the invoice price that they say?

Mr. FORDNEY. No; our agents can hold up those things and investigate and revalue.

Mr. KINCHELOE. I wondered how that was, and that is the reason why I asked the question.

Mr. FORDNEY. A man has been appointed, I believe, to go to Germany and run down the value of this clock and many of the other things that I and others have here, and it is proposed to trace these goods to the selling price in this country and see who is the crook.

Mr. ANDREWS of Nebraska. Mr. Chairman, will the gentleman yield again?

Mr. FORDNEY. Yes.

Mr. ANDREWS of Nebraska. Are we not spending millions of dollars to detect these undervaluations?

Mr. FORDNEY. Yes, sir.

Mr. GARNER. The gentleman speaks of knives selling at $7.62 a dozen in New York.

Mr. FORDNEY. Yes.

Mr. GARNER. Have you the invoice price of those knives?

Mr. FORDNEY. No; I have the wholesale selling price at New York and the retail price in Chicago. By the way, I have obtained from the Department of Commerce the average value of knives imported from Germany; but that does not prove anything in these cases. We imported last year during the calendar year 1921 about $600,000 worth of pocketknives from Germany, at an average value of $1.41 a dozen.

Mr. GARNER. It would be interesting to have the invoice value of those knives that you bought for $7.62 per dozen.

Mr. FORDNEY. The invoice value of this other knife is about $1.49 a dozen, retailed in this country at $5 each.

Mr. ANDREWS of Nebraska. Would the gentleman give us some idea of the increased revenue that we would receive if we had received the proper duty on those goods?

Mr. FORDNEY. I have no doubt that clock cost $15 to make. The duty would be, at 30 per cent, on a valuation of $15, some $4.50. They, the importers, paid 50 cents duty. That is the difference. They paid less than one-ninth the duty that they should have paid. In my opinion, if we could only compel the importers to pay the duties provided by law we would collect twice as much as we collected last year, or $600,000,000, instead of $300,000,000, which is about the amount collected.

Mr. ANDREWS of Nebraska. Does not that practice of undervaluation compel the taxpayers of this country to pay the difference in the internal-revenue taxes that ought to be paid otherwise?

Mr. FORDNEY. Yes. The taxpayer in this country must go down in his pocket and dig up the difference to cover such frauds.

Here is a statement from a professor in one of our colleges to the effect that the tariff law now pending before the Senate, which has been slumbering there for nearly 11 months and is now being pulled out of the dust, when enacted will be a detriment to our own people. He is a free trader. He states that we exported more goods to Germany than we imported from there. I looked that matter up to-day, and I find that if our goods which are exported on the basis of our values were based upon the foreign values which those imports are based upon, our exports would prove to be about one-half of the value of the imports. In other words, as an illustration, during the war we exported horses and at the same time imported horses from Canada; the best horses in the world imported into the United States came from Canada. We imported those horses from Canada at $27 a head and exported them at a value of $225 a head. That is a good illustration of import and export value in many cases. Horses paid an ad valorem duty. Our Government was deprived of the correct amount of revenue that should have been paid as import duty on those horses.

Mr. FREAR. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. FREAR. Will that be cured under the American valuation?

Mr. FORDNEY. Under American valuation we would not only fix the rate of duty but we would fix the basis of value on which that duty is collected, while now the foreigner fixes the value. [Applause.]

Gentlemen, I have given you these illustrations as evidence that the basing of ad valorem duties on foreign valuation opens the door to fraud. It is common knowledge to men informed on the subject that undervaluation of imports is practiced freely. Last year, in the customs office at New York alone, nearly 6,000 cases of undervaluation were uncovered. The lower the value of the imported article, the less the duty to be paid to the Government of the United States.

It is the usual practice of the firms abroad from whom goods are purchased for importation to the United States to furnish the purchaser with two separate invoices, one showing the actual purchase price and the other a much smaller figure. When the goods reach the customs office in this country the importer may present to the officials the invoice showing the undervaluation. If he succeeds in getting past the officials at the customs office, then he not only makes a profit at the expense of the United States Treasury but becomes a most dangerous competitor to the honest importer who enters his merchandise at its true value and pays the full amount of duty to which the Treasury is entitled under the law. In disposing of his goods when undervalued the merchant either takes advantage of the opportunity to make excessive profits or he undersells the honest merchant.

It is said by those who oppose the American valuation plan that such a plan would be impractical. In this they are in error, for many other countries are now collecting duties upon the value of the goods in the country to which the goods are shipped and not their value in the country of origin. Canada, just across the border to the north, imposes a duty on the wholesale selling value in Canada of the imported article. If Canada can successfully levy duties on the home value, why can not we?

Mr. PADGETT. I yield 10 minutes to the gentleman from Mississippi [Mr. SISSON].

Mr. SISSON. Mr. Chairman and gentlemen of the committee, I think the scrapping bill, so called, is properly before the House. I agree absolutely with the gentleman from Virginia

[Mr. TUCKER] in his construction of the treaty-making power under the Constitution, and also I agree with the gentleman from Iowa [Mr. TOWNER].

When George Washington was President of the United States there was a young man by the name of Albert Gallatin, a Representative from the State of Pennsylvania, a young man of great learning and great powers, who, but for the fact that he was not born in America, might have been President of the United States. The only other thing that stood in the way of his being President was the fact that he was perhaps too brilliant and too wise and too well known to be President. With few exceptions our wisest and strongest men have not been Presidents of the United States. Washington was a very strong man, Jefferson was a very strong man, and Jackson and Lincoln were strong men. The others have been rather mediocre men, but I think it is best that they be so. But George Washington was absolutely supreme in both Houses of Congress until there was presented to this House from the Senate a bill to pay a certain amount of money which was provided for in a treaty that had been ratified by the Senate. Young Gallatin made his national reputation on that bill, and from that day became a leading Democrat of the Nation and remained so until he died. He there took the position, contrary to the position assumed by Washington in his administration, that no treaty was binding upon this country which carried in it an appropriation of money without the treaty having been submitted to and agreed upon in the House. I do not know that that principle has been violated from that day to this. When Mr. Taft negotiated the reciprocity treaty with Canada the same principle was involved, except that in the Canadian reciprocity treaty it was a question of revenue and not a question of appropriation.

Mr. Gallatin assumed the position contrary to that taken by Washington, and one of the most learned debates that ever occurred on the floor of this House occurred at that time. Young Gallatin carried the House of Representatives with him and won by more than 2 votes to 1, and for the first time in his history the then great President of the United States found his prestige and control of both Houses taken from him.

I do not agree with the gentleman from Ohio [Mr. BURTON] that it adds any very great difficulty to the negotiating of a treaty by saying that it shall be submitted to Congress if it happens to be a matter in which the concurrence of the House of Representatives is essential to give validity to the legislation. Anything that involves the taxing power, or what is an et sequator, that involves the appropriation of money, must be submitted to this House, and does not in any way interfere with the dignity of our commission when they go abroad, that they shall stand up and vindicate the Constitution of the United States. Do you know that any treaties made by the English Government before they are binding upon the English people are submitted to Parliament? It is not a new proposition in other free countries, and the fathers of the country could just as well have provided that all these treaties shall be approved by Congress as that they shall be approved by the Senate. It was seriously contended by some men that the President should have the right to negotiate treaties without consulting either branch of the Congress. Other members of the Constitutional Convention contended that they should be submitted to both Houses of Congress, and the compromise was reached that they agreed that a treaty should be submitted to one House, to wit, the Senate.

I also deny the proposition argued by some that in all matters a treaty becomes the supreme law of the land. I do not suppose that anyone would contend that a treaty made between our diplomatic representatives and the representatives of foreign nations and ratified by the Senate, which provided for the abolition of the Constitution of the United States, would actually abolish it. You say, that is absurd. Yes; and some of the contentions of the men who endeavor to hold that the treaty-making power is the supreme law of the land in the broadest sense of the word are just as absurd as the proposition I have just laid down. Within the scope of the treaty-making power, when the treaty is negotiated by our representatives and is approved by the President and sent by him to the Senate for the ratification and the Senate ratifies the treaty, then the treaty is the supreme law, but always with the limitation that it shall be within the treaty-making power as prescribed in the Constitution. There are certain matters which are not within the scope of the treaty-making power of the Constitution, and if you will read the debates in the Constitutional Convention, you will find that when these questions arose those men said it was almost impossible, if not entirely impossible, to define exactly those matters which could or should be submitted to treaties between nations. It was the difficulty of definition that prevented their putting in the Constitution a correct definition of those things which might be submitted to treaty. But they all finally concluded, or the majority of them finally concluded, that there were only certain matters that could go into a treaty, and that if our representatives should agree on an absurd matter, when the high contracting parties were framing the treaty, the Senate being the representatives of the States would not permit it to be ratified, and they thought that was a sufficient safeguard. I think the language of the Constitution is unfortunate for it is not always construed as our fathers intended.

I am frightened at the position that men now take on the treaty-making power, that it can overturn statutes and become the supreme law of the land, when a treaty may be made by a bare majority of a majority of the Senate, in secret, when the American people who are most vitally interested in the provisions of the treaty can not themselves know who vote for or against or who debate for it and who debate against it. I am in favor of open diplomacy. Why, it was contended at one time that there could be no such thing as open legislative bodies. All legislation was enacted in star-chamber proceedings, and we had no knowledge of how it was made, and who voted for it or who spoke for it, and we had no good legislation. We had no open forums where men could know what was going on, until in this great Government of ours we tore from the House of Representatives and the Senate the secrecy of debate and the secrecy of the vote and put these galleries here and put the newspaper boys up there so that people could know what was going on. One of the most diabolical things on earth was the secret trials that they used to have, when men never knew perhaps what they were charged with until the day and hour of trial, when they were dragged into court and called upon to answer in secret and were not confronted with the witnesses. Thousands of innocent men were sent to prison there to rot and die. Our English people provide for an open court, and that the accused should be confronted with their witnesses, and glorious America has protected that right, thanks to Thomas Jefferson, in our organic law. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. HICKS. I yield to the gentleman three minutes more.

Mr. GARNER. May I ask the gentleman a question?

Mr. SISSON. Certainly.

Mr. GARNER. Is there any thought in this country that a treaty is superior to the Constitution?

Mr. SISSON. There was a gentleman on the floor—he is not present now—that took the position that it was the supreme law of the land.

Mr. GARNER. Well, take a concrete illustration: Suppose the Republic of France and this Republic should enter into a treaty wherein they agreed to ship all the liquor that they wanted to this country.

Mr. SISSON. Well, some people contend that that would be the supreme law of the land, and it would prevail unless Congress at once passed a law repealing such a treaty, but I do not believe a word of that. I think such a treaty would be void.

Now, to come back to what I was saying. Men did not have an opportunity to have their liberties protected until they were confronted by witnesses and tried by a jury of their peers in open court. Many people do not know why now an indictment states that it is presented in open court. And yet it involves one of the sacred rights of men in this free country that all presentments must be made in open court.

If I had my way about it, I would provide that treaties should be made in the open. When President Wilson went to Paris he made that proposition and they delayed doing anything for 30 days, and when Wilson saw that they would not proceed in the open he agreed and they went into secret meetings, and what was said and done was not given out except by the respective parties themselves, each, of course, coloring everything to suit themselves. No; you will have no honesty and integrity among nations, you will have no fair treatment of the people throughout the world until you get treaties made in the open. If I had the time, I would like to discuss this matter further. Long before this World War I made a speech on this floor against secret treaties and against making them in secret. That which must be done behind closed doors is because there is something unfair or bad about it. Finally, let me say that you are going to have no honesty among the nations, no fair treatment among the nations until representatives of all nations shall come out in the open before their own people and before the people of the world, and I say that they have no right to bind you and your liberties, no right to bind your purse, no right to bind your blood, no right to bind the blood and treasure of the whole Nation to any proposal unless

the people of these nations and the people of the earth know to what they are bound and what their posterity is bound to. Let us have open treaties. [Applause.]

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. CRAMTON having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had agreed to the amendments of the House of Representatives to bills of the following titles:

S. 3505. An act in reference to the summoning of grand juries in the District of Columbia; and

S. 1162. An act declaring Lake George, Yazoo County, Miss., to be a nonnavigable stream.

The message also announced that the Senate had passed without amendment the bill (H. R. 11645) making an appropriation to enable the Department of Justice to investigate and prosecute war frauds.

SCRAPPING NAVAL VESSELS.

The committee resumed its session.

Mr. HICKS. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. DUNBAR].

Mr. DUNBAR. Mr. Chairman, I thank the gentleman from New York, but 10 minutes will do me no good. I therefore yield back the balance of my time.

Mr. HICKS. Will 12 minutes answer the gentleman's purpose?

Mr. DUNBAR. No.

Mr. HICKS. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. ANDREWS].

Mr. ANDREWS of Nebraska. Mr. Chairman, we have been discussing American valuation, foreign valuation, the scrapping of ships, the bonus bill, and so forth, and in the midst of it all we are frequently asked the question, Where will we secure the money to pay the soldiers' bonus? I desire to offer a few suggestions and figures based upon the House bill now pending in the Senate. Let me preface that with the statement that the press reports indicate that the British Government is preparing to pay the interest on her debt to the United States. With the assurance given in the British Parliament that their debt to the United States will be paid, I submit the following computations, which are based upon official reports:

"The annual interest due on the British loan, at 4½ per cent, is $207,527,500, and the total amount of interest due for 20 years will be $4,150,055,000. The largest annual charge under the bonus bill (H. R. 10874, 67th Cong., 2d sess.) will appear in 1926 and will be $136,825,000, and the total cost of that bill at maturity will be $4,098,719,350.

"Thus it appears that the interest due each year will exceed the largest annual payment under the bonus bill by $70,702,500 and that interest due for 20 years will exceed the total cost of that bill by $51,830,650.

"If the British debt should be funded at 4½ per cent for 25 years, there will still be, after the bonus bill is paid in full, an available balance of $5,972,000,000 for our National Treasury from that source."

Thus it is clearly disclosed that the largest annual charge prior to 1942 would be $70,000,000 less than the annual interest due from Britain, and that the total liability of the National Treasury under the House bill would be $51,000,000 less than the total amount of interest due on the British debt for a period of 20 years.

If the Foreign Debt Commission should extend the loan for a period of 25 years, as authorized in the act creating the Foreign Debt Commission, there would still be due at the end of that period from Britain, principal and interest, $5,972,000,000.

Where, then, is there any necessity to be uneasy about additional taxation to pay the bill? There is the source of money to pay it, and the terms of that bill will cancel the obligations for the bonus and leave at the end of 25 years $5,972,000,000, in principal and interest, still due to the Government of the United States.

Mr. CABLE. Will the gentleman yield?

Mr. ANDREWS of Nebraska. Yes.

Mr. CABLE. As chairman of the committee, I would like to know if you can give the House any idea when you expect to report out the bill.

Mr. ANDREWS of Nebraska. That question will be answered in due time.

Mr. LOWREY. Will the gentleman yield?

Mr. ANDREWS of Nebraska. Certainly.

Mr. LOWREY. Are we not obligated to use the interest on the foreign debt for the purpose of paying the interest on the bonds to our own people?

Mr. ANDREWS of Nebraska. No. The interest on the foreign loans is not pledged to any purpose whatever. We are obligated to pay our own bonds as they mature. This may be done, and probably will be done, by funding them at their maturity into long-time bonds. I think that should be done and the plan is now under consideration. It will be observed that my statements involve the use of interest only. None of the principal will be needed to pay any part of the bonus bill.

As payments are made by our creditors, the money will be deposited into the National Treasury as miscellaneous receipts or unappropriated funds to be drawn upon by appropriation bills in the regular order. As liabilities accrue under the bonus bill, unappropriated funds received from the British debt will thus be available for their payment without additional taxation for that purpose.

Why should anyone object to this plan? The interest on the British debt alone would thus take care of all charges under the bonus bill and the principal would remain for the retirement of a like amount of our own Liberty bonds.

A vast majority of the people of this country have virtually pledged themselves to the main features of that bill. Of course those who deliberately repudiate that pledge and deny the right of the ex-service men to any additional compensation will oppose this or any other plan for a like purpose.

Mr. LOWREY. I am not opposing the gentleman's proposition, but I am asking for information.

Mr. ANDREWS of Nebraska. We can arrange that matter without any difficulty.

Mr. LOWREY. But if you use the interest to pay the bonus we have to go somewhere else to get the money to take the place of it.

Mr. ANDREWS of Nebraska. The maximum amount liable under this bill each year after 1926 will be $42,000,000, and for the remainder of the period it will run from $27,000,000 to $34,000,000. As I have already stated, the interest that will accrue on foreign loans is not pledged to any specific purpose and is available to pay the bonus.

Mr. CHALMERS. Mr. Chairman, I want to say that I think the gentleman from Nebraska is absolutely correct, and that we are under obligations to him for working out these figures. In my judgment, those who are trying to amend the House bill and change its provisions are not friendly to the bonus. They are not the real friends of the World War soldiers. They are trying to delay bonus legislation or make the passage of the law impossible. I congratulate the gentleman on the showing and thank him for the figures he has given the House.

Mr. ANDREWS of Nebraska. I am grateful to the gentleman from Ohio for his compliment.

The following table, quoted from the report of the Committee on Ways and Means, will give at a glance the total cost of the bill to the Government for each and all of the various options specified in the bill, the grand total being $4,098,719,350:

Cost of bonus on basis of (1) paying all adjusted compensation that amounts to $50 or less per veteran (approximately 10 per cent of the men will come under this provision); (2) issue adjusted service certificates to 70 per cent of the remaining veterans; (3) 2½ per cent to receive vocational training aid; (4) 10 per cent to receive farm and home aid; (5) 7½ per cent to receive land settlement aid.

Fiscal year.	Cash (10 per cent).	Certificates (70 per cent) (no borrowing).		Vocational training (2½ per cent).	Farm and home aid (10 per cent).	Land settlement aid (7½ per cent).	Total.
		Deaths.	Maturity.				
1923	$16,000,000	$26,604,000		$31,675,000			$74,279,000
1924		28,440,000		20,000,000	$72,000,000	$6,000,000	124,440,000
1925		28,720,000		650,000	64,000,000	30,000,000	121,370,000
1926		28,825,000			50,000,000	60,000,000	136,825,000
1927		28,936,000				16,000,000	42,936,000
1928		27,046,000					27,046,000
1929		27,233,000					27,233,000
1930		27,415,000					27,415,000

Cost of bonus on basis of (1) paying all adjusted compensation that amounts to $50 or less per veteran (approximately 10 per cent of the men will come under this provision); (2) issue adjusted service certificates to 70 per cent of the remaining veterans; (3) 2½ per cent to receive vocational training aid; (4) 10 per cent to receive farm and home aid; (5) 7½ per cent to receive land settlement aid—Continued.

Fiscal year.	Cash (10 per cent).	Certificates (70 per cent) (no borrowing).		Vocational training (2½ per cent).	Farm and home aid (10 per cent).	Land settlement aid (7½ per cent).	Total.
		Deaths.	Maturity				
1931		$27,674,000					$27,674,000
1932		27,932,000					27,932,000
1933		28,265,000					28,265,000
1934		28,600,000					28,600,000
1935		29,004,000					29,004,000
1936		29,448,000					29,448,000
1937		30,003,000					30,003,000
1938		30,593,000					30,593,000
1939		31,333,000					31,333,000
1940		32,144,000					32,144,000
1941		33,105,000					33,105,000
1942		34,251,000					34,251,000
1943			$3,154,823,350				
Total	$16,000,000	577,571,000	3,154,823,350	$52,325,000	$186,000,000	$112,000,000	4,098,719,350

Mr. ANDREWS of Nebraska. Mr. Chairman, I ask unanimous consent to extend and revise my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PADGETT. Mr. Chairman, I yield five minutes to the gentleman from Virginia [Mr. TUCKER].

Mr. TUCKER. Mr. Chairman, I was prevented from hearing the remarks of my friend, Mr. BURTON, of Ohio, until the latter part of his speech, and I found that he was basing his argument upon the old case of Ware against Hylton, a case that has been more misunderstood than any case ever reported in the books. Therefore, I want to give to the committee just exactly what that case decided. My friend declared that it decided that when a State law conflicted with a treaty, the treaty annulled the law of the State. My contention is that that was not decided in the case, and that it could not have been so decided. That was the British debt case—a suit brought by an English creditor about 1796 against a Virginia debtor on a note. The Virginia debtor, when the suit was brought, filed a plea in which he set up the law of Virginia confiscating English debts. The British creditor replied by replication to that plea that the treaty of peace which had been ratified between the United States and Great Britain pledged specifically that there should be no legal impediment to the collection of debts by parties in either country against those in the other. To that replication there was a rejoinder by the Virginia debtor in which he said that the treaty of peace was of no value or effect, because it had been violated in a half dozen instances by Great Britain, and therefore it was valid in no respect. To that rejoinder to the replication there was a demurrer, and that demurrer, as the lawyers of this House know, was not only applicable to the rejoinder, but it went back to the beginning of the case and challenged the validity of each one of the pleadings and stopped where the first fault was found in the pleadings. The court found that the declaration was right, but when it came to the plea of the Virginia debtor of the act of Virginia confiscating English debts, three out of the four judges on the court declared that Virginia could not confiscate debts, that she had no power to confiscate debts, and that the act was void.

Of course, the plea then fell, and with the plea the replication, and with the replication the rejoinder, and the British creditor was left with a clear field to judgment without the interposition of any pleading. So far from that case holding that the treaty overrode the law of Virginia, three out of the four judges held that there was no law of Virginia, and therefore there could be no conflict between the treaty and the law.

Mr. STEVENSON. On what ground did they hold that the Virginia law was void? It was not on the ground that it was in conflict with a treaty of the United States.

Mr. TUCKER. Oh, no; not at all. They held that Virginia had no power to confiscate debts. That case has been quoted by every author that has ever written on this subject, and there has been a great misunderstanding about it. The idea seems to be that Judge Chase, who delivered one of the opinions of the court, delivered the opinion of the court. There was no opinion of the court. There were four opinions, but no opinion of the court, each judge delivering a separate opinion. At a meeting of the International Bar Association in this city a few years ago so great a lawyer as Secretary Root referred to Judge Chase's opinion as the opinion of the court, and Mr. Justice Swayne, of the Supreme Court, in the case of Hauenstein against Lynham, referred to this old case of Ware against Hylton and spoke of Judge Chase's opinion as the opinion of the court. He rendered the best opinion of all of the four, but it was not the opinion of the court.

I wanted to make this statement because my friend's argument seems to have been based upon the validity of that case and the fact that the treaty had been decided to override the law of the State. Had Judge Chase's opinion been the opinion of the court, Mr. BURTON's contention would be correct, but my friend has fallen into the same error that many others have who have preceded him in the discussion of this question.

Mr. PADGETT. Mr. Chairman, I yield five minutes to the gentleman from Virginia [Mr. MOORE].

Mr. MOORE of Virginia. Mr. Chairman, I am sure that we have all been greatly impressed by the very able discussion which has been heard here to-day. It takes us back to the early days of the Republic and suggests some of the names of the very greatest men who figured in those times. For instance, a moment ago my valued friend from Virginia [Mr. TUCKER] cited a case in which Patrick Henry was counsel, where he showed not only his remarkable gifts as an orator but his profound knowledge of the law.

It seems to me that a very simple proposition relieves this bill of any constitutional question. The treaty can not be executed and none of the provisions of the bill can be executed without the appropriation of money, and we deduce at once from this fact that congressional action is necessary. I may say in passing that it seems that the bill should be amended so as to make the act effective upon the treaty being ratified. The truth is that thus far there is no treaty, and until ratifications are exchanged there can be no treaty, and it is, of course, not in the contemplation of the House that the President shall perform the duties specified in the bill until there is an actual treaty in force.

I am very much in favor of the bill just as I very heartily approve the results of the recent conference. I am glad that the conference was able to take a positive step in the direction of international peace.

I rose, however, mainly for the purpose of calling attention to what occurred while the naval appropriation bill was recently under discussion. While that bill was in the House, in another body one of the ablest of our public men used this language:

> * * * the most powerful influences in the administration, outside of the President himself, are in favor of the United States entering the League of Nations. * * *

I can not pass upon the accuracy of that statement. But a little later it was followed by a statement made by the President that is to me full of encouragement. In the letter from the President, which the gentleman from Ohio [Mr. LONGWORTH] read to the House while we were considering the naval bill, there was a very significant expression, to which no attention was at the time particularly called.

With reference to the size of the enlisted personnel of the Navy the President said:

> Ultimately, perhaps, the lower figures proposed may be reached, and I hope it will be possible through later international concerts. * * *

The President's thought evidently was that the Government is not going to stop with what has been done but is going forward with the effort to create international concert of action by some sort of an association of nations into which all nations will be drawn and which will give promise of that general peace for which the world longs. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. HICKS. Mr. Chairman, in view of the fact that the hour is rather late and that many gentlemen who are not here this afternoon would like to listen to the discussion in reference to airplanes and the conversion of battle cruisers, that part of the debate will take place to-morrow morning. Therefore I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. CAMPBELL of Kansas having taken the chair as Speaker pro tempore, Mr. HUSTED, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill (H. R. 11214) authorizing the President to scrap certain vessels in conformity with the provisions of the treaty to limit naval armaments, and for other purposes, had come to no resolution thereon.

LEAVE TO EXTEND REMARKS.

By unanimous consent, Mr. TUCKER and Mr. HICKS were given leave to extend their remarks in the RECORD.

APPROPRIATIONS FOR INTERIOR DEPARTMENT.

Mr. CRAMTON, from the committee of conference, presented a conference report on the bill (H. R. 10329) making appropriations for the Department of the Interior, which was ordered printed under the rules.

Mr. GARNER. Mr. Speaker, may I ask the gentleman when he expects to call up this conference report for consideration?

Mr. CRAMTON. I wish to call it up as early as will be consistent with the program of the House. I should be very glad if I could call it up to-morrow or the following day.

Mr. MONDELL. May I suggest to the gentleman that if we conclude the consideration of the so-called scrapping bill early enough to-morrow we hope to give some time to conference reports, and it is possible that we may be able to dispose of the conference report presented by the gentleman from New York and that presented by the gentleman from Michigan also.

Mr. GARNER. May I ask the gentleman from Wyoming what is the necessity for a prolonged consideration of the scrapping bill? There appears to be no opposition to it on either side of the House.

Mr. MONDELL. Gentlemen sometimes desire to discuss the features of a bill to which they have no objection.

Mr. GARNER. How much time remains for general debate on this bill, Mr. Speaker?

The SPEAKER pro tempore. Thirty-eight minutes.

Mr. GARNER. So if there is no material opposition or discussion or amendment, it occurs to me that you might pass the bill within an hour.

Mr. MONDELL. I should be very glad to see that done if possible, but the bill is exceedingly important, and it has occurred to me that probably gentlemen would like to have some time under the five-minute rule, so that we may not be able to dispose of it as soon as the gentleman suggests.

Mr. GARNER. You do hope to take up conference reports to-morrow if time will permit?

Mr. MONDELL. Yes.

ADJOURNMENT.

Mr. HICKS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 4 o'clock and 40 minutes p. m.) the House adjourned until Wednesday, May 17, 1922, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. FOSTER: Committee on the Judiciary. H. R. 10817. A bill to amend section 100 of the Judicial Code of the United States; with amendments (Rept. No. 1011). Referred to the House Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 11530) granting an increase of pension to Raymond P. Snow, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. DYER: A bill (H. R. 11673) to amend the act of June 30, 1906, creating a United States Court for China, and so forth; to the Committee on the Judiciary.

By Mr. WINSLOW: A bill (H. R. 11674) for the purchase of the Cape Cod Canal property, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SINCLAIR: A bill (H. R. 11675) to continue the land offices at Minot, Williston, and Dickinson, in the State of North Dakota, and for other purposes; to the Committee on the Public Lands.

By Mr. REECE: A bill (H. R. 11686) to direct railroads engaged in interstate commerce to issue mileage books; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of Tennessee: A bill (H. R. 11676) granting a pension to R. B. Hendrickson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11677) for the relief of W. B. Davis & Son (Inc.); to the Committee on Claims.

By Mr. FOSTER: A bill (H. R. 11678) for the relief of Albert Bowen; to the Committee on Military Affairs.

Also, a bill (H. R. 11679) granting a pension to M. Lavina Porter; to the Committee on Invalid Pensions.

By Mr. KEARNS: A bill (H. R. 11680) granting an increase of pension to Azubeth Srofe; to the Committee on Invalid Pensions.

By Mr. KING: A bill (H. R. 11681) granting a pension to Joseph Houser; to the Committee on Pensions.

By Mr. MOORE of Illinois: A bill (H. R. 11682) granting a pension to Cora De Baun; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 11683) granting an increase of pension to Nancy Veatch; to the Committee on Invalid Pensions.

By Mr. RHODES: A bill (H. R. 11684) granting a pension to W. A. Duncan; to the Committee on Invalid Pensions.

By Mr. RYAN: A bill (H. R. 11685) for the relief of Charles F. Brown; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5630. By Mr. BARBOUR: Petition of the Visalia (Calif.) Board of Trade, urging that the land which it is proposed to eliminate from Sequoia National Park, in California, be made a game preserve; to the Committee on the Public Lands.

5631. By Mr. GALLIVAN: Petition of Rover Legion, No. 2, Private Soldiers and Sailors' Legion, Washington, D. C., recommending the passage of H. R. 6309; to the Committee on the District of Columbia.

5632. Also, petition of Houghton Mifflin Co., Boston, Mass., urging the passage of H. R. 11476; to the Committee on Patents.

5633. By Mr. KISSEL: Petition of the New York Commercial, New York City, relative to the existing conditions in Bolivia; to the Committee on Foreign Affairs.

5634. Also, petition of the United Mine Workers' Journal, Washington, D. C., relative to mines and miners; to the Committee on Labor.

5635. Also, petition of Adam Mann, Brooklyn, N. Y., relative to the duty on reeds and chair cane; to the Committee on Ways and Means.

5636. By Mr. LINTHICUM: Petitions of Metal Package Corporation, Baltimore, and many others, requesting increased tariff on canned goods; Carnegie Institute of Washington, D. C., protesting against increase of tariff on scientific instruments; and Standard Guano Co., and Rasin Monumental Co., Baltimore, protesting against duty on potash; to the Committee on Ways and Means.

5637. Also, petition of Alpha Photo Engraving Co., Baltimore, Md., favoring passage of House bill 5823; to the Committee on Agriculture.

5638. Also, petitions of J. Wallace Bryan, Baltimore, and Harry L. Glackin, Rising Sun, Md., favoring passage of Voigt bill; to the Committee on Agriculture.

5639. Also, petition of No-Leak-O Piston Ring Co., Baltimore, favoring Stephens-Kelly bill; to the Committee on Interstate and Foreign Commerce.

5640. Also, petition of W. E. Robinson & Co., Bel Air, Md., protesting against the Moses bill, S. 3509; to the Committee on Labor.

5641. By Mr. OSBORNE: Memorial of Mr. George Lincoln Bossemeyer, 1565 West Twenty-second Street, Los Angeles, setting forth the advantages to be gained by the adoption of a new calendar in which all the months are to be alike, consist-

ing of 28 days each, 13 months to each year; to the Committee on the Library.

5642. By Mr. SMITH of Michigan: Petition of the Woman's Home Missionary Society of the Methodist Episcopal Church at Coldwater, Mich., protesting against the passage of Senate bill 3083; to the Committee on the District of Columbia.

5643. By Mr. WATSON: Resolution passed by the George N. Althouse Post, No. 39, the American Legion, Norristown, Pa., urging an Army and Navy such as the majority of the citizens of this country recognize as necessary during the present upset world conditions; to the Committee on Appropriations.

SENATE.

WEDNESDAY, *May 17, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The VICE PRESIDENT. The unfinished business, House bill 7456, is before the Senate and will be proceeded with.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. The pending amendment is in paragraph 64, on page 26, line 9. I wish to state that when we come to the next subdivision, the second amendment in the paragraph, the committee will ask that the Senate disagree to the committee amendment.

Mr. WALSH of Massachusetts. Mr. President, I make the point of order that there is no quorum present.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll and the following Senators answered to their names:

Ashurst	Glass	McKinley	Shields
Ball	Gooding	McNary	Simmons
Borah	Hale	Moses	Smoot
Brandegee	Harris	Myers	Spencer
Broussard	Harrison	Nelson	Stanley
Bursum	Heflin	New	Sterling
Capper	Hitchcock	Newberry	Sutherland
Caraway	Johnson	Norris	Swanson
Colt	Jones, Wash.	Oddie	Townsend
Culberson	Kendrick	Overman	Underwood
Curtis	Keyes	Page	Wadsworth
Dial	King	Phipps	Walsh, Mass.
Dillingham	Ladd	Pomerene	Walsh, Mont.
du Pont	Lenroot	Ransdell	Watson, Ga.
Edge	Lodge	Rawson	Watson, Ind.
Elkins	McCormick	Robinson	Weller
Ernst	McCumber	Sheppard	Willis

Mr. DIAL. I wish to announce that my colleague [Mr. SMITH] is unavoidably absent. I ask that this announcement may continue through the day.

The VICE PRESIDENT. Sixty-eight Senators have answered to their names. There is a quorum present.

VISIT TO MARINE CORPS POST AT QUANTICO.

Mr. PAGE. Mr. President, I am receiving numerous inquiries from Senators who desire to make the trip to Quantico to-morrow on the *Mayflower*. For the information of Senators I ask that the Secretary may read the announcement which I send to the desk.

The VICE PRESIDENT. The Secretary will read the announcement.

The reading clerk read as follows:

VISIT TO QUANTICO.

On Saturday afternoon last there was read to the Senate a letter from the Secretary of the Navy inviting the Members to visit the Marine Corps post at Quantico, Va.

This visit had to be postponed when it was first contemplated on account of wet weather.

The trip has now been arranged for to-morrow, Thursday.

The *Mayflower* will leave the navy yard at 8.30 a. m., standard time, and will return from Quantico leaving there at 6 p. m.

Members who desire to return earlier will find convenient railroad service.

Tickets for the trip have been sent to the Committee on Naval Affairs, where they can be procured by any Senator desiring to go. These tickets are to be presented at the navy yard when the holders board the ship.

The accommodations both on the ship and at the mess halls, where the visitors are to be the guests of the officers and men, will not permit of this invitation being extended to others than Members of Congress.

The program has been arranged to cover a review of the troops, inspection of the barracks and schools, airplane flights, trench warfare, concert by the enlisted men, and outdoor vaudeville performance.

SCHOOLS FOR AERONAUTICS (S. DOC. NO. 202).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting in response to Senate Resolution 266, agreed to April 5, 1922, information relative to schools for aeronautics, etc., which was referred to the Committee on Military Affairs and ordered to be printed.

DISPOSITION OF USELESS PAPERS.

The VICE PRESIDENT laid before the Senate a communication from the Public Printer, transmitting, pursuant to law, a list of papers on the files of the Government Printing Office not needed in the transaction of business and having no permanent value or historic interest, and asking for action looking to their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments. The Vice President appointed Mr. CAPPER and Mr. ROBINSON members of the committee on the part of the Senate, and ordered that the Secretary notify the House of Representatives thereof.

PETITIONS.

Mr. NEWBERRY presented petitions of sundry citizens of Saginaw, Unionville, Colling, Akron, Pinconning, Bay City, Rhodes, Linwood, Fairgrove, Gilford, Munger, Cass City, Caro, Gagetown, and Reese, all in the State of Michigan, praying for the imposition of a tariff duty of $2 per hundred pounds on imported Cuban sugar, which were referred to the Committee on Finance.

Mr. TOWNSEND presented petitions of sundry citizens of Ithaca, St. Louis, East Jordan, Charlevoix, Pompeii, Perrinton, St. Johns, Davison, Decker, Marlette, Hemans, Elwell, Shepherd, Alma, Berville, Armada, Allenton, Pinconning, Coleman, Clare, North Bradley, Reese, Munger, Saginaw, Essexville, Bay City, Linwood, and Kawkawlin, and sundry other citizens, all in the State of Michigan, praying for the imposition of a tariff duty of $2 per hundred pounds on imported Cuban sugar, which were referred to the Committee on Finance.

Mr. WILLIS presented the petition of Elizabeth Magargal and sundry other citizens of Toledo, Ohio, praying that only a moderate duty be imposed in the pending tariff bill on kid gloves, which was referred to the Committee on Finance.

He also presented the petition of Leo L. Crago, of Milbury, Ohio, and sundry other citizens of the States of Ohio and Michigan, praying that a tariff duty of $2 per hundred pounds be imposed on Cuban sugar, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition of the Toledo (Ohio) Chamber of Commerce, praying for the passage of the so-called ship subsidy bill, with an amendment tending to discourage monopolies in the American merchant marine by the organization of local companies to purchase and operate vessels, etc., which was referred to the Committee on Commerce.

Mr. COLT presented a petition of sundry citizens of the State of Rhode Island, praying that only a moderate duty be imposed in the pending tariff bill on kid gloves, which was referred to the Committee on Finance.

He also presented the following resolution of the Legislature of the State of Rhode Island, which was referred to the Committee on Foreign Relations:

STATE OF RHODE ISLAND,
In General Assembly, January Session, A. D. 1922.

Resolution relative to recognizing Palestine as the homeland of the Jewish people. (Approved April 28, 1922.)

Whereas the Supreme Council of the Allied Peace Conference, meeting at San Remo, recognized the right of the Jewish nation to a national existence in Palestine and conferred upon Great Britain a mandate over Palestine; and

Whereas the various great nations of the world have approved the establishment of the national homeland for the Jews in Palestine; and

Whereas the people of the United States, individually and through their spokesmen in Congress and by leading men in all walks of life, have expressed their gratification at the realization of the national hopes of the Jews; and

Whereas the General Assembly of Rhode Island views with pleasure the progress of the Jewish people in Palestine in developing the economic resources of the country, in founding institutions of learning, and in creating a spiritual center so that it may the better serve mankind: Therefore be it

Resolved, That the General Assembly of Rhode Island urges the Government of the United States of America formally to recognize the present status of the Jewish people in Palestine, and thus to approve the fulfillment of its yearning desire for a national home in the land of its forefathers; and be it further

Resolved, That copies of this resolution be sent by the secretary of state to the President of the United States, to the presiding officers of both branches of Congress, to each of the Senators and Representatives in Congress from Rhode Island, and to the Zionist Organization of America.

STATE OF RHODE ISLAND,
OFFICE OF THE SECRETARY OF STATE,
Providence, May 8, 1922.

I hereby certify the foregoing to be a true copy of the original resolution relative to recognizing Palestine as the homeland of the Jewish people, passed by the general assembly and approved by the governor on the 28th day of April, A. D. 1922.

In testimony whereof I have hereunto set my hand and affixed the seal of the State aforesaid this 8th day of May, in the year 1922.

[SEAL.] J. FRED PARKER,
Secretary of State.

REPORTS OF COMMITTEES.

Mr. WADSWORTH, from the Committee on Military Affairs, to which was referred the bill (S. 3371) for the relief of Capt. Sven Christenson, Quartermaster Corps, United States Army, asked to be discharged from its further consideration and that it be referred to the Committee on Claims, which was agreed to.

Mr. NEW, from the Committee on Territories and Insular Possessions, to which was referred the bill (S. 3617) to fix the salaries of the auditor and deputy auditor of the Philippine Islands, reported it without amendment.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHIELDS (for Mr. REED):

A bill (S. 3618) to amend section 135 of the Judicial Code; to the Committee on the Judiciary.

By Mr. RANSDELL:

A bill (S. 3619) to place John R. Harrell, of New Orleans, La., on the retired list of the Navy with the rank of lieutenant; to the Committee on Naval Affairs.

By Mr. HARRISON:

A bill (S. 3620) to authorize the construction of a bridge across Pearl River at Tilton, Lawrence County, Miss.; to the Committee on Commerce.

TARIFF BILL AMENDMENT.

Mr. SMOOT submitted an amendment intended to be proposed by him to House bill 7456, the tariff bill, which was ordered to lie on the table and to be printed.

THE ROESSLER & HASSLACHER CHEMICAL CO.

Mr. EDGE. Mr. President, on May 3 instant, while the schedule relative to the duty on cyanide was under consideration in the Senate, some inferences were drawn adverse to the patriotism of the members and stockholders in a very prominent industrial firm in New Jersey. The firm's name is the Roessler & Hasslacher Chemical Co., which is located in Perth Amboy, N. J. I have here two telegrams, one from the president of the Perth Amboy Chamber of Commerce and the other from a representative citizen of Perth Amboy, bearing upon that part of the debate to which I have referred relative to the attitude of the members of this firm during the World War, and I ask unanimous consent that the telegrams be read and placed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none. The telegrams will be read.

The reading clerk read the telegrams, as follows:

PERTH AMBOY, N. J., *May 15, 1922.*

Hon. WALTER EDGE,
United States Senate, Washington, D. C.:

We resent charges made on floor of Senate against patriotism of the Roessler & Hasslacher Chemical Co. We who know the facts know that the war record of that company and its employees is one to be proud of. We continue to support their efforts to secure tariff protection for their manufactured articles. The company is one of the largest taxpayers in the county. They paid their Perth Amboy employees during full-time operation in one year over $900,000. Help us to keep this industry going.

PERTH AMBOY CHAMBER OF COMMERCE,
ISAAC C. ALPERN, *President.*

—

PERTH AMBOY, N. J., *May 15, 1922.*

Hon. WALTER EDGE,
United States Senate, Washington, D. C.:

I am advised that the Roessler & Hasslacher Chemical Co. has been attacked on the floor of the Senate by persons who assert that this company is controlled by Germans and have intimated that its officers were not patriotic during the war. Both charges are absolutely untrue. The story of German control is completely refuted by the statement of January 7, 1922, by Thomas W. Miller, Alien Property Custodian, which you have already seen, regarding the loyalty of the company's officers. I am well acquainted with its president. He is an American citizen and a resident of my own city. He has taken an active part in every patriotic movement here for over 30 years, including the war period. His oldest son served in our Army in France; his son-in-law made the supreme sacrifice. At the close of the war this company was officially decorated by the War Department for distinguished service rendered in the prosecution of the war.

MORGAN F. LARSON.

TARIFF ON OLIVE OIL.

Mr. WALSH of Massachusetts. Mr. President, on yesterday I received a communication from the Olive Oil Association of America inclosing several telegrams received from canners of sea products in the State of California. These telegrams are all of recent date, and tend to show that the olive oil which is produced in California is of very small amount and not suitable for use in the canning of fish. One of the telegrams, in reply to information requested by the Olive Oil Association, I shall read. It is from the Westgate Sea Products Co., of San Diego, Calif., and reads as follows:

(Copy of telegram received from Westgate Sea Products Co., San Diego, Calif., dated May 6, 1922.)

"To the OLIVE OIL ASSOCIATION OF AMERICA,
New York City:

"We are successors Wheeler-Chase Fisheries Co. This is our second year. We are purchasing for this year's requirement 3,500 gallons imported olive oil. Fishing interests of California do not use California oil; it is not suitable for our purposes. Fishing interests alone of California use more olive oil than is produced in California."

The other telegrams are of like nature. I ask that they be referred to the Committee on Finance and inserted in the RECORD, together with the communication accompanying them.

There being no objection, the communications and telegrams were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

THE OLIVE OIL ASSOCIATION OF AMERICA,
New York, May 15, 1922.

Senator DAVID I. WALSH,
Care of United States Senate, Washington, D. C.

DEAR SIR: Supplementing the conversation that our Mr. L. J. Scaramelli had with you on Friday in Washington, inclosed you will please find duplicates of telegrams received from the fish packers in California concerning olive oil; and particular attention is called to the one from the Westgate Sea Products Co., of San Diego, wherein they themselves state that the fish packers use more olive oil than is produced in California.

Yours respectfully,

LOUIS J. SCARAMELLI.

—

(Copy of telegram sent to the sardine-packing interests of California by the Olive Oil Association of America on May 6, 1922.)

For the purpose of completing our brief to be presented to the Senate Finance Committee in an endeavor to have the duty on olive oil lowered, may we ask you to wire us at our expense your average annual consumption for the past five years of imported olive oil; also your annual consumption of California olive oil?

THE OLIVE OIL ASSOCIATION OF AMERICA.

—

(Copy of telegram received from F. E. Booth Co., San Francisco, Calif., dated May 8, 1922.)

To the OLIVE OIL ASSOCIATION OF AMERICA,
New York City:

Your night letter date—average annual consumption imported Italian Spanish olive oil for past five years, 2,000 gallons. We use no California olive oil in processing our sardines, but prefer Spanish olive oil.

—

(Copy of telegram received from Red Salmon Canning Co., San Francisco, Calif., dated May 6, 1922.)

To the OLIVE OIL ASSOCIATION OF AMERICA,
New York City:

This company and the Naknek Packing Co., under same management, consumed about 312 gallons imported olive oil. Do not use California olive oil.

—

(Copy of telegram received from C. E. Van Landingham Co., Los Angeles, Calif., dated May 6, 1922.)

To the OLIVE OIL ASSOCIATION OF AMERICA,
New York City:

Your wire 6th—we used approximately 40,000 gallons per year imported olive oil during past five years. No California olive oil.

—

(Copy of telegram from San Pedro, Calif., dated May 9, 1922.)

OLIVE OIL ASSOCIATION OF AMERICA,
New York City:

Your night letter 6th—average annual consumption for the past five years, 6,000 gallons of imported olive oil. Have never used California olive oil for fish-packing purposes, because it is not adaptable for that purpose.

NIELSEN & KITTLE CANNING CO. (LTD.).

—

Olive Oil (paragraph 50).

PROPOSED NEW TARIFF.

	Underwood.	Emergency.	Fordney (House).	Senate amendment.
In containers less than 44 pounds	*Per gallon.* $0.30	*Per gallon.* $0.50	*Per pound.* $0.07½	*Per gallon.* $0.6
In containers more than 44 pounds	.20	.40	06½	50

Price: The selling price of olive oil per gallon before the emergency tariff was from $2.75 to $3.25. The present price is from $2 to $2.50 per gallon, according to quality. The price being lower now shows that the high protective tariff of the emergency bill did not help the farmers as it was intended to.

Consumption: Average imports for the last 10 years to the United States over 6,000,000 gallons per annum.

Production: California's average production is about 200,000 gallons per year. California imports alone over 1,000,000 gallons per year for fish packing and table use. As it is well known that an olive

tree takes 15 years before bearing fruit and 25 to 30 years to produce a crop, a high tariff at this time would be an injustice to the American people, and principally to the laboring classes, which are the largest consumers of olive oil.

THE OLIVE OIL ASSOCIATION OF AMERICA,
L. J. SCARAMELLI, *President*.

AGRICULTURAL CREDITS.

Mr. SIMMONS. Mr. President, I ask to have inserted in the RECORD, without reading, a letter from the secretary of the Country Bankers' Association with reference to the rural credit bills now pending before the Senate. In this connection I also ask permission to have printed in the RECORD, without reading, a letter from Mr. J. S. Wannamaker, president of the American Cotton Association, also discussing the two bills now before the Senate. Both these letters, speaking for the organizations, approve Senate bill 3390, introduced by myself, with reference to national farm credits.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

ST. MATTHEWS, S. C., *May 15, 1922.*

Hon. F. M. SIMMONS,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR SIMMONS: I have noted with much interest the result of the hearings before the Senate Committee on Agriculture and the discussion of short-term farm finance on the evening of the 8th instant. I note also that a special committee of Senators was appointed to consider the various bills on that subject already introduced and to draft a suitable measure containing provisions that will meet the needs of the agricultural industry along broad and comprehensive lines.

We believe that your bill, with a few minor amendments and an added section to more fully cover live-stock financing, will meet the general approval of the entire agricultural industry of the Nation.

I am inclosing for your information copy of a letter which is being mailed to Senator PAT HARRISON. I would thank you to discuss the matter with Senator HARRISON and urge that his committee authorize me to invite and secure the presence and testimony of Mr. Thomas A. Edison before the committee, as he is deeply interested and is devoting much thought and study to the matter of short-term farmers' credits.

I feel that your valued services are of the greatest benefit, not only to the farmers of your State but to those of the entire Nation. We are anxious to secure a large number of copies of the committee's bill so soon as it has been agreed upon and printed, to mail out over the country and bring all possible cooperation for speedy enactment of the measure into law.

With highest regards, sincerely yours,

J. S. WANNAMAKER,
President American Cotton Association.

THE COUNTRY BANKERS' ASSOCIATION OF GEORGIA,
Atlanta, Ga., May 15, 1922.

Hon. F. M. SIMMONS,
United States Senator, Washington, D. C.

DEAR SENATOR SIMMONS: At a meeting of the executive council of the Country Bankers' Association of Georgia, held in Atlanta on May 11, resolutions of indorsement were adopted on the subject of rural credits as embodied in the Simmons bill, No. 3390. In accordance with directions contained in resolutions, I am sending you copy of same.

The rural credits legislation proposed is intended for permanency and will doubtless stand for a great many years. Its importance warrants the greatest care on the part of our lawmakers in seeing that its provisions are sound and that it will adequately provide for the situation it is intended to cover.

Very truly yours, L. R. ADAMS, *Secretary.*

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Utah [Mr. KING] to the amendment of the committee, which will be stated.

The ASSISTANT SECRETARY. In paragraph 64, page 26, line 9, strike out "$5 per ton" and insert in lieu thereof "15 per cent ad valorem," so as to read:

Barytes ore, crude or unmanufactured, 15 per cent ad valorem.

DISHONEST TARIFF PROPAGANDA.

Mr. LADD. Mr. President, a large amount of propaganda and misrepresentation is being published about tariff matters that is clearly intended to misinform and deceive the people. Misstatements are being sent into my own State connecting my name as well as that of others in the Senate with tariff matters that are intended to mislead and which statements are false and were undoubtedly known to be false by the propagandists when the same were sent to the shoe dealers, farmers, and others whom they hoped to influence.

It is claimed that the tariff on shoes, for example, will add $2 to the cost of each pair of shoes the farmer purchases. This is absolutely false, for the facts are the total tariff to be added on the average is less than 30 cents to the cost of each pair of average shoes of which at most only 6 to 12 cents would be the result of tariff on hides. This is quite different than the charge that it is $2.

Here are the facts: For nine months for 1921 there were imported into this country under abnormally high price for shoes and boots 104,725 pairs for men, women, and children at an average value of $4.03 per pair. It is stated the wholesale cost abroad was, however, considerably less, but let us see what the real facts are regarding the tariff.

The tariff provides for an ad valorem duty of 5 per cent on shoes, and on $4.03 this would be slightly more than 20 cents per pair or, in fact, 20.15 cents, to which is to be added 12 cents as a compensatory duty as the result of tariff on hides, or a total of 32 cents per pair of shoes. If the uppers are not of leather, then the total duty would be 26 cents per pair.

We are, however, informed that the cost of shoes will be increased not less than $2 per pair, when the fact is it amounts to only 32 cents, or less than one-sixth of what the people are being told, and this is presented as a solemn truth about the effects of the tariff on boots and shoes.

I ask that there be included as a part of my remarks an article appearing in the New York Tribune under date of May 5, 1922.

The VICE PRESIDENT. Without objection, it is so ordered. The article referred to is as follows:

SHOES, HIDES ON FREE LIST, SENATE PLANS—FARM BLOC, WHICH FORCED IMPOSITION OF DUTY BY COMMITTEE, IS ROUTED BY CONSUMERS' PROTEST—AVERTS $2 BOOST IN FOOTWEAR PRICE—LODGE SEES HIS ELECTION CHANCES ENHANCED BY AID TO MANUFACTURERS.

[By Carter Field.]

WASHINGTON, May 14.—Both shoes and hides will be on the free list. A careful canvass of the Senate just completed shows that there has been a complete reversal of this, one of the most important schedules of the tariff bill, in that its rates affect every man, woman, and child who does not go barefoot.

The House put shoes and hides on the free list, but when the bill got to the Senate the farm bloc decided that the interests of the stock raisers among their constituents demanded a duty on hides. Otherwise, they reasoned, the cheap hides from Argentina and elsewhere would result in the hides of American cows and steers rotting on American farms, or else in the yards of the packers in Chicago and Kansas City.

COMMITTEE IMPOSES DUTY.

This would never do, they figured, so they descended upon the Senate Finance Committee, and when the smoke cleared away a duty of 2 cents a pound on raw, green, uncured, and pickled hides and 4 cents on dried hides had been imposed. This might not have aroused so much clamor from Mr. Average Citizen, but in its wake, logically enough, if the American shoe manufacturing industry were not to be destroyed, there was a duty on shoes.

This duty is what hit the voters squarely in the face, for it was 40 per cent. It would boost a $5 pair of shoes to $7, even if none of the middlemen added anything in passing it along.

There were loud protests at this, and even the stock raisers out West began to wonder if this duty on hides would do them very much good if they had to pay 40 per cent more for their shoes in order to keep the price of hides a little higher.

The first political reflection of this change of sentiment out in the heart of farm bloc land was made when Senator ARTHUR CAPPER, of Kansas, than whom no one in either branch of Congress keeps his ear more closely glued to the ground of the State whose voters pass, ever so often, on his fitness to continue serving them, suddenly changed front. He came out in smashing editorials in his various farm papers declaring for both free hides and free shoes, with much emphasis on the shoes. Other members of the farm bloc have been making the same kind of explanation to their constituents.

FARM BLOC CHANGED FRONT.

They have gotten to the point where, surprising as it may seem in view of their recent clamor for a duty on hides to protect the farmers, they contend that a duty on hides would benefit no interest save that of the packers.

All of which is very satisfactory to Senator HENRY CABOT LODGE, the Republican leader of the Senate, for the Massachusetts Senator, who is up for reelection this fall and facing a hard fight, has just been informed by a most important element in his State that it will hold him personally responsible if hides are not put on the free list.

This element is the shoe manufacturers. They are not worried at all at the prospect of free shoes, provided they can get hides at the same price for which manufacturers in other countries get them.

They say flatly that they don't need a duty on shoes to protect them from foreign competition, and don't want it, if only Congress will let them buy foreign hides without paying any duty.

In the old days, when all of the shoes they manufactured were sold in the United States, they would have been glad enough to have as high a duty on shoes as possible, and would not have cared very much whether there was a duty on hides or not. But the shoe manufacturers at present have grown to the point where they must sell abroad in addition to supplying practically the entire American demand, if they are to keep their factories running full time.

They fear that if a high duty is imposed on shoes the countries to which they are now selling will retaliate and make it impossible for American shoes to come in. A duty on hides, they fear, is apt to build up a shoe manufacturing industry in Argentina, which would find it impossible to sell its hides to America, and might therefore decide to manufacture its own footwear, and perhaps that for all South America, out of the hides produced right at home.

That is why the New England shoe manufacturers, and everywhere else in the country for that matter, are worried at the Senate Finance Committee's submission to the original demands of the farm bloc. That is why the Massachusetts shoe manufacturers have told Senator LODGE they would hold him personally responsible for defeating this duty. It is understood that they laid aside old school diplomatic methods entirely in their negotiations with Senator LODGE and said frankly his reelection might easily depend on his performance in this matter.

This action of the manufacturers, a complete reversal of their attitude in the old Dingley and Wilson tariff days, is typical of many industries and is slowly working a revolution in the tariff lines in this country.

AUTO MAKERS LED WAY.

The first indication of the change came when the automobile manufacturers, considerably more than a year ago, took the stand that they wanted no tariff protection. They pointed out that they exported many hundred cars for every one imported; that the only cars brought in from abroad were expensive makes which no duty would keep out, whereas American automobile manufacturers were selling abroad thousands of cheap and medium-priced cars, running all the way from the Ford to the Cadillac class, and some even more expensive. A high duty on cars, they feared, would result in retaliatory duties by the countries to which they were selling and would thus destroy their export business.

A curious phase is that the late Senator Penrose, during his long illness before returning to Washington, realized this situation fully, and talked about it to newspapermen freely just before taking up his duties as chairman of the Finance Committee. In a few weeks after his return, however, the farm bloc showed the shrewd old politician its strength, and he yielded to the old-time tariff ideas, beginning with the emergency tariff, despite his own conviction that times had changed and that the industrial East no longer wanted a high tariff.

Mr. LADD. Mr. President, this is the kind of propaganda being furnished the press and doled out to the public for their misinformation. Is it any wonder that the people do not know whom to trust? The tariff may be good or bad, but there is no excuse for the many untruths now being fed the public, and it does not reflect great credit on statesmen, or, for that matter, upon politicians, who are willfully perverting the facts.

The following day there appeared in the same paper an editorial along the same line entitled "Free hides and shoes," which I ask to be included in my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The article referred to is as follows:

FREE HIDES AND SHOES.

Chairman FORDNEY, not commonly rated as tainted with free-trade ideas, put hides and shoes on the free list of his tariff bill.

Then the farm bloc hammered on the door of the Senate committee, demanding duties on hides. The committee promptly did as it was told. On the next train arrived the shoe manufacturers, saying that the hide duty not only meant the loss of their foreign trade but also a loss of the home market unless a countervailing duty on shoes were imposed. The argument was irresistible, and an ad valorem of 40 per cent was written into the bill.

Now comes another shift. The farm bloc has become persuaded that to pay $2 more for a pair of shoes will lose them more than the hide duty will bring to them. So both duties are to go, and Senator LODGE and the shoe manufacturers of Massachusetts are pleased, for their foreign trade will be saved.

The incident is another argument for the postponement of the enactment of a permanent tariff. Neither the farmers of America nor the ranchers of Argentina nor the shoemakers of Lynn know the conditions of the early future. Production throughout the world is still abnormal. There are surpluses in some places and dearths in others. As it is with respect to shoes and hides, so it is as to other commodities. The time is one that demands waiting before leaping.

Mr. LADD. Here again it is stated that a tariff of 40 per cent ad valorem is proposed, when in fact the duty proposed is 5 per cent ad valorem plus 12 cents maximum as a compensatory duty on account of the proposed duty on hides. Some difference between 40 per cent and 5 per cent, or, as already pointed out, not $2 per pair but less than 32 cents per pair, while the stock industry is protected under the proposed tariff and encouraged, in place of being driven out of the country to benefit a few importers and middlemen, who have taken big profits for their pockets while destroying the great agricultural industry of this country.

Honest discussion is commendable, but deceptive, sugar-coated propaganda should be beneath the dignity of any honorable man or group of men; but this is what is being fed to the honest but uninformed voters of this country at the present time.

I might refer to numerous other articles published in New York and eastern papers along the same line, but I will not take the space. While I am on my feet I desire also to call attention to the propaganda that comes to my table—and presumably every other Senator at the present time—from the soap manufacturers and allied interests asking for free oils, which would result in destroying the agricultural output of oils in this country, since these imported oils are used as displacement oils. The letters clearly show the earmarks of one mind; they emanate from the same source; they are couched in the same language, and parties sending them undoubtedly have not informed themselves as to the real facts, but have taken for granted that the propaganda furnished them to be used as an appeal to the Senate is based on sound reasoning, while in reality it is a sheer distortion of facts.

Mr. McCUMBER. Mr. President, there is one thing in relation to the tariff upon hides which the American people generally do not understand, and as my colleague [Mr. LADD] did not mention it in his discussion this morning I think it may well be stated at this time.

There is a general impression that if a duty of 2 cents per pound on raw hides or 4 cents per pound on dried hides shall be imposed the price of all shoes will thereby be increased. The country generally does not understand that the shoes that the American people wear are not made of cowhide; nothing but the heels and soles are of cowhide; the other portions of the shoes are generally calfskin or some other material. If a rawhide weighs 25 pounds or less, it does not come in as a hide at all under the general term that is used; it comes in free under the pending bill, just as it has done heretofore.

I think that practically 90 per cent of the shoes that are made and worn in the United States have for their uppers calfskin or some other material. The only part that is taxed or affected by reason of the tariff is the sole and the heel; and I do not think that that will, as a rule, add more than 8 cents on a pair of shoes. In estimating the additional charge at 8 cents, I am placing it at an extraordinarily high figure on the cowhide or the sole leather that comes in, because, as a rule, I do not think the added cost will amount to even 5 cents. Some years ago in making a statement of the additional costs I figured it very carefully, and at that time the duty which was added would not have amounted to more than 2 cents on an average pair of shoes. To say that under the proposed law the added charge will average 8 cents is giving the extreme figure which would be added to a pair of shoes on account of the proposed duty upon the cowhide.

Mr. KING. Mr. President, I am a little in doubt as to the purpose of the remarks of the Senator from North Dakota. Certainly he can not contend that he is supporting these increases in the tariff rates other than for the purpose of maintaining or increasing domestic prices, and when he refers to a propaganda being carried on in his own State and elsewhere for the purpose of convincing the people that tariff duties increase prices, it seems to me that his contention in favor of a tariff is justification for the statement that this tariff bill will increase prices. Obviously there is no other reason for it other than it may increase domestic prices to the domestic consumer.

Mr. President, yesterday I offered an amendment to paragraph 64. I desire to modify that amendment. I moved to strike out, in paragraph 64, page 26, line 8, the numeral "$4" and to insert "15 per cent." I will withdraw that amendment and submit the following, namely, to strike out the numeral "$4" and to insert in lieu thereof "$1.50."

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield for a moment?

Mr. KING. Yes.

Mr. WALSH of Massachusetts. If the Senator will pardon me, does he not mean to strike out the numeral "$5," in line 9? The numeral "$4" has been stricken out by the committee.

Mr. KING. Yes; I thank the Senator. I move to strike out in the committee amendment the numeral "$5" and to insert in lieu thereof the numerals "$1.50," so as to read:

Barytes ore, crude or unmanufactured, $1.50 per ton.

Mr. President, just a word. The Payne-Aldrich bill gives this very rate, and I am not offering now to the Senate the rate which I think ought to be the one fixed in this bill, for I think it ought to be lower, but I want to respond to the wishes of some of my Republican friends who say they desire some protection. So I am offering to them now the Payne-Aldrich rate. Let me say that when that law was in force this industry developed and reached high proportions; the domestic production of barytes was greater then than it was last year or the year before. In 1910 sales of domestic barytes amounted to 42,975 tons. The production may have been greater, but that quantity was actually consumed; there may have been some held in reserve. In 1911 the sales of the domestic barytes amounted to 38,445 tons; in 1912, to 37,478 tons; in 1913, when the Payne-Aldrich bill was in force, to 45,298 tons; in 1914, to 57,747 tons, when the Underwood bill was in force, which provided a tariff of 15 per cent ad valorem, which would be less than the rate of the Payne-Aldrich bill.

Therefore, Mr. President, I am offering now to the Senate the amendment which I have suggested. May I state that the pre-war foreign price of this product was $2.14 per ton. So the tariff rate which I am now suggesting is approximately 75 per cent of the pre-war foreign price. If the industry developed then, and grew to rather large proportions—indeed, to very large proportions—it seems to me that the tariff which was given then ought to be adequate now.

Mr. WALSH of Montana. Mr. President, I am entirely satisfied that every Member of the Senate who attended the discussion on yesterday is convinced that the disclosures made by the Senator from Nebraska [Mr. NORRIS] have taken away absolutely every foundation whatever for a claim for a tariff upon this article founded upon the cost of transportation from the place of production to the place of consumption.

It appears, without apparent contradiction at all, that the Missouri product is consumed in the industrial centers of Chi-

cago and St. Louis, so that the matter of transportation is negligible. I have no doubt, Mr. President, that further study of the matter will equally disclose that the Georgia product is not shipped to New York at all, or at least only in relatively small quantities, and that the great industrial centers about Cincinnati and elsewhere consume at least a very large part of the Georgia product. However that may be, Mr. President, it is a matter of no particular consequence. It must be obvious that a mineral product, the product of mining operations, which comes from the other side of the ocean and is laid down in New York at $5 a ton, will not stand transportation to the interior of the country, where it is very largely consumed.

Mr. NORRIS. Mr. President——

Mr. WALSH of Montana. So I undertake to say, if the Senator will pardon me for a moment, that the importations to which reference has been made are all consumed on the Atlantic seaboard, and that the products of the mines in the interior of the country to a very large extent are consumed in the interior.

I now yield to the Senator from Nebraska.

Mr. NORRIS. Mr. President, I was going to ask this question either of the Senator from Montana or of the Senator from Missouri yesterday, but while the question was still under discussion the Senate took a recess. Therefore, I did not ask the question.

It was asserted yesterday by the Senator from Montana, and not disputed by the Senator from Missouri or anyone else, that this mineral was mined by steam shovel. I think it is very important to know, and I do not know—I am asking for information—whether it is of such a nature that it can be thus mined. The Senator, without giving any explanation or any authority, made that statement. I wish he would elucidate it somewhat, or give us the source of his information.

Mr. WALSH of Montana. I stated on yesterday that I do not know the mineral; I know nothing about its operation, except that from its general character I should judge that it would be mined by the steam-shovel process.

Mr. NORRIS. The Senator will remember that yesterday the Senator from Missouri said that it cost $10 a ton to mine it in Missouri, and the Senator from Montana said that that could not possibly be true, because of the ease with which it was mined; and it seemed to me that if it was true that it could be mined by the use of a steam shovel, it certainly could not cost $10 a ton to produce it.

Mr. WALSH of Montana. If the Senator will pardon me in that connection, I said also that in the mines in the city of Butte we go down to a depth of nearly a mile, and if we could not raise ore to the surface at a cost of less than $10 a ton we could not operate.

Mr. SMOOT. I will say to the Senator that unless we could produce at less than $7.50 a ton we could not operate.

Mr. WALSH of Montana. Yes.

Mr. SMOOT. In answer to the Senator from Nebraska, I will say that barytes is not mined in Missouri by steam shovel, but in Georgia it is mined in that way. Also, while I am on my feet, I wish to say to the Senator from Montana that most of the Georgia product goes to the Atlantic coast. Very little of it, indeed, is used in Cincinnati or around Cincinnati. In Tennessee and in Georgia barytes is mined by the steam-shovel process, but in Missouri it is not.

Mr. WALSH of Montana. I simply know that Louisville is the center of a great paint industry, and that the State of Ohio is celebrated for its production of rubber products, both of which consume this material.

Mr. SMOOT. I will say to the Senator that over 50 per cent of this material goes into lithopone, and 80 per cent of the lithopone is made in the coast States between Baltimore and New Jersey.

Mr. WALSH of Montana. Mr. President, I merely desire to add that the protective system is a very appealing one. I admire the devotion to it expressed by the Senator from Idaho [Mr. GOODING] in a number of his speeches, and particularly his very forceful one on yesterday. I can understand how a man may very patriotically give his whole adherence to that economic theory. The trouble about the matter, so far as it has addressed itself to me, is that it invites the rapacious and the greedy to come here before Congress and get rates that are shocking in their injustice, the one before us affording a striking illustration of the idea which I desire to express.

Mr. President, it does seem to me that those who are indeed friendly to the system of protection, like my esteemed friend and neighbor the Senator from Idaho [Mr. GOODING], would rise in their places in this body and protest against discrediting the entire system by such an imposition as this. It is such excrescences as this which condemn the policy before the people of America rather than the principle itself. To my mind the majority of the people of America are, rightly or wrongly, wedded to the doctrine of protection as announced by the Republican members; but it is this kind of thing that condemns it, and justly condemns it, before all right-thinking people; and the system can not possibly stand, and the American people will not endure it long, if it is to be contaminated by such an imposition as this.

Think of it! A dollar and a half on this product under the Payne-Aldrich law, and then the industry thrived until, sirs, it commanded two-thirds of the American market; and then gentlemen have the hardihood to come before the Congress of the United States and ask them for a tax upon the people of the United States to the extent of $5 per ton, 250 per cent more than the total pre-war duty on this commodity!

Mr. SMOOT. Mr. President, for the record and as a matter of history I simply want to state that the duty of $1.50 a ton on barytes provided under the Payne-Aldrich law did give the market for that article to St. Louis and Chicago, and the business of mining barytes during that time was confined to Missouri. All that was furnished the Atlantic coast was imported, under the Payne-Aldrich law.

Mr. WALSH of Montana. Will the Senator pardon me for just a moment?

Mr. SMOOT. Yes.

Mr. WALSH of Montana. The Senator from Missouri [Mr. SPENCER] told us yesterday that Missouri had the primacy in the production of this commodity; that it was obliged to yield that primacy to Georgia, but that it had now recovered that primacy. The testimony discloses that it is mined in Georgia at a cost of six dollars and some cents.

Mr. SMOOT. I was not making any statement as to the amount of duty here or defending it in any way.

Mr. WALSH of Montana. Oh, I understand the Senator.

Mr. SMOOT. I simply wanted the record to be straight. Even the Tariff Commission, in making their report upon this commodity, say:

> From 35 to 45 per cent of the domestic consumption of crude barytes prior to 1914 was imported chiefly from Germany. The imported product supplied the Atlantic coast market, as it could be obtained at a cost less than that of domestic crude barytes.

No American barytes ever went to the Atlantic Coast States under the Payne-Aldrich rate of $1.50. That is all I wanted to say—that the producers of barytes in Georgia and Tennessee find the Atlantic coast as their market.

Mr. WALSH of Montana. I think the Senator could equally advise us that no foreign product ever reached the Mississippi Valley as against the Missouri product.

Mr. SMOOT. I think that is right.

Mr. WALSH of Montana. I merely desire to say, in this connection, that if it be true, as the Senator from Missouri told us yesterday—and I have no doubt it is true—that the primacy originally existed with Missouri, but that it passed to Georgia and has come back to Missouri, it means that they can mine this commodity and put it on the market from the mines in Missouri as cheaply as they can in Georgia; and in Georgia, according to the testimony, they can mine it at six dollars and some cents a ton.

Mr. SPENCER obtained the floor.

Mr. KING. Mr. President, will the Senator yield to me for just one moment before he starts?

Mr. SPENCER. Is it for a question?

Mr. KING. I just want to supplement some figures that I put in a moment ago.

Mr. SPENCER. If it would not inconvenience the Senator, I should be glad if he would wait until I put some facts into the record.

Mr. President, I want the Senator from Montana and the Senator from Utah to keep in view the basic facts in this case. They can not be contradicted, for they are acknowledged facts; and here they are:

Germany lays down to-day in New York barytes at $5.20 a ton. There it is, in unlimited amount, in New York. How much does it cost any American producer of barytes, whether in Missouri or in Georgia or in any other of the 12 States that produce it, to lay down barytes in New York? It costs Georgia $11.81 a ton, and Georgia can lay it down there cheaper than Missouri, or perhaps than any other State; so that if this tariff of $5 a ton is not enacted, the barytes mines of these United States close.

Mr. WALSH of Montana. Does the Senator say that is admitted as a fact?

Mr. SPENCER. The latter is a conclusion. The facts are that Germany can put barytes into New York at $5.20 a ton, and the United States can not from any source put barytes into New York at less than $11.81 a ton. I leave the conclu-

sion to the mind of any man as able and fair as the Senator from Montana.

Mr. NORRIS. Will the Senator yield?

Mr. SPENCER. I yield.

Mr. NORRIS. I think it would be interesting if the Senator would give the dates. When he says Germany puts it into New York at $5.20 a ton, does that mean now? When was the Georgia product laid down in New York at the price stated by the Senator?

Mr. SPENCER. I was about to state that in the first week in May of this year, so the trade journals announce, 1,500,000 pounds of German ore, about 700 tons or a little more, were sold in New York at that price, and cut out absolutely the possibility of a single ton from an American mine being sold.

Mr. NORRIS. I am trying to get the date of the cost of the Georgia barytes.

Mr. SPENCER. The figure I gave as to the cost of the German barytes in New York, $5.20, referred to the present time. It was sold there the first week of this month. It can be bought there now and in unlimited amounts.

The cost of production in Georgia dates back to the last of 1920 or 1921, because at that time every American mine was closed, and there has not been a pound produced in the United States since the early part of 1921.

Mr. POMERENE. It might be interesting for the Senator to state the reason for the closing of those mines, too.

Mr. SPENCER. I was about to do that. The reason for the closing of those mines was twofold. In the first place, undoubtedly, as the immediate controlling factor, as I said yesterday, there was the general depression and lack of demand. A mine might run along under a pending depression if the future were bright and the vision for the year or months to come gave some hope; but back of the pending depression, which everyone knew would be temporary, and which, in my judgment, would not of itself have been enough to have closed the Missouri mines, was the specter of Germany producing barytes at a cost which every mine owner in Missouri knew was absolutely prohibitive of American production.

I use Missouri mines as an illustration because I am more familiar with the situation there. A mine in Missouri might produce at $10 a ton, for that is the cost, and I will be glad to explain the reason for it in a moment; it might produce at $10 a ton, even though there was no immediate demand for the ore, precisely as every manufacturer will produce a certain amount of his product, even though it is not salable at the moment of production, if he knows that in the natural, normal condition of affairs there will be a sale for it in the near future. Everyone knew that the demand for barytes was on the increase, that the barytes was a mineral which was to be used more widely, so that they would have continued the production in spite of the temporary depression if it had not been for the outstanding and controlling fact that they knew that under the present law not a pound of barytes which was produced here could ever be sold, because Germany could sell it at half the price in the place where the market for barytes is—on the Atlantic seaboard.

Mr. POMERENE. From what source does the Senator get his figures as to the cost of production in Missouri and Georgia?

Mr. SPENCER. The quotation I made yesterday was from the Government figures. The Senator will find it in the little pamphlet on barytes and barium products, page 190 or 191. The cost in Missouri was $10.51, or something like that.

Mr. POMERENE. At what time?

Mr. SPENCER. When they ceased in 1921; when they were driven out and the production ceased. That was the last cost.

Mr. NORRIS. Is the Senator familiar with the method of mining in Missouri?

Mr. SPENCER. I am.

Mr. NORRIS. Is it on the surface of the ground, or do they have to go down under the ground?

Mr. SPENCER. It is largely on the surface, and that is one of the reasons why the cost is greater than the cost in Georgia, though there may be many others. The Missouri production comes from innumerable little mines. In fact, in the Government report it was stated that in Washington County, Mo., practically every able-bodied man spent some of his time in gathering tiff, or digging for tiff, which is barytes, a few feet under the ground. As I have driven through Washington County I have seen on both sides of the road innumerable little tiff mines. They are not on a railroad. They are about 3 miles from a railroad, and that being exhausted, they are now about 8 miles from the railroad; so that first there is the labor, not in digging deep, but right near the surface, within 6, 10, or 12 feet of the surface. There is the labor of producing it; there is the hauling of it by team, and then there is the railroad transportation. The hauling of it by team to the railroad is included in the cost of production, because the cost of production is supposed to be the cost f. o. b. at the point of shipment, and it costs in Missouri upward of $10 a ton to put barytes ore upon a railroad car.

I do not vouch for it, but my information is that in Georgia the mining is on a larger scale, with railroad facilities, more like the mining of copper in Montana, and the Senator from Montana will correct me if I am wrong. There is a sidetrack which runs right to the mine. There is no hauling or transportation by teams. In Georgia very largely they have colored labor, too, which is very much cheaper, and they have deposits which are larger, which enable them to use steam shovels, while in Missouri it is white men's labor, and it is dug with pick and shovel. Undoubtedly the cost in Missouri is greater than the cost in Georgia.

I am basing the justice of this $5 a ton rate even on the low Georgia cost, as the German competition will drive Georgia absolutely out of the market, and if it drives Georgia out of the market how much greater will be its effect upon Missouri, except in the limited demand which may be contiguous to the mines in Missouri.

One Senator spoke of the fact that there is a chemical company in St. Louis, which is of the highest character, the Mallinckrodt Chemical Works, which use barytes, and undoubtedly they can get barytes from Missouri cheaper, because they are comparatively near to the point of production. But the whole barytes and barium situation has changed. The place of sale is the place of the use, and that is on the Atlantic seaboard.

The Senator speaks about the Payne-Aldrich rate of $1.50 a ton as being sufficient before the war. Barytes was an insignificant mineral before the war. The total consumption of barytes was only 60,000 tons, of which we produced two-thirds, and it was largely used by the Mallinckrodt Chemical Co. and others comparatively near to the mines. When the war came on, and the use of barytes and barium products was increased, the consumption rose to 228,000 tons in 1918. Where was it used? It was not used contiguous to the Missouri or Georgia mines; it was used on the Atlantic seaboard.

Every user of barytes or barium products is on the Atlantic seaboard to-day, and with a single exception or two that is true. Where is the demand for barytes to-day? It is in the 12 great establishments along the Atlantic seaboard. If you shut off American barytes, of course they will get it from the other side, where it can be produced and deposited in New York at less than half of what it costs to produce it in an American mine.

There you have the whole situation. It is not fair to compare the present consumption of barytes on the Atlantic seaboard with what it was in 1914, when the demand was comparatively negligible and when the enterprises on the Atlantic seaboard were not even in existence.

Mr. WALSH of Massachusetts. Will the Senator state what the price was for Missouri barytes in 1913?

Mr. SPENCER. I have not that information at hand.

Mr. WALSH of Massachusetts. I observe from an examination of the chemical schedules that in every instance the price ranged, because of the foreign product being shut out, as high as 300, 400, 500, or 600 per cent, and these manufacturers of chemicals are petitioning Congress to keep the high-tariff rates upon these chemicals for the sole purpose of continuing the high profits which they made during the war. I think the Senator will find, if he can produce the figures, that the same increases in prices obtained on this chemical as in the case of others which have been disclosed here.

Mr. SPENCER. I may say to the Senator that there has been no profit from the mines in Missouri. Whatever may have happened anywhere else in the United States, in the mines of Missouri there has been nothing except struggle, starvation for the employees, and threatened bankruptcy for the mine owners. That is precisely the condition in which the industry is to-day, with the added fact that the mines are closed and there is no employment whatever.

Mr. President, with this I close. Germany is selling barytes to-day at $5.20 a ton in New York. There is no American competition. If you lessen the tariff rate as proposed in this bill, which on the face of the thing is insufficient, below $5 a ton, and if every American mine can stay closed until its machinery becomes rusted, and its employees scattered, and the capital invested is lost, so that nothing could start up again except by a recreation, you will have only one source from which to get barytes, and that is from Germany. You will close every mine in the United States, and the price then, may I say to the Senator from Massachusetts, will soar.

May I add one other statement? If you reduce the tariff on barytes, as proposed in this bill, you will find another thing. If it is necessary to decrease the selling price of German

barytes in New York from $5.20 to $4 a ton until the American mines are closed, it will be done, and when they are closed and the German monopoly is secure, then the price will rise by leaps and bounds, precisely as it did in the case of chloral nitrate.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER (Mr. ODDIE in the chair). Does the Senator from Missouri yield to the Senator from Massachusetts?

Mr. SPENCER. I yield.

Mr. WALSH of Massachusetts. I simply wanted to make this comment: Without some information as to the cost of production before the war, you can not establish any sound basis for fixing a tariff rate in the bill. On the Senator's own admission, he does not know what barytes was selling for before the war, but he knows what it is selling for now, and he knows the terrific profits made by these concerns during the war. It seems to me the Senator ought to be able to produce some information. The information would show, in my opinion, that as the consumption went up the price went up, and the same story would be repeated here that has been told as to other items in the chemical schedule, an increase of three and four hundred per cent frequently.

Mr. NORRIS. Mr. President——

Mr. SPENCER. I yield to the Senator from Nebraska.

Mr. NORRIS. I want to ask the Senator from Missouri a question that was really suggested by the observation of the Senator from Massachusetts, and that is whether he thinks we ought to put a tariff on this or any other product to make up the difference in the cost of production here and abroad and base the cost of production here upon the war price. Does the Senator believe that if we drafted a bill on that theory the effect of it would be to keep the price up at the war point, which we all admit we want to get away from? It seems to me the Senator is basing his proposition upon the cost of production in America, which we all know was abnormal in all lines of business.

Mr. SPENCER. The pending amendment of the Senate Committee on Finance answers that very question. If a tariff were placed upon the basis of the cost of production during the war and the war prices, instead of a tariff of $5 a ton for barytes it would require a tariff of from $10 to $11 a ton. I may say to the Senator from Nebraska that even at $5 a ton the Missouri mines can not operate except upon the happening of two contingencies, each of which is confidently expected to take place—one of them that the freight rates in the United States will decrease and the other that the cost of labor in Germany will increase. If those two things do not happen the mines can not operate even on a tariff rate of $5 a ton.

Mr. NORRIS. Does not the Senator think he ought to add a third—that the cost of production in Missouri will decrease?

Mr. SPENCER. Quite right; it ought to happen. The leeway for these two is in the difference between $11 a ton, which the present war-time prices would require as a tariff, and the $5 a ton which the committee have submitted.

Mr. OVERMAN. Mr. President——

Mr. SPENCER. I yield to the Senator from North Carolina.

Mr. OVERMAN. Has not the closing down of the mines in Missouri been due to the mining of barytes in Georgia, Tennessee, Virginia, and other States?

Mr. SPENCER. No; I think not.

Mr. OVERMAN. That is what the report of the Tariff Commission says.

Mr. SPENCER. I think not, because before we closed down in 1920 the production in Missouri was more than in any other State. Georgia took the lead in 1916, but only for a year.

Mr. OVERMAN. The Tariff Survey says:

> In 1916 the largest State production of crude barytes was shifted from Missouri to Georgia. This was due to the development of the Georgia deposits by the eastern manufacturers of barium chemicals and lithopone, who had previously depended on Germany for this raw material. Barytes is now mined chiefly in Georgia, Missouri, Tennessee, Kentucky, and Virginia. The mining operations in the East are on a larger scale than those of Missouri, those in the latter State being conducted primarily by individuals on a small scale.

Is not that the reason for the shutting down of the Missouri mines?

Mr. SPENCER. I think what the Senator has read is true, that, except for a single year, Missouri has led and it would now lead if barytes were being produced. If the mines in Missouri were reopened to-morrow I think they would produce more than any other State, with Georgia second.

Mr. LENROOT. Mr. President——

Mr. SPENCER. I yield to the Senator from Wisconsin.

Mr. LENROOT. I would like to ask the Senator where he gets his figures that Germany is laying down barytes in New York at $5 a ton?

Mr. SPENCER. Because 1,500,000 pounds of barytes were bought there the first week in this month.

Mr. LENROOT. Where did the Senator get that figure?

Mr. SPENCER. I know that from the trade journals.

Mr. LENROOT. The Senator must be mistaken, because during the entire year 1921, as reported by the Treasury Department, the imports were not only less than one-half what they were in 1920, but the unit value was $6.02, and to that must be added the ocean rate of $3.60, which makes $9.62.

Mr. SPENCER. The pre-war price was $5.20 laid down in New York.

Mr. LENROOT. It was.

Mr. SPENCER. The importations since the war have been somewhere between $5.20 a ton and $6 a ton.

Mr. LENROOT. Plus the ocean rate.

Mr. SPENCER. No; laid down in New York.

Mr. LENROOT. I have the figures from the Tariff Commission and from the Treasury Department.

Mr. SMOOT. Mr. President, I want to say that not only was it $6.02 in Germany during the whole 12 months of 1921 but for the first three months of 1922 the average was $6.28.

Mr. LENROOT. It is very clear the Senator from Missouri is mistaken. He must be mistaken.

Mr. SPENCER. There is no dispute between the Senator from Wisconsin and myself as to the pre-war price of $5.20 representing the cost, including transportation.

Mr. LENROOT. That is true.

Mr. SPENCER. Then, of course, the proposition of what Germany can do is perfectly manifest.

Mr. LENROOT. No; because there must be added $1.90 a ton, the present increase in the freight rate, and it will not go lower.

Mr. SPENCER. The freight rate from New York to where?

Mr. LENROOT. No; the ocean rate to New York.

Mr. SPENCER. The $5.20 included the ocean rate.

Mr. LENROOT. It included the ocean rate of $1.70. Now the ocean rate is $3.60.

Mr. SPENCER. That is very true.

Mr. LENROOT. So it can not be laid down there for $5 a ton.

Mr. SPENCER. But that is more than made up, I will say to the Senator from Wisconsin, in the decreased cost of labor in Germany. If Germany before the war, even with the transportation rate of $1.70 a ton, could lay it down in New York at $5.20, the difference in the transportation rate is more than doubly made up by the difference in the cost of production in Germany because of labor wages there.

Mr. LENROOT. I will say to the Senator that could not amount to very much, because with the pre-war price he speaks of it was only $1.75 a ton at the mine, including the value of the ore as well as the labor cost.

Now, Mr. President, if I may be recognized in my own right——

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. LENROOT. I want to ask the Senator from Missouri another question: Where did he get his figures of the cost of mining in Missouri? He referred to the Tariff Commission and said something about $10 a ton.

Mr. SPENCER. If the Senator will look at the publication of the Government called "Barytes and Barium Products in 1920," on page 192, he will find the figures which I gave. It is published by the Department of the Interior through the Geological Survey.

Mr. SMOOT. May I not suggest to the Senator that those are the selling prices and not the cost figures? I think he will find that the report shows the cost in Missouri was $7.39.

Mr. LENROOT. It was $7.74 in 1919.

Mr. SMOOT. Seven dollars and thirty-nine cents is what it was in 1919. That is the highest that it could possibly be.

Mr. SPENCER. It was $10.17 in 1920.

Mr. LENROOT. No; the Senator is mistaken.

Mr. SMOOT. Yes; the Senator from Missouri is mistaken. It was $7.87.

Mr. SIMMONS. I think where the Senator makes his mistake is that he is talking about the pre-war German price. The pre-war German price, landed in New York, was $5.20 per ton.

Mr. SPENCER. There is no doubt of that.

Mr. SIMMONS. Since the war the price has increased, and, including the freight and duty, it is somewhere about $9 a ton. I have not the odd cents.

Mr. LENROOT. It is nearly $10.

Mr. SPENCER. I admit, if the Senator puts the sale as of the 1st of May of this year, that it is less than the Senator indicated, but I have not the figures at hand. The fact still re-

mains, and it seems to me it is the basic fact, that if before the war Germany could lay down that ore in New York at $5.20 a ton, freight paid, certainly the cost of production in Germany is not as great now as it was then. So the potential power of Germany is now greater than it was to lay it down at that price.

Mr. SIMMONS. That is where the Senator is making his error. The cost of production in Germany to-day is greater than it was before the war. It was for a short time after the war closed as great. I see I have not the attention of the Senator from Missouri, and therefore I will not proceed.

Mr. SPENCER. I beg the Senator's pardon. I am listening.

Mr. SIMMONS. I say the Senator was mistaken. The cost of production is greater now than it was before the war. The cost of production everywhere is greater now than it was before the war. I think it is absolutely true that for a little while after the war under propaganda there urging labor to work at low wages and capital to be content with small prices in order that Germany might get into the market of the world and capture it, prices were lower there than anywhere else. But I think to-day it will be found that that condition is altogether changed and that German labor is demanding to-day as nearly as possible the international standard of wages, and the German manufacturers are demanding nearer the international standard of profit. So prices have gone up in Germany and have rapidly advanced, as the imports of German merchandise to this country will show. Within the last year there has been an increase in the price of German merchandise imported into this country running from 25 to 50 per cent, and right now to-day there is practically no difference between the prices of most German articles imported into this country—I will not say all, but of most German articles imported into this country—and similar articles from the other industrial nations of Europe.

I have no doubt that the Senator from Wisconsin [Mr. LENROOT] is absolutely correct at this time—I am not speaking about some past time since the armistice or the close of the war, but at this time—and that the figures which he gave, namely, between $9 and $10 a ton, are correct. It was somewhere near $10 a ton, including the duty. Now, the Senator from Missouri, it seems to me, could not contend that under those circumstances he needs a duty of $5 a ton in order to bring this crude material up to the proper selling price in America. The truth is, Mr. President, that this is a crude material, which is simply dug out of the earth. The Senator from Tennessee [Mr. SHIELDS], who is not now in the Chamber, told me just a little while ago that it is produced in his State and that they take it out of the earth. The process is a very simple one. The cost can not be great. I think when the Senator from Missouri contends that it costs $5 to mine a ton of that natural material, which lies right on the surface of the earth, he is mistaken. I think the truth is that it can be produced very cheaply in this country.

The trouble does not grow out of any difference in the cost of production here and abroad. The difference can not be much. It may be some, but it can not be much. The trouble does not grow out of that. The trouble about which the Senator has spoken with reference to the closing of those mines in Missouri grows out of another condition altogether. Before the war there was not any great consumption of this material in this country or anywhere else in the world. Before the war we were making a very limited quantity of it. I think our production here ran from 40,000 to 60,000 tons a year, and that, together with a small importation from abroad of three or four thousand tons, was sufficient to supply the domestic demands for that material. During the war there grew up a great demand for the material. Barytes was one of the war brides. I know something about it, because I have a friend in the city of Raleigh who lost about $100,000 speculating in barytes on account of the sudden great demand for barytes during the war. When the war closed that demand disappeared. We returned to the normal demand which had existed before the war, but there had been a great accumulation of this material during the war which was not needed, and it was on hand when the war closed. Because of the reduced demand for it, and because of the supply which we had on hand, of course the mines had to shut down. There was no market here for it, because there was no need for it. There was no market in the world for it, because not much need for it existed in the world.

Mr. LENROOT. Mr. President——

Mr. SPENCER. Does not the Senator——

Mr. LENROOT. I have the floor.

Mr. SPENCER. I think I have the floor.

Mr. LENROOT. I wish to be courteous, but I do not wish to be charged with unduly occupying the time of the Senate while I have the floor.

Mr. SIMMONS. I beg pardon of the Senator from Wisconsin. I thought the Senator from Missouri [Mr. SPENCER] had the floor.

Mr. LENROOT. I was recognized in my own right and the Senator from Missouri took his seat. However, I yield to the Senator from Missouri.

Mr. SPENCER. Will the Senator yield to me for a moment?

Mr. LENROOT. Yes.

Mr. SPENCER. Do I understand the Senator from North Carolina to state that the cost of labor in Germany, as measured by the American standard of money, is less to-day than it was before the war, or the equal to what it was before the war?

Mr. SIMMONS. I did not say that.

Mr. SPENCER. Then I misunderstood the Senator from North Carolina.

Mr. SIMMONS. What I said was that at the present time the scale of wages in Germany was very nearly the same as the scale of wages in the other industrial countries of Europe——

Mr. SPENCER. Oh!

Mr. SIMMONS. But that it was higher to-day than it was before the World War. I did not mean as measured in American dollars.

Mr. SPENCER. The Senator from North Carolina will not dispute the fact that wages in the United States are approximately 100 per cent greater than they were before the war, and that wages in Germany are approximately one-fourth less to-day, each measured in American money, than they were before the war?

Mr. SIMMONS. I make the general statement, Mr. President, that, relatively speaking, the cost of labor in Germany and the cost of labor in all the other industrial countries of Europe is more nearly equal to the American standard than before the World War.

Mr. SMOOT. Mr. President, I wish to call attention to one statement particularly which the Senator from North Carolina has made, which is quite misleading, and ought to be explained. As to all of the barytes ore which is mined in the South it takes from three to five tons of ore to make a ton of barytes because of the fact that the barytes has to be washed out of the ore. So the cost is not merely the taking of a ton of ore out of the ground, but when three tons of ore are taken out of the ground they produce only one ton of barytes after the washing process and the separation of the barytes from the ore. The Tariff Board says the barytes content runs from 20 to 35 per cent; so the latter figure would indicate a ratio of 3 to 1.

Mr. SIMMONS. I was not discussing that situation.

Mr. SMOOT. Oh, yes; I think the Senator was; and that is certainly a factor to be considered.

Another question is as to wages, Mr. President. I have received from the Tariff Commission a statement, which is nearly complete, concerning the scale of wages of all of the industries in Germany; and I say now to the Senator from Missouri [Mr. SPENCER] that he was very moderate in stating that the wages in this country are double what they are in Germany. I say the wages are treble in America what they are in Germany. I shall put the figures to which I refer into the RECORD as soon as I get time to do so.

Mr. POMERENE. To what date is the Senator from Utah referring?

Mr. SMOOT. As of December 31, 1921. The scale of wages to which I refer is brought down to that date.

Mr. POMERENE. A statement was made on the floor of the Senate here that during the month of January last wages had increased in German factories 20 per cent.

Mr. SMOOT. Not since the time I have mentioned.

Mr. POMERENE. Yes; since that time.

Mr. SMOOT. This statement was made on the basis of 192 marks for a dollar. Now it requires about 300 marks to purchase a dollar, and I will later show exactly what the percentages are as to the wages quoted and the increases to which the Senator refers.

Mr. SIMMONS. Mr. President——

Mr. LENROOT. Mr. President, I should like to proceed to discuss this matter myself a little.

Mr. SIMMONS. Will not the Senator from Wisconsin permit me to answer the Senator from Utah for just a moment?

Mr. LENROOT. I will yield.

Mr. SIMMONS. Mr. President, how utterly ridiculous it is to undertake to measure labor cost in Germany by the international value of German currency; and that is what the Senator from Utah is trying to do.

Mr. SMOOT. No; the Senator from North Carolina is wrong in that statement.

Mr. SIMMONS. Just let me finish my statement, and then I will yield.

Mr. SMOOT. If the Senator from North Carolina makes any statement on the basis which he suggests, it is wrong.

Mr. SIMMONS. Very well.

Mr. LENROOT. Mr. President——

Mr. SIMMONS. Mr. President, I had just started when the Senator from Utah interrupted me.

Mr. LENROOT. Very well; I yield further to the Senator from North Carolina.

Mr. SIMMONS. Mr. President, everybody who knows anything about the matter knows that the exchange value of the mark—and that is the value upon which our purchases from Germany are based—is entirely different from the purchasing power of the mark in Germany; that is to say, a mark has one value in international trade and has an entirely different value in the German market. It has a purchasing power in the German market which it has not in the world at large by reason of the reduction of the paper currency in Germany to the gold standard that obtains in international trade.

The wages paid the German laborer in marks to-day will buy for him as much, or nearly as much, of the necessaries of life as the wages paid in American factories will buy. I heard that testimony given before the Finance Committee in the general hearings. The mark has one purchasing power in Germany but it has a different purchasing power in the markets of the world. The Germans have some confidence in their mark, while we have none and the world has none.

Mr. SMOOT. Mr. President——

Mr. LENROOT. I hope the Senator will now allow me to proceed.

Mr. SMOOT. Just one moment. I hope the Senate will now remember the statement which has just been made by the Senator from North Carolina, because I am going to call his attention to it a good many times in the future if this question shall then come up. The position of the Senator now is in exact accord with what I have stated on the floor of the Senate several times. Because of the exchange situation to which the Senator has referred, the German laborer, with the purchasing power of the mark in Germany greater than it is outside, has that much advantage over the American laborer, while the American dollar does not have any greater purchasing power in purchasing labor or any other commodities in the United States than it has abroad. The Senator from North Carolina simply makes his case that much worse by the statement which he has just made.

Mr. LENROOT. Mr. President, this is the first time I have participated in the discussion of any rates proposed in this bill, and I shall confine what I have to say to this particular rate.

I have realized, Mr. President, the difficulties under which the committee has labored in the framing of this bill. I do not believe it possible under present conditions at home and abroad to frame on a scientific basis a permanent tariff law; but I also believe that a revision of the tariff is absolutely necessary for the protection of American industry, and I have been disposed, and shall be disposed in the future, to follow the judgment of the committee, so far as possible, and resolve doubts in favor of the committee's action, because they have made a very thorough study of every question involved. However, it ought not to be assumed upon this floor that the committee is infallible and under no circumstances will make a mistake. When a mistake is clearly shown, as a Republican and a protectionist, I believe it is the duty of every Republican to do what he can to rectify that mistake. As to the particular duty now under consideration, Mr. President, it is very clear to me that a mistake has been made upon the part of the committee, and that the increase recommended is absolutely indefensible and can not be defended according to any doctrine of Republican protection.

In the first place, I think the committee was misled with reference to the question of differences in cost of production and what foreign barytes was laid down for in the city of New York.

Under the existing duty of 15 per cent, which at present prices amounts to about $1 per ton, last year there were imported only 9,870 tons, while in 1920 there were imported under the same rate of 15 per cent, equivalent to about $1 a ton, 22,209 tons; in other words, in 1921, under the present rate of duty, the imports were less than one-half of what they were in 1920. But when we come to the question of the domestic production we find what? We find that, notwithstanding the gates were again open to imports of this product from Germany, in 1920 we had the largest domestic production of crude barytes ore in the history of the United States.

Mr. POMERENE. That was in 1920?

Mr. LENROOT. That was in 1920. To give the figures, in 1920 there were produced in the United States of crude barytes 228,113 tons, while the highest previous production was in 1916 of 221,980 tons.

With reference to the cost of production and cost of laying down this ore in New York, the Senator from Missouri is clearly mistaken, and I think I understand how the mistake arose. The price given to him, five dollars and some cents, is the invoice price upon which the duty is paid, but that is not the cost of the product in New York, because to it there must be added $3.60 a ton, the ocean freight rate, which brings it up to between $9 and $10 a ton.

Now, with reference to the cost in this country in the Missouri field, the Senator from Missouri stated that the cost f. o. b. cars at the point on the railroad nearest to the mine was a little over $10; but the Tariff Commission reports that the cost of mining this ore in 1919 was $7.74 a ton, instead of $10 per ton. The Senator from Missouri, no doubt, gets his figures of $10 per ton from the testimony he has read but which he did not have clearly in mind to-day. I hold in my hand the Senate hearings, where the attempt was made to show that the producers could not afford to sell this ore f. o. b. the cars for less than $10 a ton, but they did not say that was the cost of producing the ore. Let us see what they did say. I read from the statement of Mr. RHODES, Representative in Congress from the district in Missouri in which the mines are located:

> According to authentic information received from Thompson, Weinman & Co., of New York, to-day crude barytes ore has been offered for sale by German importers in New York as low as $7.50 per ton within the past few weeks.

I may say in passing that does not tally with the $5 quotation suggested by the Senator from Missouri.

> We must get as much as $10 per ton for the crude ore on board cars at Missouri shipping points to afford fair wages to miners—

Now—

> fair wages for hauling it from the mines to the railroads—

That is proper so far. Then what?—

> fair royalties to the landowner, and a fair profit to the dealer.

So the figure of $10 per ton includes the profit that the miner makes, and no one knows how high that is.

Mr. SMOOT. It is the selling price, as I stated.

Mr. LENROOT. So that the $10 a ton referred to by the Senator from Missouri is not the cost price at all, but it is the selling price. The cost price, Mr. President, both as given by the Tariff Commission and in the testimony of the proponents of this increase before the committee, was a cost based upon the peak cost of production and not the cost of production to-day.

Mr. POMERENE. Mr. President, can the Senator state whether the cost figures which have been given represent the average cost in that district or do they represent the cost to some particular mine?

Mr. LENROOT. The figures given represent the average cost in the district. I said that that was at the high cost of production, the very highest cost of labor; and we have a right to assume—yes; we have a right to insist—that when every other industry is deflated this industry, too, shall take its share of deflation.

What was the cost of mining this product in the Senator's State prior to the war, when Germany was laying it down here for $5.20?

I read from the Tariff Information Survey compiled by the Tariff Commission. After giving the pre-war price of $5.20, for which Germany was laying down this product here, they go on to say:

> The price of domestic crude barytes f. o. b. St. Louis has about doubled during the war. The price from May, 1913, until November, 1915, varied very little from $4.90 per short ton.

Four dollars and ninety cents per short ton was the pre-war cost, and now the proponents of this increase ask that this particular industry shall be permitted to pay the costs of production and receive profits based upon the very peak prices that we had in this country following the war.

Mr. POMERENE. Was that the cost delivered in St. Louis?

Mr. LENROOT. Delivered in St. Louis, which takes a railroad rate from the point of shipment upon the railroad to the city of St. Louis.

Mr. KING. Mr. President, will the Senator yield?

Mr. LENROOT. Yes.

Mr. KING. I beg the Senator's pardon. He will find that that cost was even less in the Washington County district, where it was produced. It was $4.25 per ton.

Mr. LENROOT. I wonder if the Senator from Missouri takes the position that when farmers have been deflated below the 1913 basis, and when every other industry has been de-

flated, he asks for a protective duty to enable this particular industry to avoid any deflation whatever?

Now, Mr. President, let us see what happened with reference to this particular domestic product.

Mr. POMERENE. Mr. President, it would seem that the rate on barytes was fixed according to the cost-plus plan, without paying any attention to the cost.

Mr. LENROOT. Probably.

The price from May, 1913, until November, 1915, varied very little from $4.90 per short ton. The price then increased to $9.80 per ton in October, 1918, and this price was in force until May, 1919, when it decreased to $8.80 per ton. In November, 1919, the price increased sharply to $10.80 per ton.

Laid down in St. Louis—the point where, so far as this crude material is concerned, the product was consumed.

The Senator has stated, and it appears in the testimony, that these mines are closed down, and they would have the Senate believe that it was because of the imports from Germany that these mines were closed; but the fact is conclusively shown that imports from Germany have nothing to do with the closing down of the mines, because when the mines closed down the imports were less than one-half of what they were the previous year, when the mines were running. Of course, the answer is that the general depression closed down not only these mines but every kind of industry to a greater or less extent, and in all probability these mines had a surplus stock on hand which had not yet been exhausted.

Mr. SIMMONS. Mr. President, may I ask the Senator a question?

Mr. LENROOT. I yield.

Mr. SIMMONS. In view of the large surplus stock which is on hand, and the present limited demand, does the Senator think that if they should get this protection the mines would open up? Might not their owners and operators simply say: "Now that we are free from German or any other competition, by reason of this high duty, we can keep these mines closed until we have disposed of the surplus stock we have on hand," and charge very nearly the same prices that they charged during the war?

Mr. LENROOT. Mr. President, I do not happen to know anything about how highly concentrated this mining industry may be, and, of course, that would depend entirely upon how much competition there was in the industry.

Mr. President, I am only going to occupy a moment more.

While I think it is clearly shown that the Senator from Missouri is mistaken as to Germany laying down this product at $5 a ton, let us assume for a moment that that is true. Then I want to ask the Republican side, if that is true, if they can justify a 100 per cent ad valorem duty upon a product that was not planted or sown by man, that was placed in the ground by the Creator, and justify it upon any system or theory of protection?

I am as good a protectionist as the Senator from Missouri; but I say that if there is any raw, crude material found in the ground where in order to mine it in this country the American people have to pay for the raw material double what they could obtain it for abroad, then I am not in favor of trying to build up that particular mining industry until such time as it can be built up with a less amount of duty.

Mr. President, I agree with the Senator from North Dakota that German costs to-day are less than they were prior to the war. I believe they are very much less. I am perfectly willing to make up in any duty in this bill for the difference that I believe does exist, although we may not ascertain it definitely. I am willing to vote for amendments on the theory that German costs to-day are very much less than they were prior to the war, and therefore I am willing to vote in some cases for a duty even higher than that which was imposed under the Payne-Aldrich law. But, Mr. President, how can any Republican defend an increase of 333 per cent, which is proposed by the committee, over the duty imposed in the Payne-Aldrich law, and an increase of 500 per cent over the duty imposed under the present law, where the importations so far have not been so serious as to menace the industry? I can not do it, and I do not see how any other Republican can do it when he is fully acquainted with all the facts.

Mr. President, I want to support this bill. It is necessary to have a revision of the tariff; but I want rates in this bill that at least, if I do not fully agree with them, I can concede that there may be honest differences of opinion about. So far as I am concerned, I could not defend anywhere, before any audience in America, this proposed rate upon barytes ore—not that the item itself is so very important, perhaps, to the American people as a whole, but it is the principle that is involved—and I do not want to see the Republican side of this aisle vote for any duty that can not be defended, that is based upon mistaken figures, and give to our friends on the other side of the aisle an opportunity to attack us justly. Of course, they will do it unjustly, and we can meet them upon that ground; but I do hope that the rates that are voted in this bill will not be such as to make the Republican Party a just subject of attack because of such rates.

Mr. McCUMBER. Mr. President, I want to see if the committee has made any error in its report and what it is claiming to be a proper duty, and I want the attention of the Senator from Wisconsin.

The committee took the cost of producing crude barytes in 1919 at $6.31 per ton. The Tariff Commission give the cost as reported at $7.39 a ton, but on a uniform amortization and royalty basis they give it at $6.31 per ton. I am getting the cost of the American product. That does not include profits. That is the bare cost of production; and taking $6.31 per ton as the cost, removing that ton to the eastern markets costs $5.50 per ton.

Mr. LENROOT. May I ask the Senator a question right there? I should like to ask the Senator if the committee have framed this bill upon the theory that they are going to add as a protective rate the cost of moving all products to the Atlantic coast?

Mr. McCUMBER. No, Mr. President. Sometimes, as I stated yesterday, it is impossible to give protection on an article that is produced so far away that the cost of transportation will be so excessive that the consuming public can not afford to pay the price, and the committee must decide as to when such an occasion arises that it can not afford to give the protection.

Mr. LENROOT. Another question: The Senator is older than I; he has fought longer in the Republican Party than I; but has there ever been a time in the history of the Republican Party when the cost of transportation has been added to secure a protective rate?

Mr. McCUMBER. Mr. President, in determining what a rate should be the cost of transportation has always been considered, together with all other matters that enter into the question of competition in the American market.

Mr. LENROOT. Will not the Senator admit that upon articles that are used generally throughout the country the cost of transportation equalizes itself; that if you are to include in a protective rate the cost of transportation to New York, you are giving an exorbitant protection where the product never reaches New York, where the freight rate itself affords a protection to the manufacturer if he is situated in Chicago, the Mississippi Valley, or elsewhere in the interior of the country?

Mr. McCUMBER. Mr. President, that is just why I have stated that it is impossible to give a protection that will allow any article to be shipped from any section of the country to any other section of the country.

Mr. LENROOT. And is not that why the Republican Party—and I have been through two tariff revisions—has never in all its history made as one of the bases or factors of protection the transportation rate?

Mr. McCUMBER. Mr. President, it has always taken into consideration the transportation rate. We have to take into consideration what it costs to produce an article in Great Britain and in France and in Germany. Then we have to take into consideration what it costs to produce that article landed in New York. Of course, we take the freight into consideration. We take into consideration the usual profits in that business. All of those enter into consideration in determining what rates we must fix as a competitive basis. We do not take that as our standard; we do not add to it in all cases; but we do consider is as a factor in fixing a competitive rate. If an article is produced in Europe at a cost which, with freight added, would be more than the cost in the United States, there would be no necessity of any protective duty whatever. Therefore we must take those into consideration.

Mr. LENROOT. Mr. President——

Mr. McCUMBER. If the Senator will let me finish my statement, I think it will be found that we are not far apart.

Mr. LENROOT. I do not think the Senator understood me. What I said was in reference to the transportation rate. The Senator proposes to add the fixed transportation rate from Missouri to New York to arrive at what should be fixed on as the protective rate. That, I say, has never been done by the Republican Party.

Mr. McCUMBER. The Senator will find that it was not done in this instance, if he will allow me to complete the statement.

I stated that, making the average allowance for amortization, the cost of production in 1919 was $6.31. I did not give the cost of transporting from Missouri to New York, but gave the freight rate from Georgia. I do not think Missouri has been able, unless it was very lately or during war times, to compete in the eastern markets at all; but allowing a freight rate of

$5.50 from Georgia to New York would bring the price up to $11.81. In other words, the Georgia producer, without the profit, would have to pay $11.81 to lay his product down on the Atlantic coast.

Mr. SPENCER. Where it is used.

Mr. McCUMBER. Where practically all of it is used. It was stated to us, and herein I find the conflict, that it can be placed on the New York market from Germany at $5.20 per ton, and that was my understanding; but I think the statements made this morning show that that was an error, that the person who goes to Germany and purchases it to-day and lands it in New York can not land it at $5.20 a ton. The Senator from Missouri has assumed that it can be landed in New York, under present wages in Germany, which are only about one-fourth of what they were prior to the war, at $5.20 a ton.

Mr. SPENCER. The one thing about which there is no dispute is that before the war Germany actually landed and sold this product in New York at $5.20 per ton. That included the cost of transportation to New York. About that fact there has as yet been no dispute.

Mr. McCUMBER. It not only included that, I will say to the Senator, but it included the tariff duty.

Mr. SPENCER. So that when Germany offered this ore in New York before the war $5.20 included the cost of production in Germany, the transportation cost in Germany to the seaboard, the transportation across the sea, and the duty. It was the total price of the German ore before the war.

Everybody knows that the price of labor in Germany, so far as that enters into the cost of the production of the German ore, is only one-fourth as great to-day as it was before the war. It is undoubtedly true that the cost of transportation across the sea is greater now than it was before the war. But my point is that we had the actual demonstration of German ore being sold in New York before the war, transportation and tariff included, at $5.20 a ton, and now, with wages one-fourth as great, Germany can do the same or worse for American production, and if that is true the foundation for this tariff is laid.

Mr. LENROOT. Is the Senator aware of the fact that the entire pre-war wage paid, the entire cost of transportation, and the value of the ore itself were less than the increased freight rate to-day?

Mr. SPENCER. The Senator said that before.

Mr. LENROOT. I say it now.

Mr. SPENCER. It is equally true that $5.20 before the war was the German price, including their profit, and if that was the price then, with the wage rate of that time, now Germany could place it in New York at less than $5.20, and nobody has contended that American mines can begin to lay it down in New York at that price.

Mr. LENROOT. If they gave it away, it could not be laid down here at the pre-war price.

Mr. SIMMONS. Mr. President, if I understand the Senator from Missouri, he contends that before the war—that is, when the present rate of duty was in force—this German article could be laid down in New York and sold in the American market for a little over $5 a ton; that it was so sold, and that that was the price with which the American producer had to compete. That is to say, before the war the American producer of barytes competed with the German producer of barytes on the basis of the New York price of $5 a ton. It does not make any difference what it cost the Germans to produce it before the war; the competition on the part of the American producer was with the $5 a ton price, at which the German product was sold in the New York market.

It makes no difference what it costs in Germany; that same German product is sold in New York, not for $5, the price before the war, but for $10 a ton, and it is the German price of that product which the American producer has to meet, and he meets a price that is twice as high as the price with which he successfully competed before the war.

Mr. McCUMBER. Mr. President, the Senator has just made a suggestion to which I was just coming, that our rates are based, not on what it may cost to produce in Germany, or what Germany sold it for prior to the war; but our rates are necessarily based on the foreign selling price, and the foreign selling price at the present time seems to be considerably in excess of what I understood it to be. I am free to say that as I understood the matter when it was presented to the committee, this product was being laid down in the United States for $5.20 a ton, freight and tariff paid. There is quite a little difference between the six or seven dollars in Germany, with over $3 freight added to it, and $5.20. For that reason I am going to ask that this item be passed over, in order that the committee may give it further consideration, because my only desire is that we shall give a rate of duty which will enable the American producer to compete in the American market. To arrive at that we must always determine what the importer can put the same article down in the American market for, and that, of course, includes freight, and it includes every other element which makes up the cost of the importation.

Therefore I ask unanimous consent that this paragraph may be passed over.

The PRESIDING OFFICER. Without objection it will be passed over.

Mr. SIMMONS. Mr. President, I want to say before that is done that I think the chairman of the committee has acted very wisely. I am glad he has met the situation in a liberal and fair manner.

I want to say also, before we leave this item, that there seems to me to be a strange inconsistency here. The contention is made upon this floor that Germany is producing at the very lowest level, that the cost of production there is only a fraction of what it was before the war, when we are confronted with the fact that the German selling price in this country is twice as much as it was before the war with the duty added.

I have contended that whatever may be the German production cost, the German selling prices in this country are about as high to-day as the selling prices of any of the industrial nations of Europe. This illustrates it.

The selling price of this German product is twice what it was before the war. We are now competing with a price twice as high as the price we competed with before the war. That situation is found all through these schedules.

Last year we were considering the question of adopting an antidumping provision in the revenue bill. The House had been stampeded upon that question by the suggestion that Germany, especially, was flooding this market with its low-priced products, dumping them, selling them at a sacrifice, at salvage prices, and that it was necessary to meet that situation by the establishment of a drastic antidumping law.

When that bill came over to the Finance Committee the suggestion was made, I think by myself, that before we followed the House in that matter, before we enacted that very drastic piece of legislation, we would better make inquiry of the expert appraisers and customs officials located at the great ports, and ascertain whether there was any justification for such unusual and exceptional legislation against the foreign exporter.

The suggestion was adopted by the committee, and, as a result, we did subpœna a large number of experts, not only from New York but I think some came from Boston, possibly some from Philadelphia, and some from other ports. At the head of these experts were two gentlemen of exceptional experience and ability as appraisers, gentlemen who were the heads of the port in New York. Their experience was very great, their ability unquestioned, and their veracity beyond dispute. They came before the committee, together with others, early in 1921, and they stated, as a result of their actual experience as appraisers of foreign merchandise in the port of New York, that as a matter of fact all foreign products, including those of Germany, were invoiced much higher than they were before the war, and in many instances they said these German products were invoiced at prices higher than the American selling price.

Upon that testimony the Finance Committee decided that there was really no justification for the House action in adopting this antidumping provision. It was modified by the Senate committee and reported in the tariff bill. Upon the floor of the Senate the direct question was asked by myself of the chairman of the committee as to whether, in the light of the testimony which had been presented to the committee, he contended there was at that time any dumping going on in this country. He answered in the negative, that there was no dumping going on at that time, but that some might occur afterwards, and as a matter of precauttion the House provision, slightly modified, was retained on the theory that if it did not do any good it would not do any harm.

So it was then established, and no conditions which have transpired since then have changed the fact—and the Senator from North Dakota very frankly admits that is not the basis on which he levied the taxes—that whatever may be the difference in the cost of production here and abroad, including Germany, when we come to the American ports of entry the prices of the products from Germany are very much higher than they were before the war, that they are substantially the same as those from other industrial countries of Europe, and it is those prices, with the duty added and the freight added, with which we have to compete.

The chairman of the committee has just stated that the bill is framed not upon the basis of the cost of production but framed upon the basis of the selling price in the American mar-

ket of the foreign product and in the American market of the domestic product, its object being to bring about conditions of equality in competition in this market. Therefore, whatever may be the cost of production in Germany or other countries, in the consideration of the tariff bill framed upon that theory the question is whether the increased rate is necessary in order to bring about not equality in the cost of production here and abroad but equality in the price at which that foreign product is sold in the domestic market with duty added, with freight added, with overhead added, and the wholesale price of the American article in this market.

Now, in this particular case, Mr. President, whatever may happen to the production of the article in the foreign markets, the facts disclosed make it clear that the article sold here before the war at $5.20, after duty was paid and after freight was paid, to-day, after the duty is paid, after the freight is paid, the article is offered for sale in the port of New York, alongside the American product, for twice what it sold for before the war. Hence the American has to compete not with the pre-war price of $5 but with the present price of $10 a ton for the article. I do not know how much profit the foreigner may have in that $10, if it includes the profit, but I have no doubt the American has a pretty good profit in whatever price he charges for his product in the present market.

Mr. McCUMBER. Mr. President, will the Senator yield for a question?

Mr. SIMMONS. Certainly.

Mr. McCUMBER. My attention was called, of course, to other matters during a part of the time the Senator was just speaking, but I have been informed that he made the statement that I claimed that our rates were based upon the selling price of the foreign article in the American market.

Mr. SIMMONS. I understood the Senator a little while ago to say that the basis was the difference in the selling price in the American market.

Mr. McCUMBER. Oh, no. Our rates, as the Senator understands from a reading of the bill, are based upon the foreign selling price of the foreign article in the country of origin.

Mr. SIMMONS. Or the export price—whichever is highest.

Mr. McCUMBER. Yes; but it can be assumed that they are very close ordinarily. At least that is a far different statement from saying that our rates are based upon the selling price of the foreign article in the United States.

Mr. SIMMONS. The selling price in the United States is based upon the export selling price at which it is brought in. That is probably the higher price, higher than the domestic selling price; yet the bill provides that whichever is highest shall be taken, and I assume the export selling price would be higher than the domestic selling price, and that the export selling price will be the basis of comparison.

Mr. McCUMBER. I think probably there must have been some misunderstanding on the part of my informant as to what the Senator stated. I understood that the Senator said I had made a statement upon the floor of the Senate that our duties were based upon the selling price of the foreign article in the United States market. We repudiated that in our refusal to accept the American selling price theory.

Mr. SIMMONS. That would include overhead and all that sort of thing. I take it the theory of the bill is, or should be, that the rates are based upon the export selling price of the article in the American market.

Mr. McCUMBER. Oh, no; the selling price in the foreign market; either the domestic selling price in that market or the sale for export in that market.

Mr. SIMMONS. Let me see if I now understand the Senator. The Senator imposed the rates in the bill upon the domestic selling price of the foreign article or the export selling price of the foreign article, whichever is highest.

Mr. McCUMBER. In the foreign country.

Mr. SIMMONS. Yes; in the foreign country, and the invoice price of that article is supposed to be the export selling price.

Mr. McCUMBER. The invoice price is supposed to be the price which the importer paid for the article——

Mr. SIMMONS. That is what I mean.

Mr. McCUMBER. Whether it represents the export price or whether it represents the price at which the manufacturer sold it.

Mr. SIMMONS. That is the price at which it is invoiced to the importer.

Mr. McCUMBER. There is probably very little difference, but the law is the same as it has been, I think, in all the previous cases, that the basis of the duty shall be either the wholesale selling price of the article in the foreign market or the export selling price of the article in that country, whichever is the highest. Of course, the export price would not then be any higher than the article would be sold for in the home markets unless there was some export duty or something equivalent thereto levied upon it.

Mr. SIMMONS. Mr. President, the duties are based upon the foreign selling price or the export selling price, whichever is the highest. The purpose of the bill is to equalize conditions of competition in the United States. The American wholesale selling price is selected as one of the elements in the measurement of the protection to be given. The American wholesale selling price includes the profits of the jobber, the commission merchant, or the wholesaler. We can not with any degree of justice, in order to ascertain the difference in competition, compare that selling price with the foreign selling price unless we likewise include, in making up the foreign selling price, all the expenses up to the time it reaches the hands of the jobber, or the importer in that case, plus a reasonable profit to the importer on the transaction.

In other words, if we are going to have a standard of comparing the prices of foreign products in this market with the prices of domestic products in this market which will equalize conditions in competition, if we include in the American price with which to compare the foreign price the freight, the insurance, the overhead, and profit, we must of necessity, in order to be just and fair, include that same thing in the foreign selling price. What I am afraid of is that in levying these duties the committee have been led into accepting the American wholesale selling price with the high profits which we know are exacted upon some of these protected articles, ranging from 25 to 200 and 300 per cent, and when, in making the duties, they have compared that with the foreign article, they have not taken into consideration the fact that the importer, who is the wholesaler in this market of that product, is entitled to have his profits included in ascertaining what is the difference in competitive conditions as between the foreign article which he handles and the domestic article which the American jobber handles.

I do not know whether that is so or not. I am afraid it has been so in some cases. It looks like it has been so in this particular case and it looks like they were comparing the export price of the foreign product without adding to it freight, insurance, and importers' profits, and that the selling price of the domestic article includes not only the profits of the American dealer but includes freight and other items of expense. I do not know whether I correctly interpret it or not.

Mr. SMOOT. No, Mr. President; the Senator is wrong in his interpretation as to this particular item. If it were not that the Senator from New Jersey [Mr. FRELINGHUYSEN] desires to address the Senate at this particular time, I could tell the Senator from North Carolina the reason why as to this article. The basis of rates was not upon that standard, I will say to the Senator.

Mr. SIMMONS. It looks very much that way.

Mr. President, if the Senator from New Jersey [Mr. FRELINGHUYSEN] desires to proceed, while I had not finished what I wish to say, I shall take very great pleasure in yielding to him.

Mr. FRELINGHUYSEN. I should like to have the Senator from North Carolina allow me to interrupt him to speak on a question of personal privilege.

Mr. SIMMONS. I take very great pleasure in yielding to the Senator. I yield the floor to the Senator. I will continue my remarks upon some other subject hereafter.

Mr. FRELINGHUYSEN. I thank the Senator for his great courtesy, because it is a matter of extreme importance to me.

Mr. WALSH of Massachusetts. Mr. President, does the Senator from New Jersey desire to have a quorum call?

Mr. FRELINGHUYSEN. No; I thank the Senator from Massachusetts. I simply ask that my statement may appear in the RECORD, so that Senators may there have an opportunity to read it.

Mr. WALSH of Massachusetts. Very well.

PERSONAL EXPLANATION.

Mr. FRELINGHUYSEN. Mr. President, the New York Times of this morning, Wednesday, May 17, printed a scandalous and, I believe, libelous article in which my name is mentioned. It is headed "*Bribery here laid to Cuban bankers seized for fraud. * * * Havana News asks if property was woolen mills in which Frelinghuysen was interested.*"

There are two parts of the article to which I shall directly speak, but before doing so I ask unanimous consent that the entire article may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article referred to is as follows:

BRIBERY HERE LAID TO CUBAN BANKERS SEIZED FOR FRAUD—INQUIRY DEMANDED IN UPMANN'S EXPENSE ITEM OF $1,028,151 TO REGAIN ALIEN PROPERTY—ARRESTS CAUSE SENSATION—HABANA NEWS ASKS IF PROPERTY WAS WOOLEN MILLS IN WHICH FRELINGHUYSEN WAS INTERESTED—AFTERMATH OF A FAILURE—ATTORNEY GENERAL ACTS AGAINST OFFICIALS OF CUBAN-GERMAN FIRM ON REPORT OF BANK EXAMINERS.

[Copyright, 1922, by the New York Times Co. Special cable to the New York Times.]

HABANA, May 19.—Herman and Albert Upmann, brothers, heads of the Cuban-German banking house of H. Upmann & Co., which recently failed, involving approximately $10,000,000, were taken into custody late to-day by the secret police. The arrests followed rumors of an attempt to be made to escape by airplane.

The brothers are charged with fraud, the charge being preferred by the attorney general, with the complete knowledge of the commission for the liquidation of banks, on which the United States has a representative.

Although the arrests caused a sensation in clubs and upon the boulevards, Americans seemed even more interested in an item of $1,028,517.48 which the auditors for the Habana Clearing House found upon the books of Upmann & Co. According to the only copy of that report which has reached the public, this item was charged off as "expenses of Herman Upmann in Washington to secure the return of the properties from the Alien Enemy Property Custodian, $1,028,517.48."

It is charged that this item, discovered in "profit and loss," represents money of the bank's depositors. No statements have come to light showing to whom this money was paid.

NEWSPAPER DEMANDS INQUIRY.

The Evening News, a stanch supporter of Major General Crowder, asks to-night, "How was that million spent?" As the heading for an editorial, which mentions Senator FRELINGHUYSEN, of New Jersey, and refers to a "former Habana banker up there at the time." The questions being asked here to-night are summed up in that editorial as follows:

"It is the statement that more than a million dollars of the depositors' money has been used to regain the private property of Mr. Upmann, and that this money was used to gain an end where no money is supposed to be used. How was a million dollars expended in Washington? Who got it? Was it used for graft, for a bribe, for securing influence to secure the return of the property? Who got the money? Why was it necessary to spend a million dollars for it? Has an official of the American Government yielded to the voice of the tempter and taken this money? Of what did the property consist? If Mr. Upmann spent the money for bribery, the United States Government should compel him to tell where he spent that money."

The reference to the New Jersey Senator is as follows:

"Was this property, held by the Alien Enemy Property Custodian, those shares in the woolen mills in which Senator FRELINGHUYSEN is connected? And what connection did Senator FRELINGHUYSEN, of New Jersey, have with assisting Mr. Upmann in spending the million dollars in Washington in order to get that property out of the hands of the Alien Enemy Property Custodian?"

The News calls for a senatorial investigation, declaring the charges are "an official document now," inasmuch as they were turned in with the bank's statement.

REPORT OF BANK EXAMINERS.

HABANA, May 16.—The detention of Herman Upmann, president, and his brother, Albert Upmann, of the firm of H. Upmann & Co., was connected with the affairs of the bank, which failed to open for business on May 1 and was taken over on May 12 by the bank liquidation commission after the members of the Habana Clearing House declined to come to its assistance.

The order of the attorney general to detain the Upmanns followed closely upon the submission of a report to the bank liquidation commission by Angel G. Del Valle and Carlos M. Satolongo, who made an examination of the bank's books, especially in connection with certain information alleged to have been given to the Habana Clearing House by accountants delegated to report on securities offered by the bank to secure a loan of $3,000,000 which the clearing house members were asked to make.

Included in the report to the clearing house was a statement alleging that the bank's books showed an entry of $1,028,517 as "expenses of Herman Upmann in Washington to secure the return of property sequestrated as a result of the war." Another statement set forth that $1,891,650 of securities deposited by clients have been hypothecated by the bank without the written but with the verbal permission of the owners, and that $87,000 had been pledged without the bank admitting that even verbal permission had been secured.

Mr. FRELINGHUYSEN. I quote from the article the following extract:

The Evening News, a stanch supporter of Major General Crowder, asks to-night, "How was that million spent?" as the heading for an editorial which mentions Senator FRELINGHUYSEN, of New Jersey, and refers to a "former Habana banker up there at the time." The questions being asked here to-night are summed up in that editorial as follows:

* * * * * * *

The reference to the New Jersey Senator is as follows:

"Was this property, held by the Alien Enemy Property Custodian, those shares in the woolen mills in which Senator FRELINGHUYSEN is connected, and what connection did Senator FRELINGHUYSEN, of New Jersey, have with assisting Mr. Upmann in spending the million dollars in Washington in order to get that property out of the hands of the Alien Enemy Property Custodian?"

The News calls for a senatorial investigation, declaring the charges are "an official document now," inasmuch as they were turned in with the bank's statement.

In reference to this article, which, as I have said, appeared in the New York Times this morning, and in which my name is said to have been mentioned by a Cuban newspaper in connection with the effort to regain the private property of Upmann & Co., I beg to state that I know absolutely nothing about the matter, have never heard of Upmann & Co., and have no interest whatsoever in their affairs.

Mr. Larkin, member of a firm of lawyers at 20 Broadway, New York, Larkin, Rathbone & Perry, counsel for Upmann & Co., called me on the telephone this morning and expressed great regret that my name was mentioned, and stated that in no manner had I any connection with the case, and that he would do everything in his power to have a correction made.

I have no interest in any woolen mills in New Jersey. The reference to my name in connection with this matter is an entire surprise to me and I fail to understand it. It is a perfect outrage, is entirely unwarranted, and I make absolute denial of any knowledge of or any connection whatsoever with the affair.

INTERIOR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT (S. DOC. NO. 201).

Mr. CURTIS. I ask unanimous consent to submit a conference report on the Interior Department appropriation bill. It is a unanimous agreement. If it leads to any debate, I will withdraw it.

The PRESIDING OFFICER. The report will be read.

The reading clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 10329) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1923, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 70, 71, 74, 76, 77, 78, and 79.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$650,000"; and the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$340,000, plus so much of $350,000 additional as the Secretary of the Interior finds to be available in the reclamation fund on March 1, 1923, in excess of all other appropriations from that fund"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$675,000, plus so much of $250,000 additional as the Secretary of the Interior finds to be available in the reclamation fund on March 1, 1923, in excess of all other appropriations from that fund"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$14,800,000"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"Grand Canyon National Park, Ariz.: For administration, protection, maintenance, improvement, and the acquisition of lands for road and trail rights of way within the park, including not exceeding $2,000 for the purchase, maintenance, operation, and repair of motor-driven passenger-carrying vehicles for the use of the superintendent and employees in connection with general park work, $75,000: *Provided*, That no expenditure shall be made in the maintenance or improvement of any toll road or toll trail, or for maintenance or construction of physical improvements on the North Rim."

And the Senate agree to the same.

That the Senate agree to the amendments of the House to the amendments of the Senate numbered 53, 54, 56, 58, 59, and 113.

F. E WARREN,
CHARLES CURTIS,
LEE S. OVERMAN,
Managers on the part of the Senate
LOUIS C. CRAMTON,
BURTON L. FRENCH,
C. D. CARTER,
Managers on the part of the House.

Mr. McNARY. There is an item in disagreement between the two Houses to which the Senator from Arizona [Mr. CAMERON], now absent, objected, and which he intrusted to my care. I proposed a compromise. It was not quite followed. The Senator from Arizona is out of the city, and will be away for some time. The report was filed yesterday, late in the evening, in the House. I did not expect it to come here to-day. I telegraphed the Senator from Arizona the action of the conferees, and asked his judgment as to whether he wanted me, acting for him, to accept the conference report or oppose it.

Mr. CURTIS. In view of the statement of the Senator from Oregon I shall not ask for the adoption of the conference report at this time. I ask that it may lie upon the table until I call it up.

Mr. McNARY. I thank the Senator for his courtesy.

The PRESIDING OFFICER. The conference report will be printed and lie on the table.

ADDRESS BY SENATOR SUTHERLAND—COAL INDUSTRY.

Mr. STERLING. Mr. President, I ask unanimous consent to have printed in the RECORD in the regular RECORD type an address delivered yesterday by the Senator from West Virginia [Mr. SUTHERLAND] before the natural resources section of the Chamber of Commerce of the United States here in Washington on the subject "Government control of the coal industry."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

GOVERNMENT CONTROL OF THE COAL INDUSTRY.

[Speech delivered May 16, 1922, at Washington, D. C., before the natural resources section of the Chamber of Commerce of the United States.]

Senator HOWARD SUTHERLAND spoke as follows:

"Gentlemen of the Chamber of Commerce of the United States of America: It is a hopeful sign when so many of the country's leading business men participate in these conferences under the auspices of your national organization for the consideration of the many problems which are vexing the minds of the business people of our country and incidentally giving the benefit of your views to the members of the national legislative body here in Washington. Divided into groups, holding simultaneous meetings for the discussion of various essential topics, an opportunity for a more thorough study and exchange of views is given. It is an honor as well as a pleasure to have the opportunity of appearing before the natural resources section of the Chamber of Commerce of the United States to present informally and briefly my views regarding one of the decided tendencies of the day, that of Government regulation of private business, particularly as applied to the coal industry. This is a very vital subject indeed at this time, because various suggestions have been made and put into concrete form in the shape of bills introduced in the Congress providing for various degrees of governmental regulation and control of this great basic industry.

"It will be conceded, perhaps, that next to the transportation business of the country that of the Nation's fuel supply is the most important. You may, perhaps, have noted the statement which was read before the American Chemical Society at a recent meeting held in New York that coal, not oil, is the world's basic fuel, and will continue to be its basic fuel until some method has been devised through the transmutation of the energy in sunlight or by utilizing the atomic energy in ordinary matter. From the more general use of oil as fuel many may be led to believe that eventually oil will supplant coal as our chief fuel. Dr. Arthur D. Little, in the address above referred to, giving the results of a careful study of the subject, shows that there has been produced in the United States since the first oil well was drilled in 1859 nearly 5,000,000,000 barrels of petroleum. We are now thought to have nearly 7,000,000,000 barrels remaining, from which we are drawing nearly 400,000,000 barrels a year on a rapidly rising curve of production. That most of the oil elsewhere is now under British control, though we are consuming 80 per cent of the world's output. Guesses at the remaining world's supply of this natural and essential energy resource range from 43,000,000,000 to 60,000,000,000 barrels. While these are large figures and indicate that during our lifetime we need have no apprehension as to the exhaustion of the world's oil supplies, yet the coal resources of the world, in units of 1,000,000 tons, from figures prepared by the estimate of the Twelfth Geographical Congress, are about 7,400,000 units, of which 5,000,000 are in the United States, 1,280,000 in Asia, and 784,000 in Europe.

"There is every probability therefore, that for many generations to come the production and distribution of coal will be of vital concern to our people and to the peoples of the world; and our superiority in coal resources is equally apparent. The very fact that the coal industry is of such a basic character leads some persons to suggest that its production should be controlled by the Government.

"During the past 25 years there has been a constantly growing tendency toward paternalism in government. This tendency was greatly accentuated by the conditions brought on by the great World War when the Government, extending its authority pursuant to the war powers, found it necessary to exercise a controlling supervision over much of the industrial life of the country in order that we might function most efficiently for the one purpose of bringing that terrible catastrophe to a successful conclusion at the earliest possible moment. The business of railroad transportation had already in increasing degree been brought more and more under the direct control of the agencies of Government, but while there were strong reasons for the regulation by the Government, under the interstate-commerce clause of the Constitution, of the great arteries of our country's commerce upon the theory that in many communities the business was a monopoly, I am firmly of the opinion that no justification can be alleged for similar control of the bituminous coal industry.

"I do not attempt to speak of the anthracite coal industry because anthracite coal is a luxury pure and simple, is confined in its production to a small area, produced by a very few companies, and is used by a comparatively small number of our people and almost entirely for domestic heating purposes. In discussing this subject, therefore, I refer only to the bituminous coal industry.

"The principal cause for the introduction of the bills providing for the regulation and control of the bituminous coal industry is the fact that during the year 1920 following the war there was a threatened shortage of the supply of bituminous coal with a period of serious apprehension and of panicky prices, the recurrence of which it was desired to prevent. Let us examine for a moment the causes which led to the coal panic of 1920. The two great factors in the cost of coal to the consumer at this time, or at any time, are wages and freight rates. With the exception of certain coal-producing districts in my own State of West Virginia, in Alabama and a few districts in Pennsylvania, the entire output of both bituminous and anthracite coal is produced by union labor. Following the great bituminous miners' strike called on November 1, 1919, because the operators would not concede to the demands made for a 60 per cent increase in wages, a 5-day week and a 6-hour day, a strike that lasted some six or seven weeks and caused a loss in production of coal just as the country was entering the rigors of winter, which is estimated at from 26,000,000 to 40,000,000 tons, the President of the United States appointed the Bituminous Wage Commission with authority to determine the questions at issue. This official commission of the Government allowed an increase in wages averaging approximately 27 per cent over the rate that had been fixed by the Fuel Administration in November, 1917, familiarly known as the Washington wage agreement, which in turn had come after two prior increases, one in April, 1916, and one in April, 1917, had already been agreed upon between the miners and the operators.

"The miners' wages constitute approximately 75 per cent of the total actual cost of coal, so that the total increases in wages, the last two being made pursuant to Government regulation, increased the actual cost of coal approximately $1.70 per ton over the cost of mining it in 1914. The terms of the Bituminous Wage Commission's award, which the Government directed should be written into a contract between the operators and the United Mine Workers, did not expire until April 1, 1922. The result has been that approximately half of the mines in the great coal-producing State of West Virginia and in all great bituminous coal-producing districts have been idle or have been running one, two, or three days per week because they could not find a market for their product at a price sufficient to cover the actual cost of producing the coal. Prior to April 1 of this year, when the present strike was called, many thousands of miners were idle, and many hundreds of mining companies were becoming seriously embarrassed by reason of their inactivity. The other principal factor in the coal cost to the consumer is freight rates. We have to-day the spectacle of the great transportation systems of the country, the arteries through which must flow the life blood of the Nation, its commerce, still more or less demoralized as a result of Government control and operation. Under the Government régime operating cost mounted and soared, freight rates were increased in order to offset the increased operating costs, but the income could not keep pace with the outgo. What is the result? It appears from a statement made

about a year ago to the chairman of the Committee on Appropriations of the House of Representatives by Director General Davis that the operating loss to the Government during the period of Federal control will be $1,200,000,000, and that if the Supreme Court of the United States approves the carriers' contentions in regard to maintenance claims, there will be seven or eight million dollars additional.

"The railroads themselves are still staggering under the burden and freight rates have been advanced until in numerous instances the traffic will not bear the burden of the rate. What has been the effect of this upon the consumer of coal? It has in fact substantially doubled his freight charges. To give specific instances, I will call your attention to the fact that from the Fairmont district of my State to New York City the freight rate in 1914 was $2.10 per ton, while in 1921 it was $3.60 per ton, and is now $3.85 per ton; from the Kanawha district to Cleveland, Ohio, the rate in 1914 was $1.25 per ton, and now it is $2.66 per ton, or an increase of 112 per cent. From the Greensburg district of Pennsylvania to Boston, Mass., the rate in 1914 was $2.77 per ton, while in 1921 it was $4.82 per ton, and I believe this rate still prevails. From the Franklin field of southern Illinois to Chicago the rate in 1914 was $1.05 per ton, while in 1921 it was $2.06½ and is now $2.17 per ton; and from the same field to St. Paul the rate increased from $2.10 per ton in 1914 to $3.85 in 1921. While it is thus apparent that freight rates have substantially doubled, it also appears that water transportation from Lake Erie ports to the upper end of Lake Superior and from tidewater ports of Baltimore, Norfolk, and Philadelphia to New England ports have increased substantially fourfold, while it is a fundamental principle of law that highways and carriers from the early days have been subject to regulation of their tariffs and their service, it is also true that these tremendous increases in costs of transportation have taken place during the period when the transportation companies were under the most complete domination of Federal authority in their entire history. It does not argue well, therefore, for the scheme of Federal control of another great fundamental industry.

"Reverting to the conditions that existed in the summer and fall of 1920 with reference to the coal industry, it is true that there was a shortage of bituminous coal at that time, and that high prices were paid for bituminous coal during that period. It is likewise true that there were numerous instances of profiteering such as happened in every other line of industry of which we have any knowledge or record. It is admitted further by all those who are at all familiar with the facts that such high prices as did exist and such instances of profiteering as did take place were due to a coal shortage, and that very shortly after production of bituminous coal reached substantially 12,000,000 tons per week, which it did in December, 1920, the demand was completely met and the prices at the mines became normal. The State which I have the honor in part to represent in the United States Senate is a great coal-producing State. I have been closely associated with the coal business for many years and know something of the trials and tribulations of the bituminous coal industry and I know that for many years prior to the war many of the largest and strongest and most ably managed coal companies struggled through the years with little or no profits. I know of no other great basic industry which has suffered so greatly through the lean years, losing money, and yet each year living in hopes of something better, as has the bituminous coal industry.

"Much testimony has been taken before the congressional committees and much expert opinion has been given in the public press and elsewhere as to the underlying causes of the coal shortage in 1920. It is practically the unanimous opinion that the most serious problem of this great industry has been the transportation problem. The shortage of coal in the summer and fall of 1920, which resulted in high prices for perhaps 15 or 20 per cent of it, was due solely and absolutely to conditions over which the bituminous coal operators had no control whatsoever. There are in the United States something like 7,000 coal-producing companies, operating approximately 10,000 developed mines capable of producing so much coal that if they had the transportation facilities the output could not possibly be marketed. Official figures show that the actual production from existing mines has been for short periods of time at a rate of 700,000,000 tons per annum, whereas the normal consumption requirements of the country under normally prosperous conditions, including the export demand, has never exceeded 550,000,000. In 1918 the mines produced 579,386,000 tons, but it was estimated that about 60,000,000 tons of this amount was in storage when the armistice was signed, and this stock pile was carried over into the succeeding year. When the bituminous coal strike began on November 1, 1919, the coal stocks of the country approximated 41,000,000 tons. Due to the winter demands for coal and to the loss in production caused by the strike those reserves had been reduced approximately to 23,000,000 tons on April 1, 1920.

"The usual stocks on hand on that date are 30,000,000 to 35,000,000 tons. This, strictly speaking, is not a reserve stock but a working capital upon which our railroads, public utilities, and industries operate. These stocks are usually at the minimum at this season of the year, and consumers begin at the early summer to build them up again for the ensuing winter. Navigation on the Great Lakes usually opens early in April and coal from eastern and southern Ohio, western Pennsylvania, northern and western Virginia, eastern Kentucky and Tennessee begins moving to the Lake Erie ports for transshipment to lake coal docks on Lake Superior and Lake Michigan. Similarly coal begins moving into Canada and into New England for the accumulation of winter reserves. The shortage in 1920 was confined to the eastern part of the United States. This section is served by the mines of the Appalachian Plateau from the Tennessee field north. The bituminous mines in these States, in order to satisfy the normal demands upon them, must ship month by month throughout the year an average of approximately 28,000,000 tons of bituminous coal. In winter this is all consumed currently by the territories which receive regular shipments from the mines during that season. In summer these consuming areas require between 22,000,000 and 23,000,000 tons per month, but production at the mines must be maintained at approximately the 28,000,000-ton average in order to provide the summer movement via the Great Lakes to the Northwest, and by rail and water into Canada and New England for the accumulation of stocks for the following winter.

"The bituminous coal producers therefore began the spring season of 1920 with the twofold task of taking care of the current consumption requirements and of building up the reserves that had been depleted by the 1919 strike. The industry was well started toward an accomplishment of this task when the railroads became increasingly disorganized by the outlaw switchmen's strike, which began in April, 1920, and disastrously affected transportation conditions until July of that year.

"On June 1, 1920, the reserves of coal, instead of being built up, had declined still further, until they totaled only 20,000,000 tons. On the corresponding date in 1919 there had been 40,000,000 tons. Coal dumped at Lake Erie ports for shipment to the Northwest was up to June 1, 1920, only 1,600,000 tons, whereas on the same date in 1919 it had been 5,043,000 tons and in 1918 it was 4,423,500 tons.

"Shipments to New England were in just about as bad shape, the tonnage being 7,780,000 tons, whereas it is normally about 10,000,000 tons by the 1st day of June. This was not a condition for which the mine operators or the coal industry can be held responsible. They had the capacity to produce; they had the labor available; they had a market, but they had no cars in which to ship. Mines were shut down and were able to operate only two or three days out of each week, because they could not get the open-top cars into which to dump coal at the tipple.

"Operators were clamoring for cars, but were unable to get them, and current production even in summer was under the normal amount of coal that should be produced. By the middle of May, 1920, the railroads themselves had realized the seriousness of the situation as a transportation problem, and on the 15th of that month they filed with the Interstate Commerce Commission their petition setting up the urgent need for additional equipment, and that relief in the transportation of basic commodities such as foodstuffs, perishables, live stock, etc., could only be procured through emergency action by the commission. These railroads requested the commission to take action under its emergency powers directing relocation of existing equipment and such other emergency powers as the commission should find necessary to put into effect.

"It may here be said that Government control and operation of the railroads had not only brought about a complete dislocation of the existing transportation facilities—tens of thousands of box cars standing on eastern sidetracks were 1,500 miles from the grain centers of the country, where they should have been when the crop movement started, and an even greater number of coal cars were scattered over the western plains a thousand miles from the principal coal fields of the country—but also resulted in turning the railroads back to private control and operation with the greatest number of disabled cars out of service in the history of transportation in this country. As a result of this demoralized condition the Interstate Commerce Commission found it necessary to issue during the sum-

mer and fall of 1920 eighteen different emergency or so-called service orders, all issued in recognition of the fact that the problem was a transportation problem.

"Among these service orders were Nos. 7, 10, and 11, which finally compelled the railroads to deliver back coal cars to their coal-loading connections, and imposed restrictions on the use of empty coal cars for the shipment of other commodities, and gave a transportation preference to coal for the Northwest and for New England, and remedied the situation materially so that monthly production in the northern and middle Appalachian territory, which had run from 22,000,000 to 26,000,000 tons from April to June, had increased to 30,000,000 tons by August and remained at that rate, with a slight recession in November, until the end of the year. By January 1, 1920, stocks of coal in the United States had been replenished to a normal basis.

"The price of coal, like that of any other commodity, responded to market conditions and the inexorable law of supply and demand, and an inevitable disturbance in price levels was the natural result. There was much bidding by consumers for their uses in a limited market. There was also speculation in coal by many irresponsible persons never before connected with the coal business. Uncertainty of delivery caused consumers having contracts to enter the competition for spot coal. As a result, during the summer unprecedentedly high levels were reached in the spot-coal market. Advantage of market conditions was taken by some retailers, some wholesalers and jobbers, and some operators, but it was a competitive-market condition brought about solely because the railroads could not furnish the cars to move the coal that the operators and miners of this country stood ready, able, and anxious to furnish.

"There is not a particle of evidence anywhere of a monopolistic limitation of supply or control of prices. It is, however, the fact that approximately 80 per cent of the output was sold under long-time contracts at a price which would represent the cost of production plus merely a reasonable profit, and many of the larger operators of the country refused to increase their prices even on coal not under contract.

"A number of the West Virginia coal operators refused to accept the higher prices offered them for coal and accepted only such prices as yielded a very moderate profit. Many operators from other States did likewise. The fact is that bituminous coal operators probably took less advantage of market conditions to reap excessive profits than did people engaged in any other line of business.

"I have attempted to show that while the disturbance of coal prices that took place in 1920 is perhaps primarily responsible for the clamor on the part of a few theorists for governmental control of the coal industry, yet that condition was due entirely to causes beyond the control of the coal operators, and the legislation now suggested would not in any way correct the evil or prevent a recurrence of the difficulty.

"Competition in the industry is so keen and the chance of monopoly or control is so impossible and the potential overproduction is so great that an adequate car supply at once sends coal prices down to substantially the cost of production.

"While it is true that the production and distribution of coal is a great basic industry, we discovered during the recent war that there were many, many fundamental basic industries. If we yield to the suggestion for governmental control of the coal industry upon the theory that it is a basic industry, this will soon be followed by the demand for governmental control and regulation of other great basic industries. We can no more do without iron and steel, or lumber, or foodstuffs, or clothing than we can do without coal. To turn all these great businesses over to the control of a bureaucracy will bring about a socialistic condition in this country which is repugnant to American ideals and not contemplated in the great scheme of government formulated by our forefathers.

"Let us therefore move cautiously and slowly, remembering that it is through individual initiative and thrift and the genius of American business men that American industry has achieved its present high position and its primacy among the industries of the world. Let us be slow to change those methods and processes of business, by the use of which our country has so greatly prospered, in order to adopt the nostrums of the impractical theorist and dreamer who advocates a change through his very ignorance of the businesses involved.

"Let us adhere firmly to the doctrine enunciated by the great President now occupying the White House, 'More business in government and less government in business.'"

EIGHT-HOUR DAY FOR GOVERNMENT EMPLOYEES.

Mr. HARRISON. Mr. President, in this morning's Washington Post, under the heading "Daylight saving through summer," there is an article written by Harry N. Price, a very reputable newspaper correspondent of the Washington Post, who is stationed at the White House. Mr. Price's views and writings should be of peculiar interest, because he generally knows what is going on on the inside at the White House, and his expressions generally reflect what is in the mind of the President and the policies of the administration. In this article I note that Mr. Price says:

An 8-hour day for Government employees, it is said, has been under consideration by Cabinet heads and Members of Congress, and it is understood that the question was considered at the Cabinet meeting yesterday.

He goes further and says that—

The Committee on Reorganization of the Executive Departments has discussed this matter in connection with its work of reallocating the work of the Government, and while no recommendation is likely to be made by the committee in its report to Congress, it is probable that in a later report it will be submitted.

Mr. President, I do not know whether or not the President contemplates the inauguration of the policy of an 8-hour day for Government employees; I do not know that the matter has been discussed by the members of his Cabinet; I am not on the inside; but I accept the statement of Mr. Price because of the weight that any of his utterances necessarily carries. I therefore take it that it is true that, so far as the President and the Cabinet are concerned, they are discussing the question of initiating the policy of compelling Government clerks, without respect to overtime, to work eight hours a day; but the latter part of the statement, that the Committee on Reorganizaion considered the proposition, is without foundation. The Committee on Reorganization did meet, Mr. President, some two weeks ago for the first time since the 6th day of last April. Mr. Brown, the chairman of the committee, so designated by the President, has been working out a preliminary survey so that he might obtain the indorsement of the President and the Cabinet of the reorganization plan that he will submit to the joint committee appointed by the Vice President of the United States and the Speaker of the House of Representatives. Up to this good hour, however, that preliminary survey, plan, and policy have not been submitted and the Committee on Reorganization has not considered the proposition at all.

If the question of the 8-hour day for Government employees has come up for consideration in the committee, it was in some meeting at which, as a member, I was not present or knew nothing about; but I am sure that there has been no meeting of which I was not apprised, and that I have been present at all meetings of the committee. So, Mr. President, that part of this article which has been written for the Washington Post by Mr. Price, with apparent authority, is without foundation.

Mr. SMOOT. Mr. President——

Mr. HARRISON. I yield to the Senator from Utah.

Mr. SMOOT. I simply rose to say that the Senator from Mississippi is absolutely correct in his statement. There has been no meeting of the Reorganization Committee at which the Senator from Mississippi has not been present; and at no time has there ever been any discussion of the question referred to in the article which the Senator from Mississippi has read.

DRIFT OF RECENT ELECTIONS.

Mr. HARRISON. Mr. President, referring to another matter, I desire to say that some weeks ago there was held an election in one of the congressional districts in New York State. It was a district which for years had elected a Republican Representative; and in the election preceding the recent one, although I am not quite sure as to the figures, the Republican nominee had been elected by a majority of between twenty and thirty thousand votes. In the special election held some weeks ago to fill the vacancy caused by the resignation of the Representative who had been appointed as ambassador to Germany the Democratic nominee ran within approximately 5,000 votes of the Republican nominee, reducing the normal Republican vote in that rock-ribbed Republican district from twenty or thirty thousand down to about 5,000. That shows how the political wind is blowing in New York State. We have read returns also from cities in Connecticut, Rhode Island, Massachusetts, New York, and other States, showing in practically every instance that Republicans have been defeated and Democrats placed in office.

In the recent primaries in the State of Illinois two very splendid and distinguished Republican Representatives, men whom I have had the honor of knowing for years and with whom I had the pleasure of being associated in the other House, the very highest type of Republican Representatives and American citizens, were defeated for renomination. One of them is a member of the Ways and Means Committee, which drafted the tariff bill now being considered by the Senate, and voted upon the schedules that were incorporated in what was known as the

Fordney "folly." He went before his people for an indorsement of the part which he had played as a member of the Ways and Means Committee in drafting this bill and in writing the tax provisions; but, to the surprise of everyone and to the sorrow of his friends, he was defeated by one who found fault with that record and who had criticized the administration by 5,500 majority. In another district in Illinois, represented by Mr. IRELAND, a splendid gentleman, the electorate turned him down because, I presume, he had stood for the administration and its policies in writing upon the statute books legislation in the other House.

Following that a few days later there was an election—I might say a political storm—in Indiana. Our good friend, the Senator from Indiana [Mr. NEW], was up for renomination at the primary. No man had stood by the administration more faithfully than he; none had championed its policies with more vehemence and eloquence than he; in every instance he had stood by the President, the administration, and its policies. In the preelection campaign two years ago he gave his time and genius to the party, and well did he perform his services. Mr. Beveridge ran against him and was nominated by over 20,000 majority, thus showing how the political winds are blowing in the great Middle West.

Yesterday there was a primary held in the great State of Pennsylvania. Two candidates ran for the gubernatorial nomination upon the Republican ticket—one, Mr. Alter, who has been attorney general, and the other, Mr. Pinchot, a progressive leader and friend and ally of Theodore Roosevelt in his day. This man was thought by the reactionary leaders, not only in Pennsylvania but in the city of Washington and throughout the country, to have no chance of nomination. He advocated his progressive policies; he was in disfavor with the national administration and the old guard that had held a strangle hold upon the politics of Pennsylvania since the days of the War between the States.

The PRESIDING OFFICER. The Senator from Mississippi will suspend while the Senate receives a message from the House of Representatives.

Mr. HARRISON. That is the only thing that could stop me at this time.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House agreed to the amendment of the Senate to the bill (H. R. 2193) to amend an act entitled "An act to prohibit the importation and use of opium for other than medicinal purposes," approved February 9, 1909, as amended.

The message also announced that the House agreed to the report of the committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 10329) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1923, and for other purposes.

DRIFT OF RECENT ELECTIONS.

Mr. HARRISON. Mr. President, I am not revealing any secrets when I say that the old guard, the reactionary element of the Republican Party, composed of Senators of high standing and leadership in this body, as well as Members of the other Chamber and men throughout the country, were opposed to the nomination of Mr. Pinchot, because they knew that his nomination would give a black eye to the policies which the old guard had championed and stood by for years. Few dreamed in this country that in this rock-ribbed, boss-controlled Republican State of Pennsylvania, calloused to the spirit of progressivism, Pinchot could defy the bosses and obtain a majority of the Republican votes for the nomination for governor of that State.

I am not revealing any secret; of course I do not know it; but if those who are in the inner councils at the White House would tell it, we would know that sorrow hovers over that part of the city to-day. We would know that President Harding did not want Pinchot nominated for governor by the Republicans in Pennsylvania. But just to-day from that State the news comes that Pinchot, the former Bull Mooser and ally of Roosevelt, the antagonist to reaction in the Republican Party, has been nominated for governor in that State. Why, there ought to be weeping and wailing and gnashing of teeth on the other side of the aisle over the returns. No wonder so many seats over there are empty and you have deserted your posts. No wonder you are heavy at heart. It is bad news; it is sad, as well as unwelcome, news; but, Mr. President, it indicates that even in Republican primaries the Republicans can not stomach the policies of this administration and the things that you are trying to do and the reactionary legislation you are attempting to put over in this Congress. To the lovers of equality and justice there is a bright light ahead; we welcome it; and it is a warning to the Senator from Utah, who is about the only one of the old guard sitting here now, that you had better look at the signs that the American people have placed at every road crossing throughout this country, "Stop, look, and listen," before you go further in putting over this tariff bill, every line of which presses down upon the brow of the consumers and will extort from the people everywhere higher costs for all the necessities of life. So beware, Senators, and take notice; retract your steps, and reform your lines.

Have another meeting behind closed doors of the Finance Committee and bring in some amendments that instead of increasing the taxes on the American people, as is proposed in this bill, will reduce the taxes and help them in their present distressed condition.

Mr. MOSES. Mr. President, may I congratulate the Senator from Mississippi upon his invitation to Mr. Bryan to make a Chautauqua speech?

Mr. HARRISON. I accept the congratulations of the Senator.

Mr. MOSES. May I also call the Senator's attention to that which the Senator from Utah will be too modest to mention, namely, that the Senator from Utah need not take much warning. He has five years to run, and in the meantime much water will run down the Potomac. Since the Senator has now diverted his attention from Missouri politics to Pennsylvania politics, may I chide him for his recreance and bring him back to Missouri once more, and ask if he will not give his comment upon what is taking place in that imperial Commonwealth, especially in the recrudescence of the bossism of the former President of the United States?

Mr. HARRISON. Mr. President, I never take part in a fight between Democrats, like the present President of the United States. He has wiggled and wobbled on that as he has done in other instances. When his friend, his very close friend, a friend who had stood by him in the dark days of the last campaign, was fighting the fight of his political life in Indiana, and his friends were calling upon the administration for help, the President said he was not taking part in contests among Republicans or between Republicans in primaries.

But under the beneficent sun of a New Jersey shore, where the gaieties of Atlantic City could almost be heard, or on the green of a New Jersey golf links just a few days ago, in company with a very distinguished and splendid and admirable gentleman from New Jersey, who has the fight of his political life on his hands, brought about because of his advocacy of these outrageous provisions in this bill that he and the committee voted for, that he is championing here on the floor of the Senate, that is laying the iron hand of unjust taxation upon the people of New Jersey and the people all over this country, the President was appealed to to get into that primary fight; and so, under the influences of the occasion and the circumstances which surrounded him at that time, he said to the people of New Jersey, "I have gone back on what I said touching the Indiana primary. I am for Senator FRELINGHUYSEN for reelection, and I appeal to you to stand by him."

I am different in that respect from your President. I do not take part in contests between Democrats, and I would not now say anything about the Missouri situation. I refuse to follow the example of your President.

Mr. MOSES. Mr. President, it is news to most Republicans, and I assume still more astounding news to the senior Senator from New Jersey [Mr. FRELINGHUYSEN], that he has any kind of a fight at all over there in the primary. The Senator from Mississippi seems to have a monopoly of that sort of information. But I can not permit the Senator from Mississippi to abandon Missouri, even for the benefit of Pennsylvania and New Jersey, and I implore him to give the Senate and the country his opinion of the situation in Missouri, and especially his opinion of the letters written by the former President of the United States, in which the issue is made the first personal pronoun in the largest type that may be set in any newspaper.

Mr. HARRISON. I may say to the Senator that no matter which of the two distinguished candidates for the Democratic nomination in Missouri may be nominated by the Democrats of that State he will surely be elected; and when the returns come in in November I shall discuss Missouri, but not at this particular time.

Mr. MOSES. There seems to be some difference of opinion about that; and it is because of that, Mr. President, that I implore the Senator to follow his usual custom in specializing on Missouri politics and cause to be inserted in the RECORD an article appearing in the Washington Post of this morning—a paper which he has frequently sought to make use of in embellishing the columns of the RECORD—in which the facts of the Missouri situation are clearly set forth by a political writer

whose acumen and style and accuracy have frequently been commented upon favorably by the Senator from Mississippi.

Mr. HARRISON. I have not read that article.

Mr. MOSES. Then I will say to the Senator that he has missed something.

Mr. SMOOT. Mr. President, may we proceed now with the tariff bill?

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDING OFFICER. The next amendment of the Committee on Finance will be stated.

The READING CLERK. The next amendment is found on page 26, line 14, where it is proposed to strike out "12" and insert "8," so as to read:

Blue pigments and all blues containing iron ferrocyanide or iron ferricyanide, in pulp, dry, or ground in or mixed with oil or water, 8 cents per pound.

Mr. SMOOT. Mr. President, I ask that paragraph 65 may go over until the junior Senator from Utah [Mr. KING] returns to the Chamber. He will be here in just a few moments, and in the meantime we can take up paragraph 66.

The PRESIDING OFFICER. Without objection, it is so ordered. The next amendment of the Committee on Finance will be stated.

The READING CLERK. On page 26, in paragraph 66, in line 19, it is proposed to strike out "20 per cent ad valorem" and to insert "1 cent per pound," so as to read:

Bone black or bone char, blood char, and decolorizing and deodorizing chars or carbons, 1 cent per pound.

Mr. McCUMBER. Mr. President, I ask that the Senate disagree to the committee amendment. After further consideration by the committee we felt that it was inadvisable to make a specific duty in this case because of the very considerable differences in the values of these several articles.

At the time this was adopted perhaps the specific duty would have been more applicable, but at the present time, with the present information we have, we think it is better to fall back to a 20 per cent ad valorem rather than a 1 cent specific duty on each of those articles.

Mr. WALSH of Massachusetts. Mr. President, the articles named in paragraph 66 are made of entirely distinct raw materials and are entirely different in uses and prices. Bone black, or bone char, is the most important product among those named. That is a product made from charred animal bones and is used by the refiners of sugar for the purpose of bleaching their product. Blood char is an entirely different product, and at times has been very much more expensive than bone black. There are a number of other products included in the term "decolorizing and deodorizing chars or carbons."

The principal item in this paragraph is bone char, and there can be no good reason advanced for a tariff duty upon this product. It ought to be on the free list. First of all, it is not imported into this country to any extent; secondly, the import prices to-day are more than the domestic prices. Upon what theory can Congress impose a tariff duty upon this product? When we were discussing olive oil yesterday it was claimed, when the figures indicating that we produced only 5 per cent of our consumption in this country were presented, that we must have a tariff on olive oil for revenue purposes. As there are no imports of bone black there can be no revenue realized. In view of the fact that the foreign prices to-day are more than the American prices there is no question of foreign competition, and the only reason for the imposition of a tariff is to permit the few producers of this product to charge the increased price this tariff rate would permit the domestic producers to demand.

Mr. NORRIS. May I ask the Senator who the producers are? Has the Senator the names of them?

Mr. WALSH of Massachusetts. Yes. The two chief producers are Armour & Co. and the American Agricultural Chemical Co. There are some others but not so well known.

Mr. NORRIS. What do the other great packers do with their bones?

Mr. WALSH of Massachusetts. I think they either sell them to Armour & Co. or the American Agricultural Chemical Co., or they make other use of animal bones.

Mr. NORRIS. What is the amount of the production?

Mr. WALSH of Massachusetts. The total production is now about 30,000 tons. Previous to the war it was about 20,000 tons. The price before the war was $70 per ton. It increased during the war to the excessive price of $280 a ton. It now has returned to pre-war prices, and the domestic price is $80 per ton. Practically only one concern has attempted to import bone black into this country, and I am informed that in desperation the sugar refiners came to this importer in 1920 to try to find some bone black somewhere in Europe which could be imported into this country for the purpose of driving down the exorbitant price of $280 a ton. This one importer made a trip to Europe and there he made a contract for bone black, and bone black has been shipped in very, very small quantities since then under contracts made in 1920. It was the shipping in of the small amount of bone black contracted for in Europe that was the chief factor in reducing the peak price of $280 per ton. A similar condition, I will say to the Senator, appears again and again in the study of these chemical items.

The producers of chemicals increased their prices until they reached a tremendous peak in the year 1920, and the breaking of the market and the destruction of business prosperity in America was somewhat due to the excessive prices charged for raw materials. In desperation the manufacturers were compelled to go into foreign markets and show the American producers of chemicals that they could, under certain conditions, get the product that was made in America, and thereby they were able to break the high prices which arose because of shortage of these products and the absence of foreign competition.

Mr. NORRIS. Is the product on the free list now?

Mr. WALSH of Massachusetts. The product has been on the free list since 1913.

Mr. NORRIS. Has there ever been a tariff on it?

Mr. WALSH of Massachusetts. Yes; there was a tariff upon this article under the Payne-Aldrich law of 20 per cent ad valorem, and there was a tariff previous to that.

Mr. NORRIS. What is the tariff carried in this bill?

Mr. WALSH of Massachusetts. The Senate committee amendment fixes a rate of 1 cent a pound.

Mr. NORRIS. What rate did the House adopt?

Mr. WALSH of Massachusetts. Twenty per cent ad valorem. Of course, the majority members of the Finance Committee realize now that it is absurd to put a cent per pound duty on a group of articles one of which costs about 4 cents a pound, and another has cost as high as a dollar a pound, and they have just now proposed that the committee amendment be rejected, and that the House provision stand, namely, 20 per cent ad valorem. I am arguing that bone black be placed upon the free list, but for the sake of testing the sentiment of the Senate I will move to modify the 20 per cent ad valorem rate to 10 per cent.

Mr. NORRIS. That would not be in order now.

Mr. WALSH of Massachusetts. I understand I can offer an amendment to the House provision, which the Senate now proposes as a substitute for its amendment, to strike out "20" and to fix the rate at 10 per cent ad valorem, and later I intend to make an attempt to put it on the free list.

Mr. NORRIS. Who asks for this duty? Did some one appear before the committee in favor of it? Is there something in the hearings about it?

Mr. WALSH of Massachusetts. No one, as I recall, appeared at the hearings asking for this duty, but the one importer of bone black appeared in opposition to the duty and made a very strong argument in favor of its being placed on the free list.

Mr. NORRIS. After he made his argument to put it on the free list they increased the rate?

Mr. WALSH of Massachusetts. Yes. In almost every instance the rates have been increased in the chemical schedule, and have been increased because an attempt is evidently being made to maintain the excessive prices which were exacted during the war, when there was absolutely no foreign competition. Here is a perfect illustration of this condition. This is a commodity which sold for $70 a ton in 1914 in this country, without competition, when it was on the free list, and the price was raised during the war to $280 a ton, which it sold for in 1920, and it is now back to $80 a ton. The price of 1920 indicates the excessive profits which were made and the excessive prices that were charged to the American manufacturers, in this case sugar refiners, who depend upon this product in order to give us white sugar. If it were not for bone black we should all have to eat brown sugar. It is the one substance which the sugar refiners must have in order to decolorize sugar.

I think it might be interesting to present a little review of the importations and some figures enlarging upon what the Senator from Nebraska asked me.

The importations of bone black for decolorizing purposes before the war averaged, for 10 years, about $20,000 per annum, which would represent about 200 tons. During this time the consumption was about 20,000 tons, so the importations were

1 per cent for 10 years previous to the war, and that at a time when there was a protective duty upon the bone black. It should be borne in mind that during these 10 years there was a duty of 20 per cent ad valorem. The pre-war price averaged from $75 to $100 per ton.

The importations under the Underwood bill in 1914, when it was on the free list, were $79,500, representing 5.2 per cent of production. From 1915 to 1919 the value of importations averaged about $62,141, representing 4 per cent of consumption. Importations for 1920, duty free, were valued at $524,000.

That was the only year there was a large value of imports, due to the fact that the sugar refineries in desperation sent to Europe and tried to get some bone black imported into this country so as to stop the price from still soaring after it had reached $280. Even this large sum for 1920 represented only 6 per cent of the consumption. The reason therefore for this large increase in the value of the imports is due to the enhanced value of domestic bone black. This tremendous increase was so excessive that an unusual demand for the foreign article arose.

Assuming the consumption to be 30,000 tons in 1920 and as the prices rose to $280 per ton the value of foreign importations will be found to be a comparatively small percentage of the whole.

The summary of the Tariff Commission shows that the importations for nine months of 1921 were valued at $170,206. All these imports were made on old contracts.

Whatever has been brought into this country has come in under the contracts of 1920, and my information is that not a dollar's worth of bone char or bone black has been contracted for with a foreign concern in the last year and a half.

German bone black is not a factor in this case. We have heard a good deal about competition from Germany, but no German bone black has been imported into this country. German bone black does not suit the American consumer. In fact, no bone black produced abroad is satisfactory to the American sugar refiners. They are practically compelled to use the domestic product.

German bone black, so the importer says, is of a poor quality, and the importations of bone black never have taken a foothold. This importer states that he has not heard of any importations in several years, except an occasional trial order to see if the quality has improved. German importations amount to less than 1 per cent of domestic production.

Another reason why bone black produced in foreign countries is not likely to be imported in large quantities is that producers abroad refuse to make their bone black according to domestic specifications.

Blood char, upon which a duty is also demanded, is an insignificant article of commerce. It is used as a clarification of fine chemicals. The value of imports in 1921 amounted to only $555.

All sugar refiners are in favor of bone char being put upon the free list, not because they intend to buy the foreign article but in order to have a balance in preventing the domestic price becoming excessive.

That is the whole case as to this paragraph. To be sure, bone black is not a very extensive factor in the manufacture of sugar. But it is very important and, indeed, indispensable.

In view of the fact that we have heard argued here that certain rates were fixed in this bill for revenue purposes, such as the rate on olive oil, and that protection was incidental; in view of the fact that we have heard argued here in other cases that because of foreign competition protection is necessary, I ask now, because there can be no question of revenue and no question of protection, upon what ground can a duty be fixed upon bone black except to permit the producer in this country to raise his price 20 per cent?

Mr. KING. Mr. President, I was called from the Chamber for a moment. I would like to inquire whether any defense has been made on the proposition of fixing these rates at the height indicated in the bill?

Mr. WALSH of Massachusetts. No. I took the floor at the outset of the discussion, and I do not know what answer will be made. I do know, however, about some of the communications which have been sent to the chairman of the Committee on Finance, and I am going to read a part of a letter which was sent to the chairman of the committee by Charles B. Grimes, who is an importer, representing the firm of Pomeroy & Fischer, 95 Madison Avenue, New York. His letter, addressed to the chairman of the Finance Committee, a copy of which was sent to other members of the Finance Committee, is as follows:

I very greatly appreciate the interview accorded me on Thursday last in reference to the above item, and I trust that a careful reading of this letter will warrant you in asking your committee to reconsider its action upon this article.

The present market value of domestic bone black being $80 per ton, the Senate rate of $20 per ton is a considerable increase over the House rate of 20 per cent.

* * * * * * *

The attached schedule of foreign and domestic prices at the present time further indicates that importation even with free entry is impossible to-day. The original letters of quotation are attached as confirmation of our data. These letters are sent for your information and we would naturally prefer that the names of the writers be not published unless it might be absolutely necessary.

We are the principal and at times the only importers of foreign blacks, and a careful search of our records shows that the last purchase which the price has permitted was September, 1920. The imports in our name since that date have been deliveries of old contracts made under more favorable circumstances.

It is interesting to note that German blacks have never been a factor in this market owing to their poor quality. The occasional imports made in the past 20 years have been entirely of trial lots. We have never known of a reorder nor have we heard of any imports whatsoever since the war.

The foreign sugar refining practice differs from the American and calls for different sizes of bone black. This prevents the foreign black maker from offering suitable sizes for this market and has been a very great handicap. Only one foreign producer has shown even an inclination to attempt the production of American standard sizes.

I have visited the various foreign factories many times and can assure you they are all small and capable of offering only an exceedingly small tonnage for export.

In conclusion, it seems clear to me from the data submitted that no duty on bone black or bone char is needed to protect the American producers, and I trust you may so decide. This request applies only, however, to the bone black item and not to blood char or decolorizing carbons, which we do not handle and with which we are not familiar by experience. I remain,

Yours very truly,

CHAS. B. GRIMES.

Mr. President, let me sum up this case. A tariff rate of $16 to $20 a ton is to be put upon bone black which now sells for $80 a ton to the American consumer. There are no importations. There can be no revenue. A duty of $16 to $20 per ton means that the American producer will have the privilege of charging $16 to $20 per ton more to the sugar refiners of the country and, of course, they will pass that tax on to the consumers of sugar. I am sure there can not be much dispute about these facts. There has never been a time when the importations have been over 5 per cent and they are really insignificant now.

I shall not take the time to read the other letters, but I have from producers of bone black in South America, in Great Britain, and in France—the chairman of the committee has copies of them—and they all indicate that the price of bone black from Europe delivered in New York is to-day higher than the domestic price charged by the domestic producers.

I hope the Senator from North Dakota will be able to give us some explanation, in view of the fact that we can not collect any revenue from bone black and in view of the fact that there is no question of protecting the domestic producers from foreign competition, as to why there should be a tariff duty fixed upon this article.

I now yield to the Senator from Ohio.

Mr. POMERENE. The Senator has answered the question which I expected to ask him a few moments ago with respect to the amount of revenue which would be derived. I notice, however, that the House provided for a 20 per cent ad valorem duty. At the rate of $80 per ton that would be a $16 per ton duty. That has been changed by the Senate committee to 1 cent per pound specific duty. Why was this change made? Who asked for it?

Mr. WALSH of Massachusetts. I ought to say to the Senator from Ohio that in his absence the chairman of the committee withdrew that amendment and is to ask the Senate to support the House amendment. I understand that is the position of the chairman of the Senate Finance Committee.

Now, Mr. President, in order that we may have a test of the sentiment of the Senate in regard to this product I move, in line 19, paragraph 66, page 26, that the numerals "20" be stricken out and the numerals "10" inserted in lieu thereof.

Mr. McCUMBER. Mr. President, the Senator from Massachusetts desired an explanation as to why the duty which we have placed upon this item should be the duty agreed upon by the Senate committee, and the Senator from Nebraska [Mr. NORRIS], if I understood correctly, wanted some information about it also. I think I can make it very clear, if I may have the attention of the two Senators.

They will notice that paragraph 66 gave 20 per cent ad valorem as the bill came from the House. That ad valorem was based upon the American valuation. It will be remembered that the bill came from the House in July, I think it was, 1921. I have not just what the figures were at that time, but I am informed that the price was about 6 cents a pound. I noticed in the figures which were given by Pomeroy & Fischer, or their agents, that in 1920 the value was $200 per ton. Just exactly what it was when the House passed judgment upon it

I am unprepared to say, but probably not less than 6 cents per pound, or $120 a ton, as compared with $80 a ton at the present time.

The Senate committee proposes 20 per cent ad valorem, and that, of course, upon the foreign valuation. The valuation to-day is about $80 per ton. In 1914, just prior to the war, it was $70 per ton. Undoubtedly it can be produced again in a foreign country for about that price, the same as the pre-war price, and that would be 20 per cent ad valorem upon the foreign valuation.

Now, let us see if the importations are of sufficient quantity in any way to affect the selling price in the United States.

Mr. WALSH of Massachusetts. Does the Senator agree with me that the foreign prices to-day are higher than the domestic prices?

Mr. McCUMBER. I do not know just what they are at this time. I have not ascertained. I take my figures from the same letter which the Senator read, from the agent of Pomeroy & Fischer.

Mr. WALSH of Massachusetts. Annexed to that letter are quotations from the foreign producers of bone black and the prices per ton are from $85 to $125, while the domestic price appears to be about $80 per ton. There are several letters annexed which touch upon the matter.

Mr. McCUMBER. I do not know whether they prevail to-day or not. The letters are dated back in December and October of 1921. Then we have a figure as of March 6, 1922, $85 per ton. Whether to-day the price is $85 or $80 per ton, I do not know, but I assume that if the product is exactly the same it has got to sell down as low as the American product; and if the American product is selling for $80 per ton, undoubtedly the foreign product is selling for the same price. Otherwise it would not be purchased, and it is coming in.

Now, I want to take the figures that are presented by this agent of Pomeroy & Fischer. The value per ton in 1914 was $70; to-day the value in the United States is about $80. Undoubtedly the foreign price would be about $70, if there were added the cost of freight and profits, and so forth, in order to sell in competition with the American product, assuming that it is of the same quality.

I notice that in pre-war times, when we had a duty of 25 per cent ad valorem on this article, we were still importing. The quantity, to be sure, was not very great, only about $20,000 worth being imported; but from 1915 to 1919 the imports had grown to $62,000 when the article was on the free list. In 1920 the importations had grown to $528,000 worth, but in 1921, on account of the slack in business, importations fell off to $178,000 worth. I am giving the first figures only. The fact I have stated is at least sufficient to have an influence in fixing these rates, because one article must be sold in competition with the other, and there could be a sufficient amount of this commodity produced in foreign countries undoubtedly to supply our market if that became necessary.

Let us look at another feature of this case which the Senator was discussing. The first was that no one was asking for this duty. I find that the Armour Fertilizer Works, New Orleans; Baugh & Sons Co., Philadelphia; the Listers Agricultural Chemical Works, of Newark, N. J.; Michigan Carbon Works, Detroit, Mich.; Pacific Bone Coal & Fertilizing Co., San Francisco, Calif.; Pacific Guano & Fertilizer Co., San Francisco, Calif.; and the Texas Chemical Co., Houston, Tex., all joined in a request for still higher rates. Of course, they were asking for more than we have given them in the bill. They were, however, satisfied with 20 per cent ad valorem based upon American valuation.

Mr. NORRIS. May I ask the Senator from North Dakota a question at that point?

Mr. McCUMBER. I yield.

Mr. NORRIS. I notice that nearly all the companies whose names the Senator has just read with which I am familiar are interested in the fertilizing business. How are the fertilizer people interested in this proposition?

Mr. McCUMBER. I notice only one or two of their firm or corporate names would indicate that they are engaged in the manufacture of fertilizer. Some are merely chemical works.

Mr. NORRIS. Fertilizer companies very often have names which indicate that they are merely engaged in the manufacture of chemicals. I may be mistaken, but I happen to be somewhat familiar with the fertilizer situation, because we have been hearing considerable testimony in the Muscle Shoals investigation from fertilizer people, and some of the names the Senator from North Dakota has read sound familiar to me, although I may be wrong, not having looked up the matter, of course. I am wondering, however—I am asking the question simply for information, because I do not understand the uses of the particular article which we are now discussing except as I get my information from members of the committee—are the fertilizer people in any way interested in bone black and how would they be interested in it, if at all?

Mr. McCUMBER. I do not understand that a company producing merely fertilizing products would use bone black at all.

Mr. NORRIS. The Senator from Massachusetts [Mr. WALSH] stated that the only people interested in the use of bone black were sugar refiners.

Mr. McCUMBER. There are some others also.

Mr. WALSH of Massachusetts. I should also have added that bone black is also used for deodorizing and purifying water supplies by municipalities. It is, however, chiefly used in sugar refineries.

Mr. McCUMBER. I will read to the Senator the uses of bone black, as shown by the Summary of Tariff Information:

> Bone black or bone char and blood char are produced by heating dried blood and bones in closed retorts until all volatile matter is driven off. Bone char contains about 10 per cent carbon and 90 per cent mineral matter. Both of these substances are sometimes called animal charcoal. Bone char to be used for decolorizing purposes differs from that used as a pigment only in that it should be in lumps or grains, while the pigment must be very finely ground. The principal use of these substances is as decolorizers in the refining of sugar, and in the purification of vegetable oils and paraffin. Other uses are in the purification of drinking water and in case-hardening steel.

Those are the principal uses of bone black. Now, the question arises whether the sugar-refining companies can stand tariff rates that are placed upon bone char, assuming that it adds to the cost of refining sugar. I have here a table from the Tariff Information Summary which shows that in 1914 the cost of bone char, which is used in refining sugar, for refining a pound of sugar amounts to fifteen one-thousandths of 1 cent, and assuming that we should give the manufacturers of that commodity 20 per cent duty upon it, it would be 20 per cent of fifteen one-thousandths of a cent, or three one-thousandths of 1 cent added to the cost of refining a pound of sugar.

Mr. President, does anyone suppose for a single moment that three one-thousandths of 1 penny extra paid by the refiners of sugar is going to make any particular difference in fixing the price of sugar, which is absolutely and unquestionably in the hands of the refining companies, which will always make a charge equivalent to what the public can stand? I think they can afford to pay, and I do not think they will be injured by paying three one-thousandths of 1 penny on a pound of sugar for the added cost of refining it.

Mr. NORRIS and Mr. WALSH of Massachusetts addressed the Chair.

The PRESIDING OFFICER. Does the Senator from North Dakota yield; and if so, to whom?

Mr. McCUMBER. I will yield first to the Senator from Nebraska, if the Senator from Massachusetts will excuse me, and then I will yield to the Senator from Massachusetts.

Mr. NORRIS. The question, I think, is quite important as to whether the American producer is in danger of foreign competition.

Mr. McCUMBER. I am coming to that.

Mr. NORRIS. If the Senator has not taken that up as yet, I will reserve my question until he comes to it.

Mr. McCUMBER. I have not taken it up, except in the general statement that the importations in 1920 amounted to over a half million dollars' worth, which is quite a quantity, assuming the price to be 4 cents a pound.

Mr. NORRIS. Again I may be mistaken, but I understand from the information I can obtain that this commodity is perhaps a by-product of the packing business to a great extent. America has the largest packing establishments in the world, as compared to those in European countries, and the amount of the product, I should think, coming from our great packing institutions all over the United States, including slaughtering houses, would be in no danger of any European competition, but would be more in danger from the product coming from Argentina and other South American countries.

Mr. McCUMBER. The only company as to which there is indicated any connection whatever with the packing industry is the first one I mentioned. I do not think that the others have anything whatsoever to do with the packing concerns.

Mr. NORRIS. I thought, from the nature of the article, that if the other packing establishments did not make it as a by-product—and I asked the Senator from Massachusetts something about that very matter—perhaps because there was not demand enough for it, or perhaps not profit enough in it, so that under the circumstances it did not pay them to product it, as the Senator from Massachusetts intimated, the fact may be that Armour & Co. might take from the leading packing cities the product of the other big packing companies and utilize it.

Mr. McCUMBER. I have not the percentage of how much each one manufactures, and it may be that Armour & Co. manufacture the greatest portion of it; I have not looked into that to ascertain the fact. All I wanted to show was, first, that there is sufficient amount coming in, and in all probability a sufficient amount will continue to come in to prevent any excessive prices in the United States.

Mr. NORRIS. Has the Senator any information as to the cost of production, for instance, by Armour & Co., who, I suppose, are able to produce it as cheaply as any other company?

Mr. McCUMBER. I neither have the cost of production here, nor have I the cost of production in Germany or France or England, and I think England is one of our chief competitors.

Mr. FLETCHER. May I ask the Senator what the unit value is now? I gather it is about three-tenths of a cent a pound. What percentage would a duty of 1 cent a pound be?

Mr. McCUMBER. The unit of value now is 4 cents, and a duty of 1 cent would be equivalent to 25 per cent ad valorem.

Mr. FLETCHER. The Senator says the value is about 4 cents a pound now?

Mr. McCUMBER. Yes; or $80 a ton. We are asking to reduce the rate from 20 per cent on the American valuation to 20 per cent based upon the foreign valuation, which may be anywhere between 15 and 20 per cent.

Mr. FLETCHER. According to the statistics given in the summary on page 192, it would seem that the unit of value in 1920 was only three-tenths of a cent a pound. It must have gone up considerably. The summary clearly shows that the production in this country was about 44,509 pounds in 1914; for 1919 the figures are not given.

Mr. McCUMBER. The Senator must be mistaken. Is not that 3 cents instead of three-tenths of a cent?

Mr. FLETCHER. Yes; the Senator is right. Perhaps it is 3 cents a pound. But there is a large domestic production, running into many hundreds of thousands of pounds, and importations amount to comparatively little. In the first nine months of 1921 the importations were only 17,094 pounds, valued at $555.

Mr. McCUMBER. There must be some mistake there, because the figures that are given in the document before me show an importation of $178,689 worth in 1921.

Mr. FLETCHER. I am referring to the figures on page 192. In 1919 the figures of importations are given as 10,732 pounds, and in 1920, 84,762 pounds, and in 9 months of 1921, 17,094 pounds.

Mr. McCUMBER. Mr. President, the Senator is reading from the wrong paragraph. The Senator is reading from the paragraph that deals with blood char. We have been considering bone char.

Mr. FLETCHER. Oh!

Mr. McCUMBER. It is in the same paragraph, to be sure.

Mr. FLETCHER. Yes; it is in the same paragraph.

Mr. McCUMBER. But the point we are speaking of now is the rate of duty upon bone black or bone char.

Mr. FLETCHER. Yes; I see now that those figures did refer to blood char. I supposed they referred to the principal item that we were talking about.

The imports since 1918 of bone char in pounds are not given, but in values they are as follows:

1918	$36,594
1919	137,561
1920	524,172
1921 (first 9 months)	170,206

Under the act of 1913 these were all on the free list, as I gather, and the House committee proposed to levy a duty of 20 per cent, and the committee amendment now would make it 25 per cent. It does not seem to me to be a very important matter or one that very much time should be taken up with.

Mr. McCUMBER. I do not think the Senator was here a short time ago when I stated that the committee would ask for a disagreement in the Senate to the committee amendment, which would leave the duty at 20 per cent ad valorem; but that would not mean the same as the House bill, because the House bill meant 20 per cent ad valorem on the American valuation while this would mean 20 per cent ad valorem on the foreign valuation.

Mr. FLETCHER. I did not know that the committee expected to ask the Senate to disagree to the proposed committee amendment.

Mr. McCUMBER. I think the importations of bone black or bone char, as shown by the years here from 1914 to 1921, show in the first instance that we were still importing with a 25 per cent ad valorem duty, and in the second instance that when the products were on the free list we were importing in 1920 $524,000 worth—enough at least to regulate prices.

Mr. WALSH of Massachusetts. Mr. President, it is true that bone char is a very insignificant percentage of the total sugar cost; but nevertheless we are dealing here with a product used for various purposes besides purifying sugar and that cost the American consumers $90,000,000 in the year 1920, and we are dealing with a product here, however insignificant a factor it is in the final cost of sugar, that is going to cost the American refiners $600,000 more a year if this amendment fixing a rate of 20 per cent ad valorem is adopted, providing, of course, that this tax is reflected in an increased price for the domestic product. But it matters not how important or unimportant this item is. We ought to have some fundamental principles to guide us in determining what duties to levy. There is no question of protection here, because the foreign price to-day is more than the American price. The fact remains undisputed that the importation is much less than 5 per cent. Even in the best year, the year 1920, when prices were exceedingly high, the imports were less than 6 per cent of the total domestic production. I repeat, it does not seem to me that it has been made apparent that the imposition of this tax is going to produce any revenue to the country or is going to be a protection to any home industry from foreign competition. This tariff duty will ultimately lead to permitting the American producers of bone black to increase their price from $16 to $20 per ton; and if the price is $80 per ton, the day this bill is enacted into law it will be a license to every one of these few domestic producers to raise their price about $20 to the refiners of sugar, and ultimately passed on to the American consumers of sugar.

Mr. McCUMBER. Mr. President, will the Senator yield?

Mr. WALSH of Massachusetts. I yield.

Mr. McCUMBER. The Senator says that it is undenied that the foreign price to-day is greater than the American price.

Mr. WALSH of Massachusetts. Yes.

Mr. McCUMBER. I am inclined to dispute it. I am inclined to dispute it upon this basis: That the foreign product would not sell in competition with the American product unless it could be brought in here and sold as low as the American product, and we have no figures that are right up to date. About all we have is that all during the year 1921 it was coming in. I do not know whether it is coming in to-day or not, but I assume that it is.

Mr. WALSH of Massachusetts. Then, if the Senator is not willing to concede that fact, I shall take the trouble to read the letters that I have here.

Mr. McCUMBER. The Senator did read it, and I read it.

Mr. WALSH of Massachusetts. I have not simply one letter; I have several letters here giving the recent quotations.

Mr. McCUMBER. At what date?

Mr. WALSH of Massachusetts. I have one of May 15. That is two days ago.

Mr. NORRIS. Mr. President, before the Senator reads that——

Mr. WALSH of Massachusetts. I yield.

Mr. NORRIS. It has been demonstrated here a good many times that we can not reliably base any action upon any figures that are received as to costs and prices anywhere in the world and have them last any length of time.

Mr. WALSH of Massachusetts. That is true.

Mr. NORRIS. That is one of the serious things that the committee had to contend with, and one of the reasons, too, that it seems to me is going to make it an impossibility to pass a tariff bill that is scientific, or anywhere near scientific. Now, if the Senator has figures of May 2——

Mr. WALSH of Massachusetts. May 15.

Mr. NORRIS. This is May 17, is it not? What assurance can he give the Senate that since May 2 they are not entirely changed, and that they will apply at all?

Mr. WALSH of Massachusetts. This is a letter of May 15, quoting a cable quotation of the 13th of May. I do not know how we can get any later quotations than that.

Mr. NORRIS. Oh, well, the Senator must recognize that that is four days ago.

Mr. WALSH of Massachusetts. Then the Senator must repudiate all the information which the Senate Finance Committee have, because they have based all their information as to price upon figures gathered by the Reynolds committee as of August 1 last.

Mr. NORRIS. Oh, well, they have repudiated that themselves, as I understand.

Mr. WALSH of Massachusetts. I quite agree with the Senator that there has been a very great change in prices. In fact, I called attention to the fact that in one article alone, made in Germany, in the last six months there has been an increase of 600 per cent in the price, and I expect to demonstrate it here when that article is reached for discussion.

There has been a tremendous change and a tremendous increase in the prices of foreign products in every part of Europe, including Germany, and it is a well-known fact that the prices of articles manufactured in Germany and in Europe to-day have reached a higher level than the foreign pre-war prices; and I do not think that is disputed even by the Finance Committee.

Mr. FLETCHER. Mr. President——

Mr. WALSH of Massachusetts. I want to read this letter, and then I shall be glad to yield to the Senator. It is very short. It is dated May 15, 1922.

DEAR SIR: Supplementing my letter of the 13th, we have cable quotation this morning upon sugar black from Jared Terrett Hunt & Son (Ltd.), of London, quoting £26 per ton of 2,240 pounds f. o. b. London. With the exchange of $4.50 per pound sterling this is roughly equivalent to $105 per ton of 2,000 pounds at London and compares with the domestic price of $80 to the sugar refiner. This seems proof conclusive that importation is impossible and that no duty is required.

I remain,
Yours very truly, CHARLES B. GRIMES.

I have similar letters, but not so recent, stating South American and French prices for this product, and they all show that the domestic price to-day is lower than the price of foreign bone black. And, of course, these foreign prices quoted do not include the importers' profits or commissions, insurance, and other overhead charges after the foreign product reaches the importer.

Mr. NORRIS. I wish the Senator, if he can, would give us information as to the production of bone black in Argentina. Is any of it produced there?

Mr. WALSH of Massachusetts. Yes; there is some produced there, but the importation is insignificant. The total importations from everywhere were less than 1 per cent before the war.

Mr. NORRIS. Yes; I understand that.

Mr. WALSH of Massachusetts. Most of what has come into this country has come from England, because they make a bone black more suitable for American use. Our sugar refiners require a different bone black from that used by foreign consumers.

Mr. NORRIS. What I am trying to do, I want to say to the Senator, is to get information as to the source of production. The article itself by name would indicate that it is something made out of bones.

Mr. WALSH of Massachusetts. Yes; it is.

Mr. NORRIS. The bones of cattle, I judge; perhaps hogs as well.

Mr. WALSH of Massachusetts. Charred cattle bones.

Mr. NORRIS. Therefore it is perhaps a by-product of the packing industry; and I have desired to find out whether the packers, both big and small, in all parts of the United States are producing this article; and if not, why not? It seemed to me that since America leads the world in the packing industry, away beyond all other countries—there is not any other country anywhere that is in the same class—if this is a by-product of the packing industry it would be well to know it, and we ought to know it so as to determine whether or not there should be a tariff levied on it.

Mr. WALSH of Massachusetts. It is a very insignificant by-product of the packing business—very insignificant.

Mr. NORRIS. It is probably true, then, that its possibilities of production here are not shown by what actually is produced, and that the other packers are throwing it away as not being of sufficient value to save the by-product. I should like to know what the facts are.

Mr. WALSH of Massachusetts. It is not a valuable by-product; neither is it an expensive factor in the production of sugar, but it is an essential product. We would not have white sugar if it were not for this product. We would all be eating brown sugar. It is absolutely essential in the decolorizing of the sugar that we consume in America. Our sugar refiners must have it, no matter what the price is.

I now yield to the Senator from Florida.

Mr. FLETCHER. Mr. President, I simply wanted to make this inquiry: The actual question before us is whether the Senate will agree to the committee amendment?

Mr. WALSH of Massachusetts. No, sir; I intend to move to put it on the free list when the proper time comes; but, to test the sentiment of the Senate on an article that ought to be on the free list, I am moving to reduce the ad valorem rate of the committee amendment from 20 per cent to 10 per cent.

Mr. FLETCHER. That is the real question.

Mr. WALSH of Massachusetts. That is the real question. Here the item of revenue is insignificant, and therefore a duty can not be put on this article for revenue purposes. It was on the Underwood free list, and yet, notwithstanding that fact, there has been no importation into this country of any consequence.

So far as we can learn, there has not been a contract made for bone black by an American importer since 1920. There has been some bone black brought in under old contracts, but the producers of bone black abroad are engaged in the business in a very small way. They can not supply the demand even if there was a demand, and their prices are in excess of the American prices.

Mr. McCUMBER. Mr. President, I have questioned right along the ability to import foreign bone black and sell it here at a price higher than the American price. The figures which I gave before were $80 per ton for the American product; that is what I based my opinion on a short time ago. But the very latest I have are of May 15, from the Oil, Paint and Drug Reporter, which give bone black, powdered, at 5½ to 7½ cents a pound in New York. If it was just 5½ on the 15th, it was very much higher than the London quotation, because at 5½, with 2,000 pounds needed here to make a ton, it would be $110 a ton. The British have always based their calculations on the long ton; that is, 2,240 pounds. If I am in error about that the Senator can correct me. So you would have a British price of $105 for 2,240 pounds, as against the American price of $110 for 2,000 pounds.

Mr. WALSH of Massachusetts. I beg the Senator's pardon. I will read the letter again for his benefit.

Mr. McCUMBER. Very well.

Mr. WALSH of Massachusetts. The letter reads:

With the exchange of $4.50 per pound sterling this is roughly equivalent to $105 per ton of 2,000 pounds—

not 2,240 pounds. And the Senator makes no allowance for the importer's commission or profit.

Mr. McCUMBER. Then the Senator has $105 a ton for 2,000 pounds as against $110 a ton in the United States at the very lowest figure, and the Senator has stated that their quality was better than the American quality. I do not know whether it was or not, but assuming that it was no better at the lowest you still would have a higher price.

Mr. WALSH of Massachusetts. I made no such statement. I said the foreign quality was inferior to the American; that they did not meet the specifications of the sugar refiners of America, and that there were practically no importations. The only time in the last three years there have been any importation was when the attempt was made to cut down the excessive price of $2.80 per ton which was being charged in 1920.

The quotations I read, which the Senator has before him also, show that the price of the American producers is $80 per ton.

Mr. McCUMBER. He evidently is mistaken, because here are the very latest quotations. I took the price of $80 per ton, but here are the American quotations on May 15 showing that at the very lowest it amounts to $110 a ton.

Mr. WALSH of Massachusetts. The importer who sent me this letter said he inclosed a copy of it to the Senator from North Dakota, and in that letter he quoted the domestic price as being $80 per ton. I do not know whether the Senator has that or not.

Mr. McCUMBER. I know he says that, and I took his figures for it, but I find upon investigation, taking the reports of to-day, that he is in error; that it is not $80 per ton; that the very lowest figures are $110 per ton, and from that up to $130 per ton.

Mr. NORRIS. Mr. President, I want to suggest to the Senator from Massachusetts, and also to the Senator from North Dakota, that there seems to be a dispute. However, as a peacemaker, I want to call attention to what is probably the fact, that perhaps there is no dispute. The letter and the cablegram which the Senator from Massachusetts has read show that on May 13 the price in London was $105 a ton and in America $80 a ton. Am I right?

Mr. WALSH of Massachusetts. That is the information which comes to me from one who claims to be the only importer of bone black into this country; and he says further that because the prices have been so high—and he is willing to make an affidavit to that effect—he has not made a single contract since September, 1920, for one dollar's worth of bone black to be imported into America.

Mr. NORRIS. The information given us by the Senator from North Dakota from the Drug Reporter, which is still later information, and I suppose therefore entitled to greater consideration, shows that the American price, instead of being $80 per ton, is about $110 per ton. That was two days after the other man said it was $80 a ton. Again we come back to the same proposition in building this tariff bill.

It depends on whether you are considering an article to-day, or whether you are considering it to-morrow; whether you pass the bill to-day and have a good bill, or pass it to-morrow and

have a good bill. It will be some time before we get through with the discussion here, evidently. We had some information on the 15th as to the price of the foreign product; that is still open.

Mr. SMOOT. I want to say to the Senator from Massachusetts that I am quite sure the writer of the letter was wrong in his statement of the price of bone black, particularly of bone black that is used in the refining of sugar. The difference in the prices quoted is due to the fact that one of these is a pigment black, and before that pigment bone black can be used for the refining of sugar it must be purified to a certain extent.

Mr. WALSH of Massachusetts. Is the pigment powdered?

Mr. SMOOT. The bone black is not.

Mr. WALSH of Massachusetts. The quotation made by the Senator from North Dakota was as to powdered bone black, which is the pigment.

Mr. SMOOT. That is 5½ cents.

Mr. WALSH of Massachusetts. Under the Underwood law there was a tariff rate on that.

Mr. SMOOT. I think this price is lower than any price which has been quoted for some years. So I think the letter quoting the 4 cents a pound in America for bone black is a mistake.

Mr. WALSH of Massachusetts. Does the Senator know whether the powdered bone black was pigment bone black, or the bone black used in decolorizing sugar?

Mr. SMOOT. I have no doubt but what it was pigment bone black.

Mr. WATSON of Georgia. Mr. President, if it can be demonstrated that in this bill an effort is made to unite those three powers which make sovereignty, and which our forefathers took such pains to completely separate, then I am sure that the American people will wake up to the fact that this bill should not become a law, because it would work a revolution in our system of government.

It may not be at all significant that in the very first line of the supreme law of this Republic, which we have all taken a solemn oath to support, the wording is:

> All legislative power herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

When we come to the Executive, it says "the Executive power." When it comes to the judicial it says, "the judicial power."

I do not know whether the fathers had any intention of conveying any special emphasis in the word "all," as distinguished from the word "the," but it is the fact that in the very first line of the Constitution they say, "All legislative power herein granted shall be vested in a Congress."

The reasons for the separation of sovereignty into these three branches are well known to all students of the origins of government. The most profound work I know of on the subject of the Constitution of the United States is that by John Adams, published in 1794. It is in three volumes, and so far as I can judge, it exhausts the literature on the subject. He surveys all the different governments which had theretofore existed, and he shows how the union of these three powers in one person always led to despotism, which in the course of time led to the downfall of the country thus oppressed. I will read only two extracts from it, one from the preface:

> The systems of legislators are experiments made on human life and manners, society, and government. Zoroaster, Confucius, Mithras, Odin, Thor, Mahomet, Lycurgus, Solon, Romulus, and a thousand others may be compared to philosophers making experiments on the elements. Unhappily a political experiment can not be made in a laboratory, nor determined in a few hours. The operation once begun, runs over whole quarters of the globe, and is not finished in many thousands of years. The experiment of Lycurgus lasted 700 years.
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> The process of Solon blew out in one century; that of Romulus lasted but two centuries and a half; but the Teutonic institutions described by Caesar and Tacitus are the most memorable experiments, merely political, ever yet made in human affairs. They have spread all over Europe, and have lasted 1,800 years. They afford the strongest argument that can be imagined in support of the point aimed at in these letters.

What was the point aimed at in these letters? It was that the complete separation of the three powers—executive, legislative, and judicial—must be preserved if the liberties of the people were to be maintained.

> Nothing ought to have more weight with America to determine her judgment against mixing the authority of the one, the few, and the many confusedly in one assembly than the widespread miseries and final slavery of almost all mankind in consequence of such an ignorant policy in the ancient Germans.

What was that ignorant policy? It was that they would either concentrate all the power in a few, thus to establish an aristocracy, or allow one man to grasp all three of the thunderbolts of Jove and establish a monarchy, thus spreading misery over Europe during the Dark and Middle Ages.

> What is the ingredient which in England has preserved the democratical authority? The balance, and that only.

What balance? The balance of the executive, the legislative, and the judicial, each being separate, each maintaining its powers in its own sphere of action and not allowing the others to encroach.

So far as modern thinkers, lawgivers, and statesmen are concerned, it is Montesquien, the author of The Spirit of the Laws, who is the father of this plan of a complete separation of the legislative, judicial, and executive. He is quoted in Story on the Constitution, page 390, as follows:

> When the legislative and executive powers are united in the same person, or in the same body of magistrates, there can be no liberty, because apprehensions may arise lest the same monarch or senate should enact tyrannical laws or execute them in a tyrannical manner. Again, there is no liberty if the judiciary power be not separated from the legislative and executive. Were it joined with the legislative, the life and liberty of the subject would be exposed to arbitrary control, for the judge would be the legislator. Were it joined to the executive power, the judge might behave with violence and oppression. There would be an end of everything were the same man or the same body, whether of the nobles or of the people, to exercise these three powers, that of enacting laws, that of executing the public resolutions, and of trying the causes of individuals.

Now, Mr. President, Judge Story quotes Blackstone, who in his Commentaries said:

> In all tyrannical governments the supreme magistracy, or the right both of making and of enforcing laws, is invested in the same man, or one and the same body of men; and wherever these two powers are united together there can be no public liberty. The magistrate may enact tyrannical laws and execute them in a tyrannical manner, since he is possessed, in quality of dispenser of justice, with all the power which he as legislator thinks proper to give himself. But where the legislative and executive authority are in distinct hands the former will take care not to intrust the latter with so large a power as may tend to the subversion of its own independence, and therewith of the liberty of the subjects.

Judge Story, on his own high authority, states the same doctrine on page 388 of his great standard work on the Constitution.

Now, Mr. President, Mr. Hamilton, in the Federalist, discusses that question, and in doing so quotes the constitution of Massachusetts as a model. He declares—

> that the legislative department shall never exercise executive and judicial powers or either of them. The executive shall never exercise the legislative and judicial powers, or either of them. The judiciary shall never exercise the legislative and executive powers, or either of them.

Could language be stronger or clearer? That language is quoted from No. 47 of the Federalist. I quote from page 266 a brief sentence as to the constitution of Maryland:

> Maryland has adopted the maxim in the most unqualified terms, declaring that the legislative, executive, and judicial powers of government ought to be forever separate and distinct from each other.
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> * * * * * * *

The language of Virginia is still more pointed on this subject. Her constitution declares—

> that the legislative, executive, and judiciary departments shall be separate and distinct, so that neither exercise the powers properly belonging to the other; nor shall any person exercise the powers of more than one of them at the same time.

What could more clearly show what our forefathers meant when they founded our Government? They had been taught by the lessons of thousands of years, and they founded this Government on this rock in the hope that it would last longer than any other government had ever lasted. But if we pass this bill we take the first great step toward a consolidated empire, in which the people will have a voice that really amounts to nothing in the governing of the country.

Now, Mr. President, I quote from the highest authority on constitutional limitations, Judge Cooley. I said that if the lawyers of the Senate and the House do not hear what I read from these great authorities, they will give themselves the benefit of reading them in the RECORD to-morrow, because I have run them down with some little labor, and I place them where everybody will have access to them.

On page 137 Judge Cooley said:

> One of the settled maxims in constitutional law is that the power conferred upon the legislature to make laws can not be delegated by that department to any other body or authority. Where the sovereign power of the State has located the authority, there it must remain; and by the constitutional agency alone the laws must be made until the Constitution itself is changed. The power to whose judgment, wisdom, and patriotism this high prerogative has been intrusted can not relieve itself of the responsibility by choosing other agencies upon which the power shall be devolved, nor can it substitute the judgment, wisdom, and patriotism of any other body for those to which alone the people have seen fit to confide this sovereign trust.

If we delegate to the President and to "the separate independent establishment" the power contemplated and authorized in this bill, we are recreant to the trusts which the people reposed in us.

Mr. President, let me show how far this doctrine goes. First of all, it commends itself to the common sense of every individual. If you choose an agent, general or special, that agent can not shirk his responsibility by putting another in his place. If you delegate a power under a power of attorney, for instance, that attorney in fact can not delegate his authority. If you employ a lawyer, that attorney can not, without your consent, put some other into your case to try it in the place of himself, whom you employed. If you call a physician, no honorable doctor will send somebody else without your consent. It is common sense, otherwise there would be endless confusion, boundless opportunities for betrayal of trust, and all kinds of injuries to him who appointed the agent, signed the power of attorney, employed the lawyer, or sent for the doctor.

Let us see how very jealous is the law on this subject. I refer to "Delegation of municipal powers," page 248. I take the time to read it, because I do not think since I have been a Member of this body there has been a more profoundly important question in the Senate than is here now:

Another very important limitation which rests upon municipal powers is that they shall be executed by the municipality itself, or by such agencies or officers as the statute has pointed out.

As the statute has pointed out—

So far as its functions are legislative, they rest in the discretion and judgment of the municipal body intrusted with them, and that body can not refer the exercise of the power to the discretion and judgment of its subordinates or of any other authority. So strictly is this rule applied that when a city charter authorized the common council of the city to make by-laws and ordinances ordering and directing any of the streets to be pitched, leveled, paved, flagged, etc., or for the altering or repairing the same, "within such time and in such manner as they may prescribe, under the superintendence and direction of the city superintendent," and the common council passed an ordinance directing a certain street to be pitched, leveled, and flagged, "in such manner as the city superintendent, under the direction of the committee on roads of the common council, shall direct and require," the ordinance was held void, because it left to the city superintendent and the committee of the common council the decision, which under the law must be made by the council itself. The trust was an important and delicate one, as the expenses of the improvement were, by the statute, to be paid by the owners of the property in front of which it was made. It was in effect a power of taxation, and taxation is the exercise of sovereign authority; and nothing short of the most positive and explicit language could justify the court in holding that the legislature intended to confer such a power, or permit it to be conferred, on a city officer or committee. The statute in question not only contained no such language but on the contrary clearly expressed the intention of confining the exercise of this power to the common council, the members of which were elected by and responsible to those whose property they were thus allowed to tax.

In the law referring to that municipal power did they use words stronger than the very first three words in our supreme law? Those words are:

All legislative powers herein granted shall be vested in a Congress of the United States.

When we seek to shirk the responsibility, abdicate our authority, and delegate it to someone else, we violate the very spirit that breathes throughout the body of our Government.

Mr. President, soon after the Supreme Court was organized there came before it a case under the charter of the city of Washington. Congress had authorized a lottery company for the purpose of supplementing the revenues of the town government, providing the amount raised did not exceed $10,000 a year. The council undertook to expend the money in such way as the President of the United States should approve; but Chief Justice Marshall, when the case had been argued by Daniel Webster, decided that it could not be done; that the council of the city of Washington could not relieve itself of the responsibility by delegating the President to do something which the town council should have done. I will not read that decision, but will refer the lawyers to it. It is in Twelfth Wheaton's Reports, beginning at page 40.

Mr. KING. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. EDGE in the chair). Does the Senator from Georgia yield to the Senator from Utah?

Mr. WATSON of Georgia. Certainly.

Mr. KING. I ask the Senator if this thought has suggested itself to him—and undoubtedly it has, and he can discuss it with greater clarity than I myself can—namely, that where legislative power exists and a legislative body is authorized to create a subordinate legislative body, as a legislature may create a city council to perform certain legislative duties, there would be a far greater reason to support an ordinance which attempted to delegate authority to some other organization or body than an attempt by the legislature in the beginning to delegate its legislative powers to an executive branch of the Government.

Mr. WATSON of Georgia. There is one portion of this authority that, perhaps, I should have read, and that is where the author draws a distinction between a statute in which discretion may be used in a certain manner on the happening of a certain contingency. It is said that that may be done, the source of authority having pointed out how and when, but that no legislative discretion, no power to hear evidence, to deliberate, and to decide, and to make the law may be delegated by any lawmaking body.

Mr. KING. The point I was trying to make was that if there should be a delegation of legislative power it could more easily be justified if the delegation were to a legislative body than if the attempt were to delegate it to an executive body, or to a judicial body, for that matter.

Mr. WATSON of Georgia. Mr. President, I should want to reflect on that question; I would not want to make any admission on that at all. I would rather stand by the authority just as it is.

Mr. CARAWAY. Mr. President, will the Senator yield to me?

Mr. WATSON of Georgia. Certainly.

Mr. CARAWAY. In reference to the power to delegate authority, I desire to say that it has been held in several cases that a court may delegate a commissioner to perform a certain function, but if that function requires the deciding of a question upon the testimony offered it can not be done, for that becomes the function of the court.

Mr. WATSON of Georgia. Certainly; that is the law.

Mr. President, I desire now to make a brief analysis of sections 315, 316, and 317.

(a) Whenever the President wants to investigate conditions and change the tariff rates, by his proclamation he may do so. Was there ever a more preposterous clause written into a tariff law? The Republican majority say they want to settle and stabilize business; they want to remove doubt and anxiety. Could anything perpetuate uncertainty, doubt, and anxiety to a greater extent than to put into the hands of the President of the United States a big pistol which he may hold at the head of every great trust and business in America and keep them in fear and trembling? It would be a sword of Damocles hung over their heads perpetually. They would never know to-day what to-morrow might bring forth.

All the statesmen of the past never thought of what a wonderfully good thing for the people a tariff was. Ancient monarchies rose without the aid of a tariff, as they fell without its prop as they were going down. Not until the seventeenth century did anybody dream of a tariff, and when it was first imposed in France by the great minister, Colbert, he did not pretend for one minute that he was levying it for the benefit of the laborer, and no other country ever did until our country made that claim.

Mr. President, the Executive can make his investigation. How? In public, as we do? Not at all. He will make it in secret, as the Finance Committee did. It will be a star-chamber affair, transferred to the other end of the Avenue. Nobody will know who the witnesses are; nobody will know what their testimony has been; nobody will know what the arguments have been; nobody will know what decision the President is going to come to until he comes to it, and then what can he do? After having investigated, deliberated, and decided, he may raise the tariff rates 50 per cent or lower them 50 per cent, there being a sliding scale of 100 per cent. Give to a despotic man that power over the internal and external commerce of this country and you have given such power as Tiberius never wielded, such power as Louis XIV never wielded, such a power as even George III and William Pitt never wielded. It is the power of life and death over every business, domestic and foreign.

(b) He may at any time—not at any fixed time, not at any definite, certain, anticipated time, a time for which you can prepare yourself, a contingency which you can prepare to meet; no—he may at any time investigate, deliberate, and decide in favor of American valuation as against foreign valuation. Is it not monstrous? The bill itself is founded upon foreign valuation. The Senator from North Dakota [Mr. MCCUMBER] said some weeks ago, in effect, that he would never give up the foreign-valuation plan. The Republican leader in the other House, Mr. FORDNEY, said he would never give up the American-valuation plan, and now what do they do? Their minds come together, not here on Capitol Hill, where laws ought to be made, where legislative minds ought to come together, but they come together at the White House, in secret; and there they can surrender the Senate plan of a foreign valuation if the President sees fit to adopt the other plan; in other words, shift from one extreme to the other, swing from one extreme arc that the pendulum moves in to the other. When before in the history of governments was any one man vested with such power?

(c) He may investigate, hear testimony—that sounds like a court, does it not? It sounds like a judge, does it not? It sounds like a judicial power—hear testimony as to wages, cost of materials, and other expenses of production here and abroad, and he may then, by his proclamation, without consulting Congress, change any schedule in this bill, not one, not a thousand, but 4,000, and not only change them but terminate them. Heavens above! if the President is made to do all this work, he will certainly be a very busy man. No more trips to St. Augustine; no more week ends on the *Mayflower;* no more delightful trips up to New Jersey to enjoy the hospitality of Senator FRELINGHUYSEN; no more luxurious dalliance with Senator DU PONT. If the President is given all of this power he will be the horse on the treadmill.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Nebraska?

Mr. WATSON of Georgia. Certainly.

Mr. NORRIS. Does the Senator intend also to include golf amongst the things which the President must give up?

Mr. WATSON of Georgia. I think he would have to give up golf, and horseback riding, too.

Mr. CARAWAY. The Senator now is trying to keep the President from acting favorably on this bill. That is what he is trying to do.

Mr. WATSON of Georgia. (d) He may investigate and collect evidence, and upon this base a decision to put into effect the dye and chemical act of 1921. This will be done by proclamation. Think of going from a government of debate, of deliberation, of collective voting in the House and in the Senate and going slapdash at one jump to a government by imperial decree, issued from the White House. The mightiest Cæsar that ever ruled a Roman Empire had no greater power than that.

(e) After having made public a finding upon any imported article, the President may learn that there is no similar competitive article manufactured or produced in the United States. He may then proclaim such fact, whereupon the article shall be valued under paragraphs 1, 2, and 3 of subdivision (a) of section 402 of this bill, which is the American valuation. You leave the Senate bill, you leave the former parts of the bill, you leave our bill, and change cars to the House bill, or vice versa. You can do either.

(f) The Secretary of the Treasury will make rules and regulations to carry into effect the new laws made by the President's proclamation. (Section 316a.) The President may investigate and learn that unfair competition and unfair acts are in operation by importers, owners, and agents, whereupon such acts are declared unlawful. In other words, the President is given the power to outlaw certain importers, certain exporters, and their agents, without trial, without a hearing, in a star-chamber proceeding, condemn their action, and penalize it. Is that Americanism? Is that democracy? Is that the Republicanism of the pristine days when it was represented by those who founded the party and fought its first fights?

(b) That to assist the President in making any findings under this section jurisdiction is hereby conferred upon the executive department or independent establishment of the Government, or both acting in cooperation, which he shall designate—

That is not my verbiage, but that of the bill—

to investigate any alleged violation hereof on complaint under oath or upon the initiative of such department or independent establishment.

Anybody can make an oath against his rival in trade, export or import—mostly export, of course. He can make an ex parte affidavit, for which he is not to be held responsible anywhere, nor even put to the exposure of a public investigation, not be questioned or cross-questioned. By his simple oath he can put this tremendous machinery in operation, or this independent department which is to be created under this bill may take the initiative and make an assault upon anybody's business at any time, which assault would necessarily lead to its destruction, it seems to me, because I can not conceive how any man's business can long survive the persistent attacks of the all-powerful Government.

Subdivision (c) provides that such department or establishment shall make its own rules for conducting investigations; may hear witnesses—in public? Not at all. With due notice to the other man? Not at all. It may receive evidence in writing—of what sort? It is not specified. All lawyers know what is legal testimony in writing. This does not say that. If it necessarily implies it, if by necessary implication we accept that, I should like to know by what machinery you will take interrogatories or depositions. It may ascertain whether or not there has been a violation of this section, and its decision shall be final.

Think of that tremendous power. This ex parte investigation, based upon one affidavit, with no hearing to the other party, to the interest, to the business, to the corporation menaced, no notice, no hearing—this decision, for or against, shall be final, unless a rehearing shall be granted on appeal taken to the United States Court of Customs Appeals.

Subdivision (d) provides that the final decision shall be transmitted to the President.

Subdivision (e) provides that if satisfied with the decision the President shall increase the tariff not more than 50 per cent nor less than 10 per cent.

Here you have a star-chamber proceeding against a legitimate business, employing American labor, consuming American raw materials, supplying American demands, adding to the wealth of America. You may destroy it overnight, upon the oath of one man, and the decision of the destroying angel admits of no appeal if the President approves it. If that is not a mixture of executive, legislative, and judicial powers I should like for you to tell me how you could unite them.

The President may, in cases of what he deems extremely unfair methods, exclude these articles from entry into the United States. His action shall be conclusive, unless he himself sets it aside within 10 days. Unless the President changes his mind within 10 days the ports—not one, but all; Atlantic, Pacific, Gulf, and Lakes—are closed forever to that importer. Is such a power as that consistent with a democracy, with a republic, with a government of limited powers?

Subdivision (f) provides that whenever the President may be uncertain as to whether any merchandise offered for entry into the United States should enter, the Secretary of the Treasury, upon the request of the President, may forbid the entrance of such merchandise until the President shall have made up his mind to let it come in. The President is given authority to investigate, gather facts, deliberate upon those facts, and then decide.

What greater power did the Finance Committee have? What greater power does Congress have? The Finance Committee went into its committee room, closed the door, locked it, and kept it locked in the face of the world month after month. The President will do the same thing. There is no provision for publicity.

Here in this Senate Chamber and in the House of Representatives all the world sees, all the world hears, and, through our CONGRESSIONAL RECORD, there goes to every State in the Union and to the whole world that wants to know just what it is that takes place here. Why should we give this tremendous autocratic power to the other end of the Avenue when the Constitution intrusts it to us? If we say that we can not make these laws, and the President can, we advertise our own imbecility. Why should we do it? Is the wisdom of the President greater than the combined wisdom of both Houses of Congress?

Mr. President, there is no constituency for a legislative President. There are none to whom he has to account for his stewardship when acting as a legislator. We have to account for our stewardship. We have a constituency, but as a legislator he has none. He does not even have to report to us. Even we, who delegate this power to him, do not require him to give an account of his stewardship. We clothe him with the purple of royalty, put upon his head the crown of a king, and in his hand the scepter. Why should such a thing be done? Having done it once, you will be asked to do it again. Having set this precedent, you will soon find it become as strong as law and we will stand convicted before posterity as guilty of having taken the first great step in the surrender of legislative independence and the liberties of our people.

Mr. President, so much could be said upon this subject that it really is a case where one is embarrassed by its riches. I have simply touched some of the more prominent points in this part of the case. I was anxious that the country should know what tremendous power we are asked to surrender to the Executive. What I say now is not personal to the present occupant of the White House. It applies to the office; and I contend that if all history teaches anything at all, it teaches that it is dangerous to give this much power to any one man or to any one office.

It is already charged in this country that presidential elections and other elections are bought. We have heard of campaign contributions of the Sugar and the Steel Trust, and all the other trusts. With this power in his hands, the President could say to any one of these 500 trusts that have taken their stand at the headwaters of American life, and who are dictating the terms upon which 100,000,000 people shall live, "I would like to have a million dollars for the campaign fund, else somebody will file an affidavit against you here; we will begin to operate the machinery, and the first thing you know you will

be sorry you did not give us five million"; and the million will come. In other words, human nature being the same yesterday, to-day, and forever, with this power, Mark Hanna could have fried four times the fat out of the corporations he did fry out some years ago. With this power, it will be another case where the Prætorian Guards could run out upon the walls of Rome and sell the Empire to the highest bidder.

Mr. McCUMBER. Mr. President, I first read Cooley on Constitutional Limitations when I was in law school, in 1880, and while I was deeply impressed with the great truths enunciated in that great work, so eloquently restated to-day on the floor by the Senator from Georgia, it never occurred to me that it would be used in an argument as to what the duty upon bone black should be. That is the subject before the Senate to-day. I should like to stick to that subject until it is completed, and I would not take any of the time of the Senate now more than again to deny an assertion which has been accredited to me by the Senator from Georgia—I know inadvertently, of course.

The Senator from Georgia stated that the Senator from North Dakota had declared that he would never yield the foreign valuation plan in this bill, and that the chairman of the Committee on Ways and Means of the House had declared that he would never yield the American valuation plan. I can not speak for the Representative from Michigan, who has been long the chairman of the House Ways and Means Committee.

I will accept with some doubt any statement made by the press or otherwise which would indicate that that great legislator had made any declaration of that character. But whatever may have been the truth, I can assure the Senator from Georgia that the Senator from North Dakota never has made a statement of that kind, and that he would consider it very improper for him to make a statement of that kind when he will undoubtedly be called upon to act as a conferee in the settlement of that question. The only way the two Houses can come together upon any subject is by the conferees on both sides entering the conference with free minds, the duty of the conferees on the part of the House being, of course, to sustain the views of the House, if possible, and the duty of the conferees on the part of the Senate being to sustain the views of the Senate. My utmost declaration has been that I would regard it as my duty to sustain whatever view was taken by the Senate upon that question, and I reiterate that it would be very improper for me to make any other statement.

Mr. WATSON of Georgia. Mr. President, I was in the Chamber when I thought the Senator said something substantially to the effect I have mentioned. I remember that he seemed to intimate that the chairman of the Ways and Means Committee of the House [Mr. FORDNEY] had said he would never yield the American valuation plan, and I understood the Senator from North Dakota to say that he would never yield the foreign valuation plan.

Mr. McCUMBER. The Senator is mistaken in that, as the record will show.

Mr. WATSON of Georgia. Of course, the Senator knows best what he said.

Mr. McCUMBER. I should not make a statement of that kind. Returning now to bone black——

Mr. WALSH of Montana. Mr. President, before the Senator passes to that, I rather think his associate on the committee, the Senator from Utah [Mr. SMOOT], made substantially that statement. I was here in an early part of the debate when he was interrogated by the Senator from New Mexico [Mr. JONES] as to the discussion of that feature of the bill in the House, and the Senator from Utah responded that it would be useless to discuss it, because the Senate would not recede. The Senator from New Mexico insisted that it ought to be debated anyway, so that the House would have the benefit of the reasons which impelled the Senate to take the course it did; that the Senate conferees might otherwise yield. I recall very distinctly that the Senator from Utah said there was not the slightest fear about the Senate conferees yielding. So we on this side understood that the attitude of the Senate was at least as obdurate as that of the House.

Mr. McCUMBER. Mr. President, I can hardly imagine that the Senator from Utah made a statement which would mean that he would go into a conference with a determination never to yield a point. I reiterate, I think that kind of a statement would be improper for anyone to make who must necessarily become a member of the conference, as much so as it would be for a judge to decide a case beforehand, and say that he never would yield to any persuasive evidence upon the other side.

I know that we have been accused on this side of the Chamber of listening only to the complaints made by the manufacturers, and yielding to their views. I have tried to make it clear that in the hearings we gave everyone an opportunity to properly present his case, and I think we gave the importer equal opportunity with the manufacturer. It is true that there are more manufacturers than there are importers, and therefore the greater portion of the testimony must necessarily be taken up by those who are interested in the manufacturing industries.

I do not think the statements on either side may be taken as the law or the gospel upon any subject, and I think that was pretty well illustrated by the letter which the Senator from Massachusetts read this morning, and as I believe that it is the duty of the importer, as well as of the manufacturer, to give us the facts within his knowledge and give them to us truly, I think we have a right to rely to a considerable extent upon what they say, examining whatever they may have to say in the light of their interest and what other information we may secure upon the subject.

I submit to the Senator from Massachusetts that the witness whom he called this morning, and who gave his testimony, for the moment, at least, misled me by his statement that bone black was selling at 4 cents per pound, and I took his figures for it in saying that that would make the price $80 per ton. I find that he has been hardly fair in other portions of his statement, and I want to call the Senator's attention to it. His letter is dated May 13, 1922, and in that letter he says:

> The present market price of domestic bone black being only $80 per ton, the Senate rate of $20 a ton is a considerable increase over the House rate of 20 per cent.

He is speaking of the present. His letter is dated May 13. In examining the record of May 15 I find that bone black ranged from 5½ to 7½ cents per pound, and that would be from $110 a ton to $150 a ton.

Mr. WALSH of Massachusetts. I do not think the Senator means to be unfair to the writer of the letter. He states that the Senate committee amendment of 1 cent per pound is higher than the House provision of 20 per cent ad valorem. If, as he says, the domestic price is $80 a ton, 1 cent per pound would make the duty $20, while 20 per cent ad valorem would make the duty $16. So, on his claim that the domestic price is $80, he is sound and correct in stating that the Senate committee amendment increases the tariff duty. I do not think there will be any dispute about that.

Mr. McCUMBER. The Senator does not seem to catch the point I am making.

Mr. WALSH of Massachusetts. May I call the Senator's attention to the fact that the letter I read was dated May 15, and that the paper from which he is reading, the Oil, Paint, and Drug Reporter, is dated May 8. It is fair to assume that those figures were collected before May 8, so that the information which I have given may be even more correct than the Senator's.

Mr. McCUMBER. If the Senator will read the figures of May 8 right now, if he has the quotations of the American price of bone black——

Mr. WALSH of Massachusetts. I have them. Bone black, powdered, 5½ to 7½ cents.

Mr. McCUMBER. That is just the same as I read it, and that is not $80 a ton, but it is $110 a ton, taking the lowest figure.

Mr. WALSH of Massachusetts. I am not disputing that fact, but I am informed that this rate is per pound, and when bone black is sold by the pound the rate is very much higher than when it is sold by the ton; and, further, that these figures are practically always in excess of the market price.

Mr. McCUMBER. Well, let us follow this down a little further and see the present market value.

Mr. WALSH of Massachusetts. Let me suggest to the Senator that after all the issue is very trivial and we are spending a good deal of time on it. There can be no dispute that the imports have been less than 5 per cent average in the last 25 years, that we produce in this country sufficient to take care of American consumption, and the further fact can not be disputed that at least the foreign price is as much as the domestic price.

Mr. McCUMBER. The Senator stated that once before and stated it very clearly. I want to get down to his statement. He said, "The present market value of domestic bone black is $80 per ton." I find nothing that will confirm that. He said, "This paragraph covers three different items, bone black from cattle bone, selling at 4 cents per pound; blood char from blood, selling at over $1 per pound." When I look at the record for 1921 I find that instead of selling at $1 per pound the average price was 3 cents per pound. I am trying to find out from what source he gets his information, and find that he is quoting from a report which I think was made by the Tariff Commission a year or two ago, or upon prices during the war.

The average price for blood char for the nine months of 1921 was 3 cents per pound, and in 1919 it was 4 cents per pound, whereas the witness says it is selling now at over $1 per pound; at least when he says it is selling at over $1 per pound I have a right to assume that he means it is selling now for that sum, when, as a matter of fact, it is selling at about 3 cents per pound.

Mr. President, I think we have taken up sufficient time upon this matter. The question now is upon my request that the committee amendment be not agreed to, which leaves the rate at 20 per cent ad valorem.

Mr. WALSH of Massachusetts. May I ask the Senator a question? Is it a fact that the change of the committee amendment to 20 per cent ad valorem, which, of course, implies the foreign valuation, makes no difference in this case, at least in the case of bone black, because whether it is 20 per cent ad valorem foreign valuation or 20 per cent ad valorem American valuation, if the American price and the foreign price are about the same the duty will be the same?

Mr. McCUMBER. It would make but very little difference. It would be 25 per cent if the price is 4 cents at the present time.

Mr. WALSH of Massachusetts. I want it to appear that the Senate committee is not reducing the rate fixed by the House. That is clear, of course.

Mr. McCUMBER. That depends upon what price the Senator is taking. When the bill was passed by the House the price was very much higher, if I understand correctly, than it is now. Taking the American price with 20 per cent ad valorem, of course, it would be greater than the foreign price with 20 per cent ad valorem.

Mr. WALSH of Massachusetts. Ordinarily the change from the American valuation to the foreign valuation would reduce the duty. Ordinarily that is what would happen; but in this instance, if the foreign price and the American price are practically the same, there is no change in the duty.

Mr. McCUMBER. Of course, if the foreign price is higher than the American price, the foreign article will hardly be sold at all, and so it would have no effect.

Mr. UNDERWOOD. Mr. President, at the conclusion of the very clear, forceful, and timely speech of the junior Senator from Georgia [Mr. WATSON] in reference to the powers which are given to the President in the pending bill to fix the tariff rates, the distinguished Senator from North Dakota [Mr. McCUMBER] said that he wished, now that the speech was over, to return to bone black.

It occurred to me, Mr. President, that the address of the Senator from Georgia, although it may not have mentioned the subject of bone black, was most pertinent to the item of bone black and every other item contained in the bill, and I think we should understand that as we go along. We are contending here over tariff rates—tariff taxation—disputing as to whether the rate is prohibitory, whether it is satisfactory to the importer or satisfactory to the manufacturer; and yet within the belly of this bill we have an organized machinery which carries the power to overthrow all these questions that we are discussing, with only the limitation that the power of the President in levying taxes or reducing taxes shall not exceed 50 per cent ad valorem in making the change.

If a range of from 1 per cent to 50 per cent ad valorem can cover the subject matter of the item under discussion, then it seems to me, if this clause in the bill granting this power to the President, as just discussed by the junior Senator from Georgia, remains in the bill—and I hope it will not—it is hardly necessary for us to consider what rates of duty shall be levied, because, no matter what we do, no matter what the legislative mind may determine as to where the burden of taxation shall fall, the extent of that burden, as to how much prohibition there may be on the importation of foreign goods into this country, all matter not, because all of our own conclusions and all of our efforts may be wiped out overnight by an Executive order. It is perfectly clear.

At this point I wish to read into the RECORD again the opening sentence of section 315 (a) of the bill as reported by the committee:

> That in order to regulate the foreign commerce of the United States and to put into force and effect the policy of the Congress by this act intended, whenever the President, upon investigation of the differences in conditions of competition in trade in the markets of the United States of articles wholly or in part the growth or product of the United States and of like or similar articles wholly or in part the growth or product of competing foreign countries, shall find it thereby shown that the duties fixed in this act do not equalize the said differences in conditions of competition in trade he shall, by such investigation, ascertain said differences and determine and proclaim the changes in classifications or forms of duty or increases or decreases in any rate of duty provided in this act shown by said ascertained differences in conditions of competition in trade necessary to equalize the same in the markets of the United States.

Therefore, Mr. President, coming back to bone black, if the President should find, after he makes investigation, that 1 cent a pound does not equal the difference in market competition in this country and in foreign countries—and I think that can only be determined in questions of wholesale prices—the President must ascertain what is the difference and raise the rate, which we are going to put upon bone black, to such an extent as that it will equalize that difference in market competition. On the other hand, if the President finds that the rate which we fix on bone black in the bill when it passes is in excess of the difference in market competition in the wholesale price in this country and abroad, then he must lower the rate which the legislative branch of the Government puts on bone black.

Therefore the real question involved in the bill in determining what the rate shall be on bone black seems to me to be governed by section 315 (a) granting this legislative power to the President. We are going through an idle form of building up a skeleton which the President can enlarge or decrease as he determines is within this grant of power.

Mr. WALSH of Montana. Mr. President, probably that is the reason why the junior Senator from Missouri [Mr. SPENCER] proposed yesterday to vote immediately without any further consideration at all, because he knew the whole thing was useless.

Mr. UNDERWOOD. It probably was. Probably the Senator from Missouri, with his acute intellect, reached this conclusion before some of the balance of us saw the cul de sac into which we were being led.

Mr. WALSH of Montana. Appreciating that it was useless to discuss any of the items.

Mr. UNDERWOOD. And realizing that our work here is futile as long as this clause remains in the bill, that we are determining nothing, that in the end, no matter what we may hand to the President, we give some bureaucracy which he creates, composed of men not responsible to the people of the United States at all, the question of determining whether the competitive values in the markets of America are equalized by the competitive value of imported goods into the markets of America, and if they are not he is to work out a schedule and adjust it. So long as we have this clause in the bill it is pertinent; it is germane to every single item that is put upon the tax list.

Mr. McCUMBER. Mr. President, will the Senator allow me?

Mr. UNDERWOOD. Certainly.

Mr. McCUMBER. I am not for one moment suggesting that the argument which the Senator from Georgia made was not germane to the particular section. The only point I desired to make was that when we come to that particular section, every one of those arguments will be made over again. We can not prevent them being made over again, because that will be the subject then under discussion. I admit now that there may be some portions of the paragraph which at least reach into the twilight zone of uncertainty, but we shall thresh that out when we come to it. We shall have to have a tariff law whether that paragraph goes in or whether it goes out. I am hopeful that we may go on with the various items and determine them and may postpone the discussion of paragraph 315 of the administrative features of the bill until we reach that paragraph, for it is certain that when we do reach it, it will be again discussed; so we shall waste a great deal of time in discussing it now upon another feature of the bill.

Mr. UNDERWOOD. Of course, I do not desire to delay the Senator from North Dakota in securing action on the bill, except in so far as legitimate discussion may delay it. I can not, however, agree with the Senator as to the discussion of this provision. There are vast numbers of people in the United States who are greatly interested in the items on which we are passing from day to day, and many of those people overlook the effect of section 315. They may think that the decision of the Senate and of the House of Representatives is going to establish the tariff rates or tax under which the working conditions of business will be established for a period of years to come. I think it is our duty continually to call to the attention of the people of the United States in connection with these various items what effect section 315, giving the President power to regulate and establish competitive conditions in the United States, may have on the work which we have in hand.

Mr. SIMMONS. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from North Carolina.

Mr. SIMMONS. I wish to suggest to the Senator from Alabama that what he has been stating with reference to dutiable items in the bill applies also to those on the free list. We may here, after discussion, decide that a particular product is entitled to no protection at all, or that it is not a good revenue

item, and that it ought therefore to be placed on the free list; but under the language which the Senator from Alabama has read, and which has been previously read to the Senate, the President may not only increase the duty upon a dutiable article to the extent of 50 per cent but he may take an article which Congress has placed upon the free list, put it on the dutiable list, and if he shall find that it is necessary he may impose a duty of 50 per cent upon it.

Mr. UNDERWOOD. I think the Senator from North Carolina is quite right.

Mr. SIMMONS. And that is what I meant when I referred to "forms of duty," which is the language used in section 315.

Mr. McCUMBER. If the Senator from Alabama will allow me, I wish to say most emphatically that both Senators are mistaken. I ask them to point out to me what provision there is in the bill which will allow the President to take an item from the free list and put it upon the dutiable list.

Mr. SIMMONS. The provision authorizing the President to change the "forms of duty" will permit him to do that. I discussed that matter with the Senator from Utah [Mr. SMOOT], who certainly is as familiar with the bill as is any member of the committee, and who surely understands its meaning. I asked him how he interpreted that language, and he said, "Of course the President might take an article off the free list and put it on the dutiable list, or he might take an article off the dutiable list and put it on the free list; the language can not mean anything else."

Mr. UNDERWOOD. The reason I agree with the statement of the Senator from North Carolina that section 315 applies to articles on the free list as well as those on the dutiable list is because I see nothing in that section that excludes articles on the free list from being transferred to the dutiable list. If there is any provision making such exclusion I should be glad to have it pointed out.

Mr. McCUMBER. Take paragraph 315, which reads:

Ascertain said differences and determine and proclaim the changes in classifications or forms of duty or increases or decreases in any rate of duty provided in this act.

Not to increase a rate of duty where there is no rate of duty, but the paragraph provides only for an increase or a decrease of rates of duty and to change the "classifications or forms of duty." The free list provides no duties whatever; therefore there can be no change made in it.

Mr. UNDERWOOD. I think the Senator from North Dakota omitted to read a little word in the paragraph when he read it, though I am sure he did not do so intentionally.

Mr. McCUMBER. I certainly did not.

Mr. UNDERWOOD. The language is "classification or forms"; not "classification of forms," but "classification or forms."

Mr. McCUMBER. I think the Senator misunderstood me.

Mr. UNDERWOOD. Classification, as I interpret tariff bills, refers to the class in which an article falls, and all in the world the President has got to do is to cancel the classification where an article falls in the free list, and then of itself it will fall in the dutiable class.

Mr. McCUMBER. I do not think that that is a fair construction.

Mr. UNDERWOOD. If the Senator from North Dakota does not agree with me, I hope he will make it certain that none of the articles on the free list may be subject to the will of the President. It will be very easy for the Senator, when we reach that clause in the bill, to move to insert a proviso to the effect that the provisions of paragraph 315 shall not apply to articles on the free list, and I hope he will do so.

Mr. McCUMBER. If any Senator thinks that is necessary and that the language is not clear, I shall certainly have no objection to any change that will make it clear.

Mr. UNDERWOOD. I am glad the Senator from North Dakota concedes that.

Mr. McCUMBER. I simply say that the provision does not apply to those articles which are not dutiable.

Mr. UNDERWOOD. When the proper time comes, when we reach that section, I shall certainly ask the Senator from North Dakota to make good his promise and to move the insertion of an amendment to the effect that this clause shall not apply to articles on the free list.

Mr. SMOOT. That is already provided in the amendment as it is now contained in the bill. If the Senator from Alabama will turn to page 274 he will find that the bill reads:

but no such rate shall be decreased or increased more than 50 per cent of the rate specified in title 1 of this act upon such merchandise.

The free list, Mr. President, is title 2, and the provision quoted applies only to title 1 of the bill.

Mr. SIMMONS. Where is that provision?

Mr. SMOOT. On page 274, beginning in line 11 and going down to the end of line 14:

but no such rate shall be decreased or increased more than 50 per cent of the rate specified in title 1 of this act upon such merchandise.

Mr. UNDERWOOD. A proviso in section 315(a) fixes the status. It reads in this way:

Provided, That until further provided by law the total increase or decrease of such rates of duty shall not exceed 50 per cent of the rate specified in this act or in any amendatory act.

That does not say anything about title 1.

Mr. SMOOT. There are no rates of duty, of course, in the free list.

Mr. UNDERWOOD. But it does not say anything about title 1 of this act; it says "in this act."

Mr. SMOOT. The provision the Senator has read is a part of the same amendment embodied in paragraph 315(a).

Mr. UNDERWOOD. A rate of duty provided by this act, taking the whole act, is a classification, and the different classifications determine whether an article shall bear a duty or shall not bear a duty.

Mr. SMOOT. The free list has no rates of duty at all.

Mr. UNDERWOOD. I think the Senator is making a lawyer's argument.

Mr. SMOOT. Not at all. If the Senator wants any specific words put in the provision, that may be done.

Mr. UNDERWOOD. Oh, I am not going to fall out with the Senator as to that. We have the promise of the chairman of the committee that there will be no doubt left about this provision and that he will exclude the free list by special amendment. So I do not care to discuss that question further; I will take his word for it.

Mr. SMOOT. I am perfectly willing that there should be incorporated such an amendment, because that is exactly what the provision means, and if it is desired to add to it in any way so as to make it clear, I shall have no objection.

Mr. UNDERWOOD. There is a difference of opinion between us, but we will eliminate that difference by putting in a few specific words which will settle the doubt.

Mr. McCUMBER. May I ask the Senator a question?

Mr. UNDERWOOD. I yield.

Mr. McCUMBER. How will the President proceed to raise a duty 50 per cent when there is no standard, no duty being fixed at all, and the bill providing that there shall be no duty. How can the President say "I will raise 'no' duty 50 per cent?"

Mr. UNDERWOOD. I suppose it would be easy for the President to say that he could apply a duty of 50 per cent on the value of the goods.

Mr. McCUMBER. That is not what the paragraph provides. The paragraph provides merely that he may raise an existing duty 50 per cent.

Mr. CARAWAY. Mr. President, will the Senator from Alabama yield to me for a moment?

Mr. UNDERWOOD. I yield.

Mr. CARAWAY. I wish to read the provision which was read by the Senator from Utah, as follows:

But no such rate shall be decreased or increased more than 50 per cent of the rate specified in title 1 of this act upon such merchandise.

Therefore that limitation does not affect goods in title 2 at all. The President is only restricted from raising duties 50 per cent on those articles that are mentioned in title 1.

Mr. UNDERWOOD. And he can raise indefinitely on other items.

Mr. CARAWAY. Yes.

Mr. UNDERWOOD. I think it is subject to that construction.

Mr. CARAWAY. Certainly; no other construction can be placed upon it.

Mr. SMOOT. Mr. President, the Senator from Arkansas would not say that if he had read the whole amendment.

Mr. CARAWAY. Oh, yes, I would; and I have read it.

Mr. SMOOT. The Senator's construction of the provision is not right.

Mr. CARAWAY. The Senator from Utah is always right when he is not wrong, and he is usually wrong.

Mr. SIMMONS. Mr. President, I want to suggest to the Senator from Alabama that the right to change a classification might give a right to change from the free list to the dutiable list. We all understand what change of classification means with reference to railroad rates.

There is a commodity class and then a general class. If an article in the commodity class is transferred to the general class an altogether different rate applies, and if a rate in the general class is transferred to the commodity class, an altogether different rate applies. The President is authorized to

change classifications, and under that he could put an article on the dutiable list and thereby apply to it the duty of a particular class.

Mr. UNDERWOOD. Undoubtedly; I think that this clause is subject to the interpretation, which might be made by a court or a commission in the future, that this power would apply to the free list. I think the Senator from North Carolina is right when he makes that point, but I will not continue that line of argument because the chairman of the committee has settled the question by saying that he will see that the language is made so clear when we reach the section that the man who runs may read. So I will not take up the time of the Senate in discussing the application of this provision to the free list, if that is the purpose, and I presume the Senator from Utah will agree with me that it is.

Mr. SMOOT. Certainly. If the Senator wants this question settled now, why not settle it now by inserting at the end of line 1, on page 273, after the words "not exceed 50 per cent of the rate specified in," the words "Title I of." Then there would be no question about it.

Mr. UNDERWOOD. I shall be glad to propose an amendment when we reach the section. In the meantime, I am perfectly willing to accept the interpretation that the Senator from North Dakota says he will put on the provision, and I will confine my argument in the future to the taxable list on the assumption that no matter how the provision may be interpreted we are going to provide an interpretation that will exclude the free list from the power granted to the President. Of course, if the Senator from North Dakota will give us a dozen votes we can put that interpretation in the bill vi et armis, because we can give him the remainder of the necessary votes if he will give us a dozen.

Mr. SMOOT. There will be no votes on this side of the Chamber against any proposition such as that.

Mr. McCUMBER. We will have no difficulty about that.

Mr. UNDERWOOD. I will accept the word of the Senator.

Mr. SMOOT. Why not put the amendment in now?

Mr. UNDERWOOD. Because I want to make a careful study of this section and see to my own satisfaction that the amendment covers the situation. I will be very glad if the Senator will propose an amendment to cover it and give me overnight to study it.

Mr. SMOOT. I now offer for the consideration of the Senator from Alabama an amendment on page 273, at the end of line 1, to insert the words "title 1 of," so as to read:

Fifty per cent of the rates specified in title 1 of this act.

The PRESIDING OFFICER (Mr. NORRIS in the chair). The Senator from Utah asks unanimous consent to present an amendment, which the Secretary will state.

Mr. SMOOT. No; I merely offer the amendment.

Mr. McCUMBER. I hope the Senator will not ask unanimous consent for the consideration of the amendment now, because I want to satisfy Senators on the other side of the Chamber that there will be no question in the world that the provision will not apply to the free list, and I think by the time we reach the paragraph we can agree upon a satisfactory amendment.

Mr. UNDERWOOD. I am perfectly willing to accept the Senator's word.

Mr. SMOOT. All I asked was to present the amendment at this time for the consideration of the Senator from Alabama. That was my request.

Mr. UNDERWOOD. I presume an amendment may be offered for future consideration.

The ASSISTANT SECRETARY. The Senator from Utah proposes to amend the committee amendment on page 273, at the end of line 1, after the words "specified in," by inserting "title 1 of," so as to read:

Provided, That until further provided by law the total increase or decrease of such rates of duty shall not exceed 50 per cent of the rates specified in title 1 of this act or in any amendatory act.

Mr. UNDERWOOD. Mr. President, I will assume that that will go into the law and that this proposition applies only to the taxable list in the bill; but before I take my seat—I do not want to take up much of the time of the Senate—there is one proposition about section 315 and how it applies to the rates of duty to which I wish to call the attention of the Senator from North Dakota. He may have already investigated and given consideration to the matter, and may be able to enlighten me, but I have not reached any conclusion as to how this section is going to be put into effect.

It provides that the President shall equalize competitive conditions by levying a tax. What competitive conditions is he going to equalize? We may assume that a certain class of cotton goods coming from Germany, say socks, may be selling 10 cents a dozen pairs cheaper than cotton goods imported from England. The President is to equalize the competitive conditions. What competitive conditions? Is he going to take as the competitive rate the import value of the English socks, the higher-cost goods, or is he going to take as the competitive rate the import value of the German socks, the lower-cost goods? There must be some rate that he is going to make the comparison with if you are going to have an automatic establishment of this proposition; and how are you going to work that out? How are you going to arrange it?

Mr. McCUMBER. Mr. President, does the Senator desire me to answer him?

Mr. UNDERWOOD. I should be glad to have the Senator do so. I should like to know, because you will have it too high in one case or too low in the other case if you are going to make absolutely equal competitive conditions.

Mr. McCUMBER. That is true under the present system. There are a great many things that Germany can produce and sell in this country that Great Britain can not produce and sell in this country.

What must the President have in view when he determines upon an investigation—which, of course, will be made by the Tariff Commission? What has he in view as to what is necessary? He must have in view the question that is submitted to him to protect the American industry from destruction. There might be a certain quantity of a commodity produced in Germany that would be so much cheaper than that which was produced in Great Britain that whatever duty would be placed upon that commodity would be an embargo against Great Britain. Then the question would necessarily arise whether the quantity coming in from the cheapest country was sufficient to destroy the American industry. If it was sufficient to destroy the American industry, and it appeared clearly to the satisfaction of the President that it was impossible for the American industry to be sustained in the United States as against the cheapest producing country, of course it would be necessary to consider the price of the commodity produced in the country of cheapest production, and that must necessarily be the basis.

The Senator knows as well as I do, however, that our trade which has been going on for years rather adjusts itself. Germany, prior to the war, drove the British product out of the American market in a great many lines, and therefore the only thing that was coming in was coming in from Germany. Therefore the only country which we would have to consider would be Germany in that case, because while if the duty was high enough to allow England to compete she might compete, nevertheless at the particular time when the President would act she would not be a competitor at all, and he would have to take into consideration what duty was necessary to protect the American market against a country which was destroying the American market. If he finds no destruction, if he finds they have equal opportunity in the American market, he will not act either way.

Mr. UNDERWOOD. Your bill does not say "destruction." I am trying this case on the terms of your bill. It says "to equalize the differences in conditions of competition in trade." The Senator has made the answer that I suspected he would make. It is entirely in line with this bill, and entirely in keeping with the idea of protecting the American manufacturer against competition abroad, protecting his profits.

I asked the Senator if the socks manufactured in competition with the American industry turned out to be 10 cents a pair cheaper coming from Germany than from England, with which rate would the President equalize the competitive trade conditions? The Senator answered what I expected him to answer, that the equalization would be with Germany; but when he makes that answer and says, "We are going to equalize competitive conditions with the country that can make the commodity the cheapest," of course we put an embargo against the other countries.

Mr. SMOOT. That is the same thing that happens with the rate to-day, with any rate at all.

Mr. UNDERWOOD. Oh, no; no. If the Senator will simply take the imports and exports of the United States on 100 or 1,000 commodities coming in, he will find that there are various commodities where the cost of the foreign article varies very much. The Australian wools and the South American wools are not of the same competitive trade conditions or the same cost, and yet they come into the American market. Both of them come in here competitively.

Mr. SMOOT. But competitively with the same grade of wool—not fine wool with coarse wool.

Mr. UNDERWOOD. But I am talking about the same grade of wool. Of course, I recognize that there is a great deal of difference between the Australian wools and the South American wools.

Mr. SMOOT. Certainly.

Mr. UNDERWOOD. But they compete in the same line—coarse wools and good wools. The English wools may not be in absolute competition with the Australian wools; there may be a little difference in grade; but they compete for making the same class of cloth in many respects.

Mr. SMOOT. Not many.

Mr. UNDERWOOD. Well, they do.

Mr. SMOOT. Of course fine wool does not enter into coarse-wool goods.

Mr. UNDERWOOD. Certainly not.

Mr. SMOOT. Because they could not afford it.

Mr. UNDERWOOD. But there are coarse wools that come from Australia, there are coarse wools that come from South America, and there are some very fine wools from Australia, and fine wools from England. I am only illustrating, but if the Senator does not like the illustration of wools I can take steel.

I do not know that any pig iron is coming in, but if any does come in it comes from Germany and it comes from England. It is competitive. If the German producer of pig can make pig iron a dollar cheaper, and, coming into the American market, can enter into the competitive conditions a dollar cheaper than the English producer of pig can, then, according to the interpretation of the chairman of the committee, the President, in equalizing trade conditions, would take the rate of the German competition and fix his barrier on that, and that would exclude absolutely the English pig, and it would do the same thing in wool.

Mr. SMOOT. The only difference is that the rates themselves provide that, and the President never will be called upon to exercise this power in regard to pig iron.

Mr. UNDERWOOD. I first talked about wool, and the Senator tried to avoid the question by saying, "They are not equal grades." Of course, I know that it was folly to put a tax on pig iron in this bill just as well as the Senator does, but I am only using that as an illustration, and assuming that it will come in. The Senator says that none will come in, and I think he is right about it; but I am assuming, for the sake of the argument, that the products could come in, and that they were equally competitive, but that from one country they were cheaper than from the other. When your President fixes the point of competition in the competitive market in the cheaper country you exclude all other countries, and you will do that in wool; you will do that in sugars; you will do that in silks; you will do it all along the line of this bill.

Mr. SMOOT. Mr. President, as I said before, I do not think there will be four classes of goods as to which the President will ever exercise his power of increasing the rates of duty. I look for more decreases than I do for increases, because of the conditions existing in the world to-day; but on the question of increases take toys, for instance: There is no need of putting a rate of duty on toys that would equalize the difference between England and the United States, because England can not make toys against Germany at all, and yet she makes toys. The only thing you would have to do would be to take the cost of toys in Germany, and that is one of a few items as to which, in my opinion, the power will be exercised by the President.

Now, Mr. President——

Mr. UNDERWOOD. The Senator, of course, is speaking in my time.

Mr. SMOOT. Pardon me.

Mr. UNDERWOOD. I do not want the Senator to make an argument in my time. I am glad to hear what he says. I am perfectly willing to have the interruption; but the Senator picks out toys to sustain himself about this bill. Of course, we all know, anybody who knows anything about international trade knows, that the real competition in toys came alone from the German market, and practically none from England; but I did not take an illustration of that kind. I am taking as an illustration what we know. We know that wools come from a number of countries. We know that iron and steel, if they can come into this country at all, come from Belgium, Germany, and England. They are made in different countries. They are made at different costs of production. Their point of competition in this market rests on a different basis of cost, a different basis of profit, and one is cheaper than the other; and you admit that the President is going to take the cheapest ground, the cheapest product, and base his rates to equalize competition in the home market upon the cheapest product. In other words, he is going to take the cheapest product and raise the rate above that to equalize costs; and I say of necessity that in those cases you are going to build an embargo against the importation of similar articles from everywhere else.

Mr. SMOOT rose.

Mr. UNDERWOOD. I am glad to have the Senator's opinion. He has stated repeatedly what he thinks is going to happen. He has told us that he did not think the President would change four rates. He has told us that he thinks the President will lower more rates than he will raise; but we are not here to try this bill on what the Senator "thinks." We are trying this case on what this bill says, and we know that this difference in competitive costs exists as to many articles, and you not only give the President the power, but you use the word "shall." The bill says he shall do this when he finds a difference in competitive costs in the home market, and the man who wants to build up a tariff wall by raising his rates at home will make a difference in competitive costs, and this provision is mandatory. It will not rest with the commission to which the President shall delegate his power to use their discretion as to whether they will carry out the terms of this bill. The bill provides they shall do it; it is mandatory, and they must do it.

That is the case I am trying. The Senator from Utah is entitled to his opinion. He is entitled to "think" about it all he wants to, but he has never yet met the proposition that the power rests in the President, that it is mandatory power, and that it must be carried out.

Mr. SMOOT. Mr. President, the Senator knows there never was a tariff bill written in which these very things were not taken into consideration. No protective bill could be written without taking those things into consideration, and in framing this bill they have been taken into consideration. The members of the committee know and the Senator himself, I think, knows that under conditions existing to-day nobody could tell what rates are to be applied, except as to a few articles. There are a few of the coal-tar products and a few of the chemicals which are vital to the very existence of the country; and the only time the President would ever exercise this power would be when he knew that a condition existed which it was impossible to meet in this country by a reasonable rate. I say to the Senator from Alabama I know that is the thought of the committee, I know it is the thought of the President, and I know it is the only way to meet the situation.

If we want those few industries—and they are very few—to cease to exist in the United States, then well and good; do not put this provision in the law, although I think it ought to be there, because of the unsettled conditions of the world, authorizing the President of the United States to decrease some of the rates which we know are necessary to-day, but which, when things get back to normal, perhaps may not be necessary.

Mr. UNDERWOOD. As I said the other day, you may probably have put the rates so high in this bill that you have already met all competitive trade conditions in the United States; you may have already done it under the terms of this bill and have established your embargo, but if you have not, then the President is ordered to exercise this power.

Mr. WALSH of Montana. Mr. President, before this particular discussion ends, I desire to advert to a statement made by the Senator from Utah [Mr. SMOOT] to the effect that only a very few items in the bill will ever become subject to the provisions just canvassed by the Senator from Georgia [Mr. WATSON] and the Senator from Alabama [Mr. UNDERWOOD].

I have no doubt the Senator from Utah has information concerning the action of the present occupant of the White House and his attitude toward these schedules, which the rest of us do not possess, and he may be right in saying that there are only a few items in reference to which the power will ever be invoked; but what assurance has anybody that every item in the bill will not become subject to this power? Whether you consider it from the standpoint of policy, or whether you consider it from the standpoint of power, you must recognize the fact that the power extends to every single item in the bill.

Of course, so far as the power extends, so far as the validity of the provision is concerned, so far as the validity of the act of which this provision constitutes a part is concerned, it is of no consequence whatever whether the power will ever be exercised with reference to any article or not. That would never enter into consideration.

So, likewise, when you come to consider the question of policy, how does anyone know that the power will be limited in its exercise to a few articles? We do not point out in the bill the particular commodities with reference to which the power may be exercised. It may be exercised with reference to any item in the bill. It is as broad as the bill itself.

Mr. POMERENE. Mr. President, may I suggest to the Senator that when they urge in defense of this power that it will

be used in only a few instances, they demonstrate conclusively that in their own judgment they regard it as a very dangerous power.

Mr. WALSH of Montana. That is quite right, as, of course, it must be recognized by all to be a dangerous power to repose in any man, no matter how wise, how patriotic, or how honest he may be. No one questions the high motives and purposes of the present Executive; but that is not the question.

The other day I discussed the mere matter of the power of Congress to make such a delegation to the Chief Executive. In that connection, the Senator from Utah suggested what he has repeated here to-day, that it will be exercised with reference to only a few items; but that does not affect the question in the slightest degree. So far as power is concerned, if it is not valid under the Constitution, it is not valid whether it is ever exercised at all or not, and if it affects the entire bill, as I think it does, the whole bill will fail, whether it is ever exercised or not.

The fact is that if that view is correct, even though the President does not exercise it at all, or before he exercises it at all, if the duties required under it are paid under protest and suit is brought to recover the duties on any articles in that litigation, as in the case of Field against Clark, the validity of the entire bill will be for consideration.

Mr. McCUMBER. Mr. President, following the record of the Senate for the last few days, in which we have been enabled to vote upon one or two items a day, having now been in session for almost six hours and not having had a vote upon bone black, I ask Senators if they will not now allow us to vote on the amendment offered by the Senator from Massachusetts [Mr. WALSH] to the bone-black proposition.

Mr. WALSH of Massachusetts. On my amendment to the amendment of the committee I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WALSH of Massachusetts. I ask that the amendment offered by me be reported.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The READING CLERK. On page 26, line 19, the Senator from Massachusetts proposes to strike out "20" and insert "10" in the part stricken out by the committee, so that it will read:

Deodorizing chars or carbons, 10 per cent ad valorem.

The reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). I have a pair with the Senator from Colorado [Mr. PHIPPS]. Not being able to obtain a transfer, I withhold my vote.

Mr. SIMMONS (when his name was called). I have a general pair with the Senator from Minnesota [Mr. KELLOGG], which I transfer to the Senator from Rhode Island [Mr. GERRY], and vote "yea."

Mr. WATSON of Georgia (when his name was called). I transfer my pair with the junior Senator from Arizona [Mr. CAMERON] to the senior Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. WATSON of Indiana (when his name was called). I have a pair with the Senator from Mississippi [Mr. WILLIAMS], which I transfer to the Senator from Washington [Mr. POINDEXTER], and vote "nay."

The roll call was concluded.

Mr. NEW. Transferring my pair with the junior Senator from Tennessee [Mr. McKELLAR] to the senior Senator from Pennsylvania [Mr. CROW] I vote "nay."

Mr. OVERMAN (after having voted in the affirmative). I am paired with the senior Senator from Wyoming [Mr. WARREN] who is absent. I transfer that pair to the senior Senator from Tennessee [Mr. SHIELDS] and let my vote stand.

Mr. HARRIS. I transfer my pair with the junior Senator from New York [Mr. CALDER] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. WATSON of Georgia (after having voted in the affirmative). The Senator from Nevada [Mr. PITTMAN], to whom I have transferred my pair, has entered the Chamber; so I must withdraw that announcement. Being unable to obtain a transfer, I withdraw my vote.

Mr. JONES of New Mexico. I transfer my pair with the Senator from Maine [Mr. FERNALD] to the senior Senator from Missouri [Mr. REED] and vote "yea."

Mr. STERLING. I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Maryland [Mr. FRANCE] and vote "nay."

Mr. DILLINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS], which I transfer to the junior Senator from Delaware [Mr. DU PONT] and vote "nay."

Mr. JONES of Washington. Has the senior Senator from Virginia [Mr. SWANSON] voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. JONES of Washington. I have agreed to take care of him with a pair for the day. I find, however, that I can transfer that pair to the senior Senator from Iowa [Mr. CUMMINS] which I do, and vote "nay."

Mr. COLT. I have a general pair with the junior Senator from Florida [Mr. TRAMMELL]. I transfer that pair to the junior Senator from Oregon [Mr. STANFIELD] and vote "nay."

Mr. CURTIS. I was requested to announce that the senior Senator from Wyoming [Mr. WARREN] is absent on account of a death in his family. I will let this announcement stand for the day.

Mr. EDGE. I transfer my general pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from Maryland [Mr. WELLER] and vote "nay."

The result was announced—yeas 23, nays 46, as follows:

YEAS—23.

Ashurst	Heflin	Overman	Simmons
Caraway	Hitchcock	Pittman	Stanley
Dial	Jones, N. Mex.	Pomerene	Underwood
Fletcher	King	Ransdell	Walsh, Mass.
Harris	Myers	Robinson	Walsh, Mont.
Harrison	Norris	Sheppard	

NAYS—46.

Ball	Frelinghuysen	McCumber	Rawson
Borah	Gooding	McKinley	Shortridge
Brandegee	Hale	McLean	Smoot
Broussard	Harreld	McNary	Spencer
Bursum	Johnson	Moses	Sterling
Capper	Jones, Wash.	Nelson	Sutherland
Colt	Kendrick	New	Townsend
Curtis	Keyes	Newberry	Wadsworth
Dillingham	Ladd	Nicholson	Watson, Ind.
Edge	Lenroot	Norbeck	Willis
Elkins	Lodge	Oddie	
Ernst	McCormick	Phipps	

NOT VOTING—27.

Calder	France	Page	Swanson
Cameron	Gerry	Pepper	Trammell
Crow	Glass	Poindexter	Warren
Culberson	Kellogg	Reed	Watson, Ga.
Cummins	La Follette	Shields	Weller
du Pont	McKellar	Smith	Williams
Fernald	Owen	Stanfield	

So the amendment of Mr. WALSH of Massachusetts to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. McCUMBER. I ask that the Senate reject the committee amendment.

Mr. KING. As I understand, the Senator moves now to restore the rate of 20 per cent ad valorem?

Mr. McCUMBER. Yes; 20 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was rejected.

Mr. McCUMBER. I ask that the Senate return to paragraph 65, which was passed over this morning.

The PRESIDING OFFICER. The first amendment of the committee in that paragraph will be stated.

The READING CLERK. On page 26, line 13, the committee proposes to strike out "12" and insert "8," so as to read:

PAR. 65. Blue pigments and all blues containing iron ferrocyanide or iron ferricyanide, in pulp, dry, or ground in or mixed with oil or water, 8 cents per pound.

Mr. KING. Mr. President, I move, as an amendment to the committee amendment, to strike out "8 cents per pound" and in lieu thereof insert "20 per cent ad valorem."

I wish to say just a few words and as briefly as possible relative to this very important paragraph. Senators may not know that blue pigments and all blues containing iron ferrocyanide or iron ferricyanide deal with products which are very important to the farmers and the agriculturists, and indeed to all classes of Americans. Briefly let me call attention to what has been stated by the Tariff Survey and to the character and uses of the product embraced within the amendment which I have offered:

The terms Berlin blue, Prussian blue, and Chinese blue, used in the act of 1913, are commercial names given to blue pigments——

Mr. McCUMBER. Mr. President, will the Senator yield to me for just a suggestion upon these rates, because I think it will be better understood from his own standpoint?

Mr. KING. I am glad to yield to the Senator.

Mr. McCUMBER. The Senator asks for 20 per cent ad valorem. Taking the last quotation we have of importations in 1921, the value is 38 cents per pound. With an 8 cents per pound duty the ad valorem is 21 per cent. So really the only difference is a difference at the present time of 1 per cent between what the Senator proposes and the present law, and what the committee by its amendment has suggested.

Mr. KING. I concede what the Senator says, and that is one of the vices found in the bill. When a specific rate is laid upon war prices and the peak prices which exist to-day, to project that specific rate into peace times is giving an undue protection even to those who believe in a protective policy. It is giving war protection in peace times, or protection upon war prices.

The Senator says that the foreign price of this product is 38 cents per pound, and that is true, but in 1914 Berlin blue was 8½ cents per pound, Chinese blue 10 cents per pound, and Prussian blue 22 cents per pound. Of course it is clear that those pre-war prices, measured by the 20 per cent ad valorem which I have suggested, would not carry as high a duty as an 8-cent specific rate. If the Senator's belief is that these prices should be reduced, then it is clear that an 8-cent specific would be greater than a 20 per cent ad valorem. Therefore, I have moved the amendment because the American people will not submit to the extortionate rate of 8 cents per pound projected into peace times or projected indefinitely upon a product which before the war was 8½ cents per pound, or 10 cents per pound, or 22 cents per pound, depending upon the grade.

My information is that the greatest amount of this product came within the classification of 8½ cents a pound. As I understand the Senate committee bill, there is no distinction between the highest grade and the lowest grade. It all bears 8½ cents a pound notwithstanding, as I have stated, the grade bore a different value and a different market price prior to the war and, of course, will carry a different market price now, if there is no trust and no combination and if there is legitimate competition. However, I submit that there are strong evidences of a combination and a trust now, because notwithstanding the fact that before the war Berlin blue was 8½ cents per pound, the domestic price on April 24 was practically 50 cents per pound. The same is true of Chinese blue, bronze blue, and Antwerp blue, which are 50 cents per pound. In other words, those different grades which bore different prices before the war are now uniform in price at 50 cents per pound. That is the reason why an 8 per cent specific would be unfair because it would be too high a rate measured upon pre-war prices or upon any fair prices that may follow.

Now, let me refer briefly to the uses to which these pigments are put:

> Ferrocyanide blues are used as pigments in prepared paints and dry colors; printing, lithographing, and writing inks; japans, enamel paints, soluble laundry blues; and mixed with other pigments, in the manufacture of other dry colors.

So it is obvious from the statement of the tariff summary that these pigments are in common use by the people of the United States.

As to production this statement is made:

> Ferrocyanide blues—

And those are the ones we are considering—

> in general are made by mixing ferrocyanide of potash or soda with a soluble iron salt, such as copperas, and oxidizing the insoluble white product formed with a suitable chemical under carefully controlled conditions.

Then the statement proceeds:

> Ferrocyanide blues are made on a large scale in the United States, and prior to 1914 the domestic production supplied over 75 per cent of the total needs, but about half of the sodium or potassium ferrocyanide used as a raw material was imported.

I might say in passing that we have sodium and potassium in the United States, their production is being developed, and there is no reason why that production should not be more largely developed in the future than it has been in the past. Over 1,000,000 pounds of Prussian blue, valued at $387,077, were manufactured in the United States in 1914, and 1919—preliminary figures—showed more than 944,650 pounds. I might say that this commodity is also manufactured in Germany, France, and England.

Now, under the head of imports, it is stated:

> Imports for the period 1910–1917 have averaged 263,549 pounds, valued at $76,840, yielding a revenue of $19,623. Later statistics follow:

In 1918 the imports were 2,923 pounds. In that year our production was more than 1,000,000 pounds. The imports for that year would be less, of course, than 1 per cent of the domestic production. In 1919, when our production was nearly 1,000,000 pounds, our imports were only 16,055 pounds. In 1920 our imports were 465,119 pounds and for the nine months of 1921 they were 108,093 pounds.

May I say that the foreign value is 38 cents a pound, just as the Senator from North Dakota [Mr. MCCUMBER] has stated. The domestic price on April 24 was 50 cents per pound. The pre-war prices were, as I have indicated, ranging from 8½ cents a pound to 22 cents a pound.

Mr. MCCUMBER. Mr. President——

Mr. KING. I yield to the Senator from North Dakota.

Mr. MCCUMBER. Right there I desire to correct the Senator. There is some error in his statement. The price of 8½ cents a pound, I think, refers to ultramarine-blue dryer and pulp, and it is not derived from the blue pigments such as ferrocyanide or the iron ferrocyanide or the iron ferrocyanide pulp. I have here the statistical reports of imports from 1908 to 1919. Prior to 1914 the price was never less than 17 cents and in 1914, the last year before the war, it was 18 cents a pound. I am speaking now of the ferrocyanide. I find in no instance was the price below that prior to the war; so that the article to which the Senator is referring as being 8 cents a pound must be included in the second clause of the paragraph, and in that we are not asking for 8 cents a pound but ask simply for a duty of 3 cents a pound.

Mr. KING. Mr. President, I still think that the figures I gave were correct. The Berlin blue is a ferrocyanide, and the import price was 8½ cents per pound.

Mr. SMOOT. Will my colleague tell me where he gets the price of 8½ cents a pound for this article? Does he get it from Pickhardt's list?

Mr. KING. No. I got it in part from Commerce Reports and in part from Department of Commerce Miscellaneous Series No. 82.

Mr. SMOOT. I can not find it anywhere.

Mr. KING. As to the ultramarine blues, of which the Senator from North Dakota has spoken, I think he will find that for the dry ultramarine the domestic price was only 3½ cents up to 1913, dependent upon the quality. Mixed with oil, the price was from 13 to 16 cents per pound; but in the war time it went as high as from 50 to 65 cents in the oil. Even, however, if the figures which I gave with respect to Berlin blue were as indicated by the Senator, I should still insist upon the rightfulness of the amendment which I have submitted.

There is no question that prior to the war the import price of Chinese blue was 3 cents a pound and that Prussian blue was 22 cents a pound prior to the war, whereas, as I said, the Senator will find on page 123 of the Miscellaneous Series No. 82 that the imports were only 3,220 pounds for the year ending June 30, 1914, valued at $308, and that would show a price of 10 cents per pound. That is the Chinese blue. The Senator will find on page 122 that the quantity of imports of Berlin blue for the year just named was 781,299 pounds, of the value of $66,464, which, as I have stated—of course, I may be wrong in my figures—would amount to 8½ cents per pound.

Mr. SMOOT. That is Berlin blue.

Mr. KING. That is what I stated. Now, will the Senator from North Dakota confess that I was right and he was wrong?

Mr. MCCUMBER. No. It may be possible that some one particular kind from China of a very low grade came in at that price; but if the Senator will turn to page 736 of the report of statistics of imports and duties he will find the average price for 1914, after a duty was imposed of 20 per cent ad valorem, was 18 cents; 1913 it was 19 cents; and 1912, 17.8 cents. Those were the very lowest prices. They ran all the way from 21 cents plus in 1908 down to as low as 18 cents in 1914. That is the average of all the importations.

Mr. KING. I was absolutely right in my statement that Berlin blue for the year which I stated, a pre-war year, was 8½ cents per pound, and it did not come from China. Ninety-eight per cent of the entire imports under this particular paragraph which we are now discussing came from Germany. Chinese blue does not come from China; it comes from Germany. The learned Senator evidently thought that because it bore the name "Chinese blue" it must have been made in China. I repeat, we are now attempting to impose a specific rate of 8 cents a pound upon pigments which are used by the great bulk of the American people, upon a product the import price of which before the war was 8½ cents a pound, of another classification 10 cents a pound, and of the highest classification 22 cents a pound. I submit that in view of the fact that we produce such a large quantity, the imports for the years 1910 to 1917 averaging only 263,000 pounds plus, as against approximately a million pounds of domestic production, the proposition of the committee is wrong and that it imposes too great a burden upon the people. I may say in passing that the domestic production exceeded 75 per cent of the domestic consumption, and the commodity is produced in the United States by a large number of companies, among them being the Standard Ultramarine Co., the Imperial Color Works Co., the Harmon Color Works Co., the Seimon Elting Co., Middlesex Aniline Co., the Kentucky Color & Chemical Co., and the Fred L. Lavenburg Co. With respect to this item, as to which I have suggested the amendment, that is all I care to say for the present.

Mr. McCUMBER. Mr. President, I do not want to have this question voted upon without having a correct record of the average import values, and of course that is what we must go by. There may have been one shipment of a certain quality which for some reason or other sold for an exceedingly low price. I do not know where the Senator gets the figures he has quoted. I could not understand all that was said by the Senator on account of some confusion.

Mr. KING. If the Senator will pardon me, I am sure he does not want to be unfair. I gave the figures from the report of the Department of Commerce, showing that the largest importation was 700,000 pounds, valued at 8½ cents per pound.

Mr. McCUMBER. For what year?

Mr. KING. For 1914. If the Senator will turn to page 122 of Miscellaneous Series No. 82, Department of Commerce, he will find near the bottom of the page the importations for that year stated to be 781,299 pounds, of a value of $66,464. My figures show 8½ cents a pound, as I have stated.

Mr. McCUMBER. I think there must be some mistake. I have the figures here and they give Berlin blue, or whatever it is.

Mr. KING. Berlin blue?

Mr. McCUMBER. It does not say Berlin, but I assume it means that; perhaps it is stated somewhere. At any rate, the importations are given as 781,299 pounds. That was for the year ended June 30, 1914. I take the statistics of imports for the year 1914 and find that in that year there were 225,017 pounds imported, and not 781,000 pounds—there is quite a little difference—and that the value was $40,550, and the price of those importations for that year averaged 18 cents a pound.

Mr. KING. Mr. President, may I interrupt the Senator?

Mr. McCUMBER. Certainly?

Mr. KING. The record from which I read was made up by consulting the invoices, and the record from which the Senator now reads has been demonstrated, I believe, to be inaccurate in many instances, because it was not made from the invoices, and, consequently, does not include all of the imports. It is accurate so far as it goes, but it does not include all of the invoices, and therefore does not include all of the imports.

Mr. McCUMBER. Evidently there is some error in it, and I am rather inclined to stick by the statistics of imports and the duties, and they agree substantially with previous years and preceding years; and I can not believe that there was that importation that came in in that year. In 1915 we imported 547,299 pounds, and that came in at 20.6 cents per pound. Then came the war. In 1916 it rose to 59.9 cents, and in 1917 it was 56.2 cents. In 1918 it was 62.9 cents; but the pre-war price averaged from 18 to 21 cents.

It may be that these products will come back to the pre-war price. I simply do not believe that they will, and therefore I think that a duty which is but 21 per cent ad valorem, according to our estimates, and which is only 1 per cent ad valorem above the amendment offered by the Senator from Utah on present quotations, is at least not excessive.

Mr. KING. Mr. President, will the Senator yield?

Mr. McCUMBER. Certainly.

Mr. KING. I would agree with the Senator, at least for the purpose of passing this bill as soon as we can in reason, providing we were to maintain these prices.

Mr. McCUMBER. I have just said that. I have said that of course if it goes back to the old prices there will be twice as much percentage or duty.

Mr. KING. Then it is obvious that this bill is drawn upon the theory that we are to protect the present abnormally high prices, and we are to transfer from ad valorem rates to the specific column in order to give these high duties, when there must be, or ought to be in all conscience, a reduction in prices.

Mr. McCUMBER. I do not think there will be that much of a reduction, and if it was reduced back to the old price it would only be 40 per cent.

Mr. KING. This emphasizes again, if I may be permitted to say so, the vice of this bill. It shows that the scheme is to protect these high prices and to perpetuate them into the future, instead of permitting an ad valorem rate, so that when the prices go down—as they must if we are to have returning prosperity—the people may get the advantage. The proposition is to transfer from the ad valorem to the specific class, so that the manufacturer may keep the high prices and make the high profits, notwithstanding there may be a reduction. It is vicious. It is an odious system of taxation.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah to the amendment of the committee.

Mr. KING. I call for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). Making the same announcement as before as to the transfer of my pair, I vote "nay."

Mr. HARRIS (when his name was called). Making the same announcement as to my pair, I vote "yea."

Mr. OVERMAN (when his name was called). Making the same transfer of my pair, I vote "yea."

Mr. STERLING (when his name was called). Making the same transfer as on the previous roll call, I vote "nay."

The roll call was concluded.

Mr. NEW. Making the same announcement as on the previous roll call, I vote "nay."

Mr. LODGE. I believe that the Senator from Alabama [Mr. UNDERWOOD], with whom I have a general pair, has not voted. I transfer my pair with him to the Senator from Delaware [Mr. DU PONT] and will vote. I vote "nay."

Mr. JONES of Washington. Making the same announcement of my pair and its transfer as on the previous roll call, I vote "nay."

Mr. DIAL (after having voted in the affirmative). I have a pair with the Senator from Colorado [Mr. PHIPPS]. I transfer that pair to the Senator from Ohio [Mr. POMERENE] and will let my vote stand.

Mr. HARRISON. I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

Mr. ERNST. I have a general pair with the senior Senator from Kentucky [Mr. STANLEY]. I transfer that pair to the junior Senator from Oregon [Mr. STANFIELD] and will vote. I vote "nay."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES]; and

The Senator from Minnesota [Mr. KELLOGG] with the Senator from North Carolina [Mr. SIMMONS].

The result was announced—yeas 14, nays 35, as follows:

YEAS—14.

Ashurst	Harris	King	Sheppard
Caraway	Harrison	Myers	Walsh, Mass.
Dial	Heflin	Overman	
Fletcher	Hitchcock	Robinson	

NAYS—35.

Ball	Frelinghuysen	McCumber	Rawson
Borah	Gooding	McKinley	Shortridge
Brandegee	Hale	McLean	Smoot
Broussard	Johnson	McNary	Sterling
Bursum	Jones, Wash.	Moses	Sutherland
Capper	Keyes	Nelson	Townsend
Curtis	Ladd	New	Wadsworth
Edge	Lenroot	Newberry	Willis
Ernst	Lodge	Oddie	

NOT VOTING—47.

Calder	Glass	Page	Stanfield
Cameron	Harreld	Pepper	Stanley
Colt	Jones, N. Mex.	Phipps	Swanson
Crow	Kellogg	Pittman	Trammell
Culberson	Kendrick	Poindexter	Underwood
Cummins	La Follette	Pomerene	Walsh, Mont.
Dillingham	McCormick	Ransdell	Warren
du Pont	McKellar	Reed	Watson, Ga.
Elkins	Nicholson	Shields	Watson, Ind.
Fernald	Norbeck	Simmons	Weller
France	Norris	Smith	Williams
Gerry	Owen	Spencer	

So Mr. KING's amendment to the amendment of the committee was rejected.

The VICE PRESIDENT. The question now is on the amendment of the committee.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment of the committee.

The READING CLERK. On the same page, line 16, after "ultramarine," it is proposed to strike out "3" and insert "4," so as to read:

ultramarine blue, dry, in pulp, or ground in or mixed with oil or water, wash and all other blues containing ultramarine, 4 cents per pound.

Mr. McCUMBER. I ask that the committee amendment on line 16 be rejected.

Mr. KING. Mr. President, that is to say, as I understand the Senator, he wants to permit the House provision to stand?

Mr. McCUMBER. Yes; 3 cents per pound.

Mr. KING. I move to strike out "3 cents per pound" and to insert in lieu thereof "15 per cent ad valorem."

Just a few words respecting that item.

The Payne-Aldrich law contains this provision:

Ultramarine blue, whether dry, in pulp, or mixed with water, and wash blue containing ultramarine, 3 cents per pound.

As I understand, the Senate has now accepted the Payne-Aldrich provision, 3 cents per pound, as a specific duty upon this important item—important because of the universality of its use among the people, yet an item which does not in its original production cost a very large sum.

Mr. President, I want to call attention very briefly to some facts concerning this item.

The pre-war domestic price of ultramarine blues was 3½ cents per pound, and went higher according to the grade. In war times it rose to 50 and 65 cents per pound.

Mr. FRELINGHUYSEN. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from New Jersey?

Mr. KING. I yield.

Mr. FRELINGHUYSEN. I should like to have the Senator's authority for the statement that the pre-war price was 3½ cents a pound. The records we have show that practically for 20 years the price has been uniform, practically 10 cents per pound.

Mr. KING. I shall try to give the Senator the authority before I leave the floor. I state now that my information is that the pre-war domestic price on dry ultramarine—I am not speaking of the mixed—was 3½ as a minimum and upward, and I think the figures will demonstrate the accuracy of that statement. Mixed it was from 13 to 16 cents per pound. The pre-war import price on certain grades was 8½ cents per pound.

The Senator asked me for the source of my information. If he will look at page 33 of the Tariff Survey A–15, at the bottom of the page, he will find this:

Ultramarine—Prices (wholesale) per pound, in barrels, spot, New York.
[Data from Oil, Paint and Drug Reporter.]

DRY.	Cents.
August, 1914	3½–13
January, 1915	3½–13
January, 1916	5 –22
January, 1917	20 –40
January, 1918	17 –50
January, 1919	14 –40
April, 1919	12 –50

In the column opposite, the Senator will see the price, in cents, of the product in oil.

Mr. FRELINGHUYSEN. If the Senator will turn to the statistics of imports and duties from 1908 to 1918, inclusive, of the United States Tariff Commission, page 736, he will find tabulation 3448, ultramarine, dry, in pulp, or mixed with water, the average figures from 1908 to 1918 are practically 9.6 to 10 cents a pound.

Mr. KING. The Senator is quoting the foreign price; I am quoting the domestic.

Mr. FRELINGHUYSEN. That is practically true. The 3 cents is based upon foreign prices.

Mr. KING. I stated to the Senator a few moments ago what the foreign price was. The pre-war import price was 8½ cents per pound.

Mr. FRELINGHUYSEN. It is on the mixed. The rate on dry is 4 to 5 cents. The average price of ultramarine is 10 cents a pound. That is what it is now in the domestic market.

Mr. KING. I stated to the Senator that the figures which I gave were 3½ cents and upward on the dry; then when I called his attention to the mixed I said 13 to 16 cents. I stated that during war times it went to 50 to 60.

Mr. SMOOT. My colleague knows that 3½ cents was for the lowest grade, mixed with other substances. Nobody really wants to use that. The higher grade of ultramarine blue is always used wherever it can be obtained.

Mr. KING. I have no doubt the figures which I have read are correct, and I have no doubt that they state the minimum.

Mr. SMOOT. There is no doubt the Senator's figures are correct, but we could not base a specific rate of duty on an article that is not in reality an ultramarine blue. There is ultramarine blue in it, but it is adulterated with cheap products, and sells for 3½ cents a pound. But the average price to-day is 10 cents a pound, and it runs up to 22 cents. I am speaking of the dry. Of course, in oil it is higher.

Mr. KING. The figures which I gave are absolutely correct. The dry was 3½ cents per pound in 1914, as I stated. It is obvious that at least some of that grade will be used. The proposition of the committee now is to give a specific rate of 3 cents a pound upon that product, the pre-war price of which was 3½ cents a pound. They fix the same specific rate upon the low grade as they do upon the high grades.

Mr. FRELINGHUYSEN. For 43 years, I am informed, after 1870, there was invariably a specific duty upon ultramarine. In the Dingley law it was 3¾ cents per pound. Afterwards the duty was changed to a specific rate of 6 cents a pound, and it has been reduced during the period since, but I am informed that continuously for 43 years, and until the enactment of the law of 1913, there was a specific duty upon this product.

Mr. KING. Did the Senator state that in the Underwood Act it bore a specific duty?

Mr. FRELINGHUYSEN. I did not. I said that for 43 years, down to 1913, there was a specific duty, as high as 6 cents a pound and as low at 3¾.

Mr. KING. I am aware of that. The Senator did not tell me anything I did not know about this matter.

Mr. FRELINGHUYSEN. That would be an impossibility.

Mr. KING. It would not. The Senator knows very much more than I about many things, but upon this matter he did not say anything that we all do not know. The Senator is going back 43 years for a precedent to guide us now. The framers of the Underwood bill sought to correct an injustice. The Senator wants to perpetuate an injustice. He wants to impose the same rate upon a product which costs 3½ cents a pound as upon a product which costs more, and that I denounce and say that it is unjust. The framers of the Underwood bill, I repeat, sought to correct an injustice, and prescribed an ad valorem rate, the same I am asking for now. I do not know why the Senator is so insistent upon calling attention to conditions 43 years ago.

Mr. FRELINGHUYSEN. The Senator challenged the policy of placing a specific duty upon this product.

Mr. KING. I challenge it now.

Mr. FRELINGHUYSEN. I pointed out that for 43 years it had been the policy of this Government to have a specific duty on this article.

Mr. KING. Mr. President, the Republican Party, in framing its tariff laws, for many years adopted a policy which I regard as vicious and unjust to the American people, and the confession of the Senator is a confirmation of the views which I expressed. He is willing to indorse a policy of his party which imposed the same duty upon a 3-cent-a-pound product as it did upon a 10-cent-a-pound product. I submit that is unfair. The Senator may justify it, and I leave it to him to make such justification as he desires.

As suggested by the Senator from Nebraska, when is this infant to grow up? It had that specific rate years ago. Is it never to be an adult?

Mr. FRELINGHUYSEN. Mr. President, I understand that practically 2,400,000 pounds of this article are manufactured in the United States in various industries. One of them is in my State, a reputable industry, which has been built up under this protection. Since 1868, I think, this one industry has been making ultramarine blue. They have asked for 6 cents a pound duty. They felt that with the competition they have to meet and the high rates of wages they have to pay they should have it. At one time they did have it, and under that duty this industry was built up, employing American labor, furnishing the products at a reasonable, uniform price. The House has seen fit to make it 3 cents, which is not outrageous, which is not excessive, which follows practically the uniform average of a long period of time. I claim that to charge that this is an excessive duty or is unjust is not warranted by the facts.

Mr. KING. Mr. President, the Tariff Survey shows that this pigment, which occurs in nature as the mineral lapis lazuli, and is an artificial product obtained by chemical process, is produced very extensively in the United States, and, as the Senator says, has been produced here for many years. It is sold as a dry powder, in pulp, or ground or mixed with water or oil. It is used in large quantities in paints, inks, soaps, and paper, and for many other purposes, including the manufacture of laundry blues.

The Senator from New Jersey is interested as a public-spirited man in the development of his State. I have no doubt he is likewise interested in the building of homes for the people. The Senator knows, as all Senators do, that for a number of years there has been almost a cessation of home building because of the enormous prices.

Mr. FRELINGHUYSEN. Mr. President, I am also interested in the employment of labor and the payment of wages to American laborers. If they do not have their wages, they can not buy the homes.

Mr. KING. Yes, Mr. President, I understand the Senator's position. I was about to compliment the Senator upon a de-

sire to have buildings erected for the people of the United States. He knows, as everybody knows, that for a number of years, owing to the combinations and the high prices, the erection of homes has practically ceased. Prices of brick and of all of the products and commodities which go into houses have been raised to a level of 100, 200, 300, 400, 500, or 600 per cent above pre-war prices.

This bill is calculated to perpetuate these high prices and to offer obstacles to the building of homes by the people of New Jersey, as well as by other people. Of course, it will offer no impediment to the building of palaces by the rich, by those who will profit by these enormous gratuities which this bill gives, but it will offer impediments to the erection of homes by the great mass of the American people.

Paints are important in the building of homes, and this product is not only a constituent of paints but it forms a part of inks, of soaps, of paper, and of many other products, including laundry blues, and a mere enumeration of the uses to which this product is put shows how important it is and how universally it is used in the United States.

The production of it is simple, and I might state that what might be the fundamental products out of which it is manufactured are in very rich abundance in our country. Artificial ultramarine is made by heating a mixture of clays and soda ash, of Glauber's salt, charcoal, and sulphur, in specially constructed furnaces, followed by grinding and levigating the products in water. We have more coal than any country in the world. We have soda ash and clays and sulphur surpassing the products of any country in the world. No country can compete with the United States in the production of this product because of the great plentitude of the fundamental constituents of the product in our country.

Over 2,500,000 pounds were manufactured in 1914, and that was under the provisions of the Underwood law. The industry did not die, it did not languish. It was profitable in 1914. In 1919, with the Underwood law in force, the product was 2,800,000 pounds. The imports from 1911 to 1917 averaged only 636,907 pounds. In 1918 there were 287,000 pounds imported, just giving the round numbers; in 1919, 310,000 pounds; in 1920, 735,000 pounds; in 1921, 605,000 pounds. The unit value for the last year was 10 cents per pound.

Now, the proposition is upon this product so universally employed by the people, so easily constructed, an old and well established industry, to give a specific rate of 3 cents per pound, the same rate affecting the cheap product, the intermediate product, and the costliest product. I submit that under the facts of the case this rate can not be justified. There is no evidence here measuring the difference in wage abroad and here, nothing to indicate the necessity for this high protection, nothing to justify it, an industry that lived prior to 1914, and under the Underwood law, and which has prospered, as I understood the Senator to indicate.

Mr. President, we are ready for a vote.

Mr. McCUMBER. Mr. President, before voting upon this item, I think there are a few facts which ought to be put into the RECORD. The Payne-Aldrich law gave 3 cents per pound on this article. The Underwood law gave 15 per cent ad valorem duty. The present House bill now before us gives 3 cents per pound duty. The committee asks that the House rate be retained.

In 1914 the production of ultramarine blue amounted to 2,500,000 pounds in the United States, valued at 9 cents per pound. In 1919 the production of ultramarine blue amounted to 2,800,000 pounds, valued at 22 cents per pound. The Senator from New Jersey says that the present production is about 2,400,000 pounds.

The imports during the first nine months of 1921 amounted to 605,000 pounds, valued at 10 cents per pound. Six hundred and five thousand pounds is about one-fourth of 25 per cent of the production in the United States. Of course, anyone acquainted with the course of trade will know that an importation of 25 per cent of the consumption will necessarily fix and control the price.

The price was 9 cents a pound prior to the war. It is valued at 10 cents per pound, foreign production. We have given 3 cents per pound duty, which is equivalent to 30 per cent ad valorem upon the foreign price. Thirty per cent ad valorem I do not regard as an excessively high rate.

Mr. FRELINGHUYSEN. Mr. President, I wish to make a further correction, and that is that the duty protects not only an industry in New Jersey, but there are four in the United States furnishing the American market—the Harmon Color Works Co., of Newark, N. J.; the International Ultramarine Works, of Staten Island, N. Y.; the Rust Co., of South Bend, Ind.; and the Standard Ultramarine Co., of Huntington, W. Va.

I wish also to point out that although a comparatively small amount of capital is invested in the production, amounting to $2,500,000, there are others directly concerned in its manufacture, industries absolutely dependent upon it as raw material, having an invested capital of considerably more than that invested in this one industry.

Mr. KING. Mr. President, if the Senator will pardon me, I put into the RECORD at the outset of my remarks on the other item, and stated that it applied to this, the names which have just been read by the Senator, and one or two others engaged in the industry.

Mr. FRELINGHUYSEN. I overlooked that.

Mr. KING. The Selmon-Elting Co. is also one and the Imperial Color Works is another.

Mr. HITCHCOCK Mr. President, I would like to ask the Senator from New Jersey what other industries there are of which he speaks which are dependent upon ultramarine blue for manufacturing?

Mr. FRELINGHUYSEN. Textile industries, paper, paints, linoleum. The capital invested in those industries dependent upon this raw product runs into the millions of dollars.

Mr. HITCHCOCK. I would like to ask the Senator, then, what is the effect of putting on a tariff to raise the price of this material to the industries which use it?

Mr. FRELINGHUYSEN. It has not raised the price.

Mr. HITCHCOCK. Is it not the purpose of putting on a tariff to maintain the price or to raise it?

Mr. FRELINGHUYSEN. Certainly, against the foreign markets.

Mr. HITCHCOCK. Suppose foreign competition comes in so as to reduce the price. Does not that benefit the industries which use it?

Mr. FRELINGHUYSEN. It does; but it does not benefit American labor. It probably benefits German labor and French labor. We are trying to protect American labor, while those on the Senator's side of the Chamber seem to be trying to destroy it.

Mr. HITCHCOCK. This is another instance in which the policy of the Finance Committee of increasing the tariff on a raw material or upon a material used in industry will probably necessitate a compensatory duty for the benefit of those industries, and so it is proposed by these compensatory duties and these tariffs upon the raw material to pyramid the price of the finished article to the ultimate consumer so as to aggravate and increase the cost of living.

Mr. FRELINGHUYSEN. Does the Senator claim that ultramarine is a raw material?

Mr. HITCHCOCK. Perhaps the term "raw material" is not correct. It is a primary article used for the manufacture of another article, and according to the Republican theory, according to the theory upon which the bill is built, having increased by a tariff the cost of this material which must be used by these other industries, we have to give a compensatory duty to the other industries. We have had that several times exploited upon the floor of the Senate. We were told that the duty upon Paris green, for instance, was made necessary because we had raised the duty upon arsenic. So I suppose we will be met with the argument that we must concede a higher tariff to those other products because we are raising the tariff rate on ultramarine blue.

I would like to ask the Senator if it has not been the theory of the Republican protective tariff that by building up these industries they would be made strong enough to maintain themselves?

Mr. FRELINGHUYSEN. Of course, ultramarine is one of the products closely connected with the chemical and dye industry. For 40 years in this country the textile industry and other industries, friends of the Germans, and the Germans themselves fought consistently against a protective tariff on chemicals and dyes, and practically there was no protection whatsoever.

Mr. HITCHCOCK. I understood the Senator to say that there had been protection on this article for 40 years.

Mr. FRELINGHUYSEN. Will the Senator please wait until I get through? It is a part of the policy of the committee to protect the chemical industry. It is true that ultramarine has had a 3-cent duty, but I mean other chemicals. Never did we realize, never did the world realize, the necessity for having an independent chemical and dye industry until the gas attack at Ypres. It was realized then that the German scientists and the German chemists had accomplished something which we had failed to accomplish because we had not the industry or the necessary chemists in this country.

Mr. HITCHCOCK. Will the Senator please answer my question?

Mr. FRELINGHUYSEN. I am answering it.

Mr. HITCHCOCK. Has not this particular article we are now discussing been under protection for 30 or 40 years?

Mr. FRELINGHUYSEN. I have stated that it has been.

Mr. HITCHCOCK. How old does an infant have to be before it ceases to be an infant?

Mr. FRELINGHUYSEN. It is always recognized that we should protect an industry. This is not an infant industry.

Mr. HITCHCOCK. Is the Republican Party abandoning the protection of infant industries?

Mr. FRELINGHUYSEN. No; it is not.

Mr. HITCHCOCK. Does that mean that adult industries have to be protected indefinitely?

Mr. FRELINGHUYSEN. Certainly we have to protect the difference between the conversion cost of our product and the conversion cost abroad. We have to protect American labor. There is where the difference is. It is the difference in the cost of production. It has been the policy of the Republican Party to protect American labor and it has been the policy of the Senator's party to try to destroy it by low tariff duties.

Mr. HITCHCOCK. The Senator need not get excited about it. If the German industry is destroying the American industry, the Senator from New Jersey ought to be able to show it by statistics, but the statistics he has given us show that the American market only receives about 600,000 pounds of this material from abroad, whereas 2,400,000 pounds are produced in the United States. That is a case where competition is going on under the present tariff of 15 per cent ad valorem.

Mr. FRELINGHUYSEN. If the Senator takes this duty off he will destroy the American industry. It has been due to keeping it on that the American industry has been preserved.

Mr. HITCHCOCK. The present duty is 15 per cent ad valorem.

Mr. FRELINGHUYSEN. I know that; and I also know that for seven months prior to the war, when the Underwood law was in effect, practically all the industries in my State were closed down, and the only thing which saved the country from the greatest industrial panic that ever punished a country was the war. It has been due to the war that we have had an embargo, and we have had that protection, and the Democrats are shielding themselves behind the war as one of the virtues of the Underwood law.

Mr. HITCHCOCK. Will the Senator please put in the RECORD the date when the war stopped? When did the war stop?

Mr. FRELINGHUYSEN. The Senator knows as well as I do when it stopped.

Mr. HITCHCOCK. It stopped nearly four years ago.

Mr. FRELINGHUYSEN. Yes; it is nearly four years since a technical peace was made, but actual trade conditions with Germany were delayed two years by reason of the fact that peace was not brought about.

Mr. HITCHCOCK. That did not prevent importations. It is now four years since the war stopped, but the supply from Germany only equals one-fourth of the amount consumed.

Mr. FRELINGHUYSEN. It did prevent importations, because Germany was compelled to furnish reparation dyes to the Allies. She could not get the raw materials. She was not organized. But now she is organized and in the market and competing. The Senator knows that as well as I do.

Mr. HITCHCOCK. The figures given by the Senator show that Germany has only sent in one-fourth of the amount manufactured in the United States. Under those figures he can not possibly claim that any damage has been done up to this time. He can make a prophecy about business, and apparently the theory of the bill, so far as the Finance Committee is concerned, as to base the tariff upon prophecies of dire results that may happen some time in the future; but they have not happened yet, and the very statistics which the Senator offers here demonstrates that there is only a very small competition from Germany at this time.

Mr. FRELINGHUYSEN. The reason why there is no more competition is due to the fact that we have a tariff, and have had a tariff in the past, and that we have built up this industry. The reason why we have not more imports now is because Germany is not organized and is not importing; but if we take this tariff off Germany and France and, I think, England will very soon capture the American market, or, even if we keep only a 15 per cent ad valorem duty, the low duty which has prevailed under the Underwood law, that will be the result.

Mr. HITCHCOCK. That exactly verifies what I said. This tariff is imposed because the Senators on the other side think that some time or other German competition is coming in here to interfere with American production.

Mr. FRELINGHUYSEN. Oh, yes.

Mr. HITCHCOCK. But it can not be shown. Tariffs ought to be based upon facts; tariffs ought to be based upon figures; tariffs ought to be based upon statistics; but here upon this side of the Chamber we have shown as to almost every one of the schedules in the pending bill that invariably on the items upon which the tariff is proposed to be raised by the Committee on Finance there exists at the present time comparatively little competition from abroad, and there is no reason to think that that competition is likely to increase. One man may think one way just as well as another man may think another. I may think that competition is not going to increase; but I want to call the Senator's attention to the fact that every month for, perhaps, the last 30 months our foreign commerce has been growing less and less.

Our exports from the United States for April just closed were thirty-odd million less than they were in April of last year; our imports during April just closed were $19,000,000 less than they were the April before; those of March were less than those of March of last year; those of February were less than those of February last year; and those of January were less than January of the year before.

The fact is that at the present time, if we look the facts in the face, we shall find that our import trade from abroad has been declining steadily for the last 30 months; and yet this tariff bill is brought in here upon the pretense that we are having a disastrous competition from abroad. That, however, can not be shown. Senators on the other side may predict, but if they wish to go before the country basing their excuses to the American public for increasing the taxes upon a prophecy of what may happen some day, they will have a very flimsy basis for their defense.

Mr. FRELINGHUYSEN. The Senator from Nebraska has a very short memory.

Mr. HITCHCOCK. We can point to the figures. We can point to the fact that American commerce is declining. We can show that the Republican tariff is going to produce a still further decline in our exports and imports, and simply add grief to the misery which is already being suffered by the business world, because the policy of the majority is going to take a commerce which is on the decline and force it down still further.

Mr. FRELINGHUYSEN. Mr. President, the Senator from Nebraska has a very short memory. He probably has forgotten that for many years statesmen of this body religiously fought a duty on dyestuffs, and that consequently Germany dominated the market.

When the Senator talks about "grief," he has also forgotten the tariff which was enacted during the Cleveland administration; nor has he made a careful survey of the situation which existed after six months' operation of the Underwood tariff law before war conditions ensued.

Mr. KING. Mr. President, the Senator from Idaho [Mr. GOODING], who now occupies the chair, may congratulate himself upon having one follower, at least, in this body, and that is the distinguished Senator from New Jersey [Mr. FRELINGHUYSEN]. The latter Senator has demonstrated in the observations just submitted, as well as his statements upon former occasions, that he shares the views of the Senator from Idaho, and would practically place an embargo upon foreign commodities. Many of the rates found in this bill will effectually prohibit imports of the commodities to which they relate; and there are those who would raise the already unprecedentedly high rates fixed in this bill to still higher levels.

The Senator from New Jersey stated to the Senator from Nebraska [Mr. HITCHCOCK] that the Republican Party was very solicitous for the welfare of the laborer. When I was addressing the Senate a few days since upon this bill I was interrupted by the able Senator from Connecticut [Mr. MCLEAN], who propounded some questions to which I attempted a reply. In the course of my remarks I referred to the fact that in his State a protective policy had enriched the few; that the manufacturers and others who had secured high tariff rates at the hands of the Republican Party had made inordinate profits, but that in so doing they had exploited the people. I also called attention to the fact that his party had been "so anxious to protect the American laboring man" that it had encouraged and promoted the importation of what some have called "pauper labor."

The Republican Party following the Civil War inaugurated a policy which sought to force down American standards of living and American wages, and, in order to accomplish that end, millions of persons from southern Europe were brought into the United States and put into the mills and factories and mines at wages so low as to drive therefrom thousands of Americans. And wages were so low as to make it impossible for the heads

of families to earn sufficient to provide for the necessities of their families. The sad and pitiful spectacle was presented of mothers being compelled to enter the factories and mills in many of the protected industries in order to supplement by their labors the meager wage paid to their husbands; and we know that thousands of little children were employed in the same factories and mills, because the combined earnings of fathers and mothers were in many cases insufficient for the maintenance of the family.

Even now many mothers work in the mills and factories which are producing "protected" commodities, not because they desire to be so employed, but because their earnings are necessary for the support of their children. Protectionism has enriched some, but it has impoverished many. Too often in preparing tariff measures the masses—the wage earners—have been forgotten, and the demands of the immediate beneficiaries have been heeded. Undoubtedly a tariff which gives to an industry or enterprise the domestic market and destroys competition will enrich those who control the enterprise or industry; but their wealth will be wrung from those who are compelled to thus pay tribute to them.

So the Republican Party, in laying protective duties, has been more interested in the protection of a few than in protecting the people. I received a letter last evening from the president of the American Federation of Labor of the State of Connecticut in which he referred to the colloquy between the Senator from Connecticut [Mr. McLEAN] and myself, and he stated that my reply to the able Senator from Connecticut was true. He further stated that many of the workingmen of Connecticut were in distress and that conditions were so bad that recently through collections and by various devices means had been raised to send some poor, unfortunate persons back to Portugal and to other countries in Europe from which they came. These conditions exist in the State of Connecticut, of which the Senator boasted.

Mr. MOSES. Mr. President——

The PRESIDING OFFICER (Mr. GOODING in the chair). Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. KING. I yield.

Mr. MOSES. It is no part of my business to defend the State of Connecticut, yet, in the temporary absence of the two able Senators from that State, I desire to call to the attention of the Senator from Utah a few figures taken from the Statesman's Yearbook for 1921, which show the population of the State of Connecticut to be 1,380,000; that there are 226,264 wage earners in its manufacturing establishments; that the total amount of deposits in the savings banks of the State is $391,000,000; that the depositors number 717,000, or about 65 per cent of the total population of the State, with an average of $545.76 to each depositor. I offer that, Mr. President, as a picture of the woeful conditions obtaining in the State of Connecticut.

Mr. KING. Mr. President, undoubtedly there are large amounts of money in the banks of Connecticut. I said when I was replying to the Senator from Connecticut that under the protective policy a few in his State had grown immensely rich, and they had been enabled out of their great profits to build railroads and to loan millions to agricultural parts of the country. I do not know what the average amount of deposits would be of those to whom the Senator from New Hampshire refers, but I venture the assertion that most of the depositors have but very small sums to their credit. We know that many persons who have been working in mills and factories are not American citizens and are returning to their homes across the sea. Thousands of persons have withdrawn their small savings from the banks during the last two years, either because they were compelled to do so to buy bread or to meet pressing demands. And, as I have indicated, millions of dollars have been sent to European countries by those who through trial and privation have been able to save a few dollars.

Mr. MOSES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. KING. I yield.

Mr. MOSES. If the Senator from Utah will permit me, I fear he is not familiar with the savings-bank institution as it exists in New England. The savings banks are not frequented or made use of by those of large earnings or who have large sums of money for investment, but they are a sure and safe depository for the wage earner, which accounts for the fact that 717,000 out of the 1,300,000 people in the State of Connecticut make use of the savings banks to the tune of $545 per capita.

Mr. KING. I have no doubt, Mr. President, that during the war, when high wages were paid——

Mr. HITCHCOCK. Mr. President——

Mr. KING. Let me finish the sentence——

Mr. HITCHCOCK. The Senator from Utah can go further and can say all through Woodrow Wilson's administration.

Mr. KING. Yes; during the Democratic administration better wages were paid not only in agriculture and in the live-stock industry, but in the shipyards, in the steel mills, and in the factories. The fact is that during the years of Mr. Wilson's administration the wealth of the United States—and the Underwood tariff law was in force—increased from approximately $180,000,000,000 or $187,000,000,000 to more than $300,000,000,000; but, as I said the other day, the wealth of the country has shrunk until now after a year and a few months of Republican administration the wealth of the United States is not more than $200,000,000,000 or $225,000,000,000.

Mr. President, I shall later ask to insert in the RECORD the letter which I have referred to. The record will show that in the State of Connecticut labor has been, except during the war and under Mr. Wilson's administration, poorly paid, and even under the administration of Mr. Wilson the manufacturers in Connecticut and many of the employers of labor attempted to reduce wages below a fair and just standard, with the result strikes occurred and much suffering ensued among thousands of employees. It was shown in some of the investigations that women and children were forced to work in factories and in mills, in order that they might supplement the wages of their husbands and fathers in order that they might eke out a more or less wretched and miserable existence.

Mr. President, the Democratic Party believes in a policy that will furnish work to the American people and give to them a living wage. It believes in the individual, in his advancement and happiness. It seeks to build and establish happy homes, in which peace and happiness and prosperity abound. It believes in men more than dollars; in the happiness of the many, not the welfare of only the few. It seeks justice and equality and the development of a broader spirit of brotherhood among all the people. It speaks for the oppressed and the sorrowing. It is the living voice that calls humanity to amity and love to push onward and upward toward the heights of freedom, industrial and political, where peace and righteousness are enthroned. The Democratic Party seeks to promote legitimate industrial development, to increase the number of factories and mills and plants, in order that greater prosperity may come to all. It is opposed to a policy which prostitutes the powers of the Government and by hothouse methods grows pallid and sickly plants or creates trusts which devour the people. Democrats do not believe in perverting the taxing power of the Government to put money into the pockets of a few individuals and to give them colossal fortunes. They are unwilling to increase the burdens of the many to add to the fortunes of the few.

Mr. President, there has been no showing with respect to the item under consideration which justifies the action of the committee. The Senator from New Jersey has labored eloquently, forcefully, as he always does in support of any proposition which he favors, and has made the very best case possible. He has shown that there is an industry which has been in existence for many years; that two or three years ago it was producing annually more than 2,400,000 pounds of this product; that the importations were less than 600,000 pounds. He has shown that a number of manufacturing plants are engaged in producing this commodity; that they continued their operations under the provisions of the Underwood law and increased their output, notwithstanding the foreign competition. Now he proposes to impose a specific duty of 3 cents per pound upon a product the great portion of which before the war sold for 3½ cents a pound. In other words, we are to enact a rate of nearly 100 per cent upon a product in order to advance the price, or keep up war prices, that the domestic producers may increase their profits. The rate of increase is not so great upon some of the commodities within this category, but all commodities coming under it are given a high and indefensible rate, the effect of which is to burden the people and enrich the domestic producer.

This paragraph is in line with the bill; it fixes rates of duty for the purpose of maintaining war prices and war profits. It prevents competition and turns over the domestic consumer to the profiteering interests of the United States. This is not an infant industry; labor or wage questions are not involved. The difference in cost of production is not suggested. We are asked to give the power to the producers to impose their will upon the helpless consumer.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah [Mr. KING] to the amendment of the committee.

Mr. HEFLIN and Mr. KING called for the yeas and nays, and they were ordered.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). Making the same announcement as to my pair and its transfer, I vote "nay."

Mr. ERNST (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. STANLEY], I transfer that pair to the junior Senator from Oregon [Mr. STANFIELD], and will vote. I vote "nay."

Mr. HARRISON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. ELKINS] to the Senator from Ohio [Mr. POMERENE], and will vote. I vote "yea."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as to my pair as on the preceding roll call, I vote "yea."

Mr. LODGE (when his name was called). Making the same transfer as before of my pair with the Senator from Alabama [Mr. UNDERWOOD], I vote "nay."

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. I transfer that pair to the junior Senator from Rhode Island [Mr. GERRY], and will vote. I vote "yea."

Mr. STERLING (when his name was called). Making the same transfer as on the previous roll call, I vote "nay."

The roll call was concluded.

Mr. BALL. Has the Senator from Florida [Mr. FLETCHER] voted?

The PRESIDING OFFICER. He has not.

Mr. BALL. I transfer my general pair with that Senator to the junior Senator from Washington [Mr. POINDEXTER], and vote "nay."

Mr. HARRIS. Making the same announcement as before as to my pair, I vote "yea."

The roll call resulted—yeas 14, nays 34, as follows:

YEAS—14.

Ashurst	Harrison	King	Shields
Caraway	Heflin	Overman	Walsh, Mass.
Dial	Hitchcock	Robinson	
Harris	Jones, N. Mex.	Sheppard	

NAYS—34.

Ball	Gooding	McLean	Smoot
Brandegee	Hale	Moses	Spencer
Broussard	Johnson	Newberry	Sterling
Bursum	Ladd	Norbeck	Sutherland
Capper	Lenroot	Oddie	Townsend
Curtis	Lodge	Page	Wadsworth
Edge	McCormick	Phipps	Willis
Ernst	McCumber	Rawson	
Frelinghuysen	McKinley	Shortridge	

NOT VOTING—48.

Borah	France	Nelson	Smith
Calder	Gerry	New	Stanfield
Cameron	Glass	Nicholson	Stanley
Colt	Harreld	Norris	Swanson
Crow	Jones, Wash.	Owen	Trammell
Culberson	Kellogg	Pepper	Underwood
Cummins	Kendrick	Pittman	Walsh, Mont.
Dillingham	Keyes	Poindexter	Warren
du Pont	La Follette	Pomerene	Watson, Ga.
Elkins	McKellar	Ransdell	Watson, Ind.
Fernald	McNary	Reed	Weller
Fletcher	Myers	Simmons	Williams

Mr. EDGE. Making the same announcement as before, I vote "nay."

The PRESIDING OFFICER. On the amendment of the Senator from Utah to the committee amendment the yeas are 14, the nays are 34. Less than a quorum has voted. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Hale	McKinley	Shields
Brandegee	Harris	McLean	Shortridge
Broussard	Harrison	Moses	Smoot
Bursum	Johnson	Newberry	Sterling
Capper	Jones, N. Mex.	Norbeck	Sutherland
Curtis	King	Oddie	Townsend
Dial	Ladd	Overman	Wadsworth
Edge	Lenroot	Page	Walsh, Mass.
Ernst	Lodge	Phipps	Watson, Ind.
Frelinghuysen	McCormick	Rawson	Willis
Gooding	McCumber	Sheppard	

Mr. RAWSON. I wish to announce that my colleague [Mr. CUMMINS] is necessarily absent on account of illness.

The PRESIDING OFFICER. Forty-three Senators having answered to their names, a quorum is not present. The Secretary will call the names of the absent Senators.

The reading clerk called the names of the absent Senators.

Mr. JONES of Washington entered the Chamber and answered to his name.

The PRESIDING OFFICER. Forty-four Senators have answered to their names. There is not a quorum present.

Mr. MCCUMBER. I move that the Sergeant at Arms be directed to procure the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Mr. CARAWAY, Mr. SPENCER, Mr. MCNARY, Mr. KEYES, and Mr. BALL entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to their names. A quorum is present. The Secretary will call the roll on agreeing to the amendment of the Senator from Utah [Mr. KING], which the Secretary will state.

The READING CLERK. On page 26, line 16, strike out "4 cents per pound" and insert in lieu thereof "15 per cent ad valorem," so as to read:

Ultramarine blue, dry in bulk, or ground in or mixed with oil or water, wash and all other blues containing ultramarine, 15 per cent ad valorem.

The reading clerk proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). I transfer my general pair with the Senator from Montana [Mr. WALSH] to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. HARRIS (when his name was called). Making the same announcement as before with reference to my pair and transfer, I vote "yea."

Mr. JONES of New Mexico (when his name was called). I transfer my pair with the Senator from Maine [Mr. FERNALD] to the senior Senator from Missouri [Mr. REED] and vote "yea."

Mr. LODGE (when has name was called). Making the same announcement as before as to my pair and its transfer, I vote "nay."

Mr. MCKINLEY (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. I transfer that pair to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. STERLING (when his name was called). Making the same announcement as on the last vote with reference to my pair and its transfer, I vote "nay."

Mr. WATSON of Indiana (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS], which I transfer to the senior Senator from Pennsylvania [Mr. CROW], and vote "nay."

The roll call was concluded.

Mr. BALL (after having voted in the negative). Has the Senator from Florida [Mr. FLETCHER] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. BALL. I have a general pair with that Senator, which I transfer to the junior Senator from Washington [Mr. POINDEXTER], and allow my vote to stand.

Mr. EDGE. Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. ERNST (after having voted in the negative). I have a general pair with the senior Senator from Kentucky [Mr. STANLEY]. I transfer that pair to the junior Senator from Oregon [Mr. STANFIELD] and allow my vote to stand.

Mr. SUTHERLAND. Transferring my general pair with the Senator from Arkansas [Mr. ROBINSON] to the junior Senator from Oklahoma [Mr. HARRELD], I vote "nay."

Mr. HARRISON. Transferring my pair with the Senator from West Virginia [Mr. ELKINS] to the Senator from Alabama [Mr. HEFLIN], I vote "yea."

The roll call resulted—yeas 9, nays 38, as follows:

YEAS—9.

Dial	Jones, N. Mex.	Overman	Shields
Harris	King	Sheppard	Walsh, Mass.
Harrison			

NAYS—38.

Ball	Hale	McNary	Smoot
Brandegee	Johnson	Moses	Spencer
Broussard	Keyes	Newberry	Sterling
Bursum	Ladd	Nicholson	Sutherland
Capper	Lenroot	Norbeck	Townsend
Curtis	Lodge	Oddie	Wadsworth
Edge	McCormick	Page	Watson, Ind.
Ernst	McCumber	Phipps	Willis
Frelinghuysen	McKinley	Rawson	
Gooding	McLean	Shortridge	

NOT VOTING—49.

Ashurst	Cummins	Glass	McKellar
Borah	Dillingham	Harreld	Myers
Calder	du Pont	Heflin	Nelson
Cameron	Elkins	Hitchcock	New
Caraway	Fernald	Jones, Wash.	Norris
Colt	Fletcher	Kellogg	Owen
Crow	France	Kendrick	Pepper
Culberson	Gerry	La Follette	Pittman

Poindexter	Simmons	Trammell	Weller
Pomerene	Smith	Underwood	Williams
Ransdell	Stanfield	Walsh, Mont.	
Reed	Stanley	Warren	
Robinson	Swanson	Watson, Ga.	

The VICE PRESIDENT. On this vote the yeas are 9 and the nays 38. A quorum has not voted. The Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ball	Hale	McLean	Sheppard
Brandegee	Harrison	McNary	Shields
Broussard	Johnson	Moses	Shortridge
Bursum	Jones, N. Mex.	New	Smoot
Capper	Keyes	Newberry	Spencer
Caraway	King	Nicholson	Sterling
Curtis	Ladd	Norbeck	Sutherland
Dial	Lenroot	Oddie	Townsend
Edge	Lodge	Overman	Wadsworth
Ernst	McCormick	Page	Watson, Ind.
Frelinghuysen	McCumber	Phipps	Willis
Gooding	McKinley	Rawson	

The VICE PRESIDENT. Forty-seven Senators have answered to their names. A quorum is not present. The Secretary will call the names of the absent Senators.

The principal legislative clerk called the names of the absent Senators.

Mr. HARRIS and Mr. WALSH of Montana entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to their names. A quorum is present. The Secretary will call the roll on agreeing to the amendment of the Senator from Utah [Mr. KING] to the amendment of the committee.

The Assistant Secretary proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HARRISON (when his name was called). Making the same announcement as before, I vote "yea."

Mr. OVERMAN (when his name was called). Making the same announcement as to the transfer of my pair, I vote "yea."

Mr. STERLING (when his name was called). Making the same announcement as on the last roll call, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. BALL. Making the same announcement as before as to my pair and its transfer, I vote "nay."

Mr. LODGE. Making the same announcement as before as to the transfer of my pair, I vote "nay."

Mr. PHIPPS (after having voted in the negative). I have a pair with the Senator from South Carolina [Mr. DIAL], which I transfer to the senior Senator from Iowa [Mr. CUMMINS] and will allow my vote to stand.

Mr. ERNST. I have a pair with the senior Senator from Kentucky [Mr. STANLEY]. I transfer that pair to the junior Senator from Oregon [Mr. STANFIELD] and will vote. I vote "nay."

Mr. HARRIS. Making the same announcement as before as to my pair, I vote "yea."

Mr. NEW. Transferring my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the senior Senator from Idaho [Mr. BORAH], I vote "nay."

The roll call resulted, yeas 7, nays 39, as follows:

YEAS—7.

Caraway	Harrison	Overman	Walsh, Mont.
Harris	King	Sheppard	

NAYS—39.

Ball	Hale	McNary	Shortridge
Brandegee	Johnson	Moses	Smoot
Broussard	Keyes	New	Spencer
Bursum	Ladd	Newberry	Sterling
Capper	Lenroot	Nicholson	Sutherland
Curtis	Lodge	Norbeck	Townsend
Edge	McCormick	Oddie	Wadsworth
Ernst	McCumber	Page	Watson, Ind.
Frelinghuysen	McKinley	Phipps	Willis
Gooding	McLean	Rawson	

NOT VOTING—50.

Ashurst	Fletcher	Myers	Smith
Borah	France	Nelson	Stanfield
Calder	Gerry	Norris	Stanley
Cameron	Glass	Owen	Swanson
Colt	Harreld	Pepper	Trammell
Crow	Heflin	Pittman	Underwood
Culberson	Hitchcock	Poindexter	Walsh, Mass.
Cummins	Jones, N. Mex.	Pomerene	Warren
Dial	Jones, Wash.	Ransdell	Watson, Ga.
Dillingham	Kellogg	Reed	Weller
du Pont	Kendrick	Robinson	Williams
Elkins	La Follette	Shields	
Fernald	McKellar	Simmons	

The VICE PRESIDENT. On this question the yeas are 7, the nays are 39. A quorum has not voted.

Mr. LODGE. I ask for a report from the Sergeant at Arms.

The VICE PRESIDENT. The Sergeant at Arms will make a report.

The SERGEANT AT ARMS. The Senators who are absent because of illness are Senators COLT, DILLINGHAM, NELSON, POINDEXTER, CULBERSON, and CROW. Senator BORAH is absent on account of the illness of his wife, and Senator WARREN because of a death in his family.

Those who are out of town are Senators CALDER, CAMERON, FERNALD, FRANCE, KELLOGG, LA FOLLETTE, MCKELLAR, REED, SMITH, STANFIELD, TRAMMELL, GERRY, OWEN, and CUMMINS.

The Senators who are in town, but absent from the roll call, are Senators ASHURST, DU PONT, ELKINS, FLETCHER, GLASS, HEFLIN, HITCHCOCK, KENDRICK, NORRIS, PEPPER, PITTMAN, POMERENE, RANSDELL, ROBINSON, SIMMONS, STANLEY, SWANSON, UNDERWOOD, WALSH of Massachusetts, WATSON of Georgia, WELLER, and WILLIAMS.

Mr. WADSWORTH. Mr. President, I ask unanimous consent to make a very brief statement with respect to my colleague [Mr. CALDER]. He has been reported by the Sergeant at Arms as absent from the Senate. That is true; but his absence is due to his illness.

The VICE PRESIDENT. Without objection, the statement will stand.

Mr. JONES of New Mexico. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. JONES of New Mexico. I rise for the purpose of making an announcement regarding the absence of the Senator from North Carolina [Mr. SIMMONS].

The VICE PRESIDENT. Without objection, it will be received.

Mr. JONES of New Mexico. I desire to state that the Senator from North Carolina is necessarily at his home to-night, several miles from the city of Washington; that there are very urgent reasons why he is not here at this time.

Mr. SHEPPARD. I call for the regular order.

The VICE PRESIDENT. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gooding	McKinley	Rawson
Ball	Hale	McLean	Robinson
Brandegee	Harris	McNary	Sheppard
Broussard	Harrison	Moses	Shortridge
Bursum	Johnson	New	Smoot
Capper	Jones, N. Mex.	Newberry	Spencer
Caraway	Keyes	Nicholson	Sterling
Curtis	King	Norbeck	Sutherland
Dial	Ladd	Oddie	Townsend
Edge	Lenroot	Overman	Underwood
Ernst	Lodge	Page	Wadsworth
Fletcher	McCormick	Phipps	Watson, Ind.
Frelinghuysen	McCumber	Pomerene	Willis

The VICE PRESIDENT. Fifty-two Senators having answered to their names, a quorum is present. The yeas and nays have been ordered on the amendment offered by the Senator from Utah [Mr. KING] to the committee amendment, and the Secretary will call the roll.

Mr. JONES of New Mexico. Mr. President, may we have the question stated?

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. KING] to the committee amendment, which the Secretary will state.

The ASSISTANT SECRETARY. On page 26, line 16, the committee proposes to strike out "3 cents per pound" and insert "4 cents per pound." The Senator from Utah proposed to strike out "4 cents per pound" and insert in lieu thereof "15 per cent ad valorem."

The Assistant Secretary proceeded to call the roll.

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HARRIS (when his name was called). Making the same announcement as to my pair and its transfer, I vote "yea."

Mr. HARRISON (when his name was called). Making the same announcement as before, I vote "yea."

Mr. JONES of New Mexico (when his name was called). I transfer my pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED], and vote "yea."

Mr. NEW (when his name was called). I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Washington [Mr. POINDEXTER], and vote "nay."

Mr. OVERMAN (when his name was called). Making the same announcement as to my pair and its transfer as on the previous vote, I vote "yea."

Mr. STERLING (when his name was called). Making the same announcement as on the last vote, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as heretofore as to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. UNDERWOOD. I desire to announce for the junior Senator from Massachusetts [Mr. WALSH] that he was unavoidably called from the Chamber, and left word that he would be back shortly. If he were present now, he would vote "yea."

Mr. EDGE. Making the same announcement as before as to my pair and its transfer, I vote "nay."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Minnesota [Mr. KELLOGG] with the Senator from North Carolina [Mr. SIMMONS];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL]; and

The Senator from Washington [Mr. JONES] with the Senator from Virginia [Mr. SWANSON].

Mr. McCUMBER. I have a general pair with the junior Senator from Utah [Mr. KING]. He being absent from the Chamber, I transfer that pair to the senior Senator from Minnesota [Mr. NELSON] and vote "nay."

Mr. ERNST. Making the same announcement as heretofore as to my pair and its transfer, I vote "nay."

The result was announced—yeas 12, nays 39, as follows:

YEAS—12.

Ashurst	Fletcher	Jones, N. Mex.	Robinson
Caraway	Harris	Overman	Sheppard
Dial	Harrison	Pomerene	Underwood

NAYS—39.

Ball	Hale	McNary	Shortridge
Brandegee	Johnson	Moses	Smoot
Broussard	Keyes	New	Spencer
Bursum	Ladd	Newberry	Sterling
Capper	Lenroot	Nicholson	Sutherland
Curtis	Lodge	Norbeck	Townsend
Edge	McCormick	Oddie	Wadsworth
Ernst	McCumber	Page	Watson, Ind.
Frelinghuysen	McKinley	Phipps	Willis
Gooding	McLean	Rawson	

NOT VOTING—45.

Borah	Gerry	Nelson	Stanley
Calder	Glass	Norris	Swanson
Cameron	Harreld	Owen	Trammell
Colt	Heflin	Pepper	Walsh, Mass.
Crow	Hitchcock	Pittman	Walsh, Mont.
Culberson	Jones, Wash.	Poindexter	Warren
Cummins	Kellogg	Ransdell	Watson, Ga.
Dillingham	Kendrick	Reed	Weller
du Pont	King	Shields	Williams
Elkins	La Follette	Simmons	
Fernald	McKellar	Smith	
France	Myers	Stanfield	

So Mr. KING's amendment to the amendment of the committee was rejected.

Mr. HALE. Mr. President, I ask unanimous consent to be allowed to make a statement in regard to my colleague.

The VICE PRESIDENT. Without objection, the statement will be received.

Mr. HALE. In the list of names read by the Sergeant at Arms of those who were absent from the city appears the name of my colleague [Mr. FERNALD], who is away from Washington on account of illness.

Mr. McCUMBER. Mr. President, I ask unanimous consent at this time that when the Senate concludes its business on this calendar day it shall recess until to-morrow at 11 o'clock.

The VICE PRESIDENT. Is there objection?

Mr. UNDERWOOD. What is the request?

The VICE PRESIDENT. That the Senate shall recess until to-morrow at 11 o'clock when it finishes its business to-day.

Mr. UNDERWOOD. Of course, I do not intend to object to what the Senator desires, but I want to have a little conversation with him before it is agreed to. I would like to be informed as to the Senator's program with reference to the procedure of the Senate.

I notice that every now and then a bill is reported or called up and unanimous consent is asked for its immediate consideration. When such a request is made as to unimportant bills, bills which we would pass under ordinary circumstances by unanimous consent, I have no objection, and will raise none; but I think if the Senator intends to keep this bill before the Senate—and it is proper that he should, in his own way—I do not think unanimous consent should be asked for the consideration of debatable bills. If the Senator wants to have them considered and will lay aside the tariff bill and bring them up, so that we may have opportunity to give those on this side of the Chamber notice that they will be considered, I shall raise no objection; but I hope we can reach some understanding that bills of importance will not be brought up except in that way and that we may have some notice of the bills which are coming up before the Senate for consideration.

I am not going to object without being forced to do so; but, of course, if this procedure is continued, then it would require me to object all along the line and to force a vote on these questions. So I ask the Senator if we can not have an understanding that on important bills of that kind they will not come up for unanimous-consent consideration before some notice is given when they are coming up.

Mr. McCUMBER. I think the request is a very reasonable one. I do not want to lay aside the tariff bill at all for any bill that is going to require any considerable discussion. Thus far I have only yielded for bills to be introduced, or for the passage of some resolution or a bridge bill or something of minor importance that would take no time.

Mr. UNDERWOOD. I have no objection to that, but I have heard rumors that other bills which are debatable, where there would be issues involved, might be called up. The Senator from New York [Mr. WADSWORTH] has one or two that he desires to bring up for consideration, but I want them considered in a way that will have them laid before the Senate, and so that the Senate will have an opportunity to consider them with reasonable debate in the usual course. We have been allowing the Senator to pursue his own course in this matter, and I hope to continue to do so, but I want some understanding that important bills will not be brought up before notice is given.

Mr. LODGE. Mr. President, it is the intention of the majority, as the Senator in charge of the tariff bill has stated, to keep that bill constantly before the Senate. I do not include appropriation bills or conference reports, which are always excepted, and which require laying aside the bill, of course, but certainly it is our intention to keep the bill before the Senate until it is passed, no matter how long we are held, and to sit as long hours as possible. There is no intention of sending this bill over, no matter how many weeks it takes. Therefore, I think the Senator's request entirely reasonable. If there is to be a debatable bill brought up, notice should be given and time set aside for it.

Mr. UNDERWOOD. That is all we ask. If we have that understanding, I have no objection to the Senator proceeding. Of course, an objection on our part would require a motion to take up a bill and the displacing of the pending bill. I have no desire to force a situation of that kind.

Mr. LODGE. Certainly I know the Senator has not, but if we should decide to take up a debatable bill, I think due notice ought to be given and assent asked. If it is so important that we have to lay aside the tariff bill, that can be done. Certainly the other side of the Chamber ought to receive due notice and time ought to be allotted to any serious bill that requires debate. In fact, I shall be glad to see the small bills cut off during the consideration of the tariff bill.

Mr. UNDERWOOD. There is no objection to that procedure, and I am glad to receive that assurance from the leader of the majority party. So far as the consideration of the pending bill is concerned, we know that no tariff bill has ever passed the Senate without weeks and months of debate. Of course, we intend to debate the bill until we present what we think are the salient features in it. That is undoubtedly going to take considerable time, but as to the orderly procedure of the Senate in prosecuting its business, there is no desire on this side of the Chamber, that I know of, to interfere with it. All we want is to have notice when it comes to taking up any other bill.

Mr. LODGE. I only said what I did because I wish to support the Senator in charge of the pending bill. It is the intention on this side of the Chamber to keep the tariff bill before the Senate, no matter how long it takes. We hope there will be nothing but legitimate debate, but we shall keep it here until it is passed.

The VICE PRESIDENT. Is there objection to the unanimous-consent request?

Mr. HARRISON. Mr. President, may I suggest to the Senator from Massachusetts that he said the only exception that will be made in setting aside the tariff bill to take up other matters would be conference reports and appropriation bills. The Senator knows there is a controversy over the District appropriation bill. There will be quite a good deal of discussion on that report. Does not the Senator think we ought to have notice when that is going to be brought up also, so that we may know when it is going to come before the Senate? Does not the Senator think when the District bill is to be brought before the Senate, where there is a controversy and which will involve a great deal of discussion, we ought to have notice?

Mr. LODGE. That is not strictly a conference report, but it will be so regarded. I only mentioned the things for which the tariff bill might be set aside. I hope it will not be set aside for any of them. The pay bill which the Senator from New York [Mr. WADSWORTH] has in charge is a bill that ought to be passed with the least possible delay, and I think the other side ought to be notified when we intend to take it up, as the Senator from Alabama suggested.

The VICE PRESIDENT. Is there objection to the unanimous-consent request of the Senator from North Dakota? The Chair hears none, and it is so ordered. The question is on agreeing to the amendment of the committee.

Mr. McCUMBER. I ask that the amendment of the committee be disagreed to, leaving the rate 3 cents per pound as fixed by the House.

The amendment was rejected.

The VICE PRESIDENT. The next amendment will be stated.

The ASSISTANT SECRETARY. The next amendment of the committee will be found in paragraph 67, page 26, line 23, where the committee proposes to strike out "25" and insert "30" before the words "per centum ad valorem."

Mr. JONES of New Mexico. Mr. President, the junior Senator from Utah [Mr. KING] is engaged at present in eating his dinner, and I request that we pass over this paragraph and take up paragraph numbered 69.

Mr. SMOOT. I will say to the chairman of the committee that the junior Senator from Utah did ask me to do that. The Senator from New Mexico wants to go to paragraph 69, and if the chairman has no objection I would like to have that done.

Mr. McCUMBER. That is entirely agreeable to me.

The amendments of the committee to paragraph 69 were, on page 27, line 3, after the word "Litharge," to insert "2½ cents per pound;"; in line 4, after the word "mineral," to insert "3 cents per pound;"; in the same line, after the words "red lead," to strike out "and" and to insert "2½ cents per pound;"; and in line 5, before the word "cents," to strike out "2½" and to insert "2¼," so as to make the paragraph read:

PAR. 69. Lead pigments: Litharge, 2¼ cents per pound; orange mineral, 3 cents per pound; red lead, 2¼ cents per pound; white lead, 2¼ cents per pound; all pigments containing lead, dry or in pulp, or ground in or mixed with oil or water, not specially provided for, 30 per cent ad valorem.

Mr. WALSH of Montana. Mr. President, with reference to paragraph 69, I assume a duty of 2¼ cents on litharge is merely compensatory.

Mr. SMOOT. I will say that the compensatory duty is 1.9 cents and the duty imposed is 2.5 cents; that is, six-tenths of 1 cent is a protective duty and 1.9 cents is a compensatory duty upon lead. In other words, in paragraph 388 the duty upon lead ores is to be found, and that is 1.5 cents per pound. Paragraph 389 is a paragraph on bullion and carries a duty of 2¼ cents per pound. The duty on lead sheet found in the same paragraph is 2½ cents per pound, and then in paragraph 69 is the duty on lead pigment. The first item is litharge, and that carries 2.5 cents per pound. In every compound of litharges there is an amount of lead which carries a tariff of 1.9 cents; in other words, the amount of the duty placed on the lead bullion is 2.5 cents.

Mr. WALSH of Montana. So that really the propriety of imposing a duty of 2¼ cents on litharges depends, as I take it, upon the propriety of imposing 2¼ cents per pound on lead bullion.

Mr. SMOOT. That is true.

Mr. WALSH of Montana. So that is not really essential. I ask the Senator from New Mexico to postpone the consideration of paragraph 69 until paragraph 389 is disposed of.

Mr. JONES of New Mexico. I think there is no doubt that we must consider the duty upon lead itself in connection with this paragraph. I supposed that we would take paragraphs 388 and 389 into consideration.

Mr. SMOOT. Let me ask the Senator from Montana if he would object to a rate of duty of 1½ cents on the lead contained in lead ore?

Mr. WALSH of Montana. I think it is entirely immaterial what position I take upon the matter. I do not suppose that the imposition of a duty of 2¼ cents per pound on lead is going to go unchallenged on the floor of the Senate. It is entirely agreeable to me to take up the item now, but I suggest that, as mentioned by the Senator, this precipitates, of course, a discussion of paragraph 389.

Mr. SMOOT. Does the Senator from New Mexico object to a rate of duty of 1½ cents per pound on the lead contained in lead ore?

Mr. WALSH of Montana. That is not the question.

Mr. SMOOT. I want to know whether the Senator from New Mexico objects to it.

Mr. WALSH of Montana. It seems to me the duty on lead here is not of consequence. It is the duty on bullion.

Mr. SMOOT. The duty on bullion is the same as the duty on lead ore. What would be the difference whether we take in lead ores here or not?

Mr. WALSH of Montana. It would be the difference between 1½ cents and 2¼ cents per pound.

Mr. SMOOT. That differential can be justified.

Mr. WALSH of Montana. However well that differential can be justified, it is the duty of 2¼ cents on lead bullion that is of consequence in determining the rate of duty which litharges should bear.

Mr. SMOOT. It is also just as important that we should decide the rate upon lead in the ore.

Mr. WALSH of Montana. The Senator is quite right about that.

Mr. SMOOT. The whole rate has been balanced up, commencing with 1½ cents a pound on the lead contained in the ore.

Mr. WALSH of Montana. Exactly. That is where we have to commence, and of course it is a matter of no consequence to me whether it is taken up now or after the lead schedule is taken up for discussion.

Mr. SMOOT. I ask unanimous consent that we take up paragraph 388 and settle that at this time, and then follow it with paragraph 389.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMOOT. I will say to the Senator from Montana that, of course, there is no change in the House provision in the first part of paragraph 388, which fixes a duty of 1½ cents per pound on lead-bearing ores and mattes of all kinds, so we can not consider it at this time.

Mr. WALSH of Montana. The Senator is quite right about that.

Mr. SMOOT. I would like very much to have the Senate proceed on the basis that lead contained in lead ores will bear 1½ cents a pound and that bullion will be 2¼ cents, and then, if there is any objection to the rate found in paragraph 69, let it be understood that it is on that basis.

The ASSISTANT SECRETARY. The first amendment in paragraph 388 is, on page 88, at the beginning of line 18, before the word "assay," to strike out "an" and to insert "a proper," and in the same line, after the word "sample," to strike out "by wet assay without deduction," so as to make the additional proviso read:

Provided further, That on all importations of lead-bearing ores and mattes of all kinds the duties shall be estimated at the port of entry and a bond given in double the amount of such estimated duties for the transportation of the ores or mattes by common carriers bonded for the transportation of appraised or unappraised merchandise to properly equipped sampling or smelting establishments, whether designated as bonded warehouses or otherwise. On the arrival of the ores or mattes at such establishments they shall be sampled according to commercial methods under the supervision of Government officers, who shall be stationed at such establishments, and who shall submit the samples thus obtained to a Government assayer, designated by the Secretary of the Treasury, who shall make a proper assay of the sample and report the result to the proper customs officers, and the import entries shall be liquidated thereon. And the Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph.

The amendment was agreed to.

The ASSISTANT SECRETARY. The next amendment will be found in paragraph 389, on page 89, line 3, after the word "wire," to strike out "lead in any article or material not specially provided for," so as to make the paragraph read:

PAR. 389. Lead bullion or base bullion, lead in pigs and bars, lead dross, reclaimed lead, scrap lead, antimonial lead, antimonial scrap lead, type metal, Babbitt metal, solder, all alloys or combinations of lead not specially provided for, 2¼ cents per pound on the lead contained therein; lead in sheets, pipe, shot, glazier's lead, and lead wire, 2½ cents per pound.

The amendment was agreed to.

Mr. UNDERWOOD. Mr. President, I heard something a moment ago about which I desire to obtain some information. I have been in the Senate all day, but I went home for supper, as it became necessary that I should have something to eat. I understand that while I was absent the lack of a quorum was developed; so the Sergeant at Arms was directed to request the attendance of absentees; and when he made his report in reference to the absentees he reported the number of Democrats who were in town and absent as being all well——

Mr. SMOOT. Not all, but most of them.

Mr. UNDERWOOD. And the Republicans who are in town and absent as all being sick except three. What I wish to know is whether the performance on the pending bill has made all those Republicans sick already? I want to know whether that

is the cause of so much sickness in the Republican family? [Laughter.]

Mr. CARAWAY. It may have been the result of the primary election in Pennsylvania.

Mr. UNDERWOOD. That is true.

Mr. SMOOT. That would not make anybody sick, I will say to the Senator from Arkansas. That was expected.

Mr. HARRISON. Mr. President, the Senator from Alabama [Mr. UNDERWOOD] has just asked a very pertinent question and made a still more pertinent observation to the effect that probably the reason why the Republicans are sick and absent is not only because of the revelations of the many iniquitous provisions of this tariff bill but also because of the late returns from the primary election in Pennsylvania. They probably saw the green sheet of the afternoon Washington Times which has just come to our attention in which Governor Sproul has just made a statement analyzing the result of the election and offering an excuse why Mr. Pinchot was yesterday nominated by the Republicans governor of Pennsylvania. The Times quotes Governor Sproul as saying:

> He got a good start and was able to capitalize the enthusiasm of the newly enfranchised woman voters and to corral all of the disaffected elements of the State who are out of sorts with the administration at Washington and Harrisburg and with conditions generally. * * * The Republican Party is all right—a good fight in the ranks once in a while keeps up party spirit.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The Secretary will state the next amendment reported by the Committee on Finance.

Mr. SMOOT. We recur now to paragraph 69.

The next amendment of the Committee on Finance was, on page 27, paragraph 69, line 3, after the word "Litharge" to insert "2½ cents per pound"; so as to read:

> Par. 69. Lead pigments: Litharge, 2½ cents per pound.

The PRESIDING OFFICER. The Chair desires to inquire whether paragraph 68 was passed over as well as paragraph 67?

Mr. SMOOT. It was.

The PRESIDING OFFICER. Very well. The question is upon the committee amendment on page 27, paragraph 69, line 3.

Mr. JONES of Mexico. Mr. President, as has been stated, this paragraph is based upon paragraphs 388 and 389. Paragraph 388 imposes a duty of 1½ cents per pound upon the lead content of imported ores. It also has a proviso to which reference will be made later. Paragraph 389 imposes a duty of 2½ cents per pound upon imported bullion. In order to get into the RECORD at this point the problems with which we are to deal, I will state that these lead pigments are made from the lead metal, and, as stated awhile ago by the Senator from Utah [Mr. KING], these duties have all been built up.

Upon the litharge there is a duty of 2½ cents a pound; upon orange mineral of 3 cents a pound; upon red lead of 2¾ cents per pound; upon white lead of 2½ cents per pound; and upon "all pigments containing lead, dry or in pulp, or ground in or mixed with oil or water not specially provided for, 30 per cent ad valorem."

Under the present law all of these pigments are on the dutiable list at the rate of 25 per cent ad valorem, and the present duty upon the lead is three-fourths of 1 cent per pound. So it is apparent that there is quite a change; in fact, there is an increase in the duty upon lead of 315 per cent. I do not know of any one commodity which is of more universal use than lead and its products. It is the basis of very many essentials in the affairs of the civilized world. The primary use of white lead, of course, is in paint, and the universal nature of that use is understood by all.

In the first place, I think that it is important for us to justify if we can this differential upon the lead bullion. The present duty upon the lead content of imported ore is three-fourths of 1 cent per pound. That has been increased to 1½ cents per pound, or 100 per cent. So far as I am personally concerned, I do not care to discuss that phase of the question. I think much could be said upon that subject; but I assume that that is taken as the basis of this entire program; that it is done for the benefit of the producers of lead ores; that, owing to the present depressed condition of the mining industries of the country, it was thought by the committee that there should be an increased duty upon lead ores; and so the committee has imposed an increase of 100 per cent, from three-fourths cent per pound to 1½ cents per pound.

As I have said, I do not care to discuss that phase, especially in this connection. I do want, however, to bring out just one thought. The duty is imposed for the benefit of the producers of lead ores. Under ordinary circumstances the only importations of lead ores will be from Mexico, but even those importations are controlled largely by the same concerns who do the smelting in the United States. The Tariff Commission has reported that the deposits in Mexico are controlled by the smelting concerns of the United States; and if that be the case, there is no assurance that the domestic producer of lead ores is going to get the benefit which, it will be stated, it is intended that he should get. That is a problem about which nothing has been said in the testimony upon this subject or anywhere else, so far as I know. However, I am willing, for the purpose of the discussion to-night, to consider that it is advisable to put a tariff of 1½ cents per pound upon the lead content of imported ores.

That being done, the next step in the structure which is proposed here by the majority of the Finance Committee is to put a tax of 2½ cents a pound upon lead bullion, an addition of five-eighths of a cent per pound. It seems to me that that should be justified; that some reason should be given for that, and if the Senator from Utah is willing to give us the reason which moved the majority of the Finance Committee in making the proposal I should be delighted to hear from him.

Mr. SMOOT. Of course, Mr. President, the Senator is well aware that there is a considerable loss in the smelting of ores from the assay content of the ore to the bullion. No smelter can get all of the metal out, as the Senator knows, and that generally runs about 0.5 of a cent a pound, and 1½ cents, of course, is the equivalent of 1.5 cents, and 0.5 cents added is 2 cents, and that leaves one-eighth of a cent in the way of smelter charges and to cover extra cost of material in the smelting business as compared to the smelters operated in other countries.

Mr. JONES of New Mexico. Mr. President, I think we should understand each other at this point. Here is a difference of five-eighths of a cent per pound. I should like to know how much the Senator from Utah thinks should be attributed to the loss in the smelting of the ore?

Mr. SMOOT. Four-eighths of a cent.

Mr. JONES of New Mexico. I should like to know where the Senator from Utah gets any data to make that statement.

Mr. SMOOT. If the Senator has ever read a contract for smelting ores he will know that there is always a differential allowed between what the assay shows and the actual bullion paid for. Generally it is 1.3 cents; that is what the smelter charge is; and yet there is not that amount of loss. As nearly as I can ascertain—and I believe it to be a fact—four-eighths of a cent is all the loss there is, and not 1½ cents which the miner pays.

Mr. JONES of New Mexico. It not only does not amount to four-eighths, or one-half of a cent, but it does not begin to approach that figure, if the information furnished us by the Tariff Commission is correct. That matter was tried out under a law which allowed an amount for that loss, and it was not anything like the figure the Senator from Utah has stated. In Tariff Information Surveys, which I hold in my hand, dealing with the lead and giving a tariff history of that commodity, the following statement occurs:

> In addition to increasing the duties on lead in ore and other forms the act of 1897 made a great change in the phraseology of the section relating to lead ore, by imposing duty on lead content and by providing in detail for the determination of the assay value without extra inconvenience to the consignee, allowing the sampling to be done at the latter's works under the supervision of Government officers.
>
> In this same act an allowance was made in the paragraph dealing with bonded works, for the losses incurred in treatment. Hitherto no allowance had been made for these inevitable losses and an amount of lead equal to the total lead contents of the ore imported had to be set aside each day for cancellation of the bond. But under the act of 1897 only 90 per cent of the imported metal had to be thus reserved.
>
> In the act of 1909 no change was made in the tariff relating to lead ore except as regards the allowance made for smelting losses. Claims had been made that the 10 per cent loss allowance was excessive and that it allowed the free importation of lead, which, although presumably lost in the slag, actually was recovered in many works. With a view to prevent such free importation the 1909 act provided that the bond was to be canceled only upon the exportation (or withdrawal for consumption with payment of duties) of the actual quantity of lead produced from the ore (this provision also applied to base bullion).

So there, under a provision of law which only provided safeguards for a loss of 10 per cent in the smelting, it was contended that that was too much; but here the Senator will realize that the difference between this cent and a half and 2½ cents is more than a third, and so the Senator can not account for it because of the loss in the smelting of the ore. It was considered, and evidently accepted by the Congress, that an allowance of 10 per cent was too much.

Mr. SMOOT. Then all I have to say to the Senator is that if he wants the ore to come in instead of the bullion, just follow his suggestions here, and what is the difference to the lead producer in this country whether the ore comes in or whether it comes in in the shape of bullion? None whatever; and if you are going to protect the ore producer you have got to protect the bullion; and if you allow the bullion to come in

here, of course, then the producer will never produce the ore in this country, and the laborer will never smelt it in this country.

Mr. JONES of New Mexico. Mr. President, the Senator will not be able to justify the statement he has made.

Mr. SMOOT. Of course not to the satisfaction of the Senator. I could not make any statement that would satisfy him.

Mr. JONES of New Mexico. Oh, I think the Senator can. I am a good-natured individual, and there are a great many things that the Senator from Utah says which I accept at par; but when he is undertaking to justify a provision in this tariff bill which in my judgment can not be justified, I rather doubt if he could convince me on this.

The broad statement as to my frame of mind, however, I do not believe is justified. I accept a good many things, the Senator says; and I will say that if the Senator can present anything here to-night to show that I am wrong about what I expect to contend for in the discussion of this paragraph, I shall be only too glad to change my mind about it.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Florida?

Mr. JONES of New Mexico. I yield.

Mr. FLETCHER. What puzzles me about the matter—and I know very little about it except what I find in this Summary of Tariff Information—is that here is a proposition to increase duties over those provided for in the act of 1913. Under that act there was a duty of 25 per cent ad valorem. The statistics show that the production in the United States has been steadily increasing—37,739 short tons, valued at $5,853,543, in 1916; 46,739 tons, valued at $6,431,801, in 1919; and 62,329 tons, valued at $12,386,185, in 1920.

Now, what are the importations?

The average annual import for 1910–1916 was 35,500 pounds, valued at $1,787, yielding a revenue of $782; and then follow the later statistics. In 1918 the quantity imported was 100 pounds, yielding a revenue of $3 to the Government. In 1919 there is no quotation. In 1920 the revenue yielded was $662, and there were 21,002 pounds imported. In nine months of 1921 only 100 pounds were imported, of the value of $7, about 7 cents a pound. One-quarter of $7 would be the revenue, I take it, that came to the Government.

Mr. SMOOT. The Senator, of course, does not go back to the lead.

Mr. FLETCHER. I am dealing with litharge.

Mr. SMOOT. But you can not deal with that unless you deal with the lead. Under the existing law lead has a duty of three-quarters of a cent a pound, and under the existing law litharge has a duty of 25 per cent ad valorem. Now lead has a duty of 1½ cents and it takes 1.9 cents compensatory duty on the bullion of 2½ cents.

Mr. FLETCHER. No; you propose to put a duty of 2½ cents a pound on litharge.

Mr. SMOOT. Why, certainly.

Mr. FLETCHER. And even under a 25 per cent ad valorem duty only 100 pounds have come in during the last nine months.

Mr. SMOOT. I see that the Senator does not understand the situation, or else he would not quote that at all. I tried to explain to him why on litharge to-day, with a duty of 25 per cent on 8 cents, the delivered price, the duty is 2 cents, and there they have 2 cents with only three-quarters of a cent on lead, whereas under this bill the duty was 1½ cents on the lead content and 2½ cents on the bullion, and 2½ cents on the bullion takes 1.9 cents a pound on litharge in the beginning, without any other kind of a duty.

Mr. FLETCHER. Then you are considering this item in connection with a lot of other items.

Mr. SMOOT. Certainly; you have to.

Mr. FLETCHER. But you have specified here, under this particular item, 2½ cents a pound, and under red lead 3 cents a pound.

Mr. SMOOT. Yes; and the compensatory duty on the bullion is 1.9 cents a pound, or all the duty upon this is six-tenths of a cent a pound—I mean, outside of the compensatory duty.

Mr. FLETCHER. Under the act of 1913 lead pigment was given a duty of 25 per cent ad valorem.

Mr. SMOOT. Yes; and 25 per cent ad valorem on to-day's prices is 2 cents, and the duty on this, outside of the compensatory duty on lead, is only six-tenths of a cent.

Mr. FLETCHER. No; that still is puzzling to me. I do not yet see why you want to increase that duty if you are going to get any revenue at all, because under the present duty you can not get any.

Mr. JONES of New Mexico. Mr. President, I think I can assure the Senator from Florida that no revenue will be collected under this provision of the bill. The industry is very unique, and it is important that we have the facts well in mind, in order to determine what should be done about these rates. The truth is that the production of lead in the United States is just about the amount which is consumed in the United States. Under the present law and under previous tariff laws, provisions were made for the importation of foreign ores in bond——

Mr. SMOOT. And there is provision for that in this bill, too.

Mr. JONES of New Mexico. And for smelting them in bond, and upon exporting the bullion or any manufactured product of the lead content of the ore there was a drawback of the amount of the duty, less 1 per cent. That same provision is carried into this bill. The result of years of experience has been that substantially all of the lead derived from foreign ores imported into the United States has either been exported as bullion or as some manufactured product of that bullion; so that the Treasury of the United States from this great lead industry has derived but very little revenue, and this bill is going to take away the little revenue which has been derived under previous bills.

I think it advisable at this time to call attention to the proviso of section 388, and the facts pertaining to it.

This is furnished us by the Tariff Commission, giving the figures as to the imported ores, the duty paid, and the drawback, and after allowing for that drawback we find that the amount of foreign ore which has been retained in the American consumption has been very small.

Mr. SMOOT. Do I understand that the Senator would like to stop the smelting of foreign ores in bond? Does he want to drive that business away from the United States?

Mr. JONES of New Mexico. Not at all.

Mr. SMOOT. Then, what is the Senator complaining about?

Mr. JONES of New Mexico. If the Senator will be patient just a moment, I expect to develop the thought which I have in mind.

Mr. SMOOT. As far as I am concerned, I want to see all of that kind of business developed; I want to see the refining of sugar in bond for exportation developed; I want to see developed the smelting of lead and the smelting of all other ores in this country in bond, the making of perfumery of all kinds, the making up of leather goods in bond, and everything else which can be manufactured here, in order to give the American workmen something to do.

Mr. JONES of New Mexico. I, too, am perfectly willing to have the same thing done, and I shall try to show the pertinency of my observations before I proceed much further.

In 1910 the amount of the foreign ores imported and retained in American consumption amounted to one and a very small fraction per cent of the domestic production. In 1911 it amounted to a little over a quarter of 1 per cent. In 1912 it amounted to one-tenth of 1 per cent. In 1913 it amounted to less than a fourth of 1 per cent. In 1914 it amounted to about a half of 1 per cent. In 1916 and during the war it increased a little, from nearly 2 per cent up to a little less than 2½ per cent in 1920.

In another table which the Tariff Commission furnishes us we are told that the amount of this ore which is retained varies in tons very little from 2,000 tons per year on the average, never but a little over 2,000 tons, sometimes a little under and sometimes a little over. The table is found on page 41 of the Tariff Commission Survey, and the net imports of ores are given by tons for the years 1910 to 1918, and except during the war there were only two years in which the net importations reached as much as 2,000 tons.

It is a rather strange coincidence that in paragraph 388 of this bill there should be a proviso which is now in the tariff legislation upon this subject. During a series of years there were net importations of ores with a lead content of about 2,000 tons. For this period of years it just about averaged the 2,000 tons. Evidently somebody was interested in that 2,000 tons, because a very singular thing occurred, for to this provision for a duty of 1½ cents per pound upon the lead content of imported ores there is added a proviso, as follows:

> *Provided*, That such duty shall not be applied to the lead contained in copper mattes until after 2,000 tons of such lead shall have been imported in any one year, to be allocated under rules and regulations to be prescribed by the Secretary of the Treasury.

In order that there may be no doubt as to the specific purpose of that proviso, I want to insert in the RECORD at this point the table to which I have just referred, showing these net

annual importations of the lead content of ore, found on page 41 of this survey. I believe I will read just that column. The net imports were as follows:

	Tons.
1910	9,379
1911	1,632
1912	2,703
1913	1,442
1914	1,445
1915	1,832

Then came the war, and in 1916 there were 4,892; in 1917 there were 2,625, and in 1918 there were 2,676. I ask to have the whole table inserted.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Combined importations of lead bullion and lead in pigs, bars, etc., duties collected, drawback paid, and net revenue received, 1910–1918.[1]

Fiscal years.	General imports (tons).[2]	Imports for consumption.[3]		Exports under drawback.		Net imports.	
		Tons.[4]	Duties.	Tons.[4]	Drawback.	Tons.[4]	Revenue.
1910	67,096	13,139	$573,047.44	3,760	$158,209.71	9,379	$414,837.73
1911	67,939	11,427	513,919.42	9,795	412,057.18	1,632	101,862.24
1912	80,782	12,636	548,592.42	9,933	415,720.00	2,703	132,872.42
1913	62,154	13,345	575,736.12	11,903	480,732.32	1,442	95,003.80
1914	18,648	7,389	207,518.00	8,843	372,091.41	[5] 1,445	[5] 164,573.41
1915	34,193	3,525	57,187.65	5,357	134,053.35	[5] 1,832	[5] 76,865.70
1916	29,899	9,564	174,329.40	4,672	83,507.60	4,892	90,821.80
1917	26,643	5,081	132,921.30	2,456	51,441.99	2,625	81,479.31
1918	84,329	2,191	80,555.50	4,867	113,721.68	[5] 2,676	33,166.18

[1] Data compiled from Commerce and Navigation.
[2] "Discrepancy" between amount of "General imports" and sum of "Imports for consumption" and "Exports" is made up of bonded imports and errors of estimation at ports of entry.
[3] Includes only imports on which duty was paid and not those for bonded smelting, sec. 4, N 1.
[4] Short tons, lead content.
[5] Deficit.

Mr. JONES of New Mexico. I have not figured the exact average, but it is apparent that the average is around 3,000 tons per annum, if you leave out of consideration the extra amount which came in during the war and for war purposes; but the information is that there is no great influx of these ores now.

So, Mr. President, the American supply of lead for the United States was almost balanced; the production just about made up the balance of the domestic consumption. It lacked about 2,000 tons a year; and the Tariff Information states that the same concern which controlled the smelting industry in the United States likewise controlled the lead deposits in Mexico, and that the lead that is brought in here in copper mattes likewise is controlled by concerns in the United States which are interested in the lead industry.

It appears that they wanted to get out of this American market every penny which could be gotten by an absolute control of the lead consumption of the United States. So it is provided that as much as 2,000 tons of lead may come into the United States in copper mattes without paying any duty.

Mr. SMOOT. The Senator may draw that conclusion; but I am quite sure that the Members of the House never had any such thought in their minds, nor did the Senate committee. The Senator knows that copper ores and copper mattes come into the United States free. The Senator knows that if there is a small amount of lead in copper mattes it would never pay to extract the copper out of the mattes for the lead that is in them. Why should the duty on that amount be paid if it is going to cost more to take it out than it is actually worth? I ask the Senator that question.

Mr. JONES of New Mexico. If you are going to protect the producer of lead in this country at all, why not protect him all along the line, and why permit the producer of copper mattes to bring in just enough to supply the American market?

Mr. SMOOT. Simply because of the fact that in the country where the copper matte is made, and from which it comes into this country, they have no separation of lead and copper, and therefore they have to send it here as it is. Does the Senator want to keep that copper out; does he want to have a duty on it because there is a little lead in it? It is always low-grade copper.

Mr. JONES of New Mexico. Let me ask the Senator, then, why it was limited to 2,000 tons lead content per annum?

Mr. SMOOT. Because they find that is about all there is, but if they were allowed more than 2,000 pounds, then, of course, the smelters in the foreign countries would put in the lead, ship it to this country, and have it entered free. The Senator does not want that to happen. I know he is interested enough in lead not to want that to happen, but where there is lead to the amount of 2 or 3 per cent the smelters can not afford to take it out and pay a duty on it besides.

It is known through this provision that there is to be a limitation on the lead which may come in in copper ores from foreign countries, and if there were not a limitation, there would be 7 per cent, 10 per cent, 20 per cent, in the copper mattes, and the chief value would be copper, and it would come into this country free. I am not so suspicious as the Senator is. The Senator wanted to make it appear that this was inserted for the benefit of the two smelting companies which smelt lead ores from Canada, but I assure the Senator that is not the fact. It is for the protection of the lead producers of this country, that not more than that amount shall come in free in copper mattes at any time.

Mr. JONES of New Mexico. Mr. President, if we are going to prevent any of it from coming in in copper mattes, why not prevent it all from coming in in copper mattes? We import ores containing varying quantities of lead. We import silver-bearing ores and copper-bearing ores.

Mr. SMOOT. I thought I told the Senator the reason.

Mr. JONES of New Mexico. The Senator told me what his notion about it was.

Mr. SMOOT. Does the Senator think it would pay any smelter to take a copper matte with just a little lead in it, and separate it, when they could ship the ore in here at $1.50 a pound?

Mr. JONES of New Mexico. Of course, we do not expect to have it separated.

Mr. SMOOT. It has to be separated before it can be used, I will say to the Senator.

Mr. JONES of New Mexico. Of course it does, but in the shipment here it is not separated. As the Senator said, before it is used it is separated. The lead is taken out of it. Why should not that copper matte be treated precisely the same as lead-bearing ores which are imported and which must pay a duty upon the lead content of the ore? It has been done all the time in the past. Why should it not be done now? Why should there be permitted these 2,000 tons to come in without the payment of any duty, when it is apparent that just about that amount is necessary to supply the American market?

Mr. WALSH of Montana. Mr. President, I should like to ask a question of the Senator from Utah, if the Senator from New Mexico will permit.

Mr. JONES of New Mexico. I yield.

Mr. WALSH of Montana. It appears that 2,000 tons is about the average annual amount of lead content that comes into the country with the foreign ores. If that is the case——

Mr. SMOOT. This has nothing to do with the ores at all.

Mr. WALSH of Montana. I understand that.

Mr. SMOOT. This is in the bullion.

Mr. WALSH of Montana. The amount of the importations of lead is about 2,000 tons annually; that is to say, in one form or another we get from foreign countries about 2,000 tons of lead annually. What I want to know from the Senator is: Why it is not possible, therefore, to take the lead to the smelter in a foreign country and put any percentage of it into the copper matte and introduce into this country the copper matte containing 20 or 25 or 30 per cent of lead, ample to justify the separation in the process of refinement, and thus supply the entire domestic market to the extent of 2,000 tons from the lead brought in in the copper matte?

Mr. SMOOT. That is limited in the provision here.

Mr. WALSH of Montana. I understand it is limited to 2,000 tons, but why, then, in Canada or British Columbia or Mexico, can they not take the lead and put it with the copper in the smelting process in the copper mattes carrying 20 per cent of lead and bring that into this country to the extent of 2,000 tons, the entire domestic demand being thereby supplied from the copper matte? In other words, under that provision why should a man bring in lead ore on which he is obliged to pay 1½ cents per pound duty when he can put that lead into mattes on the other side of the line and bring it in free?

Mr. SMOOT. Oh, no; he can not do that at all. Under the rules and regulations of the department it is impossible for him to do that.

Mr. WALSH of Montana. But the rules and regulations prescribe how he can bring it in.

Mr. SMOOT. No man can bring in here free copper matte with 20 per cent of lead.

Mr. WALSH of Montana. Why can he not do it?

Mr. SMOOT. Because he can not.

Mr. WALSH of Montana. That, perhaps, is a good reason.

Mr. SMOOT. He can not, because the lead in it is taxable.

Mr. WALSH of Montana. As long as it is copper matte it will come in free to the extent of 2,000 tons.

Mr. SMOOT. As long as there is ore in the copper matte of course the rule and the practice is that he can not do it. Under the bullion section which the Senator has read there is only a small percentage of lead in the copper.

Mr. WALSH of Montana. I should like to hear from the Senator from Idaho [Mr. GOODING] on this matter. The Coeur d'Alene ores carry no copper at all, and there is no copper smelter available. It occurs to me that the British Columbia smelters may introduce lead into this country to the extent of 2,000 tons in the form of copper matte, to the detriment of those mines in this country owned by parties who do not own property on the other side of the line. Of course the American Smelting & Refining Co. to a large extent own properties in the Coeur d'Alene, but they own properties in Mexico and are not particularly interested in the proposition, because they can bring in the total supply from the outside without the payment of duty. But the Hercules Co. and other companies owning properties in the Coeur d'Alene, it seems to me, are permitted by this provision to bring 2,000 tons of foreign-produced lead into this country in the form of copper matte without paying a cent of duty.

Mr. SMOOT. The whole information from which the Senator has read falls under the combined imports of lead bullion and lead in pigs, bars, and so forth, duties collected, drawback paid, and net revenue received. This is all there is of ores that are exported in bond. That is all there is to it. You can not smelt ores in Canada and bring them in under this provision. This is in bond in the United States.

Mr. WALSH of Montana. Will the Senator note that the paragraph deals with lead-bearing ores and mattes?

Mr. SMOOT. That is, lead-bearing mattes. It is not copper mattes.

Mr. WALSH of Montana. Oh, no; the "lead-bearing" does not modify the mattes at all.

Mr. SMOOT. But it does in this section, because it is mattes.

Mr. WALSH of Montana. Oh, no; because on the other page it is expressly provided as follows:

Provided, That such duty shall not be applied to the lead contained in copper mattes until after 2,000 tons of such lead shall have been imported in any one year.

That is, mattes of any kind—copper mattes or any other kind of mattes.

Mr. SMOOT. Oh, no; it is the lead in the copper mattes. The figures in the provision to which the Senator from New Mexico refers are applicable to lead bullion.

Mr. WALSH of Montana. It seems to me it is perfectly plain that lead coming in in copper mattes to the amount of 2,000 tons comes in free.

Mr. JONES of New Mexico. Not at all.

Mr. SMOOT. The Senator says not at all. What is the heading? Let the Senator read the heading and see what it is.

Mr. JONES of New Mexico. What I said is this——

Mr. SMOOT. I am not speaking of what the Senator said. I am saying what the figures which he read had reference to.

Mr. JONES of New Mexico. The figures I read from and what they mean is just this, that the net imports of lead content of ores and bullion for those years retained for consumption in the United States were the amounts I read a while ago.

Mr. SMOOT. Lead ores and lead bullion, and it is here stated that it was refined in bond, not for use in this country, but to ship to a foreign country.

Mr. WALSH of Montana. That is in a different part of the bill.

Mr. SMOOT. It is exactly the figures the Senator quoted from on page 41.

Mr. WALSH of Montana. This is the language:

Lead-bearing ores and mattes of all kinds, 1½ cents per pound on the lead contained therein: *Provided*, That such duty shall not be applied to the lead contained in copper mattes until after 2,000 tons of such lead shall have been imported in any one year.

That is the language of the bill. It does not deal with property in bond at all.

Mr. SMOOT. Of course, I can not say anything more than I have said. I ask the Senator to look on page 41 of the Tariff Survey at the heading there which says, "Combined importations of lead bullion and lead in pigs, bars, etc., duties collected, drawback paid, and net revenue received, 1910–1918." That is what it is.

Mr. JONES of New Mexico. What it means is simply that of the imported lead, whether in bullion or in ore, the net amounts of the imported metal retained in this country are those numbers of tons which I read a while ago. That is the quantity retained here. That is the addition to the domestic production which is necessary to be made to supply the domestic consumption, and with this addition of about 2,000 tons a year we have equalized the demand and the supply in the American market. In other words, you control the American market, the entire consumptive demand of the people of the United States, by the importation of that small quantity of ore.

As the Senator from Montana pointed out, this paragraph specifically mentions lead bearing ores and mattes. The use of the word "mattes" in this paragraph is a new thing. It has not occurred in tariff laws before specifically, but now they mention lead bearing mattes specifically, and provide that as to those lead bearing mattes the importer shall not pay any duty upon 2,000 tons of the lead content of those mattes.

It appears that that is just the amount necessary to supply the American market and give to those concerned the absolute control of the market. The excuse offered by the Senator from Utah may be satisfactory to him, but I can not understand why they should permit the lead-bearing mattes to come in here to the extent only of 2,000 tons of lead. It can only be explained, it seems to me, by the fact that there is somewhere some great controlling influence that has complete control of the American market for lead and also has control of the importation of lead.

Mr. WALSH of Montana. Mr. President, I should like to ask the Senator another question. Again I think perhaps the Senator from Idaho would be interested in it. Is not the substantial effect of this provision to leave lead without any protection at all?

Mr. JONES of New Mexico. I do not see why it does not give to the smelting interests of the country complete control of the market.

Mr. WALSH of Montana. Exactly. The producers controlling the foreign supply, the Mexican and Canadian supply, simply mix their lead in copper mattes or in any mattes, and bring it into this country free, as the Senator has indicated, to the extent of 2,000 tons, thus supplying the entire domestic market. In other words, no revenue whatever will be secured under this provision from lead ores. In quantities the ore will not be introduced at all, but the smelting would be done on the other side of the line and the lead brought here in the form of mattes, and consequently the domestic producer will have no protection at all.

Mr. SMOOT. Of course, the Senator can make that statement, but there is no question in the world that the domestic producer is protected to the extent of 1½ cents per pound on the content of his ore.

Mr. WALSH of Montana. But there will be no ore come in. It will not come in the form of ore. It will come in the form of mattes.

Mr. SMOOT. It can not come in the form of mattes unless it pays this duty.

Mr. WALSH of Montana. But 2,000 tons come in free, and that is all that the domestic market will absorb.

Mr. SMOOT. It is not only lead mattes, but we have reference to mattes of all kinds.

Mr. JONES of New Mexico. I do not believe that the Senator from Utah wants to claim that these are not lead-bearing mattes referred to in the paragraph. Is that what the Senator claims?

Mr. SMOOT. I did not hear what the Senator said.

Mr. JONES of New Mexico. Does the Senator from Utah contend that the word "mattes" as used in this paragraph does not refer to lead-bearing mattes?

Mr. SMOOT. Why, certainly; I know it does.

Mr. JONES of New Mexico. Then why is not just what the Senator from Montana said a necessary consequence of such a provision?

Mr. SMOOT. Because of the fact that there is no amount of lead mattes exempt from the tax; that is why—not an ounce of it.

Mr. JONES of New Mexico. Does the Senator mean to say there is no lead in copper mattes?

Mr. SMOOT. I did not say that at all. I said that where it comes in in small quantities, as it does, and only as it comes in in that way. That is why this provision, as I have said, was put in here; and there is not an ounce of lead matte that can come in here unless it pays a duty.

Mr. JONES of New Mexico. If the word "matte," as used here, did not include copper matte bearing lead, why was the proviso tacked onto that provision?

Mr. SMOOT. If the Senator will read it he will realize that it refers to any kind of matte that includes lead, with the exception of copper. That is all there is in the whole thing. I do not care what kind of matte comes in, with the exception of copper matte, it pays the duty, if there is lead in it.

Mr. JONES of New Mexico. With the exception of 2,000 tons of lead.

Mr. SMOOT. In copper.

Mr. JONES of New Mexico. In copper matte, undoubtedly; and I imagine that the copper matte bearing lead comes from just across the line in old Mexico, where the concerns are owned by the people in the United States who control the smelting interests of the United States; or it may come, as the Senator from Montana has said, from Canada.

Mr. SMOOT. Mr. President, if the Senator is interested in the lead question, and really wants to know how much lead ore comes into this country, let him turn to page 13 of Tariff Information Survey and tell the Senate what amount of lead ore comes into this country. The same principle applies to ore that applies to bullion to which the Senator is referring, for he is not referring to anything else but lead bullion, as I said before.

Mr. CARAWAY. Mr. President, may I ask the Senator from Utah a question?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Arkansas?

Mr. JONES of New Mexico. I yield.

Mr. CARAWAY. What was the object of limiting the copper matte as is provided at the bottom of page 87, as follows:

Provided, That such duty shall not be applied to the lead contained in copper mattes until after 2,000 tons of such lead shall have been imported in any one year, to be allocated under rules and regulations to be prescribed by the Secretary of the Treasury.

Why was the importation limited to 2,000 tons?

Mr. SMOOT. If there had not been a limit copper matte could come in any quantity.

Mr. CARAWAY. Why would not 4,000 tons be as proper a limit as 2,000? I am trying to get an idea as to what caused the limit to be fixed at 2,000 tons.

Mr. SMOOT. It was fixed at 2,000 tons because of the fact that the amount of copper matte that comes in with lead content so low that it does not pay to take the lead out of it amounts to about that quantity.

Mr. CARAWAY. Then, if it only amounts to about that quantity, why was it necessary to place a limit of 2,000 tons? There would be no occasion to limit it if it did not amount to more than that.

Mr. SMOOT. We did not know but that they would put more in, as I have said before.

Mr. CARAWAY. They would put more in? Why should they put any in?

Mr. SMOOT. They do not put it in. It comes in the ore, and can not be separated. The smelter does not separate the lead and copper; it is not separated by the smelter at all.

Mr. CARAWAY. I think I understand that, although I do not understand much about the smelting of ores; but the Senator said "they would put more in." I do not know whether he intended to say that or not.

Mr. SMOOT. If there were no limit, they would.

Mr. CARAWAY. If it is wrong to bring it in, why does the bill provide that 2,000 tons may be brought in?

Mr. SMOOT. I do not think the Sentaor from Arkansas understands the situation. These copper ores come in containing very little lead, and the lead and copper can not be smelted separately, but they are smelted together. There is a plant in New Jersey and I think there is also one other plant in the United States where the process is carried on. No one would ever bring it in in small quantities, because it would not pay.

Mr. CARAWAY. But it is desirable to bring in the copper.

Mr. SMOOT. Yes; free of duty.

Mr. CARAWAY. But what was it that fixed it in the minds of the committee that 2,000 tons were desirable but more would be undesirable?

Mr. SMOOT. Because that is the percentage of low-grade copper matte that comes in here that it does not pay to separate here and on which the duty would be equivalent to the amount of lead saved.

Mr. CARAWAY. Is there not more of that ore that could come in?

Mr. SMOOT. I can not say as to that.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Arkansas?

Mr. JONES of New Mexico. I yield to the Senator from Arkansas.

Mr. ROBINSON. Mr. President, at 6.45 o'clock this evening, after the Senate had been in session to-day for eight hours lacking 15 minutes, the absence of a quorum developed, and on proper motion the Sergeant at Arms was directed to request the attendance of absent Senators. A short time later a quorum was developed, and under the usual procedure of the Senate further action under the order to the Sergeant at Arms would have abated. Some time later, however, the Senator from Massachusetts [Mr. LODGE] asked the Sergeant at Arms to submit a report, the lack of a quorum having developed upon a subsequent vote. No Senator, either on this side of the Chamber or on the other side of the Chamber, according to my information, was notified of the order of the Senate. A large number of Senators, some of whom are in the Chamber now, were in the restaurant dining room, just a few feet removed from the Chamber.

Upon the request made by the Senator from Massachusetts that the Sergeant at Arms report, that officer made to the Senate a statement which in part is not warranted by the rules of procedure governing the Senate. After undertaking to say what Senators were ill and what others were out of town, the Sergeant at Arms reported to the Senate the names of a number of Senators who, he said, were in town but absent from the roll call. His statement did not disclose that any of those Senators had been notified of the order of the Senate directing him to request the attendance of absent Senators, and, as a matter of fact, no Senator was notified, although a large number of Senators were absent in the usual course, taking their dinners in the restaurant.

Throughout this debate it has been the purpose and the policy of this side of the Chamber to keep in attendance at all times while the Senate is in session as many Members as practicable. We realize that a large number of Republican Senators are necessarily absent for various reasons. Some of them are appearing in judgment before their respective constituencies, others are responding to legal process.

I do not know what the purpose of the very extraordinary procedure being taken by the Senator from Massachusetts may be. If any disposition had been manifested by Senators on this side of the Chamber—or on the other side of the Chamber for that matter—to break a quorum, the extraordinary course of insisting upon a report by the Sergeant at Arms after a quorum had developed in the Senate might be justified; but certainly decency and fair play require that when an order of that character is made Senators be notified. If it is your purpose to place upon this side of the Chamber the burden of maintaining a quorum while Members on the other side of the Chamber remain absent, you will have the opportunity hereafter of doing so in compliance with the rules of the Senate and not in defiance and disregard of them.

Not a Senator received notice that his attendance had been requested, and yet the RECORD shows that four Senators on the other side of the Chamber who had been in attendance all day, and whose names I will give if any Senator doubts the accuracy of my statement, are reported as ill. Two-thirds of the Senators reported absent on the roll call were within easy reach.

Mr. STANLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Kentucky?

Mr. ROBINSON. I yield to the Senator from Kentucky.

Mr. STANLEY. I am told that I am among the Senators who were absent. I doubt very much whether even the buzzer is in order. I have been in my office or in this Chamber continuously since half past 8 o'clock this morning, with the exception of 5 or 10 minutes to get a little lunch. They did not even telephone my office.

Mr. ROBINSON. The RECORD shows that without making any effort whatever to give Senators an opportunity to attend, at an hour when normal human beings are in the habit of refreshing themselves with food, while more than a sufficient number of Senators to make a quorum were in the restaurant, with a parade that is totally unwarranted and unjustified Senators are impliedly censured for their absence. It is not fair, and you know it.

If that is the way you are going to proceed, summon back from their political Waterloos every follower of the standard, ask the courts to adjourn and postpone the trial of their proceedings, and understand that from now on you will keep a quorum here, and if you fail to do so the Sergeant at Arms will be directed to request, and he will request, the attendance of absent Senators.

In view of the facts which I have stated, I ask unanimous consent that that portion of the alleged report of the Sergeant at Arms which undertakes to state what Senators are in town and absent from the roll call, without showing notice given them to attend, be stricken from the RECORD.

The VICE PRESIDENT. Is there objection?

Mr. LODGE. Mr. President, before the consent is given, I should like to be heard.

Mr. President, I requested that the Sergeant at Arms should make his report. A quorum had been obtained, and then a quorum was lost; and after the quorum was lost the second time I asked for a report.

The Senator is mistaken about no notice being given. Not only were the bells rung in every office and in the dining-room—bells notifying a quorum call, and notifying a call for a vote, because they alternated—but every room was telephoned to, and every Senator who was within reach of the telephone or of the bells, which are always rung, of course, had an opportunity to hear them and knew what they were. That notification was given.

After the Senator from North Dakota [Mr. McCUMBER] made the usual motion that the Sergeant at Arms be directed to procure the attendance of absent Senators, the Sergeant at Arms and his assistants proceeded to try to reach all the Senators who were not within reach of telephone or messengers—for messengers were sent also into the dining-room—in this building or in the office building. Every usual effort was made to notify them. The Sergeant at Arms then proceeded to reach the Senators who had not been reached in those ways, and who apparently were not in the office building or in the Capitol, by calling up their houses and notifying them that their attendance was requested. When the quorum disappeared again, I asked for the report of the Sergeant at Arms.

The constitutional power of the Senate, of course, is to compel the attendance of Members; and in the House, as we all know, that is very drastically enforced. Here it is customary to make a request. That had been done. I asked for the report. The Sergeant at Arms is the officer of the Senate. He is responsible to the Senate; and the Senate, or any Senator, in my judgment, has a right to ask for such a report. It is a very old and frequent custom.

I find in the Precedents, on page 202, February 23, 1883:

The number of Senators voting not constituting a quorum, the Presiding Officer (Mr. Morgan in the chair) directed the roll to be called, when 36 Senators answered as their names were called.

The number of Senators responding not constituting a quorum, on motion by Mr. Edmunds that the Sergeant at Arms be directed to request the attendance of absent Senators (a motion to adjourn failed, 6.33 p. m.), and the question recurring on Mr. Edmunds's motion, it was determined in the affirmative—yeas 19, nays 11.

So the motion was agreed to.

The Sergeant at Arms proceeded to execute the order of the Senate.

At 8 o'clock p. m. the Sergeant at Arms, in obedience to the order of the Senate directing him to request the attendance of absent Senators, submitted the following report:

To the PRESIDENT OF THE SENATE:

In execution of the order of the Senate to request the attendance of absent Senators the Secretary reported the following absent (36 Senators named): Of these (6 named) are absent from the city; sick and unable to attend (5 named); a number of Senators are reported to be at a dinner at Senator Chandler's, where the host refused admission to the officers sent to notify them; Senators Groome, Kellogg, and Saulsbury could not be found; officers are in search of the remainder.

Respectfully,

R. J. BRIGHT.

Colonel Bright, whom many of us well remember.

On January 16, 1891, the Sergeant at Arms was directed to use all necessary means to compel the attendance of absent Senators, excepting those detained on account of sickness.

At 4 o'clock and 30 minutes a. m. the Sergeant at Arms, in obedience to the order of the Senate directing him to compel the attendance of the absent Senators, submitted the following report:

UNITED STATES SENATE,
January 17, 1891—4.30 a. m.

SIR: In obedience to the following order received by me at 2.30 a. m.:

"*Ordered*, That the Sergeant at Arms be directed to use all necessary means to compel the attendance of absent Senators, excepting those detained on account of sickness"—

I executed the same by notifying Senators Evarts, Call, Dawes, Daniel, Jones of Arkansas, Gray, Coke, Kenna, and Bate, who responded to the same by appearing in the Senate Chamber. Senators Hampton, Ingalls, Ransom, Butler, Sherman, Wilson of Maryland, and Wolcott reported themselves sick, and Senator Berry answered that he was not ready to come. Could not gain entrance to the residence of Senator Barbour. Party responded at door of Senator Stanford; answered, "Is not in." At Senator Turpie's there was no response. The order is being executed by Deputy Sergeants at Arms at this time.

Very respectfully,

E. K. VALENTINE,
Sergeant at Arms.

He subsequently submitted another report, and a little later a third report, naming the Senators absent, naming the cause as given to him, and so forth.

To come down to more recent times, on September 18, 1914, the following occurred:

Mr. CHAMBERLAIN of Oregon, Mr. President, I am wondering why we do not get a report from the Sergeant at Arms.

The PRESIDING OFFICER. The Sergeant at Arms has been directed to report, and the Chair is informed that he is preparing his report.

Mr. CHAMBERLAIN. There seems to be some delicacy about the feelings of Senators who are absent and who ought to be brought before the bar of the Senate, but there does not seem to be so much consideration about Senators who have been here all night and show a disposition to be here all the time.

The PRESIDING OFFICER. Debate is not in order. The Chair has directed the Sergeant at Arms to report, and he is informed that he is preparing to report proceedings under the order of the Senate.

After a little delay Mr. Kern entered the Chamber and answered to his name.

The SPECIAL DEPUTY SERGEANT AT ARMS (John J. McGrain). I have the honor to make the following report.

The PRESIDING OFFICER. The Secretary will read the report.

The Secretary read as follows:

SENATE OF THE UNITED STATES,
SERGEANT AT ARMS,
September 19, 1914—6.30 a. m.

SIR: In obedience to the following order received by me at 12.45 a. m.—

"*Ordered*, That the Sergeant at Arms be directed to compel the attendance of all absent Senators now in the city of Washington, except those detained on account of sickness, and is instructed to procure without delay such conveyances and employ all necessary means to compel such attendance"—

I have the honor to report that I executed the same by serving, by deputies, the above order upon Senators Lewis, STERLING, Hughes, Thompson, West, and Weeks, who responded to the same by appearing in the Senate Chamber. Senators NELSON, McCUMBER, and POMERENE reported sick. Could not gain entrance at residences of Senators BRANDEGEE and DU PONT.

At residence of Senator William Alden Smith deputy read the order to the Senator, who refused to come, as he ascertained that a quorum was present. Senator Bankhead could not be located.

Since appearing in the Senate Chamber in response to this order Senator Weeks has left.

That was on September 18, 1914. Later on the same day the Deputy Sergeant at Arms was called on for a further report, and he reported. Meantime, business had been transacted; a quorum had been obtained; business had been transacted. This was while business was going on, and a quorum was present.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. RANSDELL. I now move the adoption of the substitute as amended.

The PRESIDING OFFICER. Pending that motion, the Sergeant at Arms is directed to report the proceedings and action under the order of the Senate heretofore issued to compel the attendance of absent Senators.

He had made one report. There had been a quorum. There was a quorum at the time. Business had been transacted, and he made a further report. Mr. McGrain, as deputy, said:

I have the honor to further report that Senators Culberson and Perkins, who were excused last evening on account of illness, have appeared in the Senate Chamber. Senators Bankhead, Brandegee, Gore, McCumber, Nelson, Norris, Pomerene, Smith of Georgia, and Smith of Michigan have responded to the order of the Senate by appearing in the Senate Chamber.

Every Senator now in the city of Washington, except Senators Bristow and La Follette, who are reported sick, has appeared in the Senate Chamber.

Also, in obedience to the following order received by me—

"*Ordered*, That the Sergeant at Arms be instructed to request the attendance of all Senators now absent from the city of Washington except those who are sick or excused"—

I beg leave to report that I have complied with these instructions by telegraphing to all Senators now absent from the city of Washington, with the exception of Senators Burleigh, Shively, and Thomas, excused, and one Senator, who is abroad.

Now we come to a day which shows at least that I was not doing anything very novel. It was the 8th of February, 1915. A report was made in compliance with the Senate's order that the Sergeant at Arms be directed to request the attendance of absent Members.

SIR: In obedience to the order of the Senate ordering the Sergeant at Arms to request the attendance of absent Senators, I have the following report to make:

Senator Bankhead, no response.
Sneator Borah, no response.
Senator Brady, not at home.
Senator Burleigh, will come.
Senator Bristow, notified and talked with Senator Weeks.
Senator Camden, not in.
Senator Clarke of Arkansas, not in.
Senator Colt, no response.
Senator Cummins, will come if sent for.
Senator Dillingham, not in.
Senator Hollis, here.
Senator Kenyon, not in.
Senator Lewis, no response.
Senator Lodge, no reply.
Senator McCumber, will come if sent for.
Senator Smith of Michigan, coming.
Senator Smoot, coming.
Senator Sterling, will come if sent for.
Senator Swanson, sick.
This is as far as we have gotten with the call.

Respectfully yours,

CHARLES P. HIGGINS,
Sergeant at Arms, United States Senate.

Then there was a further order to compel the attendance of absent Senators, and a further report, where it was provided that—

Whereas the following-named Senators are absent without leave of the Senate, to wit, Messrs. Bankhead, Borah, Brady, Bristow, Camden, Crawford, Colt, Dillingham, du Pont, Fall, Gallinger, Hardwick, Hitchcock, McCumber, McLean, O'Gorman, Root, Sterling, and Works; and

Whereas it is necessary to compel the attendance of said absent Senators: Therefore—

And so forth.

Then again, later in the day, he made a further report as to inability to get responses. Telephone calls were made to certain residences and deputies went out in automobiles. He made an-

other report again on the following day, February 9, of a similar character, giving an account, with an exact return of what was said to him. He made another report on the same day, February 9. He made another report on the same day, February 9, and he made apparently a final report on February 9.

The question of a quorum arose; a quorum was developed on a vote, and Mr. Smith of Georgia said:

I think the Secretary ought to start with the earlier report and come on down. That is the last report.

Mr. SMOOT. They have been read.

The PRESIDING OFFICER. They have been read in due order.

Mr. SMOOT. I will say to the Senator that they now appear in the RECORD.

Mr. SMITH of Georgia. They do not appear in the RECORD. There was one at 3 o'clock and another at half past 4 and another at 5 o'clock.

The PRESIDING OFFICER. They were read and marked at the time of their reading. The Secretary will read the report.

Then Sergeant at Arms Higgins gave some more facts about Senators on the same day at 8.30 a. m. Those two days seemed to have been very busy days, and there were constant reports from the Sergeant at Arms. In fact, you can go back and find any number of such cases.

I do not conceive how there can be the slightest doubt of the right of the Senate to ask for a report from the Sergeant at Arms when he has been directed either to request or to compel the attendance of Senators. This occurred under both forms of motion. There is no doubt of the right of the Senate to do it, and Senators must have seen, from what I have read, that it was required that those reports should be printed in the RECORD.

All usual forms of notification were used this evening, and they were used for some time before the Senator from North Dakota [Mr. MCCUMBER] asked for the order to the Sergeant at Arms, and some further time elapsed before the report was made on my request.

The whole proceeding was entirely usual, is very common in both House and Senate, and I see no reason why it should not remain in the RECORD as all other proceedings taken in the Senate remain in the RECORD. There was no intention on my part to make any party reflection whatever. It reflected, if anything, more on my own side, because we are the majority party.

If Senators are absent, I think there can be no possible objection to that fact being known. It is known to anyone who will take the trouble to examine the calls, but I see no reason why the uniform practice of the Senate should not have been followed to-night, as it always has been followed in past years by both parties. It is mere accident that I happen to have read two cases which were Democratic and one Republican, but they present precisely the same question, and I see no reason why the report submitted by the Sergeant at Arms to-night should be stricken from the RECORD, because every possible effort usually made to notify Senators was made by the officers of the Senate on both sides.

If Senators were in their offices and did not hear the bells, or did not reply to them; if they paid no attention to the messages which were sent to the dining room; if they paid no attention to the bells, which ring in the dining room, I think they had due notice. Then further notice was given by telephone to those who were absent and could not have heard the bells either in the Capitol or in the office building. I think it is a proper parliamentary proceeding, and I hope it will have some good effect in preserving a quorum of the Senate to transact the public business. So I object to its being stricken from the RECORD.

Mr. UNDERWOOD obtained the floor.

Mr. ROBINSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. UNDERWOOD. I yield.

Mr. HEFLIN. Mr. President——

Mr. UNDERWOOD. I will yield to my colleague in just a moment.

Mr. HEFLIN. I am in no hurry; we have all night before us.

Mr. ROBINSON. With the indulgence of the Senator, I wish to state that there is no question about the right of the Senate to compel the attendance of absent Senators, and certainly no suggestion that I made could be construed by any flight of fancy to imply such a contention.

Mr. LODGE. If the Senator will allow me, I did not mean for a moment to imply that the Senator questioned the right of the Senate.

Mr. ROBINSON. The Senate, under its usual procedure, directs the Sergeant at Arms to request the attendance of absent Senators when a quorum fails to appear upon any vote, and the Sergeant at Arms, carrying out that order, communicates with Senators and notifies them of the special necessity for their presence. If they then fail to attend after that request is communicated to them, under the practice of the Senate they may be compelled to attend.

The point I make is that at this unusual hour, after the order has been made and a quorum has been developed, it is out of the ordinary practice of the Senate to call upon the Sergeant at Arms for a report, and when the Sergeant at Arms reports, never before in the history of the Senate has that officer undertaken to do more than to say what Senators he had communicated with and requested to attend and what Senators are absent or unable to attend.

In this instance the Sergeant at Arms does not state that he requested the attendance of any Senator or notified any Senator who was absent that his attendance was specially necessary, as directed or requested by the order of the Senate; and, as I said before, there are in this presence now a number of Senators who are on the list as being absent on the roll call and failing to attend the Senate who had no notice of the order of the Senate and who were down in the restaurant dining room, where they could easily have been notified.

Under that extraordinary condition the Senator from Massachusetts [Mr. LODGE] insists that the report of the Sergeant at Arms shall be perpetuated in the RECORD, and that notwithstanding the fact that Senators who were not notified, and therefore had no opportunity of responding to the request of the Senate, are to be stigmatized, if you want to term it such, as having violated or disregarded the order of the Senate.

During almost a month, while this bill has been under consideration, and while the Senate has sat in continuous session, the greater part of the time for a period of 11 hours a day, a quorum has developed in every instance, and this side of the Chamber has done more than its part in furnishing those quorums. If it were anywhere else this procedure would and could be justly stigmatized as petty politics.

I thank the Senator from Alabama for yielding to me.

Mr. UNDERWOOD. Mr. President, I think this procedure is more humorous than otherwise. This bill, of course, is very obnoxious to a man who believes in the principles of democracy from a party standpoint. His constituency is not going to blame him for the failure of the passage of this bill. We who are entirely opposed from every standpoint to the passage of the bill can see no reflection on any Senator on this side of the Chamber because he has not aided in furnishing a quorum to pass the bill. But, as I stated to Senators on the other side of the Chamber in the beginning, there is no desire on this side to filibuster on this bill. We intend to see that it is debated, and thoroughly debated; and it will be debated for weeks to come, because the country is entitled to know what is in it.

The bill has been before the Senate for about a month. There has not been a day in that time when, if this side of the Chamber had wanted to break a quorum, they could not have walked out into the corridor and broken the quorum. Quorum after quorum has appeared here with just a sufficient number, when a half dozen men from this side of the Chamber could have gone into the cloakroom and broken the quorum. But it happens—and it is very unusual in a case of this kind—that this bill has been for about a month before the Senate, while we have sat unusual hours, and the consideration of the bill has not been delayed to any unusual extent by lack of a quorum until to-night.

Of course, if the Senator in charge of the bill intends to have night sessions—and that rests with him—he must recognize the fact that men who come here at 11 o'clock in the morning are going to take some time, either in the restaurant or at their homes, to get their dinners, and if he will not permit an adjournment for dinner he is going to find it difficult to keep a quorum at that hour. But if a quorum is necessary, and the Senator intends to pursue that course, then it is the duty of Senators on the other side of the Chamber to furnish the quorum, and it is certainly no reflection on this side of the Chamber if Senators on this side are not here.

I asked for some of the roll calls on the motion of the Senator from Utah [Mr. KING] on the item now before the Senate on which a quorum failed to appear. I have been given two of them. I think there were more. But in running down the two roll calls which came to me from the desk I find in each that there were just 29 Republicans responded. That is where the quorum failed. Of course if you had had enough Democrats, if you had added 20 Democrats to the 29 Republicans, you would have had your quorum. But you have 60 Members of the Senate and we have 36. Three Democrats are supporting your bill. That gives you 63 Members on the floor against 33 who are opposed to the bill. You only need 49 Members to constitute a quorum. You have 14 to the good, 14 more than the necessary majority, and yet here are two

roll calls demonstrating at this critical time when you made this order that you had only 29 Republicans here, and we are criticized because we did not furnish 20 out of our 33 to make your quorum.

Now, Mr. President, I have no desire to delay the bill, as I said before. It is not my purpose or the purpose of others on this side of the Chamber to filibuster. I intend to sit here through the usual hours, as I always have, in attendance upon the business of the Senate, but when we reach the usual hour of going to dinner, just to be plain about it, if you are not going to adjourn for dinner I am going somewhere to get my dinner at that time in the evening, and the Republican majority must furnish its quorum in the Senate.

Mr. LODGE. Mr. President, if the Senator will permit me, I did not intend to criticize, and I do not think that I did criticize, the minority. I perfectly agree with one thing, and that is that when there are 60 Republican Senators in the Senate we ought to have a quorum of our own men here all the time.

Mr. UNDERWOOD. The Senator and I are in thorough accord.

Mr. LODGE. I do not disagree to that at all. Of course, when we have a call of the Senate all the Senators are called. We can not do anything else.

Mr. UNDERWOOD. The Senator recognizes that, and we are in accord. Many matters that we pass through the Senate are not political. We help each other in carrying them through. But you know that this is a political bill. The political lines are drawn here. The opposition to the bill is not only economic but it is political, and you must have more than 29 Senators respond to a quorum call at a critical hour if you are going to try to convince the country that you are in earnest in endeavoring to pass the bill.

Mr. HEFLIN. Mr. President, my name was read out in the list of those who were recorded as absent when the call for a quorum was made about 8 o'clock this evening. I believe that every Senator present will testify that there are not half a dozen Senators in this body who have a better record for attendance than I have. I came here this morning at 11 o'clock and remained until 7. For eight hours I was right here attending to my duties. I went to my hotel at 7 o'clock, the Congress Hall Hotel, for dinner. I did not know anything about this call until after my name had been read out. The Sergeant at Arms telephoned to my room and told me that a quorum had failed to develop and that they were still seeking those who did not answer the call. I said, "All right; I will be right over," and I came. When I arrived several of my colleagues told me that my name as one of the absentees had been read out. This happened in the face of the fact that I had not been notified of the call for a quorum.

I submit, Mr. President, to the Senate and to the country that when those of us who come here at 11 o'clock in the morning stay here until 7 o'clock in the evening, working right along all day, that it is unfair and unbecoming in Senators on the other side with their 24 majority who fail and refuse to keep a quorum, to read out the names of Senators who are away for only a few moments trying to get something to eat and a little rest after a hard day's work. You did not read out any names last night. You were not here. You adjourned at 6 o'clock in the evening so you could go to the circus. And you did not enjoy the circus as much as you thought you would. The G. O. P. elephant was not so lively and portly as when on dress parade in the aftermath of the campaign of 1920. Last night he was lame and disfigured and seemed to be conscious of the approach of a hard winter following the November election.

I see faces over there now that I have not seen here before to-day. Senators, where were you this afternoon when the able and eloquent Senator from Georgia [Mr. WATSON] made such a powerful and appealing argument against the provision in this bill which takes away from Congress the taxing power and places it in the hands of one man—the head of the executive department, the President of the United States? You are attempting to take away from the representatives of the people in the House and Senate the right and power to say what shall or shall not be the tax rate levied against 100,000,000 American consumers. You propose to lodge that power in the hands of the President and permit one man to raise or lower the tariff tax at will. You thereby clothe him with the taxing power. Those who framed the Constitution never dreamed that any party would ever go that far in the usurpation of power in this great Government, but you are undertaking to do it.

This afternoon the Senator from Georgia [Mr. WATSON] made a great speech against this attempted usurpation of power, and I commend it to the careful consideration of every Senator on the other side who intends to vote to place this legislative power in the hands of the President. No President, I care not what party he represents, should have such power conferred upon him. It is a dangerous thing to do, Senators. The tariff barons demand that it be done, but the American people, if they knew you were trying to do it, would storm you with protests from one end of the country to the other. Have we reached the time when special interests have become so influential and powerful in the councils of the Republican Party that they can put through Congress measures injurious to the whole people and dangerous to constitutional government? Have we fallen upon the time when these same special interests can buy and control certain newspapers for the purpose of suppressing the truth, misrepresenting the issues, and deceiving the people?

Suppose the American people knew that you had passed through a Republican House a bill containing a provision which confers upon the President the power to levy taxes against them—and that is what it is—why, they would rise in true American indignation and denounce and repudiate it. And what would these same people think if they knew that the Republican leaders of the Senate had indorsed the action of the House and had reported a bill containing the same provision to transfer the taxing power from Congress to the President? Why, they would give you a double dose of their bitter scorn and righteous resentment. I wonder if we have reached the time when the subsidized newspaper can keep the truth from the voter and fool the people while the work of disintegration and destruction goes on in free government here at the Capitol? If Lincoln could come back to life and visit the Capitol now and hear you demanding these things in the name of the party of Lincoln, he would drive you from the Halls of Congress, as did the Master the dove sellers and money changers from the temple at Jerusalem.

Mr. McCUMBER. Mr. President, being in charge of the pending bill, I think it very proper for me to state that I have no complaint to make against the Democratic side for their failure to be present at all times. They have helped us to make a quorum many a time when we could not have obtained it without the presence of Democratic Senators. I may complain of the repetition of the same kind of speeches over and over and over again, day after day, without adding anything new; but I am not complaining because the Democrats of this body have not been in their seats day after day, and I do not want the Democratic side of the Chamber to think for a single moment that when I call for a quorum and move to direct the Sergeant at Arms to bring in absent Senators that I am particular at all about his bringing in Democrats.

I made the motion this evening with the expectation that he would bring in Republicans, who are the ones who must pass the bill; it is up to them to make the quorum. I can not expect the Democratic Members who do not believe in the bill to exert themselves to any extent to make a quorum in the Senate; but I do expect that Republicans, who do believe in it and upon whom we are dependent to put this bill through, will come to the Senate Chamber in sufficient number to constitute the necessary quorum to put it through. They have not been doing that. We have had vote after vote, Mr. President, when we only had a bare 49 Senators present to make the quorum necessary to pass upon the amendments.

I have every excuse in the world for a man who is sick, for if he is sick he can not be here. Then, there are some on both sides of the Chamber whose age is such that we can not expect them to attend the night sessions; there are those who are engaged in severe contests in their home States in primary elections whom we may well excuse, if they find it necessary from time to time to absent themselves; but there is no excuse on earth for those Republicans who are perfectly well, for those Republicans who have no contests on hand and who can come here day in and day out, to absent themselves until we call for quorum after quorum in order to secure the presence of 29 or 30 of them.

If they can not stay here and help pass a bill of this kind, for God's sake let them resign and get their States to appoint Senators who will stay.

That is my message, Mr. President, to those Republicans who can stay here to help us pass this bill and who fail to do so. I think it is their duty to do it, and I am not asking the Democrats to help us make a quorum.

SEVERAL SENATORS. Vote!

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

Mr. JONES of New Mexico. Mr. President, it is now 10.30 o'clock, and I had just begun to develop the facts regarding the pending paragraph when the colloquy took place regarding the absence of a quorum. If the Senator from North Dakota insists upon my doing so I shall proceed, but I rather thought he did not intend to go further to-night.

Mr. McCUMBER. Let me ask the Senator a question in all good faith. We have passed on three little insignificant amendments in a whole day's work in the Senate. Does not the Senator think that we ought to vote on more than two or three amendments in a day?

Mr. JONES of New Mexico. Mr. President, of course I regret that we are not making any greater progress, and I do not intend to do anything to delay this bill; but I think before I get through with what I intend to say that I can convince any Republican, including the chairman of the Finance Committee, that the provisions of this bill, so far as they relate to lead and lead pigment, amount practically to the robbery of the people of the United States of $100,000,000 a year. I believe I can convince the Senator from North Dakota of it if he will listen to me.

RECESS.

Mr. McCUMBER. Mr. President, I will listen to the Senator to-morrow; and if he fails to convince the Senators on this side of the Chamber, or a single one of them, of the soundness of his position, then I hope he will accept that verdict and let us vote.

Mr. President, I move that the Senate take a recess, the recess being under the order previously made, until to-morrow at 11 o'clock.

The motion was agreed to; and (at 10 o'clock and 30 minutes p. m.) the Senate took a recess until to-morrow, Thursday, May 18, 1922, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *May 17, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, the Father of all, help us to begin anew our labors and the tasks left incomplete. Give us zeal for the present and the courage of the future. Chasten and refine our influences and impress us that there is no good fortune in all the world equal to doing right. In every way make us faithful to our duty and loyal to our gift. O may nothing break down our faith or disrupt our hope in the mission and destiny of our country. Direct our citizenship with the resources of Thy wisdom and spread over our land the blessings of righteous peace and of a just prosperity. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

LINCOLN MEMORIAL DEDICATION.

The SPEAKER laid before the House the following communication:

LINCOLN MEMORIAL COMMISSION,
Washington, D. C., May 9, 1922.

Hon. FREDERICK H. GILLETT,
Speaker House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: It has been suggested that it would be a most impressive feature of the Lincoln Memorial dedication if the Senate and House of Representatives would arrange to approach the memorial in a body and sit together in a group during the ceremonies.

Will you kindly inform me if it would be agreeable to the Members of the House of Representatives if seats are reserved for them on this supposition? If this plan meets with the approval of the Representatives such additional seats as they may desire for their families will be reserved in a different section. I am writing a similar letter to the President of the Senate.

Yours very sincerely,

WILLIAM H. TAFT, *Chairman.*

Mr. MONDELL. Mr. Speaker, my understanding is that the Senate has adopted a resolution formally accepting the invitation to the Lincoln Memorial dedication ceremonies, and expressing its willingness and desire to attend the ceremonies in a body. It occurs to me that it is scarcely necessary for the House to act upon the matter formally, but in talking the matter over with several Members the opinion seems to be that the Senate having approved of the suggestion that they attend the ceremonies in a body, it might be well for the House to follow the same procedure. My understanding is that the Speaker has had some talk with Colonel Sherrill in regard to the matter, and that in due time Colonel Sherrill will inform the Members of the House, and a statement will be made on the floor as to the point at which, and the time at which, it will be convenient for the Members to meet somewhere in the vicinity of the Lincoln Memorial with a view to marching to the memorial.

In that connection, Mr. Speaker, having been asked by many Members as to the program for Memorial Day, and for the day preceding and following, I desire to say that it is my opinion that in view of the fact that many Members are necessarily absent from the city at a time like that, that we should not transact any important business, either on the 29th or 31st. It is impossible to say at this time whether we shall be in recess on both of those days, but it is my hope that we may so arrange matters that no business of any considerable importance will be considered, either on the 29th or 31st.

Mr. GARNER. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. GARNER. Does the gentleman hope to have anything of importance on June 1? [Laughter.]

Mr. MONDELL. Owing to circumstances over which we have no control, I regret to say that it may not be possible to adjourn sine die on the 1st of June, as we at one time hoped. [Laughter.]

Mr. LONGWORTH. Perhaps the gentleman from Texas can give us more accurate information.

Mr. MONDELL. I want to say that, as far as the House is concerned, most of the important essential business of this body will be practically disposed of by June 1.

Mr. GARNER. Do you propose to take a recess at that time?

Mr. MONDELL. I hope, if the appropriation bills reach us and are disposed of—and I see no reason why they should not—it is my hope that we may then be able to make an arrangement whereby we may recess for a short time, three days at a time.

Mr. GARNER. What does the gentleman mean by "a short time"?

Mr. MONDELL. It is difficult to say now.

Mr. CAMPBELL of Kansas. I suggest that if the gentleman from Texas has any knowledge of when a certain filibuster that is going on will end, we can give the House some information as to when the Congress will adjourn sine die.

Mr. GARNER. I have the same knowledge of the filibuster that the gentleman from Kansas had of the Finance Committee that considered the bill eight months in committee without bringing it to the floor.

Mr. WALSH. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. WALSH. In view of the communication that has been read, does not the gentleman from Wyoming think the House ought to act upon the matter in the same manner in which the Senate has?

Mr. MONDELL. That might be done, but what I had in mind was that after what has been said this morning the Speaker might properly answer personally the letter from the Chief Justice and inform him that the House would be very glad to follow the suggestion made.

INTERIOR DEPARTMENT APPROPRIATION BILL—CONFERENCE REPORT.

Mr. CRAMTON. Mr. Speaker, I call up the conference report on the bill (H. R. 10329) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1923, and for other purposes.

The SPEAKER. The gentleman from Michigan calls up a conference report, which the Clerk will report.

The Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 10329) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1923, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 70, 71, 74, 76, 77, 78, and 79.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$650,000"; and the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$340,000, plus so much of $350,000 additional as the Secretary of the Interior finds to be available in the reclamation fund on March 1, 1923, in excess of all other appropriations from that fund"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$675,000, plus so much of $250,000 additional as the Secretary of the Interior finds to be available in the reclamation fund on March 1, 1923, in excess of all other

appropriations from that fund"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$14,800,000"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows:

"Grand Canyon National Park, Ariz.: For administration, protection, maintenance, improvement, and the acquisition of lands for road and trail rights of way within the park, including not exceeding $2,000 for the purchase, maintenance, operation, and repair of motor-driven passenger-carrying vehicles for the use of the superintendent and employees in connection with general park work, $75,000: *Provided*, That no expenditure shall be made in the maintenance or improvement of any toll road or toll trail, or for maintenance or construction of physical improvements on the north rim."

And the Senate agree to the same.

That the Senate agree to the amendments of the House to the amendments of the Senate numbered 53, 54, 56, 58, 59, and 113.

LOUIS C. CRAMTON,
BURTON L. FRENCH,
C. D. CARTER,
Managers on the part of the House.
F. E. WARREN,
CHARLES CURTIS,
LEE S. OVERMAN,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 10329) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1923, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report:

On No. 43: Appropriates $650,000, instead of $600,000, as proposed by the House, and $700,000, as proposed by the Senate, for surveying public lands.

On Nos. 70, 71, 74, 75, 76, 77, 78, 79, 80, and 82, relating to the Reclamation Service: Appropriates $215,000, as proposed by the House, instead of $235,000, as proposed by the Senate, for the Uncompahgre project; appropriates $1,220,000, as proposed by the House, instead of $1,300,000, as proposed by the Senate, for the Boise project; appropriates $1,200,000, as proposed by the House, instead of $1,250,000, as proposed by the Senate, for the Minidoka project; appropriates $1,440,000, as proposed by the House, instead of $1,690,000, as proposed by the Senate, for the North Platte project; appropriates $1,000,000, as proposed by the House, instead of $1,100,000, as proposed by the Senate, for the Rio Grande project; appropriates $115,000, as proposed by the House, instead of $145,000, as proposed by the Senate, for the North Dakota pumping project; appropriates $350,000, as proposed by the House, instead of $370,000, as proposed by the Senate, for the Belle Fourche project; appropriates $340,000 for the Milk River project and an additional contingent sum not to exceed $350,000, instead of $340,000, as proposed by the House, and $890,000, as proposed by the Senate; appropriates $675,000 for the Riverton project and an additional contingent sum not to exceed $250,000, instead of $675,000, as proposed by the House, and $1,075,000, as proposed by the Senate; the additional sums of $350,000 and $250,000, respectively, for the Milk River and Riverton projects are only available to the extent that the Secretary of the Interior finds money in the reclamation fund on March 1, 1923, in excess of all other appropriations from the fund.

On No. 91: Appropriates $75,000 for the Grand Canyon National Park in one fund for all park purposes limited so as to prohibit any expenditure for maintenance of any toll road or toll trail or for construction or maintenance of physical improvements on the north rim.

On Nos. 53 and 54: Appropriates $42,500, as proposed by the House, for a combination gymnasium and assembly hall building at the Albuquerque Indian School instead of $45,000, as proposed by the Senate, for two separate buildings.

On No. 56: Limits, as proposed by the Senate and modified by the House, the amounts which may be expended from tribal funds of the Five Civilized Tribes without specific authority of Congress.

On Nos. 58 and 59: Appropriates $50,000, as proposed by the House, instead of $60,000, as proposed by the Senate, for a boys' dormitory at the Indian school at Salem, Oreg.

On No. 113: Provides for the use of certain receipts from the Alaska Railroad, as proposed by the Senate, modified as proposed by the House, so as to limit such use to a sum not to exceed $200,000 during the fiscal year 1923.

LOUIS C. CRAMTON,
BURTON L. FRENCH,
C. D. CARTER,
Managers on the part of the House.

Mr. CRAMTON. Mr. Speaker, this report if accepted by the House and Senate disposes of the differences between the House and the Senate upon this bill. The former report left in disagreement only three matters—first, the question of $600,000 for land surveys as voted by the House, or $700,000 as voted by the Senate. On that there is a compromise at $650,000. Second, the difference as to the appropriations for the Reclamation Service has been compromised by increasing two items contingent upon there being sufficient money in the fund for that purpose after all other reclamation appropriations are cared for. The House cut the appropriations for the Reclamation Service $1,500,000 below the Budget Bureau estimates, upon figures given in January by Director Dawes as to the probable amount that would be available next year in the reclamation fund. The Senate restored the items to the Budget figures. The difference of opinion was entirely as to the amount that will be available next year in the reclamation fund, the House conferees feeling it undesirable to continue appropriations in part on paper, without money available to make them real. The projects where the greatest cuts had been made were the Milk River, in Montana, and the Riverton, in Wyoming. The compromises give an additional $350,000 for the former and $250,000 for the latter, conditioned on there being sufficient money in the fund for all the other reclamation appropriations first. Third, the restoration of the appropriation for the Grand Canyon National Park, which had been stricken out by the Senate. The House appropriation was $88,000, and the conference report recommends $75,000.

Mr. Speaker, due to the fact that we were permitted to bring this report in at this time, greatly for my convenience, through the courtesy of the gentleman from New York [Mr. HICKS], the gentleman from New York [Mr. HUSTED], and the gentleman from Indiana [Mr. WOOD], my remarks are limited.

Mr. HICKS. Mr. Speaker, will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. HICKS. Do I understand the gentleman to state that the conference report carries an appropriation of $75,000 for the Grand Canyon Park?

Mr. CRAMTON. Yes.

Mr. HICKS. I congratulate the gentleman as one of the conferees for bringing in that provision. I believe that park is one of the greatest parks in the country, and I think Mr. Mather, who is at the head of the park service, deserves the thanks of the whole country for his work in this connection.

Mr. CRAMTON. The conferees share the gentleman's view with respect to Mr. Mather's conduct of the National Park Service. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

TO SCRAP CERTAIN NAVAL VESSELS.

Mr. HICKS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11214) authorizing the President to scrap certain vessels in conformity with the provisions of the treaty to limit naval armaments, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the "scrapping bill," with Mr. HUSTED in the chair.

The Clerk reported the title of the bill.

The CHAIRMAN. The gentleman from New York [Mr. HICKS] is recognized for 38 minutes.

Mr. HICKS. Mr. Chairman and gentlemen of the committee, in the remaining time allotted to general debate I propose to speak in respect to a part of the bill which has not yet been

discussed. I refer to the conversion of two battle cruisers into airplane carriers, a very important item in the bill. Permit me to introduce the subject by a reference to the provisions of the Washington conference. In the naval compact an airplane carrier is defined as a vessel of war, with displacement in excess of 10,000 tons, designed for the specific and exclusive purpose of carrying aircraft and so constructed that aircraft can be launched therefrom and landed thereon. The treaty also provides that these airplane carriers shall not exceed 27,000 tons in displacement; and on that point I especially want the members of the committee to bear in mind the figures 27,000 tons, for they may seem contradictory to the tonnage of the carriers we propose to construct by conversion, due to the fact that an exception was made. The size of guns that can be carried is limited to 8 inches.

The treaty also provides that whenever one of these airplane carriers carries any guns in excess of 6 inches in diameter they shall be limited in number to 10. If they carry guns not in excess of 6 inches in caliber, then there is no limit to the number of guns they can carry, and there is no limit at any time upon the number of antiaircraft guns or upon the amount of armor which these carriers may have upon them.

There is also a provision in the treaty which is most important, and which makes possible the bringing in of this bill with respect to the conversion. Because of the fact that our country has upon the ways six of these great battle cruisers, of which you see a model before you, and which would have been scrapped in case no provision was made for their conversion, it was specifically provided that any nation, party to the covenant, can build or can utilize any two of its ships, either built or building for the purpose of conversion into airplane carriers with a tonnage in excess of 27,000. There are two limits set for these ships—one that there can not be more than two, and the other limit is that they can not exceed 33,000 tons each, standard displacement, and a further restriction is that the number of 8-inch guns they may carry is limited to eight.

I shall take time a little further to explain fully these ships in detail, because I think all members of the committee are interested in these great monsters, of which there is no equal upon the Seven Seas at the present moment. Under the treaty the number of airplane carriers is not limited, but the total tonnage of airplane-carrier ships is limited. The United States and Great Britain limit themselves to a total tonnage of 135,000, standard displacement; France and Italy to 60,000 tons; and Japan to 80,000 tons. At the present moment England has seven airplane carriers. Perhaps, to be more accurate, I should say only five, because two of them are very insignificant ships. Of the five carriers, the speediest makes 32 knots an hour, and has a displacement of 19,000 tons. The total tonnage of Great Britain's aircraft-carrier ships at the present time is 84,000 standard tons. France has one airplane carrier with a displacement of 25,000 tons and Japan has one of 7,000 tons. We have one, the *Langley*, a converted collier, with a tonnage of about 14,000 tons, and a speed of about 14 knots. While she is a very good ship, she is not fast enough and is not large enough to really be effective as a fighting unit of our fleet. We have also an aircraft mother ship, the *Wright*, which does not carry airplanes, and therefore does not come within the tonnage limitation.

The battle cruisers which we were building had an estimated tonnage of 43,000, but in the treaty it is provided that if any nation utilized two of its ships for airplane carriers or constructs two, the tonnage shall not exceed 33,000 tons, and at once the question arises in your mind, If the cruisers were of 43,000 tons, how can we convert them into carriers of 33,000 tons? The answer is that the cruisers had great turrets and heavy guns. They all come off, and thereby the tonnage of the cruisers is reduced to 33,000 in the carriers.

There is one provision which was a compromise in regard to these larger carriers. As I said a moment ago, the caliber of the guns of all airplane carriers is limited to 8 inches, and on a 27,000-ton carrier, which is the largest that can be constructed except the two which are specifically mentioned, the number can not exceed 10; but if any nation takes advantage of the exception and builds ships having a tonnage not exceeding 33,000 tons, then the number of 8-inch guns is confined to eight. In other words, any nation, for the sake of getting the 6,000 additional tonnage over the prescribed limit of 27,000, must give up two 8-inch guns in order to build the larger tonnage carrier under the special provision of the treaty.

Six of these great cruisers are being constructed at the present time in American yards. They are in all stages of construction, ranging from a very small percentage of completion up to as high as 35 per cent.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. HICKS. Yes; and I will welcome any questions, for I desire to inform my colleagues to the limit of my ability.

Mr. JONES of Texas. I notice that the President is authorized to cancel the contracts for the construction and to discontinue construction of these ships. Has construction been continued on these ships since February 6?

Mr. HICKS. No. On February 8, by order of the President, work ceased on all of the ships that were to be scrapped under the treaty.

Mr. JONES of Texas. And they were immediately notified not to carry on the work further?

Mr. HICKS. No work is going on at the present time.

Mr. JONES of Texas. No expense being incurred.

Mr. HICKS. Except overhead and the expense incidental to caretakers. Work has been stopped, but contracts have not been canceled. On April 1 the state of completion of the three cruisers furthest advanced was: *Lexington*, at Fore River, 33.8 per cent completed; *Saratoga*, at Camden, 35.4 per cent completed; and the *Constellation*, Newport News, 22.7 per cent completed. The bill provides for the conversion of any two, at the discretion of the President.

At the present time the battleships in the fleet are being equipped with a catapult device by which airplanes, whether land planes or seaplanes, can be projected into the air without a runway. When we first tried to put aircraft on our fleet we had a little runway built from the back of the turret over the muzzle of the gun, and the airplane ran a short distance and then took the air. We found that impracticable. So the platforms have been removed and the plane is catapulted from the catapult device, which works successfully, and before the next fiscal year ends we hope to have one of these devices upon all the battleships, and we are also planning to have aircraft on practically every vessel of the Navy within the next three or four years. Even the destroyers will probably carry aircraft of some kind. Gentlemen will probably think I am a crank on the subject of aviation, and I feel I should apologize to my colleagues here in the House for so repeatedly speaking upon this topic, but I am earnestly of the belief that aviation is about to revolutionize naval maneuvers if not naval construction, and I believe aircraft has potentialities that to-day we little dream of, and possibilities almost as boundless as the element in which it operates, and I sincerely hope you gentlemen of Congress, as the time comes for you to vote on aircraft appropriations, will stand squarely behind this great arm of the service, both in the Army and in the Navy.

For the benefit of the committee these models were kindly sent here by Admiral Taylor, and I will use them to explain the bill. As I contemplate the great work done by Admiral Taylor, soon to retire, I can not let the moment pass without eulogizing this master naval constructor, who stands at the head of his profession and whose superb attainments are recognized the world over. I wish him happiness after his long and distinguished service.

I am going to take up for a few moments these cruisers, four of which will soon be torn to pieces. Of course, a cruiser or any other ship is composed of several parts or separate units. One is the hull, another the machinery, another is ordnance. Above the hull proper is the superstructure. At the present time the cruisers have largely been contracted for; a large part of the material and much of the machinery and ordnance is on hand.

Now I will illustrate. This is the hull of the cruiser as we find it to-day in the three I have mentioned—the *Lexington*, the *Saratoga*, and the *Constellation*—and here is the superstructure [changing the models], and as soon as this bill becomes a law work will be commenced to build the ships up from here [illustrating]. The machinery is installed, and when I tell you that the engines of these cruisers will develop a horsepower of 180,000 it seems almost unbelievable; but that is the case. With this enormous horsepower the cruisers would have had a speed of about 33 knots an hour. By converting the cruiser into an airplane carrier, reducing the weight, it will raise the speed about a knot and a half, so these great new airplane carriers will have a speed practically of 34½ knots an hour, which is the fastest ship of a heavy-type vessel in the world. This is, of course, a rather rough model, but it will illustrate what it is proposed to do. The hull is about 850 feet in length, with a beam of about 105 feet, which will enable the vessel to go through the Panama Canal locks, which have a width of 110 feet. You will notice the smokestack, the bridge, and the masts are built on the side. That was, of course, necessary in order to have as much free deck as possible. You will note the stream

line design to reduce wind resistance. If you gentlemen have any conception of great steam engines under forced draft you can imagine what the draft will be coming out of that stack, and that is one of the problems of this carrier construction—to get the funnels sufficiently on the side so that an aviator approaching will not have a cyclone to travel through in order to reach the deck. Here are the antiaircraft guns that will be provided. Remember, on this carrier there may be 8-inch guns not exceeding eight in number, but no limit is set for the antiaircraft guns or for the armor which might be placed upon the ship.

Right there is what is called the arresting gear or the trap. Amidships there are hatchways for the lowering and elevation of the planes. Below, in several decks, will be stored airplanes. Shops are also to be provided for the repair of planes and motors. Some planes will be in readiness to fly, and others will be in a knockdown condition. This carrier will be able to carry 75 airplanes in full commission and then, maybe, 50 more by turning back the wings. They can be brought from the hatch here and then brought out in the open in that way [illustrating]; then they will be either shot from the catapult or be projected by a short run. They alight right here on the stern and run into a trap consisting of two ramps 200 feet apart, across which heavy wires, under high tension, will be strung. On the axles of the planes engaging hooks will be fastened which will engage the wires of the ramp.

They will steady the airplane and keep it from falling off the deck of the ship. Those wires are arranged so that they come down lower on the deck on the forward end than on the other end. That will produce friction on these engaging hooks, and then, in addition, ropes will be placed across these wires at right angles, with sandbags on each end, and as the plane runs along the trap it will pick up one rope with sandbags, and then another, until as it nears the end of the journey it will be dragging many hundreds of pounds of sandbags and will stop before it gets to the end of the trap. Roughly, the deck of the ship is divided into three parts. The forward section will be for launching, the midship section for hatchways and for parking the planes, and the aft section for the landing field and trap.

Mr. STAFFORD. Will the gentleman yield?

Mr. HICKS. I will.

Mr. STAFFORD. How many planes can land at one time, or how many planes is it proposed to land at one time on the stern of one of these cruisers?

Mr. HICKS. Only one at a time. As soon as one lands and is taken out of the way another can land in a few moments, and so on. You could probably land them every few minutes.

Mr. KNUTSON. I presume the ship itself is going ahead at full speed also at the time so as to give more surface?

Mr. HICKS. The present landing speed of a plane is not below 45 miles an hour. The speed of the ship is 34 knots. That leaves something like 10 miles that has to be overcome by the arresting gear. If the speed of the plane and the ship could be synchronized, it would be simple. But we have not gotten the speed of the airplane quite as low as that of the ship. I think the day is not far distant when we will have a landing speed of something like 35 miles an hour, perhaps lower. Of course if that comes our propbsition is simplified. There is no trouble in launching. The trouble comes, with getting the plane down on the small landing field without an accident. But we have at the present time, at Hampton Roads, a turntable, so that we can turn it in the wind, and it is a duplicate of the trap we propose to install. We are constantly experimenting, and planes are coming down and landing on it day by day. It is true that we have had accidents, but only a few, and we hope we will be able to have our pilots land by this scheme with a reasonable degree of certainty.

Mr. TOWNER. Will the gentleman yield?

Mr. HICKS. I will. I will be glad to yield to any of you gentlemen who wish to ask a question.

Mr. TOWNER. The gentleman's speech is a very interesting and instructive one. I believe we will have two of these airplane carriers provided for?

Mr. HICKS. That is correct.

Mr. TOWNER. As I understand you, there would be about 45 airplanes in each carrier?

Mr. HICKS. Between 75 and 120. It depends on whether they are knocked down or not.

Mr. TOWNER. It depends also on the size somewhat?

Mr. HICKS. Yes; of course. It is a great deal like asking how many automobiles will go into a ship. It depends upon whether they are Fords or Pierce-Arrows.

Mr. TOWNER. And then the carrier is provided to take care of the crew?

Mr. HICKS. Yes.

Mr. TOWNER. So that the entire complement of airships would be sent out from the carrier fully manned at one time?

Mr. HICKS. Yes. I will say to the gentleman that the navigation force, entirely separate from the aviation force, will consist approximately of about 52 officers and 1,000 men. For aviation it will consist of about 126 officers and 500 men.

Mr. TOWNER. On each one of these ships?

Mr. HICKS. On each one of the carriers.

Mr. TOWNER. So it will be possible to send out a fleet of airplanes, if both of the carriers were engaged, of possibly 150 or 200 airplanes?

Mr. HICKS. Yes.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. HICKS. I will.

Mr. WILLIAMSON. I was wondering how long it would take a crew to elevate the planes that are carried below deck and to set them up before they could be sent out from the ship into the air?

Mr. HICKS. What we would do would be this: We would have a certain number set up, ready for flying, and then as soon as they flew into the air the mechanicians would set up the others. That can be done in probably 10 or 15 minutes.

Mr. WILLIAMSON. That is the information I desire.

Mr. PARKER of New Jersey. When the gentleman from New York was with me in Glasgow during the war we saw a ship where the smokestack was at the stern. I see by the plan here that it is not convenient to do that.

Mr. HICKS. The gentleman is correct. The *Langley* discharges the smoke astern on a level with the deck. The trouble with a great ship on this question is this, that when you have 180,000 horsepower the draft is so terrific that if the smoke and gases were brought aft and then rose from the surface of the water it would be impossible for the aviator to get through. By using this plan the engineers figure that from their experience the cloud of smoke and gases will pass upward and a man can get through by coming in underneath. Also to get a proper draft we want a straight uptake.

Mr. PARKER of New Jersey. And besides, it is very difficult to change your engines?

Mr. HICKS. It is impracticable, and in order to get speed we must have a good draft.

Mr. PARKER of New Jersey. I noticed on the ships that we saw also that all the wings of the airplanes floated back on a hinge.

Mr. HICKS. We expect to do that with a lot of these.

Mr. PARKER of New Jersey. Do you expect to adopt it universally? It is not a bad plan.

Mr. HICKS. With many we will. We are experimenting with aircraft. We are trying to devise a new camber device, for instance, and a variable propeller blade, both of which will reduce the landing troubles.

Mr. LONGWORTH. Will the gentleman yield?

Mr. HICKS. I will be glad to do so.

Mr. LONGWORTH. How does this ship compare in size and efficiency with the ships of other countries?

Mr. HICKS. It is finer than that of any other country.

Mr. LONGWORTH. How would it compare with the best ship developed in Great Britain?

Mr. HICKS. The fastest aircraft ship Great Britain has has a speed of 32 knots, which, of course, is almost as great as this, but her largest ship is 100 feet shorter. While it is a good ship, it is not equal to the ones we propose, because, while it was built for aviation purposes, it was built five or six years ago, and in that time we have experimented with aviation a great deal. So I have no hesitation in saying that when these ships are built they will be the finest ships in the world and the most efficient.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. HICKS. I yield to the gentleman.

Mr. WALSH. Is this to be an oil-burning ship?

Mr. HICKS. Yes.

Mr. WALSH. What are they going to do with these men on board of a ship of that kind? They have not any large batteries or any guns except a few aircraft guns, have they?

Mr. HICKS. There will be a good many antiaircraft guns, and there may be eight of the 8-inch guns, and this is a tremendous ship to care for and properly man. This is a warship of the most advanced type and the fire crew alone will be very large, even though she is an oil burner.

Mr. WALSH. How many guns?

Mr. HICKS. I am going to ask gentlemen not to press me closely respecting the ballistic features of this vessel, and besides full details have not been worked out.

Mr. WALSH. Have they got an antiaircraft gun anywhere that is in any degree effective?

Mr. HICKS. We are working on antiaircraft guns that I think will be a great improvement on those we have had heretofore.

Mr. WALSH. I mean do they have any that are more effective than those they had during the war?

Mr. HICKS. Yes; more accurate in sighting, and more certain in operation.

Mr. WHEELER. Mr. Chairman, will the gentleman yield?

Mr. HICKS. Yes.

Mr. WHEELER. How long will it take after the airplane has landed on the ship to clear the deck?

Mr. HICKS. If the plane lands on the stern of the ship and goes forward and drops into the trap it can be taken out and stored amidships, in probably four or five minutes.

Mr. WHEELER. Then they could be safely stored away in a few minutes' time?

Mr. HICKS. I do not think we could get them down into the hold of the ship in that time. Of course, if we have 100 it would take a considerably longer time. We can only take care of 10 or 15 on the deck and then take them down into the hatches.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HICKS. Yes.

Mr. SMITH of Michigan. Is it not true that all our large cruisers are more or less provided now with aircraft? Is it not true that most of our battleships have either a scouting plane on them or a fighting plane?

Mr. HICKS. They did have runways as I have explained; but those devices have all been discarded. We have now one battleship, the *Maryland*, equipped with a catapult. We are now equipping all our vessels with that device, and soon all capital ships will be provided with a number of planes of various types.

Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 12 minutes remaining.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. HICKS. Yes.

Mr. MILLER. I notice that the title of this bill is to authorize the President to scrap certain vessels in conformity with the provisions of the treaty to limit naval armament. I have a question which I would like the gentleman to answer. I know the gentleman is exceptionally well informed.

Mr. HICKS. The gentleman is making a bold assertion.

Mr. MILLER. We are proceeding to alter our naval program when the treaty negotiated here has not been ratified by any nation except ourselves, and there is no earnest or indication to show that the other nations will ratify it.

Mr. HICKS. This bill does not make it mandatory on the President to do the scrapping, but merely authorizes him to scrap, gives him the power to destroy. I do not think he will do any scrapping until the treaties are ratified by the different nations. We can trust his judgment.

Mr. MILLER. Then it is the gentleman's opinion that the President will do this when the treaties are ratified?

Mr. HICKS. I think, anyway, we will convert two of our vessels into airplane carriers, because the greatest need of the Navy is for these airplane carriers. It is where we are totally deficient at the present time.

Mr. SISSON. Mr. Chairman, will the gentleman yield?

Mr. HICKS. Yes.

Mr. SISSON. I understand that that is part of the program of the Navy in any event. Even though the treaty should not be ratified by the other nations and the treaty should fail, it is the program of the Navy to make two of these airplane carriers. In fact, I think we ought to have more of these airplane carriers, not less than three or four in the Atlantic and at least that many on the Pacific, and on either side of the Canal Zone.

Mr. HICKS. Of the possibilities of other nations for converting ships into carriers I will not speak. Great Britain and Japan both have ships they can convert, and, while they would be valuable, I do not hesitate to say that ours will be superior to any they can utilize.

Now, some gentlemen are anxious to know what all this is going to cost. This is a rather staggering thing—the cost of these ships. To convert these two battle cruisers from the point where they now are into the completed carriers, and not taking into account the ammunition or the aircraft itself, it will cost $36,500,000 for the two. On the other hand, were we to build two new ships of this tonnage, starting from the keel, they would cost, exclusive of ammunition and aircraft, $56,000,000; so by making the conversion we are saving $19,500,000. Here is the point: By using the two battle cruisers and building them up into airplane carriers by the expenditure of $36,500,000 we are utilizing some $19,500,000 already expended and which will be lost if the conversion does not take place. That is the business proposition, and we are also getting two of the largest types in the shortest time; and there is one other thing that we are accomplishing. We are giving an opportunity to the men in the yards to go ahead and work, where they are now out of employment; and these things, in my judgment, make it almost imperative on this Congress to vote for this provision in the bill. These airplane carriers, my friends, are the most urgently needed units in the whole American Navy. I submit there are four main reasons for developing aircraft:

First. As all battleship construction is halted, improvements must largely come in other services.

Second. Limit of size of new battleships prevents great enlargement in that field.

Third. The value of aircraft as a powerful weapon has been proven not only for defense but for offense; not only for observation in connection with gunnery and maneuvers but as a weapon in itself capable of launching bombs and torpedoes.

Many experts, both professional and lay, feel that the era of great battleship construction, with their staggering initial cost and their high maintenance cost, is about over.

Fourth. It is a great defensive weapon, carrying the attack 200 miles at sea, and in a few years much farther.

Gentlemen who saw those tests last summer off the Virginia capes, when these great German ships went down under the bombing of aircraft, must have been convinced that aviation is no longer merely an idea, no longer an experiment, but a reality and a weapon of the greatest value.

Aircraft is now a great weapon to prevent an enemy from approaching our coast. We can attack an enemy fleet 200 miles from our seaboard line. To-morrow or next week it may be 500 miles. So as a weapon of defense as well as a weapon of offense aviation has an assured value to the Navy and to the people of the United States.

In reference to the bombing tests I want to say this: I pay my tribute of respect to Admiral Moffatt, head of the Aviation Bureau of the Navy, for what he has done, and to Captain Craven before him for his work, and to General Menoher and General Patrick, of the Army Aviation Service, for what they have done. They are all officers of eminence, deserving the thanks of their country. Then comes General Mitchell, a man who, as you know, has told this country that aircraft is the great weapon of the future. Sometimes his statements may have been exaggerated, but he is an enthusiast, sincere and earnest, and in my judgment General Mitchell has done more for aviation than any other man in this country.

Mr. WALSH. Will the gentleman yield?

Mr. HICKS. I yield to my colleague from Massachusetts.

Mr. WALSH. I did not understand the gentleman's statement when he said we were going to save $19,000,000 by converting these cruisers.

Mr. HICKS. What I said was this, that if we should start afresh from the keel up and build two of these airplane carriers of 33,000 tons displacement they would cost us $56,000,000 exclusive of ammunition and aircraft. By utilizing the hulls and the machinery and some of the ordnance of the two cruisers now furthest advanced, the conversion will cost about $36,500,000, thereby saving $19,500,000 by making the conversion. Whether we build anew or make the conversion, the ammunition and aircraft will be additional. We have already expended on the two cruisers furthest advanced over $24,000,000, of which it is estimated nearly $20,000,000 can be utilized by conversion. Some of the ordnance, heavy guns and turrets, will be scrapped, anyway.

Mr. WALSH. Does the gentleman think we are going to save that sum by this conversion?

Mr. HICKS. I certainly do.

Mr. STAFFORD. Will the gentleman yield?

Mr. HICKS. I yield to the gentleman from Wisconsin.

Mr. STAFFORD. Has any estimate been made as to when these airplane carriers will be ready for service?

Mr. HICKS. I am very glad the gentleman asked that question, because I had omitted to mention it. If we push construction to its maximum and take advantage of every opportunity in getting material, they can be finished very shortly after November 1, 1924. If work is slowed down, of course it may be three or four months or a year after that.

Mr. SWING. Will the gentleman yield for a question?

Mr. HICKS. I yield to the gentleman from California.

Mr. SWING. As I understand, it will not call for any new appropriation, but the appropriations which have been made already can be applied to this work?

Mr. HICKS. Yes; that is correct. We will spend probably a million up to June 30, 1922. To carry on work on all the vessels being built, if we are to do it efficiently, probably $10,000,000 in addition will be needed next year.

Now, Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has three minutes remaining.

Mr. HICKS. I will defer speaking any more, but I will answer any question that any gentleman would like to ask.

Mr. SUMMERS of Washington. Will the gentleman tell us where these ships will be constructed?

Mr. HICKS. Yes; I mentioned that a few moments ago, and I am glad to repeat it for the benefit of the gentleman. The *Lexington*, which is 33.8 per cent completed, is being built at a private yard at Fore River, Mass. The *Saratoga*, 35.4 per cent completed, at a private yard at Camden, N. J.; the *Constellation*, 22 per cent completed, at a private yard at Newport News, Va.

Mr. SUMMERS of Washington. I refer to the change that is to be made—the conversion of the two cruisers.

Mr. HICKS. The work of conversion will take place right on the ships where they are on the ways at the present time. We could not very well move the hulls and machinery from the ways and then put them up on some other ways and go on with the work.

Mr. SUMMERS of Washington. The gentleman spoke about three.

Mr. HICKS. I mentioned three, because there will be a choice of any two of the three.

Mr. SUMMERS of Washington. That choice has not yet been made?

Mr. HICKS. No; the bill has not become a law yet, and no definite plan adopted.

Mr. SUMMERS of Washington. That is very true; but I thought perhaps the choice had been indicated.

Mr. HICKS. They have not yet selected the two.

Mr. LAZARO. Will the gentleman yield for a question?

Mr. HICKS. Yes; with pleasure.

Mr. LAZARO. I understood the gentleman to say that we were not limited in tonnage but that we were limited in ships.

Mr. HICKS. No; it is just the other way. We can not have any ships except the two that we convert, of a tonnage in excess of 27,000 tons, but we could have 50 ships of 2,000 or 2,500 tons each. But the total tonnage must not exceed 135,000.

Mr. LAZARO. If we adhere to the big carriers only, how are we to protect both the Atlantic Ocean, the Pacific Ocean, and the Panama Canal?

Mr. HICKS. We will have 135,000 tons. We can build up to that. We can make our ships any size we please, provided we do not exceed the 135,000 tons in total, and provided with the exception of these two they do not exceed 27,000 tons each. We can divide the number between our fleets as we deem best.

Mr. ALMON. What is to become of the *North Carolina* that is being constructed at Portsmouth, Va.?

Mr. HICKS. She is one of the ships that will be scrapped.

Mr. ALMON. What percentage of the entire work has been done on her?

Mr. HICKS. I can not say as to the percentage.

Mr. PARKER of New Jersey. Will the gentleman yield?

Mr. HICKS. I yield to the gentleman from New Jersey.

Mr. PARKER of New Jersey. Are any of the appropriations now made being pushed to give us light cruisers—fast cruisers?

Mr. HICKS. Yes; the balance of the appropriations made last year for construction, increase of the Navy, will be on the 1st of July about $47,000,000, and of that balance an amount will be used for these light cruisers. I will now conclude my remarks. Gentlemen, aviation is in its infancy, let us give it man's standing, as it deserves. The old prejudice that some naval officers had against it has disappeared, and this branch of the service will come into its own. Let us pass this bill; it will place aircraft with the fleet where naval aviation should be; it will make our Navy more effective, for no one denies the value, yea, the necessity, of aircraft with our ships—its presence may mean victory, its absence defeat; it will save money; it will give us larger vessels; it will find employment for our men at the yards.

I thank you gentlemen for your attention and your courtesy.

For information of the committee I insert the following:

Under the naval treaty of the Conference on the Limitation of Armament an aircraft carrier is defined as a vessel of war with a displacement in excess of 10,000 tons (10,160 metric tons) standard displacement designed for the specific and exclusive purpose of carrying aircraft. It must be so constructed that aircraft can be launched therefrom and landed thereon, and not designed and constructed for carrying a more powerful armament than that allowed to it under article 9 or article 10, as the case may be. (Ch. II, pt. 4.)

Article 7, "The total tonnage for aircraft carriers of each of the contracting powers shall not exceed in standard displacement, for the United States, 135,000 tons; for the British Empire, 135,000 tons; for France, 60,000 tons; for Italy, 60,000 tons; for Japan, 80,000." Article 8, "The replacement of aircraft carriers shall be effected only as prescribed in chapter 2, part 3: *Provided, however*, That all aircraft carrier tonnage in existence or building on November 12, 1921, shall be considered experimental, and may be replaced, within the total tonnage limit prescribed in article 7, without regard to its age." Article 9, "No aircraft carrier exceeding 27,000 tons standard displacement shall be acquired by, or constructed by, for or within the jurisdiction of any of the contracting parties. However, any of the contracting parties may, provided that its total tonnage allowance of aircraft carriers is not thereby exceeded, build not more than two aircraft carriers, each of a tonnage of not more than 33,000 tons standard displacement, and in order to effect economy, any of the contracting powers may use for this purpose any two of their ships, whether constructed or in course of construction which would otherwise be scrapped under the provisions of article 2. The armament of any aircraft carriers exceeding 27,000 tons standard displacement shall be in accordance with the requirements of article 10, except that the total number of guns to be carried in case any of such guns be of a caliber exceeding 6 inches (except antiaircraft guns and guns not exceeding 5 inches) shall not exceed 8."

Article 10, "No aircraft carrier of the contracting powers shall carry a gun with a caliber in excess of 8 inches. Without prejudice to the provisions of article 9, if the armament carried includes guns exceeding 6 inches in caliber the total number of guns carried, except antiaircraft guns and guns not exceeding 5 inches, shall not exceed 10. If alternatively the armament contains no guns exceeding 6 inches in caliber, the number of guns is not limited. In either case the number of antiaircraft guns and of guns not exceeding 5 inches is not limited."

I also insert the following from the report on the bill:

Admiral W. A. Moffett, Chief of the Bureau of Aeronautics, when before the Committee on Naval Affairs of the House of Representatives on February 21, 1922, made the following statement:

"The need for carriers in our fleet is far greater than it was before the terms of the treaty were announced; our battleship force is cut far below the strength contemplated in the 1916 program, and we can complete no battle cruisers. Without the utilization of our full allowance of carrier tonnage, together with the equipment of all other suitable ships of the fleet with catapults and airplanes, it will be impossible for the Navy to undertake anything but a defensive and consequently a losing naval campaign.

* * * * * * *

"It should be noted that Japan as well as Great Britain is already ahead of us in carrier strength in commission or under construction. * * *

"We may thus acquire two 33,000-ton carriers of 34 knots speed. These will be the fastest ships afloat, as well as superior in aviation facilities to the best of any carriers now afloat or building. If the work on conversion of two battle cruisers is started immediately they can be made ready to join the fleet in the autumn of 1924.

"The CHAIRMAN. Will your service be perfectly satisfied with this style of airplane carrier?

"Admiral MOFFETT. Yes, sir.

* * * * * * *

"Mr. HICKS. You have no hesitation in saying that, from your standpoint as Chief of the Bureau of Aeronautics of the Navy Department, in order to carry aviation forward to the extent you want to, it is absolutely essential at the present time that we have two of these 33,000-ton airplane carriers?

"Admiral MOFFETT. Yes; and just as soon as we can get them.

"Mr. HICKS. These two that we are talking of converting from battle cruisers to airplane carriers are the ones you want, are they?

"Admiral MOFFETT. Yes, sir; and just as soon as we can get them.

Aircraft carriers of the various nations.

Name.	Completed or converted.	Guns.	Speed.	Tons.
GREAT BRITAIN.				
Furious. Built as a sister to Courageous and Glorious in 1915–1917. Rebuilt as a carrier November, 1917–March, 1918. She was made to carry two 18-inch guns, one of which was mounted and successfully employed during 1917. She is now under alteration at Rosyth Dock Yard.	March, 1918, and is under another refit at present at Rosyth.	Ten 5.5-inch, five 3-inch AA.	32	19,100
Vindictive. Begun as a light cruiser, but altered for a carrier before the completion of her construction.	October, 1918..	Four 7.5-inch, four 12-pounders, four 3-inch AA.	20	9,750
Hermes. This is the first vessel in the world to have been planned, begun, and completed as an aircraft carrier. Her completion is forecast for April or May, 1922.	Spring, 1922...	Ten 6-inch, four 4-inch AA.	25	10,950
Eagle. Begun as the Chilean dreadnought Almirante Cochrane. Work on her stopped in 1914, and in 1918 her modification to serve as a carrier began. She was first put in service in 1920 and is now being altered in Portsmouth Dock Yard as a result of the experience gained on her. The delivery is expected in April of this year.	April, 1922....	Six 6-inch, two 3-inch AA.	25	22,790
Argus. Begun as a liner. Work was stopped in 1914. She first appeared in September, 1918, as a carrier. She was refitted in the winter of 1920–21 in a royal dockyard and has since been in use with the main fleet in the Mediterranean or in home waters.	Spring, 1921...	Two 4-inch, four 4-inch AA.	20	15,750
Pegasus. Ex-merchantman.	1918.....	Two 12-pounders, two 12-inch AA.	20	3,070

Aircraft carriers of the various nations—Continued.

Name.	Completed or converted.	Guns.	Speed.	Tons.
GREAT BRITIAN—continued.				
Ark Royal. Ex-merchantman.	1916	Four 12-pounders	11	7,080
UNITED STATES.				
Langley. Ex-collier Jupiter. Converted by the N rfolk Navy Yard.	Spring, 1922	Four 5-inch AA.	14	14,000
JAPAN.				
Wakamiya. Built in 1901 as a transport. Japan has building the Hosho, 10,000 tons, 25 knots, whose completion is forecast for this year. She was designed and built as a carrier. There are two others of the Hosho class appropriated for, but not begun.	1916 (?)	Two 12-pounders.	12	7,000
FRANCE.				
Bearn. Begun as a battleship. The work was abandoned during the war. Only preliminary experimental work has been done on her. The date of her complete readiness is forecast for late in 1922 or early in 1923.	Autumn, 1921		21.5	24,830

By unanimous consent, Mr. HICKS was given leave to revise and extend his remarks in the RECORD.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That for the purpose of giving effect to the provisions in the treaty to limit naval armament, concluded February 6, 1922, by the United States of America and the British Empire, France, Italy, and Japan, respecting the abandonment of shipbuilding programs and the scrapping of capital ships in excess of the number which the United States may retain in conformity with the said provisions, the President of the United States be, and he is hereby, authorized to make such disposition, as in his judgment may be proper, of any capital ship of the Navy built or building and to cause to be taken such action as is necessary for the scrapping of capital ships to be dealt with in that manner in accordance with the said provisions.

Mr. DALLINGER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. DALLINGER: Page 2, line 4, after the word "provisions" insert the following: "*Provided*, That the work of breaking up all such capital ships except such as shall be sold, and except such as have been under construction and are still on the ways unfinished at private shipyards, shall be performed by civilian forces at the Government navy yards."

Mr. LONGWORTH. Mr. Chairman, I reserve a point of order to that amendment.

Mr. DALLINGER. Mr. Chairman, I will state that this amendment has been submitted to the gentleman from New York [Mr. HICKS], who is in charge of this bill, and also to the Assistant Secretary of the Navy, and in its present form I understand that it is acceptable to the department and the committee. In the form in which I originally drew the amendment it provided that the "scrapping" should be done at the navy yards, but I understand that the use of that word might prevent the Navy Department from using some of the old vessels as targets in gun practice, and so at the suggestion of the Assistant Secretary of the Navy I substitute the words "breaking up." The object of the amendment is to require the department to utilize existing plants at navy yards for the work that can properly be done there. It does not interfere with vessels which are in process of construction at private shipyards. It would manifestly be impracticable to remove them to Government navy yards.

Mr. TINCHER. Will the gentleman yield?

Mr. DALLINGER. I will.

Mr. TINCHER. Is there anything in the ' would preclude the President from using the emplo navy yards at this time, without this amendment?

Mr. DALLINGER. No; the amendment simply expresses the desire and will of Congress to have it done.

Mr. TINCHER. Does the gentleman think it is necessary to instruct the President how to do this thing when he in fact has the right to do it under the bill?

Mr. DALLINGER. I think, Mr. Chairman, that it is perfectly proper for Congress to express its opinion and judgment that, so far as practicable, existing navy yards should be used.

Mr. TINCHER. This amendment is not expressing an opinion, it is a direction to the President. It directs the President to do something that he can do if he wants to under the bill as it exists now.

Mr. DALLINGER. That same objection can be raised to any limiting amendment placed by Congress on any administration bill that comes up for discussion here.

Mr. STAFFORD. Will the gentleman yield?

Mr. DALLINGER. Certainly.

Mr. STAFFORD. The gentleman in reply to the inquiry by the gentleman from Kansas says "so far as practicable," but his amendment is not limited to that extent. There may be a large battleship which is 4 per cent completed—and there are some 10 per cent completed—and you would compel the Government under your amendment to have that vessel taken to a Government navy yard to be scrapped.

Mr. DALLINGER. Absolutely not. My amendment expressly excepts such a case as the gentleman from Wisconsin cites.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. DALLINGER. I will.

Mr. CHINDBLOM. Suppose it is more economical to destroy a ship where it happens to be than to sail it under the use of oil or coal to a navy yard, as the President would be compelled to do under this amendment, incurring additional expense?

Mr. DALLINGER. Such a vessel could be sold where it was, or used as a target.

Mr. CHINDBLOM. Suppose it is not used as a target—suppose it happens to be in some part of the world distant from America. It would have to go under its own steam to a navy yard for the purpose of being broken up, at an additional cost to the Government.

Mr. DALLINGER. Such a vessel would naturally return to the United States; otherwise what would become of the crew?

Mr. CHINDBLOM. You might have several vessels together and one vessel could bring all the crews back.

Mr. DALLINGER. I do not think that such a case as the gentleman cites is likely to happen.

Mr. HICKS. Mr. Chairman, I have no desire to discuss the point of order, but I want to say in regard to this amendment that the gentleman from Massachusetts [Mr. DALLINGER] kindly showed me the amendment some days ago. I took it up with the naval authorities, and there is no objection to it from their standpoint. It only provides for scrapping ships in commission, and as we expect to sell all those ships anyway for about a million dollars if the market holds, the amendment will probably never come into operation.

However, if it does, and some of our ships in commission have to be scrapped by the Government, they will naturally be scrapped in a Government yard. We will not scrap a Government ship in a private yard. Therefore the amendment provides merely for that thing being done. The amendment is innocuous. It will not hurt, one way or the other. As far as I am concerned personally, I am quite agreeable to having it adopted, although I think it valueless.

Mr. STAFFORD. It has some local advantage to persons representing navy yards, of course.

Mr. LONGWORTH. Mr. Chairman, in view of the statement of the gentleman in charge of the bill that this amendment is unobjectionable from a practical standpoint, I shall not insist upon the point of order.

The CHAIRMAN. The gentleman from Ohio withdraws his reservation of the point of order.

Mr. PADGETT. Mr. Chairman, I have very little to say in respect to this amendment. This provision in the bill leaves it absolutely in the discretion and judgment of the President as to how this shall be done. He has all of the authority that this amendment proposes to give him under the provisions of the bill. I do not see any good to be accomplished by limiting the discretion of the President. I think that he ought to be left at full liberty to determine what is right and proper under the circumstances as they may present themselves in individual cases, without putting a provision in the bill directing the President to do something in a particular way or at a particular place. I do not think any good can be accomplished by agreeing to the amendment.

Mr. MILLER. Mr. Chairman, I move to strike out the last word for the purpose of asking the gentleman from New York in charge of the bill some questions in respect to the bill. The paragraph that we are now considering is the scrapping paragraph of the bill. If I understand the situation, the *Massachusetts*, the *Indiana*, the *Iowa*, and the *Alabama* have been designated as target ships and all have been sunk, with the exception of the *Iowa*. Is that right?

Mr. HICKS. Yes.

Mr. MILLER. I understand that the *Kearsarge* has been converted into a crane ship and the *Kentucky* has been offered for sale.

Mr. HICKS. Yes.

Mr. MILLER. That the *Maine*, the *Missouri*, and the *Wisconsin* have been offered for sale and have been delivered to the contractors; that the *Columbia*, the *Minneapolis*, and the *Brooklyn* have been sold and are delivered, and some monitors have likewise been sold. I am now inquiring under what authority, what act of Congress, the Navy Department is authorized to sell these ships?

Mr. HICKS. There is a general law by which Government property, after a proper survey, is condemned as being no longer useful or valuable and can be sold.

Mr. MILLER. Then if the department has authority to condemn ships and sell them, why do we have to have legislation to scrap them?

Mr. HICKS. Because when a ship is on the ways you can hardly condemn it. If it is not built, it is not a ship and can not be considered useless. There is some question about condemning something which you could not say was no longer useful. It is only no longer useful providing the treaty goes into effect; its usefulness is based on the treaty, not on its own fitness.

Mr. MILLER. But the scrapping program as to the above ships has no relation to the treaty at all. If we are talking about scrapping ships that have no relation to the treaty, why do we have to have an act of Congress to do it?

Mr. HICKS. If the gentleman had been here yesterday, he would probably have heard the very learned discussion occurring between the gentleman from Virginia [Mr. TUCKER] and others——

Mr. MILLER. I heard a lot of it.

Mr. HICKS. As to the power of the treaty to put into effect something provided for in the Constitution, but the ships that are no longer of any use in the Navy, like a worn out gun or an automobile, if condemned by a duly authorized board, can be sold under the board's condemnation report.

Mr. MILLER. That is all very true, but the scrapping the Navy Department is carrying out and intends to carry out has no relation to the treaty. They can not be carrying out any treaty scrapping because we have no treaties ratified by the signatory nations as yet.

Mr. HICKS. I do not see the point the gentleman is making in regard to it. He must admit that the Government always has the right to sell condemned property. He must know that, because he serves on a committee that must have to do with the sale of condemned property, useless and obsolete property of the military department.

Mr. MILLER. I am aware of that. I do not know that I make myself clear to the gentleman. Why is it that the Navy Department can sell vessels without being authorized by Congress, whereas if they scrap a vessel they have to have congressional authorization?

Mr. HICKS. Because we felt that these ships on the ways could not be condemned in the same way that you could condemn an obsolete and useless vessel. Who can say that a vessel merely half built is obsolete or useless. She may be of the greatest use imaginable if completed. Other vessels are condemned because they are useless. But some of these vessels to be scrapped are not obsolete. They are good ships and no board could condemn them.

Mr. PADGETT. If the gentleman will permit, a number of the 15 ships that are reserved are useful ships and are valuable, but they are authorized to be scrapped under the pending treaty, and it is to carry out the treaty that they are authorized to be scrapped. They could not be disposed of unless we had this legislation, because they are valuable, useful ships.

Mr. MILLER. But the point is that the scrapping program as now outlined by the Navy Department has no relation in the world to the treaty, and we are scrapping vessels that are claimed to be of no military value on the same plan that we are selling those that have no military value.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. WALSH. Mr. Chairman, I ask unanimous consent that his time be extended for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MILLER. The point I am getting at is this: We are undertaking in two methods to dispose of ships that have no military value. One of them is by a scrapping process and the other is by selling the vessels. If the Government can sell these vessels without any legislation, why is it necessary to have legislative authority when you come to scrap them? The only explanation must be that we are preparing to scrap ships under the treaty, and as the treaty has not been ratified by any country except ours, it strikes me that we are entering upon our treaty scrapping entirely too early. The treaty may eventually fail; then where are we?

Mr. PADGETT. It is necessary to have the legislation to dispose of the ships that are valuable. It is not necessary to have the legislation to dispose of those that can be condemned as useless and of no value. But there are a number of these ships that are of value, from a military standpoint, and are useful, and it is to carry out the treaty that comprehends those useful, valuable ships, to give authority to dispose of them, and we call that scrapping.

Mr. MILLER. That would be very nice had the Navy Department any program toward scrapping the vessels that are of military value and which will necessarily have to be scrapped under the treaty.

Mr. PADGETT. It is to name them, every one. They are named in the hearings and in the treaty.

Mr. WALSH. I was going to ask the gentleman if it is not a fact, according to his understanding, that before a naval ship can be sold under existing law by the naval authorities it must have been surveyed by some board of naval officers and found to be unseaworthy and unsafe, or not fit for further use in the Navy?

Mr. MILLER. I understand that generally to be the law.

Mr. WALSH. Otherwise it can not be so condemned. My understanding is that if they have a ship that was built only a few years ago and she is seaworthy and safe and not obsolete, and she is fit for use, that before the department can sell that vessel there must be legislative authority.

Mr. MILLER. That is the point upon which I am undertaking to get information.

Mr. HICKS. If the gentleman will permit, if I remember correctly, some years ago this country sold two ships to Greece.

Mr. MILLER. Yes.

Mr. HICKS. The *Mississippi* and the *Idaho*. Now, those vessels were not condemned, because they were good ships, but we sold them by act of Congress, not because they were obsolete and useless but because we did not need them. No board would have condemned them, and no board would condemn the *Delaware* and *North Dakota*, which are to be scrapped, and so Congress must authorize their destruction.

Mr. MILLER. I understand the transaction well and remember it well, and in that instance there was congressional action taken.

Mr. HICKS. That is exactly what we are going to do now.

Mr. MILLER. So far as I understand, the Navy Department has no program in the world of what ships are to be destroyed and what are to be scrapped under the terms of the treaty, because they have no assurance the treaty is going to be signed by the signatory nations.

Mr. HICKS. There are certain vessels the Navy Department will sell—the obsolete vessels—whether the treaty goes through or not, which ought to be sold, as they have been carrying on the naval list many vessels costing this Government hundreds of thousands of dollars, and I am glad we are to rid ourselves of many useless vessels.

Mr. MILLER. That is why I am wondering at the title of the bill, authorizing the President to scrap certain vessels in conformity with the provisions of the treaty to limit naval armament, not because they are obsolete ships——

Mr. HICKS. I think the gentleman realizes there are certain ships in our Navy which are going to be scrapped not because they were useless or obsolete, and therefore not subject to condemnation, but because we wanted to conform to the curtailment agreement, and the only way to do it is by congressional action.

The CHAIRMAN. The time of the gentleman from Washington has again expired.

The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken, and the Chair announced the noes appeared to have it.

On a division (demanded by Mr. DALLINGER) there were—ayes 14, noes 34.

So the amendment was rejected.

Mr. CARTER. Mr. Chairman, I am, of course, in favor of this bill, as I presume practically everyone else is, but that is not the subject that I desire to discuss. I do not think I shall consume 10 minutes, for the subject I shall touch upon may not perhaps deserve the taking up of that much time of the House. I wish to refer to a matter that occurred yesterday on the floor of this House. On yesterday the Socialist Party in the House of Representatives took occasion to cast a perfectly uncalled for slur on the splendid State of Oklahoma. The gen-

tleman from New York [Mr. LONDON] had the floor, and I read from the RECORD, as follows:

Mr. MICHENER. Did not many of these same prisoners advocate the evading of the draft law?
Mr. LONDON. They have been convicted under section 3 of the espionage law, and that section deals with offenses——
Mr. MICHENER. Like the Kansas rebellion, where they all went up into the hills.
Mr. LONDON. Oh, the gentleman is mixing up the Kansas case with the Oklahoma case.
Mr. MICHENER. Yes; the Oklahoma case.
Mr. LONDON. The Oklahoma case involves only three men, and it is an exception. We can not expect much from Oklahoma, whether it be an Oklahoma Democrat, an Oklahoma Republican, or an Oklahoma Socialist.

It is a lamentable fact that our State has had much undesirable, undeserved, and, in my judgment, unjust adverse advertisement within the last year, but I am not responsible for that. We are a new State. We only came into the Union some 15 years ago, therefore we naturally expect some criticism and faultfinding from those who have had experience in running governmental affairs in older States. But when the entire Socialist Party in Congress holds a caucus with itself and feels called upon to criticize not only the good Democrats and Republicans in our State but Oklahoma Socialists as well, it would seem to me that irresponsible criticism had about reached the limit, and I propose that the Oklahoma Socialists shall know exactly who it is that is criticizing them and why they are being criticized.

The gentleman from New York could have had but two objects in making this uncalled for sling at our State, first, a peculiar desire to cast unjustified and uncalled for aspersions on one of the sister States of this Republic, and, second, to place the offenses committed by the Oklahoma draft evaders in a separate class from all other cases. The gentleman's whole speech was directed toward a plea for amnesty on behalf of certain persons convicted of what he chooses to call political crimes during the war. In other words, the gentleman was pleading for the "higher-ups," for the leading Socialists, only who went to the penitentiary during the war, while placing the rank and file in a separate class not deserving clemency. Why did these "higher-ups" go to the penitentiary? For advising people not to submit to the laws of their country during this critical time, and now the gentleman would separate them from the rank and file, releasing them while holding the poor, misguided fellow who followed their pernicious advice.

I had the good fortune or misfortune, as the case may be, to attend the trial of these draft evaders in Oklahoma, and as I stood there beside the Federal judge trying the case and looked out into the faces of those poor, deluded fellows who were arraigned it occurred to me that some of them were subjects more fit for St. Elizabeths than they were for the penitentiary. Why had these poor fellows committed these crimes? They had no knowledge of the law. They had not sufficient knowledge of the law, perhaps, to even know when they were breaking it. They committed these crimes on account of the bad advice they had received from the very persons whom the gentleman from New York is now defending. They committed these crimes on account of the propaganda sent forth by these very men for whom the distinguished gentleman himself now demands amnesty in one breath and in the next says that these poor, ill-advised Oklahoma farmers who were caught in this draft-evasion net on account of bad advice they took from these very men ought to now be considered in a separate class, from which we are to assume that they are not entitled to amnesty, but the "higher-ups" who advised them to violate the law must be pardoned and restored to liberty. That may be the gentleman's idea of justice; that may be the teachings of the political party at whose shrine our Socialist friend worships, but it is not the belief of the good citizenship of the State of Oklahoma, irrespective of politics, who stand on the eternal principles enunciated by the immortal Jefferson, "Equal rights to all and special privileges to none."

The gentleman undertook to give information concerning the nature and trial of these cases. He attempted to go into the situation in Oklahoma. He spoke in that speech of "amazing ignorance." The gentleman shows just as much amazing ignorance in undertaking to discuss Oklahoma conditions as he does in his hair-brained ideas of government, his misguided conception of economics, and his Utopian advocacy of a great cooperative Commonwealth.

I have high respect for the gentleman from New York, but we all have our shortcomings. The fault of my friend, I think his most grievous shortcoming, is his prodigious presumption, his astounding assumption that he knows more than everybody else about everything on the face of the earth, including government and economics. [Applause.]

Mr. LONDON. Will the gentleman yield?
Mr. CARTER. Yes.
Mr. LONDON. So far as the Oklahoma situation is concerned, I believe I referred in my statement to the evidence given by Mrs. White, who stated before the Committee on the Judiciary that she had made a personal investigation. I believe I referred in my speech to her evidence.
Mr. CARTER. Oh, the gentleman was assuming to advise this House concerning conditions in Oklahoma at that critical time. Among other things, he said that these antidraft organizations were formed before the war for the purpose of protecting tenant farmers against usurious interest, when everybody who knows anything at all about conditions in the State of Oklahoma knows that we have as stringent usury laws as any State in this Union and knows that they are as rigidly enforced as any other.

Now, Mr. Chairman, that is about all, except a dream I had a few nights ago. This beautiful dream took me back to my boyhood days when I made my first trip to the great city of Gotham. As I approached near unto that wonderful city I saw some extraordinary colossal thing rise from the level of the horizon, which I first thought must be the new Statue of Liberty enlightening the world, about which I had heard so much, but upon approaching nearer unto it, I found I had made a gross error and that the wonderful vision I had mistaken for the new statue was nothing more nor less than the highly exalted opinion of the distinguished gentleman from New York of his own intelligence, knowledge of government, conditions, and things in general. I thank you. [Applause.]

The CHAIRMAN. The Clerk will read.
The Clerk resumed and concluded the reading of the bill.
Mr. HICKS. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that it do pass.
The motion was agreed to.
Thereupon the committee rose; and the Speaker having resumed the chair, Mr. HUSTED, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 11214, had directed him to report the same back to the House with the recommendation that it do pass.
The SPEAKER. The question is on the engrossment and third reading of the bill.
The bill was ordered to be engrossed and read a third time, was read the third time, and passed.
On motion of Mr. HICKS, a motion to reconsider the vote by which the bill was passed was laid on the table.

APPROPRIATIONS FOR DEPARTMENTS OF STATE AND JUSTICE, AND FOR THE JUDICIARY—CONFERENCE REPORT (H. REPT. 996).

Mr. HUSTED. Mr. Speaker, I call up the conference report on the bill H. R. 11065, making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1923, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.
The SPEAKER. The gentleman from New York asks that the statement may be read in lieu of the report. Is there objection? [After a pause.] The Chair hears none.
The Clerk will report the statement.
The statement was read.

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11065) making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1923, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 21, 27, 34, 35, 37, 38, 51, 52, 59, 63, 64, 68, 69, 74, 75, 77, 78, 85, 87, 88, 93, and 94.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 9, 10, 11, 18, 20, 23, 26, 29, 31, 32, 33, 39, 41, 42, 46, 50, 54, 55, 56, 57, 58, 60, 65, 66, 67, 76, 80, 81, 82, 83, 84, 86, and 97, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$260,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$350,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: Transpose the matter inserted by said amendment to page 8, line 5, of the bill, to follow the word "of," amended to read as follows: "and rent for"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$750,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,900,000"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,935,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,150,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$290,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$49,400"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"For the expenses of the arbitration of outstanding pecuniary claims between the United States and Great Britain, in accordance with the special agreement concluded for that purpose August 18, 1910, and the schedules of claims thereunder, including salary and expenses of the tribunal, and of the agent, to be appointed by the President, by and with the advice and consent of the Senate, counsel, joint secretary and other assistants, contingent expenses, and personal services and rent in the District of Columbia and elsewhere, to be expended under the direction of the Secretary of State, $60,000."

And the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$479,010"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "The investigation of the official acts, records, and accounts of marshals, attorneys, and clerks of the United States courts and the territorial courts, and United States commissioners, for which purpose all the official papers, records, and dockets of said officers, without exception, shall be examined by the agents of the Attorney General at any time"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,275,000"; and the Senate agree to the same.

Amendment numbered 79: That the House recede from its disagreement to the amendment of the Senate numbered 79, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$90,000"; and the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$578,500"; and the Senate agree to the same.

Amendment numbered 90: That the House recede from its disagreement to the amendment of the Senate numbered 90, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$37,500"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$23,000"; and the Senate agree to the same.

Amendment numbered 92: That the House recede from its disagreement to the amendment of the Senate numbered 92, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,000"; and the Senate agree to the same.

Amendment numbered 95: That the House recede from its disagreement to the amendment of the Senate numbered 95, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$149,300"; and the Senate agree to the same.

Amendment numbered 96: That the House recede from its disagreement to the amendment of the Senate numbered 96, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,050,000"; and the Senate agree to the same.

The committee of conference have not agreed on Senate amendments numbered 5, 6, 7, 8, 13, 24, 25, 28, 40, 43, 44, 45, 47, 48, 49, 61, 70, 71, and 73.

JAMES W. HUSTED,
GEORGE HOLDEN TINKHAM,
Managers on the part of the House.

CHARLES CURTIS,
F. E. WARREN,
H. C. LODGE,
LEE S. OVERMAN,
G. M. HITCHCOCK,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11065) making appropriations for the Departments of State and Justice and the judiciary for the fiscal year ending June 30, 1923, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report:

On No. 1, relating to the office of the Secretary of State: Appropriates $260,000, instead of $250,000, as proposed by the House, and $275,000, as proposed by the Senate, for temporary employees in the Department of State.

On No. 2: Makes the appropriation for an automobile for the Secretary of State immediately available.

On Nos. 3 and 4, relating to passport bureau: Appropriates $55,000, as proposed by the Senate, instead of $50,000, as proposed by the House, and makes the sum available for the payment of rent outside the District of Columbia.

On Nos. 9, 10, and 11, relating to the embassy to Turkey: Appropriates $5,500 for the Turkish secretary and $4,000 for the Turkish assistant secretary, as proposed by the Senate, instead of $3,600 and $2,000, respectively, as proposed by the House.

On No. 12, relating to clerks at embassies and legations: Appropriates $350,000, instead of $300,000, as proposed by the House, and $394,828, as proposed by the Senate.

On Nos. 14 and 15, relating to contingent expenses, foreign missions: Appropriates $750,000, instead of $700,000, as proposed by the House, and $800,000, as proposed by the Senate; makes the sum available for the payment of rent for dispatch agents, as proposed by the Senate; and changes the said Senate amendment No. 14 so as to read "and rent for" instead of "and rent," and transposes the amended form within the sentence to improve the language.

On Nos. 16 and 17, relating to salaries of the Consular Service: Appropriates $1,900,000, instead of $1,874,500, as proposed by the House, and $1,974,500, as proposed by the Senate, for salaries of consuls general, consuls, and vice consuls.

On No. 18, relating to clerk hire at United States consulates: Appropriates $1,400,000, as proposed by the Senate, instead of $1,350,000, as proposed by the House.

On No. 19, relating to contingent expenses, United States consulates: Appropriates $1,150,000, instead of $1,100,000, as proposed by the House, and $1,200,000, as proposed by the Senate.

On No. 20, relating to relief and protection of American seamen: Appropriates $220,000, as proposed by the Senate, instead of $150,000, as proposed by the House.

On No. 21, relating to salaries of diplomatic and consular officers while receiving instructions and in transit: Appropriates $50,000, as proposed by the House, instead of $65,000, as proposed by the Senate.

On No. 22, relating to transportation of diplomatic and consular officers: Appropriates $290,000, instead of $275,000, as proposed by the House, and $300,000, as proposed by the Senate.

On No. 23, relating to emergencies arising in the Diplomatic and Consular Service: Appropriates $400,000, as proposed by the Senate, instead of $100,000, as proposed by the House.

On Nos. 26 and 27, relating to embassy, legation, and consular buildings and grounds: Appropriates $150,000, as proposed by the Senate, for the alteration, repair, and furnishing of the embassy building in London, and strikes out the language proposed by the Senate reappropriating $300,000 for the acquisition of embassy, legation, or consular buildings and grounds at certain places as provided in the Diplomatic and Consular appropriation act for 1922, and continuing for the fiscal year 1923 the commission therein created to approve such acquisitions.

On No. 29, relating to the International Boundary Commission, United States and Mexico: Eliminates the proviso inserted by the House and stricken out by the Senate that no part of the appropriation for the commission shall be expended for the salary of a commissioner.

On No. 30, relating to the boundary line, Alaska and Canada, and the United States and Canada: Appropriates $49,400, instead of $30,000, as proposed by the House, and $54,400, as proposed by the Senate.

On No. 31, relating to the International Prison Commission: Appropriates $2,550, as proposed by the Senate, instead of $1,500, as proposed by the House.

On No. 32, relating to printing and binding for the Pan American Union: Strikes out, as proposed by the Senate, the word "that," inserted by the House.

On No. 33, relating to the Bureau of Interparliamentary Union for Promotion of International Arbitration: Strikes out, as proposed by the Senate, the phrase "at Brussels, Belgium," inserted by the House.

On Nos. 34 and 35, relating to the International Institute of Agriculture: Appropriates $19,577, as proposed by the House, instead of $8,000, as proposed by the Senate, for payment of the quota of the United States.

On No. 36, relating to the arbitration of outstanding pecuniary claims between the United States and Great Britain: Strikes out the language fixing the salaries and other expenses of the tribunal and agency, as proposed by the House, and adopts the language proposed by the Senate, amended so as to provide that the agent shall be appointed by the President, by and with the advice and consent of the Senate; and appropriates a lump sum of $60,000, instead of a detailed appropriation of $52,770, as proposed by the House, and a lump sum of $72,430, as proposed by the Senate.

On Nos. 37 and 38, relating to the United States section of the Inter-American High Commission: Appropriates $19,600, as proposed by the House, instead of $25,000, as proposed by the Senate, and strikes out the language proposed by the Senate providing that the commission shall complete its labors and submit a final report on or before the 30th day of June, 1923.

On No. 39, relating to the International Research Council: Appropriates $4,030, as proposed by the Senate, instead of $2,658, as proposed by the House.

On No. 41, relating to the World War Foreign Debt Commission: Appropriates $20,000, as proposed by the Senate, for the expenses of the commission.

On No. 42, relating to the International Trade-Mark Registration Bureau: Appropriates $9,600, as proposed by the Senate, for the quota of the United States to said bureau.

On No. 46, relating to transportation of officers of the United States Court for China: Strikes out, as proposed by the Senate, the phrase "of $275,000" inserted by the House.

On Nos. 50, 51, 52, and 53, relating to salaries in the office of the Attorney General: Appropriates $4,200, as proposed by the Senate, instead of $3,600, as proposed by the House, for the attorney in charge of pardons; strikes out the appropriation of $4,000, as proposed by the Senate, for a chief of the division of investigation; and appropriates $3,000, as proposed by the House, instead of $3,500, as proposed by the Senate, for the chief of the division of accounts.

On Nos. 54, 55, 56, and 57, relating to contingent expenses, Department of Justice: Appropriates $6,000, as proposed by the Senate, instead of $5,000, as proposed by the House, for furniture and repairs; appropriates $15,000, as proposed by the Senate, instead of $12,500, as proposed by the House, for stationery; appropriates $40,000, as proposed by the Senate, instead of $37,000, as proposed by the House, for miscellaneous expenditures; and $75,000, as proposed by the Senate, instead of $36,000, as proposed by the House, for rent of buildings in the District of Columbia.

On No. 58, relating to conduct of customs cases: Appropriates $86,100, as proposed by the Senate, instead of $83,000, as proposed by the House.

On Nos. 59 and 60, relating to the enforcement of national prohibition: Retains the language inserted by the House and stricken out by the Senate providing for allotments from other appropriations of $150,000 for the enforcement of prohibition instead of a direct appropriation of a like sum as proposed by the Senate; and eliminates the provision inserted by the House and stricken out by the Senate requiring the Attorney General to make a detailed report to Congress of such allotments and the purposes for which they are being expended.

On Nos. 62 and 63, relating to the investigation of the official acts, records, and accounts of marshals, attorneys, clerks, referees, and trustees of United States and Territorial courts, etc.: Restores the language inserted by the House and stricken out by the Senate, with the words "referees and trustees" omitted, and strikes out the language, inserted by the Senate, making a direct appropriation of $75,000 for such purposes.

On Nos. 64 and 65, relating to the enforcement of antitrust laws: Appropriates $225,000, as proposed by the House, instead of $300,000, as proposed by the Senate; eliminates the language, adopted by the House and stricken out by the Senate, exempting labor organizations and farmers' associations from prosecution under any of the money appropriated by the act, and retains the language, inserted by the Senate, exempting such organizations from prosecution under the appropriation for enforcement of antitrust laws.

On Nos. 66, 67, 68, and 69, relating to the Court of Customs Appeals: Provides for five stenographic clerks at $1,600 each, as proposed by the Senate, instead of three, as proposed by the House, and appropriates $3,965, as provided by the House, instead of $5,385, as provided by the Senate, for the miscellaneous expenses of the court.

On No. 72, relating to salaries, fees, and expenses of United States marshals and their deputies: Appropriates $2,275,000 instead of $2,250,000, as proposed by the House, and $2,300,000, as proposed by the Senate.

On No. 74, relating to salaries of United States district attorneys, etc.: Appropriates $900,000, as proposed by the House, instead of $950,000, as proposed by the Senate.

On Nos. 75 and 76, relating to salaries of regular assistants to United States district attorneys: Appropriates $550,000, as proposed by the House, instead of $600,000, as proposed by the Senate; and fixes the maximum compensation of such assistants at $3,500, as proposed by the Senate, instead of $3,000, as proposed by the House.

On No. 77, relating to salaries of special assistants to the Attorney General and United States district attorneys: Appropriates $850,000, as proposed by the House, instead of $1,000,000, as proposed by the Senate.

On No. 78, relating to the office expenses and the personal compensation of clerks of United States circuit courts of appeals, their deputies, and other assistants: Restores the language adopted by the House and stricken out by the Senate, providing that such compensation and expenses shall be authorized by the Attorney General and fixing the maximum compensation of the clerks of the courts at $5,000. It also provides that all fees received by said clerks shall be paid into the Treasury of the United States, as in the case of clerks of United States district courts. And it further provides that from and after July 1, 1922, the salary of the clerk of the United States district court for Hawaii shall be fixed in the same manner as salaries of clerks of United States district courts.

On No. 79, relating to supplies for United States courts and judicial officers: Appropriates $90,000, instead of $80,000, as proposed by the House, and $100,000, as proposed by the Senate.

On No. 80, relating to the purchase of law books for United States judges, district attorneys, and other judicial officers: Appropriates $25,000, as provided by the Senate, instead of $20,000, as provided by the House.

On Nos. 81, 82, and 83, relating to the Federal prison at Leavenworth, Kans.: Appropriates $4,800, as provided by the Senate, instead of $3,600, as provided by the House, for certain skilled laborers.

On Nos. 84, 85, 86, 87, 88, and 89, relating to the Federal prison at Atlanta, Ga.: Appropriates $200,000, as proposed by the Senate, instead of $175,000, as proposed by the House, for subsistence; appropriates $110,000, as proposed by the House, instead of $120,000, as proposed by the Senate, for clothing, trans-

portation, etc.; appropriates $7,500, as proposed by the Senate, instead of $6,500, as proposed by the House, for hospital supplies; and $92,800, as proposed by the House, instead of $97,980, as proposed by the Senate, for guards.

On Nos. 90, 91, 92, 93, 94, and 95, relating to the Federal prison at McNeil Island, Wash.: Appropriates $37,500, instead of $35,000, as proposed by the House, and $41,000, as proposed by the Senate, for subsistence; appropriates $23,000, instead of $20,000, as proposed by the House, and $26,750, as proposed by the Senate, for clothing, transportation, and traveling expenses; appropriates $2,000, instead of $1,500, as proposed by the House, and $3,500, as proposed by the Senate, for hospital supplies; and $24,000, as proposed by the House, instead of $26,000, as proposed by the Senate, for guards.

On No. 96, relating to support of prisoners: Appropriates $1,050,000, instead of $1,000,000, as proposed by the House, and $1,100,000, as proposed by the Senate.

On No. 97, relating to inspection of prisons and prisoners: Appropriates $12,000, as proposed by the Senate, instead of $11,000, as proposed by the House.

The committee of conference have not agreed upon the following amendments of the Senate:

On Nos. 5, 6, 7, and 8: Striking out the appropriation of $7,500 for agent and consul general at Cairo, authorizing the President to appoint a minister to Egypt at $10,000 per annum and making the necessary appropriation therefor, including the balance of the fiscal year 1922.

On No. 13: Authorizing the employment of translators from the appropriation "Contingent expenses, foreign missions."

On Nos. 24 and 25: Appropriating $3,500 to Daisy Crawford Carroll, widow of B. Harvey Carroll, and $3,000 to Alice Potter, widow of Julian Potter, whose husbands died as a result of illness incurred in the Consular Service, one year's salary in each case.

On No. 28: Appropriating $200,000 for post allowances to diplomatic and consular officers.

On No. 40: Appropriating $3,860 for the International Hydrographic Bureau.

On No. 43: Appropriating $5,000 for the international conference on maritime law.

On No. 44: Appropriating $3,750 for the Commission of Jurists to consider amendments to the laws of war.

On No. 45: Appropriating $75,000 for the Fifth International Conference of American States, at Santiago, Chile.

On No. 47: Appropriating $47,750 for the revision of Chinese customs tariff under the treaty signed February 6, 1922.

On No. 48: Appropriating $21,000 for inquiry into extraterritoriality in China under a resolution adopted by the Conference on Limitation of Armament.

On No. 49: Appropriating $2,200 to pay claims of the Government of Norway on account of the detention of three Norwegian subjects as witnesses to the damage caused the Norwegian vessel *Ingrid* by an explosion at Jersey City February 1, 1911.

On No. 61: Appropriating $1,500 to the estate of W. L. Dunham, deceased, who was killed while acting as a posse man engaged in the enforcement of national prohibition.

On Nos. 70 and 71: Appropriating $5,000, instead of $3,500, as proposed by the House, for the salary of the chief clerk of the Court of Claims.

On No. 73: Authorizing the Secretary of War to deliver to the office of the United States marshal for the District of Columbia, without payment therefor, one passenger-carrying motor vehicle.

JAMES W. HUSTED,
GEORGE HOLDEN TINKHAM,
Managers on the part of the House.

Mr. HUSTED. Mr. Speaker, the majority of the conferees on the part of the Senate and the House came to complete agreement as between themselves on every item in the bill. We were compelled to bring back some of the items to the House which were new legislation, put in by the Senate, or which went out on a point of order in the House.

The amount of the bill as passed by the Senate is $28,699,640.16. The amount of the bill as passed by the House was $26,376,397.16. So that the net added by the Senate was $2,323,243. The amount of recessions by the House in the conference report amounted to $1,014,652. The amount involved in the Senate amendments brought back for action, which the House managers will recommend for adoption by the House, are as follows:

For ambassadors and ministers, $3,100.

That is the difference between the salary of our present representative and the minister, which has now been provided for—an increase of $3,100. Egypt has now been recognized by our Government, and this bill provides for a minister to Egypt. There is a payment to Daisy Crawford Carroll, who is the widow of a consular officer, of $3,500, and the amount represents one year's salary of her husband; and to Alice Potter, of $3,000, which represents one year's salary of her husband, who was also a consular officer. The conference report puts back a paragraph which went out under a point of order for post allowances for diplomatic and consular officers, and also appropriates $3,860 for the International Hydrographic Bureau. It also provides $5,000 for an international conference on maritime law. This is going to be a very important conference, at which are to be taken up questions of maritime law relating to collisions, particularly important to us now on account of our merchant marine. It also provides $3,750 for the expenses of the American representatives on the commission of jurists on the amendments of the laws of war. This commission was provided for by the Limitation of Armament Conference, and it provides $75,000 for the expenses of an American delegation to the fifth international conference of American States at Santiago, Chile. There has not been any conference since 1912, I think. It has been the custom to hold one of these international conferences every three or four years, but the war caused an interruption, and this will be the first conference since 1912. The expenses of the American representatives to the last conference amounted to $133,000, and we are providing $75,000.

Then we are providing $47,750 for the expenses of the American representatives on a commission for the revision of Chinese customs tariffs. That is another commission provided for by the Limitation of Arms Conference. And there is still another one, to inquire into the extraterritoriality in China, for which we have provided expenses of $21,000. There is also an item of $2,200 to pay certain Norwegian claims. These are claims consisting of actual expenses, chiefly legal expenses, of two men who were detained in this country by the Government as witnesses to the explosion of a Norwegian vessel. They were clapped into jail, and were kept in durance vile for about a month. They were put to considerable expense and never received any compensation whatever. We have also provided $1,500 for the estate of W. L. Dunham. This man had his head blown off while acting as a posse officer in the enforcement of the prohibition law. He was compelled to join the forces, and was killed, and while it is rather an exception to the general rule to put an item of this kind on an appropriation bill, I think this is an exception which ought to be made, because in this case the man left a widow and nine children who are penniless.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. HUSTED. Yes.

Mr. SNELL. I wanted to ask the gentleman in regard to these death claims. It seems to me we should have some fixed policy and not change it around. It is rather unfair for one person having a death claim to have it attached to a conference report and have it go through the House without consideration and another person having a just claim be required to present it to the Committee on Claims and take his chances before the Committee on Claims and perhaps wait two or three years before it is brought into the House.

Mr. HUSTED. I agree with the gentleman as to that, but here is an exceptional case. Here is a man who left a widow and nine little children, and they are penniless. We are providing only $1,500, whereas if they went into court they could certainly get more than $1,500.

Mr. SNELL. Then why not treat them right?

I do not think it is fair to give preferential treatment to a claim in this way because some man has a little more political influence than others. All these claims should be treated in the same way. They should be referred to the Committee on Claims and there either rejected or recommended to the House for payment eventually. It seems to me it is rather unfair to attach some of them to a conference report and in that way get them through quickly, whereas the others have to wait several years for consideration.

Mr. HUSTED. This is not a case where there has been any political influence.

Mr. JOHNSON of Mississippi. I want to add that these people had no political influence exerted in their behalf. This man left a wife and nine children.

Mr. HUSTED. Yes. This man was ordered to perform a certain duty. If he had not gone he would have been punished. As it was, he did go, and he lost his life.

Mr. SNELL. I am only discussing the policy involved. Considering various claims of that kind before the committee of which I am chairman, it seems to me the House should do one thing or the other: Either let all claims to which there is no

opposition be attached to conference reports and brought in in this way or else keep them all out.

Mr. HUSTED. These people are down and out.

Mr. SNELL. I am anxious to get these claims through the House.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. HUSTED. I yield to the gentleman from Massachusetts.

Mr. WALSH. What does the gentleman propose to do with reference to amendments 70 and 71, increasing the salary of the Chief Clerk of the Court of Claims by $1,500?

Mr. HUSTED. I am going to move to recede and concur and make the salary the same as that of the salary of the clerks of the circuit courts of appeals. The clerk of the Court of Claims gets now only $3,500, and he has really more responsibility and more work to perform than the clerks of the United States circuit courts of appeals.

Mr. WALSH. I do not agree with the gentleman on that. If you are going to make the salary the same as that of the clerk of the United States circuit court of appeals, why not make the salary of the judges of that court the same as that of the judges of the district courts?

Mr. HUSTED. The clerk of the Court of Claims is a very busy clerk. He has manifold duties to perform. I would like to make a statement to the gentleman concerning his work. I read:

The Court of Claims in the period covered by the six years from 1914 to 1919, inclusive, disposed of more than two and one-half times as many cases as the entire nine United States circuit courts of appeals combined, the amount involved therein reaching the enormous sum of $259,147,373.52; and in the past eight years the Court of Claims has disposed of more civil cases than any one of the district courts, whose clerk receives $5,000, and more than the entire five district courts, whose clerks receive $4,750, combined.

Mr. WALSH. Undoubtedly the clerk of the Court of Claims has transacted more business even than the clerk of the Supreme Court of the United States. But would the gentleman for that reason advocate that we pay the salary of the clerk of the Court of Claims on the same basis as the clerk of the Supreme Court?

Mr. HUSTED. I would not do that. I do not think it is a parallel case.

Mr. WALSH. It is just as parallel as it is to cite the analogy between the work of the clerk of the Court of Claims and that of the clerk to the circuit court of appeals.

Mr. HUSTED. Let me give you an idea of the business of the clerk of the Court of Claims:

In addition to the ordinary duties of the office as set forth with those of the clerks of the other United States courts by the Congressional Joint Committee on Reclassification, it is one of the duties of the clerk, by special order of the court, "to execute such references and orders in any case pending in the court and make report thereon as may be referred and directed by the court." (Court order of October 19, 1914.) The performance of the duties and functions prescribed by this order calls for the qualifications of a special master in chancery. It requires experience in the law, ability to accurately analyze the facts, to correctly ascertain the law applicable thereto, to use sound judgment in the application thereof, and the capability to report fully, clearly, and precisely such facts and legal conclusions. For such services this clerk receives no compensation additional to his salary, while the clerks of the other United States courts, when performing the duties of special master, have until the recent increase in their salaries been paid special master's fees in addition to the regular salary of their office. The present incumbent of the office of the clerk of the Court of Claims has had an experience of 30 years in active legal practice before the United States courts, the courts of the State of New York, and other States.

A further condition making it necessary that this clerk shall be a trained and experienced lawyer is that he is constantly required to advise litigants and counsel and to properly inform Members of the Senate and House of Representatives as to pending and contemplated litigation, not only under established law but in connection with the vast mass of special legislation referred to by the Attorney General, which originated in the World War, and which presents new questions both of practice and of substantive law, for which there is no precedent.

I am convinced, Mr. Speaker, that the clerk to the Court of Claims is very much underpaid and that this increase of $1,500 in his salary is fully deserved and justified.

Mr. WALSH. Well, if that is so, what does the gentleman say about the judges of the Court of Claims?

Mr. HUSTED. Well, that question has not been brought up.

Mr. WALSH. What has the gentleman been reading from?

Mr. HUSTED. I was reading from the report of the Committee on the Judiciary, submitted to the Senate by the chairman, Senator NELSON.

Mr. WALSH. On a bill?

Mr. HUSTED. On a bill for the increase of this salary.

Mr. WALSH. Providing for the increase of salary, and they put it in as an amendment of the Senate, and the conferees on the part of the House, with no further consideration than the reading of the report of the committee, are recommending that the House agree to it.

Mr. HUSTED. Well, that is not an accurate statement. I am very sure that the House subcommittee would have increased the salary in the bill as it was presented to the House if it had not been subject to a point of order; that is, the disposition of the House subcommittee would have been to increase the salary. But we did not bring in any salary increases to the House, because we adhered strictly to the rule, even though we knew the cases were deserving. Though we believed in them, we did not recommend them, because we wanted to keep strictly within the rule of the House.

Mr. WALSH. Does the gentleman think this is still adhering to the rule, where the committee will not permit salary increases to be reported from its subcommittee, but has no objection to the Senate putting in increases and the conferees agreeing to them? That is a practice that we have been trying to eliminate by this new system. It seems to me if we establish the precedent of getting salary increases through in this way it will run all along the line.

Mr. HUSTED. I want to say to the gentleman that the conferees have brought this item back to the House for the sanction of the House.

Mr. WALSH. Yes; with the intention of recommending that the House approve of what the committee did not approve, or the subcommittee did not approve. They are asking the House to approve that now as conferees.

Mr. KINCHELOE. Mr. Speaker, will the gentleman yield?

Mr. HUSTED. Yes.

Mr. KINCHELOE. I would like to inquire about the item covered by the Senate amendment No. 26, appropriating $150,000 for repairing the American embassy in London. Is this the same embassy building for which a bill has been passed through Congress giving Mr. Morgan the opportunity and privilege and power to donate to the United States for the American embassy?

Mr. HUSTED. This is an item for repairing, improving, and furnishing the building donated by Mr. Morgan to the Government for embassy purposes.

Mr. KINCHELOE. Was there any hearing had before the conferees showing why it would take this enormous amount of $150,000 to prepare this building for occupancy?

Mr. HUSTED. This building is not at all suited to embassy purposes. The property, as I understand it, is worth from $250,000 to $300,000, but the chief value is in the land. It is a very good location, and has many advantages from that standpoint, but the buildings do not amount to very much. They must be reconstructed and renovated.

Mr. KINCHELOE. When the bill was pending before Congress to authorize the President to accept this gift from Mr. Morgan, we were told it was an ideal place and an act of great generosity on Mr. Morgan's part. If it is unsuitable for the purpose, I wonder why the Government accepted it.

Mr. HUSTED. It is a valuable site, and the actual value of the gift is close to $300,000, and that is quite a substantial gift, but the building itself is not suited to embassy purposes, and I imagine that no ordinary residence would be. Very substantial structural changes would have to be made in it.

Mr. KINCHELOE. I do not suppose any of this $150,000 is going to be used to improve the land, and I was wondering what improvements would cost $150,000, which, of course, will be converted into English pounds, and the discount on the English pound will make it amount to more than $150,000.

Mr. HUSTED. This is the estimate of the State Department.

Mr. KINCHELOE. I was wondering whether it was contemplated to equip a wine cellar for Mr. Harvey over there as a part of the improvement. [Laughter.] I understand, by reading the newspapers, that his conduct there has been such as to indicate his need for a wine cellar.

Mr. HUSTED. I can give the gentleman the items of the estimate—

Construction work, alterations, etc	$25,498.00
Hot-water heating installation	4,796.00
Electric installation and fittings	16,280.00
Plumbing	1,100.00
Renovation—repairs, replacements, painting, and decorating	33,792.00
Installation of elevator	060.00
Furniture, furnishings, carpets, etc	65,700.80
Other items	1,320.00
Contingencies	4,853.20
Total	154,000.00

Mr. KINCHELOE. Does the gentleman known how large this building is? How many rooms has it?

Mr. HUSTED. I believe there are two buildings on this property, and these two buildings will have to be made into one building in order to make it suitable for our purposes as an embassy.

Mr. KINCHELOE. This administration pretends to be in favor of good business economy. Does not the gentleman think that if they were going to improve it at all it would have been good business economy to build a new house? It seems to me

they could build it and equip it new for $150,000. I was trying to find out whether the gentleman has any information as a conferee.

This being a Senate amendment, I presume was not considered by the gentleman's subcommittee to ascertain what was the real purpose of this, and why it should be repaired at this enormous expense, and whether or not it would be cheaper to build a new one, or whether it would not be still cheaper to hand this property back to Mr. Morgan and buy one, if we were going to own one at all.

Mr. HUSTED. Of course, I have only the statement of the conferees on the part of the Senate and such information as is given in the Senate hearings. The matter was not taken up by our subcommittee.

Mr. KINCHELOE. Was there any statement from Mr. Harvey himself before your subcommittee or the conferees?

Mr. HUSTED. No statement from Mr. Harvey.

Mr. GARNER. Will the gentleman yield for a question?

Mr. HUSTED. I do.

Mr. GARNER. I recall that when we passed the bill authorizing the purchase of embassies and legations we limited the cost to $150,000 at any one point.

Mr. HUSTED. For the acquisition of the embassy.

Mr. GARNER. Yes; I was just wondering if this was not in a way a violation of the spirit of the Lowden Act to appropriate $150,000 for the purpose of repairing.

Mr. HUSTED. This one does not come under the Lowden Act at all.

Mr. GARNER. I know it does not come under the Lowden Act, but suppose some gentleman should be good enough to give us a house in some other place where we had an ambassador and the Senate should put on an amendment providing for an appropriation of $300,000 to repair and equip that building. Would not that be in reality a violation of the spirit of the limitation that Congress placed on that particular activity of the Government?

Mr. HUSTED. I will say to the gentleman that I think we are all agreed that our Government should have adequate embassies at least in London and Paris, and this is a very fine property. It is on Hyde Park, on a corner. It has a garden in the rear of the property. There are two buildings on it. The value of the property is from $250,000 to $300,000 at the present time in American money. It is a very handsome gift. They say it will take $150,000 to fix it up in fine shape so that it will be suitable for our purposes. The idea is to throw these two buildings together.

Mr. GARNER. But it does not seem to be very good public policy on our part to accept as a gift from some wealthy American a property for an embassy and then appropriate $150,000 or $250,000 or $300,000 to repair and fix up that building for an embassy. I do not believe the American people want Congress to indulge in any such performance.

Mr. HUSTED. The gift has been accepted. The President has already accepted the gift. It would be absolutely useless if we do not spend sufficient funds to fix it up.

Mr. GARNER. Has Congress accepted the gift in any act of Congress?

Mr. HUSTED. We authorized the President to accept it, and the President did accept it in the name of the United States Government.

Mr. ROACH. Will the gentleman yield?

Mr. HUSTED. Yes.

Mr. ROACH. Is it proposed to expend more than $150,000 on this property?

Mr. HUSTED. It is not; that is expected to do all the work necessary to remodel the building and furnish the building and make it habitable as an embassy.

Mr. RAYBURN. Will the gentleman yield?

Mr. HUSTED. Certainly.

Mr. RAYBURN. I was here when the item in the bill was passed accepting this property. I thought it was going very far afield then and I think so now for the Congress of the United States. I was very much opposed to it. It seems to me that if I remember correctly, in the debate it was described as a splendid building, in splendid shape, and they were going to save the Government of the United States all this money by accepting this property. In the same bill there was an appropriation or an authorization of $150,000 to buy an embassy building in Paris. Now, you come in, and the first thing after accepting that property supposed to be so well located and in such good shape to be used for an embassy—and that was the principal argument why we should break a precedent and accept this gift from private interests—now you come in with an appropriation of $150,000 to repair it. Does the gentleman think that $150,000 will fix the property up so that it will be fit for habitation as an embassy?

Mr. HUSTED. It is stated by the department that it will be enough to do the necessary work.

Mr. RAYBURN. Does anybody occupy the house?

Mr. HUSTED. I think it is not occupied, and it will not be occupied until it is remodeled.

Mr. RAYBURN. Does not the gentleman think that we could take $150,000 in London now and in all probability buy a better piece of property for that sum?

Mr. HUSTED. No; the property as it stands is worth $250,000 or $300,000 in American money. It is in an advantageous location, a very fine piece of property, especially so from the standpoint of embassy use.

Mr. RAYBURN. Who made the recommendation that we appropriate $150,000?

Mr. HUSTED. It comes from the State Department.

Mr. RAYBURN. Where did they get the information?

Mr. HUSTED. I have already read the details—I do not know whether the gentleman was on the floor at the time—I read the detailed estimate of the cost of reconstruction. It gives the amount in pounds and shillings and also gives the amount in dollars. It comes before us as a business proposition, and I believe as a business proposition pure and simple the thing to do now is to spend enough money on the property to put it in shape.

Mr. RAYBURN. That may be why Mr. Morgan wanted to get rid of it.

Mr. FAIRCHILD. Will the gentleman yield?

Mr. HUSTED. Yes.

Mr. FAIRCHILD. Is $200,000 or $300,000 the value of the land alone?

Mr. HUSTED. It is the value of the property as it stands at the present time. I think it includes the land and the building.

Mr. STAFFORD. Will the gentleman yield?

Mr. HUSTED. I will.

Mr. STAFFORD. From what fund of the diplomatic and consular appropriation does the State Department obtain money to purchase furnishings and furniture for various embassy buildings?

Mr. HUSTED. From the fund for contingent expenses.

Mr. STAFFORD. I notice that $65,000 is provided for furnishing the American Embassy at London; has the gentleman any information as to how much it is costing in any other Government embassy building?

Mr. HUSTED. We have not any other large and important buildings, except that we have made some recent purchases in South America. I do not think any expenditure has been made on that account as yet.

Mr. STAFFORD. When the consideration of this item is concluded, I would like to inquire about some others.

Mr. HUSTED. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman has used 30 minutes.

Mr. HUSTED. I yield five minutes to the gentleman from Maryland [Mr. LINTHICUM].

Mr. LINTHICUM. Mr. Speaker, I would like to say for the benefit of the committee that this matter was taken up by the committee which was created by Congress some two years ago, consisting of the chairman of the Committee on Foreign Relations of the Senate and the ranking minority member, the chairman of the Foreign Affairs Committee in the House, and the ranking minority member, the Secretary of the Treasury, and the Secretary of State. That committee met recently in Senator LODGE'S office and made certain approval of embassy and consular buildings for which Congress had appropriated the money. This London embassy matter was taken up. The property is very valuable, and will make a most desirable embassy when repaired, reconstructed, and furnished, but it was entirely for residential purposes and not for an embassy. It is really two buildings, both entirely devoid of all furniture which is absolutely necessary for an embassy. It was estimated by the Department of State that it would require somewhere in the neighborhood of $150,000 for repair, reconstruction, and furnishing—about $80,000 for repairs and reconstruction and $70,000 for furnishing. This will make a most acceptable embassy, well located, and at a total cost to us of $150,000. Another property so furnished and equipped could not be had for less than $500,000. The property is entirely vacant at the present time. We authorized the President to accept it a year or two ago, and it was accepted, but we were unable to obtain title. Strange as it may seem, the United States can not own any property in England. It is necessary, therefore, to take title in the name of the American ambassador and consul general and to carry it

in that manner. That has only been recently accomplished. In addition a bond in perpetuity has been procured, protecting both the United States and Mr. Morgan. Therefore, it was unnecessary to obtain funds for furnishing it and for remodeling until now that the title has been secured.

It is a very valuable property, and I do not believe from what we could learn that it would be possible for us to obtain in the city of London in such locality as we desire a property for less than half a million dollars.

Mr. STEVENSON. Mr. Speaker, will the gentleman yield?

Mr. LINTHICUM. In just a moment. We tried for many years to get an embassy in London and it was impossible, because, under the Lowden Act, we never had sufficient money with which to get it, and we were devoid of authority to appropriate sufficient money for that purpose. For the same reason we have been unable to obtain an embassy in Paris, because of the cost. This was the one great opportunity for the United States to obtain an embassy in a good location and at a very moderate cost, after considering the furnishings and the equipment, and its absolute completion ready for occupancy. I yield to the gentleman.

Mr. STEVENSON. Is it expected to carry this indefinitely in the name of the ambassador and consul general?

Mr. LINTHICUM. We must carry it indefinitely in that manner unless England changes her laws, because the United States can not own property in England, according to what was said by a representative of the State Department.

I think it is a very good investment, and I am very much in favor of obtaining embassies suitable for the United States Government abroad. This is a great opportunity, and the only opportunity we have ever had to acquire an embassy in the city of London. We must provide embassies if we wish men of moderate means to fill these exalted places abroad. At this time only the rich can afford such offices. I want it possible for men of brains to fill these places, whether poor or rich. [Applause.]

Mr. JONES of Texas. Mr. Speaker, will the gentleman from New York yield me five minutes?

Mr. HUSTED. I yield five minutes to the gentleman from Texas.

Mr. JONES of Texas. Mr. Speaker, in connection with this item about the embassy in London, about one year ago the gentleman from Massachusetts [Mr. ROGERS] was in charge of the bill which authorized the acceptance of the gift of this property from J. P. Morgan. With a flourish the House was assured that this property was suitable for embassy purposes and that it would be suitable as such a residence for years. Ambassador Davis said it was suitable, as did others. Now we are called upon to appropriate $150,000 to put this property in shape. Is it necessary to spend that amount to fix up a building for Mr. Harvey which had been pronounced suitable by others? If it would take that much to put it in shape, why were we not told so a year ago?

I quote from the speech of the gentleman from Massachusetts [Mr. ROGERS] in the House on January 27, 1921:

> There is one matter in connection with this subject which requires special treatment. On May 24, 1919, Mr. J. P. Morgan offered as an unconditional gift to the American Government his residence in London, a freehold. The house faces Hyde Park and is within a few hundred yards of the present embassy offices of the United States. It is described by Ambassador Davis and others as entirely suitable for an embassy. On April 17, 1920, Mr. Morgan wrote a further letter to the Secretary of State asking for an answer to his offer at the earliest convenient moment. On December 31 last he advised the State Department that it would be necessary for him to know by March 4 next whether his offer is accepted or declined, and that he shall feel compelled to withdraw the offer on the latter date if we do not previously accept it.
>
> Acting Secretary Davis, in transmitting Mr. Morgan's latest letter, suggested the great advantage which would accrue to the United States from owning its own embassy building in London. Mr. Davis states that the house is well located and will afford a very satisfactory residence for the American ambassador for many years, and expresses the earnest hope that Congress may be disposed to accept Mr. Morgan's generous gift of this suitable residence for its representative in London.
>
> Manifestly congressional action is a prerequisite to acceptance of the gift. Less than six weeks remain before the offer will be withdrawn. To my mind it would be exceedingly shortsighted for the Congress to allow this opportunity to lapse.
>
> The only objection which can be advanced to the acceptance of such a gift arises from the possible feeling that the United States should not accept gifts from private individuals.

Mr. Harvey has already been enough of a liability to this Government without this additional expenditure of $150,000 to tone up the place where he is to live. If we fix him up a residence like that he will probably make another speech, and surely after reading the ones he has made no one wants him to make another.

Mr. NEWTON of Minnesota. Does the gentleman take exception to the recommendation of the then Acting Secretary of State and the then ambassador, two very distinguished gentlemen, both of whom are members of the gentleman's party?

Mr. JONES of Texas. Of course, I do not object to that statement, but I have objection to the statements made here to-day, that it was known at the time and understood that it would take a lot of money to put this property into condition for use as an embassy. It was represented to the House by men who had the bill in charge that it was entirely suitable for an embassy at that time, and yet to-day they come along asking for an appropriation of $150,000, saying that much is necessary in order to put it in condition for use.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. JONES of Texas. Yes.

Mr. WALSH. If I recall correctly, it was upon my motion that the diplomatic appropriation bill was amended to carry this item, accepting this for the Government and the Nation, and the information that I had at the time, relying on a communication of the then ambassador, was that the building was then suitable for an embassy, and that such alterations and changes as would be required would not be of very great expense.

Mr. JONES of Texas. It was understood, I think, by everybody in that way. Mr. ROGERS at that time made the further statement that the only objection which could be advanced to the acceptance of such a gift arose from the possible feeling that the United States should not accept gifts from private individuals. Everything said by the gentleman who had the bill in charge tended to convey the information that the property was well located and was entirely suitable for an embassy. If that is true, it seems to me the wildest sort of extravagance in these days of efforts on the part of the American people to secure economy in Government to make an appropriation of $150,000 to put this place into condition for suitable use for the present occupant. It was stated at the time that it was in suitable condition for embassy purposes. Surely Mr. Harvey does not require a building of superior luxuriance.

Mr. ROACH. Mr. Speaker, will the gentleman yield?

Mr. JONES of Texas. Yes.

Mr. ROACH. I am inclined to believe that the gentleman overemphasizes the amount of money being expended to put the property into shape.

Mr. JONES of Texas. I am just taking the statement in the bill.

Mr. ROACH. As I understood the estimate read by the gentleman from New York a moment ago, perhaps half or more of this appropriation is to go into furnishings and fittings to put it into condition to be occupied, that perhaps less than half of the appropriation will actually be used in improving the property itself.

Mr. JONES of Texas. Well, he says a large part of the appropriation, according to the gentleman's statement, is to be used for improvement of the house; and if not, surely they do not need $150,000 for furniture in addition to any that may now be owned by the embassy. I once saw a motto which impressed me very much. It was as follows: "The most expensive things in the world are those that we get for nothing." I think probably that is true with reference to gifts made to the United States Government.

An old philosopher used the expression, "Beware of the Greeks bearing gifts." I do not suppose J. P. Morgan owns any of the property adjacent to the property covered by this gift. I assume that he was governed by the best of motives. But the fact remains that such a policy usually turns out to be an expensive one for the Government.

Mr. HUSTED. Mr. Speaker, I yield 10 minutes to the gentleman from Kentucky [Mr. JOHNSON].

Mr. JOHNSON of Kentucky. Mr. Speaker, as one of the conferees on the part of the House I declined to sign the conference report, for the reason that I could not see my way clear to vote for its adoption. There are many items in the bill which are so far from my approval that I felt compelled to decline to sign the report. For instance, when this bill came to the House it came without any provision whatever for relieving legitimate labor organizations and legitimate farmers' organizations from prosecution. However, the bill on the floor of the House was amended so as to take care of those two propositions. The amended House bill provided that no part of any money appropriated by the act should be used toward either of those purposes. The Senate put on an amendment which provided that no part of "this money" should be used for these prosecutions. The expression "this money" applies to one section only, whereas under the bill as it passed the House, as I have just stated, we provided that no money appropriated by "this act" should be so used. It would have been much better,

in my judgment, if the House language had been adhered to, providing that no money appropriated in any part of the act could be so used, instead of putting the limitation on only one section of the bill—the antitrust section. There are other items more numerous than I can mention in the time which I have at my disposal, and therefore I shall be compelled to let them go, but shall refer to one or two which, in my judgment, should never find their way to this body. They have provided in this bill for a number of "commissions" for which there is absolutely no sort of use. Out of respect to a distinguished American, David Lubin, a "farmers' commission" was provided for at Rome. In my judgment other people got some benefit out of Lubin, but we have received no benefit at all from them. In my judgment it ought to have gone out of the bill, and I should never vote for a bill, I think, that has that in it.

In addition to that I wish to invite particular attention to one of these "live-forever" commissions. In this bill an appropriation was made by the House of $30,000 for the continuation of the commission to survey the line between the United States and Canada. The Senate increased that amount to $54,000. The conferees have reduced that amount to $49,000. Of course, I approve their cutting down the amount, but I believe it has become an outrage to appropriate any amount whatever for this commission, in view of the fact that this commission has been at work 112 years. One hundred and twelve years ago a commission was authorized to survey the boundary line between the United States and Canada. To-day we are told that if we will appropriate $49,000 for it the work will be completed within three years, and we are told in addition to that that if we do not continue this large annual appropriation the Lord knows when it will ever be completed. Some 12 or 15 years ago the commission was stimulated upon the plea that it was going to become more active and was going to complete this work within a short time. But 12 or 15 years have passed, and yet we do not see the end of it. Just bear in mind, please, that this commission has been in existence for 112 years. It was authorized in 1810. There has been spent on this work more than $3,250,000, and yet the end is not in sight. For the surveying of it every mile has cost more than $800. Where can you find a body of surveyors who can not go into any field and survey a mile or any number of miles for less than $800 a mile?

Mr. STAFFORD. Will the gentleman yield?

Mr. JOHNSON of Kentucky. I will.

Mr. STAFFORD. Will the gentleman inform the committee if it is a resurvey they are now making of this boundary line that has been going on for 112 years——

Mr. JOHNSON of Kentucky. I do not think they are making what the gentleman calls a resurvey.

Mr. STAFFORD. They must be retracing their steps.

Mr. JOHNSON of Kentucky. I will say to the gentleman I do not think some of them have done more than draw salaries.

Mr. STAFFORD. They might be retracing their steps and going over it again——

Mr. JOHNSON of Kentucky. No. That would be too much like work.

Mr. WALSH. Are not they perambulating along the line to see if it is still there?

Mr. JOHNSON of Kentucky. I do not think they are even perambulating. That would require at least some effort.

Mr. KINCHELOE. Will the gentleman yield?

Mr. JOHNSON of Kentucky. I will.

Mr. KINCHELOE. Does the gentleman think this commission is also a good haven for "lame ducks"?

Mr. JOHNSON of Kentucky. I do not think this is the only pool that has been made for lame ducks. On most of these commissions the people's money is to be absolutely wasted, and I can not vote for it; and not being able to vote for it, of course, I could not sign the report.

Mr. STAFFORD. Will the gentleman from New York yield to one inquiry? I desire to ask the gentleman why the conferees have agreed to increase the appropriation for the emergency fund from $100,000 to $400,000, the Senate amendment?

Mr. HUSTED. It was done for this reason: The Secretary of State appeared before the Senate subcommittee, and he stated that he would not assume the responsibility of conducting the State Department unless that appropriation was made. That is in the printed hearings. The Secretary of State did not appear before the House subcommittee, but the Undersecretary of State did, and the Undersecretary of State said that only a very small portion of the appropriation was expended for purposes which could not be disclosed compatibly with the public interest, and for that reason we cut it down to $100,000. But the statement made by Mr. Hughes is apparently in direct contradiction to that. He says it is of the utmost importance to the interests of this country that the appropriation of the full amount should be made, and we did not feel that we should assume the responsibility of reducing the appropriation below the estimate.

Mr. STAFFORD. Is that the position the conferees took with reference to the increased appropriations of the Senate to which the conferees agreed?

Mr. HUSTED. No; that is the only one.

Mr. STAFFORD. The conferees have agreed mostly to the Senate increases.

Mr. HUSTED. No; the Senate recessions are actually greater than the House recessions. On the big items the Senate receded and we receded on a great many of the smaller items. I do not include items which went out on points of order in the House or items put in by the Senate for which the House did not have estimates.

The total amount of the real recessions by the House were $838,880 and by the Senate $937,430.

Mr. STAFFORD. Can the gentleman give us the additional amount to that appropriated by the House to which the conferees have agreed?

Mr. HUSTED. I have already given that.

Mr. STAFFORD. I beg the gentleman's pardon. I was not in the Chamber at the time.

Mr. WALSH. Will the gentleman yield?

Mr. HUSTED. I will yield to the gentleman from Massachusetts.

Mr. WALSH. Is it the intention of the gentleman to move to recede and concur in all the Senate amendments?

Mr. HUSTED. In all of the amendments that we brought back?

Mr. WALSH. Yes.

Mr. HUSTED. Well, with the exception of two amendments, in which cases we recede with amendments.

Mr. WALSH. I was wondering if we could not act upon them all en bloc.

Mr. HUSTED. Now, if there are no further questions, Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. GARNER. Mr. Speaker, I ask for a division.

The House divided; and there were—ayes 34, noes 8.

Mr. GARNER. Mr. Speaker, I make the point of no quorum.

The SPEAKER. The gentleman from Texas makes the point of no quorum. It is clear there is no quorum present. The Doorkeeper will close the doors; the Sergeant at Arms will bring in absent Members. As many as agree to the conference report will, as their names are called, answer "yea," and those opposed will answer "nay," and the Clerk will call the roll.

The question was taken; and there were—yeas 187, nays 60, not voting 183, as follows:

YEAS—187.

Anderson	Dale	Hickey	Michaelson
Andrew, Mass.	Dallinger	Hicks	Michener
Andrews, Nebr.	Dempsey	Hill	Miller
Anthony	Denison	Husted	Millspaugh
Arentz	Dowell	Hutchinson	Mondell
Bacharach	Drewry	James	Montague
Barbour	Dunbar	Johnson, Miss.	Moore, Ill.
Beedy	Dunn	Keller	Moore, Ohio
Begg	Dupré	Kendall	Moore, Va.
Benham	Dyer	Ketcham	Moores, Ind.
Bird	Echols	King	Mott
Blakeney	Elliott	Kinkaid	Mudd
Bland, Va.	Fairchild	Kissel	Murphy
Bond	Faust	Kleczka	Nelson, A. P.
Bowers	Fenn	Kline, N. Y.	Nelson, J. M.
Brennan	Fish	Kline, Pa.	Nelson, Me.
Brooks, Ill.	Fisher	Knutson	Newton, Minn.
Browne, Wis.	Fitzgerald	Kopp	Norton
Burdick	Fordney	Kraus	Ogden
Burroughs	Foster	Lampert	Olpp
Burtness	Frear	Larson, Minn.	Osborne
Burton	Freeman	Lawrence	Padgett
Cable	French	Layton	Parker, N. Y.
Campbell, Kans.	Frothingham	Lea, Calif.	Patterson, N. J.
Cannon	Fuller	Lehlbach	Perkins
Chalmers	Gahn	Lineberger	Perlman
Chindblom	Gensman	Linthicum	Purnell
Christopherson	Gernerd	Little	Radcliffe
Clague	Glynn	Longworth	Raker
Clouse	Goodykoontz	Luce	Ramseyer
Clarke, N. Y.	Greene, Vt.	Lubring	Reece
Cole, Iowa	Hadley	McFadden	Reed, N. Y.
Cole, Ohio	Haugen	McLaughlin, Mich.	Reed, W. Va.
Colton	Hawes	McLaughlin, Nebr.	Rhodes
Cooper, Ohio	Hawley	McLaughlin, Pa.	Ricketts
Cooper, Wis.	Hays	Magee	Riddick
Cramton	Henry	Mapes	Roach
Curry	Herrick	Merritt	Robertson

Robsion	Sinclair	Strong, Kans.	White, Kans.
Rogers	Sinnott	Swing	Williams
Sanders, N. Y.	Smith, Idaho	Taylor, N. J.	Williamson
Schall	Smith, Mich.	Thompson	Wood, Ind.
Scott, Mich.	Snell	Underhill	Woodruff
Scott, Tenn.	Speaks	Voigt	Woodyard
Shaw	Sproul	Walsh	Wurzbach
Shelton	Stafford	Wason	Young
Siegel	Stephens	Webster	

NAYS—60.

Almon	Garrett, Tex.	Lowrey	Sandlin
Aswell	Goldsborough	McDuffie	Sisson
Bell	Hammer	McSwain	Steagall
Black	Harrison	O'Brien	Stedman
Blanton	Hayden	O'Connor	Stevenson
Box	Huddleston	Oldfield	Sumners, Tex.
Briggs	Johnson, Ky.	Overstreet	Swank
Byrns, Tenn.	Jones, Tex.	Park, Ga.	Ten Eyck
Carew	Kincheloe	Parks, Ark.	Thomas
Carter	Lanham	Quin	Tillman
Collier	Lankford	Rainey, Ill.	Tucker
Connally, Tex.	Larsen, Ga.	Rankin	Vinson
Cullen	Lazaro	Rayburn	Weaver
Favrot	Lee, Ga.	Sabath	Wilson
Garner	London	Sanders, Tex.	Wise

NOT VOTING—183.

Ackerman	Ellis	Kitchin	Ryan
Ansorge	Evans	Knight	Sanders, Ind.
Appleby	Fairfield	Kreider	Sears
Atkeson	Fess	Kunz	Shreve
Bankhead	Fields	Langley	Slemp
Barkley	Focht	Leatherwood	Smithwick
Beck	Free	Lee, N. Y.	Snyder
Bixler	Fulmer	Logan	Steenerson
Bland, Ind.	Funk	Lyon	Stiness
Boies	Gallivan	McArthur	Stoll
Bowling	Garrett, Tenn.	McClintic	Strong, Pa.
Brand	Gilbert	McCormick	Sullivan
Britten	Gorman	McKenzie	Summers, Wash.
Brooks, Pa.	Gould	McPherson	Sweet
Brown, Tenn.	Graham, Ill.	MacGregor	Tague
Buchanan	Graham, Pa.	Madden	Taylor, Ark.
Bulwinkle	Green, Iowa	Maloney	Taylor, Colo.
Burke	Greene, Mass.	Mann	Taylor, Tenn.
Butler	Griest	Mansfield	Temple
Byrnes, S. C.	Griffin	Martin	Tilson
Campbell, Pa.	Hardy, Colo.	Mead	Timberlake
Cantrill	Hardy, Tex.	Mills	Tincher
Chandler, N. Y.	Hersey	Montoya	Tinkham
Chandler, Okla.	Himes	Morgan	Towner
Clark, Fla.	Hoch	Morin	Treadway
Classon	Hogan	Newton, Mo.	Tyson
Cockran	Hooker	Nolan	Upshaw
Codd	Hudspeth	Oliver	Vaile
Collins	Hukriede	Paige	Vare
Connell	Hull	Parker, N. J.	Vestal
Connolly, Pa.	Humphreys	Patterson, Mo.	Volk
Copley	Ireland	Petersen	Volstead
Coughlin	Jacoway	Porter	Walters
Crago	Jefferis, Nebr.	Pou	Ward, N. Y.
Crisp	Jeffers, Ala.	Pringey	Ward, N. C.
Crowther	Johnson, S. Dak.	Rainey, Ala.	Watson
Darrow	Johnson, Wash.	Ransley	Wheeler
Davis, Minn.	Jones, Pa.	Reavis	White, Me.
Davis, Tenn.	Kahn	Reber	Wingo
Deal	Kearns	Riordan	Winslow
Dickinson	Kelley, Mich.	Rodenberg	Woods, Va.
Dominick	Kelly, Pa.	Rose	Wright
Doughton	Kennedy	Rosenbloom	Wyant
Drane	Kiess	Rossdale	Yates
Driver	Kindred	Rouse	Zihlman
Edmonds	Kirkpatrick	Rucker	

So the conference report was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Treadway with Mr. Cockran.
Mr. Paige with Mr. Sullivan.
Mr. Langley with Mr. Clark of Florida.
Mr. Ansorge with Mr. Byrnes of South Carolina.
Mr. Steenerson with Mr. Woods of Virginia.
Mr. Rossdale with Mr. Buchanan.
Mr. Connell with Mr. Kindred.
Mr. Appleby with Mr. Jacoway.
Mr. Davis of Minnesota with Mr. Driver.
Mr. McArthur with Mr. Gallivan.
Mr. Rodenberg with Mr. Upshaw.
Mr. Petersen with Mr. Jeffers of Alabama.
Mr. Patterson of Missouri with Mr. McClintic.
Mr. Kearns with Mr. Crisp.
Mr. Bixler with Mr. Oliver.
Mr. Chandler of Oklahoma with Mr. Riordan.
Mr. Atkeson with Mr. Stoll.
Mr. Gorman with Mr. Fields.
Mr. Evans with Mr. Wright.
Mr. Kiess with Mr. Logan.
Mr. Kahn with Mr. Humphreys.
Mr. Griest with Mr. Martin.
Mr. Volk with Mr. Pou.
Mr. Knutson with Mr. Deal.
Mr. McPherson with Mr. Cantrill.
Mr. Wyant with Mr. Tague.
Mr. Morin with Mr. Brand.
Mr. Kennedy with Mr. Kitchin.
Mr. Butler with Mr. Kunz.
Mr. Stiness with Mr. Bowling.
Mr. Coughlin with Mr. Wingo.
Mr. Rose with Mr. Campbell of Pennsylvania.
Mr. Graham of Pennsylvania with Mr. Davis of Tennessee.
Mr. Dickinson with Mr. Lyon.
Mr. Darrow with Mr. Mead.
Mr Newton of Missouri with Mr Bulwinkle.
Mr. Strong of Pennsylvania with Mr. Ward of North Carolina.
Mr. Hukriede with Mr. Bankhead.
Mr. Watson with Mr. Dominick.
Mr. Winslow with Mr. Garrett of Tennessee.
Mr. Knight with Mr. Hudspeth.
Mr. Maloney with Mr. Taylor of Colorado.
Mr. Shreve with Mr. Sears.
Mr. Kreider with Mr. Drane.
Mr. Pringey with Mr. Gilbert.
Mr. Volstead with Mr. Hooker.
Mr. Vare with Mr. Collins.
Mr. Johnson of Washington with Mr. Barkley.
Mr. Reber with Mr. Tyson.
Mr. Fess with Mr. Fulmer.
Mr. Snyder with Mr. Griffin.
Mr. Greene of Massachusetts with Mr. Hardy of Texas.
Mr. Ackerman with Mr. Doughton.
Mr. Bland of Indiana with Mr. Rucker.
Mr. McKenzie with Mr. Taylor of Arkansas.
Mr. Madden with Mr. Smithwick.
Mr. Walters with Mr. Rainey of Alabama.
Mr. Zihlman with Mr. Mansfield.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The Doorkeeper will open the doors.

The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5, page 5, line 1: After the word "Ecuador" insert the word "Egypt."

Mr. HUSTED. Mr. Speaker, the motion will be to recede and concur upon all the amendments in disagreement except two, and on those two amendments the motion will be to recede and concur with an amendment. The amendments upon which the motion will be to recede and concur with an amendment are amendments numbered 47 and 61. If there is not any objection, and in order to save time, I would ask unanimous consent that all of the amendments except amendment numbered 47 and amendment numbered 61 be considered as one amendment and acted upon as such.

The SPEAKER. The gentleman from New York asks unanimous consent that all amendments except Nos. 47 and 61 be considered together by one vote. Is there objection?

Mr. HUSTED. There is a third amendment, Mr. Speaker. I was in error. No. 44 will also have to be considered separately.

The SPEAKER. And the gentleman asks that amendment No. 44 also be considered separately.

Mr. STAFFORD. Mr. Speaker, I think there are other amendments that should be considered separately, particularly amendment numbered 40 and amendment numbered 45. I think the amendments should be taken up and considered piecemeal. I object to the gentleman's request.

The SPEAKER. Objection is heard.

Mr. HUSTED. Mr. Speaker, I move that the House recede and concur in amendment No. 5.

The SPEAKER. The question is on the motion of the gentleman from New York [Mr. HUSTED] to recede and concur in Senate amendment No. 5.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Senate amendment No. 6: On page 5, line 6, strike out "$300,000" and insert "$310,000."

The SPEAKER. Without objection, the amendment will be agreed to.

There was no objection.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Senate amendment No. 7: Page 5, strike out line 10, which reads as follows: "Agent and consul general at Cairo, $7,500," and insert in lieu thereof the following:

"The President is hereby authorized to appoint as the representative of the United States an envoy extraordinary and minister plenipotentiary to Egypt, who shall receive as compensation the sum of $10,000 per annum, and there is hereby appropriated for the fiscal year 1922 for said salary the sum of $600 in addition to the unexpended balance of

the amount already appropriated for salary of an agent and consul general, which amount is also made available for the salary of a minister when appointed."

Mr. HUSTED. Mr. Speaker, I move to recede and concur in the Senate amendment.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. HUSTED. Yes.

Mr. STAFFORD. Do I understand that it is the diplomatic policy of our Government to recognize the new condition in Egypt and have an envoy extraordinary sent to that country?

Mr. HUSTED. Egypt has been recognized by our Government, and this provides for the appointment of a minister to Egypt.

Mr. LITTLE. Mr. Speaker, will the gentleman yield?

Mr. HUSTED. Yes.

Mr. LITTLE. Is it minister extraordinary?

Mr. HUSTED. It is envoy extraordinary and minister plenipotentiary, at $10,000.

The SPEAKER. The question is on agreeing to the motion of the gentleman from New York.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Senate amendment No. 8: Page 5, line 23, strike out the figures "$583,500" and insert in lieu thereof "$586,600."

Mr. HUSTED. Mr. Speaker, I move to recede and concur.

Mr. GARNER. Mr. Speaker, I think the RECORD, instead of showing that "Without objection the motion was agreed to," should show that there is a vote.

The SPEAKER. That was the correction of a total. The Chair thought there would be no objection to it.

Mr. HUSTED. Mr. Speaker, I move that the House recede and concur.

The motion was agreed to.

Mr. WALSH. Mr. Speaker, also for the purpose of the RECORD, it should show that the House receded and that the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Senate amendment No. 13: Page 8, line 15, after the word "interpreters," insert the word "translators."

Mr. HUSTED. Mr. Speaker, I move to recede and concur in the Senate amendment.

The SPEAKER. The gentleman from New York moves to recede and concur in the Senate amendment. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Senate amendment No. 24: Page 13, after line 10, insert:

"PAYMENT TO DAISY CRAWFORD CARROLL.

"To Daisy Crawford Carroll, widow of B. Harvey Carroll, late counsel to Cadiz, Spain, $3,500, one year's salary of her deceased husband, who died while at his post of duty from illness incurred in the Consular Service."

Mr. HUSTED. Mr. Speaker, I move to recede and concur.

The SPEAKER. The gentleman from New York moves to recede and concur.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. HUSTED. Certainly.

Mr. STAFFORD. Will the gentleman inform the House what is the established policy of the State Department in paying a year's salary to the widows of consular officers who happen to die in the service?

Mr. HUSTED. I am informed that it has been uniformly done for many years.

Mr. STAFFORD. I question whether it has been uniformly done for several years. I think four years ago was the first instance for many years past where the Government ever paid a year's salary to the widow of a consular officer. There were some distressing circumstances connected with that case. The consular representative of our Government at Moscow in the revolutionary period died while in the service. It was contested even in that case whether we should grant a year's salary.

One reason why I objected to having all these amendments voted on en bloc was to bring before the House the question of whether or not it was going to be the policy of Congress, whenever a consular officer happened to die in the service, to award a year's salary to his widow. That has not been the established policy of the Government unless it was established during the two years that I was out of Congress.

Mr. HUSTED. I have been informed that it is the established policy of the Government, and I know that in the current law similar provision was made for two widows of consular officers. One was paid $4,500, the amount of a year's salary, and the other widow, Mary A. Higgins, was paid $4,000, which was also the amount of a year's salary.

Mr. STAFFORD. If it is going to be the established policy, whenever a consular officer dies in the service, that we are to vote a year's salary to his widow, we will next be confronted with the voting of a year's salary to the widows of other officers. I question very much whether it is the established policy of the Government. There may be such a provision in the current law, but I venture to say that it was put in in the other body and agreed to without special mention of it in the House. I do not recall that the question has ever been tested in the House.

Mr. CAMPBELL of Kansas. Mr. Speaker, may I ask whether or not any provision is made, out of the funds under the control of the State Department, for bringing home either the body or the relatives of a deceased consular agent of the Government without special action of Congress?

Mr. HUSTED. Provision is made for bringing home the body of a deceased consular officer, transporting the remains to this country.

Mr. STAFFORD. And I believe the law is broad enough also to provide for the transportation of the members of the family. It is certainly broad enough to provide for the transportation of families going to the post abroad, and for their return while the consul is in the service.

Mr. CAMPBELL of Kansas. That is true before the death of the consular agent, but how is it after his death?

Mr. HUSTED. I think no provision is made for bringing back to the United States the family of a deceased consular officer.

Mr. STAFFORD. Can the gentleman state positively that the department has not uniformly provided transportation for the widow of a deceased representative of the Government?

Mr. HUSTED. They certainly can not do it if they have no fund out of which they can legally pay it. I do not believe they have been doing it in violation of the law.

Mr. STAFFORD. I call the attention of the gentleman who has charge of the bill to the prior provision, which I think provides for that payment:

ALLOWANCE TO WIDOWS OR HEIRS OF DIPLOMATIC OR CONSULAR OFFICERS WHO DIE ABROAD.

For payment under the provisions of section 1749 of the Revised Statutes of the United States to the widows or heirs at law of diplomatic or consular officers of the United States dying in foreign countries in the discharge of their duties, $2,500.

That has been carried for years back, and I assume that it answers the question of the gentleman from Kansas. Now, will the gentleman from New York yield to me two minutes?

Mr. HUSTED. I yield two minutes to the gentleman.

Mr. STAFFORD. I wish to direct attention to the policy, which has not been heretofore the established policy of Congress. Certainly it was not the established policy of Congress until perhaps last year, and I question whether it has ever been tested by a vote of the House. It was tested some years ago in connection with the payment to the widow of a consular officer dying in Moscow under distressing circumstances, and in that case we yielded to the demands of the other body; but this House has never set itself on record by voting a year's salary to the widow of a consular officer or member of the Diplomatic Corps.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. STAFFORD. I yield to the gentleman from Alabama.

Mr. HUDDLESTON. The appropriation not being authorized by statute, is not the item subject to a point of order?

Mr. STAFFORD. Oh, no. The Senate can put anything on an appropriation bill. The conferees have not authority to agree to it in conference, but they have full authority to move concurrence in the House.

I think, Mr. Speaker, we should not now adopt the policy of granting to every widow of a consular officer an amount equal to a year's salary. We pay them good wages. We have increased their wages twofold within the last 10 years. These are not eleemosynary positions. I think we should not adopt the policy of saying that whenever a consular officer happens to die in the service we will grant his widow a year's salary. Suppose the consular officer died a few days after the expiration of his term. His widow would not receive any honorarium from the Government, and why should we now grant this year's salary? I am opposed to concurring in the amendment.

Mr. HUSTED. I ask for a vote, Mr. Speaker.

The SPEAKER. The question is on the motion of the gentleman from New York [Mr. HUSTED] that the House recede from its disagreement and concur in the Senate amendment.

The question being taken, on a division (demanded by Mr. STAFFORD) there were—ayes 57, noes 17.

Mr. STAFFORD. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Wisconsin makes the point of order that there is no quorum present. It appears that there is no quorum present. The Doorkeeper will close the doors. The Sergeant at Arms will bring in absent Members. As many as are in favor of receding and concurring in the Senate amendment will, as their names are called, vote yea; those opposed, nay; and the Clerk will call the roll.

The question was taken; and there were—yeas 207, nays 36, answered "present" 2, not voting 185, as follows:

YEAS—207.

Ackerman	Dupré	Lee, Ga.	Reece
Anderson	Echols	Lehlbach	Reed, N. Y.
Andrew, Mass.	Elliott	Lineberger	Reed, W. Va.
Andrews, Nebr.	Fairchild	Linthicum	Ricketts
Anthony	Faust	Little	Riddick
Arentz	Favrot	London	Roach
Aswell	Fenn	Longworth	Robertson
Bacharach	Fish	Luce	Robsion
Bankhead	Fisher	Luhring	Rogers
Barbour	Fordney	McDuffie	Sabath
Beedy	Foster	McLaughlin, Mich.	Sanders, N. Y.
Begg	Frear	McLaughlin, Nebr.	Sanders, Tex.
Benham	Free	McLaughlin, Pa.	Schall
Bird	Freeman	Magee	Scott, Mich.
Black	French	Mapes	Scott, Tenn.
Bond	Frothingham	Merritt	Shaw
Bowers	Fuller	Michener	Shelton
Box	Funk	Miller	Siegel
Brennan	Gahn	Millspaugh	Sinclair
Briggs	Gernerd	Mondell	Sinnott
Brooks, Ill.	Glynn	Moore, Ill.	Smith, Idaho
Browne, Wis.	Goldsborough	Moore, Ohio	Smith, Mich.
Buchanan	Goodykoontz	Moore, Va.	Snell
Burdick	Gorman	Moores, Ind.	Speaks
Burroughs	Greene, Vt.	Mott	Sproul
Burtness	Hadley	Mudd	Stedman
Burton	Haugen	Murphy	Steenerson
Byrns, Tenn.	Hawes	Nelson, Me.	Stephens
Cable	Hawley	Nelson, A. P.	Strong, Kans.
Campbell, Kans.	Hays	Newton, Minn.	Swank
Carew	Henry	Newton, Mo.	Swing
Carter	Herrick	Norton	Taylor, N. J.
Chalmers	Hickey	O'Brien	Ten Eyck
Chindblom	Hicks	O'Connor	Thompson
Christopherson	Husted	Ogden	Vestal
Clague	Hutchinson	Oldfield	Vinson
Clarke, N. Y.	Johnson, Ky.	Olpp	Voigt
Cole, Iowa	Johnson, Miss.	Osborne	Volstead
Cole, Ohio	Keller	Overstreet	Walsh
Collier	Kendall	Padgett	Wason
Colton	Ketcham	Park, Ga.	Weaver
Connally, Tex.	King	Parker, N. Y.	Webster
Cooper, Ohio	Kissel	Parks, Ark.	White, Kans.
Cooper, Wis.	Kleczka	Patterson, N. J.	White, Me.
Cullen	Kline, N. Y.	Perkins	Williams
Curry	Kline, Pa.	Perlman	Wilson
Dale	Knutson	Pringey	Woodruff
Dallenger	Kopp	Purnell	Woodyard
Dempsey	Lampert	Radcliffe	Wurzbach
Dowell	Lawrence	Rainey, Ill.	Yates
Dunbar	Lazaro	Raker	Young
Dunn	Lea, Calif.	Ramseyer	

NAYS—36.

Almon	Hammer	Lowrey	Stevenson
Bell	Hayden	McSwain	Sumners, Tex.
Bland, Va.	Huddleston	MacGregor	Thomas
Blanton	Jones, Tex.	Nelson, J. M.	Tillman
Bowling	Kincheloe	Quin	Tucker
Denison	Kraus	Rankin	Underhill
Drewry	Lankford	Sisson	Williamson
Gensman	Larsen, Ga.	Stafford	Wise
Graham, Ill.	Layton	Steagall	Zihlman

ANSWERED "PRESENT"—2.

Cannon	Parker, N. J.

NOT VOTING—185.

Ansorge	Coughlin	Graham, Pa.	Kennedy
Appleby	Crago	Green, Iowa	Kiess
Atkeson	Cramton	Greene, Mass.	Kindred
Barkley	Crisp	Griest	Kinkaid
Beck	Crowther	Griffin	Kirkpatrick
Bixler	Darrow	Hardy, Colo.	Kitchin
Blakeney	Davis, Minn.	Hardy, Tex.	Knight
Bland, Ind.	Davis, Tenn.	Harrison	Kreider
Boies	Deal	Hersey	Kunz
Brand	Dickinson	Hill	Langley
Britten	Dominick	Himes	Lanham
Brooks, Pa.	Doughton	Hoch	Larson, Minn.
Brown, Tenn.	Drane	Hogan	Leatherwood
Bulwinkle	Driver	Hooker	Lee, N. Y.
Burke	Dyer	Hudspeth	Logan
Butler	Edmonds	Hukriede	Lyon
Byrnes, S. C.	Ellis	Hull	McArthur
Campbell, Pa.	Evans	Humphreys	McClintic
Cantrill	Fairfield	Ireland	McCormick
Chandler, N. Y.	Fess	Jacoway	McFadden
Chandler, Okla.	Fields	James	McKenzie
Clark, Fla.	Fitzgerald	Jefferis, Nebr.	McPherson
Classon	Focht	Jeffers, Ala.	Madden
Clouse	Fulmer	Johnson, S. Dak.	Maloney
Cockran	Gallivan	Johnson, Wash.	Mann
Codd	Garner	Jones, Pa.	Mansfield
Collins	Garrett, Tenn.	Kahn	Martin
Connell	Garrett, Tex.	Kearns	Mead
Connolly, Pa.	Gilbert	Kelley, Mich.	Michaelson
Copley	Gould	Kelly, Pa.	Mills
Montague	Riordan	Strong, Pa.	Valle
Montoya	Rodenberg	Sullivan	Vare
Morgan	Rose	Summers, Wash.	Volk
Morin	Rosenbloom	Sweet	Walters
Nolan	Rossdale	Tague	Ward, N. Y.
Oliver	Rouse	Taylor, Ark.	Ward, N. C.
Paige	Rucker	Taylor, Colo.	Watson
Patterson, Mo.	Ryan	Taylor, Tenn.	Wheeler
Petersen	Sanders, Ind.	Temple	Wingo
Porter	Sandlin	Tilson	Winslow
Pou	Sears	Timberlake	Wood, Ind.
Rainey, Ala.	Shreve	Tincher	Woods, Va.
Ransley	Slemp	Tinkham	Wright
Rayburn	Smithwick	Towner	Wyant
Reavis	Snyder	Treadway	
Reber	Stiness	Tyson	
Rhodes	Stoll	Upshaw	

So the motion to recede and concur was agreed to.

The following additional pairs were announced:

Mr. Cramton with Mr. Garner.

Mr. Sanders of Indiana with Mr. Bulwinkle.

Mr. Rhodes with Mr. Harrison.

Mr. Larson of Minnesota with Mr. Montague.

Mr. Hukriede with Mr. Sandlin.

Mr. Michaelson with Mr. Woods of Virginia.

Mr. Tilson with Mr. Larsen of Georgia.

Mr. Wheeler with Mr. Hooker.

Mr. Blakeney with Mr. Fields.

Mr. Crowther with Mr. Doughton.

Mr. Wood of Indiana with Mr. Rayburn.

Mr. Focht with Mr. Lanham.

Mr. Johnson of South Dakota with Mr. Gilbert.

Mr. Burke with Mr. Deal.

Mr. Crago with Mr. Garrett of Texas.

The result of the vote was announced as above recorded.

A quorum being present, the doors were opened.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Senate amendment 25: Page 13, after line 15, insert the following: "To Alice Potter, widow of Julian Potter, late consul to Rouen, France, $3,000, one year's salary of her deceased husband, who died as a result of illness incurred in the Consular Service.

Mr. HUSTED. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Senate amendment 28, page 15, after line 4, insert:

"POST ALLOWANCES TO DIPLOMATIC AND CONSULAR OFFICERS.

"To enable the President, in his discretion, and in accordance with such regulations as he may prescribe, to make special allowances by way of additional compensation to diplomatic and consular officers and consular assistants and officers of the United States Court for China in order to adjust their official income to the ascertained cost of living at the posts to which they may be assigned, $200,000."

Mr. HUSTED. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment 40: Page 25, after line 22, insert the following:

INTERNATIONAL HYDROGRAPHIC BUREAU.

For the second annual contribution of the United States toward the maintenance of the International Hydrographic Bureau, $3,860.

Mr. HUSTED. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment 43: At top of page 27 insert the following:

INTERNATIONAL CONFERENCE ON MARITIME LAW.

For expenses necessary for the representation of the United States at the International Conference on Maritime Law to be held at Brussels, Belgium, for the purpose of considering draft conventions relating to collisions, salvage, the liability of shipowners, and cognate subjects, $5,000, or so much thereof as may be necessary, to be made immediately available.

Mr. HUSTED. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment 44: Page 27, after line 8, insert:

COMMISSION OF JURISTS TO CONSIDER AMENDMENT OF LAWS OF WAR.

For one-half year's salary for a representative of the United States on the commission of jurists to consider the amendment of laws of war in accordance with the resolution adopted by the Conference on the Limitation of Armament on February 4, 1922, $3,750, to be immediately available.

Mr. HUSTED. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. HUSTED moves that the House recede, and concur with an amendment as follows: In lieu of the matter inserted by the Senate insert the following: "Commission of jurists to consider amendment of the laws of war: To enable the United States Government to carry out its obligations arising under the resolution adopted by the Conference for the Limitation of Armament February 24, 1922, for appointment of jurists to consider an amendment of the laws of war, $3,750, to be immediately available."

The SPEAKER. The question is on agreeing to the motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment 45: Page 27, after line 15, insert:

FIFTH INTERNATIONAL CONFERENCE OF AMERICAN STATES, SANTIAGO, CHILE.

For the expenses of the United States in participating in the Fifth International Conference of American States to be held at the city of Santiago, Chile, in 1923, including the compensation of employees, travel and subsistence (notwithstanding the provisions of any other act), and such miscellaneous and other expenses the President shall deem proper, $75,000.

Mr. HUSTED. Mr. Speaker, I move that the House recede from its disagreement and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment 47: Page 28, after line 18, insert:

REVISION OF CHINESE CUSTOMS TARIFF.

To enable the United States Government to carry out its obligations arising under the treaty relating to the Chinese customs tariff signed February 6, 1922, $47,750, to be immediately available.

Mr. HUSTED. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. HUSTED moves that the House recede from its disagreement to the Senate amendment and concur with an amendment as follows: In lieu of the matter inserted by the Senate insert the following:

"Revision of Chinese customs tariff: To enable the United States Government to carry out its obligations arising under the treaty relating to Chinese customs tariff, signed February 6, 1922, including compensation of delegates or other representatives, clerks, and employees, rent of offices, expenses of transportation, subsistence (notwithstanding the provisions of any other act), stationery and supplies, telegraph, and such other objects as the President may deem necessary, to be disbursed under the direction of the Secretary of State, $47,750, to be immediately available."

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 48: Page 28, after line 23, insert:

"INQUIRY INTO EXTRATERRITORIALITY IN CHINA.

"To enable the United States Government to carry out its obligations arising under Resolution No. 4, adopted by the Conference on the Limitation of Armament at the fourth plenary session, December 10, 1921, regarding extraterritoriality in China, including the compensation of delegates or other representatives, clerks, and employees, rent of offices, expenses of transportation and subsistence (notwithstanding the provisions of any other act), stationery and supplies, telegraph, and such other objects as the President may deem necessary, to be disbursed under the direction of the Secretary of State, $21,000, to be immediately available."

Mr. HUSTED. Mr. Speaker, I move to recede and concur in Senate amendment No. 48.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. HUSTED. Yes.

Mr. WALSH. Just what authority is to be drawn from a resolution adopted by the Conference on the Limitation of Armament as the basis for an appropriation by Congress unless the resolution is included in some treaty which the Government has entered into? The conference passed a lot of resolutions, a great many of which were not later put into the treaty. Is such a resolution authority for Congress to legislate?

Mr. HUSTED. Under the resolution in question our Government committed itself to the prosecution of this investigation.

Mr. WALSH. It may have committed itself by resolution, but has it been incorporated in a treaty?

Mr. HUSTED. I do not contend that there is legal authority for an appropriation, and that is the very reason why the conferees brought this amendment back. If it had not been for that it would have been in the conference report.

Mr. WALSH. That is a very good reason for bringing it back, but I would like to know the reason to recede and concur.

Mr. HUSTED. Because our Government is obligated to do this because of our special interest in China and because the conferees personally thought that our Government should participate in this.

Mr. WALSH. It is rather a sweeping provision. By implication, if not by its plain meaning and intent, it repeals the provisions of any other law relating to compensation of clerks, employees, rents of offices, and transportation and subsistence, and permits these people who are going over there to inquire into the extraterritoriality in China to proceed with these expenditures without restriction. I suppose there is no way of curing this, but it would seem to me, if we are going to recede and concur, we ought to strike out the language contained within the parentheses, "notwithstanding the provisions of any other act."

Mr. HUSTED. If we strike that out, and extraterritoriality was abolished, the gentleman would have a lot of officers drawing salaries for which they were rendering absolutely no service whatever.

Mr. WALSH. Probably we will have a few that will get their pay under those conditions anyway.

Mr. HUSTED. I am sure the gentleman, who has established a great reputation for economy, does not want to continue men in the public pay drawing salaries who are rendering no service to the Government of the United States or to the Government of China or anyone else.

Mr. WALSH. I would like to establish that reputation further in this instance by having the gentleman lead off with a motion that the House insist upon its disagreement, rather than come in here and move that we concur, because I do not recognize that this conference has jurisdiction to pass a whole series of resolutions at its meeting here, not incorporate them within the provisions of any treaty, and then still have gentlemen come to Congress and say that these resolutions have a binding effect.

Mr. HUSTED. I can not please the gentleman in that regard, because it would not be in the interest of economy. It is in the interest of economy to abolish extraterritoriality in China at the earliest possible date, and to abolish this large number of officers which are now being maintained there at great expense to the Government of the United States.

Mr. LITTLE. Is that the court?

Mr. HUSTED. That includes the court and other officers.

Mr. WALSH. Does the gentleman think it is in the interest of economy to abolish the United States Court in China?

Mr. HUSTED. I think it is in the interest of economy to abolish it just as soon as it is safe to do so, because it is a burden upon the United States which the United States does not bear in any other Government.

Mr. WALSH. What would be the situation with the court abolished?

Mr. HUSTED. Of course I do not know what this commission will decide to do. I do not know that the time has yet come when it will be possible to abolish extraterritoriality in China, but it ought to be done just as soon as the circumstances and conditions are such as to warrant it.

Mr. WALSH. Was this matter presented to the subcommittee over which the gentleman from New York presides with such grace and ability?

Mr. HUSTED. It was not submitted to the subcommittee over which the gentleman happens to preside. I can not say that he does so with very much grace and dignity.

Mr. WALSH. I said that, and I believe it, and I think my colleagues will agree with me.

Mr. HUSTED. That is very kind of the gentleman.

Mr. WALSH. I am very much obliged to the gentleman for the information he has furnished with reference to the item, but I still submit that this matter might well be the subject of further inquiry on the part of the conferees.

Mr. HUSTED. This is one of the obligations of the Limitation of Armament Conference, and I think we should carry it out with the other obligations imposed upon us by that conference, which has done so much good, I think, and from the result of whose deliberations much greater good may be expected in the future. This is a desirable object, and the commission has been appointed to investigate into conditions and determine whether or not this can be done, and if they believe such time has arrived to make such recommendations as are necessary to bring that desirable result about. It is not a very large appropriation.

Mr. WALSH. Oh, no; but this is not going to be the only appropriation for this commission. I have no doubt that it is going to wander the length and the breadth and the depth of the Chinese wall, with all its branches. Are other nations represented on any commissions as the result of this Resolution No. 4?

Mr. HUSTED. I think that other nations are represented. I think all the other nations who were at the conference are represented.

Mr. WALSH. Why was it not incorporated in the treaty which was negotiated and submitted between these other nations, which also took into consideration the customs tariff? That was put into a treaty.

Mr. HUSTED. Well, I am rather of the opinion this is a matter very properly omitted from the treaty. I think it should have been carried out by resolution and not by treaty, because there is not anything definite or certain about it. It was not a matter ordinarily that would come within the scope of a definite treaty obligation.

Mr. WALSH. The gentleman states this extraterritoriality is to be abolished. The commission has authority to abolish it, and it seems to me it might as well have been included in the treaty.

Mr. HUSTED. When conditions in China warrant it, extraterritoriality will be abolished. I am inclined to think that conditions at present in China do not warrant immediate action; but I think this commission should carry on the work and we should provide for our share of the expenses. Mr. Speaker, I ask for a vote.

The SPEAKER. The question is on the motion of the gentleman from New York that the House recede and concur in the Senate amendment.

The question was taken, and the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 49: At the top of page 30 insert:

"CLAIMS OF GOVERNMENT OF NORWAY.

"To pay, out of humane consideration without reference to the question of liability therefor, to the Norwegian Government as full indemnity to Trygve Andersen, Sigurd Nilsen, and Arthur Rasmussel for hardships and expenses suffered by them as the result of their detention as witnesses to the damage caused the Norwegian vessel *Ingrid* by an explosion at Jersey City, February 1, 1911, $2,200.

Mr. HUSTED. Mr. Speaker, I move to recede and concur.

Mr. CHINDBLOM. Mr. Speaker, if the gentleman will yield, should not that last name, "Rasmussel," be spelled with the final letter "m" instead of "l"?

Mr. HUSTED. No; I think that is correct as it is.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. HUSTED. I will yield.

Mr. STAFFORD. I assume this is a claim of the Norwegian Government, based upon their protest by reason of some action by our municipal authorities or Government authorities in detaining some of their citizens in this country?

Mr. HUSTED. The claim arose in this way: The vessel was damaged or destroyed at Jersey City by an explosion—a Norwegian vessel. These men were detained by our Government as witnesses. They were clapped into jail and kept there a considerable length of time. I think they were in jail for a month, and this amount we are providing for here is sufficient to cover their actual expenses. This is not in any sense compensation. They expended practically the whole amount for legal expenses.

Mr. STAFFORD. This is virtually a claim to be paid the Norwegian Government to reimburse their nationals. Now, this question further: There have been pending on the Private Calendar numerous, well, several, claims of foreign Governments presented to our Government to reimburse them for slights or infractions of the law committed against their nationals. By recognizing this claim, do not we establish as a precedent that these claims could be carried as riders on this appropriation bill so that other Governments might have stronger grounds for pressing for the consideration of those private claims which Congress has not seen fit to allow?

Mr. HUSTED. It hardly seems to me that it establishes any particular precedent. This is a strikingly hard situation. These men were grabbed and thrown into jail. They were in jail, I think, 30 days. We are not asking for compensation for the hardships that they suffered. They were obliged in order to protect themselves to employ counsel, and it is alleged they expended this amount of money in defending themselves against high-handed methods which, I believe, we had no right to use against the nationals of Norway or of any other country.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. HUSTED. I will.

Mr. NEWTON of Minnesota. When did this incident occur?

Mr. STAFFORD. February 1, 1911, 11 years ago.

Mr. NEWTON of Minnesota. Were these men suspected of being the cause of the explosion?

Mr. HUSTED. Oh, absolutely not; there was not any suspicion of them and there was not any charge against them. They were simply held here as witnesses.

Mr. LITTLE. Will the gentleman yield for a question?

Mr. HUSTED. I will.

Mr. LITTLE. Referring to some paragraphs on the preceding page, have we any prisoners in Smyrna, or Constantinople, or Turkey, or any other part of the world now? I see there are appropriations for three of them, two for $1,000 each, and one appropriation of $9,000, for China and Turkey both.

Mr. HUSTED. I do not know how many men we have confined in foreign prisons at the present time.

Mr. LITTLE. Why should we have any in Constantinople or Smyrna any more than anywhere else?

Mr. HUSTED. Well, we rent a prison there.

Mr. LITTLE. I see we do.

Mr. HUSTED. We have prisoners there; as to how many I do not know.

Mr. LITTLE. I think we ought to put somebody in them or else quit having them.

Mr. HUSTED. We have prisoners; how many I do not know.

Mr. DENISON. Will the gentleman yield?

Mr. HUSTED. I will.

Mr. DENISON. The gentleman from New York has stated that this claim occurred in 1911?

Mr HUSTED. Yes, sir.

Mr. DENISON. Can the gentleman state why something has not been done in these past 10 years to give these men what they ought to have?

Mr. HUSTED. Efforts have been made over and over again, without success. The gentleman well knows it is extremely difficult to get action on a private claim bill.

Mr. DENISON. I have not observed that.

Mr. HUSTED. Well, it is very difficult. The gentleman knows that there are just private claim bills that have been on the calendar for years and years.

Mr. DENISON. Has there been a bill pending for this claim?

Mr. HUSTED. There has been, as I am informed by Senator LODGE. There have been repeated efforts made to secure the payment of this eminently just and reasonable claim.

Mr. DENISON. I think it ought to have been paid 8 or 10 years ago, and I think if they do not get more than the attorney fees that they ought to have gotten more than that.

Mr. HUSTED. The request is very reasonable, and I think it is just.

The SPEAKER. The question is on agreeing to the motion of the gentleman from New York.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 61: Page 35, after line 15, insert: "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States of America not otherwise appropriated, the sum of $1,500 to the estate of W. L. Dunham, deceased, of Richton, Miss., on account of the death of said Dunham while in the discharge of his duty as a posse man under the Federal prohibition enforcement officer for the southern district of Mississippi."

Mr. HUSTED. Mr. Speaker, I move to recede and concur with an amendment.

The SPEAKER. The gentleman from New York moves to recede and concur with an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. HUSTED moves that the House recede from its disagreement to the amendment of the Senate No. 61 and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"To pay the estate of W. L. Dunham, deceased, of Richton, Miss., on account of the death of said Dunham while in the discharge of his duty as a posse man under the Federal prohibition-enforcement officer for the southern district of Mississippi, $1,500."

Mr. STAFFORD. Will the gentleman from New York yield?

Mr. HUSTED. I will.

Mr. STAFFORD. I suppose in this instance there can be no question but that this is a private claim against the Government?

Mr. HUSTED. There is not any question about it.

Mr. STAFFORD. And so in the future when this bill is up for consideration we wish to tell the Senators in the other body that they should load the bill down with private claims?

Mr. HUSTED. No. But there are almost always exceptions to every rule, however good that rule may be. And to my mind the fact that this woman is left penniless with nine little children is a sufficient exception to the rule. Mr. Speaker, I ask for a vote.

The SPEAKER. The question is on the motion of the gentleman from New York [Mr. HUSTED].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 70: Page 41, line 14, strike out the figures "3,500" and insert in lieu thereof the figures "5,000."

Mr. HUSTED. Mr. Speaker, I move to recede and concur.

The SPEAKER. The gentleman from New York moves to recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 71: Page 41, line 21, strike out the figures "66,580" and insert in lieu thereof the figures "68,080."

Mr. HUSTED. Mr. Speaker, I move to recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 73: Page 43, line 17, after the figures "2,300,000," insert: "And the Secretary of War is authorized and directed to deliver to the office of the United States marshal for the District of Columbia, without payment therefor, one passenger-carrying motor vehicle."

Mr. HUSTED. Mr. Speaker, I move to recede and concur.

The SPEAKER. The gentleman moves to recede and concur in the Senate amendment.

The motion was agreed to.

VISIT TO QUANTICO.

Mr. HICKS. Mr. Speaker, I ask unanimous consent to be allowed to address the House for three minutes.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. HICKS. Mr. Speaker, I feel very remiss in taking so much of the time of the House to-day, but I want to speak in regard to this Quantico trip. I sincerely hope that some day we will have it out of the way. Inasmuch as at the present time the clouds make it seem dubious as to what we had better do, I telephoned to Quantico and found out that down there the conditions are approaching normalcy. Although they have had one or two showers to-day the reviewing field is in a pretty fair condition, and at the present time, if conditions do not get worse to-night, they expect to have the show to-morrow. So I hope everybody will endeavor to go down if they can do so; 8.30 at the *Mayflower*.

ORDER OF PROCEDURE.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to address the House for two minutes on a matter of procedure.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that next week Calendar Wednesday business may be in order on Friday instead of Wednesday. I think there is a very good and valid reason for that. The gentleman from Minnesota [Mr. VOLSTEAD], whose committee would have the call on Calendar Wednesday, desires to pay a visit to Milwaukee. [Laughter.]

Mr. STAFFORD. I did not think he would make such an open confession as that he wanted to be converted or wanted some of the wet goods out there.

Mr. MONDELL. I do not anticipate that the gentleman from Minnesota [Mr. VOLSTEAD] will be converted. Let us hope that Milwaukee will. [Laughter.]

Mr. STAFFORD. I am afraid not, either by VOLSTEAD or Volsteadism.

Mr. GARNER. Will the gentleman yield for a question? Friday from Calendar Wednesday is a very short time. Why can you not go over until the next coming Wednesday for Mr. VOLSTEAD's committee?

Mr. MONDELL. Those who have important matters they desire to have considered on Calendar Wednesday have been somewhat disappointed, and personally I did not feel justified in asking to dispense with Calendar Wednesday next week

Mr. GARNER. That is rather early; this is a week ahead. Why do you not wait?

Mr. MONDELL. It is rather important that several gentlemen who are interested in the matter should know what to expect.

Mr. GARNER. As I understand, the situation is such that the gentleman from Minnesota wants to know whether he can accept the invitation to visit Milwaukee without his rights on Calendar Wednesday being jeopardized?

Mr. MONDELL. That is it.

Mr. BEGG. Mr. Speaker, will the gentleman yield to me?

Mr. MONDELL. Yes.

Mr. BEGG. When are we likely to have a Private Calendar day if the gentleman gets this request?

Mr. MONDELL. Well, I doubt if we could take up the Private Calendar next week, but the following week I am rather hopeful that we can have one or two days—possibly two days—for the Private Calendar.

Mr. BEGG. I think the gentleman knows that some of us are just as much interested in the Private Calendar as in the visit of the gentleman from Minnesota to Milwaukee.

Mr. MONDELL. I am just as much interested; rather more. But my desire is to accommodate all the gentlemen, so far as it is possible to do it. I think the following week we may have two days on the Private Calendar; at least, I shall make the effort.

Mr. BEGG. Another question: Would it be possible to have this on Wednesday or Saturday? I know that some of us have bills on the Private Calendar that have not been reached.

Mr. MONDELL. I am anxious to secure compliance with my request to have Calendar Wednesday business come later in the week, and I thought that some of the gentlemen might be in favor of a recess on Saturday, and they might object. I hope under the circumstances that no one will object.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. MONDELL. I yield.

Mr. SNELL. The War Claims Committee has several items on the calendar. We are very patient; we have given up every day. It is the regular war claims day. I would like to have an assurance from the leader that we will have time to consider these measures.

Mr. MONDELL. I hope to have two consecutive days on the Private Calendar quite soon, and I shall make an effort to make that arrangement, and at a time when it will be convenient for gentlemen to be here.

Mr. STEENERSON. Mr. Speaker, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. STEENERSON. Would it not be just as well simply to pass the Committee on the Judiciary next Wednesday, with unanimous consent that it should remain at the head of the call of committees on the following day, whatever you would fix?

Mr. MONDELL. I doubt if we could give two days next week to Calendar Wednesday business. Next Friday and Wednesday of the following week will dispose of the business of the Committee on the Judiciary, and then the Committee on the Post Office and Post Roads, of which the gentleman from Minnesota [Mr. STEENERSON] is chairman, will be reached.

Mr. STEENERSON. You can save time by adopting my suggestion.

Mr. MONDELL. We could not dispose of the program for next week if we did that.

Mr. STEENERSON. You are losing Calendar Wednesday next week.

Mr. MONDELL. No; we are putting Calendar Wednesday business over until Friday, and losing nothing so far as Calendar Wednesday business is concerned.

Mr. STEENERSON. Why not take up Calendar Wednesday business next Friday?

Mr. MONDELL. Well, we have a river and harbor bill which will take up the time for the next two days.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that Calendar Wednesday business of next week be transferred from Wednesday to Friday. Is there objection?

There was no objection.

RIVER AND HARBOR BILL.

Mr. SNELL. Mr. Speaker, I submit a privileged report from the Committee on Rules.

The SPEAKER. The gentleman from New York submits a privileged report from the Committee on Rules, which the Clerk will read.

The Clerk read as follows:

House Resolution 348 (Rept. No. 1015).

Resolved, That upon the adoption of this resolution it shall be in order that the House resolve itself into Committee of the Whole House on the state of the Union to consider H. R. 10766, being a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes; that there shall be not to exceed three hours of general debate on said bill, one-half to be controlled by Mr. DEMPSEY, of New York, and one-half to be controlled by Mr. DUPRÉ, of Louisiana. At the conclusion of the general debate the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment the committee shall rise and report the bill back to the House with the amendments, if any. The previous question shall be considered as ordered on the bill and all amendments thereto to final passage, without intervening motion, except one motion to recommit.

Mr. SNELL. Mr. Speaker, this rule simply provides for the consideration, under the general rules of the House, of the bill H. R. 10766, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes. So far as I know, there is no opposition on either side to the consideration of this bill at this time.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. SNELL. I yield to the gentleman from Massachusetts.

Mr. WALSH. Has the gentleman any information, provided that this personally conducted tour of the gentleman from New York [Mr. HICKS] occurs to-morrow, that other than general debate will take place on the river and harbor bill?

Mr. SNELL. It is understood that we will finish the general debate to-morrow and begin the reading of the bill on Friday morning.

Mr. LONDON. I understood that under the new system the river and harbor bill came under the Army appropriation bill.

Mr. SNELL. That is the appropriation. This is simply the authorization—the general legislation.

Mr. GARNER. Mr. Speaker, if I understand it, this is a unanimous report from the Committee on Rules?

Mr. SNELL. Yes; a unanimous report from the Committee on Rules, with no opposition on either side, so far as I know.

Mr. RAKER. Mr. Speaker, will the gentleman yield me five minutes?

Mr. SNELL. Does the gentleman want to talk about this rule?

Mr. RAKER. I want to talk about a rule.

Mr. SNELL. I wish you would not. But I yield to the gentleman five minutes if he insists on it.

The SPEAKER. The gentleman from California is recognized for five minutes.

Mr. RAKER. The only thing I want to say, Mr. Speaker and gentlemen of the House, is that I think we should be ready and willing to discuss any matters that are pending on the calendar that affect the public interest where rules are obtained and it is necessary to get a rule to consider a bill before the House. The Committee on Rules have been very lenient in providing for rules, and I am wondering why a rule has not been had for the purpose of considering the bill S. 2919, an act to extend for the period of two years the provisions of title 2 of the food control and the District of Columbia rent act, approved October 22, 1919, which was reported by the gentleman from West Virginia [Mr. REED] and is on the calendar, known as the Ball Rent Act. Right under the shadows of the Capitol and within the shadow and within the reach of the voices of the Members of the House in their offices in the House Office Building, a poor woman was evicted yesterday, whose goods are in the street, who has five children, and who herself is in a delicate condition.

There is not only that case but there are hundreds of cases which will be affected by want of action in the District of Columbia. It has been reported that certain Members have told the people in the District that the realtors and owners of buildings in the District of Columbia were going to be good and kind, and they have told the owners to handle their tenants gently if there was a hiatus between the expiration of the law on the 22d and the 23d. It means more litigation, more trouble, more suffering, more hardship for the people of the District of Columbia who are honestly and legitimately paying their rent and ought to have an opportunity to live in peace and quiet when they pay their rent. Night before last I was told of the case of four young girls who had rented an apartment in the Monmouth who had gone away for two days. The proprietor cut out the lock and went in and took possession, and when the young ladies, working in one of the departments, came back they found a lady there in the doorway trying to keep them out, and she called for the police. The policeman who came turned out to be a gentleman—as most of them in the District of Columbia are—and he said, "Move aside, lady, and let these young women into their room." They raised the rent, stopped the elevator, compelling the people to carry their provisions and things up eight stories. We are legislating here on various matters. This is a municipality belonging to the Government, for which we pass the laws, and there is some occasion for our action, and good, honest, hard-working people have the right to have a law passed so that they may remain in peace and quiet in the apartments where they now are when they are paying a legitimate rent. I want to say to the gentleman that this applies not only to the District of Columbia but it applies elsewhere. If this Congress can not function and is not able to give the ordinary work man and woman an opportunity to remain in the District of Columbia, which is under the jurisdiction of this Congress, what can the people all over the land expect from your attitude on this matter? You ought to pass a rule and you ought to put this bill through the House to-day so that you know it will go over to the Senate in order that they may concur in any amendment that may be adopted, and so that the bill may go to the President and let him sign it. The Senate has passed the bill. The people desire it, the country wants it. Why not pass the bill so that these matters can be amicably and justly settled? [Applause.]

Mr. CURRY. I should like to ask the gentleman a question.

The SPEAKER. The time of the gentleman has expired.

Mr. SNELL. I yield one minute to the gentleman.

The SPEAKER. The gentleman from California is recognized for one minute.

Mr. CURRY. I do not know whether my colleague from California knows the derivation of the word "realtor." It comes from three Spanish words, "real," "royal," and "el toro," the bull. [Laughter.]

Mr. RAKER. And let me tell you, these fellows are giving the people the bull in the District of Columbia.

Mr. CURRY. They certainly are.

Mr. SNELL. Mr. Speaker, I move the previous question.

The SPEAKER. The gentleman from New York moves the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted—

To Mr. FREAR, indefinitely, on account of important business, to begin Monday, May 22.

To Mr. DRIVER, for three weeks, on account of sickness.

To Mr. FENN, for one week, on account of important business.

To Mr. DUNBAR, for eight days, on account of business.

ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 3505. An act to amend the Code of Law for the District of Columbia.

ADJOURNMENT.

Mr. SNELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 4 o'clock and 19 minutes p. m.), the House adjourned until Thursday, May 18, 1922, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. MILLSPAUGH: Committee on the District of Columbia. H. R. 7746. A bill to regulate within the District of Columbia the sale of milk, cream, and certain milk products, and for other purposes; with amendments (Rept. No. 1013). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. BOX: Committee on Claims. H. R. 1750. A bill for the relief of Fannie M. Higgins; with amendments (Rept. No. 1014). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SNYDER: A bill (H. R. 11687) to authorize the leasing of unallotted lands on Navajo Indian reservations; to the Committee on Indian Affairs.

By Mr. VOLSTEAD: A bill (H. R. 11688) to amend section 2 of the act of February 22, 1875 (18 Stat. L., ch. 95, Supp. R. S. vol. 1, p. 65); to the Committee on the Judiciary.

By Mr. FITZGERALD: Joint resolution (H. J. Res. 327) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CAMPBELL: A bill (H. R. 11689) granting a pension to Sarah B. Jewett; to the Committee on Invalid Pensions.

By Mr. CAREW: A bill (H. R. 11690) granting an increase of pension to Eliza J. Creighton; to the Committee on Invalid Pensions.

By Mr. COLE of Ohio: A bill (H. R. 11691) granting a pension to Mary Loretta Pope; to the Committee on Invalid Pensions.

By Mr. HUTCHINSON: A bill (H. R. 11692) for the relief of Burton Tettemer; to the Committee on Claims.

By Mr. KEARNS: A bill (H. R. 11693) granting a pension to Chilton A. Stont; to the Committee on Pensions.

By Mr. RIDDICK: A bill (H. R. 11694) for the relief of Lillie M. Schaeffer; to the Committee on the Public Lands.

By Mr. TUCKER: A bill (H. R. 11695) for the relief of George D. Smith; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5644. By the SPEAKER (by request): Resolution adopted by the Seattle Presbytery at Seattle, Wash., indorsing Senate Joint Resolution 31, relative to uniform laws on the subject of marriage and divorce; to the Committee on the Judiciary.

5645. Also (by request), resolution adopted by the Seattle Presbytery at Seattle, Wash., indorsing House Joint Resolution 131, relative to prohibiting polygamy and polygamous marriages in the United States; to the Committee on the Judiciary.

5646. By Mr. COLE of Ohio: Petition favoring the passage of the Morgan and Bursum pension bills; to the Committee on Pensions.

5647. By Mr. FRENCH: Petition protesting against enactment of House bill 9753 and other Sunday bills; to the Committee on the District of Columbia.

5648. By Mr. FULLER: Petition of Danville (Ill.) Council, No. 754, Knights of Columbus, favoring Senate bill 1565, for retirement of disabled emergency officers of the World War; to the Committee on Military Affairs.

5649. Also, petition of the American Farm Bureau Federation, favoring House Joint Resolution 314, for an amendment to the Federal Constitution prohibiting the issue of tax-exempt securities; to the Committee on Ways and Means.

5650. By Mr. GALLIVAN: Petitions of the Massachusetts Federation of Churches, Boston, and the Frances E. Willard Settlement, Boston, Mass., recommending passage of the Jones-Miller narcotics bill; to the Committee on Ways and Means.

5651. Also, petition of the Woman's Home Missionary Society, Boston, Mass., protesting against enactment into law of Senate bill 3083; to the Committee on the District of Columbia.

5652. By Mr. KISSEL: Petition of the Industrial Materials Co., New York City, N. Y., relative to the tariff; to the Committee on Ways and Means.

5653. Also, petition of Fraternal Order of Eagles No. 769, Homestead, Pa., relative to modifying the Volstead Act; to the Committee on the Judiciary.

5654. Also, petition of New York Chapter, Military Order of the World War, New York City, N. Y., relative to appropriations for the training of reserve officers and enlisted men in camps during the fiscal year 1923; to the Committee on Appropriations.

5655. By Mr. RAKER: Petitions of Mailliard & Schmiedell, of San Francisco, Calif., protesting against the contemplated duty on canned and dried mushrooms of 55 per cent ad valorem, and Bishop & Co., of Los Angeles, Calif., urging increased duties on chocolate and coco; to the Committee on Ways and Means.

5656. Also, petitions of San Joaquin Grocery Co., of Fresno, Calif., protesting against the proposed duty on canned and dried mushrooms of 55 per cent ad valorem, and urging a duty of 2½ cents per pound on mushrooms; and Boldemann Chocolate Co. (Inc.), of San Francisco, Calif., relative to the proposed duty on chocolate and coco, and urging a higher duty on manufactured goods to protect the American manufacturers in coco and chocolate; to the Committee on Ways and Means.

5657. Also, petition of Wells Fargo Nevada National Bank, of San Francisco, Calif., protesting against the changes in the transportation act of 1920 proposed in Senate bill 1150 and House bill 6861; to the Committee on Interstate and Foreign Commerce.

5658. Also, petitions of the Oakland Chamber of Commerce, of Oakland, Calif., urging an amendment to Senate bill 2391 and indorsing it as amended and urging its passage; and the Sacramento Chamber of Commerce, of Sacramento, Calif., opposing any change in the 1920 transportation act until it has been given a fair trial under normal business conditions; to the Committee on Interstate and Foreign Commerce.

5659. Also, petition of D. J. O'Brien, chief of police, San Francisco, Calif., urging an appropriation for the continuation of the work of the interdepartmental social hygiene board under the Department of Justice; to the Committee on Appropriations.

5660. By Mr. SWING: Petition of various citizens of San Diego County, Calif., protesting against a law providing compulsory observance of Sunday (H. R. 9753); to the Committee on the District of Columbia.

SENATE.

THURSDAY, *May 18, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The VICE PRESIDENT. House bill 7456 is before the Senate and will be proceeded with.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. The pending amendment will be stated.

The ASSISTANT SECRETARY. On page 27, line 3——

Mr. JONES of New Mexico. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll and the following Senators answered to their names:

Ashurst	Hale	McNary	Shortridge
Ball	Harris	Myers	Simmons
Borah	Harrison	Nelson	Smoot
Brandegee	Heflin	Newberry	Spencer
Calder	Johnson	Nicholson	Sterling
Capper	Jones, N. Mex.	Norris	Sutherland
Curtis	Jones, Wash.	Oddie	Townsend
Dial	Kellogg	Overman	Underwood
Dillingham	Keyes	Page	Wadsworth
du Pont	Ladd	Pepper	Walsh, Mont.
Elkins	Lodge	Ransdell	Watson, Ga.
Ernst	McCumber	Rawson	Watson, Ind.
Frelinghuysen	McKinley	Robinson	Williams
Gooding	McLean	Sheppard	Willis

Mr. DIAL. I desire to announce that my colleague [Mr. SMITH] is unavoidably absent. I ask that this announcement may continue through the day.

Mr. JONES of New Mexico. I desire to announce that the junior Senator from Wyoming [Mr. KENDRICK] is detained on official business.

The VICE PRESIDENT. Fifty-six Senators having answered to their names, a quorum is present.

Mr. McCUMBER. Mr. President, I desire to give notice at this time that as soon as we complete the first schedule I shall ask the Senate to take up those related paragraphs which are in other schedules and are directly connected with the first schedule. For instance, I suppose that when we consider calomel, it should be considered more or less in connection with quicksilver. It may be necessary, therefore, to go from one schedule to another. So when we get through with the chemical schedule we will have practically settled those things which are directly affected by it. I simply give the notice at this time, so that we may be prepared to take the items up as I have suggested.

Mr. UNDERWOOD. Mr. President, as I have said several times, I think there is no objection on this side of the Chamber to the Senator considering the bill in the way he desires. Of course, he can take up schedules out of their order only by unanimous consent. I do not think there will be any objection to the Senator pursuing the course he desires, except that if he is going to take up the related systems I will ask him to give notice in advance at the desk, so that it may be printed in the RECORD, as to the items which he wants to take up. Then Senators on this side of the Chamber who are interested will know in advance that those items are coming up out of their order.

Mr. McCUMBER. I shall try to do that. I wish to say in addition that I will, just as much as possible, attempt to conform to the convenience and desires of Senators in discussing any particular item or schedule.

Mr. ROBINSON. Mr. President, I inquire of the Senator from North Dakota whether he is in a position now to state what paragraphs of the bill he proposes to take up at the conclusion of the first schedule now under consideration? If he is ready to make a suggestion at this time it will serve the convenience of Senators who, of course, expected that the bill would be proceeded with in regular order.

Mr. McCUMBER. Possibly I can do that some time during the day, let me say to the Senator.

Mr. ROBINSON. Very well.

Mr. McCUMBER. I can then state it better than I can just at the present time.

Mr. ROBINSON. I want the Senator from North Dakota to understand that the right to object is reserved when he proposes to take up out of its order any schedule or paragraph in the bill. I do not want to be understood as having waived the right to object if any substantial reason for that course exists.

Mr. McCUMBER. Of course, my first purpose is to complete the chemical schedule and then to take up those paragraphs which we have passed over in the chemical schedule.

Mr. ROBINSON. If I understand the Senator correctly, he is merely outlining to the Senate the policy he expects to pursue. He is not asking unanimous consent now to waive the regular order of procedure?

Mr. McCUMBER. Oh, no.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 11065) making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1923, and for other purposes; that the House receded from its disagreement to certain amendments of the Senate to said bill, and concurred therein; and that the House receded from its disagreement to certain amendments of the Senate and concurred therein each with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H. R. 11214) authorizing the President to scrap certain vessels in conformity with the provisions of the treaty to limit naval armaments, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED.

The message further announced that the Speaker of the House had signed the enrolled bill (S. 3505) to amend the Code of Law for the District of Columbia, and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

Mr. LODGE presented memorials of sundry citizens of Newburyport and Amesbury, Mass., remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

He also presented the petition of William Monroe Trotter and 3,000 other citizens of the State of Massachusetts, praying for the prompt passage of the so-called Dyer antilynching bill, which was referred to the Committee on the Judiciary, and the body of the petition was ordered to be printed in the RECORD, as follows:

Petition to Senator LODGE, urging Senator H. C. LODGE, as Republican leader, to secure party action for early consideration of the Dyer antilynching bill.

BOSTON, MASS., *April 27, 1922.*

To Hon. HENRY CABOT LODGE,
United States Senate, Washington, D. C.

SIR: We, the undersigned citizens of your own State, acting through the Boston branch of the National Equal Rights League, do most earnestly petition you on this, the centenary of the birth of Ulysses S. Grant, great general who saved the Union for freedom and great President who enforced impartially the Constitution for life protection, to exercise your influence and power as leader of the majority party in control of the Senate to secure party action, by caucus or otherwise, for early consideration of the Dyer antilynching bill, already passed by almost 2 to 1 majority of the House of Representatives, in accordance with the plank and pledge of the last national Republican platform for humanity and national honor.

Mr. GOODING. I present sundry petitions from citizens of Mullan and Burke, in the State of Idaho, praying that the House rates on zinc and lead be maintained in the pending tariff bill. I ask that the body of one of the petitions may be read at the desk and that they all be referred to the Committee on Finance.

The VICE PRESIDENT. Without objection, the Secretary will read, as requested.

The Assistant Secretary read as follows:

The Honorable the Senate of the United States:

The undersigned citizens of Mullan, Idaho, living in a mining district which produces a respectable proportion of the lead mined in the United States, and believing that the maintenance of American standards of living can only be maintained by a protective tariff on the products of American labor, do hereby indorse the action of the Senate Finance Committee in having sustained the Fordney rates on zinc and lead. We especially recognize and commend the efforts for adequate protection of the products of Idaho and the West, that they will be afforded the same care and consideration in the new revenue bill as are the products of other parts of our country.

The VICE PRESIDENT. The petitions will be referred to the Committee on Finance, as requested by the Senator from Idaho.

Mr. JOHNSON presented a memorial of sundry citizens of Chino, Calif., remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. ODDIE presented a petition of sundry citizens of Sparks and Reno, in the State of Nevada, praying for the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. WILLIS presented the petition of Fred C. Dunn and sundry other citizens of Columbus, Ohio, praying for the imposition of only a moderate duty on kid gloves in the pending tariff bill, which was referred to the Committee on Finance.

He also presented the petition of Bert B. Rice and sundry other citizens of Elmore and vicinity, in the State of Ohio, praying for the imposition of a tariff duty of $2 per 100 pounds on Cuban sugar, which was referred to the Committee on Finance.

He also presented letters in the nature of memorials of the Cincinnati Chamber of Commerce, the Davies-Young Soap Co., of Dayton, and the Procter & Gamble Co., of Cincinnati, all in the State of Ohio, remonstrating against inclusion in the pending tariff bill of the proposed duties and provisions relative to vegetable and fish oils, animal fats, and oil seeds, which were referred to the Committee on Finance.

Mr. NICHOLSON presented a petition of sundry citizens of La Junta, Colo., praying for the imposition of only a moderate duty on kid gloves in the pending tariff bill, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens and commercial organizations of Leadville, Colo., remonstrating against the enactment of legislation amending certain sections of the transportation act of 1920, affecting the powers of the Interstate Commerce Commission, etc., which was referred to the Committee on Interstate Commerce.

Mr. CAPPER presented a resolution adopted by the Fourth Annual Convention of the Mississippi Valley Association, at Kansas City, Mo., which was read and referred to the Committee on Interstate Commerce, as follows:

We regard "Pittsburgh plus" as an undue imposition upon commerce in general, and upon the Mississippi Valley users of steel in particular, and it is our hope the Federal Government will find a way to force the abatement of the practice.

Mr. NEWBERRY presented petitions of sundry citizens of Charlevoix, Ellsworth, Fowlerville, Phelps, Webberville, Williamston, Mason, Eden, Holt, Leslie, Perry, Charlotte, St. Johns, Mearl Beach, Olivet, Vermontville, Potterville, Lansing, Grand Ledge, and Eaton Rapids, all in the State of Michigan, praying for the imposition of a duty of $2 per hundred pounds on Cuban sugar in the pending tariff bill, which were referred to the Committee on Finance.

DR. C. LEROY BROCK.

Mr. HARRELD, from the Committee on Claims, to which was referred the bill (S. 3202) for the relief of Dr. C. LeRoy Brock, reported it without amendment and submitted a report (No. 720) thereon.

ENROLLED BILL PRESENTED.

Mr. SUTHERLAND, from the Committee on Enrolled Bills, reported that May 18, 1922, they presented to the President of the United States the enrolled bill (S. 3505) to amend the Code of Law for the District of Columbia.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KELLOGG:

A bill (S. 3621) to amend the act of March 4, 1917, for the restoration of the annuities of the Medawakanton and Wahpakoota (Santee) Bands of Sioux Indians; to the Committee on Indian Affairs.

A bill (S. 3622) granting a pension to Hannah Linton; to the Committee on Pensions.

By Mr. STERLING:

A bill (S. 3623) for the relief of certain members of the Sioux Nation of Indians, residing in the State of South Dakota (with accompanying papers); to the Committee on Claims.

By Mr. ODDIE:

A bill (S. 3624) for the relief of Fred E. Jackson; to the Committee on Claims.

By Mr. JOHNSON:

A bill (S. 3625) granting an increase of pension to John Clark; to the Committee on Pensions.

By Mr. ASHURST:

A joint resolution (S. J. Res. 199) reappropriating and making immediately available $150,000 appropriated by section 2 of the act of February 14, 1920 (41 Stats. L., p. 417), for completing construction of dam with bridge superstructure and necessary controlling works for diverting water from Gila River for irrigation of Indian land on the Gila River Indian Reservation, Ariz.; to the Committee on Indian Affairs.

TARIFF BILL AMENDMENTS.

Mr. McNARY submitted an amendment intended to be proposed by him to House bill 7456, the tariff bill, which was referred to the Committee on Finance and ordered to be printed.

Mr. LODGE submitted two amendments intended to be proposed by him to House bill 7456, the tariff bill, which were ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 175, paragraph 310, to strike out lines 16 to 23, inclusive, and the words "per cent ad valorem," in line 24, and to insert in lieu thereof the following:

"PAR. 1310. Unbound books of all kinds, sheets or printed pages of books bound wholly or in part in leather, bound books of all kinds except those bound wholly or in part in leather, including blank books, slate books and pamphlets, engravings, photographs, etchings, maps, charts, music in books or sheets, and printed matter, all the foregoing not specially provided for, if of bona fide foreign authorship, 15 per cent ad valorem; all other, 25 per cent ad valorem; bindings wholly or in part of leather, not specially provided for, 45 per cent ad valorem."

On page 215, paragraph 1529, to strike out lines 12 to 16, inclusive, and the words "years at the date of importation," in line 17, and to insert in lieu thereof the following:

"PAR. 1529. Books, maps, music, engravings, photographs, etchings, lithographic prints, bound or unbound, and charts, which shall have been printed more than 20 years at the time of importation: *Provided*, That where any such books shall have been rebound wholly or in part in leather within said period the binding so placed upon such books shall be dutiable as provided in paragraph 1310."

HOUSE BILL REFERRED.

The bill (H. R. 11214) authorizing the President to scrap certain vessels in conformity with the provisions of the treaty to limit naval armaments, and for other purposes, was read twice by its title and referred to the Committee on Naval Affairs.

PERSONAL EXPLANATION—VINDICATION OF SENATOR FRELINGHUYSEN.

Mr. ODDIE. Mr. President, on yesterday the senior Senator from New Jersey [Mr. FRELINGHUYSEN] rose to a question of personal privilege and called attention to an article in the New York Times referring to him, and denied the statements in that article.

This morning the New York Times published a statement completely vindicating the Senator from New Jersey, the statement being in a very conspicuous place on the first page of the paper. This statement cleared the name of the Senator completely, and leaves his splendid character and reputation untarnished.

I ask unanimous consent to have this statement from the New York Times printed in the RECORD, in the regular RECORD type.

There being no objection, the matter referred to was ordered to be printed in the RECORD, in 8-point type, as follows:

[From the New York Times, May 18, 1922.]

SENATOR FRELINGHUYSEN DENOUNCES CHARGES MADE IN HABANA AND DISPROVED BY RECORDS.

[Special to the New York Times.]

WASHINGTON, May 17.—Senator JOSEPH S. FRELINGHUYSEN, of New Jersey, to-day made an unqualified denial of having had any connection with the affairs of H. Upmann & Co., a Cuban-German banking house that recently failed in Habana, and whose books are alleged to show an expenditure of over $1,000,000 to secure the return of properties held by the Alien Property Custodian here. Examination of records on file at the office of the Alien Property Custodian to-day failed to show any mention of Senator FRELINGHUYSEN in the case.

Rising to a question of personal privilege in the Senate this noon, Senator FRELINGHUYSEN read the following:

"In reference to the article which appeared in the New York Times this morning, in which my name is said to have been mentioned by a Cuban newspaper in connection with the effort to regain the private property of Upmann & Co., I beg to state that I know absolutely nothing about the matter, have never heard of Upmann & Co., and have no interest whatever in their affairs.

"Mr. Larkin, member of a firm of lawyers at 80 Broadway, New York—Larkin, Rathbone & Perry—counsel for Upmann & Co., called me on the telephone this morning, expressing great regret that my name was mentioned and stating that he would do everything in his power to have a correction made.

"I have no interest in any woolen mills in New Jersey whatsoever. The reference to my name in connection with this matter is a perfect outrage, entirely unwarranted, and I make absolute denial of any knowledge of the affair."

Officials of the Alien Property Custodian's office said to-day that the Upmann properties seized by the Government during the war had been returned during the previous administration and that the only knowledge they had of the case was what is contained in the files. The records show that early in 1919 cash and securities held by H. Upmann & Co. in this country, estimated at about $3,000,000, were seized. None of these securities were of any New Jersey corporation or enterprise. There was no mention of woolen mills, Senator FRELINGHUYSEN, or of expenses connected with securing the return of the properties.

On February 17, 1920, Herman Upmann filed a claim for return of properties held by the Alien Property Custodian. The same date, Francis P. Garvin wrote A. Mitchell Palmer, recommending return of the Upmann properties. On March 1 the records show return of the property was approved by Mr. Palmer.

—

Thomas W. Miller, Alien Property Custodian, in a statement made public at the Yale Club last night, declared that "press reports that Senator FRELINGHUYSEN had been interested in the return of property seized belonging to H. Upmann, a German citizen residing in Habana, Cuba, are utterly erroneous and false."

STATE AND JUSTICE DEPARTMENTS APPROPRIATIONS.

The PRESIDING OFFICER (Mr. WILLIS in the chair) laid before the Senate the action of the House of Representatives agreeing to the report of the committee of conference on the disagreeing votes of the two House on the amendments of the Senate to the bill (H. R. 11065) making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1923, and for other purposes; receding from its disagreement to certain amendments of the Senate; and receding from its disagreement to the amendments of the Senate numbered 44, 47, and 61, and concurring therein each with an amendment as follows:

That the House recede from its disagreement to the amendment of the Senate No. 44, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment insert:

COMMISSION OF JURISTS TO CONSIDER AMENDMENT OF LAWS OF WAR.

"The enable the United States Government to carry out its obligations arising under the resolution adopted by the Conference on the Limitation of Armament on February 4, 1922, for the appointment of a commission of jurists to consider the amendment of the laws of war, $3,750, to be immediately available."

That the House recede from its disagreement to the amendment of the Senate No. 47, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

REVISION OF CHINESE CUSTOMS TARIFF.

"To enable the United States Government to carry out its obligations arising under the treaty relating to the Chinese customs tariff signed February 6, 1922, including the compensation of delegates or other representatives, clerks, and employees, rent of offices, expenses of transportation and subsistence (notwithstanding the provisions of any other act), stationery and supplies, telegraph, and such other objects as the President may deem necessary to be disbursed under the direction of the Secretary of State, $47,750, to be immediately available."

That the House recede from its disagreement to the amendment of the Senate numbered 61, and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment insert:

"To pay the estate of W. L. Dunham, deceased, of Richton, Miss., on account of the death of said Dunham while in the discharge of his duty as a posse man under the Federal prohibition enforcement officer for the southern district of Mississippi, $1,500."

Mr. CURTIS. I move that the Senate agree to the amendments of the House to the amendments of the Senate numbered 44, 47, and 61. They are virtually slight corrections.

The amendments were agreed to.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, the pending amendment being in paragraph 69, on page 27, line 3, after the word "Litharge," to insert "2½ cents a pound," so as to read:

PAR. 69. Lead pigments: Litharge, 2½ cents per pound.

Mr. JONES of New Mexico. Mr. President, last evening we were discussing the duty upon lead and manufactures of lead. Much was said during the evening about obtaining a quorum. There is an unusual number of Senators present now, and I trust that they will remain in the Chamber during the discussion of this subject. It is a very important one.

If it will interest Senators at all in the subject, I will state in advance that, in my judgment, it can be demonstrated that there is no necessity for any tariff upon any lead except the ore itself. It may further interest Senators to know that the Tariff Commission has examined this subject with much care and advises the Senate that these duties on the product of the ore are unnecessary.

Now, if I may have the attention of the Senate, I shall endeavor, in as brief way as I can, to present facts which, in my judgment, warrant the conclusion which I have just stated.

This is an important subject, and it affects practically every citizen of the country in a very material degree.

Lead is used in various commodities, and is found in the manufacture of many articles in which the public generally, perhaps, would not think of the lead content; but I want in a brief way to review the conditions of this industry, and I am going to substantiate everything which I say by reference to the report of the Tariff Commission upon this subject. To begin with we are told that the United States is the largest consumer of lead metal. The report proceeds:

For many years prior to the war in Europe, the consumption practically equaled the production from domestic ore. In addition to this production, however, American smelting and refining works produced refined lead derived from foreign (chiefly Mexican) ore and base bullion for export. The output of this lead of foreign origin and destined for foreign consumption amounted to about 25 per cent of the purely domestic business. By virtue of the provision for bonded smelting, this business, although frequently carried on side by side with the smelting of domestic ores, was absolutely distinct as far as the tariff is concerned.

That gives, in the beginning, a general idea of the situation. The United States practically produces the quantity of lead which is needed in domestic consumption.

The next part of the statement is that through a bonded process the United States has been importing very large quantities of foreign ore to an amount of about 25 per cent of the domestic production and has been exporting the product of the imported foreign ores to foreign countries in competition with the world. We are told just where the other supplies of lead come from.

Spain and Mexico are the only important producers of lead ore whose product comes on the world market. Germany, in spite of its large output, has to import lead to meet its own requirements. Only a part of the Spanish ore is exported, although most of the lead produced in Spanish smelters goes to other countries. But almost all of it is consumed in Europe and it is not even a potential factor in the American market. All of the lead ore produced in Australia is smelted and refined in Australian works. Only refined lead is now exported.

Mexico, therefore, is the only country from which large supplies of lead may come into the United States in the form of ore.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Nebraska?

Mr. JONES of New Mexico. I yield.

Mr. NORRIS. I wish to inquire from what the Senator from New Mexico is reading?

Mr. JONES of New Mexico. I am reading from the Tariff Information Survey on lead. Then the survey states:

Canada, the next largest country of origin of the lead ore imported into the United States, does not produce enough lead for her own needs. Mexico, also, is the only country in which there are large known deposits of lead that are not producing to practically their full economic limit and which can, therefore, largely increase production.

Domestic lead deposits will be able to supply American lead requirements for many years.

That is all that is to be considered so far as the supplies of ore in Mexico are concerned. We are told that there is no danger from any other section of the world. So that is the problem which we are to consider to-day in connection with the lead-bearing ores.

This bill proposes to levy a duty of 1½ cents a pound upon the lead content of foreign lead-bearing ores. That is a question of policy, pure and simple.

Mr. SMOOT. Is the Senator from New Mexico in favor of that policy or is he opposed to it?

Mr. JONES of New Mexico. I think, under the existing circumstances, it is all right to levy that duty upon the lead ores which might be imported. I am not making any objection to that provision of the bill. As I have said, that is a question of policy; but we should bear in mind how that will operate. I have no doubt that every producer of lead-bearing ores in the United States will feel that, by virtue of this provision, he will get a cent and a half per pound on the lead content of his ore. I hope that he will. It is only upon that theory that this duty may be justified. But the producer of that ore must deal with a smelter. In many cases the owners of the ore also own smelters; but I take it that it is for the benefit of the large number of people producing lead-bearing ore that this provision is made. Nevertheless, they are still at the mercy of the smelters of the country, for they are required to sell their ores to the smelters, and I need not call attention to the fact that the smelters can make such bargains for the ore as they see fit to make, and the producers of the ore, therefore, are at the mercy of the smelting companies. They can only get the benefit of this duty provided the smelters are willing to pay it, and in that view of the subject the benefit to the actual producer of the ore is uncertain; it is a precarious situation. There is no question that lead-bearing ores can be produced in Mexico for a less price than they are produced in the United States, owing to the formation in which the lead appears and the labor situation. So it has been decided here that there shall be a duty of 1½ cents per pound upon the lead content of foreign ores. Understand, however, that there is no appreciable amount of those ores imported for the purpose of domestic consumption, the importations being only about 2,000 tons a year, which is a very small amount compared with the American production. Under paragraph 388, which was referred to last night, a provision is made whereby upon copper matte carrying lead there shall be no duty paid upon 2,000 tons brought into this country. So if this bill should pass as it is written there will be no revenue derived from the duty imposed.

Mr. CARAWAY. Mr. President, will the Senator yield?

Mr. JONES of New Mexico. I yield.

Mr. CARAWAY. I tried last night to obtain from the Senator from Utah, who seemed to have the only information possessed on the other side about this schedule, why it was that the committee fixed upon 2,000 tons of this lead ore as the quantity which should come in free. This is equivalent to a present of $60,000 a year to some smelting company, because the duty on other lead is 1½ cents per pound. Why was it, inasmuch as about 2,000 tons represents the average importations, that the committee fixed 2,000 tons to be free. If it is a good thing to bring in copper matte with lead content free, why should there be any limitation at all? Can the Senator tell me how the committee reached the conclusion that it was advisable to import 2,000 tons free and to exclude from the free list all other lead ores that might be offered?

Mr. JONES of New Mexico. Mr. President, the only answer to that question which I have heard came from the senior Senator from Utah [Mr. SMOOT] last night, and I think his most important answer was that that was just about the amount of copper matte which was coming into the United States.

Mr. CARAWAY. Will the Senator yield again?

Mr. JONES of New Mexico. Certainly.

Mr. CARAWAY. Let me read the remarks of the Senator from Utah, and the Senator will see that he gave two answers.

Mr. JONES of New Mexico. Yes; he gave two answers.

Mr. CARAWAY. Let me read from the RECORD. I asked the question:

What was the object of limiting the copper matte, as is provided at the bottom of page 87, as follows:

"*Provided*, That such duty shall not be applied to the lead contained in copper mattes until after 2,000 tons of such lead shall have been imported in any one year, to be allocated under rules and regulations to be prescribed by the Secretary of the Treasury."

Why was the importation limited to 2,000 tons?

The Senator from Utah [Mr. SMOOT] replied:

If there had not been a limit, copper matte could come in any quantity.

The next question asked by me was:

Why would not 4,000 tons be as proper a limit as 2,000? I am trying to get an idea as to what caused the limit to be fixed at 2,000 tons.

Mr. SMOOT. It was fixed at 2,000 tons because of the fact that the amount of copper matte that comes in with lead content so low that it does not pay to take the lead out of it amounts to about that quantity.

The next question I asked was:

Then if it only amounts to about that quantity, why was it necessary to place a limit of 2,000 tons? There would be no occasion to limit it if it did not amount to more than that.

The Senator from Utah answered:

We did not know but that they would put more in, as I have said before.

The next question was:

Mr. CARAWAY. They would put more in? Why should they put any in?

Mr. SMOOT. They do not put it in. It comes in the ore, and can not be separated. The smelter does not separate the lead and copper; it is not separated by the smelter at all.

Mr. CARAWAY. I think I understand that, although I do not understand much about the smelting of ores; but the Senator said "they would put more in." I do not know whether he intended to say that or not.

Mr. SMOOT. If there were no limit, they would.

He said that 2,000 tons was the limit, and he said that if they had not fixed it at 2,000 tons that more would come in; but no suggestion of a reason why it was economically wise to admit 2,000 tons free and to exclude any other quantity was offered by the Senator from Utah. I am curious about the matter, in view of the fact that the Senator from New Mexico read yesterday that certain interests imported about 2,000 tons. In other words, this bill, then, makes some smelter a present of $60,000 a year by admitting 2,000 tons of ore free. Can the Senator from New Mexico offer any justification for that?

Mr. SMOOT rose.

Mr. JONES of New Mexico. Mr. President, the Senator from Utah has risen, and I suppose he desires to reply to the Senator from Arkansas himself.

Mr. SMOOT. Not necessarily. I shall tell the Senate the history of it. I can do it now if the Senator from Arkansas wants it and the Senator from New Mexico desires me to do so.

Mr. JONES of New Mexico. I supposed the Senator from Utah rose for that purpose.

Mr. SMOOT. Mr. President, the American Smelting & Refining Co. have a smelter in Chile. That is the great copper center; and in their works there they produce copper matte, and in that ore there is a little lead. That copper matte comes into the United States free, containing this small percentage of lead, running between 4 and 5 per cent. It does not pay to take that lead out of the copper matte. The expense is greater than the value of the lead. Notwithstanding that, as long as it has that lead in it, they have to pay a duty upon it. I do not know whether 2,000 tons is just the right amount or not, but that is the estimate that is given on the importation of copper matte into this country containing lead in such a percentage that it will not pay to separate the lead from the copper, as I said last night. Why should we penalize the American Smelting Co. or any other company by imposing a duty upon copper matte containing lead that they can not recover at the price of the article in this market, the market of the world?

Mr. CARAWAY. Now, I want to ask the Senator a question. If it is wise to admit, duty free, lead in copper matte, why limit it? Why say "2,000 tons"? Why not say that all copper matte containing lead of a certain per cent shall be admitted free?

Mr. SMOOT. It would be the same thing.

Mr. CARAWAY. Then, why not put it the same way?

Mr. SMOOT. We know, under this limitation, just what is to come in, and we know just exactly what it is.

Mr. CARAWAY. Of course, we know what will get in free, because you say "2,000 tons and no more"; but if it is necessary and right and just to admit free copper matte with a certain per cent of lead ore, why not just say that all copper matte containing a certain percentage of lead shall be admitted free, instead of saying 2,000 tons, which the Senator now says is the product of a certain company—the American Smelting Co.; is that it?

Mr. SMOOT. No; that is their importation of copper from Chile.

Mr. CARAWAY. I understood the Senator to say that the American Smelting Co. owns a smelter in Chile, and that they produce this copper matte, and this provision will permit them to have it imported into this country free.

Mr. SMOOT. Copper of all kinds is free.

Mr. CARAWAY. Well, in the case of copper containing this per cent of lead, the lead comes in free; $60,000 worth a year of duty-free lead gets in. This provision permits 2,000 tons to come in, which at 1½ cents—the duty on lead—would amount to a clear gift to that company of $60,000 a year. If it is a good thing to permit them to introduce theirs free, why not say to everybody: "If you have copper matte that has a per cent of lead no greater than this, it may be imported free of duty"?

Mr. SMOOT. Mr. President, the Treasury Department tells us that this is ample to cover everybody that wants to ship that kind of lead.

Mr. CARAWAY. But if it is right to bring it in, why impose a limitation?

Mr. SMOOT. Mr. President, it is not right to impose a duty upon the lead when the lead is not recovered, and when the percentage in copper matte is not sufficient to justify the expense necessary to recover it.

Mr. CARAWAY. Then why not just say that all copper matte containing lead up to a certain per cent shall be free, and not say that 2,000 tons shall be admitted and all others shall be excluded?

Mr. SMOOT. The House of Representatives decided to put it in this way. This covers it all, and there is no earthly need of making the change. I am sorry the Senator from Arkansas is not satisfied with the action of the House.

Mr. CARAWAY. It may satisfy the Senator from Utah to say now that it was the House that permitted this outrageous thing.

Mr. SMOOT. It is not an outrage.

Mr. CARAWAY. Well, this is true: If one company is permitted to introduce free every year copper matte containing such an amount of lead that the release of the duty will give them $60,000 worth of lead, it ought to apply to everybody.

Mr. SMOOT. It does apply to everybody.

Mr. CARAWAY. Then why do you limit it?

Mr. SMOOT. It is only limited to 2,000 tons.

Mr. CARAWAY. I know it is.

Mr. SMOOT. Any company can ship it in.

Mr. CARAWAY. But there is a reason back of that.

Mr. SMOOT. I have told the Senator the reason.

Mr. CARAWAY. I know; the Senator said the House did it. That was the reason the Senator gave. He said the House did it that way, and therefore it had to stay.

Mr. SMOOT. Oh, no; the Senator did not say that it had to stay.

Mr. CARAWAY. Why did the Senator say he was sorry I was dissatisfied with what the House did, if the Senator was not taking refuge behind what the House had done?

Mr. SMOOT. The Finance Committee of the Senate agreed to the House provision. There is no doubt about that.

Mr. JONES of New Mexico. Mr. President, I do not care to make a statement as an expert upon this subject, and I hesitate to make even an inference opposed to that of the Senator from Utah [Mr. SMOOT], who speaks with such assurance upon the subject; but I have an idea that the people of the country will believe that the release of the duty upon this lead which comes into this country in copper matte is of benefit to somebody, and I believe that the people of the country and the people who are interested in the commodity will feel that that lead comes in here for use and that it is not to be thrown away; that it is not in such small quantity that it will not be recovered and put into some beneficial use.

Mr. SMOOT. The Treasury Department has decided that already, I will say to the Senator. They have a decision as to whether or not the percentage is sufficient to recover at a profit, and that has been held by the Treasury Department time and time again.

If the Senator will read the hearings in the House as to the reason why this was limited to 2,000 tons he will find there that the House limited it to 2,000 tons for everybody for fear that at some time some one from Mexico or somewhere else would undertake to get in more lead than the 2,000 tons through that method, by putting it into copper matte, and they wanted it limited, and that is why it was limited.

Mr. JONES of New Mexico. Mr. President, I do not care what excuses were openly presented for the insertion of this proviso, but I imagine it will be rather difficult to convince the people who are engaged in this trade that the 2,000 tons which will come into the United States in this form will not be added to the American supply of lead and used for commercial purposes.

Mr. SMOOT. I will say to the Senator that none of it is recovered in the shape of lead and used for commercial purposes—none of it—and it does not interfere with the amount of lead used in commercial industry in the United States.

Mr. JONES of New Mexico. Then would not a proper amendment be that some sort of assurance should be given that this lead would not be used in a commercial way in the United States? I imagine that the parties interested in this provision would not be willing to have such an addition made to the proviso in the bill. I hope to be able to test that by an amendment which I shall later offer to that provision of the bill.

But to proceed regarding this industry:

> The United States is the largest producer of lead ore in the world. In 1913, the last year for which complete estimates are available, this country furnished 36 per cent of the world output, as compared with 19.8 per cent produced by Australia, the next largest producer. In 1918 the total production of lead from domestic ore was 550,729 short tons.

The Tariff Commission discusses the form in which this ore is found in the United States, and also the factors bearing upon the cost of production; and I believe the Tariff Commission has made out a case that we can not produce the ore as cheaply in this country as it is produced elsewhere, especially in Mexico. For that reason I am not arguing against the duty which it is proposed to put upon the ore itself bearing the lead. I wish to call attention, however, to the probable number of producers who will be benefited by this provision.

The Tariff Commission tells us about the organization of this industry, and it says:

> The greater part of the lead mined in this country is mined by large and powerful corporations. There are many small operators, but even in the aggregate their production is not very great. Large operators frequently are highly integrated—owning their own smelting works, etc.—and have varied activities in addition to the business of mining lead ore. Small operators, due to limited capital and equipment, are at a distinct disadvantage in the economical extraction of their ore from the ground and of the values from their ore, and are unable to make as favorable contracts with the smelting companies as the larger operators, who can guarantee a steadier and more dependable output.

So we must bear in mind that it is extremely doubtful if any of the small producers of lead ore in the United States are going to get the full benefit or any considerable benefit from the levy of this tax.

Referring to domestic production and consumption the Tariff Commission says:

Since the capacity of furnaces for smelting lead ore is based on the number of tons of charge, the total capacity of the American lead furnaces (5,521,000 tons in 1918) bears no relation to the lead contents, nor even to the number of tons of lead ore that can be treated annually in this country. Under the conditions existing in 1908 to 1911, prior to the outbreak of political troubles in Mexico, the amount of lead produced from foreign ores in American works was about 25 per cent of that produced from domestic ores. On account of the high tariff protection very little of this material was consumed in this country, but was exported under the bonded smelting provision with benefit of drawback. Of this total crude material the proportion of ore was gradually decreasing as compared with the amount of bullion.

That clearly demonstrates that these smelters, during all of this period of time prior to the war, were importing these ores in bond to an amount about the equivalent of 25 per cent of the American production and exporting their products in competition with the world. The various figures are given here on these importations and exports, but I will not take up the time of the Senate to discuss that.

In regard to the imports, this survey says:

Since 1906 imports have greatly increased. The following year the imports for consumption fell to less than 30,000,000 pounds, and in 1908 the imports for consumption amounted to less than 4,000,000.

Four million pounds, it will be recalled, is 2,000 tons. Again that appears as a factor very closely connected with the 2,000 tons which may be admitted free of duty. I continue reading:

The statistics for general imports of lead ore prior to 1910 also include the imports of base bullion. The totals fell from some 207,000,000 pounds in 1905 to about 128,000,000 in 1907 and then increased again to 226,000,000 in 1909. Due to the growing importance of base bullion due to the opening of smelters in Mexico, which in 1906–1909 was rapidly diverting the Mexican lead from American smelters, the general imports of this material were increasing in proportion as those of ore were reduced.

It was coming in as base bullion, and I want to have that kept in mind, because the duty proposed by this bill upon base bullion is greater than the duty upon the lead content of the imported ore. It is 2½ cents per pound, whereas the duty upon the lead content of the imported ore is only 1½, or a difference of five-eighths of a cent per pound, which is an increase of more than one-third of the duty on the lead content of imported ore. I continue reading:

The lead contents of ore imported in the years 1910–1918, inclusive, averaged over 38,000,000 pounds annually. Less than 12.5 per cent of this amount was imported for consumption by payment of duty, and more than one-half of that was exported with benefit of drawback. The average net consumption, therefore, amounted to only slightly more than 2,225,000 pounds of lead.

Which is only a little over 1,000 tons.

Thus we find that in this 9-year period less than 6 per cent of the total lead contents of imported ore was actually used in the United States.

This small percentage, however, is all that yielded any revenue to the Government (neglecting the 1 per cent withheld on drawbacks). The total net revenue in the 9-year period was only $187,766.29, and under the reduced duty of the act of 1913 the average revenue (1915–1918, inclusive) was less than $21,000.

Mr. SMOOT. So the miner and producer of lead in this country got all the protection that was given under the existing law in the years mentioned by the Senator.

Mr. JONES of New Mexico. I do not apply the information to that point, but I apply it to this point, that whereas during all the years referred to we were getting a small revenue, now, with this importation of 2,000 tons free, which will supply the American market with all of its demands, there will be no revenue, and if this duty operates at all, it can only operate as a subsidy to our lead-producing industry. There is no revenue in connection with it. It simply enables these large corporations to which reference has been made to control the American market, and all of it. They are not willing to let anything escape.

That recalls many other provisions in the bill. Whenever it has been shown that even a small quantity of some commodity, which it was sought to bring under the provisions of the bill, was coming in, without further consideration the committee have raised the duty for the purpose of preventing any competition, and also to deprive the Treasury of any revenue.

In regard to prices and to show just how the tariff has affected the American consumer, this survey says:

Except in the Mississippi Valley, lead ores are not quoted on a base price per ton, but are settled for under contract, the price varying with the assay value of the ore and the market price of the lead (and other contained metals), with certain deductions for harmful impurities, etc. The problem of ore buying is discussed at some length in the auxiliary file. On the basis of a New York price of 5 cents per pound for lead, the value to the miner of 1 pound of lead contained in ore varies from less than 2 cents for low-grade ores to about 3 cents for high-grade ore. Since the price paid for ore of a given composition is purely a function of the market price of the metal, and, except in the valley States, there are no fixed standards as to tenor of ore (except that richer ores are worth more per unit of lead content), lists of prices would be valueless.

So the whole question of what the little producer of ore is going to get depends upon the kind of contract he will be able to make with the smelters.

As I have said, I think it is demonstrated that, so far as ore is concerned, there is no question but that it costs more to produce it in this country than in Mexico. They have very much richer mines down there and cheaper labor. As to the tariff consideration, this survey says:

The tariff problem on lead ore is complex. It is closely related to the case of zinc ore, as both lead and zinc are commonly mined together. Both of these metals and their ores have been protected for many years by high duties that have resulted in practical national sufficiency with comparatively small imports or exports except transaction under the bonded smelting provision. This provision permits domestic smelters to import all the special qualities of ore that they may need for the efficient conduct of their operations without the added cost of duty and so far they have had no difficulty in making a profit on the sale of the resultant metal abroad.

Consideration is required of the effect of duties on lead in ore, as on lead metal, in increasing cost to the consumer. In former years the American market differed from the London market by nearly the full amount of the duty. In later years, however, the differential between the two markets narrowed and for a short time, just before the outbreak of the war, the London price was actually higher than the New York price. Temporarily, at least, the duty did not increase the cost of metal to the domestic consumer, and after the war the London and New York markets were for nearly two years practically independent with the foreign price generally higher than domestic quotations. Since the latter part of 1920 European prices have again had a material effect on the American market.

We are given the figures of the production in the different countries, the different States, and so forth, all of which are very illuminating. We are given the total importations, the exports, and so forth.

That is as to the ore. We are to start off, then, in our investigation of this problem with an assumed duty of 1½ cents per pound upon the lead content of the imported ores. Now, let us find the factors, if we can, which justify or fail to justify the importation of any higher duty than that upon the bullion which is produced from the ore or upon the metal which is obtained from the ore.

We are told this:

The smelting and refining industry is centralized in the hands of a few strong companies. The dominant producer is the American Smelting & Refining Co., which controls almost one-half the output of refined metal.

There is one company which, according to the report of the Tariff Commission, is dominant in the smelting industry. It is frequently referred to as the "smelting trust." Those words in quotation marks are used in the report of the Tariff Commission. The Tariff Commission tells us what are the competitive conditions:

Lead is produced more cheaply in Mexico, Europe, and Australia than in the United States only because the supply of raw material (i. e., lead ore) costs more here than it does in those countries. Lead ore can be treated at least as cheaply in this country as anywhere in the world.

Bear in mind the importance of what I have read. That is not my statement. It is the statement of the Tariff Commission after a most exhaustive study of the subject. That Senators may understand just what it means, I read it again:

Lead is produced more cheaply in Mexico, Europe, and Australia than in the United States only because the supply of raw material (i. e., lead ore) costs more here than it does in those countries. Lead ore can be treated at least as cheaply in this country as anywhere in the world.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from New Mexico yield to the Senator from Nebraska?

Mr. JONES of New Mexico. I yield.

Mr. NORRIS. I want to get an understanding of the paragraph which the Senator is discussing. I confess I hardly understand the Senator's position. As I understand it, the pending question is the language to be added after the word "litharge," in line 3, page 27, so as to read: "Litharge, 2½ cents per pound." Is that correct?

Mr. JONES of New Mexico. That is the pending question, but if the Senator will permit me I will explain why. Litharge is made from the lead metal, and it is contended that this is only a proper duty because of the duty levied upon the lead ore and the base bullion which is imported to and produced in this country. It was agreed among all of us who began the discussion of the subject last night that it was necessary to go to paragraphs 388 and 389 of the bill in order to lay the foundation for the discussion of the paragraph to which the Senator has just referred.

Mr. NORRIS. That I have not done, of course. Perhaps it would enlighten me if I would do that. The paragraph as passed by the House would read:

Litharge, orange mineral, red lead, and white lead, 2½ cents per pound.

The Senate committee has divided up those different kinds of lead and reduced all of them except orange mineral, which they have increased one-eighth cent per pound. Is the Senator objecting to the reduction provided for by the committee amendment?

Mr. JONES of New Mexico. The position which I expect to take is that there should be no duty upon these products rather than such duties as would be necessary to equalize the 1½ per cent of the lead content in the particular oxides of lead to which the Senator has referred.

Mr. NORRIS. To get to the specific question, is the Senator opposed to the pending amendment which reduces the tariff on litharge three-eighths of a cent? Is the Senator opposed to that reduction?

Mr. JONES of New Mexico. I expect to move to reduce it still further.

Mr. NORRIS. Oh, yes. What is the difference between litharge and orange mineral?

Mr. JONES of New Mexico. They are produced in two entirely different ways.

Mr. NORRIS. They are both lead?

Mr. JONES of New Mexico. They are all lead pigments.

Reading further regarding the competitive conditions:

The only handicap of the American smelter is the relative high price he must pay for his ore.

I ask Senators to listen:

Given a cheap raw material—either in the form of ore or base bullion—he has, by virtue of the free entry of Mexican ore under the bonded smelting privilege as provided in the tariff laws, demonstrated his ability to compete successfully with foreign producers, even in the European market.

There can be no stronger statement than that. It says, if you put him upon an equal footing with respect to his ore, it has been demonstrated. Mark the use of the word "demonstrated." When a scientist uses that term he means that there is no longer room for equivocation or question. He has demonstrated his ability to compete successfully with foreign producers, even in the Eurpean markets.

Mr. SMOOT. Of course, that, perhaps, would be at the port of New York, but no matter what the record says, we know now that the American Smelting & Refining Co. built their smelting plants in Mexico because of transportation charges in this country. What was the result? They have closed up the Colorado smelters. The Senator is aware of that, is he not? Does he not know that the smelters have been closed up in Colorado for that reason?

Mr. JONES of New Mexico. I will tell the Senator why before I get through.

Mr. SMOOT. I know the reason why. I have already stated the reason why.

Mr. JONES of New Mexico. They are closed nearly all over the country, and the copper mines are closed.

Mr. SMOOT. But the smelters are running in Mexico. Not only that, but all the ores from Mexico used to come into the United States and be smelted in bond, not for local consumption, but for exportation. The Senator knows that. They are now erecting their smelters in Mexico and shipping direct. They do not bring the ore in here any more. No American labor is now employed here in the smelting of these ores. They are smelted by Mexican labor in Mexico, and the product goes abroad to the markets of the world instead of coming in bond to the United States and being smelted here.

Mr. JONES of New Mexico. I am not going to permit the Senator from Utah to lead us astray. I am going to keep on this trail and no anise-seed bags are going to cause a departure from it.

Mr. SMOOT. I beg the Senator's pardon. I thought the Senator wanted to know the facts. Evidently he does not, and, therefore, I am not going to interrupt him any more. He may proceed, and what I have to say I will say when the Senator has concluded.

Mr. JONES of New Mexico. I think that would be much better, because the Senator is unable to give us very much enlightenment on the subject. What we were talking about was the ability of the American smelters to handle this ore as cheaply as any other smelters on earth. I want that proposition to soak into the mind of the Senator from Utah, if possible.

Mr. SMOOT. But the facts in the case demonstrate that that is not the case.

Mr. JONES of New Mexico. That statement is made here, and anything the Senator from Utah has said has not detracted from it one iota. Given the ore at the same price as the smelters elsewhere, it has been demonstrated that these smelters can do and have done all that any other smelter can do, and in competition with the smelters of the world. We do not want to lose sight of that statement.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from North Dakota?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. McCUMBER. I do not know much about the mining of lead, and my question is one simply for information. I think we all admit that the depressed times have had very much to do with closing down a great many businesses in the United States. We can assume that that has been the partial cause, at least, of closing down the smelters in the United States. But what I would like information upon is this: If we can smelt our ores in the United States just as cheaply as it can be done in Mexico, why is it that notwithstanding the depressed times the Mexican smelters are still running while ours are closed down? I confess I can not quite understand that situation.

Mr. JONES of New Mexico. If I had the assurance which the Senator from Utah has manifested regarding these matters, I would state that the smelters in Mexico are themselves crippled for production. Even though one or two may be running, they are running at a very reduced capacity.

Mr. SMOOT. I want to say to the Senator that the fact is they are very prosperous at this time and running full capacity. Really, if the Senator wants to get at the facts I would like to tell him why, if he wants to know right now.

Mr. JONES of New Mexico. I prefer that the Senator should tell us why, and I hope he will, in his own time.

Mr. SMOOT. I will tell the Senator why.

Mr. JONES of New Mexico. Thus far what the Senator has told us has been confusing rather than enlightening. He persists in departing from the question under discussion.

Mr. SMOOT. It must be very confusing to say that their smelters are running and ours are closed up.

Mr. JONES of New Mexico. While the Senator is telling about the smelters of Mexico running, I would like to have him tell us where the product goes or enters into consumption.

Mr. SMOOT. I can tell the Senator, but I will do it in my own time, as the Senator does not desire to be interrupted.

Mr. WALSH of Montana. Mr. President, I am moved to say a word by reason of the inquiry of the chairman of the committee as to why the smelters in this country are closed down while the smelters in Mexico are operating. The smelter at Helena handles all the products of the Coeur d'Alene field. The Coeur d'Alene field produces, as is known, nearly 25 per cent of the entire output of the country. It ranks next to the Missouri field. The production in other sections of the country is inconsequential. The tri-State region, as well as the southeastern Missouri region, and the Coeur d'Alene produce the lead of America. The East Helena smelter has operated without interruption and is going now. It has not been shut down, while all the copper smelters were shut down. I have no information about the Missouri smelters, but I am not advised that they are shut down. So we must proceed upon the facts. The copper smelters are shut down and the lead smelters have been operating.

Mr. SMOOT. Those smelters are not operating in Colorado.

Mr. WALSH of Montana. That may be. There may be a lead smelter in Colorado that is shut down.

Mr. SMOOT. There are three of them that are shut down.

Mr. WALSH of Montana. I would not like to have it understood to be the situation that all of the lead smelters in the United States are shut down while the lead smelters in Mexico are operating.

Mr. SMOOT. There was no such statement made.

Mr. JONES of New Mexico. Further replying to the Senator from North Dakota [Mr. McCUMBER], I shall later read from this report to the effect that there are no large supplies of lead on hand anywhere in the world. I have no doubt what the Senator from Montana has just told us applies to the lead industry. So far as I am personally concerned, as I have intimated, I am not advised as to the activity of the industry at the present time; but, in view of what the Senator from Montana has told us, it seems to me that the distinguished Senator from Utah should be willing to modify the very broad statement which he made a while ago.

Mr. SMOOT. I say now that there are three great smelters in the United States which operate on lead which are closed to-day and which have been closed for months and months. Not only that, but their business has been transferred to Mexico where the smelters are running full.

Mr. WALSH of Montana. Will the Senator tell us where the smelters to which he refers get their supply of ore?

Mr. SMOOT. I will say to the Senator that there is one at Denver, one at Pueblo——

Mr. WALSH of Montana. But where do they get their ores?

Mr. SMOOT. They get them from the Intermountain States.

Mr. WALSH of Montana. From what Intermountain States?

Mr. SMOOT. They get a great deal of ore from Colorado.

Mr. WALSH of Montana. They do not get any of it from the Coeur d'Alene.

Mr. SMOOT. But they get it from Colorado.

Mr. WALSH of Montana. Colorado produces an inconsequential amount of lead. It is not even listed in the "Mineral Resources of the United States" as a lead-producing State. The Coeur d'Alene produces 23.9 per cent of all the lead produced in the United States. Its smelters are operating. Joplin produces 13.1 per cent; southeastern Missouri produces 31.2.

In addition there is Tintic and Valley City and West Mountain. Those are Utah producers. Leadville, Colo., produces only 1.9 per cent of the copper produced in the United States, and Ophir and Rush Valley produce 1.1 per cent. That is just 3 per cent of the total lead of the United States, which goes to the Denver smelter.

Mr. JONES of New Mexico. And I understand that the smelter at Denver only produces lead in the smelting of gold and silver ores.

Mr. SMOOT. It is the same in Utah and the same everywhere else.

Mr. JONES of New Mexico. It has been using what little lead was produced there as a flux in treating the so-called dry ores bearing other metals, and that particular smelter has an output of lead only as a by-product. The lead ore which it can get is used as a flux in smelting the gold and silver ores which do not contain lead, but which is a necessary constituent element in the smelting of the so-called dry metallic ores.

I may add that that is one advantage which the American smelters in the West have in the smelting of dry metallic ores. It was for the purpose of encouraging that industry that the law provided that foreign lead-bearing ores might be brought into the United States in bond, so that they might be obtained by these smelters in smelting the dry ores; and they so use that lead. Frequently a rich-bearing lead ore is smelted for nothing, because it is used as a flux in the smelting of the drier ores. I apprehend, however, from this discussion that the lead industry is not in such a depressed condition after all, and that the reason the smelters in Colorado are closed down is because of the depression in the gold and silver industries.

As to the domestic consumption, I do not know that I need dwell upon that very much, but we are told just how it has increased in this country until we consume more than any other country in the world, and so forth. As to exports, the survey states:

> Since the price of lead in New York averaged 1¼ cents per pound higher than the price of the metal in London for 10 years prior to 1914, exports of domestic pig lead should be expected under only temporary and unusual circumstances. There are no records of any exports during that period. However, domestic smelters were treating and exporting a considerable tonnage of foreign (chiefly Mexican) lead.

They were exporting that to the rest of the world. There were some exports of domestic lead during the war.

Now, as to foreign production:

> Next to the United States the most important countries in order of production are Spain, Germany, Australia, and Mexico. These countries, together with the United States, account for more than 80 per cent of the world output. * * *
>
> It will be noted that Germany, although a very large producer of ore and metal, does not quite supply its own needs, and is therefore not a factor in the world market except as a minor consumer.

I am glad that we have finally reached one article in this bill upon which it is not proposed to put a tariff because of imports from Germany. It seems that most of this bill is framed with the idea of excluding the possibility of any imports from Germany of anything, but here happens to be one item which it can not be said is affected by imports from or production in Germany.

> The most important factor in the domestic lead-smelting industry is Mexican lead. A large part of the lead ore produced in Mexico is smelted in that country, and comes to the United States in the form of base bullion. Appreciable amounts of ore, however, are also imported. The amount of Mexican lead treated in United States works normally amounts to about 25 per cent of the domestic output. Almost all of it is smelted or refined in bond and exported.

The Senator from Utah a short time ago was undertaking to draw a distinction between the importation of ore and bullion. Mind you, Mr. President, when bullion is imported for further refining it is imported in bond and then is exported in competition with the world. So this article says:

> The amount of Mexican lead treated in United States works normally amounts to about 25 per cent of the domestic output. Almost all of it is smelted or refined in bond and exported.

Mr. SMOOT. That is just what I have said.

Mr. JONES of New Mexico. Again, we have the statement of the Tariff Commission, as to lead bullion which is imported into the United States, that our smelters can import it in bond, refine it, and export it in competition with the world, and they are doing this to an amount equivalent to 25 per cent of the American production.

Thus we have, Mr. President, the clear statement from the Tariff Commission that, whether the lead is imported as ore or whether it is imported as bullion, the refiners of the United States are able to bring it in, refine it, and ship it abroad in competition with the world.

I hope the Senator from North Dakota will bear in mind not what I have said but what the Tariff Commission reports. I do not want the committee or Senators to act solely upon what I say; but this is the evidence not of one witness but it is the deliberate finding and judgment of a commission created by Congress for the express purpose of ascertaining just such facts. I read further:

> The art of smelting is as far advanced in the United States as in any part of the world, and the industry is better organized than in any other country. In spite of the generally high wage scale, the cost of smelting per ton of charge is probably as low as it is anywhere in the world. Careful design of plant and efficient management result in greater effectiveness of labor and plant than in most other countries.

So far as this industry is concerned, let there not be an appeal for this duty upon the ground that it is needed for the benefit of labor. We have the deliberate report that American labor at the high wages paid under the great organization of the industry in the United States is more effective per dollar than labor anywhere else in the world; that this industry is better organized, and can not only compete with the rest of the world, but in some particulars has distinct advantages over any other smelters in the world. That is the report of your Tariff Commission. Then, I ask, upon what theory does the majority of the Finance Committee demand a duty beyond that which is levied upon the ore?

The same thing may be said with respect to the other branches of the industry. This report tells us, also, that there is no danger of an influx of lead from anywhere. The cheap ore of Mexico is the only exception to that rule. They can not smelt it down there any cheaper than we can, but they get cheaper ore; and if we equalize by a compensatory duty the amount of duty which we levy by this bill upon the lead content, why have we not done all that is necessary? Upon what theory can we do otherwise?

I have listened here to the reasons given for the framing of this bill. I have heard it said that the duty should be levied only to equalize the difference in the cost of production at home and abroad. From that standpoint you do not need any duty, because there is no difference. I have heard it said that it should equalize prices here and abroad. There is no difference in prices to equalize, because these commodities are sold in the world market on a free-trade basis. The price is fixed world-wide, except in so far as it is interfered with by artificial barriers of taxation. I have heard it said here that this bill should be framed so as to equalize the difference in competition in trade. From that standpoint how much tax will you have?

Here we have no difference in competition in trade; and from whatever angle this situation is viewed we come back to the inevitable conclusion that if you levy a duty upon the articles mentioned in this paragraph—upon the base bullion, upon the metal, upon any of these oxides, upon any of the pigments, or upon any other commodity into which lead enters—beyond the 1½ cents per pound of lead content, you are only making a gift of that amount to the Smelting Trust of this country. They control absolutely the American market. They supply it all, and under this bill not even a few pounds will escape from their control. In this view of the case, how can this duty beyond the compensatory duty be justified?

As to all of the other commodities—lead bars, pipes, shot, and so forth—the same situation exists. I will read just one further paragraph:

> Aside from the handicap carried by the domestic manufacturer due to the lower price of lead abroad, there is very little difference between the cost of manufacture in the United States and in England or Germany. The manufacturing processes are all ones in which the production per man is high, and this minimizes the foreign advantage due to cheap labor. In fact, the export trade in lead manufactures made from foreign metal indicates that the manufacturing industry is able to compete actively in neutral markets.

That is as to the manufactures of lead. I again emphasize that that is not my statement, but it is a judicial finding of the Tariff Commission. It is its report. It was prepared for the express purpose of guiding the Congress in tariff legislation. Do you now abandon it? I ask Republicans in this Chamber if they dare abandon it. Do those Republicans dare say to the people of the United States: "Some years ago there was created through legislation a Tariff Commission for the purpose of taking the tariff out of politics. That commission has been functioning. That commission has obtained data. It has made a thorough investigation of this subject. It has deliberately told the Finance Committee and the Congress that upon these

articles the United States is big enough and efficient enough to compete with the world." In the face of that deliberate finding I ask again if you dare to impose these excessive taxes? My humble judgment is that as certainly as you do there will be another judgment backed by the American people. When you build up your Tariff Commission and appropriate the money derived from the taxpayers of the country for the express purpose of getting such information as this, and then, when it comes in, when duties are imposed, instead of applying the information you deliberately defy it and ignore it, I do not believe your action will be tolerated.

Mr. President, that brings us to the consideration of sections 388 and 389.

Mr. NORRIS. Mr. President, may I ask the Senator a question?

Mr. JONES of New Mexico. I yield.

Mr. NORRIS. Since I interrupted the Senator before I have been reading what is said here, and personally I can not quite understand how we can intelligently deal with section 69 until after we have disposed of or reached an agreement on sections 388 and 389.

Mr. JONES of New Mexico. I think the Senator is quite right. I think the only action which the Senate could take would be either to take up for final disposition paragraphs 388 and 389 at the present time, out of order, or else to defer further consideration of paragraph 69.

Mr. NORRIS. It seems to me, in other words, that paragraphs 388 and 389, speaking in a general way, as I understand the matter, deal with the raw products. These others deal with a product that is manufactured or partially manufactured. It is conceded, I think, on all tariff schedules, that the proper way is to start with the raw product if it is going to have any tariff at all, because the tariff on the manufactured product depends to a great extent on what is done with the raw material.

Mr. JONES of New Mexico. The Senator from Nebraska is clearly right about that; and I have presented the matter at this time upon the theory that we would dispose of the whole question at this time, which necessarily involves these forward paragraphs, 388 and 389. In that view of the matter, I desire to call attention to the language of section 388.

Last evening the Senator from Utah made the statement that the increase of duty on the lead bullion or base bullion as compared with the duty on the lead content of the ore was because of the loss in smelting.

I think that should be thoroughly understood. I believe, from the way the Senator expressed himself last evening, that he only wanted us to understand that he was merely estimating or guessing at the subject. I do not recall that he pretended to be absolutely accurate about it. I find that in paragraph 388 there is a further proviso, which reads as follows:

> That on all importations of lead-bearing ores and mattes of all kinds the duties shall be estimated at the port of entry and a bond given in double the amount of such estimated duties for the transportation of the ores or mattes by common carriers bonded for the transportation of appraised or unappraised merchandise to properly equipped sampling or smelting establishments, whether designated as bonded warehouses or otherwise. On the arrival of the ores or mattes at such establishments they shall be sampled according to commercial methods under the supervision of Government officers, who shall be stationed at such establishments, and who shall submit the samples thus obtained to a Government assayer, designated by the Secretary of the Treasury, who shall make a proper assay of the sample and report the result to the proper customs officers, and the import entries shall be liquidated thereon. And the Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph.

I desire to call attention particularly to an amendment which was made by the Senate last evening to that paragraph. As that paragraph read when it came from the House we find these words regarding the assay:

> who shall make an assay of the sample by wet assay without deduction.

Yesterday evening that was changed. I thought the change was a proper one. It was a change which put it beyond any doubt that the importer of ore would be able to extract from it all of the lead on which he paid duty. It is to be assayed according to commercial methods, just the same as any other assay is made when ore is taken to the smelter, and when the smelter buys the lead content of that ore. It can not mean anything else; and when the Senator from Utah says that there is a loss in smelting which is not allowed for when the ore is imported, with all respect to his great learning, I think he is mistaken. During all the years when the smelters of this country have been importing ores in bond, or lead in bond, paying a duty on it, refining it, shipping the product abroad in competition with the world, getting a drawback of 99 per cent of the duty paid, I do not believe they would ever have submitted to any sort of an arrangement whereby they would lose a half cent per pound on the imported content. There is no reason why they should do it, and I do not believe they did it. This proviso is carefully worded, in my judgment, so that they will not do it. Therefore nothing should be allowed by reason of that factor, in addition to the duty upon the lead content itself.

Under paragraph 389 the duty on the lead bullion is 2½ cents per pound. If the smelters of the United States can get their bullion upon an equal footing with the rest of the world, according to the Tariff Commission's report they can compete with the rest of the world, not only in the refining of the ore but in the manufacture of the ore into fabrics and commodities for export in competition with the world. I wish again to emphasize that point. The Tariff Commission has not confined its statement to the mere smelting process. It extends beyond that. It specifically mentions litharge and says:

> Aside from the handicap carried by the domestic manufacturer due to the lower price of lead abroad there is very little difference between the cost of manufacture in the United States and in England or Germany. The manufacturing processes are all ones in which the production per man is high, and this minimizes the foreign advantage due to cheap labor. In fact, the export trade in lead manufactures made from foreign metals indicates that the manufacturing industry is able to compete actively in neutral markets.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Nebraska?

Mr. JONES of New Mexico. I yield.

Mr. NORRIS. The Senator's contention, as I understand it, is that there ought to be a tariff on the importations of the lead ore?

Mr. JONES of New Mexico. The lead content of ore or bullion.

Mr. NORRIS. I presume bullion is all lead, is it not?

Mr. JONES of New Mexico. Oh, no; not by any means.

Mr. NORRIS. What is the difference between the ore and the bullion?

Mr. JONES of New Mexico. One might be called concentrated ore, roughly speaking, using very unscientific but expressive language.

Mr. NORRIS. Bullion has been manufactured to some extent, we might say, as compared with the ore?

Mr. JONES of New Mexico. It has. The silica and certain other substances which the rock or ore carries have been eliminated by one process of smelting.

Mr. NORRIS. I notice that paragraph 389 refers to lead bullion, or base bullion, and lead in pigs and bars. Would not that be pure lead?

Mr. JONES of New Mexico. The bars are probably pure lead.

Mr. NORRIS. If lead bullion is not pure lead, should there not be a difference between lead bullion and lead bars?

Mr. JONES of New Mexico. The tariff is only on the lead content of the bullion.

Mr. NORRIS. Paragraph 389 provides as follows:

> Lead bullion or base bullion, lead in pigs and bars, lead dross, reclaimed lead, scrap lead, antimonial lead, antimonial scrap lead, type metal, Babbitt metal, solder, all alloys or combinations of lead not specially provided for, 2½ cents per pound.

The duty seems to be levied on all these articles without regard to the content. In paragraph 388 a tariff of 1½ cents a pound is levied on the lead content of lead-bearing ores and mattes of all kinds, but after reading paragraph 389 I think the Senator is mistaken when he says the tariff is levied on the lead content. I may be wrong, and if I am I wish the Senator would correct me.

Mr. JONES of New Mexico. On line 2, page 89, the Senator will find the language "on the lead contained therein."

Mr. NORRIS. That is right.

Mr. JONES of New Mexico. The next item is "lead in sheets, pipe, shot, glazier's lead, and lead wire." Of course, that is pure lead, and on that the rate is fixed at 2½ cents per pound.

Mr. NORRIS. I was wrong about that. I did not read far enough, and I am obliged to the Senator for correcting me. The very fact that I was wrong leads me to another question, which I wish the Senator would answer if he can.

Why is it that in paragraph 388 we have a tariff of 1½ cents per pound on the lead content in the ore, and in paragraph 389, on lead bullion, base bullion, lead in pigs, and so forth, we have a tariff of 2½ cents per pound on the lead content in the ore? It seems to me that if we are going to levy a tax on the lead content in it, it ought to be the same, no matter what the material is. We are going to pay the tariff only on the lead that is contained in the substance.

Mr. JONES of New Mexico. I think the Senator's observation is sound, indeed. Doubtless the theory on which that increase was made is that there was further manufacture, that in the treatment of the ore, to put the lead into the form of

pigs and bars, there was a manufacturing process which ought to have some protection; but what I have been contending is that so far as the manufacturing process is concerned, we can compete with the world, and are doing it.

Mr. NORRIS. I understand that is the Senator's contention. If that is the idea of those who drafted these two provisions, then it seems to me that if I were importing lead I would import it in the shape of the lead ore and get the reduced duty on it, because I would pay the duty only on the lead content, and if I imported in the other form I would pay a good deal higher duty, and still have to pay on the lead that is contained in it.

Mr. JONES of New Mexico. The Senator means with this increased duty?

Mr. NORRIS. Yes.

Mr. JONES of New Mexico. Of course, that would be an inducement to import the ores rather than the bullion.

Mr. NORRIS. Why would it not operate that way in practice?

Mr. JONES of New Mexico. It makes no difference, so far as the economic situation is concerned, whether it is one or the other. The truth is that very largely the importation of the ores into the United States is for fluxing purposes, as I related awhile ago, and that is why they want to import the ore; but when they do that, we can put it into the form of base bullion or pigs just as cheaply as it can be done elsewhere. The reason why it is not being imported in ore altogether is, as the Senator will see, that there is an economic loss in transportation. They refine it to the extent of putting it into bars, and so on, but it does seem to me that we should not put a bounty upon an economic loss in the process of refining metal in this country and shipping it abroad. In other words, why should the United States pay a bounty upon that? The same smelter that would handle the ore would handle the bullion. They can do it in competition with the world. Why should we levy this additional tax upon the American people in order to support an economic loss?

Mr. NORRIS. Mr. President, may I interrupt the Senator further?

Mr. JONES of New Mexico. I am glad to yield to the Senator from Nebraska.

Mr. NORRIS. If the same smelter operates on the bullion that operates on the ore, is it the same operation?

Mr. JONES of New Mexico. It is handled in a different way, of course.

Mr. NORRIS. For instance, if we were equipped to handle bullion to get the ore out of it, would we be equipped to handle the ore and get the lead out of it?

Mr. JONES of New Mexico. I am sorry to say that I can not reply to the Senator with certainty.

Mr. NORRIS. I am trying to get information. My questions, perhaps, may not be intelligent to an expert, but I am trying to find, if I can, just what the facts are. I must confess that I am confused a good deal by the two paragraphs levying a tax which in its amount would show a great difference in the tariff as between the ore and the bullion. I supposed when I read it that bullion was pure lead, as we speak of gold bullion, meaning pure gold. The Senator informs me that it is not, but that it has to go through some operation to purify it further.

Mr. JONES of New Mexico. It must be further purified. My understanding of the situation is that the two processes are not similar.

Mr. NORRIS. When we speak of bullion as applying to lead, does it always mean a mineral that has the same percentage of lead in it?

Mr. JONES of New Mexico. Not always.

Mr. NORRIS. It seems to me if that were true, and there was a great variance, it would lead to great difficulty in administering the tariff law. If we had in operation a smelter to purify the ore as it came out of the ground, would the product be bullion then, regardless of how much of the impurities were taken out?

Mr. JONES of New Mexico. Bullion is the output of the smelting process. There are concentrators and other means of separating the ore to some degree from the other elements which are found in it.

Mr. NORRIS. While I am on my feet, I want to ask the Senator another question. He can discuss it now or later in his remarks: Is the tariff fixed in paragraph 388 on the ore too high in his judgment?

Mr. JONES of New Mexico. Mr. President, there is really no way by which we can measure that. It is necessarily a guess, more or less.

Mr. NORRIS. That is where we ought to start in fixing the tariff if we are going to have any tariff on it.

Mr. JONES of New Mexico. The Senator is quite right about that. It is really a mere guess. There is really no way by which it can be estimated scientifically. The cost of production in the same locality may be quite different as between adjacent or contiguous mines.

Mr. NORRIS. If we take the bullion, would a further manufacture of that get it into pigments?

Mr. JONES of New Mexico. Yes.

Mr. NORRIS. The lead pigments provided for in paragraph 69 are a further manufacture of lead bullion which is provided for in section 389?

Mr. JONES of New Mexico. The lead bullion can be converted into many different forms of lead products.

Mr. NORRIS. What I am trying to find out is whether the lead provided for in paragraph 69 is a further manufactured article coming from the items mentioned in paragraph 389.

Mr. JONES of New Mexico. Mr. President, I presume I had better at this point discuss the items in paragraph 69.

Under the present law all the items in paragraph 69 are treated alike, and an ad valorem duty of 25 per cent is levied. The committee has seen fit to segregate those and make specific duties of so much per pound, not leaving it to an ad valorem calculation. I may say that the House in its bill also placed a specific duty upon litharge and a different duty upon orange mineral and a still different duty on red lead. The duty on white lead was the same as on litharge. These are all very important pigments of lead.

The Senate committee have made changes somewhat in the figures, but not so very much different from those fixed by the House and not very different from those in the old Payne-Aldrich law. They have practically carried them along in the same way they were then, and when there was a duty of 1½ cents a pound on the lead content of the ore.

The Summary of Tariff Information says:

> Litharge is the commercial name given to the yellow monoxide of lead which is formed when melted lead is heated to about 900° C. and oxidized in a current of air. It is used in the manufacture of paints; as a drier for drying oils, such as linseed oil; in glass and pottery manufacture; in the preparation of numerous lead salts, such as lead acetate; and for various other purposes.

So it can be seen that it is the direct product of metallic lead. We have given information about the production of that and about the imports of it. I have some information as to the prices of it. As to production the Tariff Commission says:

> Litharge is made by melting lead in rotating drums or reverberatory furnaces and blowing air through it. The melted litharge is allowed to run over iron plates, when it is chilled with water; this produces the "yellow" litharge of commerce. Slow cooling favors the formation of a red flaky variety. The flakes are separated from the lumps by sifting and are sold as "flake." The solid material is ground wet, settled in water, and dried. It is marketed as "levigated" or "buff" litharge. Production in the United States has been steadily increasing—37,739 short tons, valued at $5,853,543, in 1916; 46,739 pounds, valued at $6,431,801, in 1919; and 62,329 tons, valued at $12,386,185, in 1920.

Mr. NORRIS. Are there any importations?

Mr. JONES of New Mexico. I come now to the imports.

Mr. NORRIS. Those are the values produced here?

Mr. JONES of New Mexico. The figures I have given are the values of the domestic production of litharge under existing law.

The average annual import for 1910 to 1916 was 35,500 pounds, valued at $1,787, yielding a revenue of $782. I give the statistics now for a later year. That was up to 1916, inclusive. In 1918 there were 100 pounds imported, at a value of $12, a unit value of 12 cents, with a duty of $3, which is at the 25 per cent ad valorem rate. In 1919 there was no importation. In 1920 there were 21,002 pounds, valued at $2,647, at a unit price of 13 cents per pound, the duty being $662. In the first nine months of 1921 there were imported 100 pounds, valued at $7, with a unit value of 7 cents.

Mr. NORRIS. What was the tariff all those years as compared with what is proposed now to levy?

Mr. JONES of New Mexico. Twenty-five per cent ad valorem.

Mr. NORRIS. And the House provided for 30 per cent ad valorem?

Mr. JONES of New Mexico. Yes. The 30 per cent ad valorem provided by the House is on the metals not otherwise provided for, but on litharge there is a rate of 2½ cents per pound. The present price of litharge is about 10 cents per pound in New York.

Mr. NORRIS. Let me ask the Senator another question. I want to get this straight about the present bill. If we take out the committee amendment, litharge as the bill came from the House had a tariff of 30 per cent ad valorem levied on it?

Mr. JONES of New Mexico. No; it was 2¾ cents per pound.

Mr. NORRIS. The Senator is correct—2¾ cents per pound. What I would like to find out—I know it can not be given

definitely, but approximately—is whether the 2¾ is higher as compared with the 25 per cent ad valorem?

Mr. JONES of New Mexico. According to my information, the prices of the litharge in New York are about 10 cents per pound, or less than 10 cents per pound.

Mr. NORRIS. That would not make very much difference.

Mr. JONES of New Mexico. No; it would not.

Mr. NORRIS. It would be about the same.

Mr. JONES of New Mexico. Yes.

Mr. NORRIS. The Senate committee proposes to reduce that.

Mr. JONES of New Mexico. Yes; it is reduced from 2¾ to 2½ cents per pound, but 2½ cents per pound, as I have it on my memorandum, is about 35 per cent ad valorem.

Mr. NORRIS. According to the Senator's figures, as I understand it, it would be about the same.

Mr. JONES of New Mexico. That would be quite true, but levied on the foreign price it would be about 35 per cent.

Mr. NORRIS. As I understand, the Senate committee put the duty on litharge at 2½ cents a pound, while the House imposed a duty of 2¾ cents a pound. The Senate committee, therefore, proposes a reduction. From the figures which the Senator gave in reference to imports under a tariff that provided for a 25 per cent ad valorem duty, it seemed to me that we could well provide for a reduction, because those figures show there are practically no importations under the present rate.

Mr. JONES of New Mexico. That is quite true. Under the 25 per cent ad valorem duty the importations have been negligible.

Mr. SMOOT. May I suggest to the Senator also that in the pending bill the duty upon lead in the ore—that is, the lead content of the ore—is 1½ cents per pound, and in the existing law it is three-fourths of a cent a pound, with the 25 per cent ad valorem. So the Senator must see what an immense difference that makes.

Mr. NORRIS. That is all true. I understand; that is true; but importations of this particular lead item and others similar to it were so slight as to indicate to me that the tariff on the ore is too high, and it ought to be cut down.

Mr. JONES of New Mexico. The difference between the tariff on the ore and these specific products here is not, of course, so very great, and yet in the percentage it is quite large.

Mr. SMOOT. It is nine-tenths of a cent a pound.

Mr. JONES of New Mexico. It is nine-tenths of a cent a pound; but when it is realized that the price of ore, so far as the producer is concerned, is only 2 or 3 cents a pound, one can see what it amounts to as a differential. So much for the litharge.

Orange mineral is more expensive than some of the other lead products; it requires more care in its preparation. It is used as a pigment, but is also utilized in the manufacture of rubber. I want to read about the production of orange mineral:

Orange mineral is made by heating white lead in the presence of air. It is usually made from the scum which collects on the surface of wash waters used in levigating white lead. The production figures of orange mineral in the United States have been included with the figures for red lead since 1915.

So we have no data regarding orange mineral since 1915, the production figures having been included with those of red lead, although its production is a little more expensive than the production of red lead.

Prior to 1915 the production of orange mineral averaged about 600 short tons.

Imports: The average annual import for 1910–1917 was 317,205 pounds, valued at $20,098, yielding a revenue of $9,373.

Since that time the imports are given for three years; and we find that in 1919 the value of the imported orange mineral was a little over $5,000, that in 1920 it was a little over $5,000, and for nine months of 1921 the value was a little over $7,000—a very insignificant amount of imports.

The present prices are from about 13 to 15 cents a pound. I do not believe that under existing law this country is being flooded with any imports of orange mineral. Now I will read about red lead:

Red lead, the name given to the tetraoxide of lead, is a heavy, orange-red pigment having good covering power. Red lead is used in the manufacture of flint glass and cut-glass tableware, in the manufacture of preservative paints, and for various other purposes, including the manufacture of rubber goods and storage batteries, and as a lute in pipe fittings.

Production: Red lead is made by heating litharge under carefully controlled conditions to about 375° C. Production has steadily increased in the United States, amounting to 23,035 short tons of red lead and orange mineral, valued at $3,933,566, in 1916, and in 1918 and also in 1919 to an excess of 30,000 tons, valued at more than $5,000,000. In 1920 the output was 34,431 tons, valued at $7,523,089.

That is our production here—over seven and one-half million dollars. Now, as to our imports:

Imports: The average annual import for 1910–1917 was 370,351 pounds, valued at $16,075, yielding a revenue of $9,743.

Later statistics show that in 1918 we imported 5 pounds, valued at $1; in 1919 we imported 7,199 pounds, valued at $1,136; in 1920 we imported 2,307 pounds, valued at $1,789, and during nine months of 1920 we imported 6,176 pounds, valued at $339.

Now, as to exports of red lead: In 1918 we exported 5,739,819 pounds, in 1919 over 6,000,000 pounds, in 1920 over 3,000,000 pounds, and for nine months of 1921 about 1,000,000 pounds.

That is the condition with regard to red lead. It does not indicate, it seems to me, that this country is being flooded at the present time with red lead, and why, may I ask, at the present time should the duty be increased when we are manufacturing red lead, doubtless out of imported ore or bullion, and shipping it abroad in competition with the world?

Mr. SMOOT. What is the price of it?

Mr. JONES of New Mexico. The figures are given as to the value of the exportations for each year, but I have not ascertained the value per pound. The 5,739,819 pounds exported in 1918 were valued at $662,584.

Mr. SMOOT. That would indicate a price of about 11 cents.

Mr. JONES of New Mexico. And the shipments in 1919 were valued at $735,000. That would indicate a value of about 11 or 12 cents a pound, I should judge.

Mr. SMOOT. And 25 per cent of that would be from 2¾ to 3 cents a pound.

Mr. JONES of New Mexico. But the point I hope to emphasize is that we are exporting the commodity in competition with the world, and the present duty can have no effect upon that item when we are exporting it. We are bringing in our bullion in bond from Mexico; we are refining it in our smelters; we are manufacturing it into red lead, and we are exporting the red lead in competition with the world.

Mr. WILLIAMS. But still the Senator must admit that the proposed duty will have one effect; it may increase the price to the American consumer and thereby make him reverence his Government.

Mr. JONES of New Mexico. The Senator from Mississippi is quite right, and in the remarks which I have made to-day I hope I have demonstrated that the American consumers as to the entire consumption of lead and lead products are at the mercy of the protected interests in the United States.

Mr. SMOOT. Will the Senator state to the Senator from Mississippi that the rate proposed is lower than the rate provided in the present law?

Mr. JONES of New Mexico. The rate upon red lead is put at 2¾ cents per pound.

Mr. SMOOT. Yes.

Mr. JONES of New Mexico. And on orange mineral at 3 cents a pound, which, according to my figures, would equal about 55 per cent ad valorem, or double the present ad valorem rate.

Mr. SMOOT. The price indicated is from 11 to 12 cents a pound, and 25 per cent of that figure would be from 2¾ to 3 cents a pound. The proposed rate is 2¾ cents, while the duty which the Senator approves on the lead content of ore has been doubled, and nine-tenths of a cent represents a compensatory duty on account of the lead alone.

Mr. WILLIAMS. Mr. President, as I understand the dispute is as to what amount a suggested specific duty would come to ad valorem. I suppose the different experts have given various opinions about it before the committee. I did not hear them; but it reminds me a little in its uncertainty of what occurred yesterday, when we were first told that certain ores were landed by Germans at New York for $5.20, and then later that those figures were a mistake and that the correct figure was $10. The information which the Senator from Utah wanted the Senator from New Mexico to give to the Senator from Mississippi will be regarded by the last-named Senator as having been given to the full extent of the quarrel now existing between the Senator from Utah and the Senator from New Mexico as to what this specific duty will amount to ad valorem.

Mr. SMOOT. Mr. President, all I said was that the figures which the Senator from New Mexico himself gave showed that on the importations of red lead into the United States the price was 11½ cents a pound, and 25 per cent of 11½ cents is more than the rate proposed by the bill notwithstanding the fact that the duty on lead has been increased 100 per cent.

Mr. President, I myself think that red lead not in the oil is not that high in price, but the importations which come in are in the oil, and it is the 25 per cent duty on that character of

red lead of which the Senator is speaking and of which I am speaking also.

Mr. JONES of New Mexico. I have here the foreign prices for 1914 prior to the war, and for litharge the foreign price was 5 cents.

Mr. SMOOT. That was the pre-war price.

Mr. JONES of New Mexico. Certainly.

Mr. SMOOT. That is quite a different thing.

Mr. JONES of New Mexico. And 2¼ cents on 5 cents a pound, the price prior to the war, would be 50 per cent, or double the present rate, representing an increase of 100 per cent of the present duty.

Mr. SMOOT. The Senator might as well have given the figures for 100 years ago.

Mr. NORRIS. Mr. President, to those of us who are just trying to get what the real truth is about this matter I think the Senator's statement is hardly fair in saying that this would be such an increase, because the ad valorem duty under existing law being 25 per cent, as I understand, would be computed upon the value now, not upon the value of 1914.

Mr. JONES of New Mexico. Yes; the observation of the Senator is fully justified.

Mr. NORRIS. And of course the tariff fixed specifically here is one that we consider now. If the Senator is going to give the prices, I wish he would include one article, the most interesting of all, which the Senator has not yet discussed, and that is white lead.

Mr. JONES of New Mexico. I am coming to that, but I will give first the 1914 prices for these different pigments.

The litharge was 5 cents per pound; the orange metal, 7 cents per pound; the red lead, 5 cents per pound; the white lead, 7 cents per pound. Those were the 1914 prices.

I want to make this observation: While these specific duties which the majority of the committee propose to impose amount to about 25 or 30 per cent, or say 35 per cent—their blanket clause is 30 per cent, and I suppose they did not intend that any of these should be less than that—while that amounts to about 30 per cent of the existing prices, it must be recalled that existing prices are much higher than prices before the war; and in my humble judgment the very purpose of making this change from an ad valorem rate to a specific rate is to increase the duty levied upon importations when the prices may fall; or, in other words, it is designed to maintain to the consumers of the country existing high prices, and counteract any possible fall.

Mr. SMOOT. Does the Senator expect that lead is going to fall in price from what it is to-day?

Mr. JONES of New Mexico. It is higher than it was normally. It is about 5½ cents a pound, and its normal price is from 4 to 4½ cents a pound.

Mr. SMOOT. The Senator expects lead to fall to 4½ cents a pound, then? I will simply say that if that happens there will be no lead mines running in the intermountain country, and I think the Senator knows that.

Mr. JONES of New Mexico. That may be quite true. Again the Senator has his anise-seed bag here. What we are talking about is the effect upon this commodity of the change from an ad valorem to a specific duty.

Mr. SMOOT. The Senator was claiming that the prices of this commodity were going to fall, and therefore that the specific duty would be a higher equivalent ad valorem rate than it is to-day. The price of lead to-day is from 5 to 5½ cents, and the Senator knows that the mines of the West under existing conditions can not produce lead for any lower price than that, and under this there is a compensatory duty of 1.9 cents per pound upon the lead. The price can not fall very much without closing the mines of the West.

Mr. JONES of New Mexico. Yes; and if the mines of the West are closed, the smelting concern which is so near to the heart of the Senator from Utah will import its lead ores in bond and refine them and export them in competition with the world.

Mr. SMOOT. Mr. President, when lead is imported in bond and refined and sent to the world it never enters into the litharge that we make in this country, so that it would not make any difference.

Mr. NORRIS. Mr. President, I should like to make just one observation there, and yet I do not want to detain the Senator, because he is now reaching a commodity in which I think the people are more directly interested than they are in these other lead substances.

Something has been said back and forth about what is going to happen to the lead industry if the price of lead goes down. I do not want the opportunity to pass without observing that the lead industry must take its chances with every other industry, including agriculture. We are in an abnormal condition now, and that applies to the lead industry as well as it does to every other industry. We all hope that we are going to get down to the earth. I should like to get down without injuring any of the industries, if possible; but we can not sustain any industry in the position that has been brought about by war conditions unless we sustain all of them. If we do that, we will have to remodel every activity in commercial life. I do not want to make an exception; and that is the reason why I am afraid that in this bill both the Senators on the other side and those on this side, with a fear which probably comes about naturally that the lead industry is going to be injured, have put a tariff upon the raw material—that is, the ore that comes from Mexico—so high that the lead men of the country will be able to keep their industry up above normal conditions; in other words, they will be sustained in their war conditions while the balance of the country goes back to normal conditions.

That is something that we do not want to bring about. You can pick out an industry and put a tariff on it so high that you will sustain it. We are all alarmed, and of course the people in the various industries are alarmed, when anything strikes their particular industry. It is natural that it should be so. I am not complaining about it. At the same time, these abnormal conditions must be wiped out in a way that will apply to everything, and make no exception.

I am not an expert on this subject; I know nothing about the lead business, but I am getting a whole lot of information now, and it seems to me that I can see now that at the bottom of it all we have placed a tariff that is too high. These compensatory duties that we have been discussing so far in some instances are a little lower than the existing law, perhaps, where the tariff on the ore is only one-half of a cent a pound, or three-fourths of a cent. While we are going at it backward, taking the manufactured article first and coming down later to the raw material, when we apply the duties that even the committee have put here, I think in some instances they are too high. It seems to me we will have to lower the duty on the ore when we get down to it, or we will be taking a step that will have a tendency to sustain in war conditions the lead industry, and which does not apply to other industries.

Mr. JONES of New Mexico. Mr. President, the question raised by the Senator from Nebraska is undoubtedly a very important one and probably will receive some further consideration. As to that, however, I have not any great hope or fear; but I have not felt like discussing that question, because much can be said in favor of doing something which will bring some sort of life to the lead-producing mines of the country, and what shall be done can not be measured mathematically. It is in effect a guess, an estimate, as to how much it should be.

Mr. NORRIS. If the Senator will permit another interruption, taking his own figures that he has offered here as to these various products of lead, it seems to me that what they demonstrate is that this industry is not injured by foreign importations. The importations that the Senator has given are practically negligible in most instances, and therefore it seems to me that the industry does not need very much of a tariff to be sustained.

Mr. JONES of New Mexico. I think, just as the Tariff Commission has found, that if you put the American smelters upon a parity with the smelters of the world so far as the ore is concerned, you do not need any tariff as to the base metal or as to any manufactures of that metal. That is what the Tariff Commission finds, and I think all the figures corroborate the finding of the Tariff Commission.

As the Senator very pertinently suggested a while ago, white lead is the most important of all these articles. White lead is in general use all over the country, and I want now to give the statistics regarding that production.

I suppose everybody knows what white lead is, and what it is used for, and I shall not take the time of the Senate in reading that, but I will read about the production and the imports and the exports.

The average annual domestic production for 1910–1916 was 142,986 short tons, valued at $18,260,727. The output in 1919 and 1920 was about 140,000 tons.

Now as to the imports:

Prior to the war the imports were about 700,000 pounds—less than 1 per cent of the domestic production—and yielded a revenue averaging about $4,000. They were negligible during the war, and have since been as follows:

In 1919, 21,213 pounds, valued at $2,490, with a unit value of 12 cents per pound, and a duty of $623.

In 1920 the imports were 159,977 pounds, valued at $19,449, with a unit value of 12 cents again, and a duty of $4,862.

In the first nine months of 1921 the imports were reduced to 123,616 pounds, valued at $12,545, and a unit value of 10 cents.

The exports since 1913 have averaged about 7 or 10 per cent of the domestic production. We imported less than 1 per cent prior to the war, and were exporting from 7 to 10 per cent of the domestic production, and in 1918 we exported 15,588,916 pounds, valued at $1,786,739. In 1919 we exported 28,033,485 pounds, valued at $3,037,292. In 1920 we exported 29,801,557 pounds, at a value of $3,195,101. In the first nine months of 1921 we exported 8,647,947 pounds, at a value of nearly a million dollars.

Does not that demonstrate that as to all these pigments, whether we get the metal in the form of ore, whether we get it in the form of base bullion, in pigs, or in any other form, we are taking it in this country and manufacturing from it white lead, and, with the drawback, are exporting these large quantities of white lead to the world, and in competition with the world? Tell me, if you will, upon what theory you can justify any sort of a duty except a compensatory duty for that which is imposed upon the imported lead?

Mr. NORRIS. Why should we impose even a compensatory duty? Why not reduce the duty on lead ore itself? If the Senator's figures demonstrate anything, and I think they do, they demonstrate that a tariff upon white lead is absolutely unnecessary, and while the committee amendment reduces the tariff on white lead a little, it seems to me it could well cut much deeper; but we should then follow it up by reducing the figures provided in the bill on the lead ore. When we talk about lead, we are coming to a product in which every man, woman, and child in the United States is directly interested. The owner of every home has a direct interest in it, and it seems to me, from the figures the Senator has given us as to our production, our exports, and our imports, that this is an industry which does not need any artificial support.

Mr. JONES of New Mexico. It certainly does not, unless you put a duty upon the ore, because the producers of the ore in this country are at a disadvantage with the foreign countries in the production of ore; but that is the only disadvantage which can be found anywhere along the line.

In regard to the Senator's remark that this is a reduction, it may not be an increase——

Mr. NORRIS. I would like to explain that a little further. I did not mean a reduction from the rates of existing law, because I have made no computation in regard to that.

Mr. JONES of New Mexico. It is a reduction of the figures adopted by the House.

Mr. NORRIS. It is a reduction from the figures of the House. That is what I had reference to.

Mr. JONES of New Mexico. The duty imposed by the House on white lead was 2¼ cents per pound, and the Finance Committee has reduced that to 2½ cents per pound. Having imposed a specific duty of 2½ cents per pound upon white lead, let us assume that the time will come when the price of white lead shall be lower in the world market. By the way, the fact that we are discussing the possibility of the price being lowered will not have a tendency to lower the price, as the remarks of the Senator from Utah would seem to indicate, but I think in the passage of legislation we should take into consideration all probabilities, and when we observe that the price of white lead prior to the war was invariably lower than it is now, we at least ought to consider that as a factor when we are imposing duties, and provide for the contingency of a decrease in price. If prices should fall, then the imposition of this specific duty would increase the ad valorem duty upon white lead.

Mr. NORRIS. How much is white lead now per pound in excess of what it cost before the war?

Mr. JONES of New Mexico. I will get that information for the Senator.

Mr. NORRIS. As I remember the figures the Senator gave, it has fallen 2 cents in the last year. The Senator gave 12 cents as the unit price for 1919 and 10 cents as that for 1921.

Mr. JONES of New Mexico. That was the import price for the first nine months of 1921. The Senator will bear in mind that that 10 cents was the foreign price, without transportation charges and landing charges and without the duty on it; so the domestic price must have been pretty high to warrant the importation of white lead at that time at that foreign price of 10 cents, because when you add the transportation charges and add the duty of 25 per cent to that, together with the profits of the importers, you see that the American price must have been very high to warrant the importation of any foreign lead at a foreign price of 10 cents.

The duty is 25 per cent; but it was brought in here and, of course, entered the market, and it would not have been brought in if it could not have been sold at a profit. Perhaps the little that was brought in then had an effect upon the American price and brought back this very needful commodity to more nearly a reasonable price than it was bringing.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER (Mr. BURSUM in the chair). Does the Senator from New Mexico yield to the Senator from North Dakota?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. McCUMBER. The Senator made a suggestion a short time ago to the effect that the imposition of these rates will keep high the prices of products in the United States and prevent their going down, and he seems to think that we should have made the tariff on the theory that we would return to pre-war prices. Taking the bill as a whole, I think none of the rates would allow the continuation of the present high prices of commodities. Generally I would say that is true. It may be that in some specific instances there is a possibility that the prices will be held up to nearly the present levels, but on the whole we have given a tariff much less than what would measure the difference between what the product can be purchased for, in all probability, in the foreign market and what it can be purchased for in the United States. What I wanted to ask the Senator is whether he believes that there is even a remote possibility that the cost of production in the United States will return, as a rule, to the pre-war cost of production.

There are two elements which go into the cost of production. The principal one, generally, is the labor cost, either reflected directly in what the manufacturer pays to the labor which he employs or indirectly in what the manufacturer pays for what to him is the raw product, and which is produced again by the higher-priced labor. We have assumed in making these rates that we would not get back to pre-war conditions in the cost of production. The wages of labor on the whole are to-day about 105 per cent higher than they were in 1914.

The product of the manufacturer is sold to-day in the markets on an average between 40 and 50 per cent higher than it was sold for in 1914. We do not want to pull down the laborer's wages if we can help it, and while in some instances they have to go down, if we continue in business we are designing to hold them up as nearly as possible to a good level, and very much in excess of those paid in 1914.

Therefore, does the Senator think we ought to have made this tariff upon the assumption that the cost of production would in any reasonable length of time reach a pre-war basis?

Mr. JONES of New Mexico. Mr. President, the tax imposed upon the American people should not be greater than is necessary for the objects sought to be attained by the imposition of the tax. The Senator time and again has said that the purpose of levying a duty is to equalize these differences. If the cost of production should be lowered in this country, does the Senator feel that we should maintain a duty which would more than equalize that difference? He has talked about the difference time and again, and said that he wants a duty only for that purpose; and should you not levy your rates with that in view? If there is really any sincerity in the proposition that you mean by your taxes—I hope the Senator will pardon me for using that term, because I know the Senator from South Dakota is always sincere in what he does and says, and I mean no criticism of him; I do not use the term in an offensive sense at all—to equalize this difference, if your costs are lowered you do not want to keep up your tax, but that is precisely what will happen from converting an ad valorem duty into a specific duty. You increase the rate of tax, and have a higher rate of protection, as you would call it, as against what would be a lower rate of protection if the value of the commodity were decreased.

But, Mr. President, that question does not enter here, because there is no difference between the cost of production here and abroad. As to this commodity it has been demonstrated, as the Tariff Commission says, that the concerns in the United States can compete with the world.

I would like to know upon what theory any tax is levied. There is no difference in the cost of production. How can a thing be measured which does not exist? How can it be said it is 2½ cents per pound or 1 cent per pound or 10 cents per pound when there is nothing of it and the Tariff Commission so advises?

Mr. President, in conclusion, I again ask the Republican Senators in this Chamber to reflect upon what this means. You are deliberately flouting the Tariff Commission. The people of the country have looked to the work of that commission as relieving the very embarrassing political situation in which the tariff finds itself. They paid their money to establish that commission.

The commission has employed very intelligent and efficient help. It has labored for years in gathering this specific data, and it comes to you to-day and it tells you that its deliberate finding is that there is no difference here, that the smelting interests of the United States can compete with the world; not

only that they can, but that they do it. It deliberately tells us and advises us that there is no necessity for any duty upon these products except to equalize the duty which we impose upon the raw lead-bearing ore.

Mr. WATSON of Georgia obtained the floor.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MOSES in the chair). The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Glass	McCumber	Robinson
Ball	Gooding	McKinley	Sheppard
Borah	Hale	McLean	Shields
Brandegee	Harreld	McNary	Simmons
Broussard	Harris	Moses	Smoot
Bursum	Harrison	Myers	Spencer
Calder	Heflin	Nelson	Stanley
Capper	Johnson	New	Sterling
Caraway	Jones, N. Mex.	Newberry	Swanson
Colt	Jones, Wash.	Norris	Townsend
Culberson	Kellogg	Oddie	Underwood
Curtis	Kendrick	Overman	Wadsworth
Dial	Keyes	Page	Walsh, Mont.
Dillingham	King	Pepper	Watson, Ga.
Elkins	Ladd	Phipps	Watson, Ind.
Fletcher	Lenroot	Pomerene	Willis
France	Lodge	Ransdell	
Frelinghuysen	McCormick	Rawson	

The PRESIDING OFFICER. Seventy Senators having answered to their names, a quorum is present. The Senator from Georgia will proceed.

CAPT. R. A. MALONE.

Mr. WATSON of Georgia. Mr. President, only for a few moments will I ask the attention of the Senate, while I lay before it a matter which ought to interest everyone who has an interest in common humanity.

Last night I was asked over the telephone if I would meet Congressman PARK of Georgia at the State Department this morning at 10 o'clock. Without asking him what he wanted, I gave him the promise and kept it. Not until I went into the office of the Assistant Secretary of War did I know the purpose of our visit.

A few words there uttered by my colleague [Mr. HARRIS] developed the fact that Capt. R. A. Malone, of Georgia, had been court-martialed in France and sentenced to 20 years in the penitentiary for having taken the life of another officer who had broken up the home of Captain Malone by ruining his wife and taking not only the wife but his three children.

I at once said to the Assistant Secretary of War that if I had been trying the case in Georgia, I would not have wanted more than 10 minutes to have cleared him before a jury. I said:

> Furthermore, Mr. Secretary, a court-martial has no right to try a man for murder, no jurisdiction over a case of that kind, no machinery with which to try it.

His view was different, but I violate no confidence in saying that the department is investigating the question.

I call the attention of the War Department and the Department of Justice, as well as the attention of the President of the United States, to what I conceive to be the law of the land, and of all English-speaking lands; and if I am wrong about it, I invite correction and will accept it cheerfully.

One of the very first amendments which the States demanded should be made to the Constitution is No. 5, which reads:

> No person shall be held to answer for a capital or otherwise infamous crime unless on a presentation or indictment of a grand jury, except in cases arising in the land or naval forces or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be put twice in jeopardy, * * * nor be deprived of life, liberty, or property, without due process of law. * * *

Mr. President, the Revised Statutes are very full upon the jurisdiction of a court-martial. Such a court has no jurisdiction whatever, except over a purely military offense, such as mutiny, desertion, cowardice in the face of the enemy, striking an officer, or threatening to do it by gesture, having communications with the enemy, absence without leave, and similar offenses, all military in their nature.

There are many of these statutes. I have gone over them, and I find no provision whatever giving to a court-martial the right to try either a private or an officer because, in a private feud, not in the hours of duty nor in the line of duty, he takes the life of another soldier or officer. Every one of the 59 articles of war preceding that which I now shall read specifies a distinctly military offense, as every Senator can see for himself, if he will send for the volume; just as the Department of Justice can see, just as the War Department can see, and just as the President can see. I read article 59, which is as follows:

> ART. 59. When any officer or soldier is accused of a capital crime, or of any offense against the person or property of any citizen of any of the United States, which is punishable by the laws of the land, the commanding officer, and the officers of the regiment, troop, battery, company, or detachment, to which the person so accused belongs, are required, except in time of war, upon application duly made by or in behalf of the party injured, to use their utmost endeavors to deliver him over to the civil magistrate, and to aid the officers of justice in apprehending and securing him, in order to bring him to trial. If, upon such application, any officer refuses or willfully neglects, except in time of war, to deliver over such accused person to the civil magistrates, or to aid the officers of justice in apprehending him, he shall be dismissed from the service.

I call attention to the fact that complete sense is made by the first sentence of article 59, when any officer or soldier is accused of a capital crime he is excepted from the jurisdiction of a court-martial and must be turned over to the civil authorities for trial. An exception is made in case of war, but that does not give jurisdiction to the court-martial to try him. It simply gives the Army authorities an exemption from the requirement to deliver him at once. They would have to hold him in custody until they could deliver him without interference with military operations.

When did anybody ever hear of a sailor, marine, or naval officer on the deck of one of our battleships, which, of course, is a part of our territory, being tried by a court-martial or an admiralty court and condemned, either to death or to penal servitude, for an offense not committed in his line of duty, not committed against an officer in the way specified in these statutes, but in a mere private feud, sailor to sailor, marine to marine, officer to officer, in a private quarrel? Who ever heard of an admiralty court taking jurisdiction over the capital crime of murder when one officer kills another because of alleged ruin of his home? It never happened. The terrain which is occupied by an American Army on foreign soil is for the time being a part of the United States territory, but no more so than the deck of a battleship. Therefore, Mr. President, I submit to the high authorities, for their most earnest and immediate consideration, the question as to whether all of these court-martials are not null and void.

Captain Malone, sentenced for 20 years, has served more than three years. In my judgment he never was legally convicted, and had he had a trial, with compulsory process to bring his witnesses from this country, no jury would have been out 10 minutes in his case, because they would have given him the benefit of the unwritten law.

Even if there were a statute authorizing a court-martial to take jurisdiction over cases of ordinary murder, such a statute would be unconstitutional.

When the fifth amendment exempted the Army, Navy, and militia from the law requiring indictment by grand jury, nothing more was meant than that soldiers, Navy men, and militiamen could be court-martialed for military offenses. The Constitution never meant to give Army officers the right to try each other, or their men, for such crimes as bigamy, seduction, forgery, incest, bestiality, rape, embezzlement, and so forth.

Those who contend that officers can try all cases of crime should realize that their logic carries them to the untenable position that when a man joins the Army he loses the protection of the civil power. Courts-martial have no machinery suitable to the proper trial of such cases.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. KING. Mr. President, the Senator from New Mexico [Mr. JONES], who has been presenting this matter, asked me to offer an amendment in his behalf, and I do so. In line 3, page 27, I move to strike out the numeral "2" and insert in lieu thereof the numeral "1," so as to read:

> Litharge, 1½ cents per pound.

On that amendment I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Utah on behalf of the Senator from New Mexico to the amendment of the committee.

Mr. WALSH of Montana. Mr. President, I wish to make an inquiry of the Senator from Utah [Mr. SMOOT]. I should like to have the Senator to give me his idea as to why there should be a heavier duty on lead in lead bullion than on lead in lead ore?

Mr. SMOOT. Mr. President, the reason is this: If there is not a greater duty imposed upon bullion, then the bullion will come in at the same rate as will the lead content in the ore. The Senator from Montana knows that the transportation cost on 3 pounds of ore equals 1 cent a pound on the lead; that is the differential. If there is not a differential given, no matter whether or not our smelters could work the lead just as cheaply

as it could be worked in Mexico, the transportation here makes a difference which we have got to make up, or else all that would come here would be in the shape of bullion rather than in the shape of ore. If we do not give the differential we might just as well have a lower rate upon the ore. It is my idea, and, I think, it is also the idea of the Senator from Montana, that the ore should be protected, and the only way in which that may be done so as to get the benefit of the duty of 1½ cents is to make the differential in this case between the ore and the bullion.

I have figures here which were furnished me by the Tariff Commission showing that what I have indicated would be the result if the same rate were placed upon bullion as upon the lead content in the ore. In other words, the Senator knows that it takes 3 pounds of very good lead ore to make 1 pound of lead, and the transportation charge for the 1 pound of bullion would be no more in proportion named than the transportation charge for 3 pounds of ore. So this increase was allowed for the purpose of equalizing the difference which I have stated.

I will say to the Senator further that that is why the American Smelting Co. went to Mexico and erected a smelter there and to-day are smelting their ores there instead of smelting them in this country. If the Senator wants protection upon the ore—and I think he does—of 1½ cents, we have got to allow this differential or else the protection will not be afforded upon the lead in the ore.

Mr. WALSH of Montana. Mr. President, the explanation made by the Senator from Utah may be perfectly clear to every other Senator in the Chamber, but it does not signify anything at all to me; I do not comprehend it at all. This is the situation: The American Smelting & Refining Co. has a smelter in Mexico and it has a smelter on the American side of the line at El Paso. If a Mexican miner has his ore smelted at the Mexican smelter and gets his product in bullion and brings that bullion into this country, he pays a duty on it of 2½ cents a pound. If, however, he transports his ore across the Rio Grande to the smelter at El Paso he pays only 1½ cents a pound duty on the lead content of the ore. I can not see anything in it whatever except to give an advantage to the American smelter. The only smelter, so far as I know, which would be affected would be the smelter at El Paso. I can not see why there should be the slightest difference between the duty on lead bullion and the duty on lead ore. Lead bullion is lead with impurities in it which would afterwards be eliminated by some process of refining.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Utah?

Mr. WALSH of Montana. Let me remark before we get through that the present law—the Underwood law—imposes a duty of three-fourths of 1 cent on lead ore and 25 per cent on the bullion. If the current price is 4½ to 5 cents—and 5 cents, I think, is about right—that would be the equivalent of 1½ cents upon the bullion to three-fourths of 1 cent on the lead ore.

Mr. SMOOT. Mr. President, let me tell the Senator the facts of the case as to the price of bullion and what the differential is under the Underwood law. On importations of 3,559,071 pounds, at a cost of $180,070, a rate of 25 per cent is equivalent to 5⅛ cents, or 5.66 cents, per pound. A 25 per cent duty on that 5.66 cents per pound is 1.41 cents per pound; 1.41 cents per pound under the present law and three-fourths of a cent on the ore makes a difference of sixty-six one-hundredths of a cent.

Now, let us see what the differential is under the pending bill. The Senator will find that it is a little less, but the figures are so nearly the same as to make the difference hardly appreciable. Under this bill the duty is 2½ cents; that is 2.12½ cents; the duty on the ore content is 1.5 cents, which makes a difference of sixty-two and one-half one-hundredths of a cent. The differential under the present law is sixty-six one-hundredths of a cent, while the rate which we propose between the ore and bullion is sixty-two one-hundredths of a cent. So, Mr. President, the differential under the bill as reported to the Senate—not the House rate, but the Senate committee rate—is sixty-two one-hundredths of a cent as against sixty-six one-hundredths of a cent under existing law.

Now, Mr. President, I wish to say just a word in relation to the amendment which has been offered.

Mr. WALSH of Montana. Before the Senator passes from the matter which he has been discussing I wish to make a further remark, and possibly the Senator from Utah may care to say something in answer to it. The impression is gained from what the Senator has said that in the case of copper ore carrying lead in an amount less than 25 per cent——

Mr. SMOOT. Less than 10 per cent.

Mr. WALSH of Montana. I understood the Senator to say that in ore carrying less than 25 per cent the lead is not recoverable.

Mr. SMOOT. I did not say 25 per cent; I said 10 per cent.

Mr. WALSH of Montana. My understanding about the matter is that that is the case with the smelter at El Paso, which is not equipped for the separation of lead from copper matte. The smelter at El Paso is the property of the American Smelting & Refining Co.; but the subject has been receiving the very careful investigation of the Bureau of Mines, which has recently issued a bulletin showing that metallurgical processes have so far developed as that now the lead content in matte is separated economically and profitably practically without regard to its amount. I have sent for the bulletin.

Mr. SMOOT. The Senator should state that it is demonstrated now that if they make the improvements and secure the same results that are obtained in laboratory tests, copper matte carrying lead up to 10 per cent can be separated at about the same price as the lead itself, and therefore that lead will not be wasted, but it will go into commerce; but it has to be 10 per cent even under the very best formula that is known or expected to be a success.

Mr. WALSH of Montana. Before we get through with this subject I will have the bulletin of the Bureau of Mines, so that we will have definite information on that point. Meanwhile, assuming that the facts are as the Senator states—that in the case of copper matte containing less than 10 per cent of lead the lead can not be economically saved and therefore is lost—why should not then the provision with respect to that matter stipulate that in the case of copper matte containing lead not to exceed 10 per cent the matte may be admitted free? Of course, I think the Senator must concede that it is a dead easy thing for an owner of lead bullion in Mexico just to run it into a copper smelter and bring the copper matte into this country with 30 per cent or 40 per cent or 50 per cent of lead in it, which comes in free.

Mr. SMOOT. That could be done, Mr. President, but the Treasury Department stand in the way of it.

Mr. WALSH of Montana. How do they stand in the way?

Mr. SMOOT. By the decisions that they have rendered, time and time again; and it can not get in here, under a decision as to what copper matte is, if it contains more than 10 per cent of lead. It is not then copper matte.

Mr. WALSH of Montana. Can the Senator refer me to decisions to that effect?

Mr. SMOOT. I have not them here, but I have been told by experts that that is the decision.

Mr. WALSH of Montana. Copper matte, as we understand it, is matte that contains a majority percentage of copper. That is the usual understanding.

Mr. SMOOT. All that I say is that if it contains more than 10 per cent of copper it would not be classed as copper matte.

Mr. WALSH of Montana. Of course, if there are adjudications on it, the legislation is deemed to be drawn with reference to that; but otherwise this is to my mind a provision for the free admission of lead into this country. But, leaving that out of consideration entirely, we are now facing the question of what duty shall be imposed upon white lead, for instance.

Mr. SMOOT. I yielded to the Senator, and if he will just let me proceed, I should like to make a statement, which will be very brief, indeed. I should like to have some of the Senators here to hear it, because I should like to have them know what this amendment means.

Mr. KING. With the Senator's permission, I will suggest the absence of a quorum.

Mr. SMOOT. No; I will ask the Senator not to do that now.

The pending amendment is to strike out 2½ and insert 1½ cents a pound as a duty on litharge. The Senator who made that motion is in favor of the duty of 1½ cents a pound upon lead contained in ores. I want to say this: I care not where an industry is in the United States, when I know that there is a duty imposed upon the raw material from which it makes its products, I want a compensatory duty given to that manufacturer. I do not care where he is or what he makes.

Mr. President, with a rate of duty of 2½ cents upon the bullion that goes into the manufacture of litharge, in order that the manufacturers shall be compensated for that article that is contained in the litharge the product of litharge must have a rate of duty of 1.9 cents. We are asked now to vote a duty of 1.5 cents, less than the compensatory duty on the lead contained in the ore. I know that the Senator from New Mexico will vote for the duty of 1½ cents on the lead content of ore. I know that the Senator who offered this amendment will vote for it, and I am for it; but the difference is that I want the manufacturer who purchases the raw material on which there

is a duty to be compensated for it, and under the prices that exist to-day the rates proposed in this paragraph are lower than the rates in the present law, notwithstanding the fact that on the lead from which these articles are produced the rate has been increased from three-fourths of a cent to 1¼ cents a pound. We want to be fair; I certainly do; and we can not be fair unless we give them that compensatory duty. Let me follow what I have said upon this item right down the line of everything in this paragraph, so that I will not have to repeat it.

On orange mineral the compensatory duty is 1.9 cents per pound. On red lead it is 1.9 cents per pound. On white lead it is 1.7 cents per pound. So when we vote upon these duties we must take that into consideration, whereas under existing law the compensatory duty is ninety-five one-hundredths of 1 cent a pound on litharge, ninety-five one-hundredths of a cent a pound on orange mineral, ninety-five one-hundredths of a cent a pound on red lead, and eighty-five one-hundredths of a cent a pound on white lead. Therefore I am positive that if Senators understood this matter there would not be a vote against it, even on the other side of the Chamber.

Mr. WALSH of Montana. Mr. President, before we vote on this amendment I want to ask the Senator, because I have not been able to get the information myself, what is the consumption of white lead in the United States?

Mr. SMOOT. One hundred and forty thousand tons.

Mr. WALSH of Montana. One hundred and forty thousand tons. Two and a half cents a pound is $50 a ton, so that this tax is 50 times 140,000. That is the little item that is added to the cost of building and keeping up properties in the United States by this item.

What is the consumption of red lead?

Mr. SMOOT. Thirty-four thousand four hundred and thirty-one tons.

Mr. WALSH of Montana. Make it 34,000. I have figured out that the tax imposed by this duty on building operations in the United States is $70,000,000.

Mr. SMOOT. I think the Senator has made a mistake in his figures, but I am not going to deny them, because I have not——

Mr. WALSH of Montana. That is easy enough—1,400,000 tons, $50 a ton, 2½ cents a pound.

Mr. SMOOT. I said 140,000 tons.

Mr. WALSH of Montana. Oh! I understood the Senator to say 1,400,000.

Mr. SMOOT. That is only ten times too much.

Mr. WALSH of Montana. Very well; $7,000,000.

Mr. SMOOT. That is all; that is only ten times too much.

Mr. WALSH of Montana. I took the figures that the Senator gave me.

Mr. SMOOT. If I gave them, I will apologize to the Senator. I misstated myself if I did.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Utah [Mr. KING] to the amendment offered by the committee on page 27, line 3. On that question the Senator from Utah has demanded the yeas and nays. Is the demand seconded?

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. JONES of New Mexico (when his name was called). I transfer my pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED] and vote "yea."

Mr. NEW (when his name was called). I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Oregon [Mr. STANFIELD] and vote "nay."

Mr. OVERMAN (when his name was called). Again announcing my pair with the senior Senator from Wyoming [Mr. WARREN] and transferring that pair to the Senator from Rhode Island [Mr. GERRY], I vote "yea."

Mr. STERLING (when his name was called). Transferring my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Pennsylvania [Mr. CROW], I vote "nay."

Mr. WATSON of Georgia (when his name was called). I transfer my pair with the junior Senator from Arizona [Mr. CAMERON] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. WATSON of Indiana (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS], which I transfer to the senior Senator from Iowa [Mr. CUMMINS] and vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Delaware [Mr. BALL] with the Senator from Florida [Mr. FLETCHER]; and

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN].

Mr. COLT. I transfer my general pair with the Senator from Florida [Mr. TRAMMELL] to the Senator from Washington [Mr. POINDEXTER] and vote "nay."

Mr. ROBINSON (after having voted in the affirmative). I inquire whether the Senator from West Virginia [Mr. SUTHERLAND] has voted.

The PRESIDING OFFICER. He has not voted.

Mr. ROBINSON. I transfer my pair with that Senator to the Senator from Massachusetts [Mr. WALSH] and allow my vote to stand.

Mr. SIMMONS (after having voted in the affirmative). I have a general pair with the junior Senator from Minnesota [Mr. KELLOGG], who is absent from the Chamber. I transfer that pair to the Senator from Nevada [Mr. PITTMAN] and allow my vote to stand.

The result was announced—yeas 21, nays 45, as follows:

YEAS—21.

Ashurst	Heflin	Pomerene	Underwood
Caraway	Jones, N. Mex.	Robinson	Walsh, Mont.
Dial	King	Sheppard	Watson, Ga.
Glass	Myers	Simmons	
Harris	Norris	Stanley	
Harrison	Overman	Swanson	

NAYS—45.

Borah	Frelinghuysen	McKinley	Rawson
Brandegee	Gooding	McLean	Shortridge
Broussard	Hale	McNary	Smoot
Bursum	Harreld	Moses	Spencer
Calder	Johnson	Nelson	Sterling
Capper	Jones, Wash.	New	Townsend
Colt	Kendrick	Newberry	Wadsworth
Curtis	Keyes	Nicholson	Watson, Ind.
Dillingham	Ladd	Oddie	Willis
Elkins	Lodge	Page	
Ernst	McCormick	Pepper	
France	McCumber	Phipps	

NOT VOTING—30.

Ball	Fletcher	Owen	Sutherland
Cameron	Gerry	Pittman	Trammell
Crow	Hitchcock	Poindexter	Walsh, Mass.
Culberson	Kellogg	Ransdell	Warren
Cummins	La Follette	Reed	Weller
du Pont	Lenroot	Shields	Williams
Edge	McKellar	Smith	
Fernald	Norbeck	Stanfield	

So Mr. KING's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment proposed by the committee on page 27, line 3.

The amendment was agreed to.

The next amendment of the committee was, on page 27, line 4, after the words "orange mineral" and the comma, to insert "3 cents per pound" and a semicolon.

Mr. KING. In behalf of the Senator from New Mexico [Mr. JONES] I move to amend on line 4, after the word "mineral," by striking out "3" and inserting in lieu thereof "1½," so that it would read:

Orange mineral, 1½ cents per pound.

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

The next amendment of the committee was, on page 27, line 4, to strike out the word "and" and to insert "2¾ cents per pound" and a semicolon, so as to read:

Red lead, 2¾ cents per pound.

Mr. JONES of New Mexico. Mr. President, I think I demonstrated to-day in my argument that there is no justification for any duty upon these lead pigments beyond the compensatory duty for the duty upon lead. The Tariff Commission so recommends, and I agree that by reducing the duties here to 1½ cents per pound upon the lead content a conflict will be caused to some extent with the duty which is proposed in a later paragraph upon lead bullion, but I assume that if we should reduce these figures to the figures which I named, then when we reach the paragraph regarding lead bullion the duties there would be likewise reduced to that on the lead content in the imported ores.

I want to call to the attention of Senators who are here now, and who were not here when I was making my argument, that the Tariff Commission specifically finds that there is no justification or necessity for anything more than a compensatory duty, and to maintain these duties which the Senate Finance Committee recommends, or which the House recommends, is to flout the Tariff Commission. It simply means that although we may have a Tariff Commission to ascertain facts for us, we deliberately decline to follow their findings, and I want Senators who vote for these duties recommended by the committee to realize that. You are destroying the usefulness of the Tariff Commission.

When we created that commission and appropriated money for its operation, presumably, at least, it was done in good faith; at any rate, the country so understood. Many people to-day are

asking that the tariff be taken out of politics. If there is any way by which that can be done, it should be done. Whether it is to be taken out of politics or not, here is a very concrete thing to do. Your Tariff Commission makes a finding, it makes a recommendation, and according to that no duties are justified beyond a compensatory duty.

The only object I have in expressing myself now is that the country must understand that what you do here you do deliberately. I have read from the Tariff Commission report. It not only says that no duties are justified beyond a compensatory duty, but it says it with regard to each one of these items; it says it in discussing the question of a duty upon lead oxide and upon other manufactures of lead. It says it in discussing the question of a duty upon lead bullion, and there is no mistaking the fact that you are deliberately acting in defiance of the judgment of the Tariff Commission, which you had a hand in creating, a commission to which the people of this country have been looking. They have been looking to the time when there shall be some reasons offered for the levying of these taxes, and not merely excuses. I have sat here day after day during the discussion of this tariff, and no reasons have been given, but mere excuses have been furnished. No reason has been suggested which can be sustained upon any theory on which such bills are supposed to be based, but excuses galore have been hunted up since the report of the committee came in.

I submit that now when the people are burdened with taxation, when business is depressed, when we are all struggling to reach better conditions, it is no time simply to levy taxes and increase taxation for the sweet privilege of doing so and catering to somebody or some enterprise which will be expected to contribute to the Republican campaign fund.

Mr. President, I move to amend the committee amendment by striking out "2¾ cents per pound" and inserting in lieu thereof "1½ cents per pound upon the lead content thereof," so as to read:

Red lead, 1½ cents per pound upon the lead content thereof.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico to the amendment proposed by the committee.

Mr. KING. Mr. President, will the Senator from New Mexico yield for a question?

Mr. JONES of New Mexico. I yield.

Mr. KING. Would the effect of the committee amendment be to increase the price of this important pigment to the consumers of the United States, and will the Senator briefly state the character of use which is made of the product embraced within the amendment?

Mr. JONES of New Mexico. This particular item is red lead. It is used largely in the rubber industry. The tariff rate proposed by the committee unquestionably increases the price of red lead to the rubber industry of the country. At some length I have dwelt upon the fact that the industry is controlled by the duties which are levied. Under existing conditions and ordinarily the price of the commodity to the consumers in the United States is increased by the amount of the duty above the price of the commodity in world commerce.

Mr. SMOOT. Mr. President, for the record I desire to say that the compensatory duty on lead, as imposed in paragraph 389 of the bill on this item, is 1.9 cents per pound. The amendment is to reduce it to 1½ cents, not even giving the industry a compensatory duty.

I also want to state that the Tariff Commission has at no time and no place stated that the foreign bullion imported into this country as bullion would be equal to the import of ores into this country and refined into bullion.

The Tariff Commission does say that if the lead ores are delivered to the smelter they can smelt them as cheaply as at any other place in the world; but the effect of what the Senator from New Mexico wants would be to allow bullion to come in instead of ore. It takes 3 pounds of Mexican ore to make 1 pound of bullion, and the freight rates, so the commission says, make a difference of 1 cent a pound. If that is carried out the effect would be to reduce the rate on the lead content of the ore from 1½ cents to about one-half of 1 cent.

I desire to say also that the rate of 2¾ cents is about the same as the ad valorem rate now existing of 25 per cent, and instead of a duty of three-fourths of a cent per pound on the lead content of the ore, the bill carries 1½ cents.

Mr. JONES of New Mexico. It is true the Tariff Commission does not use the language which the Senator from Utah has just said it does not use, but I remind Senators of what the Tariff Commission does say regarding bullion.

Mr. SMOOT. I have not said anything about the bullion other than as to freight rates and that they will affect the lead in the ore. That is what I said. If it were shipped here in the ore there would have to be 3 pounds of it in order to make 1 pound of bullion. The effect of it would be that they would take their ores and smelt them in Mexico and ship in the bullion instead of the ore, if the Senator's ideas were carried out.

Mr. JONES of New Mexico. Mr. President, there are none so deaf as those who do not want to hear. I made a statement earlier in the day to the effect that the lead ores which are imported into the United States are used as fluxing ores in the smelting of other commodities. Bullion is imported under existing law. The Tariff Commission says that the smelters of the United States are now importing the metal in those forms, converting them into the manufactured product and exporting and selling in competition with the world as much of it as would equal 25 per cent of the entire American production. I read the language:

The most important foreign factor in the domestic lead-smelting industry is Mexican lead. A large part of the lead ore produced in Mexico is smelted in that country and comes to the United States in the form of base bullion. Appreciable amounts of ore, however, are also imported. The amount of Mexican lead treated in United States works normally amounts to about 25 per cent of the domestic output. Almost all of it is smelted or refined in bond and exported. Most of it always, and all of it since the early part of 1918, has gone to Great Britain.

Mexico is the only country on earth to-day which has any appreciable supply of ore for export. That ore must come through the United States or be transported across the water to some other country, but as a matter of fact it is coming to the United States or the bullion from it is coming, and our smelters are taking it and further refining it and manufacturing it, and then shipping it abroad and competing with the world.

Mr. SMOOT. And not paying a cent of duty.

Mr. JONES of New Mexico. Of course, not paying any duty because of the bonding provision or the drawback provision of the existing law and as provided in the bill. The only possible excuse for levying additional duties upon these manufactures of lead is to enable the producers in the United States to make the consumers of lead in the United States pay precisely that much more for their product. It is a gift, a subsidy, to the huge smelting industries of this country.

I have no complaint to make against them. If they can get the bill through here they are justified in charging the American people more for this commodity, because you legalize the levying of that tribute upon the American people. It is purely and simply a tribute, a gift, a subsidy, and you are levying it upon the American people, not for the benefit of the United States Government, because you do not derive any revenue from it, but you are doing it for the specific purpose of turning over to the smelting concerns of the country who do not need it, according to the report of the Tariff Commission.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now recurs on the amendment proposed by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will report the next amendment.

The ASSISTANT SECRETARY. The next amendment of the committee is, on page 27, line 5, after the words "white lead" and the comma, to strike out "2¾" and insert "2½," so as to read:

White lead, 2½ cents per pound.

Mr. JONES of New Mexico. Mr. President, I move that the words "2¾ cents per pound" be stricken out and that there be inserted the words "1½ cents per pound upon the lead content thereof."

The PRESIDING OFFICER. The question is upon agreeing to the amendment proposed by the Senator from New Mexico to the amendment of the committee.

Mr. JONES of New Mexico. Upon that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. NORRIS. Mr. President, I want to ask the Senator from New Mexico why he adds the words "lead content"? Is it not all lead?

Mr. JONES of New Mexico. My recollection is that a pound of actual lead produces 1½ pounds of white lead.

Mr. NORRIS. That is sufficient. I have the information I wanted.

Mr. JONES of New Mexico. That is why I propose to put the duty upon the lead content.

The reading clerk proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico (when his name was called). Transferring my pair with the senior Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED], I vote "yea."

Mr. NEW (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. OVERMAN (when his name was called). Transferring my general pair as previously announced, I vote "yea."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Massachusetts [Mr. WALSH], and vote "yea."

Mr. STERLING (when his name was called). Making the same announcement as on the last vote, I vote "nay."

Mr. WATSON of Georgia (when his name was called). Making the same announcement as before, I vote "yea."

Mr. WALSH of Montana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. CARAWAY. I have a general pair with the junior Senator from Illinois [Mr. MCKINLEY]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON], and vote "yea."

Mr. DILLINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS], which I transfer to the junior Senator from Maryland [Mr. WELLER], and vote "nay."

Mr. ERNST (after having voted in the negative). Transferring my pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from South Dakota [Mr. NORBECK], I will let my vote stand.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN].

The result was announced—yeas 19, nays 47, as follows:

YEAS—19.

Ashurst	Heflin	Overman	Swanson
Caraway	Jones, N. Mex.	Pomerene	Underwood
Dial	King	Robinson	Walsh, Mont.
Fletcher	Myers	Sheppard	Watson, Ga.
Harris	Norris	Simmons	

NAYS—47.

Ball	France	Lodge	Pepper
Borah	Frelinghuysen	McCormick	Phipps
Brandegee	Gooding	McCumber	Rawson
Broussard	Hale	McLean	Shortridge
Bursum	Harreld	McNary	Smoot
Calder	Johnson	Moses	Spencer
Capper	Jones, Wash.	Nelson	Sterling
Colt	Kellogg	New	Townsend
Curtis	Kendrick	Newberry	Wadsworth
Dillingham	Keyes	Nicholson	Watson, Ind.
du Pont	Ladd	Oddie	Willis
Ernst	Lenroot	Page	

NOT VOTING—30.

Cameron	Glass	Pittman	Sutherland
Crow	Harrison	Poindexter	Trammell
Culberson	Hitchcock	Ransdell	Walsh, Mass.
Cummins	La Follette	Reed	Warren
Edge	McKellar	Shields	Weller
Elkins	McKinley	Smith	Williams
Fernald	Norbeck	Stanfield	
Gerry	Owen	Stanley	

So the amendment of Mr. JONES of New Mexico to the committee amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment proposed by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will report the next amendment.

The ASSISTANT SECRETARY. On page 27, paragraph 70, line 10, before the word "of," it is proposed to strike out "one-fourth" and to insert "one-eighth," so that, if amended, it will read:

Ochers, siennas, and umbers, crude or not ground, one-eighth of 1 cent per pound.

The PRESIDING OFFICER. The question is on the amendment reported by the Committee on Finance.

Mr. KING. I understood the Senator from North Dakota [Mr. MCCUMBER] to state that we were to recur to paragraph 67, and I shall be glad if he will do that, as I shall be compelled to leave the Chamber in the course of an hour, and I should like to have that item now disposed of.

Mr. MCCUMBER. Very well.

Mr. SMOOT. It is intended to recur to both paragraph 67 and paragraph 68.

The PRESIDING OFFICER. The amendment referred to by the junior Senator from Utah will be stated.

The ASSISTANT SECRETARY. On page 26, paragraph 67, line 23, before the words "per centum," it is proposed to strike out "25" and to insert "30," so that if amended the paragraph will read:

PAR. 67. Chrome yellow, chrome green, and other colors containing chromium, in pulp, dry, or ground in or mixed with oil or water, 30 per cent ad valorem.

Mr. MCCUMBER. I ask that the Senate disagree to the committee amendment; and if that be done it will, of course, leave the rate the same as fixed in the bill as it came from the other House, but the rate will be based upon the foreign valuation and not upon the American valuation.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Committee on Finance.

Mr. KING. Mr. President, I have the floor and I yielded to the Senator from North Dakota [Mr. MCCUMBER]. I supposed he desired to address the Chair.

Mr. MCCUMBER. No; I simply stated that I asked the Senate to disagree to the committee amendment, which would leave the rate the same as the House rate, but based upon the foreign valuation and not upon the American valuation.

Mr. KING. Mr. President, I move to amend the committee amendment by striking out the numerals "30" and inserting in lieu thereof the numerals "20."

In support of the motion which I have tendered, I desire to invite the attention of the Senate briefly to some of the facts relating to the important items embraced within this paragraph.

The Payne-Aldrich law provided a rate of 4½ cents a pound on this commodity, the rate fixed in the Underwood law was 20 per cent ad valorem, while the rate fixed in the bill as it came from the other House is 25 per cent ad valorem.

The Senate committee have reported an amendment increasing the House rate from 25 per cent ad valorem to 30 per cent ad valorem; but the chairman of the committee has now advised us that the committee recede from that recommendation and adopt the House rate. As I have indicated, I move to fix the rate at 20 per cent ad valorem.

Mr. President, the importance of these products will be apparent to Senators when they learn, if they do not now know, that these colors or pigments are used in the manufacture of paints, which are used in a multitude of activities and enterprises. Chrome green is used in the manufacture of lithographic inks. These colors are sold dry, in pulp, or ground in or mixed with oil or water. One of these products, chromium lead, is sometimes known as vermilion red. It is a basic lead chromate, made by digesting chrome yellow with caustic soda.

Mr. President, there is no reason, as I view the situation, for the imposition of any rate whatever on this commodity; but I have suggested a rate of 20 per cent ad valorem, which I regard as a very high rate, in view of the fact that there is practically no competition in the production of the commodities which are embraced within this paragraph.

Let me call attention, Mr. President, to the production. In 1914 the United States produced 5,747,317 pounds of chrome yellow. Bear in mind that under this paragraph there are the chrome-yellow pigments and the chrome-green pigments and also the orange pigments. The production of orange and green pigments, including chrome orange and green, in the same year was $8,024,409 pounds. The output of chrome yellow, orange, and green in 1919, according to the preliminary figures, was 9,431,870 pounds.

It will be observed, Mr. President, that the domestic production was very large. What are the imports?

Prior to 1915 they averaged only about 155,000 pounds. That stands against a production of 8,000,000 pounds plus during the period. I might add that the production of chrome yellow and green together in 1913 aggregated nearly 14,000,000 pounds.

I have not been able to obtain the figures for both chrome orange, green, and yellow during all of those years, and I am not able to state whether the figure thirteen million seven hundred thousand and odd pounds has been exceeded; but, as against that immense domestic production, in 1918 the imports were 37 pounds; in 1919 they were 6,791 pounds; in 1920, 70,868 pounds; and in nine months of 1921, 28,957 pounds.

Mr. President, it will be observed that the domestic producers have now almost a monopoly; the importations are so unimportant as to have but little if any effect upon the domestic production.

I wish to read briefly from the Tariff Information Survey dealing with chrome pigments. I read from page 53:

The United States is very nearly self-supporting as regards its supply of chrome colors. Only about 11 per cent of the consumption in 1914 was imported—

As I figure it, the quantity imported was less than that—

and this consisted in large part of chrome green. During the war period the imports, formerly derived chiefly from Germany and England, dwindled to practically nothing.

I have shown that in 1918 we imported only 37 pounds.

About 75 per cent of the chrome yellow and 60 per cent of the chrome orange and chrome green produced in the United States in 1914 was made in New Jersey and in New York. Illinois, which is the third largest producing State, manufactured 21 per cent of yellow and 25 per cent of orange and green. The total output of chrome yellow in that year was 5,747,817 pounds.

About 70 per cent of the cost of chrome yellow is represented in the cost of raw materials.

We produce the raw materials. I need not add, because Senators are familiar with the fact, that our country is rich in all of the constituent elements that enter into this product.

Under pre-war and postwar conditions raw material cost is about evenly divided between lead acetate * * * and bichromate * * *. Chromium chemicals, however, are now manufactured on a large scale in this country.

Then a summary of domestic production and the imports is given.

As to the raw materials, on page 56 it is stated that acetate or nitrate of lead and potassium or sodium bichromate are the raw materials for the production of chrome yellow. I mention that for the purpose of emphasizing what the Senators doubtless know, that those two products are produced in the United States in very great abundance.

The 1914 census reports show that 15 establishments were engaged in the manufacture of chrome yellow and 14 establishments in the manufacture of chrome orange and chrome green. The imports of chrome colors have never been large. The Tariff Commission further report that the average annual imports for the five years immediately preceding the outbreak of the war in Europe were only 151,447 pounds, and during the war they fell to the vanishing point.

As to prices, it is stated in the Tariff Commission report that during the war, due to the increase in the cost of bichromate, the price fluctuations were very great. In July of that year the quotations ranged between 40 and 65 cents per pound, as compared with 11 to 13 cents in 1914; and in July, 1919, the quotations were 24 and 25 cents per pound, or almost exactly double the pre-war prices.

The present prices, Mr. President—that is, the prices on April 24, 1922, as I obtained them from current publications—were as follows:

Chrome yellow, light, 16½ to 17 cents per pound.
Chrome yellow, medium, 16½ to 17 cents per pound.
Chrome yellow, dark, 16½ to 17 cents per pound.
Chrome green, light, 30 to 32 cents per pound.
Chrome green, 35 to 36 cents per pound.
Chrome green, dark, 36 to 45 cents per pound.

The pre-war prices were less than one-half of the prices which I have just presented to the Senate.

Let me say now that the prices abroad for these products in 1921 were 57 cents per pound, showing that Germany and England, which manufactured some of these products before the war, are unable to compete with the United States, obviously for the reason that they are compelled to come to the United States or to other countries for the raw material. No matter what the prices are there for labor or for domestic products, they are compelled to obtain gold in order to buy the raw materials in this and other countries, if other countries furnish any of the raw materials, in order to manufacture the raw product; so the foreign prices are higher than the domestic price, showing that if there ever was any reason for the imposition of a tariff it does not exist here. Moreover, as I have indicated, the prices in the United States now are double the pre-war prices.

There are a large number of plants that are engaged in the production of these pigments, among them being the Imperial Color Works, the Seimon & Elting Co., the Kentucky Color & Chemical Co., the Harmon Color Works (Inc.), and many others.

In view of the fact that the domestic production is so immense and the foreign production is so small, and in view of the fact that even before the war, when Germany and other countries were at the acme of their chemical prowess and of their chemical production, the importations were insignificant, I can not understand the reason for the imposition of this tariff. No revenue can be obtained from it.

There is no serious competition to be feared. It is not a new industry. It is not a war industry, but it is an industry which has been in existence in the United States for many years. It has grown up in the past and flourished and prospered. With a 20 per cent tariff imposed in the Underwood bill there seemed to be no diminution in the vigor and in the prosperity of the corporations engaged in the manufacture of these pigments; so it is clear that the purpose is to maintain these war prices, double or more than double the pre-war prices, and to impose additional burdens upon the thousands and millions of people who directly or indirectly are interested in the products of this paragraph.

If there is any justification for this increase in the rates I have been unable to perceive it.

Mr. McCUMBER. Mr. President, I simply want to present in the RECORD some figures that I think have a most direct bearing upon this subject.

The Underwood tariff bill gave a duty of three-fourths of 1 cent per pound upon the lead content of the ore imported, and gave a duty of 20 per cent ad valorem upon chrome yellow and other colors. The Senate committee have given a duty of 1½ cents per pound upon the lead, and have only increased the ad valorem to 25 per cent; so the real increase in the ad valorem under the proposed Senate amendment as now proposed is less than in the Underwood bill.

Now, let us take some prices.

In 1914 chrome yellow of home production was 11 cents per pound. In 1914 chrome orange was 8 cents a pound. In 1919 chrome yellow was 22 cents per pound. Now, let us suppose that chrome yellow or chrome orange will go back to the pre-war price. Chrome yellow is now 22 cents; but suppose it goes back to the pre-war price. We have 65 per cent of lead to a pound of chrome yellow. The duty on lead being 1½ cents, that would be equivalent to 13 per cent upon the lead content of a pound of chrome yellow, and that would leave, in addition to the compensatory duty, a 12 per cent protection, and that is all. On the chrome orange, if we could go back to the price of 8 cents, with 1.4 cents differential upon the lead, we would have 17 per cent duty, and that would leave only 7 or 8 per cent ad valorem for the protection.

With those figures, I think we have been most reasonable in asking for the very slight increase in the ad valorem, especially when it is considered that we have practically doubled the duty upon the lead.

Mr. KING. Mr. President, I am not quite able to understand the attitude of the Senator. The fact that the tariff indicated has been given upon lead does not, it seems to me, warrant the rate which the Senator has suggested for the items under consideration. A cent and a half on lead, assuming that 65 per cent of the content of these chrome pigments consists of lead, would not justify, with the pre-war prices of 8 and 11 cents, respectively, the enormous prices now, nor would it justify, it seems to me, a tariff of 25 per cent.

Mr. McCUMBER. What it would indicate would be this: Sixty-five per cent of 2½ would be 1.4. You would have to add 1.4 cents per pound for the increase in the duty upon the lead alone; and that would be equivalent, as I have given it, to about 13 per cent, leaving 12 per cent for the protective feature, in addition to the differential.

Mr. KING. Mr. President, in view of the prices in Germany and in England to-day, the price of the product being 57 cents, how is it possible for there to be any competition whatever with this product?

Mr. McCUMBER. I am not arguing now the possibilities of competition. There have always been some importations; and if we should levy a duty upon the lead itself, necessarily that would open up a field for competition, and a big field, unless we gave the differential in the duty upon the product of the lead.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the junior Senator from Utah yield to his colleague?

Mr. KING. I yield.

Mr. SMOOT. I want to call my colleague's attention to the fact that 57 cents a pound is not only the average price of chrome yellow but it includes chrome green and other colors containing chromium, and it is dry or ground, mixed with oil or water. So from the reports we can not tell just what the dry chrome yellow may be, and the 16½ cents quoted by my colleague is for the dry chrome yellow. In the oil it is 24 cents and the green is 30 cents a pound to-day.

Mr. KING. Yes; I understand.

Mr. SMOOT. So when you take the other colors containing chromium, when you get into that you get into the question of the quality, as to how much there may be, and it covers quite a number of articles. As far as the average price is concerned, the 57 cents referred to can hardly be taken as a criterion of any pre-war price on chrome yellow.

Mr. KING. Mr. President, I am not quite sure that my colleague is right in the last deduction which he made. I thought I stated some time ago, when I was giving the imports for the various calendar years, that it embraced chrome yellow and

green, and that the average unit value was 57 cents. Before the war the average value of those products was from 12 to 20 cents a pound. Now, it is proposed to levy a tariff upon them, when at no time were the imports greater than 10 or 11 per cent, and, as I figure, most of the time 1 per cent or less, getting down to as low as 37 pounds, and we have produced more than 13,000,000 per annum.

Of course, there is no possible show of competition, and with no competition, with the United States rich in the primary elements of which these products are composed, we propose to impose a duty of 25 per cent ad valorem, which means, obviously, that the domestic producers may profit to that extent. Indeed, I will say now, as the record is before us, there is no possibility of any competition if present prices were preserved, the present prices being practically double the pre-war prices.

So you are giving these manufacturers a license to prey upon the people, and to maintain these prices, which are double pre-war prices, with no possible show of competition.

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the Senator from Utah [Mr. KING] to the amendment of the committee.

Mr. KING. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. OVERMAN (when his name was called). Again announcing my general pair and transfer as on the previous vote, I vote "yea."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Massachusetts [Mr. WALSH] and vote "yea."

Mr. SIMMONS (when his name was called). Making the same announcement as to my pair and its transfer as on the previous vote, I vote "yea."

Mr. STERLING (when his name was called). Making the same announcement as on the last vote, I vote "nay."

Mr. WATSON of Georgia (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. NEW. Transferring my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Oregon [Mr. STANFIELD], I vote "nay."

Mr. DILLINGHAM. Making the same announcement as before, I vote "nay."

Mr. COLT. Making the same announcement as before, I vote "nay."

Mr. HARRISON. I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Texas [Mr. CULBERSON], and vote "yea."

Mr. JONES of New Mexico. Making the same announcement as to the transfer of my pair as on the previous vote, I vote "yea."

Mr. MCKINLEY. I transfer my pair with the junior Senator from Arkansas [Mr. CARAWAY] to the senior Senator from Iowa [Mr. CUMMINS], and vote "nay."

The result was announced—yeas 20, nays 46, as follows:

YEAS—20.

Ashurst	Heflin	Pomerene	Swanson
Dial	Jones, N. Mex.	Robinson	Underwood
Fletcher	King	Sheppard	Walsh, Mont.
Harris	Myers	Simmons	Watson, Ga.
Harrison	Overman	Stanley	Williams

NAYS—46.

Ball	France	McCormick	Phipps
Borah	Frelinghuysen	McCumber	Rawson
Brandegee	Gooding	McKinley	Shortridge
Broussard	Harreld	McLean	Smoot
Bursum	Johnson	McNary	Spencer
Capper	Jones, Wash.	Moses	Sterling
Colt	Kellogg	Nelson	Townsend
Curtis	Kendrick	New	Wadsworth
Dillingham	Keyes	Newberry	Watson, Ind.
du Pont	Ladd	Oddie	Willis
Elkins	Lenroot	Page	
Ernst	Lodge	Pepper	

NOT VOTING—30.

Calder	Gerry	Norris	Stanfield
Cameron	Glass	Owen	Sutherland
Caraway	Hale	Pittman	Trammell
Crow	Hitchcock	Poindexter	Walsh, Mass.
Culberson	La Follette	Ransdell	Warren
Cummins	McKellar	Reed	Weller
Edge	Nicholson	Shields	
Fernald	Norbeck	Smith	

So Mr. KING's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment proposed by the committee.

Mr. MCCUMBER. I ask that the Senate disagree to the committee amendment.

The amendment was rejected.

Mr. MCCUMBER. The next amendment is on page 27, line 1.

The PRESIDING OFFICER. Does the Senator propose to call that amendment up? It was passed over.

Mr. MCCUMBER. Yes; I would like to have that amendment taken up.

The PRESIDING OFFICER. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 27, line 1, the committee proposes to strike out "20" and to insert in lieu thereof "30," so as to read:

Par. 68. Gas black, lampblack, and all other black pigments, by whatever name known, dry or ground in or mixed with oil or water, and not specially provided for, 30 per cent ad valorem.

Mr. MCCUMBER. The Payne-Aldrich law gave a 25 per cent ad valorem under this paragraph. The Underwood law gave 15 per cent. We now ask that the Senate disagree to the Finance Committee amendment, leaving the rate at 20 per cent. That would be midway between the Payne-Aldrich and the Underwood rate.

Mr. KING. Mr. President, I move to amend the committee amendment by striking out "30" and inserting "15."

As a matter of fact, this item ought to be on the free list. Notwithstanding the laying of a 15 per cent ad valorem rate in the Underwood-Simmons law, there has been a remarkable development in the production of the elements or compounds of which the products found in this paragraph are composed or formed, since the date when the Underwood-Simmons law was enacted. I want briefly to call attention to the facts in regard to the matter to show that if we were logical and consistent we would put this item on the free list. There would be no necessity for imposing any tariff at all, because the revenue would be inconsequential, and the competition is negligible, so that for any purpose which might be denominated rational or justifiable no tariff should be imposed.

The Senator from North Dakota has correctly stated the rate under the Aldrich law was 25 per cent and that the rate under the Underwood law was 15 per cent. The Senate committee recommended 30 per cent and the House 20 per cent.

Gas black is made from natural gas, of which the United States, as everybody knows, possesses inexhaustible quantities. No country in the world compares with the United States in the richness of its possessions with respect to this particular commodity.

The importance of this product will be recognized when we call attention to the fact that the lampblack and carbon black, the principal products embraced within this section, are used in the manufacture of rubber and black paints. The paints manufactured from these products are quite universally used throughout the United States. One manufacture using them is stove polish. So that by placing any tariff at all on these articles we would be imposing a burden upon the great mass of the American people for the benefit of some very rich and important manufacturing concerns which are not new, which are not war industries. This industry has been established in the United States for many years, and it has developed because of the importance of the natural gas and because of the inexhaustible quantities of that product found in our country.

The production of bone, carbon, and lampblack increased from $1,464,000, by 27 firms, in 1914, to $6,194,000, by 36 firms, in 1919. Of course, bone is not included in this paragraph, but the survey mentions it in connection with the figures which I am giving.

In 1914 the output of bone black was $1,532,000; of carbon black, $918,000; and of lampblack, $503,856. The output in 1919 of carbon black from natural gas was 52,056,940 pounds, and in 1920 it was 51,321,892 pounds.

The survey shows that imports have been small as compared with the domestic production, the average value for the five years preceding the war being about $26,000. Compare that with the $3,816,000, the value of the products in 1920, and it will show how little has been the competition and how insignificant have been the imports.

Since 1915 the imports have been quite small. The statistics show that in 1919 there were only 67,617 pounds imported, in 1920 there were 609,000, and in the first nine months of 1921 there were 205,000 pounds imported.

We have exported carbon, bone, and lampblack and the exports have been much larger than the imports, reaching a value of $1,111,265 in 1918. Since 1918 the exports have increased to $2,288,884, and during the first nine months of 1921 they were valued at $905,608. So here we have a product, the production

of which is so great that we export approximately one-fourth of it and we imported only about 200,000 pounds in 1921 and 67,000 pounds in 1919. There is no possible competition. There is no revenue of importance to be derived. It is simply a gift to the manufacturing concerns of thousands and tens of thousands of dollars per annum which must be collected from the people by increased charges upon their products.

Let us see to what extent the domestic manufacturers have profited by the tariff and by the conditions to which I have referred. Before the war the price of gas black was only 6 cents a pound, while now it is 12 to 24 cents per pound. Lampblack at the present time is from 17 to 45 cents per pound. So it is obvious that the domestic manufacturers are charging all the way from 100 to 300, 400, and 500 per cent above the pre-war prices. The foreign value of the imports during the last year was 8 cents per pound. The domestic manufacturers, not satisfied with that or with pre-war prices, were charging all the way from 12 to 48 cents per pound.

I repeat, there can be no justification for the imposition of any tariff at all. When we lay any rate upon this article we are putting it into the power of the domestic manufacturer to increase the price above a rate that would be fair. There being but slight chance of any competition, it permits him to charge up to that level where it would invite foreign competition.

In view of our superior resources in the production of this commodity and in view of the difficulties to be encountered in the production of it abroad, it simply means the perpetuation of a situation where the prices will be increased from 100 to 200 or 300 per cent. The farmers, the people who buy black paints, those engaged in using all sorts of polishes, those engaged in the production of rubber used in the tires which are constructed throughout the country, are compelled to pay tribute to these manufacturers. So I submit that the motion which I have made ought to appeal even to those who indorse the Payne-Aldrich law and who want the tariff rates so high that they kiss the skies.

Mr. WALSH of Montana. Mr. President, although it touches a matter which we have passed, it relates in a way to the question before us. I have just secured the last monthly summary of foreign commerce of the United States, from which it appears that there were exportations of white lead from this country during the nine months ending March, 1921, of 16,202,099 pounds, worth $1,681,786. During the nine months ending March, 1922, there were exportations of 6,192,490 pounds, worth $472,880, being practically $1,700,000 during 1921 and $500,000 during 1922. That is the item upon which we have just imposed a duty of 2¼ cents per pound.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Utah [Mr. KING] to the amendment proposed by the committee.

Mr. KING. I call for the yeas and nays.

The yeas and nays were ordered and the reading clerk proceeded to call the roll.

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Massachusetts [Mr. WALSH] and vote "yea."

Mr. SIMMONS (when his name was called). Making the same announcement as on the previous vote, as to my pair and its transfer, I vote "yea."

Mr. STERLING (when his name was called). Transferring my pair with the Senator from South Carolina [Mr. SMITH] to the senior Senator from Pennsylvania [Mr. CROW], I vote "nay."

Mr. WATSON of Georgia (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. NEW. Making the same announcement as on the previous vote, I vote "nay."

Mr. COLT. Making the same announcement as before, I vote "nay."

Mr. OVERMAN. Making the same announcement as on the previous vote, I vote "yea."

Mr. JONES of New Mexico. Making the same announcement as on the previous vote as to my pair and transfer, I vote "yea."

Mr. CARAWAY. Making the same announcement as before, I vote "yea."

Mr. ELKINS (after having voted in the negative). I transfer my pair with the Senator from Mississippi [Mr. HARRISON] to the senior Senator from Iowa [Mr. CUMMINS] and let my vote stand.

Mr. WALSH of Montana (after having voted in the affirmative). I observe that the Senator from New Jersey [Mr. FRELINGHUYSEN], with whom I am paired, has not voted. I transfer my pair with that Senator to the senior Senator from Texas [Mr. CULBERSON] and allow my vote to stand.

The result was announced—yeas 20, nays 44, as follows:

YEAS—20.

Caraway	Jones, N. Mex.	Pomerene	Swanson
Dial	King	Robinson	Underwood
Fletcher	Myers	Sheppard	Walsh, Mont.
Glass	Norris	Simmons	Watson, Ga.
Harris	Overman	Stanley	Williams

NAYS—44.

Ball	Ernst	McCormick	Page
Brandegee	Gooding	McCumber	Pepper
Broussard	Hale	McKinley	Phipps
Bursum	Harreld	McLean	Shortridge
Calder	Johnson	McNary	Smoot
Capper	Jones, Wash.	Moses	Spencer
Colt	Kellogg	Nelson	Sterling
Curtis	Kendrick	New	Townsend
Dillingham	Keyes	Newberry	Wadsworth
du Pont	Lenroot	Nicholson	Watson, Ind.
Elkins	Lodge	Oddie	Willis

NOT VOTING—32.

Ashurst	France	McKellar	Shields
Borah	Frelinghuysen	Norbeck	Smith
Cameron	Gerry	Owen	Stanfield
Crow	Harrison	Pittman	Sutherland
Culberson	Heflin	Poindexter	Trammell
Cummins	Hitchcock	Ransdell	Walsh, Mass.
Edge	Ladd	Rawson	Warren
Fernald	La Follette	Reed	Weller

So Mr. KING's amendment to the committee amendment was rejected.

Mr. McCUMBER. Mr. President, I ask that the Senate disagree to the committee amendment.

The amendment was rejected.

The next amendment of the committee was, on page 27, line 10, to strike out "¼" and insert "⅛," so as to read:

PAR. 70. Ochers, siennas, and umbers, crude or not ground, one-eighth of 1 cent per pound.

Mr. UNDERWOOD. Mr. President, I desire to say something about this paragraph, but as the first amendment in it is a reduction, I will let it be agreed to and then make the remarks which I have to offer on the second amendment in the paragraph, which is an increase.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment just stated.

The amendment was agreed to.

The next amendment of the committee was, on page 27, line 12, to strike out "20" and insert "25," so as to read:

Iron-oxide and iron-hydroxide pigments not specially provided for, 25 per cent ad valorem.

Mr. McCUMBER. Will the Senator from Alabama allow me to state that I am going to ask that the Senate disagree to the committee amendment, so as to leave the rate as the House provided?

Mr. UNDERWOOD. I am glad the Senator is going to agree to reduce the Senate committee rate, but I desire to move to amend by striking out "25" and inserting "10."

The PRESIDING OFFICER. The amendment proposed by the Senator from Alabama to the committee amendment will be stated.

The ASSISTANT SECRETARY. On page 27, paragraph 70, line 13, before the words "per cent," it is proposed to strike out the numerals "25" and to insert the numerals "10," so that it will read:

Iron-oxide and iron-hydroxide pigments not specially provided for, 10 per cent ad valorem.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Alabama to the committee amendment.

Mr. UNDERWOOD. Mr. President, I am not sure I am altogether right in moving merely to insert "10" instead of a lower figure. Ten per cent is the rate on this commodity provided in the present law, and I will let my amendment go at that; but I am inclined to think that even the rate in the present law is too high on the commodity and that it ought to be lowered. The paragraph as proposed to be amended by the committee reads:

PAR. 70. Ochers, siennas, and umbers, crude or not ground, one-eighth of 1 cent per pound; washed or ground, three-eighths of 1 cent per pound; iron-oxide and iron-hydroxide pigments not specially provided for, 25 per cent ad valoreum.

As the bill came from the other House a duty of 20 per cent on the commodity was provided for. The Senator from North Dakota, in charge of the bill, has stated that he is going to move to recede on the committee amendment and to accept the

House rate. Under the present law, now on the statute books, the paragraph reads:

PAR. 55. Ocher and ochery earths, sienna and sienna earths, and umber and umber earths, 5 per cent ad valorem; Spanish brown, Venetian red, Indian red, and colcothar or oxide of iron, not specially provided for in this section, 10 per cent ad valorem.

When the opportunity affords itself to offer amendments by individual Senators, and when we are not confined to committee amendments, as we are now limited by order of the Senate, I think further amendments ought to be proposed to this paragraph. I think if there are any paragraphs in the pending bill under which a protective or prohibitive tariff is unjustified, they are the paragraphs relating to paints. This is no ordinary case. It has been repeatedly stated on the floor of the Senate while the chemical schedule has been under discussion that the issues involved did not go directly to the American people; that the tax was so small that the consumer did not feel it. Proponents of the bill have justified the increased taxation by stating that they thought the consumer would not know that he would pay the tax; that it was indirect taxation, and although a large amount of money would be collected because it would be distributed among thousands or millions of consumers it would not come directly home to them.

This tax, however, does come home. It comes to the home itself. The colors which are embraced in this paragraph are the basic colors for paints, and they go to the house itself. When the present tariff law was written it was remembered that a tariff is a tax and differs from the ordinary tax in this essential feature, that the ordinary tax is levied only for the benefit of the Government, while a tariff tax is levied sometimes partly for the Government and partly for some special interest that is protected by it. Sometimes the tax is so exclusive and creates such an embargo that the taxes that are indirectly collected go entirely to the benefit of some specially protected interest. If an excise tax be levied, such as the tax which is now levied on the sale of certain commodities in stores, all of that tax goes to the Government; but when a tax is levied at the customhouse, it succeeds or is intended to succeed, if it is levied for the sake of protection and is a protective tax, in raising the price of the commodity. The Government may get some of the taxation if any of the commodity is allowed to cross the border, but the protected manufacturer or producer behind the tariff wall gets the balance.

Nine years ago, when the present tariff law was framed, the committee having the bill in charge gave some consideration as to how the taxes should be levied. They did not reach the conclusion that everything should be taxed, and that the only thing to be considered was protection to those behind the tariff wall who were engaged in manufacturing or producing, and that there was no occasion for regard being had to the man who had to pay the tax. When the pending tariff bill, however, was framed the Committee on Finance concluded that there should be some distinction made as to who should pay the tax and upon what articles taxation should be imposed. For instance, under the present law Congress put on the free list all of the component parts that went into the manufacture of fertilizer and also fertilizers themselves. The Committee on Finance has reversed that policy and has taxed fertilizers.

When the present tariff law was framed the committee, believing that there was something sacred about the home, that the home was a part of the life of the Nation, placed many of the articles entering into the construction of homes upon the free list. Shingles and certain grades of lumber were placed on the free list. Under the pending bill those commodities are returned to the tax list.

Mr. SMOOT. Shingles do not bear a duty under this bill.

Mr. UNDERWOOD. The Senator from Utah corrects me, and perhaps I am mistaken about shingles, but in the framing of the present law the plan which was followed was to remove taxes from the home so far as possible. Many items, such as lumber, iron, and steel, were placed upon the free list, in order that the home might not be taxed in its building, and the duties on many articles, such as paints, where not absolutely put on the free list were greatly reduced. Among others, the duty on the item we have in question was reduced. In the act of 1909, known as the Payne-Aldrich Act, the ad valorem percentage was 30. The specific taxation was the same as now proposed in the pending bill, one-eighth of 1 cent a pound. Under the present law the tax is 5 per cent ad valorem on ocher and ochery earths, and so forth, and on Spanish browns and other pigments of that description it is 10 per cent. Both of those rates are much lower than those in the Payne-Aldrich law or in the bill now pending. Of course, a 10 per cent ad valorem rate is easily understood as being a lower rate than a 25 or 20 per cent ad valorem rate, whichever it may be. I find the values as of April 24 on many of these products to be such that the ad valorem rate of 5 per cent in most cases is less than a rate of one-eighth of 1 cent specific, as is provided in the bill now before us. I mean, of course, computing the tax on the normal basis of prices under which the present law was written, and not the increased prices following the Great War.

Mr. President, the Congress should consider the fact that this is an article of prime necessity to all of the people of the United States. Not only in the building of the home but in the preservation of the home and in industry generally, to preserve that which we have made we must use paint; and when you levy an increased tax such as is proposed in this bill you are taxing all of the people of the United States, from the humble home to the great metropolitan palace. It is well, then, to consider from what standpoint this committee believes it can justify this increased tax. From a Treasury standpoint, I think I can show that it can not be justified, because to-day, with the low taxes under existing law, a very small revenue is derived, and infinitely small in proportion to the amount of the American production and consumption. Can it be justified because the industry needs it to thrive and succeed? No; because the industry has succeeded and has thriven under existing law at the lower rates.

I am sure that at this time what I say will not produce an effect. The majority party in the Senate, or most of them, have made up their minds to take this bill as the committee have written it. They are not going to consider the various items as they are presented, and the only jury to which we can appeal is the jury of those who must pay the tax themselves. My only justification for taking the time of the Senate now in presenting these items is to let the RECORD show what is being done, in the hope that when the issue goes to the country this will be one of the items that the American people can understand, and realize that the increased taxes are being levied without benefit to them or their Government, and only to build up a protective tariff wall to increase the profits of the producer. I therefore want to go into some detail in putting into the RECORD what these articles are.

Ocher, sienna, and umber are natural pigments, consisting essentially of clay colored by the hydrated oxides of iron and manganese. Ordinary ocher rarely contains more than 30 per cent of the hydrated oxide of iron. The composition of sienna and umber is similar to that of ocher, although they invariably contain manganese and frequently more iron. Ocher is the cheapest of the common yellow pigments. Umber and sienna are of brown color, due to their manganese content.

Coarse ocher is used as a filler for linoleum, the finer grade as a pigment in tinted paints or as a stain for the pulp of brown paper. Siennas and umbers are used principally as paint pigments. Ground sienna is used in lithographic printing, and widely as a stain and filler for wood. Umber paints have good covering power, and umber is an essential ingredient in many weatherproof paints.

That is the composition of the materials in the first part of the paragraph, where the tax is increased from 5 per cent ad valorem to one-eighth of a cent per pound specific. I want you to consider the production at home and abroad in determining or not whether it is necessary that this tariff wall should be builded at this time.

France provides the world's greatest output of ocher. Large quantities are also mined in England and the United States. The French colors are considered more brilliant and finer than those from other countries and are generally recognized as standard grades. Prior to the war the United States annually consumed between 20,000 and 25,000 tons of ocher, of which about two-thirds was of domestic origin. Georgia, Pennsylvania, and Florida furnished most of the American product.

Neither sienna nor umber is produced in large amounts in the United States, the average domestic output before the war being less than 1,000 tons annually.

Imports of ocher prior to the war were 6,000 to 9,000 tons annually. Approximately three-fourths came from France. Sienna and umber are imported in three forms: (1) Crude or unpulverized, (2) powdered or washed, and (3) paste. Imports have been principally in crude form. Imports of umber of all classes in 1914, which is a fairly representative year, amounted to 2,303 short tons, valued at $35,570; imports of sienna during the same period were 3,245 tons, with a value of $55,925.

Imports of these materials since 1917 are as follows. I shall give merely the imports for the year 1920, the unit value, and the duty:

In 1920 there were imported 29,595,091 pounds of crude ocher, valued at $375,672. The unit value was 1 cent a pound and the duty was $18,784, at 5 per cent ad valorem. There was a falling off in importations in 1921; but I do not regard the figures in 1921 as being as reliable as those of 1920, because in 1921 the Fordney tariff bill had already been proposed in the House; it was expected that it would become a law that year, and in many cases I note that imports were rushed to the American market to try to get in before the higher tax was levied. In this particular case the market seems to have been glutted, and the imports fell off for 1921, instead of increasing, as they are shown to do in many cases.

In the case of crude sienna, the imports for 1920 amounted to 5,414,477 pounds, valued at $145,480, with a unit value of 3 cents and revenue of $7,274, at 5 per cent ad valorem.

In the case of crude umber, the imports for 1920 amounted to 7,643,235 pounds, valued at $85,424; the unit value per pound amounted to 1 cent and the revenue derived was $4,271.

The total revenue derived from the items under this paragraph, therefore, was a little less than $30,000 for that year, as shown by the statistics that I have in hand.

The next items that we come to are taxed under the second part of the paragraph, the amendment that is now pending before the Senate. They are the iron-oxide and iron-hydroxide pigments, another class of raw material for paints. Of course, when I say "raw material for paints" it practically means the paints themselves, because the mixing of oil—if it is good oil for paint it is usually linseed oil—with the pigment makes the paint, and the cost of mixing and preparation is very small compared with the cost of the raw material.

So that when you tax these pigments, which are the basis of paint, you are taking the only means of placing a duty on paint outside of putting a tax on linseed oil. The linseed oil, the other ingredient, was placed on the free list, if I recall rightly, in the present law. I imagine this bill has greatly increased the tax on the other necessary ingredient in the mixing of paints, to wit, linseed oil.

Mr. SMOOT. Linseed oil carries a duty of 10 cents a gallon in the existing law, and the Finance Committee has proposed a rate of 3½ cents a pound.

Mr. UNDERWOOD. I thank the Senator. I have the figures here. In the bill as it passed the House the rate on linseed oil or flaxseed oil, raw, boiled or oxidized, is 2½ cents a pound. Under the Payne-Aldrich law it was taxed at 15 cents per gallon. I think the Senate committee has increased the rate suggested by the House.

Mr. SMOOT. One cent a pound.

Mr. UNDERWOOD. The law now on the statute books taxes it at 10 cents a gallon of 7½ pounds. I just refer to that incidentally. We have not reached that item yet, but the rate on the other ingredient in paint, which is a necessity in the building of homes, has been very largely increased.

The rates on the pigments in the second clause of this paragraph are increased, under the proposal of the Senate committee, from 10 per cent ad valorem to 25 per cent ad valorem, which the chairman of the committee wishes to have stand at 20 per cent ad valorem, or a doubling of the present rate. In order that those who are interested may have a complete understanding, I shall put the description of them in the RECORD:

These pigments, consisting chiefly of red and brown oxides of iron, are known by the general term metallic paint. They were described in the act of 1913 as "Spanish brown, Venetian red, Indian red, and colcothar or oxide of iron." Commercially, the brown colors are called metallic browns to distinguish them from ochers, umbers, and siennas. Spanish brown is the product imported from Spain. The nomenclature of the reds is much more involved, and describes shade and quality rather than origin or methods of production.

Venetian red has been loosely applied to a variety of red pigments, but is correctly applicable only to a combination of iron oxide and calcium sulphate. All Venetian reds are of the familiar brick color, are paler than other iron reds, and not so brilliant, are permanent, work well with oil, can be mixed with other pigments, and are cheap.

That is what I want to impress upon the RECORD—I am sure I can not impress it upon the Senate—that the pigments out of which paint for the house is made are the cheap pigments, raw material out of which the poor man's paint is made. You are doubling the tax on them—doubling the tax on the paint used to paint the home.

I have in my hand the description of the other component pigments covered under this paragraph, but I will not take the time of the Senate to read them unless some one desires to have me do so. They fall substantially under the description I have already read. They are the foundation from which the cheap paints of America are made; and you are going to add a tax which, in my judgment, is already too high, an addition which will double the present tax.

The production of these paints in this country may be of some interest to those who are interested in the matter. I read from the Summary of Tariff Information:

The chief source of natural-iron paints in the United States is the Clinton hematite, found in various places throughout the Appalachian region. There is also a small output from the Lake Superior district. Accurate statistics of production are practically impossible to secure because of the diversity of the products and the difficulty of classification. Data reported by the United States Geological Survey for the years 1907 to 1914 show an average domestic output of about 25,000 short tons, valued at approximately $180,000. These figures do not include material of similar composition used as mortar colors or all of the oxide paints from the metallurgical waste liquors. The marketed production of Venetian red in 1914 was 7,445 short tons, valued at $119,895.

It is true that there has been in the past a fair amount of importation under existing law. Of Venetian red, in 1920, the importations amounted to something over 300,000 tons, valued at $4,802, with a unit value of 2 cents. The duty collected amounted to the large and munificent sum of $480 on the Venetian red. Of Spanish browns the importation value amounted to $483,000, the unit value was 3 cents, and the duty amounted to $48,000.

So the collections under this particular item for 1920, which fell off in 1921, amounted to about $50,000 at the customhouse, and on the other part of the item something like $30,000, or $80,000 in all, collected for the Government under the present law. The rate suggested will become more prohibitive, and is builded to keep out importation, a statement that will not be denied by the committee—builded in this way to dam back the importation and therefore cut off revenue in order that the taxes going to the producers of these pigments may be increased on the American people.

I do not intend to take up the time of the Senate very much longer on this particular item, but I want to read to the Senate in this connection a statement of one of the witnesses who came before the Finance Committee of the Senate in regard to paints and varnishes, showing the burden which would be placed on the American people from the taxes on items of this kind in the bill. The pigments, the last to which I referred, are made out of waste ores in America. I know in my home city there is an iron ore deposit, from which class of ores many of the pigments come, which reaches for miles and miles, but I remember in the early days those who did not know of what value it was or realize its value as a producer of iron, used to call the outcrop of the ore "paint rock." They probably at some time used it for the local manufacture of paint, without realizing its great value in iron production.

The raw material is practically unlimited, and the labor cost of reducing it into a pigment is very small; as a rule, it is a matter of cleaning and grinding the ore. I want the RECORD to show what this means to the American people after you combine these articles, which are the bases of paint, with linseed oil, and then sell them to the American people to preserve their homes.

Mr. H. E. Miles, of Racine, Wis., who describes himself as the chairman of the Fair Tariff League, whose testimony has been referred to before, made this statement to the committee:

Paints and varnishes: The production increased from $146,000,000 in 1914 to $351,000,000 in 1919, being largely an increase in prices only.

That is, the production in pounds or gallons remained substantially the same, but on account of the pyramiding of war prices, the production, measured in dollars, increased from $146,000,000 to $351,000,000, being only an increase in prices.

The exports in 1920—that is, the carrying of this paint across the seas to foreign countries and selling it to other people with which to paint their houses—amounted to $28,600,000.

The imports which came from other countries across the seas and sold to the American people for the painting of their houses amounted to only $3,200,000, or 9 per cent.

Now, Mr. President, I want to impress this on the record. I know there is no possibility of impressing it on the Senate. I want to refer especially to this article, which is used for the preservation of the homes of America, the little red schoolhouses of America. The manufacturer, for whom this tariff tax is levied—because the Government will get very little of it when it is carried into its last analysis in paints, and that is where the American people pay for it—had a production before the war in 1914 of $146,000,000, and immediately after the war, in 1919, he had increased his prices, but not the production, to $351,000,000. As against that he exported and sold abroad $28,600,000 worth of it in foreign free-trade markets, while the imports into this country amounted only to $3,200,000.

Mr. POMERENE. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Ohio?

Mr. UNDERWOOD. Certainly.

Mr. POMERENE. Assuming that the production would amount to the same after this bill is enacted into law and goes into effect, if it ever does go into effect, to what extent would the tariff rates in the bill increase the cost to the consumer?

Mr. UNDERWOOD. On this particular item it is very easy to estimate it; that is, if it goes through the way the chairman of the committee now proposes. He reported the rate in the bill at 25 per cent ad valorem. The present rate is 10 per cent. The chairman of the committee says he is going to ask to reduce the rate in the bill to 20 per cent ad valorem, so that the tax will be double on the one class of article, on the first

bracket, the tax proposed being one-eighth of 1 cent per pound. It was first reported at one-fourth of 1 cent per pound, but the committee proposed the lower rate and made it one-eighth of 1 cent per pound as against 5 per cent ad valorem.

As I read into the RECORD awhile ago, as shown by the statistics for which the Tariff Commission is sponsor, the unit value of most of it is 1 cent per pound, and of some of it 2 cents per pound. At 1 cent per pound the rate would be one-twentieth of 1 cent instead of one-eighth of 1 cent, and at 2 cents a pound it will be one-tenth of 1 cent instead of one-eighth of 1 cent.

Mr. POMERENE. I suppose the increases in the various rates on paints, and so forth, which will increase the cost of painting to the farmer when he paints his house and barn, are compensated for by the duty of 15 cents a bushel on corn.

Mr. UNDERWOOD. Oh, undoubtedly. At least that is the basis on which the farmer is expected to approve the bill, that they give him a protection of 15 cents a bushel on corn where none could ever come into this country, and does not come in even when it is on the free list. While the middle western farmer in the Corn Belt must accept as a boon and a great privilege that he has a protective duty at the customhouse of 15 cents a bushel on corn, he is to pay double the present tax on the paint that is necessary for him to preserve his barns and his house.

Mr. POMERENE. I suppose the farm bloc can demonstrate to the satisfaction of the farmers how they have been benefited in that way.

Mr. UNDERWOOD. Perhaps they think they can.

Mr. SMOOT. Of course, corn has nothing to do with this item.

Mr. POMERENE. Oh, no, nothing at all.

Mr. SMOOT. On flaxseed and linseed there is a duty of 45 cents, and I think the farmer wants that. Linseed oil has a compensatory duty upon what is imposed on flaxseed, and that is a very material component part of the item which the Senator is discussing. At least 75 per cent of linseed oil is composed of flaxseed.

Mr. POMERENE. The farmers who raise flax are comparatively small in number compared with those who use paint.

Mr. UNDERWOOD. Undoubtedly.

Mr. SMOOT. Small or large, they think their lives depend upon it, and, of course, the tax is carried on through linseed oil.

Mr. UNDERWOOD. I do not deny that there are a few special interests which are protected under the bill and will make money out of it. The Senator from Utah is right. He makes the right confession. He confesses on the record that these taxes are levied for the benefit of some special interests. He says that in the duties on paint goes linseed oil, which I will discuss at a later date, and that there are a few producers in agriculture of the flax, out of which it is made, who will be benefited under the bill. I am not sure that they will, but I am accepting his argument, because I know that there are special interests which will get the benefit of the money you are wringing from the people.

But what has that to do with the men in the corn belt who raise corn? They constitute the great bulk of the American farmers. What has that to do with the man in the cotton belt who raises cotton and the man throughout the country engaged in agriculture? You can pick here and there a lemon grower in California or a sheep raiser in the far Northwest who may get some benefit out of the bill, but you are going to give him this bounty which you are wringing from the people of the United States as you lay your tax on the homes of America. I do not deny that, but I want the RECORD to show what you are doing.

As I said, when we come to the item of paint, the rate on pigments is doubled and you are doubling the tax on the linseed oil and will double the tax on the paints. The dangerous competition which was coming from abroad under the present law in 1919 amounted to $3,200,000 as compared with the value of the production amounting to $351,000,000. Of course, I suppose it took a doubling of the tax to keep that $3,200,000 out of America entirely. They can not say they did it for the protection of wages. As a rule we hear the cry, when a tax is levied for the special interests, that the wages of labor are going to be protected by it. But this witness, Mr. Miles, from whose testimony I have been reading and whose statement I have not seen contradicted in the testimony, said that the per cent of wages in the industry is only 6.9 per cent of the price of the product.

The total wage value amounts to 6.9 per cent of the value of the product, and yet on this item you are increasing a tax that already amounts in percentage to 10 per cent to more than the total wage by doubling it and making it 20 per cent, with a wage of 6.9 per cent to protect, if you were going to protect the entire wage.

Mr. Miles goes on to say that with a wage so small there can be substantially no difference in cost of production here and abroad; that the present tariff on paint is 11.4 per cent, giving the industry in 1919, $36,000,000 of protection and costing consumers, if used, up to $72,000,000, against which the custom rates were $100,000 in 1919 and $400,000 in 1920.

As I said a moment ago, although I was responsible for the present law and reduced the tax on these items by one-half, believing that I could give the benefit to the American people by so doing, and get some additional revenue for the Treasury, working on the schedule has clearly demonstrated that the tax which my committee placed on these articles was too high. Yet in the pending bill it is proposed to double that tax rate instead of halving it, as you ought to do if you want to make this product sufficiently competitive to produce some revenue for the Government and relieve the American people of the burden which rests on them due to class combinations in the paint trade.

Now, Mr. President, you may say that Mr. Miles does not know what he is talking about. I have known Mr. Miles a good many years. He came before the Ways and Means Committee of the House, of which I happened to be chairman when the present law was under consideration, and he made a very illuminating statement at that time to the committee on this question. But Mr. Miles does not stand with those who believe in high protection. He calls himself a protectionist, he says he is a protectionist, but he does not believe in that kind of protection which gouges, that kind of protection which is only building up the wall so that the special interests may enjoy the situation by largely increasing the burdens of taxation without the Government getting any benefit from it, while the American people are suffering four and ten fold the amount of taxes levied at the customhouse.

Mr. Miles is a manufacturer himself, or he was at that time. I do not know what he is doing now, because I have not seen him for a number of years—at least, I do not remember having met him for a number of years. He was a substantial business man. He conducted his business along successful lines at that time, and he wanted an opportunity under a fair field to develop his own business, but he did not want to be throttled with taxation nor did he want to throttle anybody else with taxation. Here is what he says about himself before the committee that reported this bill:

> I operated a paint factory for 15 years to supply my carriage factory.

He was in the carriage business at that time, and operated a paint factory for 15 years to supply his carriage factory. That ought to have given him some experience.

> There was so little labor in it that I never stopped to figure it. The percentage of wages in the paint and varnish industry is, all told, 6.9 per cent. Protection is 11.4 per cent.

That is, under the present law; but it is proposed to be doubled under the committee amendments which are now pending in the Senate. Then, referring to those engaged in the paint business, he says:

> They did not care enough about any protection to pay their respects to either tariff committee of Congress.

I have not verified that statement, and I shall be glad to have Mr. Miles's statement contradicted, if any paint manufacturers did come here and ask for this rate, and to hear what they said about it. Mr. Miles, however, says:

> They did not care enough about any protection to pay their respects to either tariff committee of Congress.
> Asking for nothing, the paint and varnish people were surprised—

Now, this is what this witness says:

> Asking for nothing, the paint and varnish people were surprised to find the House bill giving them 25 per cent, and American valuation further increasing this to from 50 to 80 per cent. A little like the soap people, who said they didn't mind particularly, but would be content to have 5 per cent, so the House bill gave them 20 per cent American valuation.

I do not know what witnesses appeared on this subject, but I do know that of paints—and I am now speaking merely on one of the raw materials from which it is proposed to build up the tax on paints—that the imports amount to very little; that the exports exceeded the imports; and yet it is proposed by the committee to double the tariff wall behind which these producers may operate and levy their increased prices on the American people. Do Senators on the other side say that would not increase their prices? How about the situation during the World War? Their prices then increased in the industry from $146,000,000 to $351,000,000 when they had the opportunity to increase them; they then more than doubled.

Mr. President, I have gone somewhat into detail on a small item because I want the record to be here for the man who desires to read it, so that he may know the facts. We have been told that there is no use discussing acids and other things in the chemical schedule about which the people do not know anything, but this item affords a good illustration of the character of the pending Republican bill, and I am sure that the final jury who want to understand, who are willing to understand, can understand that it is proposed to start right here in this case with pigments—one of the raw materials—and to double the tax; that it is proposed to go to linseed oil and the other raw materials and double the tax; and when it comes to paints the Republican Party is going again to double the tax without any opportunity of getting any material substantial revenue, for Mr. Miles says that on an industry, the production of which in 1919 was valued at $351,000,000, the receipts at the customhouse by the Government were only $100,000—less than one-third of 1 per cent—and in 1920 they were only $400,000, hardly 1 per cent.

Yet for some reason these increased duties are proposed. I do not understand why, because I know very well this industry does not need protection, and I know very well the increased tax is not going to bring more revenue. I know that Republicans are going to make the tariff wall so high that they will entirely stop the flow of imports; that they are getting ready to build a prohibitive tariff wall about these items, and yet they are necessities of life. They go into every household in America; they are used to preserve the homes from the storms of winter and the blasts of heaven; and yet, without compunction, the Committee on Finance are willing to double the tax on these articles.

Mr. President, I know discussion of this bill is futile; I know we can not accomplish anything here; but I believe there is a jury that will consider this question if we give them the facts. If I recollect aright, there never has been a congressional election—I say a congressional election, not a presidential election—when the difference between the Republican Party, in favor of high protection, and the Democratic Party, in favor of a revenue tariff, has ever been presented to the American people when they did not decide in favor of the revenue tariff. That has been true in congressional elections, but I know in presidential elections a great many Republicans who will vote for a Democratic Representative will not under any circumstances vote for a Democratic President.

However, I want the record so clear that this bill may be the issue in the fall campaign and that the people of America may pass judgment upon it. I have tried to make the record clear as to this particular item of cheap paints, which are necessary to preserve the homes; and, as I desire a record vote on this particular item, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Hale	McNary	Sheppard
Ball	Harris	Moses	Shortridge
Brandegee	Heflin	Myers	Simmons
Broussard	Johnson	Nelson	Smoot
Bursum	Jones, N. Mex.	New	Spencer
Capper	Jones, Wash.	Newberry	Stanley
Colt	Kellogg	Nicholson	Swanson
Curtis	Kendrick	Norris	Townsend
Dial	Keyes	Oddie	Underwood
Dillingham	Ladd	Overman	Watson, Ind.
Elkins	Lenroot	Pepper	Williams
Ernst	Lodge	Phipps	Willis
Fletcher	McCumber	Pomerene	
Frelinghuysen	McKinley	Rawson	
Gooding	McLean	Robinson	

The VICE PRESIDENT. Fifty-seven Senators have answered to their names. A quorum of the Senate is present.

The question is on the amendment offered by the Senator from Alabama [Mr. UNDERWOOD] to the amendment reported by the committee.

Mr. SMOOT. Mr. President, before voting I want to make a short statement for the record.

Paragraph 70 has two divisions: First, the crude ochers and siennas and umbers; second, the oxides of these articles, or pigments.

The House passed the bill with a rate on the articles in the first division of one-quarter of a cent a pound. The Senate committee reported to the Senate a rate of one-eighth of a cent, just one-half of the House rate. The rate of the Payne-Aldrich law was one-quarter of a cent, and we reported one-eighth of a cent. The rate of the Underwood bill was 5 per cent ad valorem; and now I want to call attention to what one-eighth of a cent is in equivalent ad valorem duty, so that you can see what increase there is over existing law.

The price of ocher, crude, is 2 cents a pound. One-eighth of a cent equals 6¼ per cent ad valorem. The price of sienna is 4 cents a pound. One-eighth of a cent equals 3 per cent, or 2 per cent less than the existing law. The price of umbers is 1 cent a pound, and one-eighth of a cent equals 12½ per cent.

That is the first bracket, which covers the crude materials.

In the case of the second bracket, where we deal with the pigments, the Underwood rate to-day is 10 per cent; the Payne-Aldrich rate was three-eighths of 1 cent a pound. The committee desire to make this 20 per cent. You may ask why that is increased. Under the Underwood tariff bill linseed oil had a duty of 10 cents a gallon. Under the bill as reported to the Senate linseed oil has a duty of 3½ cents a pound, which equals 23 cents a gallon. That is brought about, of course, by the duty of 45 cents a bushel on flaxseed, which the farmers of North Dakota and the other States raising flaxseed say is absolutely essential to give them protection in order that they may live in this country.

Mr. UNDERWOOD. Mr. President, will the Senator allow me to ask him a question? Of course, I know that you increase the duty on linseed oil, but how does the differential on pigments affect the duty on linseed oil?

Mr. SMOOT. I say the duty upon linseed oil affects the pigments indirectly.

Mr. UNDERWOOD. But you have increased the duty on linseed oil to more than take care of that proposition.

Mr. SMOOT. The chairman of the committee, as I say, has already asked that the Senate reject the committee amendment, and that will leave a duty of 20 per cent on all of the pigments in this section.

Mr. UNDERWOOD. Mr. President, I realize that what the Senator has said is correct. They are not going to insist on 25 per cent; and the issue in the Senate now is as to whether you are going to double the tax on the pigment out of which the paint is made, along with the balance of the schedule.

The Senator from Utah says that we should double the tax to take care of some farmers who live in one State along the border. Of course I know, as I said before, that you are writing this bill for certain special interests. That special interest in this case is a very small one to cause the levying of this enormous tax on all of the people of the United States; and the increased cost of linseed oil has nothing to do with this part of the tax. That might be appealed to when you got to paints, but this is the red pigment, dirt or ore dug out of the ground where there are millions of tons of it, and ground up and cleaned, and where the labor cost amounts to very little in comparison with the product.

If there is any justification for doubling this tax on the American people I have failed to see any indication of it or to realize it from the statement of the Senator from Utah.

Mr. SMOOT. Mr. President, I also call attention to the fact that importations are increasing, and have been increasing, as the Senator said in his statement.

Mr. UNDERWOOD. Yes; they did increase along about the time of the war, but——

Mr. SMOOT. No; after the war they decreased.

Mr. UNDERWOOD. In 1920 they reached the maximum.

Mr. SMOOT. That is true.

Mr. UNDERWOOD. And after 1920 they commenced falling off.

Mr. McCUMBER. Very little.

Mr. SMOOT. That was on account of the demand, and I will say to the Senator the importations referred to were only for nine months.

Mr. UNDERWOOD. But the rate for nine months would not have averaged the production of the previous year.

Mr. SMOOT. No; because of the business conditions.

Mr. UNDERWOOD. Of course, there may be a thousand reasons, but this business was not destroyed under the present tax. It has not been injured under the present tax. It grew under the present tax, and in fact there is no reason for a tax at all. There is no labor cost to amount to anything to protect. The man who brings the material into this country has a long haul and a freight rate to pay, and the tax that I am proposing now of 10 per cent ad valorem, in my judgment, is excessive. I am only proposing it because it is the present rate. If I had the writing of this bill again, I think I would lower this particular rate instead of leaving it where it is, and you propose to double it.

Mr. SMOOT. Mr. President, of course the producer of this material in Georgia and the other States has a freight rate to pay equal to the rate that the foreigner has to pay.

Mr. UNDERWOOD. Where to—to Chicago, or what point?

Mr. SMOOT. Wherever it is manufactured.

Mr. UNDERWOOD. It is manufactured all over the country.

Mr. SMOOT. The Senator knows that a great deal of it is manufactured in Illinois and in the State of New Jersey.

Mr. UNDERWOOD. Mr. President, there is nothing in the world that is more fallacious than the argument that you have to protect the producers of something against a freight rate because you want to figure on New York Harbor for every proposition that comes up. The American producer who makes paint in Wheeling, W. Va., or Cincinnati, or Chicago, has a large territory where the American freight rate protects him, as well as the foreign freight rate.

Mr. SMOOT. The Senator spoke of foreign freight rates. I simply wanted to call attention to the fact that I said it protected him, but I wanted to call attention also to the fact that the producer of this material in Georgia, where the greater part of it is produced, has to pay a freight rate also. None of it is manufactured there.

Mr. UNDERWOOD. He has a domestic freight rate to pay, of course, but you pick some point on the eastern seaboard that is farthest away from him; but when you go to estimate your freights you do not count the territory that is west of him, where he has the advantage of the local freight rate, the American freight rate, as well as the overseas freight rate.

Mr. McCUMBER. Mr. President, I want to put into the record the fact that in 1920 the United States production of these iron-oxide pigments was about 65,000,000 pounds. The importations were 15,500,000 pounds, or about 25 per cent, and the ratio for 1921, based upon nine months, is practically the same thing; so while the Payne-Aldrich rate was 30 per cent and while the Underwood rate was 10 per cent, we have placed it at 20 per cent, and with one-fourth of the entire consumption in the United States being imported there is sufficient competition to regulate prices.

The VICE PRESIDENT. The question is on the amendment of the Senator from Alabama [Mr. UNDERWOOD] to the amendment of the committee, which will be stated by the Secretary.

The READING CLERK. On page 27, line 13, it is proposed to strike out "25," and in lieu thereof to insert "10."

Mr. UNDERWOOD. I call for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as before, I vote "nay."

Mr. NEW (when his name was called). Making the same announcement as on the previous roll call, I vote "nay."

Mr. OVERMAN (when his name was called). Making the same announcement as to my general pair and its transfer, I vote "yea."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH].

Mr. JONES of New Mexico. Making the same announcement as to my pair and its transfer, I vote "yea."

Mr. ROBINSON. I transfer my pair with the Senator from West Virginia [Mr. SUTHERLAND] to the Senator from Massachusetts [Mr. WALSH], and vote "yea."

Mr. DILLINGHAM (after having voted in the negative). I observe that the junior Senator from Virginia [Mr. GLASS] has not voted. Having a general pair with that Senator, I transfer it to the junior Senator from Maryland [Mr. WELLER], and allow my vote to stand.

Mr. FRELINGHUYSEN. I transfer my pair with the Senator from Montana [Mr. WALSH] to the Senator from Vermont [Mr. PAGE], and vote "nay."

Mr. McCUMBER. I transfer my general pair with the Senator from Utah [Mr. KING] to the Senator from Maryland [Mr. FRANCE], and vote "nay."

The result was announced—yeas 21, nays 42, as follows:

YEAS—21.

Ashurst	Heflin	Pittman	Swanson
Caraway	Jones, N. Mex.	Pomerene	Underwood
Dial	Kendrick	Robinson	Williams
Fletcher	Myers	Sheppard	
Harris	Norris	Simmons	
Harrison	Overman	Stanley	

NAYS—42.

Ball	Colt	Gooding	Ladd
Brandegee	Curtis	Hale	Lenroot
Broussard	Dillingham	Johnson	Lodge
Bursum	Elkins	Jones, Wash.	McCormick
Calder	Ernst	Kellogg	McCumber
Capper	Frelinghuysen	Keyes	McKinley
McLean	Newberry	Rawson	Wadsworth
McNary	Nicholson	Shortridge	Watson, Ind.
Moses	Oddie	Smoot	Willis
Nelson	Pepper	Spencer	
New	Phipps	Townsend	

NOT VOTING—33.

Borah	Gerry	Page	Trammell
Cameron	Glass	Poindexter	Walsh, Mass.
Crow	Harreld	Ransdell	Walsh, Mont.
Culberson	Hitchcock	Reed	Warren
Cummins	King	Shields	Watson, Ga.
du Pont	La Follette	Smith	Weller
Edge	McKellar	Stanfield	
Fernald	Norbeck	Sterling	
France	Owen	Sutherland	

So Mr. UNDERWOOD's amendment to the committee amendment was rejected.

Mr. McCUMBER. I request now that the Senate disagree to the committee amendment.

The amendment was rejected.

Mr. McCUMBER. I ask that the committee amendment in paragraph 72—that is, the provision for 35 per cent ad valorem, on page 27, line 17—be disagreed to, and also that the amendment in lines 19 and 20, down to the words "ad valorem," in line 20, be also disagreed to, and I will ask that the balance of the amendments in that paragraph be agreed to.

The VICE PRESIDENT. The Secretary will state the first amendment in the paragraph.

The READING CLERK. In paragraph 72, on page 27, line 17, the committee proposes to strike out "25" and insert in lieu thereof "35," so as to read.

Spirit varnishes containing less than 5 per cent of methyl alcohol, $2.20 par gallon, and 35 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, that is quite a concession, and it is rather gratifying to some of us that the committee is finally seeing the error of its ways and coming to more reasonable terms. Notwithstanding that, however, the duty provided for by the House is much greater than the rate in the present law, and I am a little anxious to know why we should increase the duty provided in existing law.

There are no imports of this commodity of any consequence. On the other hand, we are exporting about three times as much as we are importing. Does any member of the majority of the Finance Committee desire to give any reason why the present duty should be increased? I do not care to take up the time of the Senate, but varnish is a very important commodity, is in very general use, and I desire to call attention to the facts with regard to the domestic production.

In 1914 there were engaged primarily in the manufacture of varnishes 215 establishments, with a capital of $29,000,000 plus, and an output valued at more than $33,000,000, an increase of about $3,000,000 over 1909. In 1919 the output in the United States was over $83,000,000.

From 1910 to 1917, inclusive, the imports ranged from a minimum of $55,000 in 1913 to a maximum of $70,000 in 1916. In 1914 the imports were less than two-tenths of 1 per cent of the domestic production, and I observe that in later years the importations were nominal.

Of the varnish which contains less than 10 per cent of methyl alcohol, in 1918 the importations amounted to 867 gallons, in 1919 to 48 gallons, in 1920 they were 86 gallons, in nine months of 1921, 341 gallons; and of the varnishes containiag 10 per cent or more of methyl alcohol the importations were as follows:

	Gallons.
1918	91
1919	380
1920	798
1921	161

Taking these statistics into consideration, I can not see why we should increase the duty on those varnishes. The imports are but a fraction of 1 per cent of the domestic production; the exports were 3 per cent of the domestic production. The output was over $83,000,000 and the imports one or two thousand dollars.

I think we are entitled to some explanation of that. The Sherwin-Williams Co. is a large producer of these varnishes, and I have some data here regarding that concern, and I just wondered if the purpose of increasing this duty is to help out that concern. It has plants at Cleveland, Ohio; Chicago, Ill.; Newark and Boundbrook, N. J.; Detroit, Mich.; San Francisco, Calif.——

Mr. WALSH of Montana. Can the Senator tell us who asked for this rate?

Mr. JONES of New Mexico. I have been trying to find out about that, but so far I have not been able to get a rise from the other side regarding this item.

Mr. SMOOT. This side will explain it when the Senator gets through.

Mr. JONES of New Mexico. I asked for some explanation.

Mr. SMOOT. What is the use of our giving an explanation to the Senator, and then have him go on and make a speech which he has prepared? I will wait until the Senator gets through, and then I will tell the Senate why these rates were imposed and the reason for the changes from the existing law.

Mr. JONES of New Mexico. I wish I did have a prepared speech on this item. I think I could perhaps make a more effective appeal to the distinguished Senator from Utah than I can in this extemporaneous way. I know that the Senator from Utah is very susceptible to strong argument, and I only wish that I might have prepared such a speech, so that I might appeal to him. The Senator is usually so informative about these things that I am glad to get the assurance from him that at some time he is going to offer an explanation for the increase in the duty on this item. I good-humoredly inquired if anyone desired to give us any information about it, and I could not get a rise from anybody over there. I am gratified to know that the Senator from Utah now promises to give us this very much-desired information.

I had commenced to read this memorandum regarding the Sherwin-Williams Co., which probably will be the chief beneficiary of this additional duty, and I think we may very well consider the distressful financial condition in which it finds itself, the poverty which has attended its great efforts in the past.

I will read a little further. I was reading about where it had plants. It seems to cover practically the whole country, from New Jersey, at any rate, to California; and from Massachusetts to Dallas, Tex.; Lincoln, Nebr.; a zinc smelter at Coffeyville, Kans.; zinc mines at Magdalena, N. Mex.; linseed oil mills at Cleveland, Ohio; lead corroding works, lithopone works, dye color and chemical works, and tin-can plants at Chicago, Ill. The company owns the Sherwin-Williams Co., of Canada, and through it the Lewis, Berger & Sons (Ltd.), of London, with branches in Liverpool, Paris, Calcutta, Bombay, Durban, Johannesburg, and Shanghai; also the United Paint & Varnish Co., which in turn owns the Acme White Lead & Color Works, of Detroit, and the Hemingway Co., of New Jersey.

The capital stock authorized is $60,000,000, $20,000,000 common and $40,000,000 preferred; outstanding, $14,868,000 of common and $15,000,000 of preferred. The profits reported in 1916 were $3,040,337; in 1917, $2,875,982; in 1918, $2,539,722; in 1919, $3,159,756; and in 1920, $4,532,637.

The company is reported to have assets in 1920 amounting to $42,942,067, and working capital in the same year amounting to $21,043,123. The company paid stock dividends in 1911 of 33⅓ per cent, in 1915 of 10 per cent, and in 1920 of 50 per cent.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from New Mexico yield to the Senator from Nebraska?

Mr. JONES of New Mexico. I yield.

Mr. NORRIS. My attention was diverted. What was the name of the company that the Senator has been discussing?

Mr. JONES of New Mexico. The Sherwin-Williams Co., which is one of the chief producers of varnish and the other materials under discussion.

Here is another company which seems to extend over a great part of the country and which appears to be exceedingly prosperous. I believe there are only three concerns which would probably be beneficiaries of the bill.

Mr. NORRIS. What is the name of the other company?

Mr. JONES of New Mexico. The other companies are the Glidden Varnish Co. and the De Voe & Reynolds Co. I might state something of the nature of the business of the Glidden Co. It is rather a recent organization entering into this business. It was incorporated December 22, 1917, as a consolidation of certain companies engaged in the manufacture of varnishes, japans, enamels, lacquers, paints, dry colors, kalsomine, linseed oil, insecticides, and fungicides. The company also produces nut margarine and refined edible oils. Here is the reorganization of some companies. If the Attorney General would find out about this, he might inquire into the question as to whether or not a monopoly was sought to be created here. I find that this is a consolidation of the following companies:

The Glidden Co., Cleveland, Ohio.
The Glidden Co. of Texas, Dallas, Tex.
The Glidden Co. of Massachusetts, Boston, Mass.
Linseed Oil Mill of St. Louis, St. Louis, Mo.
Glidden Nut Butter Co., Chicago, Ill.
Adams & Elton, Chicago, Ill.
American Paint Works, New Orleans, La.
T. L. Blood & Co., St. Paul, Minn.
Campbell Glass & Paint Co., St. Louis, Mo.
The Forest City Paint & Varnish Co., Cleveland, Ohio.
Nubian Paint & Varnish Co., Chicago, Ill.
The Glidden Co. of California, San Francisco, Calif.
The Glidden Co. (Ltd.), Toronto, Ontario.
The Heath & Milligan Manufacturing Co., Chicago, Ill.
The Twin City Varnish Co., St. Paul, Minn.
The A. Wilhelm Co., Reading, Pa.
The Glidden Co., chemicals and pigments division, St. Helena, Md.

The company also carries on a paint trade in South America and other foreign countries.

The authorized capital is 360,000 shares of common without par value and $7,500,000 of 7 per cent preferred. The balance sheet of the company for December 31, 1920, showed assets of $21,156,098.

I observe that the concern has adopted the modern device of issuing shares without any par value. So far as I am able to learn about that, the purpose is to cover up the question of the earnings which it may make or the valuation of the stock. We know nothing, from the fact of it having no par value, as to how much money is intended to be put into it, whether it is all water or whether it has some real substance in it. The public is left entirely in the dark. It would seem to be a very convenient device for a concern intending to monopolize various institutions and industries. I have read the names of 17 different concerns consolidated on the reorganization of the Glidden Co. in 1919.

The other one concern engaged in the manufacture of paints and varnishes is the DeVoe & Reynolds Co. It manufactures paints and varnishes, brushes, artists' materials, and so forth. It has plants located at Newark, N. J., Brooklyn, N. Y., and Chicago, Ill. Its authorized capital is $4,000,000 with $1,000,000 of 7 per cent accumulated preferred. The balance sheet of the company for December 31, 1920, shows assets amounting to $8,840,448.

Those are the concerns which are going to be the beneficiaries of this increased duty, if indeed anybody is to be benefited by it. Here is quite an increase in the duty on this commodity, only a fraction of 1 per cent of which is imported. We are actually exporting to the rest of the world more than three times as much as we are importing. The probabilities are that the limited importations are shipments merely sent from one branch house of the parent concern to another in the United States. The suggestion has just been made to me that the importations consist of special varnishes; that is, peculiar or special or unusual kinds of varnishes. Clearly there is no competition from the rest of the world with the concerns in the United States regarding these commodities.

Mr. NORRIS. Mr. President, I would like to ask the Senator in regard to some of the names comprising the second company to which he referred. I did not understand him always, but as I heard the Senator some of them were engaged in some other line of business. There was one of them which I would judge dealt in butter.

Mr. JONES of New Mexico. Yes.

Mr. NORRIS. Can the Senator tell whether they use the butter to grease the varnish or the varnish to smooth the butter?

Mr. JONES of New Mexico. It is mixed in with the vegetable oils which are used in connection with paint, and so on. When they once get into the oil industry, then the various ramifications suggest themselves and so they start out.

Mr. NORRIS. Do they deal in butter? Do they sell butter or manufacture butter?

Mr. JONES of New Mexico. It is butterine or oleomargarine.

Mr. NORRIS. Oh! I was going to follow that up. I supposed from the name which the Senator read that it was going to develop that they had a farm and had cows and milked them and made butter.

Mr. JONES of New Mexico. No.

Mr. NORRIS. I thought that would perhaps explain why the committee is going to be backed up by the farm bloc on this proposition of increasing the tariff.

Mr. JONES of New Mexico. I am quite certain from what appears on the surface that milking cows is too modest a business for these concerns. I think that would be too slow a process of trying to make millions in dividends on their capital stock. The suggestion has just been made sotto voce that instead of milking the cows they have been milking the public. I would not be surprised if that were so.

Mr. NORRIS. It is a very good thing, I think—at least the name indicates it—that when they start out to milk the public they do it under the name of a corporation that would indicate they were milking cows.

Mr. JONES of New Mexico. Now, Mr. President, if the Senator from Utah [Mr. SMOOT] has some information which he would like to give us on this matter, I am sure we would all be pleased to have it.

Mr. SMOOT. Mr. President, paragraph 58 of the Underwood Act of 1913 provides:

That spirit varnishes containing less than 10 per cent of methyl alcohol of the total alcohol contained therein shall be dutiable at $1.32 per gallon and 15 per cent ad valorem.

The pending bill provides:

Spirit varnishes containing less than 5 per cent of methyl alcohol, $2.20 per gallon and 25 per cent ad valorem.

Wherever less than 5 per cent of methyl alcohol, which is wood alcohol, is contained in varnishes they are termed spirit varnishes; the alcohol contained in spirit varnishes is not denatured unless it contains 5 per cent or more of wood alcohol. At the time of the passage of the Underwood bill and also the Payne-Aldrich bill 10 per cent of wood alcohol was necessary under Treasury regulations to denature pure alcohol. That is the reason for the 5 per cent limitation, while the two bills to which I have referred contained a 10 per cent limitation of wood alcohol. It will be noticed that in the Underwood law and also in the Payne-Aldrich law the duty imposed was $1.32 a gallon, while in the pending bill it is $2.20 a gallon. The duty of $2.20 per gallon is a compensatory rate, equivalent to the internal-revenue tax on the proof gallon.

Under the Underwood law the internal-revenue tax on the proof gallon was $1.10; but instead of making the duty $1.10, equivalent to the internal-revenue tax which was imposed, 22 cents was added. That virtually amounted to a specific duty of 22 cents; and the same duty was imposed under the Payne-Aldrich law. The Committee on Finance, however, merely provided a rate equivalent to the internal-revenue tax of $2.20 per gallon. They have imposed no specific duty whatever.

Then we allowed a duty of 25 per cent ad valorem, which is the straight duty imposed upon the commodity, outside of the compensatory duty imposed to take care of the internal-revenue tax. The 25 per cent ad valorem duty applies not only to the spirit varnishes but it also applies to varnishes which contain 5 per cent or more of methyl alcohol. Whenever these varnishes contain 5 per cent or more of alcohol they are shellac and are not spirit varnishes at all, and we provide a rate of 25 per cent, but impose no specific duty of 22 cents, such as was provided in the Underwood law.

Mr. President, spirit varnishes are used for the purpose of lining the inside of containers of candy and of foodstuffs. Wherever a food container is lined the varnish must have less than 5 per cent methyl alcohol, because if there were over 5 per cent it would be denatured, and consequently poisonous. Therefore it is necessary that varnishes used in such containers should be made of pure alcohol. So we impose a duty of $2.20 a gallon upon the varnish to compensate for the internal-revenue tax, but no more.

In the two preceding tariff laws there was imposed what amounted to a specific duty of 22 cents per gallon, as I have stated, and under the Payne-Aldrich law there was an additional ad valorem duty of 35 per cent and under the Underwood law there was an ad valorem duty of 15 per cent.

The 22 cents per gallon specific duty that has heretofore been given to the manufacturers of spirit varnishes, and of shellac as well, is entirely eliminated from this bill, which provides for a straight ad valorem duty of 25 per cent, and that is all.

Mr. JONES of New Mexico. May I inquire why should there be that 25 per cent duty?

Mr. SMOOT. Mr. President, in all of this bill, in the basket clauses, and wherever they have been necessary, there has been imposed an equivalent duty of 25 per cent, and we carried that policy out in this item. Of course, shellac is used upon floors and on furniture, but I do not think a 25 per cent duty upon it is going to be very burdensome upon those who use the article, when the present duty is 15 per cent ad valorem and 22 cents per gallon.

I am somewhat surprised at complaints being made each day on duties of less amount than the Underwood rates. It does not make a particle of difference whether the proposed duty is the same as that provided by the existing law; in fact, if we put every rate in the bill as it stands in the Underwood law, it would still meet with the same kind of criticism. It is not a question of rates, but it is a question of criticizing and finding fault and holding up action upon the bill.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. Certainly.

Mr. NORRIS. I did not quite understand as to the application of the $2.20 per gallon duty when there is less than 5 per cent of methyl alcohol in the commodity, and no such duty is imposed when the methyl alcohol content exceeds 5 per cent.

Mr. SMOOT. The reason is that if there is less than 5 per cent methyl alcohol it is regarded as pure alcohol, and if the methyl alcohol content is over that it is then considered denatured.

Mr. NORRIS. But the alcohol mentioned in this paragraph of the bill is the same in both cases.

Mr. SMOOT. No; it is methyl alcohol, that is, wood alcohol, and wherever it goes into the lining of containers for food there has to be a limit, not to exceed 5 per cent, because now, under the ruling of the Treasury Department, if there is more than 5 per cent of methyl alcohol then it is poisonous.

Mr. NORRIS. I understand that.

Mr. SMOOT. And if it is less than 5 per cent it is not wholly denaturized and may be used. That is the standard which has been established by the Internal Revenue Department.

Mr. NORRIS. But $2.20 is levied on the entire product, and not merely on the 5 per cent of alcohol in it.

Mr. SMOOT. But the manufacturers have to pay $2.20, that being the internal-revenue tax, and we do not give them any more than that.

Mr. NORRIS. I think I understand the Senator.

Mr. SMOOT. I call attention to the fact that at the time of the enactment of the Payne-Aldrich law and also the Underwood law the standard as determined by the Internal Revenue Bureau was 10 per cent, and both of those laws incorporated the 10 per cent limitation. At that time the internal-revenue tax upon the alcohol was only $1.10 per proof gallon, but they gave a duty of $1.32; in other words, they allowed a 22-cent differential. In this bill, however, we do not do that, but provide a duty of $2.20. All the protection the manufacturers receive in any way, shape, or form is 25 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. NORRIS. Mr. President, it seems to me there ought to be no duty on this commodity, and I do not believe any man can defend the imposition of a duty on any theory of protection which protectionists have ever advocated anywhere or at any time. I may be entirely wrong; but if a revenue duty is desired here is a place to get it. It does not appeal to me that the rate proposed to be fixed is greater or less than the rate fixed by the Underwood law; I do not care anything about the Underwood law; I did not vote for it, and did not believe in it. It was a revenue measure.

Mr. McCUMBER. That is all this duty is.

Mr. NORRIS. I presume that is true, for it certainly can not be considered as a protective duty. It seems to me, Mr. President, that as to the duty of 25 per cent ad valorem on varnishes and as to the duties on ingredients of paints on which we have been voting, such as white lead and the coloring matter that goes into paints, in almost every instance there has been no question of protection involved. As I look at it no man can defend those duties on the ground of protecting any industry. I myself can not understand how those who want to reduce the cost of living can levy a tariff upon a commodity which is universally used by all classes of people, and of which, as demonstrated by the figures in almost every instance in case of paint ingredients, there are practically no imports, but, on the contrary, large exports. The figures given as to varnishes show that the imports are practically nothing, while the exports run into the millions, and yet it is proposed to levy a tariff duty of 25 per cent.

Mr. President, I am firmly convinced that any man who believes in a protective tariff, in order to be consistent, must vote against a tariff duty of this kind. If one believes in a tariff for revenue and is opposed to protection here is a place to get it; but those of us who believe in protection and who have preached it and who have won battles in the political field upon that theory, now propose to turn around and do just what we have always condemned. In this case we are not going to get any revenue, if any Senator is basing his position on the revenue proposition, for the record shows that under the present tariff rate, which is lower than the rate proposed in the pending bill, there are no imports, and hence no revenue. So this duty can not be defended on the ground that it is a protective rate, and there can be no defense on the ground that it is a tariff for revenue, because it will bring in none.

Where is the legislator who advocates that kind of a tariff, whether he be Democrat or Republican? There can be no revenue and no protection. Therefore what is the effect of it? In this case, if the evidence so far as disclosed is reliable—and it

stands undisputed to date—there are practically only three concerns interested in this particular commodity. It would be a very easy thing for three concerns to say, "We will raise the price to the American people up to the level of the tariff wall and make the consumers of America pay the bill." Will not that happen? What else can we expect to happen? And are we going before the people, we protectionists, and defend that kind of a tariff? The argument, it seems to me, applies to all of the paint items, but it is particularly clear in this instance.

Mr. SMOOT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield to the Senator.

Mr. SMOOT. I presume the Senator gained the impression from what the Senator from New Mexico stated that there were only three concerns engaged in making this particular commodity.

Mr. NORRIS. I suppose there are more, but he said there were practically only three.

Mr. SMOOT. There are 229 of them.

Mr. NORRIS. He had a whole lot of them combining in one.

Mr. SMOOT. I simply say that is what the Tariff Commission says—that there are 229 of them instead of 3, and they could not get together so easily, could they?

Mr. NORRIS. They do get together, and under Mr. Hoover's administration he is getting them together right now. They will report to him, and he will tell them what to do, and they will get through flying. The Supreme Court will not get a fair opportunity to pass on anything, with his judgment against them.

But, Mr. President, if you admit that they will not combine, what is the natural result? What is it for? There is no revenue. You say it is a revenue tariff, but there are no imports now. If you are going to increase the rate, you will not get any imports. Who is going to get any benefit out of it? The Treasury gets no money. Nobody gets any protection, because we are exporting now, and nobody is importing. The only thing that can happen, if anything happens, is that the producers of this product are going to raise the price and the American people will pay it.

Mr. President, I have been wondering all day about the farm bloc. We have been dealing in products this afternoon that the farmer needs. We have had coloring in paints before us; we have had white lead; and we have been increasing the tariff on every one of them. Where, oh, where, is the farm bloc now that is going to defend the farmer who wants to paint his barn or his granary or his house?

What are you going to say to him when you go home? Why, this magnificent bloc that was organized to save the farmer from destruction has penalized him when he wanted to save his farm buildings or his farm implements from decay. You can not say to him: "That was necessary to get money into the Treasury," because it brings in none, and in almost every instance the concerns that are dealing in these products are exporting, sending the product out, competing in the world's markets; so you can not tell him that. You can not give him the excuse that it was a protective tariff that you were levying, because it is conceded that no protection is necessary, and yet he has to foot the bill.

Mr. President, we can not defend a bill built on these principles. You may get the votes and put it through, but I warn you now that we will be the sufferers. It almost commences to look as though those on this side who are organized to protect the farmer have some kind of a deal with somebody else by which they say: "We will vote for everything you ask." Strength is given to that kind of proposition from the fact that there is, as a rule, nobody here. There is the largest aggregation of Senators in the Chamber now that I have seen for three days, except for a few minutes after a roll call or during a roll call. Yesterday the debate went on for almost the entire afternoon, when on this side only the Senator from North Dakota [Mr. McCUMBER], who has always been here, and myself, and one other Senator, constituting the attendance, were listening to the argument.

I do not find fault with Senators for being absent. I know they have to be absent a good many times, and I know a lot of this debate on other subjects has a tendency to drive them away. I realize that; but are we going to come in here blindly when the roll is called and vote for increases of duty day after day and time after time that we know are increasing the expense that the people—the common people—of America must pay when there is no protection in it and when there is no revenue in it?

I can not explain it in any other way than to say that there must be an understanding to give this man what he wants and he will swallow the whole thing and give that man what he wants and he will do the same thing. Some man has an industry in his State that he wants to protect. Give him whatever he asks and you will get his vote for the whole bill and every item in it. It begins to look as though that were the deal.

Mr. President, it will not work. In the first place, it ought not to work, because it is not fair. In the next place, a bill based upon that kind of a bargain will bring about its own death and its own destruction. Senators who are going out before the people this fall in farming communities will not be able to defend the votes they have been casting here for two days that increase the cost of everything that enters into varnish or paint used on the farm. The farmer, in proportion to the money that he has in his business, has more to pay for paints than any other class of people on earth. He has all his farm implements, he has all his farm buildings, where the ordinary person has nothing but a house. He has ten times as much surface to cover with paint as a house amounts to, and he is being penalized in every one of these items. I do not see how you can escape it.

If you could say to the farmer, "We have been through the war; we have an enormous debt to pay; we must all pay our share, and we have levied this tax on you in order that you may pay your share," that would be a defense. But when he says to you, "Why, this is not going to bring in any revenue; even under a lower tariff there was no revenue on most of these items; it was only negligible," that argument is gone; and the fact that our manufacturers have been exporting in large quantities, in the millions of dollars, makes it impossible to say, "We want to protect the industry," because it has grown away beyond the limits of our country already.

Mr. President, I realize the difficulty that the committee has been under in drafting the bill. There is no man here who has had more sympathy than I have had for them in the work they have before them, and no man more willing to testify to their earnestness and their diligence in working on this bill. In my judgment they have worked harder than any other committee that ever drafted a tariff bill. The difficulty was that they were up against an impossibility in trying to draw a bill along protective lines. With the disjointed condition of the world to-day, I think it is an impossibility to draw a tariff on protective lines. With the changes that are going on all over the world, and that we know are continuing to go on, and that we want to go on until the world gets back to a normal condition, we can not expect to draft a tariff law to-day, even if we could draw one on scientific lines, that would not be out of joint to-morrow.

We hear it said in this debate, "This tariff was fixed according to the price that the articles sold for," and you had a price list that was given to you last August. Everybody knows that it is out of joint now. Everybody knows that a tariff bill drafted on a price list that was given out in August is no good now and does not apply to existing conditions. I have heard the argument made here on the floor of the Senate, "Why, that was when the bill was in the House. Conditions have changed since then."

Mr. NICHOLSON. Mr. President, may I ask the Senator a question in that connection?

Mr. NORRIS. Yes, sir.

Mr. NICHOLSON. Are prices lower now than they were in August, or are they higher, in the case of the price list the Senator is talking about?

Mr. NORRIS. I should judge that some of them are lower and perhaps some of them are higher. As a rule, perhaps they are lower.

Mr. NICHOLSON. As a general thing, are not prices much lower now than they were in August?

Mr. NORRIS. Perhaps; I should think so. That would be the natural thing to expect, because the prices before the war were lower than they were during the war.

Mr. NICHOLSON. If that is true, is it not necessary that higher rates of tariff should obtain now than obtained last August in order to protect American industries?

Mr. NORRIS. That is not the way to levy a tariff for protection, my dear friend; and if you had ever argued in a campaign for a protective tariff on that line you would have been laughed off of the platform. You would not have gotten to first base on that kind of a proposition. What did we say? What did we put in our party platform? Why, we said, "We will levy a tariff that will measure the difference in the cost of production here and abroad." That is the basis of the right kind of a protective tariff; and if you make it higher than that it is just as dangerous and just as injurious to the people of America as if you make it lower. In one case you drive men from employ-

ment and close down business. In the other case you build up monopolies which will crush out the life of the people.

This tariff bill is not built on that line. As the Senator says, if they had the cost in the House when they passed the bill it would not apply now, when we are passing it; and if we had it right to-day, by the time the bill was passed it would be out of joint.

I do not want to be understood as criticizing the men who are behind the bill or who drafted it. I think the mistake was made in trying to have a general revision now. However desirable it is, we ought to face boldly, it seems to me, the fact that it is an impossibility and can not be done, and especially ought we to be careful not to levy a tariff where there can be no revenue and no protection upon the things that the farmers of America must buy. If there is any class of our people who have been injured and hurt by the changing of conditions from war conditions back to normal, it is the agriculturists of the country, those who are engaged in the fundamental industry of all prosperity; and the thing that I particularly object to, that it seems to me indefensible, is the duty on the product under consideration now and which has been under consideration for a day or two, in which the farmer is more interested than any other class of material that he has to buy, and he is bankrupt, flat on his back. When you can not defend it on the ground that you are protecting an industry here or on the ground that we can produce the revenue, then you ought not to levy taxes against that class of people. I do not think you ought to levy them against any class of people whatever, but particularly against the farmer, in his practically bankrupt condition.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. McCUMBER. Mr. President, I am ready to vote upon the amendment, but I am not ready to concede the validity of the argument just made by the Senator from Nebraska. This is the first time I have ever heard it stated that the Republican Party was against a tariff for revenue. I never heard that any party opposed a tariff for revenue. I do insist that the Republican Party stands for a tariff for revenue, and also a tariff for protection. All we have ever condemned has been a tariff for revenue only.

In my State we have farmers, and merchants, and bankers, and professional men, though we manufacture nothing, and I have never heard a farmer in that State claim that he wanted everything he purchased upon the free list. All he has ever claimed was equal protection, so far as it is possible to give him that protection. We are trying to give him that.

I am well aware of the fact that where we have had a protective policy as applied to the manufacturing industries, with their higher labor wages, which they have increased from year to year, it is impossible at this time, and at one stroke, to balance evenly agricultural industries and manufacturing industries on the same basis, and with the same rates of duty. I think we have come as near to it this year as it is possible for us to come under the conditions which confront us in the country to-day.

The Senator states that he can not see why a tariff is levied for revenue on articles which everyone uses and which will result in keeping up the prices. The Senator from Utah stated, I think, that there were in the United States 229 manufacturers of these products. Of course, there is a possibility of their combining, but the probabilities are a thousand to one that where there are so many of them there will be competition in the trade.

We speak of 25 per cent as being a duty that is an imposition upon the American people. Do not our laborers get more than 25 per cent above what foreign laborers get? The American laborer gets all the way from twice to ten times as much as the foreign laborer. Are we not living upon a basis more than 25 per cent higher than the standard of living in any other country upon the face of the earth? If we are, can we complain because there is an ad valorem duty of 25 per cent upon these things, which we will admit, for the purposes of the argument, is for revenue only?

It may be that under present conditions no revenue is coming in. If none is coming in, with 229 establishments manufacturing in the United States, I deny that the rates are going to be raised 25 per cent to keep out the foreign article. But, measured by the conditions in competition which will come under this bill and the conditions in competition under the Underwood bill, we are giving less protection than we have under the present law. Under the present law you give a protection of 22 cents a gallon upon alcohol. In other words, you gave a protection of $1.32 per gallon when the internal-revenue tax upon alcohol was $1.10, thereby giving 22 cents per gallon protection on that alone. Then you add a 15 per cent ad valorem duty. That 22 cents, added to the 15 per cent ad valorem, is greater than the 25 per cent ad valorem which is given in the pending bill.

Mr. President, I do not think the farmers are going to complain. We have given absolute free trade on machinery. I think we have tried to do more for those engaged in farming in the country than for any other industry. I think more things important to the farmer, things which he must buy, are placed upon the free list than as to any other business in the United States.

So, Mr. President, I think we have not gone far afield in asking that practically all of the items in this chemical schedule shall bear a rate of duty equivalent to about 25 per cent ad valorem.

Mr. NORRIS. Mr. President, I want to claim the attention of the Senate for only a moment in reply to the Senator from North Dakota.

He has not disputed my statement, and it stands undisputed so far, that there are practically no importations of this article. The chairman of the committee says that this item of 25 per cent on varnishes is for revenue, but the record shows that there are no importations, even under a tariff that is less than 25 per cent. Hence can we expect to obtain a revenue by increasing the tariff? I submit that the American farmer, as well as the American business man, will be able to differentiate that proposition when you tell him, "This is a revenue proposition."

It may be that in other parts of this bill the farmer is given protection on what he produces, as the Senator from North Dakota says. I have not disputed that. We are now considering varnishes. We have been all day to-day and were all day yesterday considering paints and ingredients of paint which the farmer uses, and have been increasing the tariff right along on every one of them, and, with one or two exceptions, of all of those ingredients there were practically no importations, and hence there can be no revenue derived by increasing the tariff.

The Senator from North Dakota says we have put many of the articles used by the farmer on the free list; that farm machinery, for instance, is put on the free list. I doubt very much whether it would hurt the farmer any if you levied a tariff on farm implements. Farm implements are manufactured in the United States for the world. We are not importers of farm implements. Farm implements are on the free list now, and I doubt whether in North Dakota or in any other State you could find a single farm implement that is not made in the United States. So, if you give that to the farmer as an argument, he will be able to differentiate it mighty quickly, it seems to me.

We are down to this proposition on this particular pending item, varnishes: Should there be a tariff on it, and if so, how much? We find that under existing conditions no varnishes are imported, and yet we raise the tariff. We can not expect to get any money out of that.

We find that for years our manufacturers of varnish have been sending all over the world in open competition with an open world. Hence there is no question of protection involved. What is it for? It is not for revenue and not for protection. It can not do anybody good except the fellows who make varnish in America, and the Senator from New Mexico has shown that one of these great companies, with assets running away up into the millions, has been recently doling out stock dividends to its stockholders. The farmers have contributed their share. They will contribute their share, and more than their share, when those are continued under a higher tariff.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. McCUMBER. I ask that the committee amendment be disagreed to.

INTERIOR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT.

Mr. CURTIS. I ask unanimous consent to call up the report of the committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to House bill 10329, the Interior Department appropriation bill. The report was read last night and was laid over at the request of the Senator from Oregon [Mr. McNARY]. He has stated to me that he withdraws his objection, and I ask unanimous consent for the immediate consideration of the report.

There being no objection, the Senate proceeded to consider the conference report, as follows:

The committee of conference on the disagreeing votes of the two House on certain amendments of the Senate to the bill (H. R. 10329) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1923, and for

other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 70, 71, 74, 76, 77, 78, and 79.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$650,000"; and the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$340,000, plus so much of $350,000 additional as the Secretary of the Interior finds to be available in the reclamation fund on March 1, 1923, in excess of all other appropriations from that fund"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$675,000, plus so much of $250,000 additional as the Secretary of the Interior finds to be available in the reclamation fund on March 1, 1923, in excess of all other appropriations from that fund"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$14,800,000"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows.

"Grand Canyon National Park, Ariz.: For administration, protection, maintenance, improvements, and the acquisition of lands for road and trail rights of way within the park, including not exceeding $2,000 for the purchase, maintenance, operation, and repair of motor-driven passenger-carrying vehicles for the use of the superintendent and employees in connection with general park work, $75,000: *Provided*, That no expenditure shall be made in the maintenance or improvement of any toll road or toll trail, or for maintenance or construction of physical improvements on the North Rim."

And the Senate agree to the same.

That the Senate agree to the amendments of the House to the amendments of the Senate numbered 53, 54, 56, 58, 59, and 113.

F. E. WARREN,
CHARLES CURTIS,
LEE S. OVERMAN,
Managers on the part of the Senate.

LOUIS C. CRAMTON,
BURTON L. FRENCH,
C. D. CARTER,
Managers on the part of the House.

Mr. WALSH of Montana. Mr. President, may I ask the Senator from Kansas what disposition was made of the amendment to the House provision in relation to the Milk River irrigation project?

Mr. CURTIS. The Senate conferees and the House conferees agreed that the amount directly appropriated should remain as placed in the bill by the House, but that there should be appropriated an additional sum of $360,000 for that project in case there was any sum left over after the other projects had been taken care of.

Mr. WALSH of Montana. I am not going to object to the adoption of the conference report because it would be useless to do so. I have no doubt the Senate conferees exerted themselves to the utmost to maintain the amendment put upon the bill by the Senate.

Mr. CURTIS. May I say to the Senator that it was the last amendment on which we reached an agreement? We contested it to the very last of the amendments and endeavored to the last minute to have the House conferees agree to the amendments of the Senator from Montana and the Senator from Wyoming.

Mr. WALSH of Montana. The facts about the matter are that the Milk River project is the first project undertaken under the act of 1902. Indeed, it was originated even before the act was passed and in anticipation of it, through the work of the Geological Survey. Unfortunately a controversy arose between this country and Canada concerning the division of the waters of the two rivers involved—the Milk River and the St. Marys River—which delayed the project for a number of years until a treaty was effected. Thereupon another controversy arose as to the interpretation of the treaty, the language of which was strangely ambiguous. That has been pending before the International Joint Commission for a number of years, but was determined within the last six months.

The appropriations have been relatively meager for this project during all of these 20 years, but those who have looked forward to the completion of the project pinned their faith upon more favorable consideration when the difficulty to which I have referred should be finally disposed of and out of the way. The Reclamation Service took the same view of it and made a generous recommendation for the project of $890,000.

The House, regardless of the recommendation of the Reclamation Service and of the Budget, took it upon themselves to cut that appropriation down by the sum of $550,000, so that there is a pittance for the work this year of $340,000. The excuse offered by the House, of course, was that the Director of the Reclamation Service had overestimated the revenues likely to come into the reclamation fund, and that it would be necessary to economize. Of course, Mr. President, inasmuch as these appropriations come out of a special fund, they do not in any very just way enter into the problem of economies upon which some of our statesmen have determined to enter. Yet, of course, the difference is shown in the aggregate appropriations that are made, and it is easy enough to say on the stump or on the platform that the appropriations have been $550,000 less this year than they were last year, among other deductions that are made.

Just exactly why the House took it upon themselves to visit the alleged shortage, which they insist will arise, upon the Milk River project I have never quite been able to discover. The State of Montana is accorded by the present bill, for reclamation work in the State this year, something less than $1,000,000. It is at the present time, as it has always been, the greatest contributor to the reclamation fund. The neighboring State of Idaho gets $3,000,000 for reclamation work during the present year. We get less than $1,000,000. We had $1,500,000 and we are cut $550,000. We get less than the State of Wyoming, and we get less than the State of Washington.

I merely desire to state these facts so that the public may understand the subject. Possibly the representative of our conferees on the committee will be able to state more definitely what reasons were advanced for this perfectly obvious discrimination against the State which I have the honor only in part to represent on this floor.

Mr. CURTIS. Mr. President, the House conferees took the position that a supplemental estimate had been sent in by the Reclamation Service in which all these projects had been pared down, and that they had made their reductions according to that estimate. When the bill reached the Senate, as the Senator from Montana will remember, we put in the amount of the original estimate for the project and also for the project in Wyoming and one or two others.

In considering the question in conference, the matter of the supplemental estimates was considered and the facts pointed out as have been pointed out here by the Senator. As I said a moment ago, the last two items agreed upon in conference were the items from the State of Montana and from the State of Wyoming. The Senate conferees tried to get the amount carried to the full extent which had been placed in the bill by the Senate. We were unable to get the $550,000 for the project in Montana but did get the $360,000. For the project in Wyoming I have forgotten the exact amount, but I think it was $250,000 that we secured.

Mr. WALSH of Montana. I thank the Senator. I am not able to regard this procedure on the part of the Congress as anything other than an attempt to make the State of Montana the victim of a desire to make a record for economy at the expense of the settlers under the Milk River project, who have suffered all manner of misfortunes during the last half dozen years. Of course, everyone must recognize that the overhead charge on a project that has been carried on for 20 years and is not yet anywhere nearing completion is something that is forbidding. It approaches a crime to conduct a work in such a way as to impose such an awful burden upon the people who settled under the project and took up their lands in the expectation that it was going on with reasonable celerity and at a reasonable cost. The fact about the matter is that the cost of the project to the settlers under it is mounting up to such a sum as to fill some of us with apprehension that it will be impossible to meet it. Congress appropriated $340,000 this year, which will merely carry along the work. The construction is inconsequential.

ment and close down business. In the other case you build up monopolies which will crush out the life of the people.

This tariff bill is not built on that line. As the Senator says, if they had the cost in the House when they passed the bill it would not apply now, when we are passing it; and if we had it right to-day, by the time the bill was passed it would be out of joint.

I do not want to be understood as criticizing the men who are behind the bill or who drafted it. I think the mistake was made in trying to have a general revision now. However desirable it is, we ought to face boldly, it seems to me, the fact that it is an impossibility and can not be done, and especially ought we to be careful not to levy a tariff where there can be no revenue and no protection upon the things that the farmers of America must buy. If there is any class of our people who have been injured and hurt by the changing of conditions from war conditions back to normal, it is the agriculturists of the country, those who are engaged in the fundamental industry of all prosperity; and the thing that I particularly object to, that it seems to me indefensible, is the duty on the product under consideration now and which has been under consideration for a day or two, in which the farmer is more interested than any other class of material that he has to buy, and he is bankrupt, flat on his back. When you can not defend it on the ground that you are protecting an industry here or on the ground that we can produce the revenue, then you ought not to levy taxes against that class of people. I do not think you ought to levy them against any class of people whatever, but particularly against the farmer, in his practically bankrupt condition.

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We speak of 25 per cent as being a duty that is an imposition upon the American people. Do not our laborers get more than 25 per cent above what foreign laborers get? The American laborer gets all the way from twice to ten times as much as the foreign laborer. Are we not living upon a basis more than 25 per cent higher than the standard of living in any other country upon the face of the earth? If we are, can we complain because there is an ad valorem duty of 25 per cent upon these things, which we will admit, for the purposes of the argument, is for revenue only?

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So, Mr. President, I think we have not gone far afield in asking that practically all of the items in this chemical schedule shall bear a rate of duty equivalent to about 25 per cent ad valorem.

Mr. NORRIS. Mr. President, I want to claim the attention of the Senate for only a moment in reply to the Senator from North Dakota.

He has not disputed my statement, and it stands undisputed so far, that there are practically no importations of this article. The chairman of the committee says that this item of 25 per cent on varnishes is for revenue, but the record shows that there are no importations, even under a tariff that is less than 25 per cent. Hence can we expect to obtain a revenue by increasing the tariff? I submit that the American farmer, as well as the American business man, will be able to differentiate that proposition when you tell him, "This is a revenue proposition."

It may be that in other parts of this bill the farmer is given protection on what he produces, as the Senator from North Dakota says. I have not disputed that. We are now considering varnishes. We have been all day to-day and were all day yesterday considering paints and ingredients of paint which the farmer uses, and have been increasing the tariff right along on every one of them, and, with one or two exceptions, of all of those ingredients there were practically no importations, and hence there can be no revenue derived by increasing the tariff.

The Senator from North Dakota says we have put many of the articles used by the farmer on the free list; that farm machinery, for instance, is put on the free list. I doubt very much whether it would hurt the farmer any if you levied a tariff on farm implements. Farm implements are manufactured in the United States for the world. We are not importers of farm implements. Farm implements are on the free list now, and I doubt whether in North Dakota or in any other State you could find a single farm implement that is not made in the United States. So, if you give that to the farmer as an argument, he will be able to differentiate it mighty quickly, it seems to me.

We are down to this proposition on this particular pending item, varnishes: Should there be a tariff on it, and if so, how much? We find that under existing conditions no varnishes are imported, and yet we raise the tariff. We can not expect to get any money out of that.

We find that for years our manufacturers of varnish have been sending all over the world in open competition with an open world. Hence there is no question of protection involved. What is it for? It is not for revenue and not for protection. It can not do anybody good except the fellows who make varnish in America, and the Senator from New Mexico has shown that one of these great companies, with assets running away up into the millions, has been recently doling out stock dividends to its stockholders. The farmers have contributed their share. They will contribute their share, and more than their share, when those are continued under a higher tariff.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. McCUMBER. I ask that the committee amendment be disagreed to.

INTERIOR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT.

Mr. CURTIS. I ask unanimous consent to call up the report of the committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to House bill 10329, the Interior Department appropriation bill. The report was read last night and was laid over at the request of the Senator from Oregon [Mr. McNARY]. He has stated to me that he withdraws his objection, and I ask unanimous consent for the immediate consideration of the report.

There being no objection, the Senate proceeded to consider the conference report, as follows:

The committee of conference on the disagreeing votes of the two House on certain amendments of the Senate to the bill (H. R. 10329) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1923, and for

other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 70, 71, 74, 76, 77, 78, and 79.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$650,000"; and the Senate agree to the same.

Amendment numbered 75: That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$340,000, plus so much of $350,000 additional as the Secretary of the Interior finds to be available in the reclamation fund on March 1, 1923, in excess of all other appropriations from that fund"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$675,000, plus so much of $250,000 additional as the Secretary of the Interior finds to be available in the reclamation fund on March 1, 1923, in excess of all other appropriations from that fund"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$14,800,000"; and the Senate agree to the same.

Amendment numbered 91: That the House recede from its disagreement to the amendment of the Senate numbered 91, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows.

"Grand Canyon National Park, Ariz.: For administration, protection, maintenance, improvements, and the acquisition of lands for road and trail rights of way within the park, including not exceeding $2,000 for the purchase, maintenance, operation, and repair of motor-driven passenger-carrying vehicles for the use of the superintendent and employees in connection with general park work, $75,000: *Provided*, That no expenditure shall be made in the maintenance or improvement of any toll road or toll trail, or for maintenance or construction of physical improvements on the North Rim."

And the Senate agree to the same.

That the Senate agree to the amendments of the House to the amendments of the Senate numbered 53, 54, 56, 58, 59, and 113.

F. E. WARREN,
CHARLES CURTIS,
LEE S. OVERMAN,
Managers on the part of the Senate.

LOUIS C. CRAMTON,
BURTON L. FRENCH,
C. D. CARTER,
Managers on the part of the House.

Mr. WALSH of Montana. Mr. President, may I ask the Senator from Kansas what disposition was made of the amendment to the House provision in relation to the Milk River irrigation project?

Mr. CURTIS. The Senate conferees and the House conferees agreed that the amount directly appropriated should remain as placed in the bill by the House, but that there should be appropriated an additional sum of $360,000 for that project in case there was any sum left over after the other projects had been taken care of.

Mr. WALSH of Montana. I am not going to object to the adoption of the conference report because it would be useless to do so. I have no doubt the Senate conferees exerted themselves to the utmost to maintain the amendment put upon the bill by the Senate.

Mr. CURTIS. May I say to the Senator that it was the last amendment on which we reached an agreement? We contested it to the very last of the amendments and endeavored to the last minute to have the House conferees agree to the amendments of the Senator from Montana and the Senator from Wyoming.

Mr. WALSH of Montana. The facts about the matter are that the Milk River project is the first project undertaken under the act of 1902. Indeed, it was originated even before the act was passed and in anticipation of it, through the work of the Geological Survey. Unfortunately a controversy arose between this country and Canada concerning the division of the waters of the two rivers involved—the Milk River and the St. Marys River—which delayed the project for a number of years until a treaty was effected. Thereupon another controversy arose as to the interpretation of the treaty, the language of which was strangely ambiguous. That has been pending before the International Joint Commission for a number of years, but was determined within the last six months.

The appropriations have been relatively meager for this project during all of these 20 years, but those who have looked forward to the completion of the project pinned their faith upon more favorable consideration when the difficulty to which I have referred should be finally disposed of and out of the way. The Reclamation Service took the same view of it and made a generous recommendation for the project of $890,000.

The House, regardless of the recommendation of the Reclamation Service and of the Budget, took it upon themselves to cut that appropriation down by the sum of $550,000, so that there is a pittance for the work this year of $340,000. The excuse offered by the House, of course, was that the Director of the Reclamation Service had overestimated the revenues likely to come into the reclamation fund, and that it would be necessary to economize. Of course, Mr. President, inasmuch as these appropriations come out of a special fund, they do not in any very just way enter into the problem of economies upon which some of our statesmen have determined to enter. Yet, of course, the difference is shown in the aggregate appropriations that are made, and it is easy enough to say on the stump or on the platform that the appropriations have been $550,000 less this year than they were last year, among other deductions that are made.

Just exactly why the House took it upon themselves to visit the alleged shortage, which they insist will arise, upon the Milk River project I have never quite been able to discover. The State of Montana is accorded by the present bill, for reclamation work in the State this year, something less than $1,000,000. It is at the present time, as it has always been, the greatest contributor to the reclamation fund. The neighboring State of Idaho gets $3,000,000 for reclamation work during the present year. We get less than $1,000,000. We had $1,500,000 and we are cut $550,000. We get less than the State of Wyoming, and we get less than the State of Washington.

I merely desire to state these facts so that the public may understand the subject. Possibly the representative of our conferees on the committee will be able to state more definitely what reasons were advanced for this perfectly obvious discrimination against the State which I have the honor only in part to represent on this floor.

Mr. CURTIS. Mr. President, the House conferees took the position that a supplemental estimate had been sent in by the Reclamation Service in which all these projects had been pared down, and that they had made their reductions according to that estimate. When the bill reached the Senate, as the Senator from Montana will remember, we put in the amount of the original estimate for the project and also for the project in Wyoming and one or two others.

In considering the question in conference, the matter of the supplemental estimates was considered and the facts pointed out as have been pointed out here by the Senator. As I said a moment ago, the last two items agreed upon in conference were the items from the State of Montana and from the State of Wyoming. The Senate conferees tried to get the amount carried to the full extent which had been placed in the bill by the Senate. We were unable to get the $550,000 for the project in Montana but did get the $360,000. For the project in Wyoming I have forgotten the exact amount, but I think it was $250,000 that we secured.

Mr. WALSH of Montana. I thank the Senator. I am not able to regard this procedure on the part of the Congress as anything other than an attempt to make the State of Montana the victim of a desire to make a record for economy at the expense of the settlers under the Milk River project, who have suffered all manner of misfortunes during the last half dozen years. Of course, everyone must recognize that the overhead charge on a project that has been carried on for 20 years and is not yet anywhere nearing completion is something that is forbidding. It approaches a crime to conduct a work in such a way as to impose such an awful burden upon the people who settled under the project and took up their lands in the expectation that it was going on with reasonable celerity and at a reasonable cost. The fact about the matter is that the cost of the project to the settlers under it is mounting up to such a sum as to fill some of us with apprehension that it will be impossible to meet it. Congress appropriated $340,000 this year, which will merely carry along the work. The construction is inconsequential.

Mr. CURTIS. I wish to state that there was no intention upon the part of the Senate conferees to punish the State of Montana. We tried to get them all they were entitled to and made the same points that have been made by the Senator from Montana, that it was not an appropriation out of moneys of the Treasury but came from the fund that was paid into the Treasury, and really did not mean any question of economy, as the Senator has well said. I ask for the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. CURTIS. I move that the Senate agree to the amendments of the House to the amendments of the Senate numbered 53, 54, 56, 58, 59, and 113. These are items in reference to schools in the Indian Service, an item in regard to the Five Civilized Tribes, where an amendment was placed in the bill upon the floor of the Senate and the language was changed in conference to make it correspond with the existing law. Amendment No. 113 is in regard to the revolving fund for the Alaskan Railroad, fixing the amount at $200,000.

The PRESIDING OFFICER. The question is on the motion of the Senator from Kansas that the Senate agree to the amendments of the House to the amendments of the Senate.

The motion was agreed to.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 27, line 17, spirit varnishes.

Mr. NORRIS. I understood that the Senator from New Mexico made a motion to amend the committee amendment. If he has not done so, I desire to move an amendment.

The PRESIDING OFFICER. The Chair is advised that the committee amendment on line 17, page 27, is the pending question.

Mr. NORRIS. That is my understanding. I move to amend the committee amendment by striking out "35" and inserting "10," so that it will read:

Spirit varnishes containing less than 5 per cent of methyl alcohol, $2.20 per gallon and 10 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I feel that I should say just a word in response to what was said by the Senator from Utah [Mr. SMOOT] and the Senator from North Dakota [Mr. MCCUMBER]. The Senator from Utah complained that I had been making the same objections right along as to the various items in the bill. In large measure that statement is true. They have been made from time to time because the provisions of the bill justified the criticisms which have been made.

I realize that the Republican Party stands for protection. I have assumed all along that whatever bill is written here will be written at least along protective lines. When the Senator from North Dakota presented the bill he stated that his object was to equalize the difference in the cost of production at home and abroad, the question of transportation being considered. I want to say that I have not proposed a single amendment which would do or offer to do less than that.

The Senator from Utah may look through the records of this debate, he may study the items which have been discussed, and he will not be able to find in all of the discussion and in all of the motions which I have offered—in fact, in all of the motions which have come from this side of the Chamber—one which would reduce the duty below protective lines as defined by the Senator from Nebraska.

Mr. SMOOT. Mr. President, I do not want to get into any discussion with the Senator from New Mexico, but in the case of litharge, for instance, the item which was voted on only a little while ago, the Senator from New Mexico offered an amendment to make the duty 1½ cents per pound. The Senator knows that with 2½ cents on lead bullion there could not be less than that on litharge, and yet the Senator desired to impose only a duty of 1½ cents on that commodity. That was not right.

Mr. JONES of New Mexico. Did I not announce at that particular time that if my motion prevailed I would offer an amendment to reduce the duty upon lead ore?

Mr. SMOOT. No; I never heard the Senator say any such thing.

Mr. JONES of New Mexico. I certainly did.

Mr. SMOOT. What duty did the Senator suggest he was going to propose on the lead content of the ore?

Mr. JONES of New Mexico. A duty of 1½ cents per pound.

Mr. SMOOT. The duty in this bill is 1½ cents per pound for the lead content in the ore.

Mr. JONES of New Mexico. But the Senator from Utah has just stated that the duty is 2½ cents a pound upon the bullion which would go into the manufacture of litharge.

Mr. SMOOT. The Senator from New Mexico said "ore"; that is not bullion. I do not think the Senator has studied the subject very thoroughly or he would not want to do what he suggests. I can point to other instances of the same character. However, I do not want to discuss the question at this time, but I thought the Senator from New Mexico ought to remember the amendments he offered to-day to paragraph 69.

Mr. JONES of New Mexico. The Senator from Utah doubtless overlooked the statement which I made, but the RECORD will show that the statement was made. I believe as to one amendment which was offered for me during my absence the statement did not accompany that amendment, but on the very next item, when I appeared in the Chamber and offered the amendment, the statement was distinctly made that it was in view of moving later on to reduce the duty upon the lead bullion to 1½ cents per pound.

The Senator from Utah knows that it would be wholly inconsistent to have a duty of 2½ cents a pound upon the metal out of which the commodity is made and then a duty of only 1½ cents upon the manufactured product. I would not be so silly as to propose anything of that kind, and I hope now the Senator from Utah will understand just what my position was. I made my motion with the statement of the Tariff Commission to support me, that a duty beyond that levied upon the ore would not be protective.

Mr. SMOOT. The Tariff Commission did not say that.

Mr. JONES of New Mexico. The Tariff Commission did say that.

Mr. SMOOT. The Tariff Commission said that with the ore at the smelters there was no difference between the cost of the treatment of the ore in a foreign country—in any country in the world—and in America; but the Tariff Commission did not say that the freight rates from a foreign country to the United States between the ore and the bullion made no difference, and, of course, the Tariff Commission would not say it, because it is not true.

Mr. JONES of New Mexico. Mr. President——

Mr. SMOOT. I know what the Tariff Commission said about it. It stated that when the ore was in the bins, when it was at the smelters—the Senator is right about that—as to the conversion of the ore then there was no difference; but the Tariff Commission never said that there was no difference between the ore in Mexico and the bullion in the United States.

Mr. JONES of New Mexico. Mr. President, I am going to read a few more extracts from the Tariff Commission's report which I did not read to-day, bearing chiefly upon the oxides of lead, the articles which we were considering. What I read related to the lead ore, the lead bullion, and a short statement with reference to the oxides; but I now want to read to the Senator from Utah what the Tariff Commission say, especially about the oxides:

The domestic output of lead oxides increased nearly 50 per cent from 1900 to 1910, and before the outbreak of the war increased another 50 per cent. The production of all classes of lead oxides in the United States in 1914 was practically 93,000,000 pounds, valued at something over $5,000,000. The increased use of structural steel through the war period (especially for ships and shipyards) and the heavy demands from the glass and rubber industries called for larger quantities of these oxides than had ever before been produced. The output in 1916 was 121,548,000 pounds, valued at nearly $10,000,000. Over 62 per cent of the quantity and 60 per cent of the value of the 1916 output of these oxides was in the form of litharge; the remainder was almost wholly red lead, orange mineral not being made in important quantities in this country.

In regard to the imports of these oxides it is stated:

All three classes of lead oxides are listed separately in the publications of the Department of Commerce. The imports for consumption show wide fluctuations from year to year, but as has been mentioned above very little litharge is imported, whereas red lead and orange mineral are imported in much larger quantities. The course of the imports can perhaps be best brought out by the following table:

The amount of imports of all three of those commodities is relatively insignificant as compared with the domestic production. Of litharge only 42,725 pounds were imported in the period from 1910 to 1914, the figures representing the average annual imports for the period; in the period from 1900 to 1909 76,611 pounds, the maximum annual import being 120,104 pounds. Of red lead, 635,980 pounds were imported in the 1910–1914 period and 812,760 pounds in the 1900–1910 period. Of orange mineral, for the 1910–1914 period 441,606 pounds were imported, and in the 1900–1909 period 801,000 pounds, showing a gradual diminishing of these importations.

During the war period the imports fell off very rapidly, and in 1918 (fiscal year) the imports were absolutely negligible, the largest being orange mineral to the value of $1,407, whereas the 5 pounds of red lead listed were valued at $1 and the 100 pounds of litharge were declared at a total value of $12.

The language implies that the Tariff Commission itself ridicules the idea of the importations being of any consequence.

On account of the comparatively small quantities of lead oxides imported into the United States in recent years, these imports have furnished little revenue. The maximum under the act of 1913 was during the nine months immediately preceding the outbreak of the war, when the duties collected on all classes of these oxides amounted to only $5,969.50, or less than $9,000 when calculated on a yearly basis. Over 80 per cent of this amount was collected on imports of orange mineral.

Proceeding, regarding the tariff, the survey gives the duties under the act of 1909, together with the corresponding ad valorem rates. Litharge had a duty of 2½ cents per pound, which amounted to an ad valorem rate of over 50 per cent. Red lead had a duty of 2¾ cents, which amounted to an ad valorem of over 52 per cent. Orange mineral had a duty of 3¼ cents a pound, which amounted to an ad valorem of over 50 per cent.

In 1913 ad valorem duties were adopted generally for all commodities in which the article of chief value was lead, and like other lead articles the duty on lead oxides (as well as that on white lead, which was included with these commodities in the same paragraph) was placed at 25 per cent ad valorem. Referring to the above table, it will be noted that the new duties were considerably less than under the act of 1909. Nevertheless the quantities imported did not increase. Due to conditions in no way related to the tariff, they continued to decrease.

There is a statement from the Tariff Commission that the tariff is not the controlling factor in the importation of oxides of lead. They continued to decrease, notwithstanding the tariff was reduced by one-half, from more than 50 per cent to 25 per cent ad valorem. Notwithstanding that fact, however, the importations continued to decrease. In the face of these facts, will any Senator talk to me about a tariff rate measuring the difference in the cost of production at home and abroad, when we have the direct statement that the reduction of the tariff by one-half had no effect upon the importation of the commodities and that the imports of all of these commodities continue to decrease?

I read further:

The competitive conditions with respect to the lead oxides are essentially those that concern the chief raw material, pig lead, and are altered in only slight measure by the consideration of fuel, which is generally cheaper in the United States than in other producing countries.

The Tariff Commission specifically says that only the duty upon the metal is to be considered, the product from which the oxide is made; and as to that it is proposed to put a duty upon it of 1½ cents a pound, not for the protection of the oxide but for the avowed purpose, as stated by the committee, of helping out the producers of the lead ore. It is clearly apparent that, given the raw material upon an equal basis with the world, the smelters of this country can produce these oxides and the other manufacturers of this country can produce any manufactured product of lead as cheaply as any concerns in the world; and under those circumstances how can a tariff be a protective tariff based upon the difference in the cost of production at home and abroad when, as I said this afternoon, there is no difference?

The Tariff Commission further says:

In the case of orange mineral the situation is complicated somewhat by the fact that white lead is an intermediate product in the manufacture, and that, being a higher-priced commodity, it is marketed on a basis more especially of quality than of price.

Clearly showing that it is not a matter of the lead content or the cost of manufacture; it is the quality that governs the price.

The position of the domestic manufacturer of oxides is therefore quite similar to the position of producers of other articles that consist largely of lead.

And all the way through this report we are told that all that is needed is to get the lead ore or the lead content on an equal footing with the rest of the world. When you levy a duty of a cent and a half a pound upon the importation of the ores and the bullion, if that product can be used in this country upon a manufacturing basis as low or lower than anywhere else in the world, why would an additional duty be a protective duty measured by the difference in the cost of production in the United States and abroad?

The Tariff Commission further says:

The oxides of lead introduce little of interest from a tariff standpoint except as products made from lead. This subject has been discussed at considerable length elsewhere. The few protests that appear in tariff hearings strike at the fundamental principle of protecting the metal and its products.

Mr. President, I repeat, realizing that we are going to have a higher tariff bill, I have tried to ascertain the basis for this bill. It was stated that the purpose of the bill was to equalize the difference in the cost of production in the United States and abroad; and I have never, knowingly at least, offered a single amendment which would reduce the tariff rates below that basis. I wanted to see if the Senators on the other side of the Chamber were willing to stand by such a proposition as that; but it has so happened that not in a single item which has been presented thus far has an amendment been offered from this side of the Chamber which would do less. On the other hand, time and again we have unearthed items here where the only purpose of levying an additional duty or maintaining the present duty would be to foster monopolies of these products; and that I have been unwilling to do.

Much has been said here about the protection this bill is going to give to the farmer. Mr. President, that is a broad field in which to enter. I do not want to enter it further than just to make one or two observations.

Some months ago—in fact, just about a year ago, May 21, 1921—we passed what is known as the emergency tariff bill. In that bill every agricultural commodity was included which could be thought of at the time and where anybody suggested that a tariff would help stabilize the situation or maintain the price of the product. Hides were the only important commodity left off. I wish the agricultural bloc on the other side of the Chamber would realize that that law is just as much a part of the law of the land to-day as the Underwood-Simmons law. There is no other limitation upon it than upon the Underwood-Simmons law. The Senator from North Dakota may talk about giving protection in this bill to the wheat growers, but I say that he is reducing the tariff on wheat by this bill. Instead of protecting the wool growers, as the persistent Senator from Idaho [Mr. GOODING] would declare, this bill reduces the tariff on wool, and so with many other farm commodities; but you can take this bill, at least as it has been considered thus far, and upon every item which enters into consumption—every item, I believe, without exception—there has been an actual increase of duty from those provided in existing law, generally the old Payne-Aldrich law being used as a minimum, and the increases being built upon that old law, which was so severely condemned by the people of this country.

Take the commodity which we are now discussing, varnish. You can not put a protective duty upon varnish, because it can not be protected. It needs no protection. No tariff can become effective as a means of protection. Under existing law none of this commodity is being imported. We are exporting it, and the only possible consequence of increasing the duty upon this item is to enable the American producer to increase the price to the American consumer. It induces monopoly, and when you talk about increasing the duty upon an item like this there can be no other purpose in view than that; and the same thing may be said in general as to the items of this bill which have been reached thus far.

The Senator from North Dakota again appeals to the laboring men of this country. In the name of high heaven, how is the laboring man to be benefited by a duty upon varnish when there are no importations of varnish into the country now? You do, however, make it possible to increase the price of varnish to the laborers upon the farms and to those laborers who have homes, who want to use paint and varnish; and then the Senator from North Dakota very complacently tells us that he is only asking for a duty of 25 per cent!

Has it come to this, that a duty of 25 per cent upon the things which the people of this country consume and must have is of no consequence? The distinguished Senator from North Dakota practically tells us in that language that they have considered a duty of 25 per cent an insignificant one; that they can levy that much without even any consideration as to why they do it. Twenty-five per cent is of no consequence. Only 25 per cent, they say. It seems to me that the guardians of the taxing power of this great Nation should figure more closely than that. Only 25 per cent. Is that what you are going to tell the people who reposed confidence in you and put into your hands this great power, that you could not figure below 25 per cent?

I do not want to delay the passage of this bill, but I would be derelict in my duty, I would feel that I had betrayed my trust, if I sat here quietly and permitted to become a law the drastic, unreasonable, extortionate provisions of this McCumber-Smoot bill.

The Senator from Nebraska has made a motion which is pending.

Mr. ROBINSON. The Senator from Nebraska [Mr. NORRIS] retired from the Chamber a few moments ago to get his dinner, and he stated that he wanted a record vote on his amendment. If the debate is exhausted, I suggest the absence of a quorum.

Mr. McCUMBER. I suggest to the Senator that he call for a record vote, and that will develop a quorum.

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ball	Frelinghuysen	McCumber	Sheppard
Borah	Gooding	McKinley	Shortridge
Brandegee	Hale	McLean	Smoot
Broussard	Harris	McNary	Spencer
Bursum	Harrison	Moses	Stanley
Calder	Johnson	New	Sutherland
Capper	Jones, N. Mex.	Newberry	Swanson
Caraway	Jones, Wash.	Nicholson	Townsend
Colt	Kellogg	Norris	Wadsworth
Curtis	Kendrick	Oddie	Walsh, Mont.
Dial	Keyes	Overman	Watson, Ind.
Dillingham	Ladd	Pepper	Willis
Elkins	Lenroot	Phipps	
Ernst	Lodge	Ransdell	
Fletcher	McCormick	Robinson	

The PRESIDING OFFICER (Mr. LADD in the chair). Fifty-seven Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. NORRIS] to the amendment of the committee substituting "10" for "25," in line 13, page 27.

Mr. NORRIS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement that I made on the last vote, I vote "nay."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as on the previous vote regarding my pair and its transfer, I vote "yea."

Mr. LODGE (when his name was called). I have a general pair with the senior Senator from Alabama [Mr. UNDERWOOD]. I transfer that pair to the junior Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. NEW (when his name was called). Making the same announcement as on the previous roll call, I vote "nay."

Mr. McCUMBER (when his name was called). I transfer my pair with the junior Senator from Utah [Mr. KING] to the senior Senator from Maryland [Mr. FRANCE], and vote "nay."

Mr. OVERMAN (when his name was called). Making the same announcement as to my general pair and its transfer as on the previous vote, I vote "yea."

Mr. WATSON of Indiana (when his name was called). I transfer my general pair with the senior Senator from Mississippi [Mr. WILLIAMS] to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

The roll call was concluded.

Mr. DILLINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. In his absence, I transfer that pair to the junior Senator from Delaware [Mr. DU PONT] and vote "nay."

Mr. KELLOGG (after having voted in the negative). I transfer my pair with the senior Senator from North Carolina [Mr. SIMMONS] to the senior Senator from Minnesota [Mr. NELSON], and allow my vote to stand.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH].

The result was announced—yeas 17, nays 42, as follows:

YEAS—17.

Borah	Harrison	Overman	Swanson
Caraway	Heflin	Ransdell	Walsh, Mont.
Dial	Jones, N. Mex.	Robinson	
Fletcher	Kendrick	Sheppard	
Harris	Norris	Stanley	

NAYS—42.

Ball	Frelinghuysen	McCumber	Rawson
Brandegee	Gooding	McKinley	Shortridge
Broussard	Hale	McLean	Smoot
Bursum	Johnson	McNary	Spencer
Calder	Jones, Wash.	Moses	Sutherland
Capper	Kellogg	New	Townsend
Colt	Keyes	Newberry	Wadsworth
Curtis	Ladd	Nicholson	Watson, Ind.
Dillingham	Lenroot	Oddie	Willis
Elkins	Lodge	Pepper	
Ernst	McCormick	Phipps	

NOT VOTING—37.

Ashurst	Glass	Page	Trammell
Cameron	Harreld	Pittman	Underwood
Crow	Hitchcock	Poindexter	Walsh, Mass.
Culberson	King	Pomerene	Warren
Cummins	La Follette	Reed	Watson, Ga.
du Pont	McKellar	Shields	Weller
Edge	Myers	Simmons	Williams
Fernald	Nelson	Smith	
France	Norbeck	Stanfield	
Gerry	Owen	Sterling	

So Mr. NORRIS's amendment to the amendment of the committee was rejected.

The PRESIDING OFFICER (Mr. LENROOT in the chair). The question is on agreeing to the committee amendment.

Mr. McCUMBER. I ask that the Senate disagree to the committee amendment.

The amendment was rejected.

The next amendment of the committee was, on page 27, line 19, after the words "methyl alcohol," to insert "35 cents per gallon and 35 per cent ad valorem."

Mr. McCUMBER. I ask the Senate to disagree to the committee amendment.

The amendment was rejected.

The next amendment of the committee was, on page 27, line 20, to strike out the word "varnishes" and insert the words "varnishes, including so-called gold size or japan," so as to read:

And all other varnishes, including so-called gold size or japan, not specially provided for, 25 per cent ad valorem.

The amendment was agreed to.

Mr. McCUMBER. Mr. President, I ask that we may pass over temporarily paragraph 73, vermilion reds, on account of the absence of one of the Senators who desires to be heard upon that subject.

The PRESIDING OFFICER. Without objection, paragraph 73 will be temporarily passed over.

The next amendment of the committee was, in paragraph 74, on page 28, line 2, to strike out "1½" and insert "1¾," so as to read:

Zinc oxide and leaded zinc oxides containing not more than 25 per cent of lead, in any form of dry powder, 1¾ cents per pound.

Mr. McCUMBER. Mr. President, I think I shall make a very short statement as to what this amendment means.

Mr. WALSH of Montana. The Senator from New Mexico [Mr. JONES] has been giving some attention to this paragraph, and he has stepped down to the restaurant to get some dinner. Would it be agreeable to the Senator from North Dakota to let that stand over until he returns?

Mr. McCUMBER. I will make my statement, anyway, at this time. I do not think what I say about it will make much difference to the Senator from New Mexico, but I wish to place upon the record the reasons for the amendments that have been made here.

Mr. WALSH of Montana. It is not at all unlikely that the Senator from New Mexico will ask for a repetition of the statement when he returns. The next paragraph, No. 75, potassium, will probably not occupy a very long time. I suggest that we take that up, and the Senator from New Mexico will probably return by the time we get through with it.

Mr. McCUMBER. Two of the Senators have asked that paragraph 75 may be passed over, and I would rather not take that up at the present time.

Mr. FLETCHER. I think there will be no objection to the amendment proposed in paragraph 76.

Mr. SMOOT. No; because it is simply inserting a period.

Mr. McCUMBER. I am not certain whether there will be objection to it or not.

Mr. SMOOT. There may be a three-hour speech on it.

Mr. McCUMBER. I think we had better take it up if there is no one present who desires to speak on it.

The PRESIDING OFFICER. Does the Senator from North Dakota request that paragraphs 74 and 75 be passed over?

Mr. McCUMBER. Yes; just at present.

The PRESIDING OFFICER. Those paragraphs will be passed over. The next amendment will be stated.

The ASSISTANT SECRETARY. In paragraph 76, line 19, strike out the word "pound" and insert the same word in the same way with a period after it.

The amendment was agreed to.

The next amendment of the Committee on Finance was, in paragraph 77, page 28, line 22, to strike out "toilet, 30 per cent ad valorem," and insert "perfumed toilet soap, 50 per cent ad valorem; unperfumed toilet soap, 10 per cent ad valorem; medicinal soap, 20 per cent ad valorem," so as to read:

PAR. 77. Soap: Castile, 15 per cent ad valorem; perfumed toilet soap, 50 per cent ad valorem; unperfumed toilet soap, 10 per cent ad valorem; medicinal soap, 20 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. FLETCHER. Mr. President, it will be noted that this amendment proposes an increase of duty. Under the act of 1909 the duty was levied on a different basis. Castile soap was 1¼ cents per pound, medicinal or medicated soap 20 cents per pound, fancy or perfumed toilet soap 50 per cent ad valorem,

and all other soaps not specially provided for in the section 20 per cent ad valorem.

In the act of 1913 the law provided perfumed toilet soap 30 per cent ad valorem, medicinal soap 20 per cent ad valorem, castile soap and unperfumed toilet soap 10 per cent ad valorem, all other soaps and soap powders not specially provided for in the section 5 per cent ad valorem.

The committee proposes that castile soap now shall bear a duty of 15 per cent ad valorem instead of 10 per cent ad valorem, as under the act of 1913. Toilet soap is the same as under the law of 1913. There is no increase in the other soaps and soap powders not specially provided for, which carry 5 per cent ad valorem now, as under the act of 1913. The bill as it came from the House carried 20 per cent, but the committee proposes to reduce that to 5 per cent. They propose a rate on medicinal soap of 20 per cent ad valorem.

Mr. SMOOT. It is the same as the existing law.

Mr. FLETCHER. One is struck on examining the statistics applicable to this subject with the feeling that there would seem to be really no foundation for these proposed duties. The duties will not, apparently, limit or restrict importations, because there are practically no importations except as to castile soap. The duties proposed evidently will not produce much revenue.

Mr. SMOOT. The change which the Senate committee has made is on perfumed toilet soap, where we propose a duty of 50 per cent. I do think the Senator will not object to that. When anyone can pay $1.50 for a little piece of soap because the name "France" is on it, I do not care whether he pays 50 per cent or 60 per cent or 100 per cent duty. Anyone who can buy soap of that kind we are perfectly willing shall pay into the Treasury of the United States all that we can possibly make him pay.

There will not be a bar of that kind of soap less than is imported now, whether we make the rate 50 per cent or 60 per cent. It is for revenue entirely. The balance of the paragraph is exactly the same as the existing Underwood law, with the exception of castile soap, and that is 15 per cent instead of 10 per cent.

I desire to say to the Senator that olive oil is the raw product which forms the basis from which castile soap is made. The Senate has increased the rate on olive oil to 50 cents a gallon in bulk. If there is any paragraph in all the bill that meets the ideas of the Democrats it is this paragraph.

Mr. FLETCHER. I think, perhaps, that is scarcely quite accurate, because one of the contentions of the Democrats is that these duties should be imposed upon luxuries rather more than upon necessities, and I rather think soap is almost entitled to be classified as a necessity.

Mr. SMOOT. It is, and the ordinary soaps bear a rate of 5 per cent as reported by the committee, and they carry a rate of 5 per cent in the existing law.

Mr. FLETCHER. Of course, they may use olive oil in making it.

Mr. SMOOT. Yes; they have to use it.

Mr. FLETCHER. But there are various other oils and fats used in making it.

Mr. SMOOT. They can not make castile soap without olive oil.

Mr. FLETCHER. The tariff survey says that pure castile soap is supposed to be made from olive oil and soda lye only, but much of the soap marked as such is made from other oils as well.

Mr. SMOOT. But castile soap is not used for the fancy trade.

Mr. FLETCHER. I desire to refer further to the statistics rather briefly, to the effect that the value of the finished product in this country produced by our manufacturers in 1914 was $127,942,441. In 1919 the output of the soap industry reached $317,163,000.

The domestic production supplies over 99 per cent of the consumption, so that importations amount almost to a negligible quantity. That is the statement in the Summary of Tariff Information—that production supplies over 99 per cent of consumption. The imports have been valued at less then $850,000, about 50 per cent of the imports being castile soap. Perhaps the other 50 per cent is largely made up of perfumed toilet soap, which the Senator has mentioned; but, taken altogether, the imports have amounted to only $850,000 worth, according to this statement. Analyzing the statement, it will be found that the castile soap imported into this country in 1918 was only valued at $98,000, from which we obtained $9,816 of duty; in 1919 we got $22,270 of duty; in 1920 we got $40,000 of duty; and in 1921 the amount of duty received is not stated. We have derived, apparently, some revenue from the duty on castile soap, and we are obtaining that revenue when the duty on castile soap is 10 per cent ad valorem. Now it is proposed to make that duty 15 per cent ad valorem, and I very much question if that will produce any more duty than we are now obtaining.

From the perfumed toilet soap imported we derive some duty, but not a very great amount. The duty on that article has been 30 per cent, and we obtained in 1920 the sum of $54,000 of revenue out of that. I should be glad to see the Government continue to get revenue, but, if we raise these duties, the importations are so slight now that it is more than likely that we shall reduce the importations and thereby reduce the amount of revenue that will be received. Certainly there is no purpose in this legislation to protect the industry, because the industry does not need any protection.

Mr. McCUMBER. May I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from North Dakota?

Mr. FLETCHER. I yield.

Mr. McCUMBER. First, I ask the Senator if he objects to a 50 per cent ad valorem duty upon high-priced soaps—the perfumed toilet soaps?

Mr. FLETCHER. I think the duty is too high.

Mr. McCUMBER. Let us see if it is too high. I call the Senator's attention to the fact that perfumes run all the way in price from 50 cents an ounce up to $1.50 an ounce. I do not know what is the ordinary price of the perfume that is used in those soaps, but I do know that we had a 50 per cent ad valorem duty under the 1909 law, and that we collected $163,000 on the perfumed soaps alone. So it seems to me as though we would get a large amount of revenue from the perfumed soaps, and that it is worth while to tax them 50 per cent if we can get that much revenue.

From all of the soaps under the 1909 law we got about $250,000 of revenue, but the great bulk of it came from the high-priced perfumed soaps; so I hope the Senator from Florida will not object to the rate proposed.

Then when we get down to the next bracket, the castile soaps, as has already been explained by the Senator from Utah, we have raised the duty on the olive oil; that, of course, will increase the cost and we ought to make some allowance, but we have made an allowance simply of 5 per cent ad valorem. That certainly will not more than cover the differential growing out of the duty on the oil. When we come to the other bracket, which covers practically all the soaps in the United States which are used for general purposes, we fixed the duty exactly as provided in the present law, and if the present law is good and right I do not know why we should object to it.

Mr. FLETCHER. The committee does propose to impose on all these soaps not otherwise provided for, "and soap powder," a duty of 5 per cent, which is the same as the present law, and to that I think there can be no objection. It has, however, not yielded revenue to amount to much, and I think there are really no importations. I do not see that anything will be accomplished, one way or the other, by levying that duty. We shall get a little duty, probably a thousand dollars or $2,000; we shall get something out of that which perhaps we should not otherwise get; but the question in my mind is whether by fixing duties at the rate proposed of 15 per cent ad valorem on castile soaps and 30 per cent on the others we are not simply assisting the manufacturer here to raise the price. If the purpose were to keep out importations, so that the domestic producer could compete on the basis of the difference in the cost of the labor here and abroad, and that sort of thing, that would be one basis for levying a duty; but there is no question that the industry needs no protection, for we are exporting large quantities of these goods.

Mr. McCUMBER. Even according to the philosophy of the Senator from Florida, if we are exporting, of course, it will not make any difference whether there is any duty on the article at all, it certainly can not raise the price.

Mr. FLETCHER. That does not apply in all instances, but it shows that the industry is able to supply the domestic demand under present conditions and that it does not need any boosting or any artificial stimulation.

Mr. McCUMBER. If the Senator will allow me right there, I wish to say that we are not allowing anywhere near the protection upon the ordinary soaps that is given under the Underwood law, because while we are giving the same rate of duty, all of the things which enter into the manufacture of soap, such as oils, fats, and so forth, have been taken from the free list and a duty placed upon them. Therefore we do not give the manufacturer of soap anywhere near the duty that he is getting under the present law.

Mr. FLETCHER. I see that; but what I am contending for here is that in this instance the manufacturer in this country

does not need any protection; he does not need any assistance. If it can be shown that there will be paid into the Treasury of the United States some revenue by the imposition of the duty that, in my opinion, would justify it to the extent that it is a reasonable duty and to the extent that it adds to the revenue and does not restrict the revenue by being so high that it will keep out all importations.

We obtain a little revenue under the 5 per cent duty, which rate is to be continued under the pending bill, and that is reasonable, I think. On toilet unperfumed soaps the duty was only 10 per cent, but we obtained very little revenue from that. The duty on the perfumed toilet soaps has been 30 per cent, and we did not derive very much revenue from that, and it is now proposed to make that rate 50 per cent. I am not so sure but that it will simply enable the manufacturers of this country to increase the price of such soaps to the public without increasing the revenue of the Government at all.

The importation will probably be no greater under the duty of 30 per cent, or even under a duty of 20 per cent, and they will certainly be less under a duty of 50 per cent than they will be under a duty of 30 per cent, and, if the importations are less under the increase of duty than they are now, less revenue will come to the Government. The result will simply be to deprive the Government of revenue it is now receiving under the 30 per cent duty, in my judgment, if we raise the duty to 50 per cent, and it will enable the domestic manufacturer to charge an increased price to the consumers of this country. The fact that we are exporting such large quantities of soap should certainly be taken into consideration. In 1918 we exported of toilet soaps $2,567,614 worth. In the same year we exported of all other soaps to the value of $10,871,000. Our exports have increased, so that in nine months of 1921 we exported of toilet soaps $2,147,892 worth, and of other soaps $4,607,818 worth.

Mr. McCUMBER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from North Dakota?

Mr. FLETCHER. I yield.

Mr. McCUMBER. The Senator just now stated that he feared we would not get as much revenue under a 50 per cent ad valorem rate as we are now obtaining under a 30 per cent ad valorem rate. Did I understand the Senator correctly?

Mr. FLETCHER. Yes.

Mr. McCUMBER. How are we to determine that except in the light of past events? Under the 50 per cent ad valorem rate in the 1909 law we obtained $163,000 of revenue, while in 1920, which was certainly a good year, under a 30 per cent ad valorem rate we only obtained $54,000 of revenue. Under the higher rate we got the advantage of the difference between $54,000 and $163,000. Is not that worth saving, especially as the high rate is only imposed on luxuries?

Mr. FLETCHER. I scarcely think that the year 1920 could properly be compared with the pre-war years, because we were then living under conditions which were altogether upset and abnormal, and it is entirely possible that the importations were diminished by war conditions rather than by reason of the duty. However, in any event, 50 per cent of the importations have heretofore been of castile soap and the duty on that commodity is not proposed to be increased beyond 5 per cent over and above what it already is, the duty now being 10 per cent and it being proposed to increase that to 15 per cent. On perfumed soaps it is proposed to raise the duty from 30 per cent to 50 per cent.

As I have said, I believe, Mr. President, that two results will follow: First, the increase in duty will enable the manufacturers of this country to raise the prices of these soaps to the public, which they will proceed to do. There are a few manufacturers who will not take advantage of the duties which are levied on these goods, but the great majority of the manufacturers of this country are going to avail themselves of the benefits and advantages of these duties and they will raise their prices on the products of their manufacture to the American people; there is no question about that. Wherever they have the opportunity of doing it they are going to do that very thing, and when that is done, without increasing the revenues which are intended to be provided by tariff duties generally, you are simply benefiting a few manufacturers in this country at the expense of the great mass of the people. That is not a sound policy. That is a very harmful sort of course to pursue.

I had a letter the other day just on that general principle which has a great deal of good, sound sense in it. This gentleman writes me from Los Angeles, Calif., and I venture to read his letter at this point. It is dated May 4, 1922. He says:

> You want the manufacturers and farmers of the United States to be prosperous; all of us do. If these two classes are prosperous, so is the general public and the entire country.
>
> The tariff bill that is now before you has a vital bearing on this and should have very close consideration.
>
> Most American manufacturers and nearly all farmers can produce their goods at a lower cost than they can be produced elsewhere, so they need no protection. Ask them, and if they are truthful, which I think they are, they will so tell you. Ask the steel manufacturers this question, and you will find that they can undersell the steel makers of any other country.
>
> It is essential that we have a market in foreign countries for our surplus farm products and manufactured goods, and if we put a tariff wall against the peoples who are in position to supply us necessary goods, they will refuse to buy from us. Many of my clients have so stated. The present Underwood Tariff Act is really too drastic at some points, and I urge you to vote against any raise in tariff rates whatever.
>
> I have been in the foreign-trade business for about 30 years and I have seen the effects of the various tariffs during that time, and it is a well-known fact that the general public pays the bill when a high tariff is effective. I venture to say that if this tariff bill passes there will be a general slowing up of business.
>
> Very truly yours,
>
> W. K. THOMPSON,
> *Importer and Exporter, Commercial Broker, etc.,*
> *Los Angeles, Calif.*

That sentiment is not confined to Mr. Thompson or to California. It is widespread over this country and is based on the experience and observation of intelligent, thinking, active business men. I say, Mr. President, that it is a mistake to lay duties the effect of which will simply be to enable manufacturers to raise the prices of their products to the people who consume them.

With regard to the act of 1913, some reference has been made to it; and this writer states that the Underwood bill—as he calls it, and not improperly—is too drastic in itself. That was not, strictly speaking, a revenue bill. The conditions under which that bill was made were that we had been living under a high protective tariff for a good many years. It was considered by the party then in power, the majority of the Democrats, that to drop immediately from a protective tariff basis to a revenue basis would very seriously interfere with business conditions and upset matters so that harmful effects would result from such a sudden and complete drop; so it was intended to come gradually down to a revenue basis, so far as possible. The Underwood bill was not, strictly speaking, a bill providing a tariff for revenue only. It did carry with it certain elements of protection. It was to some extent a protective tariff measure; and when we go now to raise duties far above those carried in the Underwood bill, the act of 1913, we are placing them purely and simply upon the protective basis and we are ignoring to a great extent this idea of raising money required by the Government for its economical administration through this process of levying duties. We need the money. We must raise money in this way. One of the ways of getting it is through the customhouses, through revenue duties.

This is a process of supplying the Treasury with needed funds to conduct the affairs of this Government. We must not lose sight of that. When we levy duties so high that imports will be diminished, and in that way revenue necessarily is not produced by the process of levying duties, we are simply levying duties which will enable the manufacturers of this country to raise the prices of their products and accumulate fortunes at the expense of the general public.

If, as a matter of fact, the manufacturer does not raise the prices of the goods which he produces as a result of the laying of duties and keeping out importations and preventing the competition of foreign goods with his manufactured goods, then the whole idea of levying these duties fails. There is no point in the process at all. Unquestionably, one result will follow from this bill just as surely and as certainly as it becomes a law, and when it becomes a law, and even before, if there is a fair prospect of its passing. Prices will go up in this country. That is the purpose of the bill. That is one effect that will inevitably and necessarily follow. Prices will go up, and when they begin to rise, as they certainly will, you will hear some expressions of dissatisfaction at this performance of levying duties which do not, can not, will not bring into the Treasury of the Government revenue which it needs, because the effect of them is to restrict and limit and reduce importations, and thereby the amount of money raised in the customhouses; and the further effect follows that the public will be charged not merely the increase in the price of the commodity measured by the amount of duty charged on the imported article, but by the time the article protected in that way reaches the consumer he will be paying out two and three times the amount of the protection intended to be afforded.

In other words, it is estimated by Mr. Miles and by some other experts on the subject that if the manufacturers of this country avail themselves of all the benefits that this bill is capable of affording them the amount of protection carried by the bill will be over $2,000,000,000, but the consumers of this country will pay in increased prices for their goods over $4,000,-

000,000. The tax levied on the consuming public by the bill will be over $4,000,000,000, and the amount of money which will go into the Treasury of the United States by reason of the levying of these duties, as estimated by the able chairman of the committee himself, will be only $350,000,000. In other words, in order to raise $350,000,000 by the passage of this bill, you are going to make the people of the United States go down in their pockets for over $4,000,000,000.

I really feel that it is a mistake to increase these duties above those carried in the act of 1913, and for that reason I move to amend in line 22 by inserting "30" instead of "50," so that the perfumed toilet soap will then carry a duty of 30 per cent instead of 50 per cent as provided in the committee amendment.

Mr. McCUMBER. Mr. President, before voting upon that amendment I desire to ask unanimous consent at this time that when the Senate closes its session for this calendar day it recess until to-morrow at 11 o'clock.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota? If there be no objection, it is so ordered.

The question is upon agreeing to the amendment proposed by the Senator from Florida to the committee amendment.

Mr. McCUMBER. Does the Senator wish the yeas and nays?

Mr. FLETCHER. I will not insist upon it.

Mr. McCUMBER. Very well.

Mr. SMOOT. I should like to have the yeas and nays.

The PRESIDING OFFICER. The question is upon agreeing to the amendment offered by the Senator from Florida to the committee amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is upon the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 28, line 25, to strike out "20" and insert "5," so as to read:

All other soap and soap powder not specially provided for, 5 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 29, line 2, to strike out "five-eighths" and to insert "one-fourth," so as to read:

Bicarbonate or baking soda, one-fourth of 1 cent per pound.

The amendment was agreed to.

The next amendment was, on page 29, line 4, to strike out "10" and to insert "8," so as to read:

Bromide, 8 cents per pound.

Mr. WALSH of Montana. Mr. President, I have been endeavoring to get some information about sodium bromide and sodium potassium. I suppose this is not seriously objectionable. Will the Senator tell us the basis upon which the rate of 8 cents a pound on sodium bromide was reached?

Mr. McCUMBER. Now that the Senator from New Mexico [Mr. JONES] is here, may we not go back to the zinc-ore provision while the Senator from Montana is looking up the information which he desires to get? Is there any objection to that?

Mr. JONES of New Mexico. Is the Senator addressing an inquiry to me?

Mr. McCUMBER. I was addressing myself to the Senator from Montana, asking him if he has any objection to going back to paragraph 74, which we just passed over, now that the Senator from New Mexico has returned. I understood that we passed it over because of his necessary absence for a few moments.

Mr. WALSH of Montana. I suggest that inasmuch as we have entered upon the consideration of paragraph 78, perhaps we had better continue until we finish that, and then go back.

Mr. McCUMBER. Very well.

Mr. JONES of New Mexico. I think that would be better.

Mr. WALSH of Montana. What is the equivalent ad valorem duty of 8 cents per pound specific on sodium bromide?

Mr. SMOOT. The equivalent ad valorem duty on the bromide would be about 40 per cent at to-day's prices.

Mr. WALSH of Montana. That is the foreign valuation, of course?

Mr. SMOOT. Yes.

Mr. WALSH of Montana. What is the foreign price?

Mr. SMOOT. The list price is 16 cents a pound.

Mr. WALSH of Montana. Eight cents would be the equivalent of 50 per cent, then?

Mr. SMOOT. Yes.

Mr. WALSH of Montana. It is a compound which enters into chemical products of various kinds, is it not?

Mr. SMOOT. Yes. I can not say as to what strength this may be. The pre-war price was 44 cents. This product varies in strength, however. I am giving the very lowest price. If the pre-war price of the importation was 44 cents, 8 cents would be less than 20 per cent.

Mr. WALSH of Montana. It is used medicinally largely, is it not?

Mr. SMOOT. It is.

Mr. WALSH of Montana. The information given in the summary is exceedingly meager. It is found on page 128. It is as follows:

Production of bromine in the United States in 1913 was 572,000 pounds, increased to a maximum of 1,854,971 pounds, valued at $1,234,969 in 1919, and then decreased to 1,160,584 pounds, valued at $745,381 in 1920.

Mr. SMOOT. The greatest use for it is in photography, but it is used also as a medicine. During the war time it was used in gas warfare. The pre-war price was 44 cents, and the rate of 8 cents would be the equivalent of less than 20 per cent ad valorem. The House gave them 10 cents. Under the Payne-Aldrich bill the rate was 25 per cent, which would be 11 cents a pound on bromide, based on the pre-war price.

The Senator asked me the price, and I gave him the lowest quotation. I can not state what strength that represents, because this does not say. But I say to the Senator that the pre-war price, as he will find if he will look it up, was 44 cents a pound, and this is less than 20 per cent. It is 20 per cent less than the rate fixed by the House.

Mr. WALSH of Montana. It is not a matter in which I am particularly interested. The next item, however, touches a product which concerns us all, and it is exceedingly regrettable that there are not more Senators here to consider it. I have no objection to voting on this one.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 29, line 8, to strike out "11" and insert "20," so as to read:

Chloride or salt, in bags, sacks, barrels, or other packages, 20 cents per 100 pounds.

Mr. McCUMBER. I was going to ask that we pass over this amendment until the Senators from New York are present, but I understand that they will be here in a moment.

Mr. WALSH of Montana. Mr. President, this and the next item, which may very properly be considered with it, touch a most essential article of domestic economy, plain salt. It is proposed to impose upon this commodity a duty of 20 cents per 100 pounds when it is purchased in bags, sacks, barrels, or other packages, and a duty of 16 cents per 100 pounds when it is purchased in bulk. I do not notice any member of the farm bloc here, but it is an item that is of large consumption upon the farm, the ordinary household consumption, together with its use for many purposes in connection with the care and nurture of live stock.

Unless the reasons are overwhelmingly persuasive why this commodity should carry this extraordinarily heavy duty, I should confidently expect that every Member of the Senate would be disposed to see it on the free list. That is where it is now. It is admitted without the imposition of any duty. I want to submit some figures given us in connection with this item from the documents to which we have access.

The domestic production of this commodity in 1920 was 7,000,000 tons. The importations were only practically 100,000 tons, one-seventieth of the domestic production, less than 1½ per cent. We export more of this article than we import. During the year 1920 we exported $1,901,593 worth, and we imported $675,000 worth. Not only that, but the importations for the nine months ending March, 1922, indicate that the importations are not increasing at all.

Mr. BROUSSARD. Is not the Senator mistaken as to the year?

Mr. WALSH of Montana. I think not. These are the importations for 1920.

Mr. BROUSSARD. I think the Senator said 1922. As I see it in the summary, it is 1921.

Mr. WALSH of Montana. The summary says 1921; but I have before me the monthly summary of foreign commerce, which discloses that for the nine months ending with the month of March, 1922, the importations were 84,000 tons, making about 9,000 tons per month, or about 100,000 tons for the entire year, which is practically the same for the nine months of the year 1921.

I notice by the hearings that the committee was induced to put a duty upon this commodity upon the representation that

large importations of this commodity were coming in from Germany. Again Germany seems to be the dangerous source of supply of this commodity. Predictions were made that the market would be overwhelmed by importations from Germany. Those predictions have not been fulfilled, because the importations are falling off instead of increasing. The importations for the nine months ending with the month of March, 1921, were 2,073,000 hundred-pound packages, and for 1922, 1,684,000, a falling off of some 300,000 packages.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Ohio?

Mr. WALSH of Montana. I yield.

Mr. WILLIS. I understood the Senator to say that it was his information that the importations from Germany were falling off. Did I correctly understand him?

Mr. WALSH of Montana. I did not intend to say from Germany; but the total importations are falling off.

Mr. WILLIS. I happen to have the figures of the importations from Germany. In 1919 there were 8,000,000 pounds imported; in 1920 there were 47,000,000 pounds; in 1921, the latest figures I have been able to get, there were 82,000,000 pounds; so it is very rapidly increasing.

Mr. WALSH of Montana. Will the Senator now give us the total importations?

Mr. WILLIS. I have not those figures before me. The matter to which I was referring was the matter referred to by the Senator from Montana.

Mr. WALSH of Montana. It makes no difference where the importations came from; the question is, What were the total importations?

Mr. WILLIS. If the Senator desires the figures as to the importations from the various countries, I have not gone over them, but he will find them in the hearings, about page 1316, if he has the hearings before him. Those hearings show the importations from the various countries, if the Senator desires to use them.

Mr. WALSH of Montana. It does not make any difference where the importations come from.

Mr. WILLIS. Of course I do not agree with the Senator about that. I think it makes quite a good deal of difference.

Mr. WALSH of Montana. The fact is that during the nine months ending March, 1921, the importations were 2,073,000 tons; and during 1922, for the nine months ending March, they were only 1,684,000 tons. But it does not make any difference what they are. The fact is that they constitute only a little over 1 per cent of the domestic production.

The duty is also asked for the purpose of taking care of the freight rate. The largest sources of supply are, of course, Michigan and New York; at least, for the consumption on the Atlantic seaboard. It would appear that the importations from Europe are for consumption along the Atlantic seaboard, and it is simply a question of the freight rates; that is to say, the freight by water from Germany enables them to get the sale upon the Atlantic seaboard, so that they are able to take the market to the extent of practically 1½ per cent. That is the justification for the imposition of a duty of 20 cents per hundred pounds on salt in packages and of 16 cents per hundred pounds on salt in bulk.

What does that mean ad valorem? The average foreign price of salt in packages during the year 1921 was 43 cents. A duty, therefore, of 20 cents per 100 pounds is just a little less than 50 per cent ad valorem duty on salt. The average foreign value in 1921 of salt in bulk—and, of course, that is the way it is used in manufacture and for live stock—was 18 cents per 100 pounds. It is proposed to impose a duty of 16 cents per 100 pounds, which, by easy calculation, is something over 80 per cent ad valorem.

I do not care to comment on these figures. If there is any Senator who cares to justify a duty of that character and of that enormous amount upon so necessary an article of food, as well as of manufacture, I am perfectly willing to yield the floor to him.

Mr. WILLIS. Mr. President, I desire to make one or two brief observations relative to matters touched upon by the Senator from Montana. In the first place, I think the Senator did not go fully into the figures when he made the statement about the comparatively negligible importations. I have before me the tariff hearings and refer just now to page 1316. First, let us refer to the salt imported from England. It will be known that the salt imported from England is of a high grade variety, most of it fine table salt. The figures show that in 1918 there were 34,000,000 pounds imported, a slight falling off in the next year to 18,000,000 pounds, but in 1920 it leaped up to 44,000,000 pounds. There is no decrease evidenced there. It is the fine high-grade table salt, which, of course, requires in its production the largest amount of labor.

On the next page, if the Senator has it before him, we find the salt imported from Spain. In 1918 there were 10,000,000 pounds; in 1919, 55,000,000 pounds; and in 1920, 65,000,000 pounds. There is evidently no decrease there.

Further down on the page is shown the salt imported from the Dutch West Indies, which is largely a very coarse variety of salt, sun evaporated, 4,000,000 pounds in 1918, 2,000,000 pounds in 1919, but increasing to 20,000,000 pounds in 1920. From the British West Indies there were 25,000,000 pounds in 1918, 41,000,000 pounds in 1919, and 74,000,000 pounds in 1920. The tendency is the same everywhere, to increase the importation of that which we ought to produce and can produce in this country.

Now, it has been said that it does not make any difference where this product comes from. I think it makes a very considerable difference whence it comes, because in very many of these great industrial transactions it must be evident that Germany is and is to be our very strong competitor. Let us see what the figures are touching the importations from Germany. In 1914 there were 4,000,000 pounds. For obvious reasons it fell off to 1,800,000 pounds in 1918 and down to a little over 1 ton in 1916, but in 1919 it had increased to 6,600,000 pounds, in 1920 to 47,600,000 pounds, the next year almost doubling to 82,000,000 pounds.

Mr. HARRISON. Mr. President, may I ask the Senator a question?

Mr. WILLIS. Certainly.

Mr. HARRISON. What percentage of the salt produced in the United States comes from Ohio?

Mr. WILLIS. I am not able to answer that question. I could get the information for the Senator, but I do not think that information would be important on this question, because I am not taking a position upon this or upon any other question because the article happens to be produced in the State that I have the honor in part to represent. My vision takes in the great State of Mississippi.

Mr. HARRISON. I hope the Senator does not think by my question that I am even insinuating that. I am sure the Senator would not. He is the exception to the rule in this case, but I am curious to know, because if I understand correctly salt has always come in free or at least it did come in free under the present law.

Mr. WILLIS. I can answer the Senator's question now.

Mr. HARRISON. It is something that is of common use and is a prime necessary of life, and I am wondering whether more salt comes from Utah than from Ohio. I thought the Senator might answer the question.

Mr. WILLIS. I have had the figures placed before me and I shall be very glad to give the Senator that information and to have it myself.

According to the Tariff Information Survey, in the year 1918 there were 2,130,000 tons came from the State of New York, 2,400,000 tons from the State of Michigan, and 1,089,000 tons from the State of Ohio, with very considerable quantities from Kansas, California, West Virginia, and Texas. The Senator referred to Utah. Utah does not seem to be a very prominent factor in salt production, having produced only 194,000 tons, and the other States together 390,000 tons, making a total production of 7,200,000 tons.

I regret to learn that Ohio is not the leading State in the production of salt but only third or fourth. But, as the Senator understands—and I agree with him—we do not care whether it is produced in this State or that State; we are interested in the welfare of the whole country.

The point I was proceeding to make was the fact that these importations are increasing, and they are increasing most rapidly from the country which is our most dangerous competitor. Why is it the most dangerous? If Senators will refer to the hearings at page 1319, they will find there a statement as to wages in Germany. In the evaporated-salt plants the rate of wages is 4 to 5 marks per hour. If anybody knows what the mark is at the present rate of exchange, he can figure that out. In the rock-salt plant the rate is 4 to 4½ marks above ground and 5 marks per hour below ground.

But, getting the question of wages in a more concrete form, I refer the Senator to page 1234 of the hearings, where it will be observed that the wages paid in our mines run from 40 to 50 cents per hour. Wages paid in Germany run about 75 cents a day, while our men are paid $5 a day. In other words, we are paying about six times the rate of wages that is paid in Germany. It is significant that the country from which the importations are increasing most rapidly is Germany, where the rate of wages is exceedingly low.

In answer to the Senator from Montana I call attention to the fact that the importations from Germany were increasing while the prices were constantly decreasing. In 1919 the salt was laid down at New York at $1.24 per hundred pounds, but the 47,000,000 pounds brought here in 1920 came in at 30 cents per hundred pounds, and likewise in 1921.

Mr. President, I do not desire to take more time on this subject. It must be perfectly obvious to anyone who will think of and look into the question that if we are to maintain in this country the scale of wages which we have heretofore maintained and are to continue the operation of this industry we must have a reasonable degree of protection. This is not a small industry. There are about 100 concerns in the country interested in the production of salt. There are over five or six thousand employees, and the annual wages paid run into the millions.

I think the committee amendment ought to be agreed to.

Mr. BROUSSARD. Mr. President, I think the question asked by my friend the Senator from Mississippi has demonstrated exactly the point I want to make. This is a cheap article of food and the freight rates absolutely control its distribution. The salt manufactured in New York or Ohio or Louisiana can not invade the territory of the salt from Utah. As a matter of fact, all salt is sold f. o. b. the mines for less than $5 per ton. The transportation charges to the Atlantic seaboard amount to about $7 per ton. We find on the seaboard ships coming in carrying rock salt as ballast and they are selling that salt much more cheaply than we can dispose of ours at the mines.

The result is that unless protection is afforded to the mines which are in operation and which, because of their geographical location and the transportation charges are limited to a certain territory, we must make up our minds that the money invested in that industry will be a total loss and that the mines will stop operation.

The item of 20 cents per hundred pounds on salt will not affect the price of salt, as I see it, in the interior of the country, because the transportation charges are prohibitive. It will save from annihilation, however, the salt mines which are near the Gulf coast, and whose territory heretofore has been the Atlantic seaboard. It is for that reason that I do not believe, for instance, that anybody in the Middle West or in the West will have the price of salt increased one copper per ton because of the duty proposed to be imposed here. The effect of it will be to put a duty upon the salt which comes in as ballast, produced with very cheap labor and sent across the Atlantic at possibly one-tenth of the rate that we have to pay the railroads of this country to transport it a much shorter distance.

We all have complained about the transportation charges and the way they have increased since the pre-war period. If we are producing an article that brings twenty or thirty or forty dollars per ton the transportation is not such a material item as is the transportation of an article which brings at the mine only $5 per ton. There the transportation is more important in the distribution of the article than is the cost of production.

Whenever we throw our ports open for free salt, the mines which are located near the Atlantic seaboard must entirely close down, because there is then no market for their product in the East, and they can not compete with the mines in Utah or Michigan. We have only a limited territory, and the transportation charges make it absolutely impossible to invade the territory of other mines. For that reason, Mr. President, I think the amendment reported by the Committee on Finance should be agreed to.

Mr. WALSH of Montana. Mr. President, this question, as I have said, and as the Senator from Louisiana [Mr. BROUSSARD] has elucidated, is very much more a question of freight rates than it is of the difference in the rate of wages as urged by the Senator from Ohio [Mr. WILLIS]; but the conclusion to which the Senator from Louisiana arrives can not be admitted at all.

Of course, it does not make a particle of difference to the consumer of salt in the intermountain region whether there is a duty on this commodity or not. That region does not get its supply of salt from the Atlantic seaboard nor from the mines in New York or Michigan. Its supply comes from Salt Lake or from the Pacific coast, but principally from Salt Lake. So likewise the Pacific coast is not interested in the question.

On the other hand, Mr. President, the foreign salt can not invade the interior at all; it can only reach the markets along the Atlantic seaboard, and it can not go beyond there. The freight rates are prohibitive; the freight rates afford a complete protection to the salt supply of New York and Michigan.

The important thing, however, Mr. President, is that the duty does affect the crowded industrial centers of the country, Boston and other manufacturing towns of New England, New York, and Philadelphia and the other places along the Atlantic coast; and it not only affects the cost of salt for household uses but salt, as is well known, enters into the manufacture of multitudes of articles, chemical and otherwise, as well as into the preparation of unlimited quantities of food of one kind or another. There it becomes operative; and there it will operate of necessity to increase the price which salt would otherwise command in that market.

What reason is there to apprehend a terrific influx, an overwhelming inundation, of salt from Germany? The conditions in Germany are, of course, slightly abnormal just at present but they are going eventually, and doubtless in a short time, to be very much as they were prior to the war, at least, so far as capacity to produce is concerned. Nobody need very greatly fear that wages are going to be permanently low in Germany or lower, at any rate, than they were in the pre-war times. The salt industry in the United States encountered that opposition prior to the war, and let us see what it did. In 1900 the production of salt in the United States was 3,000,000 tons; it increased to 6,000,000 tons in 1916, and to nearly 7,000,000 tons in 1920.

However, Mr. President, none of the Senators who have spoken about this matter has got around the proposition that we export more of the product now than we import, nor have they got around the fact, which is indisputable from the evidence that is before us, that the expected inundation from Germany has not ensued, the importations for 1921, at least, for the nine months ending with the month of March, 1921, being very substantially less than during the same period for 1920.

Mr. CALDER. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from New York?

Mr. WALSH of Montana. I yield.

Mr. CALDER. The figures which I have, Mr. President, seem to indicate that for the first three months of this calendar year 1922, our imports were 84,000 tons, as against 103,000 tons for the first nine months of last year.

Mr. WALSH of Montana. No; the Senator is quite in error about that. I have the figures right here, and I think I can give them to him.

Mr. WILLIS. Mr. President——

Mr. WALSH of Montana. I shall have first to answer the Senator from New York [Mr. CALDER] before yielding to the Senator from Ohio.

The importations of salt for the first nine months ending with the month of March, 1921, were 2,073,289 hundred-pound packages; for the first nine months of 1922 they were 1,684,042 hundred-pound packages, which makes 84,000 tons for nine months.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana now yield to the Senator from Ohio?

Mr. WALSH of Montana. I yield.

Mr. WILLIS. If the Senator from Montana has completed his answer to the Senator from New York, I wish to supplement his figures touching the importations of salt for 1921. I think I can vouch for the accuracy of these figures. I once before quoted them, but I think they are in point just now in the remarks of the Senator from Montana.

The importations of salt from Germany in 1919, to be exact, were 6,613,800 pounds; in 1920 they were 47,669,300 pounds. There was an increase of about 500 or 600 per cent in the year. In 1921 the imports of salt from Germany were 82,712,743 pounds—double the amount of the preceding year.

In the first month of the current year 20,000,000 pounds of salt arrived at the Atlantic coast ports. I have no later figures, but in the first month of this year 20,000,000 pounds came in; in other words, in one month of this year, nearly four times as much salt came in as came in during the whole year of 1919. So it must be apparent that importations of salt from Germany are increasing very rapidly.

Mr. WALSH of Montana. That is getting around the figures which I have given here. I should like to reply now to the Senator from New York. I have gone over the figures again, and for nine months—not three months, but nine months—ending March, 1922, the imports were 84,000 tons.

Mr. WADSWORTH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from New York?

Mr. WALSH of Montana. I yield.

Mr. WADSWORTH. Surely, the Senator does not contend that the importations are not increasing?

Mr. WALSH of Montana. Yes; the importations are not increasing. The importations for the year 1922 were 300,000 hundred-pound packages less than for 1921.

Mr. WADSWORTH. For 1922?

Mr. WALSH of Montana. Yes; for 1922 they were 300,000 hundred-pound packages less than for 1921; that is for nine months, comparing nine months of 1921 with nine months of 1922.

Mr. WADSWORTH. Is the Senator speaking of the calendar year?

Mr. WALSH of Montana. No; the fiscal year, of course, the computation being made down to the month of March for the nine months previous, which would indicate, of course, that the figures are for the nine months beginning from the fiscal year on July 1.

Mr. WADSWORTH. There is very apt to be considerable confusion if some Senators are quoting the figures for the fiscal year and other Senators for the calendar year.

Mr. WALSH of Montana. I am quoting the figures supplied by the Department of Commerce.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Utah?

Mr. WALSH of Montana. Yes.

Mr. SMOOT. Let us take the month of March, 1921, and the month of March, 1922, and see whether the imports are increasing or not. In the month of March, 1921, the importations were——

Mr. WALSH of Montana. That has been stated, I think, correctly; the importations of the month of March, 1921, were only 84,000 hundred-pound packages, and for the month of March, 1922, they were 150,000 hundred-pound packages.

Mr. SMOOT. That shows that the imports nearly doubled.

Mr. WALSH of Montana. Taking those two months alone, the imports were more in 1922 than in 1921, but when we take the whole nine months of 1921 and 1922 and compare them with the nine months of 1921 it is apparent that the importations have fallen off.

Mr. CALDER. I have not all the figures the Senator has been quoting, but in every one of the first four months of the present calendar year the imports were nearly double those in the corresponding four months of the calendar year 1921.

Mr. WALSH of Montana. If the Senator will compare the figures for the preceding five months, of necessity the imports must have been very much less, because the aggregate is as I have given it, and I have the figures right before me. So that the apprehended inundation of salt from Germany does not seem to have come on schedule time.

Mr. LODGE. Mr. President, am I right in thinking that returns only for four months of 1922 have been completed, including January, February, March, and April? I presume the department has prepared not a partial account for the month of May. The Senator referred a number of times to nine months of 1922. Of course there have not been as yet nine months in 1922.

Mr. WALSH of Montana. I referred, of course, to the nine months ending with the month of March, 1922, and beginning with the 1st of July, 1921—nine months of the fiscal year.

Mr. LODGE. I was listening, and I understood the Senator to refer to four months of 1922.

Mr. WALSH of Montana. Some Senators have said something about that, but the Department of Commerce furnished the figures in the way I have given them, and in no other way.

So, Mr. President, I can not conceive that Senators are going to impose any such duty as is suggested, of 20 cents a hundred pounds in packages and 16 cents a hundred in bulk. I think that, so long as we export more of the product than we import, there is scarcely a justification for putting a duty on the commodity ranging from 50 per cent to 80 per cent. In any case and under any circumstances and admitting anything that anybody can say about it, it must be conceded that the rates are utterly too high, and, accordingly, I move that the numerals "20," in line 8, be stricken out and the numeral "5" be substituted therefor.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Montana to the committee amendment. The Secretary will state the amendment to the amendment.

The ASSISTANT SECRETARY. In the committee amendment, on page 29, line 8, before the word "cents," it is proposed to strike out "20" and insert "5."

Mr. WALSH of Montana. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as to the transfer of my pair, I vote "yea."

Mr. KELLOGG (when his name was called). I transfer my pair with the senior Senator from North Carolina [Mr. SIMMONS] to the senior Senator from Minnesota [Mr. NELSON], and will vote. I vote "nay."

Mr. LODGE (when his name was called). I transfer my pair with the Senator from Alabama [Mr. UNDERWOOD] to the Senator from Maryland [Mr. WELLER], and will vote. I vote "nay."

Mr. McCUMBER (when his name was called). I transfer my pair with the junior Senator from Utah [Mr. KING] to the senior Senator from Maryland [Mr. FRANCE], and will vote. I vote "nay."

Mr. NEW (when his name was called). Making the same announcement as on the previous roll call as to the transfer of my pair, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as hitherto, I vote "nay."

The roll call was concluded.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS]; and

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH].

The result was announced—yeas 12, nays 42, as follows:

YEAS—12.

Caraway	Harrison	Kendrick	Stanley
Fletcher	Heflin	Robinson	Swanson
Harris	Jones, N. Mex.	Sheppard	Walsh, Mont.

NAYS—42.

Ball	Gooding	McKinley	Rawson
Brandegee	Hale	McLean	Shortridge
Broussard	Johnson	McNary	Smoot
Bursum	Jones, Wash.	Moses	Spencer
Calder	Kellogg	New	Sutherland
Capper	Keyes	Newberry	Townsend
Colt	Ladd	Nicholson	Wadsworth
Curtis	Lenroot	Oddie	Watson, Ind.
Elkins	Lodge	Pepper	Willis
Ernst	McCormick	Phipps	
Frelinghuysen	McCumber	Ransdell	

NOT VOTING—42.

Ashurst	France	Norris	Stanfield
Borah	Gerry	Overman	Sterling
Cameron	Glass	Owen	Trammell
Crow	Harreld	Page	Underwood
Culberson	Hitchcock	Pittman	Walsh, Mass.
Cummins	King	Poindexter	Warren
Dial	La Follette	Pomerene	Watson, Ga.
Dillingham	McKellar	Reed	Weller
du Pont	Myers	Shields	Williams
Edge	Nelson	Simmons	
Fernald	Norbeck	Smith	

So the amendment of Mr. WALSH of Montana to the committee amendment was rejected.

Mr. HEFLIN. Mr. President, I never thought that the Republican Party would dare undertake to put salt—table salt, sack salt, and every kind of salt—upon the tax list. Through the years behind us it has been tax free—on the free list. The Bible speaks about salt having lost its savor, but under the reign of the Republican Party salt has lost its place upon the free list. Every man who kills a chicken, who butchers a pig or a lamb or a kid or a hog or a yearling, must have salt.

Mr. President, salt is something that we need and must have all the time. Hereafter every child, every boy, girl, man, or woman who takes up a saltcellar on the table and goes to season his or her food will say, "Think of it, the Republican Congress has placed a tax upon salt."

I saw you to-night, by a record vote, take salt off the free list and place a tariff tax of 40 cents a sack, or $4 per ton, upon it. Many men in the cattle business and hog business and sheep and goat business use many tons of salt every year, and you have increased their expense bill by your vote to-night. The cattleman with his great herds feeding this night on the western plains and the live-stock man everywhere, who uses salt to meet the needs of his cattle, horses, and mules, has been burdened by the vote that you cast a moment ago to place a tax upon salt. Nobody will escape the tax that you have just laid upon the backs of the consuming masses of America.

Oh, Mr. President, if the people out yonder could be here and see some of the Senators on the other side smile and some of them looking indignant at the suggestion that the people have any rights at all in these matters, they would yearn for election day, when they can visit upon them at the polls the punishment that they deserve. Think of it! The Senator from Montana [Mr. WALSH] has shown to-night by the figures in the record that we export more salt—to make it plain to some of my Republican friends on the other side, we send that salt

out of the country and sell it abroad—more of it than comes in from all the countries of the earth, and yet, I repeat, I saw you this night lay a tax of 40 cents a sack, $4 a ton, upon all the salt that will be consumed by the people of the United States.

Well, you may be doing this, Senator, upon the theory that you had better be getting while the getting is good, because your time for this sort of burglarizing business is short.

I was talking to-night to the able and distinguished Senator from New Mexico [Mr. JONES], who has made such an able and gallant fight against this terrible onslaught upon the American people. I said to him: "It reminds me of a man, who has been knocked down on the roadside and is dazed, and when he comes to and is regaining his senses he finds the robbers going in his trouser pockets and in his vest pockets and in his coat pockets, filching everything that he has, and he rises with what little strength he has left and fights to free himself from the clutches of those who struck him down and are seeking to rob him of his last penny." That is what you are doing to the American public, dazed, lying prostrate because of the feeble condition in which you left it with your murderous deflation policy. You come now with your band of tariff marauders, and you are going through their pockets and taking the little they have left, and I saw you to-night seeking to filch from them the last penny by taxing the salt that goes into their bread.

Senators, I know that some of you do not know how to appreciate what I am talking about, but the mass of the people out yonder, whose sense of honor, justice, and patriotism make this Nation the glorious thing that it is, know and understand; and they will understand more and more as the days come and go, and the daily CONGRESSIONAL RECORD finds its way into the precincts of 34,600 readers in the various sections of the country.

Some of the press is kind enough to give the facts to the country, although you have a great deal of it that you have bought and paid for, just like a man would buy a sheep in the market place, and you have your hired agents who suppress the truth and undertake to deceive the people as to what is really happening in Congress. Without any regard to the right or wrong of the question some of them do your bidding day in and day out. How long will the people submit to this kind of thing in the Capitol of the Nation?

The press ought to be free and fair and give the facts about public questions to the people of the country. It is enough to make the blood of a patriot boil to see how deception is practiced and the truth suppressed by some papers. I wish the people could know how hard and how ably the Senator from North Carolina [Mr. SIMMONS], the Senator from New Mexico [Mr. JONES], the Senator from Utah [Mr. KING], the Senator from Florida [Mr. FLETCHER], and the Senator from Montana [Mr. WALSH], and the minority leader, Senator UNDERWOOD, are fighting to defeat this tariff monstrosity. What is this Republic? For what was it ordained? Was it to be a place where millions of people would be scattered over the country to be fleeced by predatory interests as a shepherd shears his sheep? Was that the purpose of it, or was it the purpose of the founders of the Republic to see that justice was done to the citizen and fair play meted out to him, and that all should have a fair chance in the struggle for existence?

This was its high purpose, and by the help of God we will hold it to its true course.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. HARRISON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. KELLOGG (when his name was called). Making the same announcement as to my pair and its transfer, I vote "yea."

Mr. McKINLEY (when his name was called). I have a permanent pair with the junior Senator from Arkansas [Mr. CARAWAY] which I transfer to the junior Senator from Delaware [Mr. DU PONT], and vote "yea."

Mr. NEW (when his name was called). Making the same announcement as on the previous vote as to the transfer of my pair, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as on the last roll call, I vote "yea."

The roll call was concluded.

Mr. COLT. Making the same announcement that I did before with regard to my pair, I vote "yea."

Mr. LODGE. Making the same announcement as to the transfer of my pair as before, I vote "yea."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH]; and

The Senator from Wyoming [Mr. WARREN] with the Senator from North Carolina [Mr. OVERMAN].

The result was announced—yeas 40, nays 11, as follows:

YEAS—40.

Ball	Frelinghuysen	McCormick	Ransdell
Brandegee	Gooding	McCumber	Rawson
Broussard	Hale	McKinley	Shortridge
Bursum	Johnson	McNary	Smoot
Calder	Jones, Wash.	Moses	Spencer
Capper	Kellogg	New	Sutherland
Colt	Keyes	Newberry	Townsend
Curtis	Ladd	Oddie	Wadsworth
Elkins	Lenroot	Pepper	Watson, Ind.
Ernst	Lodge	Phipps	Willis

NAYS—11.

Fletcher	Heflin	Robinson	Swanson
Harris	Jones, N. Mex.	Sheppard	Walsh, Mont.
Harrison	Kendrick	Stanley	

NOT VOTING—45.

Ashurst	France	Norbeck	Stanfield
Borah	Gerry	Norris	Sterling
Cameron	Glass	Overman	Trammell
Caraway	Harreld	Owen	Underwood
Crow	Hitchcock	Page	Walsh, Mass.
Culberson	King	Pittman	Warren
Cummins	La Follette	Poindexter	Watson, Ga.
Dial	McKellar	Pomerene	Weller
Dillingham	McLean	Reed	Williams
du Pont	Myers	Shields	
Edge	Nelson	Simmons	
Fernald	Nicholson	Smith	

So the amendment of the committee was agreed to.

The next amendment of the committee was, on page 29, line 9, to strike out "7" and insert "16," so as to read:

In bulk, 16 cents per 100 pounds.

Mr. WALSH of Montana. I move to amend by substituting the numeral "2" for the numeral "16" in line 9.

The amendment to the amendment was rejected.

The amendment was agreed to.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After eight minutes spent in executive session the doors were reopened.

LANDS AT CAMP BENNING, GA.

Mr. BROUSSARD. Mr. President, I ask unanimous consent for the present consideration of the bill (S. 2853) for the relief of persons suffering damage by reason of proceedings for the condemnation of land for Camp Benning, Ga.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Claims with amendments.

The amendments were, in line 3, after the words "the sum of," to strike out "$40,717" and to insert "$49,901"; and, in line 11, after the word "determine," to strike out the period and to insert a comma and "including claims of John T. Davis and the W. C. Bradley Co. for losses suffered by reason of inability of these parties to remove their improvements from lands transferred by deed to the United States, although expressly granted such right of removal by the prior contracts of sale," so as to make the bill read:

Be it enacted, etc., That the sum of $49,901, or so much thereof as may be necessary, be, and the same is hereby, appropriated, out of any money in the Treasury not otherwise appropriated. The Secretary of the Treasury is hereby directed to pay out the same to such persons as the Secretary of War may designate, who were damaged by circumstances arising out of proceedings for the condemnation of certain lands near Camp Benning, Ga., and in such amounts as the Secretary of War may determine, including claims of John T. Davis and the W. C. Bradley Co. for losses suffered by reason of inability of these parties to remove their improvements from lands transferred by deed to the United States, although expressly granted such right of removal by the prior contracts of sale.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RECESS.

Mr. LODGE. I move that the Senate take a recess, the recess being under the order previously made, until to-morrow at 11 o'clock a. m.

The motion was agreed to; and (at 10 o'clock and 8 minutes p. m.) the Senate took a recess until to-morrow, Friday, May 19, 1922, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate May 18 (legislative day of April 20), 1922.

SUPERINTENDENT OF LIBRARY BUILDING AND GROUNDS.

Mrs. Harriet DeK. Woods, of Illinois, to be Superintendent of the Library Building and Grounds, vice Frank L. Averill, resigned, effective May 31, 1922.

UNITED STATES ATTORNEYS.

Thomas Williamson, of Illinois, to be United States attorney, southern district of Illinois, vice Edward C. Knotts, resigned, effective May 20, 1922.

A. V. McLane, of Tennessee, to be United States attorney, middle district of Tennessee, vice Lee Douglas, resigned, effective June 1, 1922.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY.

ADJUTANT GENERAL'S DEPARTMENT.

Col. Archibald Campbell, Coast Artillery Corps, with rank from July 1, 1916.

Col. Albert Eugene Saxton, Cavalry, with rank from July 1, 1920.

Col. John Parsons Wade, Cavalry, with rank from July 1, 1920.

Col. Frederick Worthington Lewis, Infantry, with rank from July 1, 1920.

Col. Russell Creamer Langdon, Infantry, with rank from July 1, 1920.

Col. Harry Herbert Tebbetts, Infantry, with rank from July 1, 1920.

Lieut. Col. William Albert Kent, Infantry, with rank from July 1, 1920.

Lieut. Col. John Overton Steger, Coast Artillery Corps, with rank from July 1, 1920.

Lieut. Col. William Gaither Murchison, Infantry, with rank from December 23, 1920.

Maj. Clark Lynn, Infantry, with rank from July 1, 1920.

Maj. Irving Joseph Phillipson, Infantry, with rank from July 1, 1920.

Maj. Richard Rembert Pickering, Infantry, with rank from July 1, 1920.

Maj. Sherburne Whipple, Infantry, with rank from July 1, 1920.

Maj. Thomas Hixon Lowe, Infantry, with rank from July 1, 1920.

Maj. Byard Sneed, Infantry, with rank from July 1, 1920.

Maj. Frank Keet Ross, Cavalry, with rank from July 1, 1920.

Maj. Dupont Bayard Lyon, Infantry, with rank from July 1, 1920.

POSTMASTERS.

ARIZONA.

Samuel Simpson to be postmaster at Sonora, Ariz., in place of C. R. Rule, removed.

ARKANSAS.

Isaac J. Morris to be postmaster at Mountain Home, Ark., in place of M. D. Pattillo. Incumbent's commission expired January 12, 1921.

CALIFORNIA.

Rexford E. Morton to be postmaster at Dyerville, Calif. Office became presidential April 1, 1922.

GEORGIA.

Edwin L. Orr to be postmaster at Dublin, Ga., in place of V. L. Stanley. Incumbent's commission expired February 5, 1922.

Robert L. Ehman to be postmaster at Stone Mountain, Ga., in place of Vivian Humphreys. Incumbent's commission expired February 18, 1922.

ILLINOIS.

Jacob A. Hirsbrunner to be postmaster at Olivet, Ill. Office became presidential April 1, 1922.

INDIANA.

Percie M. Bridenthrall to be postmaster at Leesburg, Ind. Office became presidential January 1, 1921.

Moody I. Massena to be postmaster at Medora, Ind. Office became presidential January 1, 1921.

Ira N. Compton to be postmaster at Hamlet, Ind., in place of H. C. Harness. Incumbent's commission expired March 8, 1922.

Chester M. Davis to be postmaster at St. Paul, Ind., in place of J. T. Cuskaden. Incumbent's commission expired January 24, 1922.

Edith A. Wetzler to be postmaster at Sunman, Ind., in place of V. W. Bigney, deceased.

KANSAS.

Minnie F. Miller to be postmaster at Barnard, Kans. Office became presidential October 1, 1920.

KENTUCKY.

Arta Henderson to be postmaster at Eubank, Ky. Office became presidential April 1, 1921.

MAINE.

Willis H. Allen to be postmaster at Columbia Falls, Me. Office became presidential January 1, 1921.

MICHIGAN.

Elmer L. Dalton to be postmaster at Leland, Mich. Office became presidential January 1, 1922.

Grace A. Grinnell to be postmaster at Centerville, Mich., in place of F. J. Kruger, resigned.

MINNESOTA.

William Perbix to be postmaster at Hopkins, Minn., in place of P. J. McCormick. Incumbent's commission expired January 24, 1922.

MISSISSIPPI.

Herbert B. Miller to be postmaster at Gloster, Miss., in place of O. O. Conerly. Incumbent's commission expired January 24, 1922.

MISSOURI.

Nellie Tomlinson to be postmaster at Moriey, Mo. Office became presidential January 1, 1921.

NEW YORK.

Homer H. Thomas to be postmaster at Rushford, N. Y. Office became presidential January 1, 1921.

Charles H. Strong to be postmaster at Washingtonville, N. Y., in place of Frank Tamany. Incumbent's commission expired January 24, 1922.

OHIO.

Karl K. Witte to be postmaster at Elmore, Ohio, in place of A. G. Witte. Incumbent's commission expired January 31, 1922.

OREGON.

Herbert R. Satchwell to be postmaster at Shedd, Oreg. Office became presidential April 1, 1921.

PENNSYLVANIA.

Charles H. Myers to be postmaster at Wrightsville, Pa., in place of W. B. Reisinger. Incumbent's commission expired March 27, 1922.

RHODE ISLAND.

Wilfred R. Easterbrooks to be postmaster at Wakefield, R. I., in place of J. A. Wright. Incumbent's commission expired March 21, 1922.

SOUTH CAROLINA.

Lillian W. Ratchford to be postmaster at Hickory Grove, S. C. Office became presidential April 1, 1921.

TENNESSEE.

John S. Wisecarver to be postmaster at Mohawk, Tenn. Office became presidential October 1, 1921.

Jacob L. Shoun to be postmaster at Kingsport, Tenn., in place of J. E. Nelms, removed.

TEXAS.

Hazel B. Thomas to be postmaster at Gause, Tex. Office became presidential April 1, 1921.

James F. Rodgers to be postmaster at Harlingen, Tex., in place of H. H. Burchard. Incumbent's commission expired March 8, 1922.

WASHINGTON.

Charles N. Stutsman to be postmaster at Manson, Wash. Office became presidential April 1, 1922.

WISCONSIN.

Louis Baumgartner to be postmaster at St. Nazianz, Wis. Office became presidential April 1, 1922.

Aaron R. White to be postmaster at Wonewoc, Wis., in place of G. W. Bishop, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 18 (legislative day of April 20), 1922.

POSTMASTERS.

KENTUCKY.

Luther P. Maxey, Adairville.

James L. Blair, West Liberty.

MINNESOTA.

Will N. Bronson, Evansville.
Clyde W. Long, Osakis.
Henry M. Burtness, Spring Grove.
Anna O. Rokke, Strandquist.

MONTANA.

Margaret H. Lehmicke, Bigfork.
John E. Cameron, Bigtimber.
John C. Bebb, Lewiston.
William D. Tovey, Wisdom.

NEBRASKA.

Frank R. Morey, Gurley.

NEW JERSEY.

Frank E. Smith, Ridgefield Park.

SOUTH CAROLINA.

Paul F. W. Waller, Myers.

VIRGINIA.

William C. Crews, Madison Heights.
William R. Kindig, Stuarts Draft.

HOUSE OF REPRESENTATIVES.

THURSDAY, *May 18, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, Thou art God, to whom yesterday, to-day, and to-morrow are one. Not by searching can we find Thee. Yet we offer Thee the tributes of our thankful hearts that there is a power divinely human and humanly divine that presides over time and life. If only in human thought there were confidence and hope, how vain and impoverished our longings and our visions. But Thou art God of infinite estate. O supply us with adequate knowledge and wisdom that our lives may be replete with usefulness and happiness. Temper our wills, harmonize our thoughts, and restrain our affections. Bless all institutions which express the ideals of our Republic, especially those which succor the poor and the unfortunate. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS.

Mr. ASWELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an article by the gentleman from Alabama, Judge TYSON, on the constitutional rights of hotels to discriminate between their patrons.

The SPEAKER. The gentleman from Louisiana asks unanimous consent to extend his remarks in the RECORD by publishing an article by Judge TYSON on the right of hotel proprietors to discriminate in their patrons. Is there objection?

There was no objection.

The article is as follows:

[From the Birmingham Age-Herald, Sunday, April 3, 1921.]

(By Hugh W. Roberts, Washington bureau the Age-Herald, 500 Davidson Building.)

WASHINGTON, April 2.—(Special.)—At last there comes a man to Washington with sufficient temerity to beard the lion in the den.

As a result, Senator Penrose, the Republican boss, whose procedure has been characterized by arrogance and contempt for conventional opinion, must reckon with Judge JOHN R. TYSON, of Montgomery, who, on April 11, will take the oath of office as a Representative from Alabama.

In a statement issued to-day, Judge TYSON not only proves fallacious the legal argument of Senator Penrose that the negro is entitled to public entertainment and education on a basis of equality with the white man, but denounces as an absurdity the afterthought of the Senator that, despite his views, he does not believe in social equality.

PENROSE EFFUSIVE.

Some days ago Senator Penrose, in most fulsome language, welcomed pompous negro celebrities on the occasion of their visit to Washington. In the course of his speech he declared that the negro must be accorded equal privileges in hotels, cafés, restaurants, educational institutions, and places of amusement, and that such rights must be sustained by legislation providing heavy penalties for their denial.

Judge TYSON points out that the Constitution does not require a proprietor to entertain anyone who would be offensive to his other guests, and adds that the Supreme Court of Pennsylvania has held on two grounds the justice of a company in providing separate street car compartments for the races, the two grounds being the right that the company had its property in the public interests.

TYSON TO G. O. P. BOSS.

Says Judge TYSON to Senator Penrose:

"To permit negroes to be educated at white schools would necessarily bring about social intermixture, resulting in amalgamation, which is contrary to the law of races. Social equality can not be established, enforced, or maintained by legislation.

"The statement that Senator Penrose does not stand for social equality in face of the fact that he advocates establishing conditions by penal statutes which would enforce the intermingling of races, brings about a contact necessarily promotive of social associations, and, therefore, equality is an absurdity."

Judge TYSON is a former chief justice of the Supreme Court of Alabama.

RIVERS AND HARBORS.

Mr. DEMPSEY. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10766) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. STAFFORD in the chair.

The Clerk read the bill, as follows:

Be it enacted, etc., That the following works of improvement are hereby adopted and authorized, to be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers, in accordance with the plans recommended in the reports hereinafter designated:

Pawtucket River, R. I., in accordance with the report submitted in House Document No. 654, Sixty-sixth Congress, second session.

Mamaroneck Harbor, N. Y., in accordance with the report submitted in House Document No. 651, Sixty-sixth Congress, second session, and subject to the conditions set forth in said document.

Harbor of New Rochelle and Echo Bay, N. Y., in accordance with the report submitted in House Document No. 110, Sixty-seventh Congress, first session, and subject to the conditions set forth in said document.

New York and New Jersey Channels, in accordance with the report submitted in House Document No. 653, Sixty-sixth Congress, second session.

Wilmington Harbor, Del., in accordance with the report submitted in House Document No. 114, Sixty-seventh Congress, first session, and subject to the conditions set forth in said document.

Locklies Creek, Va., in accordance with the report submitted in House Document No. 612, Sixty-third Congress, second session, and subject to the conditions set forth in said document.

Waterway connecting Core Sound and Beaufort Harbor, N. C., in accordance with the report submitted in House Document No. 88, Sixty-seventh Congress, first session.

La Grange Bayou, Fla., in accordance with the report submitted in House Document No. 111, Sixty-seventh Congress, first session, and subject to the conditions recommended by the Board of Engineers for Rivers and Harbors as set forth in said document.

Calcasieu River, La., in accordance with the report submitted in House Document No. 974, Sixty-sixth Congress, third session, and subject to the conditions set forth in said document: *Provided*, That no expense shall be incurred by the United States for acquiring any lands required for the purpose of this improvement.

Galveston Channel, Tex., in accordance with the report submitted in House Document No. 693, Sixty-sixth Congress, second session.

Sabine-Neches Waterway, Tex., in accordance with the reports submitted in House Document No. 975, Sixty-sixth Congress, third session, and the supplemental reports submitted by the Chief of Engineers under date of February 25, 1922, and subject to the conditions set forth in said reports: *Provided*, That no expense shall be incurred by the United States for acquiring any lands required for the purpose of this improvement: *Provided further*, That before entering upon the prosecution of the improvements herein authorized, local interests shall guarantee, in a manner satisfactory to the Secretary of War, that the United States will be held free from any claim for damages resulting from the execution of the work hereby authorized.

Tensas River, La., in accordance with the report submitted in House Document No. 95, Sixty-seventh Congress, first session, and subject to the conditions set forth in said document.

Red Lake and Red Lake River, Minn., in accordance with the report submitted in House Document No. 61, Sixty-sixth Congress, first session, and subject to the conditions set forth in said document.

Green Bay Harbor, Wis., in accordance with the report submitted in House Document No. 626, Sixty-fourth Congress, first session.

Milwaukee Harbor, Wis., in accordance with the report submitted in House Document No. 804, Sixty-sixth Congress, second session, and subject to the conditions set forth in said document.

Black Rock Channel and Tonawanda Harbor, N. Y., in accordance with the report submitted in House Document No. 981, Sixty-sixth Congress, third session.

San Diego Harbor, Calif., in accordance with the recommendation of the Board of Engineers for Rivers and Harbors in the report submitted in House Document No. 1000, Sixty-sixth Congress, third session.

Los Angeles Harbor, Calif., in accordance with the report submitted in House Document No. 1013, Sixty-sixth Congress, third session.

San Francisco Harbor, Calif.: The entrance channel, in accordance with the report submitted in House Document No. 124, Sixty-seventh Congress, first session.

Oakland Harbor, Calif., in accordance with the report submitted in House Document No. 144, Sixty-seventh Congress, second session, and subject to the conditions set forth in said document: *Provided*, That no expense shall be incurred by the United States for acquiring any lands required for the purpose of this improvement.

Coos Bay Harbor, Oreg.: Improvement of harbor, including Isthmus Slough, in accordance with the report submitted in House Document No. 150, Sixty-seventh Congress, second session.

Columbia and lower Willamette Rivers, below Portland, Oreg., in accordance with the report submitted in House Document No. 1009, Sixty-sixth Congress, third session, and subject to the conditions set forth in said document.

Willamette Slough, Oreg., in accordance with the report submitted in House Document No. 976, Sixty-sixth Congress, third session, and subject to the condition that local interests contribute the sum of $23,350 toward the cost of the work.

Clatskanie River, Oreg., in accordance with the report submitted in House Document No. 608, Sixty-fourth Congress, first session.

SEC. 2. That the Secretary of War is hereby authorized and directed to modify the plans for the existing works of river and harbor improvement hereinafter set forth and to prosecute the improvement of said

projects in the manner herein directed, or as recommended by the Chief of Engineers in the reports hereinafter designated, as follows:

Beverly Harbor, Mass., in accordance with the report submitted in Rivers and Harbors Committee Document No. 7, Sixty-sixth Congress, third session, and subject to the conditions set forth in said document.

Jamaica Bay, N. Y., and the entrance thereto, in accordance with the progressive project adopted by the river and harbor act approved June 25, 1910, with a view to securing a depth of 30 feet at mean low water as far as Mill Basin, subject to the conditions set forth in House Document No. 1488, Sixtieth Congress, second session.

Waterway from the Mississippi River to the Sabine River, La. and Tex.: The section from Calcasieu River to Sabine River, in accordance with the report submitted by the Chief of Engineers under date of August 13, 1921, and printed in Senate Commerce Committee document.

Mississippi River from the mouth of the Missouri River to Minneapolis, Minn.: Appropriations or allotments for general improvement or maintenance shall hereafter be available for the dredging of channels to landing places, whether on the main river or subsidiary sloughs: *Provided*, That satisfactory evidence is submitted by the localities concerned that such channels will be used by commerce to an extent commensurate with the cost, and that other landing places are not economically available to serve the same localities: *Provided further*, That preference shall be given to localities that give satisfactory assurances that they will maintain said channels: *And provided further*, That not more than $100,000 shall be expended for dredging of channels to landing places in any one fiscal year.

Alpena Harbor, Thunder Bay River, Mich.: The conditions precedent to the prosecution of the existing project are hereby modified in accordance with the report submitted in Rivers and Harbors Committee Document No. 1, Sixty-seventh Congress, first session.

St. Marys River at the Falls, Mich., in accordance with the report submitted to the Chief of Engineers by the district engineer under date of October 29, 1920.

Crescent City Harbor, Calif.: The conditions precedent to the prosecution of the existing project are hereby modified in accordance with the report submitted in Rivers and Harbors Committee Document No. 4, Sixty-seventh Congress, second session.

San Juan Harbor, P. R.: The Secretary of War is hereby authorized, in his discretion, to substitute for an area of approximately 68 acres to be dredged to 30 feet depth along the easterly and southerly sides of the anchorage basin, forming part of the project adopted by the river and harbor act approved August 8, 1917, an area of approximately 25 acres to be dredged to the same depth, extending easterly from the eastern end of the approved project in San Antonio Channel.

SEC. 3. That the provisions of river and harbor acts heretofore passed providing for the prosecution of work upon the following projects are hereby repealed, and any unexpended funds from appropriations heretofore made for said projects not required for the payment of outstanding obligations incurred in connection therewith are hereby made available for expenditure by and under the direction of the Secretary of War and the supervision of the Chief of Engineers for the preservation and maintenance of existing river and harbor works and for the prosecution of such projects heretofore authorized as may be most desirable in the interests of commerce and navigation, to wit:

Pearl River below Rockport, Miss.

Brazos River, Tex., from Old Washington to Waco, in accordance with the report submitted in House Document No. 298, Sixty-sixth Congress, first session.

Trinity River, Tex., from Liberty to Dallas, in accordance with the report submitted in House Document No. 989, Sixty-sixth Congress, third session.

Pier in Delaware Bay near Lewes, Del. And the Secretary of War is hereby authorized to dispose of the pier and such rights as the Government possesses in the land and the abutments thereof at public or private sale.

SEC. 4. Tampa and Hillsboro Bays, and Hillsboro River, Fla.: The four projects heretofore authorized for Tampa Bay, Hillsboro Bay, Tampa and Hillsboro Bays, and Hillsboro River are hereby consolidated to form a single project for Tampa Harbor.

Calumet Harbor and River, Ill. and Ind.: The two projects heretofore authorized for Calumet Harbor and Calumet River are hereby consolidated to form a single project for Calumet Harbor and River, Ill. and Ind.

Black River at Port Huron, and mouth of Black River, Mich.: The two projects heretofore authorized for Black River at Port Huron, and mouth of Black River, are hereby consolidated in accordance with the report submitted in House Document No. 436, Sixty-fourth Congress, first session.

SEC. 5. That the Secretary of War be, and he is hereby, authorized and directed to construct six seagoing hopper dredges for use in improvement and maintenance work on authorized projects on the Atlantic, Pacific, and Gulf coasts, the cost of said dredges to be paid from appropriations heretofore made, or to be hereafter made, for the preservation and maintenance of existing river and harbor works, and for the prosecution of such projects heretofore authorized as may be most desirable in the interests of commerce and navigation: *Provided*, That the limit of cost of each of the dredges herein authorized shall not exceed the sum of $750,000.

SEC. 6. That funds heretofore appropriated for improvement of rivers and harbors and which remain in the Treasury unexpended because the work or projects for which the same were appropriated have been completed, are hereby made available for expenditure by and under the direction of the Secretary of War and the supervision of the Chief of Engineers for the preservation and maintenance of any existing river and harbor works and for the prosecution of such projects of improvement heretofore adopted and authorized as may be most desirable in the interests of commerce and navigation.

SEC. 7. That hereafter the provisions of section 7 of the act of August 23, 1912 (37 Stats. L., p. 414), or any other law, prohibiting the expenditure of public money for telephone services installed in private residences, shall not be construed to apply to or forbid the installation and use of such telephones as the Chief of Engineers may certify to be necessary for the prosecution of Government business and as the Secretary of War may authorize in connection with the construction and operation of locks and dams in the navigable waters of the United States.

SEC. 8. That from the moneys available for the improvement of the Detroit River, Mich., not to exceed $45,000 may be expended by the Secretary of the Treasury for remodeling and flooring over the light well of the Federal building at Detroit, Mich., to better accommodate the demands for space and to enable the engineer department to remain in its present quarters.

SEC. 9. That the Secretary of War is hereby authorized and directed to cause preliminary examinations and surveys to be made at the following-named localities, and a sufficient sum to pay the cost thereof may be allotted from appropriations heretofore made, or to be hereafter made, for examinations, surveys, and contingencies for rivers and harbors: *Provided*, That no preliminary examination, survey, project, or estimate for new works other than those designated in this or some prior act or joint resolution shall be made: *Provided further*, That after the regular or formal reports made as required by law on any examination, survey, project, or work under way or proposed are submitted no supplemental or additional report or estimate shall be made unless authorized by law: *And provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this act until funds for the commencement of the proposed work shall have been actually appropriated by law:

Saco Harbor and River, Me.
Summer Harbor, Me.
Dorchester Bay and Neponset River, Mass.
New Bedford and Fairhaven Harbor, Mass.
Newport Harbor, R. I.: That portion situated east of city wharf.
Thames River, Conn.
Great Kills, Staten Island, N. Y.
Glencove Creek, N. Y.
Flushing Bay, N. Y.
Huntington Harbor, N. Y.
Hudson River Channel, along the water front of Weehawken and Edgewater, N. J., with a view to providing a depth of 40 feet at mean low water or such lesser depth as may be necessary to serve the interests of navigation.
Delaware River, from Trenton, N. J., to Easton, Pa.
Essington Channel, Pa.
Big Timber Creek, N. J.
Salem River, N. J.
Fortescue Creek, N. J.
Hereford Inlet, N. J.
West Creek, N. J.
Double Creek, N. J.
Christiana River, Del., from Newport to Christiana.
Northeast River, Md.
Crisfield Harbor, Md.
Black Walnut Harbor, Md.
Cambridge Harbor, Md.
Southeast entrance to Milford Haven Harbor, Va.
Assateague Anchorage, Va., with a view to the establishment of a harbor of refuge.
Hoskins Creek, Essex County, Va.
Lewis River, Chincoteague Island, Accomac County, Va.
Piscataway Creek, Essex County, Va.
Channel connecting York River, Va., with Black Creek to Slaight's wharf.
Mattox Creek, Va.
Mulberry Creek, Lancaster County, Va.
Onancock River, Va.
Appomattox River, Va., up to Petersburg.
Norfolk Harbor, Va., with a view to providing an anchorage basin between Craney Island and the city of Norfolk.
Mattaponi River, Va., from Walkerton to Aylett.
Cape Fear River, above Wilmington, N. C., with a view to the construction of a lock and dam about 15 miles below Fayetteville.
Cape Fear River, below Wilmington, N. C., and between Wilmington and Manassa.
Pasquotank River, at Elizabeth City, N. C.
Yeopim River, Chowan County, N. C.
Mill Gut, North Harlowe, Craven County, N. C.
Pocahunt Creek, Camden County, N. C.
Wanchese Harbor, Roanoke Island, N. C.
Shipyard River, S. C.
Alligator Creek and Four Mile Creek, S. C.
Savannah River, below Augusta, Ga.
Cooper River, S. C., with a view to the removal of a shoal opposite the foot of Calhoun Street, Charleston.
Lake Worth Inlet, Fla.
Sarasota Bay, Fla.
Tampa and Hillsboro Bays, Fla.
Choctawhatchee Bay, Fla., and entrance thereto through East Pass.
Channel from the mouth of Dog River, Ala., to the ship channel in Mobile Bay.
Tombigbee River, Ala. and Miss., and canal connecting the Tombigbee and Mississippi Rivers.
Bayou St. John, La.
Bayou Bienvenue, La.
Bayou Lacombe, La.
Chefuncte River and Bogue Falaya, La.
Amite River and Bayou Manchac, La.
Cedar Bayou, Tex.
Goose Creek, Tex.
Rio Grande River, at El Paso, Tex.
Kanawha River, W. Va.
Tradewater River, Ky.
West Fork of White River, Ind., up to Martinsville.
Sheboygan Harbor, Wis.
Frankfort Harbor, Mich.
Escanaba Harbor, Mich.
Illinois River and tributaries, from the lower end of Lake Depue to a point opposite Goose Lake; also with a view to controlling the seepage from the Illinois and Mississippi Canal and opening Bureau Creek under said canal.
Saginaw River, Mich., and entrance thereto, with a view to securing a channel depth of 21 feet, with suitable width.
Toledo Harbor, Ohio, with a view to the construction of a breakwater and securing a depth of 25 feet in the harbor and channel.
Port Clinton Harbor, Ohio.
Wilson Harbor, N. Y.
Preliminary examination and report on a waterway from a point at or near Erie Harbor, Pa., by way of French Creek and Allegheny River, to the Ohio River.
Oak Orchard Harbor, N. Y.
Irondequoit Bay, N. Y.
Cape Vincent Harbor, N. Y.
Olcott Harbor, N. Y.
Great Sodus Bay Harbor, N. Y.
Buffalo Harbor, N. Y.
Black Rock Channel and Tonawanda Harbor, N. Y.

Niagara River and Tonawanda Creek, N. Y.
Los Angeles and Long Beach Harbors, Calif.
Newport Bay, Calif.
South San Francisco Harbor, Calif., and entrance thereto.
Pinole Shoals and Mare Island Channel and turning basin, Calif.
Sacramento and San Joaquin Rivers, Calif.
Umpqua River, Oreg.
Tillamook Bay and River, Oreg.
Siletz River, bar, and entrance, Oreg.
North Portland Harbor (Oregon Slough), Oreg., with a view to securing a channel 300 feet wide and 25 feet deep at low water from the Interstate Bridge to the main ship channel of the Columbia River at the mouth of the Willamette River, including consideration of any proposition for cooperation on the part of local interests.
Deer Island Slough, Oreg.
Entrance to Port Orchard Bay, Wash.
Everett Harbor, Wash.
Puget Sound and tributary waters, Wash., particularly in respect to the condition of the channels and mouths of such rivers, with a view to the clearing of such channels and mouths of sand bars and other obstructions by the use of a suction dredge or otherwise.
Bellingham Harbor, Wash.
Tolovana River, Alaska.
Yukon-Kuskokwim Portage, Alaska.
Gastineau Channel and adjacent waters, Alaska, with a view to improving the connection with existing steamship routes.

Mr. DUPRÉ. Mr. Chairman, I yield 15 minutes to the gentleman from South Carolina [Mr. STEVENSON].

Mr. STEVENSON. Mr. Chairman and gentlemen, I want to discuss for a few minutes the drawback feature of the tariff bill as it now appears in the Senate print. Section 313 provides:

SEC. 313. That upon the exportation of articles manufactured or produced in the United States by the use of imported merchandise, the full amount of the duties paid upon the merchandise so used shall be refunded as drawback, less 1 per cent of such duties, except that such duties shall not be so refunded upon the exportation of flour or by-products produced from imported wheat unless an amount of wheat grown in the United States equal to not less than 30 per cent of the amount of such imported wheat has been mixed with such imported wheat.

That is one of the jokers that it is supposed the farmer will swallow. Of course, the drawback feature has been in all protective tariff bills, because a protective tariff bill is for the benefit of the manufacturer and not for the producer of the raw material. The man who imports wheat or cotton and manufactures it into goods and then goes on the world market to sell it, if he has paid a high tariff on it, and meets the manufacturer of England who has paid no tariff on it, necessarily he can not sell it in competition, and therefore he is given a drawback when exported. That has always been the case, and is one of the things that demonstrates the fact that a protective tariff is merely for the benefit of the manufacturer.

But they imposed an emergency tariff of 35 cents a bushel on wheat last year, which did not put the price of wheat up, but put it down, or at least it went down, and they have attempted to rehabilitate the situation. What happened? Why, the miller in the Northwest went over into Canada, where the wheat market had been to a certain extent demoralized by cutting off the American market by a tariff of 35 cents a bushel, bought his wheat, imported it, ground it, and shipped it out again and bought it cheaper than he would have done if we had not imposed the emergency tariff. He imported, say, a thousand bushels of wheat upon which he paid $350 import tax. He shipped it out in the shape of flour and got a drawback of $346.50; or, in other words, he was out $350 on the operation. Therefore the farmer got no benefit from it; it did not help the American market one particle, and the result was some folks found out that this was not worth anything and they began to make a fuss about it. Now, what does the Senate undertake to do?

Mr. CAMPBELL of Kansas. Will the gentleman yield?

Mr. STEVENSON. Not now; I have not the time. The Senate undertakes to write in that they can get back the drawback, but can not get back any drawback unless they grind 30 per cent of wheat grown in the United States with that. Now, how does that work? It works this way: A man grinds 1,000 bushels of wheat.

He imports, if he wants to, 700 bushels of Canadian wheat. He runs that in the hopper, and runs in with it 300 bushels of American wheat, and then goes ahead and gets a drawback. That is what you call maintaining the American market to 30 per cent, I suppose. That is 30 per cent American protection of the market. In other words, everyone knows that there is a good deal more than 30 per cent of the wheat ground in this country and exported that is made in this country, and, consequently, into every bushel of wheat that the importer brings in from Canada and grinds he will be able to put 30 per cent of a bushel of American wheat, and he will get his drawback just the same, and the tariff does not cut any figure at all in so far as that is concerned.

You put a tariff on long-staple cotton, and they are maintaining it. What about that? Practically all of the products of long-staple cotton are exported, except the sewing thread. They are spinning it down in my district. There are mills there that do not spin anything else. They are paying $35 a bale import tax on the cotton; they spin it and export the goods and get $34.65 back. Let me show you what effect it has had on the long-staple cotton importations to this country. During the first eight months of the cotton year of 1921—that is, from August until April, and that was just before the emergency tariff went into effect—we imported of Egyptian cotton 70,145 bales. During the first eight months of this cotton year, during those corresponding months, under a 7 cents a pound tariff, we imported 214,071 bales. What effect did it have? Is that the direct result of your 7-cent tariff? Yet we have that and we have this drawback, and it is an illustration of the fraud that you perpetrate on the farmer when you try to fool him into believing that a protective tariff on cotton or a protective tariff on wheat the surplus of which goes abroad for sale is something to raise the price to him.

Mr. Chairman, I desire at this point to extend my remarks in the RECORD by inserting therein a record of the exports of cotton for the last 100 years.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. STEVENSON. That table I shall insert at this point:

Recapitulation of cotton exports for 100 years.

Decade.	Bales.	Tons.	Value.
1821–1830	4,071,687	1,017,923	$256,632,567
1831–1840	8,634,662	2,158,667	528,789,702
1841–1850	13,989,587	3,497,398	553,427,032
1851–1860	23,601,577	5,900,395	1,146,032,778
1861–1870	8,089,101	2,022,258	1,085,373,097
1871–1880	28,420,585	7,105,148	1,945,673,249
1881–1890	42,642,888	10,660,724	2,206,812,589
1891–1900	60,837,298	15,209,327	2,256,455,584
1901–1910	74,733,416	18,683,356	3,859,233,593
1911–1920	76,190,467	19,017,620	6,512,761,108
Grand total	341,211,268	85,212,816	20,349,251,320

Mr. Chairman, in the last decade in this country from 1911 to 1920, inclusive, we exported 76,190,000 bales of cotton. In other words, we exported in excess of 7,000,000 bales a year. The average crop has run about 12,000,000 bales a year. We exported seven-twelfths of the cotton made and spun only five-twelfths of it. Take the cotton market. A farmer goes to market. We use 5 out of every 12 bales made in this country. The farmer can get the market price in Liverpool for the other seven-twelfths and that is all. He goes to market to sell his cotton. The manufacturer says he can get in the free market in Liverpool only so much, and that he will give him that much less what it will cost to put it there and that if he does not take that he can keep his cotton. I have seen that in operation and so have you. In 1914 when the foreign markets were cut off there were 14,000,000 bales of cotton. Five million bales were needed here. There were 9,000,000 bales that were not needed here, and what was the result? They would not buy it at all, except at their own price, because there was no place else to sell it except here, and there was more than we needed here, and you have to stand on what you can get away from here, whenever it is exported in that way.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. KINCHELOE. Does the gentleman think that the American farmer knows that the price of his wheat is governed by the price fixed on the surplus product at Liverpool?

Mr. STEVENSON. I think the farmer is beginning to find that out, and if he is not, it is about time he should. I think his experience with the emergency tariff act last year has taught him some glimmering of comprehension, and that that is the reason they have gone and put in here the 30 per cent drawback provision.

There is another provision about that drawback business to which I desire to call your attention. It is provided in the bill that a man who manufactures ships for a foreign country or a foreign trade or a foreign purchaser shall have the same right of drawback, although the ship is not itself an export. What does that mean? They are asking us for a ship subsidy here in order that we may build up ships that can compete with the ships of the world, and yet they are carrying in this very bill a provision that our manufacturers when they manufacture for the foreign shipowner shall have an advantage of the tariff on the imported materials over the man who is manufacturing a ship for the home shipowner. In other words, if there is $100,000 of tariff paid on the materials that go into a ship,

the steel, the lumber, the other materials, the machinery, the engine, and so forth, if the ship be sold to a foreign purchaser, the manufacturer can get the drawback, but if the manufacturer sells it to our great merchant fleet that they are expecting us to tax our constituents to build up, then you can not get any drawback. Therefore, we have to tax our people more to pay heavier overhead charges because of the original cost of our ships. Is that dealing squarely with the American people? I say that it is not. Let me read you the provisions to which I refer:

> The provisions of this section shall apply to materials imported and used in the construction and equipment of vessels built for foreign account and ownership or for the government of any foreign country, notwithstanding that such vessels may not within the strict meaning of the term be articles exported.

In other words, they want to tax the people of this country to build up the merchant marine, and they deliberately put into the tariff bill a provision which will induce shipbuilders in this country to build ships exclusively for foreign account, because they can get the drawback, and they can sell the ships more cheaply and still make larger profits than they can make by selling it to our own people here who want the ships to operate and to operate at a profit.

There is another provision right along in this drawback that is remarkable, and that is that the President can investigate, and when he, in his judgment, finds that the cost of production in other countries of certain articles is less than it is here he can raise or lower the tariff as the case may be within 50 per cent, and they cite the case of Field *v.* Clark (143 U. S.) as giving the authority to do that.

It is perfectly patent they can not do that. Let us see. This is a case in which he has got the right to fix the rate. The President is expressly given the right to fix the rate anywhere within the 50 per cent. In the Field against Clark case the President was given the right to declare a certain statute suspended on finding certain other nations had imposed a penal tariff on the products of this country, and if he so declared he had found the other nations acting so, then the tariff of a certain per cent on certain enumerated articles would go into effect, the per cent being fixed by the Congress.

The Supreme Court says:

> That Congress can not delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of government ordained by the Constitution. The act of October 1, 1890, in the particular under consideration, is not inconsistent with that principle. It does not in any real sense invest the President with the power of legislation. For the purpose of securing reciprocal trade with countries producing and exporting sugar, molasses, coffee, tea, and hides, Congress itself determined that the provisions of the act of October 1, 1890, permitting the free introduction of such articles, should be suspended as to any country producing and exporting them that imposed exactions and duties on the agricultural and other products of the United States which the President deemed—that is, which he found to be—reciprocally unequal and unreasonable. Congress itself prescribed in advance the duties to be levied, collected, and paid on sugar, molasses, coffee, tea, or hides produced by or exported from such designated country while the suspension lasted. Nothing involving the expediency or the just operation of such legislation was left to the determination of the President. The words "he may deem," in the third section, of course, implied that the President would examine the commercial regulations of other countries producing and exporting sugar, molasses, coffee, tea, and hides, and form a judgment as to whether they were reciprocally equal and reasonable or the contrary in their effect upon American products. But when he ascertained the fact that duties and exactions reciprocally unequal and unreasonable were imposed upon the agricultural or other products of the United States by a country producing and exporting sugar, molasses, coffee, tea, or hides it became his duty to issue a proclamation declaring the suspension as to that country, which Congress had determined should occur. He had no discretion in the premises except in respect to the duration of the suspension so ordered. But that related only to the enforcement of the policy established by Congress. As the suspension was absolutely required when the President ascertained the existence of a particular fact, it can not be said that in ascertaining that fact and in issuing his proclamation in obedience to the legislative will he exercised the function of making laws. Legislative power was exercised when Congress declared that the suspension should take effect upon a named contingency. What the President was required to do was simply in execution of the act of Congress. It was not the making of law. He was the mere agent of the law-making department to ascertain and declare the event upon which its expressed will was to take effect. It was a part of the law itself as it left the hands of Congress that the provisions, full and complete in themselves, permitting the free introduction of sugars, molasses, coffee, tea, and hides from particular countries should be suspended in a given contingency, and that in case of such suspensions certain duties should be imposed.
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> "The true distinction," as Judge Ranney, speaking for the Supreme Court of Ohio, has well said, "is between the delegation of power to make the law, which necessarily involves a discretion as to what it shall be, and conferring authority or discretion as to its execution, to be exercised under and in pursuance of the law. The first can not be done; to the latter no valid objection can be made."

The CHAIRMAN. The time of the gentleman has expired.

Mr. DUPRÉ. I yield two additional minutes to the gentleman.

Mr. STEVENSON. And so by this proposed act they propose to say that the President shall say what the rates shall be, which is fixing the law and not fixing the execution of the law. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. DEMPSEY. Mr. Chairman, I yield 20 minutes to the gentleman from Missouri [Mr. NEWTON].

Mr. NEWTON of Missouri. Mr. Chairman, as a member of the Committee on Rivers and Harbors, I participated in the preparation of this bill. I come from a section of the country that is not interested directly in the projects involved in this bill. This, as you understand, is an authorization bill. It does not appropriate any money, but it adopts the projects and authorizes the Appropriations Committee to provide the funds. All of the projects in this bill are, in my judgment, most meritorious projects, and, being in a position to discuss the bill in the main impartially, I will say to you frankly that, having gone over in detail the various projects involved, I do not think you will find any project that is included in the bill that is not a meritorious project.

The only item in which my section of the country is directly interested would be the Galveston Harbor. There is an item of $500,000 for building a sea wall at Galveston. Most of the money that is authorized in the bill is for projects on the Pacific and Atlantic coasts, some are on the Gulf coast, and a few items along the Lakes. I desire to discuss for a moment, however, the Galveston sea-wall question, because I assume there are Members present who are more familiar with the various other items in the bill and who are more or less interested in these sections, and for that reason have the information and will discuss those various items.

The Government undertook some years ago to build a sea wall to control the floods at Galveston. The primary object was to protect the city of Galveston. We are authorizing in this bill an appropriation of something like two and a half million dollars at Galveston. Two million dollars, approximately, of the amount is provided for coping with the situation confronting the bay ports back of Galveston. We have built a great many hundred feet of sea wall at Galveston, but there are approximately 2,800 feet, as I remember it, not completed.

The wall has been built out beyond the city of Galveston. But in order to get the ocean steamers back into the harbor of Galveston and into the various harbors of the bay back inside the Government has constructed a channel that goes from the Gulf into the bay at Galveston. The purpose of the sea wall is to extend it out to the jetty, which helps to form the channel, and until that is done there is always danger, the engineers say, that when the flood comes it will fill up the present channel and thereby prevent ocean steamers from entering Galveston and other harbors around the bay. It is not the incoming effect of the flood that does the damage, but the water from the wind pressure out in the Gulf that piles the water up back in the bay until during a big storm the water is piled up about 14 feet just inside the channel and about 28 feet back at the upper end of the bay. Then when the storm subsides the water comes rushing out, but instead of it going through the channel, which is not in a straight line in the way the water wants to go, but is at a sharp angle, the water rushes across the sand bar where the additional sea wall is needed and cuts out holes, and silt settles in the channel and fills it up.

The result is that if we have another storm on the Gulf we will lose the use of the sea wall that now extends far beyond the city and all the money that has been appropriated and expended on harbors inside the bay. In this connection I want to read an extract from a letter written by the Chief of Engineers, dealing with this project:

> This channel is absolutely dependent upon the jetties, which have made it possible to maintain a depth from the sea of 33 feet, where formerly only 12 feet existed. The port of Galveston serves the country as far inland as Iowa and Nebraska, and a loss of this port would be a national calamity. Furthermore, the present conditions would not be restored for probably some two or three years at least if the South Jetty should be destroyed.

This brings home to us the question that it is not merely the locality where a project is located that is interested in a proposition of this kind. You take the wheat and other farm products that are exported from Kansas and the western part of Missouri, and up in the Dakotas, and all that section, all these farm products now go down by railroad to Galveston and then out to sea.

Some of it goes down the Mississippi River and out through New Orleans, but the great portion of it has been going by rail to Galveston and thence abroad. Now, if a storm comes and stops up the channel for two years it will close Galveston and other harbors on the bay, and the Chief of Engineers says that will be nothing short of a calamity. It shows that we of the Middle West are all interested in keeping Galveston port open.

There is another question. Much discussion has been had in this House about the improvement of inland rivers, and in this subject I have been especially interested. In my candid judgment there is not a river in this country the use of which will more thoroughly justify the improvement than the Missouri River. Why do I say that? I am discussing the Missouri because an amendment will be offered here, which has been approved by the committee, providing for the survey of the Missouri River from Kansas City to Sioux City in order to determine whether or not that improvement is practicable.

I want to discuss, first, what I think has been a bad policy of this Congress with respect to river improvements. We undertake a project; we adopt it and spend millions of dollars on it; and after we have done all that we fail to complete it, so that we can get the benefit of the investment. Take, for instance, the Ohio River. I have heard a lot of criticism about the money that has been spent on the Ohio River, because we are not getting any substantial use out of it, and to the man who does not understand that situation that is a perfectly natural criticism.

On June 25, 1910, this Congress adopted the project of improving the Ohio River from Pittsburgh to Cairo, the mouth of the river, or to the Mississippi, at a cost of $63,731,000, insuring a 9-foot channel. They called on the engineers to make a survey and report in order to determine what it would cost to insure a 9-foot channel from Pittsburgh to the mouth of the Ohio, and when the survey was in they found the work could be done for $63,731,000, and the bill provided that that work should be completed in a period of 12 years.

The 12 years will be up on the 25th of next month, and the Congress during that 12 years' time, instead of completing the project has appropriated the net sum of $43,624,000, but the work is not completed. Down at the mouth of the river there are four or five locks and dams that ought to be built, but are not completed because Congress has not appropriated the money. We have $43,000,000 invested on the upper Ohio River, because that much has been expended, and yet you can not utilize it except in flood times because Congress has never completed that project. Suppose the Pennsylvania Railroad undertakes to open up transportation between St. Louis and New York City. You know as well as I do that they can not utilize the investment until the last tie has been laid and the last rail nailed down. And likewise we can not utilize the money invested in the Ohio project until the entire project has been completed, and you have $43,000,000 tied up now on the Ohio, and you can not utilize it, and the great territory from Pittsburgh to Cairo is not getting the benefit of that investment, and the Government is not getting the benefit of it, because Congress has not carried out the plan it adopted to make the appropriation and complete the improvement within a given time.

We adopted the Mississippi River project between Cairo and the mouth of the Missouri on June 25, 1910. Congress wrote into the law that that section of the river should be completed in 12 years. The report at that time estimated that it would cost $21,000,000. That 12 years will be up on the 25th of next month, and this Congress has appropriated on that project only $1,970,000 and the project is not completed, and yet the Mississippi River is operating the best it can over that unimproved section and making a good showing.

The trouble is we do not complete anything. We invest millions but fail to complete and the projects are criticized because they are not used.

Take the Mississippi River from St. Louis to Minneapolis. On June 25, 1910, in the same bill in which the Congress adopted these other projects they adopted one to make a 6-foot channel the year around from St. Louis to Minneapolis to be completed in 12 years and to cost $27,000,000. This Congress from time to time has appropriated to the total extent of $12,260,000, and you can not use it because there are still sand bars and bad places in that section of the river.

On July 25, 1912, Congress adopted a project for the improvement of the Missouri River, from Kansas City to St. Louis, at a cost of $20,000,000, to insure a 6-foot channel and to be completed in 10 years. That 10-year period will be up on the 25th of next July. Congress has appropriated and the engineers have expended $7,500,000 upon that section of the Missouri River since the project was adopted. But that vast investment can not be utilized because Congress has not appropriated enough money to complete the project. In other words, you have $64,730,000 invested in these projects that we can not use because you have never completed them.

I want to call your attention to this fact: There is no longer any question about the absolute necessity of using these rivers. Take the condition in Kansas, if you will. I got the figures the other day. I find that when the war was over Kansas farmers had about 150,000,000 bushels of wheat ready for the market. The price was good. Members of Congress from Kansas appealed to the Railroad Administration in order to get cars allotted there to carry the wheat to the market. They could not get them, because the pressure was too high from other shippers. There were not cars enough. So the wheat laid in the granaries and was held there until they could get cars sufficient to carry the wheat to the market, and by that time the price had gone down about a dollar a bushel.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. NEWTON of Missouri. I will.

Mr. STRONG of Kansas. I want to say it amounted to a good deal more than a dollar a bushel. It went from $2.65 to 90 cents a bushel.

Mr. NEWTON of Missouri. Did you have any trouble to get the cars with which to ship the wheat?

Mr. STRONG of Kansas. When we had it ready to ship we could not get the cars, and when we did get the cars wheat had gone down from $2.65 to $1 a bushel, and less, and all of this could have been avoided if the Missouri River project had been completed.

Mr. NEWTON of Missouri. I want to call your attention to this fact: The Mississippi barge line last year, a new experiment, had to have adjustments and improvements made, and yet at the end of the year when they made their total calculation they found the cost to the shipper for the service rendered was 3.86 mills per ton-mile. In other words, taking the total tons of freight and the total number of miles carried, and taking the total number of dollars collected and dividing them by the total number of miles a ton of freight was carried, the result was found to be 3.86 mills. I called on the Interstate Commerce Commission to find what the railroads had collected for the same kind of service. I got the report the other day. I find, as compared with 3.86 mills on the barge line, the railroads had charged on an average throughout the United States 12.74 mills per ton-mile for freight hauled. The Interstate Commerce Commission reported that the average charge made by the railroads in 1920 per ton-mile throughout the United States was 10.52 mills. In other words, the charge last year by the railroads was 2.28 mills more than it was the year before. I am not quarreling with the railroads for that. I know that they can not afford to carry freight much cheaper than they do carry it. At least, I do not believe they can. I do not believe they are making a great amount of profit. But here you have the possibility of water transportation for less than one-third the present cost by rail. Whatever the form of transportation, the shipper ought to pay the cost of the service and a reasonable dividend upon the investment of the carrier. If it costs 12.74 mills per ton-mile to carry freight by rail, the shipper who uses the rail line ought to pay that amount plus a reasonable profit. If the barge line, as has been demonstrated on the Mississippi last year, can carry freight for 3.86 mills per ton-mile and still make a profit upon the investment, then the shipper ought to be given the benefit of that cheap rate. In other words, the shipper ought to be given the benefit of the cheapest form of transportation available, and the railroads ought not to be permitted by cut-throat competition and unfair division of rates to destroy a form of transportation which can afford to haul the farmer's commodities for 3.86 mills per ton-mile, and then compel the farmers and other shippers to pay 12.74 mills per ton-mile for the same service. We ought to improve and make available for navigation the Missouri River from St. Louis into the heart of the wheat belt at Sioux City, so that the hundreds of millions of bushels of wheat and other farm products, which the railroads are now evidently carrying at a loss on a commodity rate, could be given the benefit of water transportation at the cheap rate which a barge line alone can afford to give.

Mr. TINCHER. Mr. Chairman, will my friend yield there?

Mr. NEWTON of Missouri. Yes.

Mr. TINCHER. The gentleman has mentioned one inconsistency on the part of Congress—that it is more interested in carrying out new projects than in finishing old ones.

Mr. NEWTON of Missouri. The truth of the mat · is that before starting on new projects Congress ought to finish the old ones, but I think some of these new ones are just as important as the old ones.

Mr. TINCHER. Do I understand the gentleman to explain by a car shortage in 1919 the disastrous situation we had in Kansas accounting for it by the fact that we had not expended enough money on rivers and harbors?

Mr. NEWTON of Missouri. No; I do not account for it on that ground, except by the general fact that the commerce was greater than the transportation facilities. If the Missouri River had been improved barges could have hauled the freight

which the railroads could not take. The vice president of the Pennsylvania Railroad Co., Mr. Rea, is quoted as saying that the commerce of the country doubles about once in 10 years. He states that last year, 1921, 700 miles of railroad were abandoned in the United States, and only 400 miles built.

Mr. TINCHER. Prior to the serious car shortage that we had in 1919 there had been a war, and there had been no development and no progress made in keeping up the rolling stock of the railroads.

Mr. NEWTON of Missouri. That is true, and the railroads are not keeping pace with the commerce now, and you can not develop your commerce beyond your transportation facilities.

Mr. LAZARO. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Missouri. Yes.

Mr. LAZARO. The trouble with Congress is that we have always looked upon these waterways as the property of a few sections of the country instead of belonging to the entire Nation.

Mr. NEWTON of Missouri. Yes; absolutely. They ought to be a part of the great transportation system of the country. We ought to forget waterways and railroads and highways as separate institutions. It is not railways alone that we are interested in, and it is not waterways alone that we are interested in. What the business of this country must have is a great system of transportation, in whatever form it may be, at the cheapest price available.

Mr. LAYTON. Mr. Chairman, will the gentleman yield?

Mr. NEWTON of Missouri. Yes.

Mr. LAYTON. In other words, we shall never solve the problem of transportation until we unite all the various means of transportation.

Mr. NEWTON of Missouri. That is exactly what we must do. I have information to the effect that the commerce on the Great Lakes is carried for about 1 mill per ton-mile, and for 3 mills per ton-mile on the ocean. It has been conclusively shown that the cost of water transportation is only about one-fourth of the cost of transportation by rail. In Europe, I am told, water transportation is one-sixth of the cost of transportation by rail—that is, inland water transportation—and I have no doubt that in this country, when they get sufficient equipment on the Mississippi River and its tributaries, and it is operating, they will carry commerce at one-fifth or one-sixth of the rate at which the railroads can afford to carry it. The railroads should be relieved of those bulky commodities which they can not afford to carry at a profit. We must coordinate our transportation facilities. We want to pay the railroads a living rate of freight from the inland to the water points, and then turn that heavy, bulky stuff over to water transportation facilities and let the Government get the benefit of the commerce which will develop. If we are to pay taxes in the Middle West, our resources must be given a chance to develop, and we can not develop them with this high cost of transportation.

The other day I talked with a hay merchant from St. Louis, who told me he had been down in Cuba to find a market for hay. He found he could not deliver it profitably there. He said that hay was coming from Canada by water at a cheaper rate than he could compete with, and as a result the farmers of the valley are losing the Cuban hay market. He said that tremendous quantities of corn in the vicinity of St. Louis are going to Cuba. The barge line can not undertake to carry hay; its space is too limited; but it does carry corn. It is delivering the farmers' corn to Cuba and getting a market there, just the same as the hay merchant could do if he had cheap water transportation available on our inland rivers.

I assume the railroads are charging, or at least they ought to charge, a compensatory rate for the commodities hauled. Think of the freight they are collecting from the farmers for the hundreds of millions of bushels of wheat which go annually from Kansas, Nebraska, South Dakota, and western Iowa. If a barge line can afford to carry freight, as is being demonstrated in this country and Europe, for one-fifth or even one-fourth the rate which the railroads are compelled to charge for the same service, think what the improvement of the Missouri River, with barge-line facilities sufficient to carry the products of that great wheat belt, would mean to the farmers of that section. I can not conceive of how any farmer, or any farmers' Representative in Congress from that section, can rest until water-transportation facilities are made available and the farmers of this region are given the benefits of cheap transportation, which such facilities alone can afford.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. McDUFFIE. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BOX].

The CHAIRMAN. The gentleman from Texas is recognized for 10 minutes.

Mr. BOX. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. BOX. Mr. Chairman and gentlemen, my first impulse is to express to the committee my own thanks and that of the people of my section for the thorough and friendly consideration given to the claims of the Sabine-Neches waterway project, serving a great section of the Southwest, through the cities of Beaumont, Port Arthur, and Orange. Lake Charles, La., is adopting measures to connect with this waterway and reach the sea by way of the intercoastal canal and Orange.

The service this waterway now renders the Southwest and the necessity for its improvement and enlargement were recognized by the committee, as shown by its report and the provisions of the bill.

We have the water, the commerce in existence, and in prospect in much larger volume. Vessels in greater numbers and of greater draft than the waterway and harbors will now safely accommodate now jostle each other, rub the shore, and drag the bottom trying to carry the commerce moving through these ports. The Board of Engineers for Rivers and Harbors and the committee find that the existing project does not meet the present needs of commerce and navigation there and recommend that the depth be increased to 30 feet and that other enlargement and improvements be made as provided in the bill.

This commerce consists of crude oil and refined oil products in great quantities. These reach the waterway from the adjacent shore and from many hundreds of miles inland. Spindletop is only a few miles from the Neches, and the new and great oil field at Orange is only 5 or 6 miles from the Sabine. Pipe lines, costing many millions of dollars and being common carriers, bring oil from Kansas, Oklahoma, Arkansas, Louisiana, and the many great fields of Texas. The region served by these lines is, by odds, the greatest oil region of America. A recent official estimate and report by the United States Geological Survey says that the Texas and Louisiana coastal field, which centers in that region, contains by itself America's greatest supply of oil stored in the earth and estimates the quantity by billions of barrels. New fields are being discovered almost daily in the great region served by these radiating pipe lines and this waterway. One great company recently contracted for the construction of a new line from central Texas to this waterway for the purpose of bringing it there for refining and export. They have acquired several hundred acres for a refinery and loading site, which they are now developing. Several others, employing thousands of men, have been in successful operation for years, and still others are in prospect.

But oil is not all. Texas, Louisiana, and Arkansas are great lumbering States. Texas stands about fifth or sixth among all the States in this business. There are 135 sawmills, many of them very large, within 200 miles of this waterway, and most of the export lumber from Western Louisiana, Arkansas, and Texas reaches the sea by this sea road.

Southwestern Louisiana and southeastern Texas are great rice growing and milling regions. Arkansas is developing this industry. Many hundreds of thousands of bags of rice move through these ports.

The Kansas City Southern, Santa Fe, and Southern Pacific railroad systems all tap the grain fields of Missouri, Kansas, Oklahoma, and Texas, and carry grain through these ports. The elevator capacity at Port Arthur is being doubled now. An indefinitely large increase in this traffic is in prospect.

Miscellaneous commerce of every kind is going there from the southwest and from central United States for export to Mexico, South America, Asia, and Europe.

Several great systems of railroad connect with these ports from the east, north, northwest, and west. The commerce is there and will increase indefinitely. In 1909 the tonnage of exports through Sabine Pass was a little over 2,000,000 tons. The figures on which the report of the engineers and this committee report are based are the figures of 1917, and show a tonnage of about 8,000,000, but those figures had increased to practically 12,000,000 tons by 1920. The best test of the value of a waterway project is the use made of it as far as it has been developed. Gentlemen, I have shown you in brief outline the use our people have made of their cramped harbors and their 25-foot waterways. We have filled those little harbors and those narrow, shallow waterways with commerce. The Board of Engineers and your Committee on Rivers and Harbors finds

that we should have 30 feet, and I have no doubt that you will adopt the provisions of the bill providing them. What is more, by the time we can get 30 feet of water, at the very earliest, we will fill that channel to its limit.

I am glad that we can pause in our appropriation of money for numerous other purposes, many of which are necessary but few of which are productive, long enough to make some provision for industrial and commercial development. We need to be doing things to help our people and our whole country to move their industries and their commerce so as to provide markets and marketing facilities for farmers, labor for wage earners, and legitimate opportunity for business men. Our people must live and develop, and America must be creating wealth after so long a period of spending.

Mr. Chairman, since I have been here I have heard several remarks made on this floor which showed that certain learned gentlemen from other sections of the country are badly in need of information as to what Texas and the South and Southwest are doing. A gentleman from Pennsylvania, Mr. Moore, in the Sixty-sixth Congress, deplored the fact that ours is a one-crop country. And another gentleman, Mr. FAIRFIELD, of Indiana, referred to that section as having been in a static condition for 50 years. Gentlemen, your engineers have found, your Committee on Rivers and Harbors has found, and now you are hearing what we are doing in that region. Not merely the district which I represent, but the neighboring districts and neighboring States, and our somewhat new waterway is not the only one in all that great region. Louisiana has hers. It is only 84 miles west of Beaumont to Houston, and only 60 miles south of that to Galveston and then along the west coast. It is not far to the district represented by the gentleman from Texas [Mr. MANSFIELD], and just west of that come Corpus Christi and Port Aransas, all ports of importance through which products from Texas and the Southwest, in great and ever-increasing volume, seek the markets of America and the world.

Texas is fifth—she is one of the big five among the 48 in population. She is first in the value of her farm products. She is among the first in the value of her oil. She is one of the leaders in the production of lumber. She is first in the number of her cattle and mules. She contests with four or five great leaders for the place of primacy in many great lines of production. Gentlemen, with our history, our present and our mighty future, in as clear, as plain, and as glowing outlines as the future ever presents itself to the eyes of men, we can smile while our friends talk of our industrial life being static, for we know that their information on this subject as concerning us has been stale for 50 years.

The gentleman from Ohio [Mr. BURTON] during this week, in a learned and able speech on this floor, illustrated one point by saying that as a remote possibility, in case a dire calamity, the United States might have to cede portions of Texas to some other country. Mr. Chairman, we regard the illustration as unhappy, and the other country which undertook to take possession of the ceded territory would find that the effort to deliver it was to them an unhappy one. We have the resources, the extent of territory, and the American spirit which within a few decades will give us the population and the wealth—and we already have the grit—to fight anything in Europe or Asia ourselves.

The German ambassador who talked of delivering Texas to Mexico a few years back showed that he was poorly informed. Had he been informed he would have known that Mexico thinks that she could whip the United States any time but for Texas. She has had that impression ever since the Texas revolution, and especially ever since the battle of San Jacinto our Mexican neighbors have had the idea that they did not want Texas. They need Texas as a possession just about as much as a Hottentot baby needs a bear cat for a pet. [Laughter.]

They are neighbors. We hope that order will soon be established among them and that they and we will remain friends. We hope they will make progress in the arts of peace and civilization along their own line.

In spite of the misinformation of gentlemen who talk of ours as a one-crop country, or our life as being static, we are going forward building roads, schools, colleges, universities, great harbors, great cities, and a mighty social and industrial life thoroughly American in character. We are American in population, American in origin. Our men and women came from Virginia, Georgia, the Carolinas, Alabama, Mississippi, Tennessee, Kentucky, Ohio, Pennsylvania, and the great American States. We are American in producing things the world needs to eat and wear and in building and maintaining its great present-day civilization. Our ambition is that the best American characteristics and impulses may dominate our great Commonwealth in the future as they have in the past. As a mighty member of the great Commonwealth we shall do our part to uphold Americanism at its best.

If our friends want to illustrate how parts of America might slough off we would prefer that they use some section less American in population, traditions, present development, and prospects than ours. If men want to talk inaptly about Texas, or parts of it, being ceded to other countries they would do well to avoid any stipulations as to delivering the ceded territory, for when Texas, in the spirit of the Alamo, Goliad, and San Jacinto, say to the would-be possessors, "Come and take it," the grantees will probably complain that title and possession failed.

This bill and the committee report shows that your Rivers and Harbors Committee and you fully appreciate the great part we are playing and will play in the industry and commerce of the America which will never hereafter know division. We appreciate the place we have won and the recognition accorded us. We expect to make the most of the opportunities and responsibilities now upon us and to come to us in the times ahead. [Applause.]

Mr. DEMPSEY. Mr. Chairman, I yield 30 minutes to the gentleman from Illinois [Mr. GRAHAM].

The CHAIRMAN. The gentleman from Illinois [Mr. GRAHAM] is recognized for 30 minutes.

Mr. GRAHAM of Illinois. Mr. Chairman, in recent utterances Mr. Cordell Hull, chairman of the Democratic congressional committee, has attacked the present Congress and national administration for alleged incompetency, and has insisted that conditions now existing in the country are due to the failure of this administration to function properly. Like criticism has been heard on the floor of this House.

In view of these constant and apparently concerted Democratic attacks upon the present Republican administration it becomes legitimate and necessary that the exact causes of the conditions which exist in our country to-day be well understood.

When President Wilson first assumed his office March 4, 1913, the total interest-paying indebtedness of the United States was $965,706,610, on which the annual interest charge was $22,835,330.40. Labor and money were employed; agriculture, labor, and manufacturing were protected by an adequate tariff law, and we were prosperous. The new Democratic administration enacted a free-trade measure, and by August, 1914, in a little over a year from the date the Democratic administration began, labor was unemployed and business depression and stagnation crept over the land like a cloud.

Then came the European war, and by means of it the industrial salvation of our country. Of our participation in the World War and the events leading up to it I shall not further refer, except incidentally to point out hereafter some of the problems we now have and their underlying causes.

It is sufficient now to say that we came out of the World War with an immense burden of debt, and that the interest-paying debt when President Wilson turned over the administration to his successor in March, 1921, was $23,820,073,464.45, the annual interest upon which is $1,001,620,434.62. We are confronted by the necessity of appropriating vast sums of money for the purpose of paying this annual interest. Our Democratic brethren, having contracted this indebtedness and being utterly incapable, in the estimation of the people, of offering any method by which the country can pay its debts and rehabilitate itself, have given up the reins of government to the Republicans and now shout their criticisms of the present administration because it does not immediately repair the damages which it took them eight years to do. Just what they spent, some of the items of expenditure that go to make up this vast sum, I shall attempt to now detail:

The War Department expended from April 6, 1917, to June 1, 1919, $14,544,610,213.65.

Of this vast sum, in itself over one-half of our entire interest-paying indebtedness, a large proportion was absolutely wasted. I have heretofore called the attention of this House in an address delivered on June 1, 1920, to the utterly wasteful and unnecessary improvidence of these expenditures. It is sufficient to summarize here: The Ordnance Department spent $3,991,489,570.48 and obtained 72 cannons and 20,000 shells. The War Department spent $116,194,974.37 on nitrate plants that produced no nitrates, $20,000,000 on by-product coke ovens that produced no war material, $35,000,000 on picric-acid plants that produced nothing, countless millions on tanks and produced no tanks, $116,000,000 for poison gas and obtained no gas, approximately $200,000,000 for powder plants that produced no powder, $127,661,000 for port terminals that were not used, $1,200,000,000 for camps in which the waste of materials and labor constituted more than one-half of the outlay, and $1,051,511,988 for airplanes and received no fighting machines.

It is entirely safe to say that of this vast sum of over fourteen billions more than one-half was wasted and given away to war contractors.

If this were all, we might wash our hands of the whole matter. But connected with these expenditures were thousands of unexecuted contracts and contingent liabilities of the Government. Also, many of these expenditures were made and contracts entered into after the armistice was signed and when there was every incentive for economy. For a year or more after the armistice many contractors were turning out vast quantities of contracted goods when there was no reason for so doing. To illustrate: After the armistice, in the period from November 14, 1918, to July 3, 1919, we had manufactured and accepted incredible amounts of war materials from American contractors, among other items being 903,886 37-millimeter shells, 1,798,096 75-millimeter high-explosive shells, 1,676,290 75-millimeter gun shrapnel, 182,393 155-millimeter gun gas, 822,796 155-millimeter howitzer high explosive, 115,366 155-millimeter gun and howitzer shrapnel, 88,882 3-inch Stokes shells, and vast quantities of other production. Even after July 3, 1919, American factories turned out for the Government large quantities of shells and war materials, as, for example, 50,000 3-inch high-explosive shells and 35,000 240-millimeter howitzer high explosive. Hundreds of cannon were accepted by the War Department even after July 3, 1919, as, for instance, one order of 345 240-millimeter howitzers, costing approximately $10,000 each. Several of the factories in England and France were kept running on American orders which our War Department would not cancel. We received in France after the armistice 944 75-millimeter guns and carriages of the old 1897 model; 198 155-millimeter guns, carriages, and limbers; 700 155-millimeter howitzers, carriages, and limbers; and 200 English 60-pound guns, 100 6-inch guns, 355 8-inch howitzers and carriages, and 40 9.2-inch howitzers and carriages. When one remembers that the cost of one 8-inch howitzer and carriage was $54,000 and the other materials above named in proportion, it can be appreciated what expenditures these contracts entailed.

Much of this war material was obsolete, and not such as had been perfected and was used in the last days of the World War. Col. G. J. Jenks, testifying before a congressional committee August 13, 1919, said about the artillery we had acquired: "None of the material that we have meets the present views of the service as to range." It is obsolete, "as far as design goes, as to power and range."

Mr. WILLIAMSON. Will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. WILLIAMSON. What became of those guns that were manufactured in England and France after the armistice?

Mr. GRAHAM of Illinois. I am going to tell you about that. The explanation that was given by the administration was that they did not want the factories of England and France to close down too quickly; that France and England did not desire it to be done because of the disturbance of their industry which would be caused thereby, and therefore these factories in England and France were permitted to run on American orders after the armistice was signed in order to keep a friendly feeling between the nations, although this was costing us hundreds of millions of dollars. These guns are now stored in various places in the United States, some of them—as, for example, the English 60-pounders—being practically useless for any military purpose of the United States.

Not only were these contracts continued, but moneys of the Government were used to continue and complete other projects, such as by-product coke ovens for private concerns. In some cases the contracts were so unskillfully drawn as not to be subject to cancellation when the war closed. In some cases the administration proceeded with the expenditures, fully intending to do so. A fair example of this is the Muscle Shoals project.

That plant was located by President Wilson against the protest of his scientific advisers. It was a political location. It was built with funds not intended for that purpose. A contract was made with the Air Nitrates Corporation for its construction which, if valid, puts the Government in the power of that corporation. Seven months after the first contract was made the War Department deliberately made a new contract in lieu of the first, raising the royalty if the Government should attempt to operate the plant, after the war, from 6 mills per pound of product to 1½ cents a pound, giving additional fees for construction and giving to the Air Nitrates Corporation the first right to purchase the property if the Government should decide to sell it after the war.

Mr. LONGWORTH. Would the gentleman mind stating at that point what was the capital of the Air Nitrates Corporation?

Mr. GRAHAM of Illinois. It was a Delaware corporation capitalized at $1,000.

Mr. COOPER of Wisconsin. Was all this under Secretary of War Baker?

Mr. GRAHAM of Illinois. Yes.

It made another with the Alabama Power Co. by which it expended $5,167,277.42 on land belonging to that company; the ordnance officers, acting directly under orders of the Secretary of War, finished an industrial village for this grasping corporation after the armistice was signed, and spent much of the sum above named when it was no longer necessary to do so. In order to fasten upon the country irretrievably the Government operation of this work, with feverish haste the War Department began the building of the so-called Wilson Dam across the Tennessee River at that place. Although work on this dam had been stopped, when the President saw that the war was over, on November 9, 1918, he issued an order that work be at once recommenced and rushed on this dam. Up to the time of the signing of the armistice only about one month's work had been done on the dam and only a small amount had been expended on this dam of the $13,385,000 allotted for that purpose. Work was rushed, and the entire balance unexpended, together with about $5,000,000 transferred from another fund, was spent so that there could be no going backward. Not only was this done but over $1,250,000 was spent in opening up a quarry after the plant was shut down and against repeated protests in Congress. Approximately $25,000,000 was spent at Muscle Shoals after the armistice. And to-day, entangled in this mess of bad contracts and inefficiency and waste, we are sending committees to Muscle Shoals, and the Republican administration is faced with the necessity of trying to find some way to solve these questions originating in the desire of President Wilson to build up one part of the country under the guise of a war necessity and at the expense of the Public Treasury.

All sorts of embarrassing and unfortunate situations arose out of this war, because of the failure of the last administration to observe even reasonable care to secure our national rights. A better example can not be cited than in our sale of surplus war material to France. We had over $2,000,000,000 worth of such material in France when the war closed and scores of millions of dollars worth of this was shipped to France after the armistice, such as 30,000 new automobiles. When we talked of moving this material home or selling it at retail, France informed us if we did we must pay $150,000,000 in import tariffs. No one in the administration apparently had ever had judgment enough to have it understood that we were not to be subject to such exactions. We had no understanding at all, and so we had to sell this material to France, on 10 years' deferred payments, for $400,000,000. Then France arranged a sale of part of it to jobbers, and they shipped it into the United States without paying any customs duty. When we passed a bill in the House to stop this importation, it met solid Democratic opposition, and its timely passage in the Senate was prevented by Democratic objections there.

Nor was this all of the War Department expenditures. There was a legacy of debts and claims which will plague us for a hundred years. In the closing days of the Democratic Sixty-fifth Congress, on March 2, 1919, the notorious Dent Act was proposed and passed. It was claimed it was necessary in order to permit a speedy settlement of war claims by the Secretary of War. After the passage of the act it was found that thousands of claims existed for which there was not a scratch of a pen as evidence. Over 30,000 claims were filed before a board set up by the Secretary of War, and as a result of the operations of the board up to January 4, 1922, $484,425,566.11 have been paid out, much of it without the existence of a contract, most of it without an accounting, and practically all of it without any legal justification at all, except in the language of the Dent Act itself. During the Sixty-sixth Congress the protests of the Republican majority in this House against the actions of the War Department on these claims were frequent, but the protests were unavailing. To illustrate the loose and grossly inexcusable way in which these claims were allowed, in a recent summing up by Brigadier General Lord, Chief of Finance of the Army, he finds on an audit of approximately one-tenth of these paid claims there has been overpaid, in these few settlements to war contractors, $46,000,000. There is but little doubt that on an audit of these claims vast sums will be found to have been paid either from carelessness or absolute collusion with war contractors. To see to the return of these sums unjustly paid is one of the tasks of the present administration.

Mr. JOHNSON of Mississippi. Will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. JOHNSON of Mississippi. What is the gentleman's idea of what we should do with the Muscle Shoals proposition—all this that he has been talking about is water over the wheel.

Is the gentleman in favor of giving the contract to Henry Ford, or is he against it?

Mr. GRAHAM of Illinois. I have not looked carefully into Mr. Ford's offer, but if it is in the same terms as when he first made it——

Mr. JOHNSON of Mississippi. It has been modified.

Mr. GRAHAM of Illinois. Well, as far as the first offer is concerned, I would not accept it. But that is not what I am talking about; I am talking about the charges you make that we are responsible for not doing all these things. I want to show that the things we have to do are things that were left over by the last administration.

Mr. JOHNSON of Mississippi. Will the gentleman yield again?

Mr. GRAHAM of Illinois. I will yield this time, and then I must refuse to yield further.

Mr. JOHNSON of Mississippi. Did not the gentleman's investigating committee disclose that these contractors were Republicans, who are liberal contributors to the campaign fund?

Mr. GRAHAM of Illinois. Not all; some of them are, but that makes it all the worse.

Mr. JOHNSON of Mississippi. Is not that the reason they were not prosecuted?

Mr. GRAHAM of Illinois. No; there was no such reason that I know of.

Mr. TINCHER. The Democrats on the gentleman's investigating committee filed minority reports.

Mr. GRAHAM of Illinois. Yes; that is the ridiculous part of all this flurry created in the House by our Democratic friends who want an investigation. While the investigation was going on the minority in every instance filed minority reports and did everything they could to obstruct the investigation and prosecution. When we put our finger on some scalawag who had defrauded the Government and ought to have been prosecuted, the minority came in with a minority report, and the Secretary of War appointed a committee to go out and whitewash him.

Mr. JOHNSON of Mississippi. Can the gentleman tell us now why it is that the gentleman from Kansas [Mr. CAMPBELL], of the Rules Committee, does not bring in a rule for the investigation?

Mr. GRAHAM of Illinois. I do not know; I am not immediately concerned in that matter.

Mr. JOHNSON of Mississippi. Is the gentleman in favor of an investigation?

Mr. GRAHAM of Illinois. I am in favor of the prosecution of the fellows who robbed the Government during the war; that is what I am in favor of. [Applause.] I always knew there were thieves, and I do not care whether they were Republicans or Democrats, if they are thieves they ought to be prosecuted, and I hope and believe they will be prosecuted. [Applause.]

Mr. JOHNSON of Mississippi. I agree with the gentleman. But is it not a fact that the Democrats voted for every investigation?

Mr. GRAHAM of Illinois. Oh, yes; they voted for it, but they never voted for any recommendation for prosecutions and the parties were whitewashed.

Mr. ANDREWS of Nebraska. Who had the power of prosecution prior to the 4th of March, 1921.

Mr. GRAHAM of Illinois. It laid with the Department of Justice and the administration, but you could not get anywhere; you could not get a prosecution started; there was not one. The way the records were left when this administration came in—a confused mass of intricacy—you could not start a prosecution without a very long research.

Mr. LONGWORTH. Were there not cases where important papers were missing?

Mr. GRAHAM of Illinois. Yes. But I did not intend to discuss this subject when I arose. Let me tell you one thing that happened. There were people brought before our committee and people brought before the grand jury out of the War Department who were concerned with the keeping of these records, who deliberately hid and lost papers for the purpose of keeping members of the committee and officers of the Department of Justice from examining them. I am not saying that the prosecution ought to be delayed, but I say that a reasonable time ought to be given for investigation, and then the law ought to be enforced as quickly as possible under the circumstances. A great deal is being said about the failure of the Department of Justice to prosecute. No lawyer, I care not what his ability or standing, could have gone into the Department of Justice when this administration did and, out of the utter confusion that reigned there, had any of these highly important war-fraud cases ready for trial before this time. But the country now expects vigorous action, and I have all confidence that the Department of Justice will respond readily and fully to that demand.

But I must proceed with these other matters.

Under various Liberty loan acts President Wilson was authorized to purchase bonds from the countries engaged in war with our enemies, bearing the same interest, of the same maturities and same conditions as the bonds we issued and sold to our people. Under this authority, President Wilson dispensed to our allies and to a flock of little nations whom he was seeking to incubate immense sums, which, with the interest accrued and unpaid, now amount to more than $11,000,000,000. The acts authorized loans to our allies. About $300,000,000 of that money was loaned to countries not in the war at all. One billion five hundred million dollars of it was loaned by the Secretary of the Treasury after the armistice, and when every reasonable man will concede he had no right to do so under the law.

Mr. JOHNSON of Mississippi. Does that include the Liberian loan of $5,000,000?

Mr. GRAHAM of Illinois. No; it does not; but the Liberian loan was like a lot of other things left over by the last administration. The faith of this Government was pledged by the last administration, and when the present administration came into power it had either to refuse to keep the promise that you fellows had made in the name of the Government, or go through with it.

Mr. JOHNSON of Mississippi. And yet the gentleman voted for it a few days ago.

Mr. GRAHAM of Illinois. No; I did not. I was not here. I have always been a great believer in standing by my promises if I make them myself, and by them if my Government made them. That is the way I felt during the war, when I did not believe the President was doing many things right. Yet I went along with him.

Mr. JOHNSON of Mississippi. And the gentleman's party claimed all of the time that that was an illegal authorization, and yet a few days ago it voted the loan.

Mr. GRAHAM of Illinois. The Republican Party never breaks the faith of the Nation when it is once pledged. It was intended by the Liberty loan acts that we should buy the bonds of foreign nations. Instead, all that the present administration found to show for this vast sum were memoranda of some diplomatic agents or officials. Not only was this true, but there was the general impression and belief existing in every country to whom this money had been advanced, induced no doubt by the conduct and public utterances of President Wilson, that the United States never intended to collect these amounts. The incoming administration and a Republican Congress has had, therefore, two things to do: First, to overcome the erroneous impression held by foreign countries and convince them of the necessity of paying these debts; second, to obtain from them the properly authorized bonds to represent these debts. Even after the almost inextricable confusion that had been created by the last administration in the matter, when a bill was brought in by the Ways and Means Committee to appoint a commission and adjust these debts, the Democrats of both House and Senate opposed the project almost to a man.

In 1916, as a part of the machinery for stimulating the building of a merchant marine by act of Congress, the Shipping Board was created. After the declaration of war Congress, by the urgent deficiency act of June 17, 1917, conferred vast additional powers upon the President to requisition and build ships. This power, by Executive order dated July 11, 1917, the President delegated to the Emergency Fleet Corporation. Thereafter occurred the monstrous expenditures of our shipping program. They cost us $3,306,000,000. Contracts were made with anyone and everyone who said he could build a ship, or anything for one, irrespective of price or quality. There was no uniform plan for these ships adopted. No thought was given to what use the ship might be put after the war. There were no cancellation clauses in the contracts, so that if the war ended the work might stop. Five hundred and eighty-nine wooden ships of 1,885,250 dead-weight tons were built, costing approximately $375,000,000, and which were absolutely worthless. Thirty concrete and composition ships costing about $27,000,000 more were equally worthless. Two thousand two hundred and eighty-eight ships altogether were built and delivered. Only about 450 of these were delivered before the armistice, and all the rest, or about 1,838, have been delivered since the war was over and the further necessity for them had disappeared. Because of the contracts which had no cancellation clauses and the incessant pressure of the Democratic administration, shipbuilding went on feverishly until the present administration came into power. One thousand one hundred and eighty ships were delivered in 1919 and 473 in 1920, the

most shameful part of which was that in 1919, 408 of these were wooden ships, and in 1920, 61 were wooden ships, conceded by all to be worthless.

When the present administration came in on March 4, 1921, it tried to take stock. It now finds about 5,000,000 tons of steel ships which are salable for approximately $150,000,000 and estimated other assets of $190,000,000. It finds claims pending against the Government of $298,428,845.59, which, if allowed in full, would just about wipe out all our assets and leave us nothing to show for our $3,306,000,000 of the peoples' money expended. Countless millions had been sunk in Hog Island and every other mudhole in the country. To show the rank incompetency of the preceding administration, it has been found that mortgages and other liens securing the Government for vast sums had not been recorded and the liens were lost. Liens for millions which should have been taken were not. Vast sums for repairs and reconditioning were charged against the corporation for things which the slightest care might have prevented; ships had been sold without a cent of deposit or a letter of security; vast contracts, uncancellable, for materials were found. To illustrate, a contract to take 40,000,000 barrels of fuel oil a year. The board is involved in 50 concerns which are in the hands of receivers. Three thousand five hundred lawsuits in the civil courts are pending and $62,739,315.76 of claims in the Court of Claims, and a business which is now losing $4,000,000 a month.

Now, we have this wreck to salvage. For 50 years the contingent liabilities of this experiment will haunt us. We have not only spent our three and one-third billions, but we must contrive some method of subsidy to keep what ships we have upon the sea. And in this last attempt to get something constructive out of this insolvent business, we are meeting the almost undivided opposition of the Democratic minority in the Congress.

Mr. ANDREWS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. ANDREWS of Nebraska. Did not the Government make a contract with Henry Ford to manufacture a large number of Eagle boats?

Mr. GRAHAM of Illinois. Yes.

Mr. ANDREWS of Nebraska. Were any of them furnished and put into service?

Mr. GRAHAM of Illinois. I do not know. I have seen some of them since. I doubt whether any of them were actually in service before the armistice.

Mr. ANDREWS of Nebraska. I have heard it stated that he made a profit of $30,000,000 and that he donated that back to the Government. Has any such fund been turned in?

Mr. GRAHAM of Illinois. I do not know as to that.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. COOPER of Wisconsin. Does the gentleman have any information as to why a building 400 feet long and 200 feet wide, at Corliss, on the prairie 7 miles west of my city in Wisconsin, was filled as late as the fall of 1920 and the winter of 1921 with marine engines, stacked one above the other, the building full, and it about a thousand miles from the sea or any place where those engines could be used?

Mr. GRAHAM of Illinois. That is only typical of a lot of other things. I was down in Charleston, S. C., while our committee was doing its grinding work in 1919 and 1920, and they were then shipping stuff into that terminal, a terminal that had been built at an expense of $20,000,000, out of which not a pound of produce had ever been shipped or a soldier taken. Yet they were shipping stuff there long after the war was over.

And they were doing it all over the country. I do not know why they did it. I have not any conception, but it appeared that the administration representatives were trying with all their hearts to spend money and they did spend it. Now, just a word on the Railroad Administration.

Prior to the World War no country had a healthier railroad condition than did the United States. Service was speedy, rates for passenger and freight carriage low, and the roads were making fair returns upon capital invested. In the two and one-half years from the outbreak of the European war until our own entrance into that war this condition continued. In the military appropriations bill of August 29, 1916, a provision had been inserted authorizing the President, in time of war, to take possession and control of any system of transportation and to use the same as might be needful or necessary in the emergency. Immediately after the entrance of the United States into the war with Germany various semicivilian, semiofficial boards were set up which began to issue various and conflicting priority shipment orders. So great became the confusion and congestion that the ports of the East, notably New York, became blocked. The judgment of those with most intimate knowledge is that official inefficiency is solely responsible for this condition. President Willard, of the Baltimore & Ohio Railroad, President Wilson's appointee as chairman of the Advisory Commission of the Council of National Defense, now openly charges this to be the fact. Then President Wilson, by proclamation dated December 26, 1917, took over all the transportation systems of the country absolutely. The administration was not content to issue proper orders by which the activities of the transportation systems of the country could be coordinated under a proper governmental bureau and whereby they could be operated by their private owners but took over everything and started Government operation of railroads. That one act, with its natural consequences, has immensely added to our national indebtedness and has entailed consequences that are far-reaching and disastrous.

The Government operated the railroads until March 1, 1920. On December 24, 1919, the President issued a proclamation that 60 days thereafter, to wit, March 1, he would deliver back the roads to private control. Having involved the affairs of the railroads in inextricable confusion, having permitted their rolling stock and equipment to deteriorate, having inflated their pay rolls and maintenance charges by billions, having destroyed both the credit and the morale of the roads, the President, without the slightest opportunity for adequate preparation, said to the Congress and the country, "Here's the mess we have made; now you clean it up." In the two months remaining a Republican Congress, trying to do the best it could with a hostile administration, hastily wrote and passed the transportation act of 1920. During the 26 months of Federal control, the Congress, responding to the urgent and repeated requests of the administration, appropriated $1,750,000,000 from the Treasury for the railroads. In addition to this vast sum for the six months' guaranty period under the transportation act, $700,000,000 more will be required. In addition, $200,000,000 will be required to settle outstanding claims and $300,000,000 more has been provided to make loans to the railroads under the transportation act. Thus we find a total burden on the Treasury of $2,950,000,000 caused by the utter folly of the last administration in its railroad program.

Nor is this all. Thousands of lawsuits are pending in which the Government has a contingent liability. In Minnesota alone 6,000 lawsuits originated in one fire. Many of the equipment trusts and definitive obligations we have taken run for 10 years yet. We must maintain a railroad administration for at least 10 years to come and until its end, no one can tell what our obligations are.

Nor was this the worst. No sooner were the roads under Government control and operation than a systematic course of exploitation began for personal and party advantage. Wages were raised when requested and when not requested. The total additional annual wage burden caused by Government operation was $1,765,000,000. The prices of materials and repairs were boosted to the skies. Executive orders were issued with confusing frequency, almost all of which tended to destroy discipline and morale. Minimum wages were established for all branches of the service. A fair illustration of these orders was that of February 14, 1918, when Mr. McAdoo ordered: "Mechanics applying for employment will not be denied such employment for any other cause than inability to perform the work," and by which order any anarchist or I. W. W. who applied for work which he could do must be employed. When the Government took over the roads 80 per cent of the cars were upon their own roads; when the roads went back to their owners 80 per cent of the cars were on other roads, from which they did not return for long periods.

All this was done without any corresponding increase in rates to compensate for such additional burdens. Increased rates are not popular.

Finally, when the problem was turned over to the Republican Party on March 4, 1921, the number of railroad employees was largely increased, the general efficiency of the roads decreased, freight and passenger rates were raised to a point where traffic could not move, the credit of the roads was weak, and the Government with a staggering weight of financial obligation. Nothing can exceed the utter carelessness of the railroad administration during Government operation. Already, on a partial audit of claims and accounts, over $85,000,000 of errors and overpayments have been discovered, which the Government is now attempting to recover.

To-day we have no more serious problem than the question of the reduction of our railroad passenger and freight rates. The problem was created by the absolute lack of wisdom and horse sense characterizing the Wilson administration handling

of the railroad question. Now they loudly cry for a reduction of rates and vociferously denounce a Republican Congress for inaction. I am reminded of the man who deliberately fouls his water supply and then loudly abuses the board of health because his family gets typhoid fever.

Of our total debt, therefore, of approximately $24,000,000,000, five-eighths of it is attributable to the following causes:

Probable waste in war contracts	$7,250,000,000
Illegal loans to foreign countries	1,300,000,000
Shipping program	3,300,000,000
Government operation of railroads	2,950,000,000
	14,800,000,000

Mr. ANDREWS of Nebraska. Will the gentleman allow a question? How long could we have run the Government without raising a dollar by taxation if we had had all this wasted money to be used for that purpose?

Mr. GRAHAM of Illinois. If we had the money that was wasted in this war this country would be in excellent financial condition.

Mr. ANDREWS of Nebraska. Could not we have run it for over two and a half years?

Mr. GRAHAM of Illinois. Yes. At our present rate of expenditures under this administration, if we had the money absolutely wasted during and since the war by the last administration we could pay all the running expenses of the Government for four years without a cent of taxation.

Mr. JOHNSON of Mississippi. Was the gentleman opposed to loaning money to the Allies to help carry on the war?

Mr. GRAHAM of Illinois. If the gentleman means did I vote for the measure, I voted for the measure; and I did not know whether it was wise or not. Nobody knew except the President, and he was charged with the responsibility. He asked for the funds and he used them, but we have the right, however, if the gentleman from Mississippi will indulge me, to say to you and your administration now we shall hold you to a strict accounting for what you did.

Mr. JOHNSON of Mississippi. Will the gentleman tell the Congress how his own administration during the Spanish-American War acted in feeding the soldiers rotten meat and——

Mr. GRAHAM of Illinois. I am not going into the Spanish-American War or any other war. I am bringing up the issue of to-day, the issue you made through your National Democratic Committee and the other issues you are making on the floor of the House. It is time the people learn and know the truth, and when they do there will be no doubt about their attitude.

Nothing that our people have suffered as a result of the war has been more burdensome and oppressive than the high cost of living. During the war period, and since, and continuing to a considerable extent to-day, prices of the necessities of life have soared to the skies. While high prices came with war conditions, most of this stupendous increase is directly traceable to the last administration and its activities.

By the Sherman Act of 1890 we recognized the principle that a combination in restraint of trade was detrimental to our national welfare. For about 30 years we developed that principle and established it firmly, adding to it by other acts. Immediately upon our entrance into the war that act and all other similar acts became dead letters and never again, during the Wilson administration, was the slightest attention paid to them. Before the existence of war with Germany was declared, combinations of the industries of the country were being formed. At once after the declaration every class of labor, every trade, every interest, every branch of manufacturing were not only invited to, but forced to, combine. These combinations of industry fixed prices, regulated the amount of output, controlled the amount to be purchased by the Government. In the labor field every trade that was not organized was caused to organize, and these organizations had their seats in the national councils, controlled the output, and fixed the price of labor. Not only did these combinations exist, but they controlled the whole industrial conduct of the war. By them the industries made the requisitions and the plans, they did the buying, and after the armistice settled the claims. Large numbers of representatives of industries which were doing business with the Government had their agents wearing the uniforms of the military forces and drawing pay, both from their private employers and from the Government. The law required all contracts to be let by bidding, and all contracts to be in writing. Six days after the declaration of war the Secretary of War dispensed with the first provision by Executive order, and no one seemed to pay any attention to the second.

Soon after our entrance into the war some of the business interests connected with the Government suggested and put into operation the notorious cost-plus system of contracting, a system more productive of graft and fraud and corruption and waste than any other system ever devised. Cost-plus contractors, intent only on their percentage of cost, filled the markets of the country, and bid the cost of labor and materials to the skies. An orgy of waste and riotous profligacy followed unchecked by the Government.

When the war ended this Government policy, or lack of policy, had placed the price of labor and manufactured materials at the very highest figure ever known. Not only were these prices high, but the combinations which the Government had formed in violation of law, now fixed prices, obliterated competition, and boldly proclaimed that war prices should not be lowered. The farmer alone, who had no combination and could not fix his prices, found his prices tumbling about his ears; but the interest which had high-priced manufactures or labor to sell through its combinations, although the demand was lessened, limited its output and kept its prices up.

That is one of the legacies the last administration left to us. It will take a vigorous enforcement of the antitrust laws of the land and a most serious effort to undo the wrong which has been done to the country. It is one of the problems of this administration. While Democratic gentlemen declaim about high prices, we must seek a remedy for the condition their party has created.

It will therefore be seen that the great problems which are pressing for solution to-day, and which this Republican administration must meet, namely: Our immense public debt and interest charges, taxation, customs duties, railroad rates, foreign debts and entanglements, and high cost of living are left to us as the residuary legatees of the last Democratic administration.

Time will not permit me to go at length into many other matters which I might discuss. Therefore, I must content myself with but a brief mention of them. Let me summarize:

WHAT THE DEMOCRATIC ADMINISTRATION LEFT US.

We found a debt of $24,000,000,000, a major portion of which was due to Democratic incompetency, and an annual interest charge of $1,000,000,000.

In the first year we paid off $350,000,000 of the principal of this debt.

We found the most disastrous revenue system with which the country was ever cursed.

We passed a new law and reduced the burden of taxes upon the people by $819,000,000 a year.

We found the Liberty bonds selling for 85 cents on the dollar.

We brought them to par.

We found an Army of 230,000 men.

We have reduced it to 135,000.

We found a Navy of 133,765.

We have reduced it to 96,000.

We found total appropriations for 1920 of $7,348,259,415.37.

We reduced it in 1922 to $3,909,782,209.46.

We found 640,175 civil employees.

We reduced them in one year by 71,849.

We found the doors of our country open to the trade and cheap labor of the world.

We closed them by temporary tariffs and will regulate them by a scientifically adjusted tariff law.

We found the farmers of the country threatened with disaster as war contracts closed and deflation from Democratic waste and inflation came.

We aided them by timely legislation through the Federal farm loan system and the War Finance Corporation, until to-day farm prosperity is on the way.

We found a state of war with Germany.

We ended it.

We found an entangling League of Nations.

We gave the world disarmament and a dream of peace realized.

We found American prestige at its lowest ebb.

We placed it in the forefront of the nations.

We found waste.

We have brought economy.

We found inefficiency and noncoordination.

We enacted Budget legislation.

We found a maze of complicated obligations and contractural relations.

We are disentangling them and clearing the decks.

In all this we have had Democratic criticism and opposition.

But the light shines brightly before us and better days for the Republic are at hand. Under the guidance of a party which has never failed the Nation in its times of need, following the leadership of our sane, far-sighted, and right-thinking Presi-

dent, Warren G. Harding, the country may well be assured that the future is full of promise. [Applause.]

Mr. NEWTON of Missouri. Mr. Chairman, I ask nanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to revise and extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. DUPRÉ. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. JOHNSON] such time as he may desire.

Mr. JOHNSON of Mississippi. Mr. Chairman and gentlemen of the committee. I sympathize with the gentleman, Mr. GRAHAM, of Illinois, who has just preceded me, in the predicament in which he and his party find themselves to-day. No doubt his state of mind is attributable to the results of the elections held in Pennsylvania and Indiana a few days ago, in which the reactionary Republicans and this administration were repudiated.

The gentleman complains grievously of the management of the World War by the Democrats and would cast aspersions upon the glorious victory achieved by this great Nation in that great conflict. He complains of the waste and extravagance during the war, but he forgets that in war time a nation, as an individual, can not stop to count the cost or reason or calculate coolly and calmly as in peace time.

Mr. BOX. Will the gentleman yield?

Mr. JOHNSON of Mississippi. I will.

Mr. BOX. Has the gentleman read the statement of President Roosevelt in his memoirs about Republican management during the Spanish-American War of 1898?

Mr. JOHNSON of Mississippi. I have.

But, Mr. Chairman, we should not go into a discussion of those things at this time. The mistakes that were made during the Spanish-American War and the mistakes that we made during the World War are overshadowed by the glorious achievements of this Nation.

No doubt the same pessimism the gentleman from Illinois feels is felt in most of the States where the reactionary Republicans are now in power. They are fearful that the end of time is near at hand.

To show you that the same feeling of pessimism and fear exists in the Harding family, I am sending to the Clerk's desk a clipping taken from the Washington Post, which I will ask the Clerk to read.

The Clerk read as follows:

WORLD'S END NEAR, SAYS DOCTOR HARDING—PRESIDENT'S BROTHER PREDICTS SECOND COMING OF CHRIST AT ADVENTISTS' CONFERENCE.

SAN FRANCISCO, May 17.—Dr. George T. Harding, jr., physician of Worthington, Ohio, and brother of President Harding, who is here attending the World Conference of Seventh Day Adventists, to-day predicted that the end of the world is close at hand.

"Indications from conditions in the world to-day all point to the fact that we are living in the time predicted by the prophets," said Harding. "This time will immediately precede the second coming of Christ, in which all Adventists firmly believe. 'No one knoweth the day nor the hour when the Son of Man cometh.'

"The end of this phase of our existence is so near at hand that we must work rapidly, for our time is short."

Doctor Harding refused to predict positively that the world would come to an end before President Harding finished his term of office. He indicated, however, that it is more than possible that such will be the case.

Mr. Chairman, I fear the gentleman confuses the end of the world with the end of Republican misrule. The air is so surcharged with a feeling of disgust toward this administration that even the brother of the President predicts that the world is likely to be destroyed before Mr. Harding finishes his term in office.

Mr. DUPRÉ. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. LANKFORD].

Mr. LANKFORD. Mr. Chairman, much has been said about preparedness for war. I wish to make a plea for preparedness for peace and for those things which make our Nation strong for all emergencies. There should only be such preparedness in the way of an Army and Navy as is necessary to maintain, if possible, the peace we now enjoy and to win at the earliest possible moment, with the least possible loss of life, any war into which we are drawn.

There should be no limit, though, to the preparedness which gives the common people of all sections a fair deal and insures to the producer a just return for his efforts and insures a production of the necessaries of life equal to every demand. Just as surely as a human being must have food, clothing, and shelter in order to live, so surely must our great Nation have these essentials or cease to exist. The individual as an act of preparedness provides food, clothing, and shelter for himself and loved ones. This Nation, if it is to endure, must, as an act of preparedness, help the common people get a fair deal in an honest effort to secure these essentials, and must help mightily the farmers of the Nation, who are doing so much along these lines for the good of all mankind. Preparedness for an era of prosperity, peace, and national growth hitherto unknown will be accomplished when we understand how absolutely necessary our farmers are and give them the laws and help which they so richly merit and which is so essential to the welfare of all.

The greatest preparedness is the production of food and clothing to the limit with a fair return to the producer and at a reasonable cost to the consumer. Help the farmer produce more at less cost. Help him get more for what he produces. Help the consumer have food and clothing more abundantly at less cost. These things are not inconsistent. They are consistent. The trouble now is that the farmer earns much more than he gets. Others get that which they do not earn. Let the fellow who earns a dollar have it. Let the fellow who does not earn a dollar do without it until he gets out and earns one.

I believe and truly hope that a better time is coming for the agricultural interests. Members of Congress are awakening as never before to the vital subject of helpful legislation for the farmers. I am sure, though, that there are many Members of Congress who place too low an estimate on the value of our farmers as a national asset and who do not realize how greatly they have suffered in the financial depression which is still gripping this country. Do you, my friends, realize that during the year 1920 the deflation of the currency and the decline in prices which followed caused a loss to the farmers of the Nation in a sum equal to nearly one-half of the value of all the railroads of the Nation? It is probably safe to say that the farmers have lost since the close of the war enough money to buy all the railroads in the United States. That such a loss has been borne by one group of our citizens is staggering to everyone who stops to think of the matter. No wonder the Nation is in a serious condition, with our most important industry suffering so much. We must save the farmers if we desire to save our Nation and make it steadfast and secure. The friends of the farmers here have made a noble fight during this period of depression and I do not mean to be impatient. I only wish the farmers had more true friends here and we could accomplish more without delay. I am truly glad that Members of Congress who are interested in legislation for the farmers are working in harmony, regardless of politics and regardless of whether they are from the South, the West, or some other section of the country. Fighting for a common cause makes brothers of us all and we will eventually prevail. Even now we are encouraged by what we have accomplished and by the plans and helpful legislation which we are working on and which we have most splendid hopes of rapidly bringing to completion and enactment.

What are some of the things we have done? I will name only a few of the most important. For nearly four years we have succeeded in keeping a tariff off of the potash which is shipped in from other countries and which is such an essential ingredient in fertilizer. Millions have been saved in this way, and yet fertilizers have been selling at an almost prohibitive price. There is yet an effort to provide for a tariff on potash in the permanent tariff bill now pending. I hope it is left on the free list.

A fight is still being waged for the farmers in this matter. I wish also to mention the farmers' relief bill, which was passed last fall enabling the banks of the country to borrow money from the War Finance Corporation on obligations of the farmers of the country. This bill proved to be very helpful, but I am anxious for us to give relief more directly to our farmers, and I have recently introduced a bill along this line.

We have passed several measures encouraging cooperative marketing and removing certain obstacles from the organization and operation of cooperative selling establishments of farmers; but, Mr. Chairman, I am extremely anxious for us to go much further and bring about, if possible, and I believe it is possible, the sale of farm products directly "from the producer to the consumer." I have now two bills pending which seek the establishment of "from the producer to the consumer" marketing. I am very much encouraged, and believe that in the very near future there will be evolved a very much better credit system for the farmers and a very much improved system of selling the products of the farm. A greater effort has been made during the last two years to give the farmers a fair deal in matters of tariff legislation than ever before. We are seeking with all our might as low a tariff as possible on what the farmer buys and a tariff on what he sells. In this way the friends of the farmers in both parties hope to offset what the farmers lose by the tariff on manufactured articles which they must buy. We certainly hope for a good rate on vegetable oils, peanuts, long staple cotton, and every farm product the price of which is injured by imports from abroad.

Mr. Chairman, there are those of us here who study every measure with a view of making it helpful to the farmers or defeating it. When we legislate for the farmers and for the common folks we legislate for all. Help the farmer produce more food and help him sell it at a living price directly "from the producer to the consumer" in a fresh, wholesome condition and you not only help the farmer, you help every one who eats. Help keep the country out of war and you help the farmer, and he and his folks living at home will help make the country prosperous. Think of the farmer's interest and you have in mind the best interest of all.

Mr. Chairman, I wish every Member here could see and feel the truth about this great producing group of our citizens as the friends here of the farmers see and feel the truth. I am so glad that the friends of the farmers, Democrats and Republicans, are laying politics aside when matters of interest to the farmers come up and are making a solid front. It means better legislation for the farmers and for our country. There are many other things, such as better freight rates, and so forth, we are working on, I would like to mention, but time will not permit now. I will mention another of special interest to the people of my district. I refer to the splendid unity of purpose which now exists between those seeking to get water on the dry lands of the West and those of us seeking to get the water off of our valuable lowlands along the Atlantic seaboard in the South and elsewhere. With a solid nonpartisan, nonsectional front put up by all who seek to reclaim lands from lack of water or from too much water we are bound to succeed. This alone means much to my section and to the whole Nation. Millions and millions of acres of very valuable land can be and must be reclaimed.

Mr. Chairman, as I see it there are three great objectives to be obtained by us for the farmers as soon as possible. Of course there are many others, but the obtaining of these three will be a most splendid beginning.

First, they must have a better system of credits, so as to better enable them to borrow the money they need. Second, they must have a better system of marketing their products and must more nearly get the value of the farm products which they sell. Third, they need very much and must have sufficient fertilizers for their farms at a reasonable price. We have been trying to help in this matter of cheaper and better fertilizer by keeping the tax or tariff off of potash and by trying to solve the Muscle Shoals problem, so as to furnish much cheaper nitrogen. Let us not let anyone make unreasonable profits out of the fertilizers our farmers use in producing the necessaries of life. They need and should have an abundance of potash and nitrates at the lowest possible cost. If we desire to embark upon a great program of preparedness, let us develop the best possible system of rural credits, the best possible system of marketing for the farmers, and give them the very best fertilizer in abundance at the lowest possible cost. To my mind, the greatest preparedness will come from truly helpful legislation of all kinds for our agricultural interests.

We should develop our water transportation. Our rivers and harbors should be improved and canals constructed wherever needed as measures of preparedness for an era of peace. All these things are not only good in time of peace but also in time of war, if we should be so unfortunate as to be plunged into war again. Along with other canals should be constructed one from St. Marys, Ga., to St. Marks, Fla., saving the distance around the Florida Peninsula. This canal would be invaluable in time of peace and in time of war may easily become more valuable than many mighty battleships or great armies of men and may even be the means of saving the Nation if it should become necessary to hurry a fleet from our Atlantic ports to our Gulf ports, or vice versa.

Why do we delay so great a preparedness? The construction of the St. Marys-St. Marks canal would be preparedness for war and peace in every sense of the term. It would give a direct outlet to the Atlantic from the entire Mississippi River Basin which would be open the year round. There would be no freezing up during winter, as is the case with northern routes. A sea-level canal here would aid mightily in the drainage of large, valuable areas of south Georgia and north Florida. I wish to say much more on this canal project in the near future.

Mr. Chairman, in the few minutes now allotted me I can only partially cover this great subject of preparedness. I can not now mention all the many, many things which we should do to make more inviting, more successful, and happier the farm life of our Nation. Neither can I at this time mention, much less discuss, the many things which are now done which hinder and retard the success and happiness of those who toil on the farm and elsewhere.

We should strive by every possible means to see that a fair deal is given to all our citizens, regardless of whether they are rich or poor and regardless of what section of the country they are from. To my mind, true preparedness, good in all events, will be obtained by the enactment of legislation which is nonsectional, nation-wide, fair to all; for people, not for moneyed interests; for producers, not for profiteers; for consumers of food, not for consumers of folks; for boys and girls and their fathers and mothers who live by their own honest toil, and not for the moneyed vampires of the human race, who do not produce and never expect to produce, but who live by the honest toil not of themselves but of others. True preparedness will come from the encouragement and support of every individual move or enterprise which has for its purpose the lifting of mankind, the serving of the human race, or the upbuilding of the Nation, and not help but opposition for the individual move, scheme, or plan which proposes to enslave the children of men, degrade a great people, or work the downfall of this mighty Nation of ours. [Applause.] True preparedness will spring from that performance of duty by those in authority which makes our people more united, more happy, more prosperous, more patriotic, more enlightened, more law-respecting and law-abiding, more assured of absolutely a fair deal in all matters, and more God-fearing and God-worshiping. The due and true performance by us and others of these most solemn and sacred obligations will usher in the great preparedness which is steadfast and everlasting. [Applause.]

Mr. DUPRÉ. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. BRIGGS].

Mr. BRIGGS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to revise and extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. BRIGGS. Mr. Chairman and gentlemen of the committee, Hon. John W. Weeks, Secretary of War, in a communication under date of January 25, 1922, to Hon. S. WALLACE DEMPSEY, chairman of the Committee on Rivers and Harbors, indorsed and emphasized in strongest terms the necessity for the extension of the east end sea wall of Galveston to the south jetty at the earliest possible moment for the protection of Galveston Channel and Harbor and the commerce which flows through it:

WAR DEPARTMENT,
Washington, January 25, 1922.

Hon. S. WALLACE DEMPSEY,
Chairman Committee on Rivers and Harbors,
House of Representatives.

MY DEAR CONGRESSMAN: I am in receipt of your letter of January 11, 1922, inclosing a copy of H. R. 9549, Sixty-seventh Congress, second session, a bill for the improvement of Galveston Channel, Tex., and requesting the views and opinion of this department on the measure. The purpose of the bill is to authorize an extension of the present sea wall for the protection of the entrance to Galveston Harbor, in accordance with the report stated in the bill, which was submitted to Congress by this department. I presume that the bill will be considered by your committee with a view to its incorporation in a general river and harbor bill.

I most strongly commend to your favorable consideration the authorization of the work proposed in this bill. The city of Galveston, after the disastrous hurricane of 1900, constructed a sea wall for the protection of the city against future damage. Under the authority of the river and harbor act of July 27, 1916, the wall has been extended by the Federal Government in cooperation with local interests, but there still remains an unprotected space, 2,860 feet in length, between the end of the wall and the jetties at the entrance to Galveson Harbor. The wall already built will tend to increase the liability of the scouring action of the sea during a hurricane through this interval, and there is grave danger that a breach will be formed outside the jetties, and enormous quantities of sand carried into the harbor channels, blocking them to navigation.

The waters of the Gulf were raised as much as 14 feet above the usual sea level during the hurricane of 1900. The scour that would result from the rush of water under such a head through the funnel between the present end of the sea wall and the jetties, and the backwash of the water from Galveston Bay as the Gulf level receded, is too apparent to require elaboration. As a consequence of the hurricane of 1919, with a storm tide of but 8.8 feet in height, and with a free gap 4,300 feet in width, a hole was scoured at the end of the uncompleted wall some 950 feet long, 800 feet wide, and 18 feet deep. The importance of extending the sea wall to connect with the jetty at the earliest possible moment is emphasized in the report of the special board contained in the document cited in the bill. If this gap is not closed by the contemplated wall there is great danger of a severe storm destroying the south jetty, built at a cost of about $4,000,000, and obliterating the entrance channel to Galveston Harbor. This channel is absolutely dependent upon the jetties, which have made it possible to maintain a depth from the sea of 33 feet, where formerly only 12 feet existed. The port of Galveston serves the country as far inland as Iowa and Nebraska, and a loss of this port would be a national calamity. Furthermore, the present conditions could not be restored for probably some two or three years at least if the south jetty should be destroyed.

I inclose photographs showing the scouring that occurred during the hurricanes of 1900 and 1919, which indicate the violence of forces set loose at such times.

Sincerely yours,

JOHN W. WEEKS,
Secretary of War.

TREMENDOUS SAVING TO THE PEOPLE OF THE WEST AND SOUTHWEST, PARTICULARLY, BY THE DEVELOPMENT OF THE PORT AND HARBOR AT GALVESTON.

In December, 1908, Col. John C. Oakes, then captain, Corps of Engineers, United States Army, in a special report (H. Doc. 328, 61st Cong., 2d sess.), had the following to say concerning the port of Galveston:

The total amount expended by the United States on this work to January 1, 1909, is $10,419,673.59. A board of engineers stated in its report of December 19, 1902, that a saving of $10,000,000 per annum, as a result of the completed improvement, to the territory adjacent to the port would be a conservative estimate. The saving of that amount on the commerce passing through Galveston alone can be shown, without taking into consideration the saving resulting to the people by reduced rates to all other ports competing with Galveston. I have no doubt if a careful study be made of this question a saving of $20,000,000 per annum could certainly be shown, and possibly $30,000,000.

The effect of the development of this port and harbor through the construction of the jetties, which were completed in 1907, was soon shown in the tremendous decline in the freight rates, especially with reference to those on grain from Kansas City and Missouri River points.

Galveston Harbor is the outlet, too, for not only the great commerce passing through Galveston, but also for the commerce flowing through Texas City, Houston, and Port Bolivar.

PROPOSED FURTHER EXTENSION OF SEA WALL 2,860 FEET TO SOUTH JETTY.

The Secretary of War and Chief of Engineers, in House Document 693, Sixty-sixth Congress, second session, approved recommendations of Special Board of Engineers as well as the Board of Engineers for Rivers and Harbors for repairs and extension of the sea wall to the South Jetty at a total estimate of $670,000.

The Special Board of Engineers (p. 33, sec. 103, of report of special board) states:

The board is of the opinion that the present sea wall should be extended at the earliest possible moment in a straight line to the South Jetty, and that its junction with the South Jetty should be strongly protected. (H. Doc. No. 693.)

The special board further represented that—

This would appear to be a proper expenditure for the United States. It is therefore recommended that an appropriation be made immediately available in one sum in order that the work may be completed at as early a date as possible, and also in order that the organization and plant now in operation may be advantageously used in the new work.

REALIZATION OF THE DANGER TO THE SOUTH JETTY AND HARBOR.

It was sharply indicated by the 1919 board that—

72. Within the next year the construction of the sea wall extension will be completed. The end of this wall will be opposite Battery Hugh Mercer, and there will be left between it and the nearest point of the south jetty a gap 2,860 feet wide. The average level of the ground over this gap is about 3 feet above mean low water, and there is a low sandy foreshore in front of it from 3,000 to 4,000 feet wide. All the batteries and structures at Fort San Jacinto are directly behind this gap. The extension when completed will reduce the capacity of the main flood passages by about 15 per cent for a tidal height of 15 feet, which would probably increase both the velocity and duration of the flood flow. (Sec. 72, p. 28, H. Doc. 693.)

75. Jetties: The United States Army Board of 1912 recognized and emphasized the danger of a breach through the south jetty. The very great scour around the end of the uncompleted wall in 1919, as contrasted with the small effects in the much more severe storm of 1915, shows the danger to which the reservation and the harbor may be exposed if the wall is not extended to a junction with the south jetty. It is thought that possibly the proximity of the Atlantic's Hole to the end of the wall may have had a considerable influence in promoting the scour in the recent storm. Upon completion of the present project the end of the wall will occupy a somewhat similar position with respect to Bolivar Gorge.

76. These various considerations point to the advisability and necessity for protecting the reservation at this time. Furthermore, the effect of leaving open the gap between Battery Hugh Mercer and the south jetty will be to subject all the batteries at Fort San Jacinto to serious scour and possible destruction in time of hurricanes, and to subject Galveston Channel to the danger of again being blocked by sand carried over from the reservation. In addition, it would appear that there will be the even more serious risk that the south jetty may be breached or flanked and a new entrance channel opened through the San Jacinto Reservation. (H. Doc. 693.)

VALUE OF RESERVATION.

Special attention is also called by the board in its 1919 report to the great value of this reservation to the Government. The board says:

If in the future it should be desired to replace them by modern batteries or to install new elements of defense, the reservation, properly protected and filled, will provide ample room for sites and is the only Government reservation which can furnish such additional room. Both Fort Crockett and Fort Travis are now crowded and could be extended only by purchasing additional land, which would require protection by building a sea wall and would also require filling. (Sec. 78, p. 29, H. Doc. 693.)

The board further says:

If it is desired hereafter to build batteries or other works on this reservation, the construction of the 2,860 feet of sea wall now will obviate the necessity of constructing an expensive sea wall around each work. Such individual walls would in the end not only cost much more than will a single wall across the gap, but would intensify the scouring action on the balance of the reservation. (Sec. 74, p. 29, H. Doc. 693.)

Size and condition: By closing the 2,860-foot gap named—

the Government will also secure a reservation nearly 800 acres in extent, protected against serious damage by storms, suitable for wharves, storage, assembly of troops, and other Government purposes. If the wall be completed now the reservation can be gradually raised by pumping in such material as may be excavated from time to time in the ordinary course of harbor maintenance work in the vicinity. (See 74, p. 29, H. Doc. No. 693.)

The 1913 board reported, as follows:

At the time of the great storm of 1900 the water rose from 12 to 14 feet above its usual level, and this storm tide was accompanied by wind of hurricane velocity. Waves and currents swept across the east end of Galveston Island, badly wrecking the shore arm of the south jetty and making a large fill in the easterly end of Galveston Channel. This caused an immediate and serious obstruction, and it became necessary at once to procure such dredges as were available and at such terms as could be had to dredge a channel through the deposited material so that the commercial business of the port could be continued. The restoration of this channel to its original dimensions required months, and this with the repair of the shore arm of the south jetty has once more produced normal conditions in this locality. (Sec. 48, p. 21, H. Doc. No. 1390.)

Meanwhile the city of Galveston has protected itself with a sea wall and has raised its grade so that, with a recurrence of such a storm as that of 1900, water forced across the east end of the island will be unable to find relief by spreading over the city, and its force will be concentrated more strongly than in 1900 upon this narrow neck where once existed the Hospital Channel. The shore arm of the south jetty while now somewhat stronger than in 1900 can not form an efficient obstacle to this increased force that might thus come against it, and the result might easily be disastrous to the inner harbor and by possible resultant flanking of the jetties to the entrance channel between them. The situation while satisfactory under normal conditions is far from safe in the event of the repetition of a storm approaching in violence that of 1900. (Sec. 49, p. 21, H. Doc. No. 1390.)

From the foregoing expression it is to be observed that the board in 1913 found that the more the opening over the east end flats was narrowed by the extension of the wall, without the gap being closed between the end of such extension and the south jetty, the greater was the danger to the shore arm of the south jetty and to the harbor, with a probable blockade of the commerce of the port. (Secs. 48 and 52, 1913 Report, H. Doc. No. 1390, and secs. 72 and 76, H. Doc. No. 693, Report of Engineers, 1919.)

The 1913 board found that the 1900 storm had badly wrecked the shore arm of the south jetty and made a large fill in the easterly end of Galveston Channel. A restoration of this channel to its original dimensions required months. The cost of repairing the damage done to the jetties and channel was in excess of $1,000,000.

As confirming the prediction of the 1913 board of the danger to the shore arm of the south jetty and harbor by a channel being cut through the east end flats, and probably effecting a breach in the south jetty, attention is called to the finding of the 1919 board that in September of that very year the coast of Texas was again visited by a severe hurricane which struck at Corpus Christi, and that though the effects of such storm at Galveston only produced a tide in front of the city to a maximum elevation of 8.8 feet, yet the scour that took place on the east end flats was one of the most interesting manifestations of the storm. Beyond the end of the incompleted sea-wall extension a channel was scoured connecting the Gulf with the Atlantic's Hole. This channel, measured along the line of the sea-wall extension, was 2,000 feet wide, with depths varying up to 19 feet, requiring considerable time and expense to fill so that the extension of the sea wall might proceed. (Secs. 46–49, p. 23, H. Doc. 693.)

On June 22, 1921, there was also a tide at Galveston of 5 feet, which scoured a hole at the end of the sea wall of a maximum depth of 7.6 feet for some little distance, although the wind velocity was comparatively low both in 1919 and in 1921.

It is therefore apparent that the statement of the Army engineers is true, that the existence of a gap between the end of the sea wall and the south jetty becomes more and more menacing to the shore arm of the south jetty and the harbor as such opening is narrowed. Had the disturbance of 1919 at Galveston or that of 1921 been of the same intensity as the storm of 1900 or that of 1915, it is apparent that there would have been a catastrophe to the south jetty similar to the experience and wrecking in 1900.

The wind velocity at Galveston in the September, 1919, disturbance was only 55 miles per hour, while the velocity of the wind in 1900 was 120 miles an hour and in 1915, 93 miles per hour. (P. 17, H. Doc. 693.)

ORIGINAL GALVESTON SEA WALL.

The original Galveston sea wall was built by the county of Galveston and cost $1,500,000. The special board of engineers stated:

Construction of a sea wall to protect the city was commenced by local interests in October, 1902, and completed in July, 1904. The embankment behind the wall and the fill throughout the city were not completed until much later. Construction of a wall in front of Fort

Crockett Reservation was commenced by the United States in December, 1904; the wall itself was finished in October, 1905; the filling and sodding were completed in January, 1909. The work done by both the county and the Federal Government followed the general provisions of the Robert Board report, but differed in minor particulars from it.

The Robert Board considered that in addition to the sea wall the proper protection of the city required certain filling. Its recommendation was for a fill, aside from the embankment directly behind the wall, that varied from an elevation of 8 feet along the wharf front to 14½ feet at Thirty-ninth Street and sea wall. The Fort Crockett Reservation was entirely filled to a grade of 14½ feet; the city was only partly filled. (Secs. 30 and 31, p. 20, H. Doc. No. 693.)

It was built at a time when the confidence of the public was pretty much at its lowest ebb in the security of the city, and therefore a most difficult time to solve the bond question, but the people took the bonds, the people and the public utilities there. The wall was constructed. Later on Congress approved the project for carrying on this wall 10,300 feet to the eastward, which has now been constructed, the county paying for 3,300 feet of the wall. The county did pay for 3,300 feet as now built, something like $500,000 or more. The remaining 7,000 feet was to be constructed by the Government at its own expense. In addition to that the Government stipulated 600 acres should be deeded to the Government, which land appears on the map, House Document No. 693, to which reference has been made.

That property was deeded, and the Government now owns that in addition to the military reservation; the Government owns the eastern end of the island. Not only does it give the Government between 700 and 800 acres in that reservation but it gives it a frontage on the channel itself, practically, which makes it of the greatest value, and the Government can use it at any time.

The sea wall is nearly 6 miles long; 17 feet high above mean low tide; 16 feet wide at base; 5 feet at top; rests on piling for the most part from 40 to 44 feet deep.

The citizenship of Galveston County, in addition, made expenditures and incurred obligations for the following purposes:

Grade raising	$3,000,000
Raising 2,156 buildings	1,500,000
Causeway	3,000,000
Extension sea wall from original county wall terminus	1,200,000

EAST END SEA-WALL EXTENSION.

Actual construction of the east end sea-wall extension began June 20, 1918, and 10,300 feet of actual wall was completed in December, 1920. (Report of Chief of Engineers for 1821, p. 1023.)

In the 1900 storm more than 6,000 people lost their lives, and the property damage in the city alone is estimated to have been $17,000,000. More than 3,600 houses in the city were absolutely destroyed, which sheltered from 15,000 to 16,000 persons.

The 1900 storm did not endure for more than 24 hours, but was of the greatest intensity during such period.

The 1915 storm lasted for two days. It began on the 16th of August and ended on the 17th. Owing to the construction of the Galveston sea wall around the Gulf side of the city in 1904 and the filling of the grade of the city, there were practically but few, if any, instances of loss of life within the city proper during the 1915 storm.

The report of the special board of engineers of 1919 showed that in the 1900 storm the wind rose at Galveston about 2 o'clock on the morning of Saturday the 8th, blowing at first from the north, but shifting to the eastward. Later it shifted to the southeast and appeared to have greater fury than before. The wind then shifted to the south about 11 p. m. and steadily diminished in force. (P. 39, sec. 153, H. Doc. No. 693.)

Wave action: Great damage was done to the city by the direct impact of waves. This was made possible by the extreme high water in the Gulf. The very high water—14½ feet—allowed the seas to reach and undermine the buildings along the shore. (Sec. 221, p. 47, H. Doc. No. 693.)

Scouring: Both the outer parts and the shore arm of the south jetty were seriously injured during this storm, both by wave action and currents. A very strong current scoured out a considerable quantity of material from Fort San Jacinto Reservation and deposited it in Galveston Channel. (Sec. 225.)

The erosion of San Jacinto tract was so extensive and the weakening of the shore arm of the south jetty so material that had this storm been followed within a year or two by another approximating it in intensity the south jetty might have been flanked and another entrance to Galveston Bay been formed. (Sec. 226, p. 48, H. Doc. No. 693.)

As indicating the direction of the wind during these tropical storms, it is noted that the direction of the wind in the storm of 1909 was northeast. This direction gradually shifted to east and from east to southeast. The tide rose about 10 feet. The highest wind velocity was 69 miles an hour. (Secs. 157–158 and 51, H. Doc. 693.)

In 1919 the maximum tide was 8.8 feet, with maximum wind velocity of 53 miles an hour. (Sec. 256, p. 52, H. Doc. 693.)

Attention has previously been called to the channel cut at the end of the sea wall to the point to which it had then been extended, a channel of about 2,000 feet wide, with varying depths up to 19 feet.

The Board of Engineers also find that the east-end flats during hurricanes may become flooded to maximum depths of possibly 12 feet and more, as in the 1900 storm, when the tide reached an elevation of 14½ feet. (Secs. 69 and 23, H. Doc. 693, pp. 28 and 18.)

The height of the tide in 1915 was also about 14 feet. (P. 50, sec. 244, H. Doc. 693.)

The Army engineers have particularly stressed in the different surveys and examinations made of conditions at Galveston that interruption of the flow or spread of the sea water at times of storms will make for dangerous currents across the east-end flats and threaten the safety of the south jetty, the shore arm, and the harbor.

HOSPITAL CHANNEL.

Prior to the construction of the jetties a channel, known locally as the Hospital Channel, from time to time existed across this neck, and vessels occasionally used it in passing between the bay and Gulf of Mexico. (Sec. 46.)

When the jetties were built a long extension was made to the south jetty, known as its shore arm, practically at right angles to the general direction of the jetty and extending to comparatively solid ground in the city of Galveston. This shore arm crossed the old Hospital Channel, causing it to fill, and thus in a measure protected the jetties from being "flanked" by the enlargement of a channel to the south of them, which would have produced shoaling in the main entrance. (Sec. 47, p. 21, H. Doc. 1390.)

The city of Galveston having protected itself with a sea wall and having raised its grade so that with a recurrence of such a storm as that of 1900 water forced across the east end of the island will be unable to find relief by spreading over the city, its force will be concentrated more strongly than in 1900 upon this narrow neck where once existed the Hospital Channel. The shore arm of the south jetty, while now somewhat stronger than in 1900, can not form an efficient obstacle to this increased force that might thus come against it, and the result might easily be disastrous to the inner harbor and by possible resultant flanking of the jetties to the entrance channel between them. (Sec. 49, H. Doc. 1390.)

The Chief of Engineers describes the gap as leaving a great funnel threatening to breach the south jetty and block and destroy the harbor. Galveston Harbor and Galveston Channel form one of the great outlets for the commerce of the Southwest. They have been doing so ever since deep water was given to the port in 1907. Through that harbor last year, according to the report of the Chief of Engineers for the fiscal year ending June 30, 1921, flowed over 10,000,000 tons of commerce. Ninety million bushels of grain from the fields of Texas, Oklahoma, Kansas, Nebraska, and other territory, and more than 3,000,000 bales of cotton, passed through the port of Galveston. The necessity for this improvement is so extremely great and so urgent that it prompted the Secretary of War to send the communication which he did to Congress. The following data are taken from—

Report of Chief of Engineers, United States Army, 1921.

	Commerce.	Value.
	Tons.	
Galveston Harbor	10,600,583	$999,271,795
Galveston Channel	8,002,981	839,101,811

TERMINALS.

The terminal facilities at Galveston are the most extensive on the Texas coast. (Rept. Chief Engineers, 1921, p. 1024.)

Galveston is the largest and most important port on the coast of Texas.

Classification of commerce of Galveston, 1920.

	Tons.	Value.
Animals and animal products, except wool and hair	500,335.5	$4,636,166
Vegetable food products, oil seeds, expressed oils, and beverages	1,852,957.1	204,587,387
Other vegetable products, except fibers and wood	4,020.8	1,467,421
Textiles	946,092.2	483,803,786
Wood and paper	207,222.1	16,934,612
Nonmetallic minerals	3,962,345.0	68,737,198
Ores, metals, and manufactures of, except machinery and vehicles	501,294.4	39,079,305

Classification of commerce of Galveston, 1920—Continued.

	Tons.	Value.
Machinery and vehicles	12,841.3	$3,676,939
Chemicals	12,152.5	14,711,807
Unclassified	3,720.6	1,467,240
Total	8,002,981.5	839,101,811

The calendar year 1921 showed enormous increases through this port of cargoes in the foreign import and export trade. According to the Galveston Daily News of January 1, 1922, the grain shipments from Galveston for this year amounted to 76,340,188 bushels; from Texas City, 12,900,193 bushels; a total of 89,240,188 bushels exported, being an increase of about 45,000,000 bushels over the year 1920. Corrected figures for Texas City, according to the report of the Texas City Board of Trade, were 15,304,325 bushels exported in 1921.

No commerce through any ocean port, perhaps, is probably of greater importance or of more value, with the exception of the port of New York, than that which flows through this great harbor. The adoption and completion of this project should be carried out at the earliest possible moment, as recommended by the Secretary of War and Chief of Engineers, and thereby insure the safety of a channel and harbor in which the Government and people of the whole Central and Southwest are so vitally interested. [Applause.]

Mr. DUPRÉ. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. LYON].

Mr. LYON. Mr. Chairman and gentlemen of the committee, I shall support the pending bill with a great deal of pleasure, but what I especially want to talk about in the few minutes allotted to me is to explain the amendment that I shall offer when the bill is read under the five-minute rule. I think my amendment will be in the interest of economy, and certainly from a business standpoint ought to be approved, and I hope the committee will see fit to accept it.

It is as follows:

Amend by adding new paragraph reading as follows: "Cape Fear River below Wilmington, N. C., in accordance with report submitted in House Document No. 94, Sixty-seventh Congress, first session."

Mr. Chairman, my amendment if adopted would not authorize any new project, but would simply modify an existing project relating to the bar at the mouth of the Cape Fear River, N. C. This modification has been approved by the Secretary of War, the Chief of Engineers, General Beach, and the Board of Engineers for Rivers and Harbors, and is included in Senate bill 3017, introduced by Senator JONES, chairman of the Senate Committee on Rivers and Harbors.

Before discussing my amendment it might be of interest to briefly explain the location and present condition of the bar where the work proposed is to be done.

The Cape Fear River empties into the Atlantic Ocean about 5 miles northwestward of Cape Fear, and the ocean bar is about 2 miles seaward of the river mouth. A vessel entering the river finds itself in a commodious land-locked harbor, and it frequently happens that vessels take refuge here in case of storm at sea rather than attempt to round Cape Hatteras.

About 30 miles from the mouth of the river is the city of Wilmington, having a population of about 40,000, and the chief seaport between Norfolk and Charleston. Here is the largest privately owned cotton exporting firm in the United States. The terminal facilities are adequate to take care of the present and future commerce of the port. There are 73 wharves, 7 of which are owned by the city, and these are open to all free of charge. Here are 20 warehouses, with a million and a quarter square feet of floor space. The city of Wilmington has recently purchased from the Shipping Board the old Liberty shipyard site, and this property is to be converted into free municipal terminals and warehouses.

There has been a gradual increase in tonnage of vessels entering the port, from an average of 421 tons per vessel in 1886 to 2,275 tons in 1920. There was collected through the custom-house at this port in 1921, $3,425,955.16, at a cost of less than 5 mills per dollar, making the cost of collecting $1 at this port less than one-fourth of the cost of its nearest competitor.

The principal products entering and leaving this port are cotton, lumber, naval stores, fertilizer, and fertilizer material, and in 1920 amounted to 605,179 tons, valued at $66,261,143.70, and steadily increasing.

The importance of this port is summed up by the district engineer in his report to the Chief of Engineers on February 28, 1920 (H. Doc. No. 94, 67th Cong., 1st sess.), in these words which I quote:

Wilmington is the natural gateway to middle and western North Carolina and northeastern South Carolina, being nearer in mileage to this great productive section than any competitive port, so that the question of adequate depth of water for lower Cape Fear River is not only of local interest but virtually affects a vast area and a large population.

Now, Mr. Chairman, the existing project that my amendment seeks to modify was adopted by the act of July 25, 1912 (H. Doc. No. 287, 62d Cong., 2d sess.), which provides for a depth of 26 feet from the ocean to Wilmington, and modified by act of March 2, 1919 (H. Doc. No. 746, 65th Cong., 2d sess.), which provided for increasing the depth across the bar to 30 feet at mean low water and providing a channel of this depth 400 feet wide.

Mr. McDUFFIE. Mr. Chairman, will the gentleman say how much would be saved annually by the shifting of this channel?

Mr. LYON. I will in a minute.

The channel has been practically completed from the mouth of the river to Wilmington, but the trouble has been in obtaining the depth and width provided for at the bar. This is fully set out and explained by the Report of the Chief of Engineers for Rivers and Harbors of May 10, 1921—House Document No. 94, Sixty-seventh Congress, first session—and is as follows:

Since the earliest records the line of deepest water over the bar has gradually moved westward and current observations show that the present channel, which after passing Baldhead Point turns sharply to the west, is not favorably located with reference to the tidal currents. It has been observed for some time that a cutting action is taking place on a line extended straight out to sea from Baldhead Point, as shown on the map. Consideration has been given in a previous report to a change of location of the channel to this line, and the district engineer now deems this advisable in view of the increasing difficulty experienced in recent years in maintaining the channel. From 1895 to 1900 the small dredge *Cape Fear* succeeded in increasing the channel depth over the bar from 14 feet to 21 feet, but since 1916 this dredge, assisted for nine months by the dredge *Absecon*, has not been able to maintain the channel properly, and no advance has been made toward securing the existing project depth of 30 feet.

This report further says:

The present channel over the bar has shown a decided tendency to drift as a whole to the west, except that just off Baldhead Point a small portion of it has been forced toward the east by a movement of sand in that direction. This shifting of the thread of the channel has resulted in more difficult maintenance, and it has been found impracticable to make any advance toward the 30-foot depth even with the use of two dredges. The existing project dimensions are considered adequate, and the question now involved is how these dimensions may best be insured. With the shifting of the channel referred to there has been a growing tendency for the water to deepen in a straight line out from Baldhead Point, and it would cost but little more to dredge a 30-foot channel here than to secure that depth by following the present project channel, and subsequent maintenance of the new channel would probably be considerably less. The natural tendency to scour along the line of the proposed new channel and to fill in the present channel suggests quite forcibly the advisability of making the change. * * * The board is therefore of opinion that it is advisable to modify the existing project so as to provide for a new channel across the bar, 400 feet wide and 30 feet deep at mean low water, from Balhead Point in a southwesterly direction, approximately as shown on the accompanying map, at an estimated cost of $420,000, and, in addition, $105,000 for maintenance of the existing channel during construction.

This report was submitted to the Chief of Engineers, who, in his report to the Secretary of War, says:

After due consideration of the above-mentioned reports, I concur in the views of the Board of Engineers for Rivers and Harbors and therefore report that it is deemed advisable to modify the existing project to the extent of providing a new channel across the bar 30 feet deep at mean low water and 400 feet wide from Baldhead Point in a southwesterly direction, approximately as shown on the accompanying map, at an estimated cost of $420,000 for dredging the new channel and $105,000 for maintenance of the existing channel during construction. Subsequent maintenance is placed at $30,000 a year as the minimum. The full amount of the estimate, $525,000, should be made available in one appropriation. A new dredge should be made available for this work, whether or not the proposed change of project is adopted. The cost of the dredge is not included in the above estimate.

My amendment, you will notice, proposes to authorize the modification of the present project as recommended in the above-mentioned reports and will cost little, if any, more than to complete the existing project at the present location.

At the hearings before the committee on Tuesday, May 9, 1922, General Taylor, Assistant to the Chief of Engineers, testified as follows:

That at the present time there is a bending of the channel making two very difficult angles, two very conclusive turns in the channel, and that it is difficult to maintain, and we are afraid if we do not have the channel on the new line that it will be impossible to maintain the old channel in a navigable condition. The new channel would be easier of navigation and easier of maintenance and there would be a saving of expense.

It will probably be cheaper to provide a channel along the new line, rather than to get a channel according to the demand along the old line, and in my opinion it is advisable to make the change for the reason that the present channel is narrow, crooked, and consequently very difficult of navigation even when in the best condition that we can get it in.

Mr. Chairman, the original estimate of the cost to complete the present bar project was $303,625 and $95,000 annual maintenance. The estimated cost of the change of channel provided by my amendment is $420,000 and $30,000 annual main-

tenance, making a difference of only $116,375 in cost of construction, but providing a saving of thousands of dollars each year in maintenance cost.

Now, I want to call your attention further to the fact that, although there has been expended, according to the report of the district engineer, which is to be found on page 10 of Document No. 94, on the present project, adopted in 1912 and modified in 1919, $553,326.65 for new work, and $701,397.13 for maintenance, making a total of $1,254,723.78, the project is just 63 per cent completed. The part completed is that leading from the mouth of the river to the city of Wilmington. The part that is uncompleted is the channel across the bar, because the report shows that the channel is not to-day in as good condition as it was in 1916. Although they have spent in construction work more money than the proposed change will cost, the channel is not in as good condition as it was then. In view of these facts I hope the amendment that I shall offer will be adopted. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. DEMPSEY. Mr. Chairman, I yield to the gentleman from North Dakota [Mr. YOUNG].

Mr. YOUNG. Mr. Chairman, the bill to extend the life of the War Finance Corporation should be included in the program of bills to be passed during the next three weeks.

Bills to extend the loaning period of the corporation were introduced in both the Senate and the House. In the judgment of the committee the Senate bill did not go far enough, so they struck out all after the enacting clause and substituted my bill in full without change. In that form the bill stands for passage on the House Union Calendar.

The chief change proposed in my bill is that it provides an orderly method for winding up the affairs of the corporation. The law as it now stands provides that no advance of money shall be made after June 30, 1922. If this date were only changed to June 30, 1923, it would mean that there might be a wild scramble to obtain payments covering loans before June 30. There would be many loan applications pending, and there would naturally be high pressure both in and outside of the offices of the corporation to complete them before the final date limited by the law. That would probably result in some worthy applications for loans being rejected for lack of time to consider or possibly some being accepted which ought to be rejected because of lack of time to investigate.

In asking to have the life of the War Finance Corporation extended, it does not necessarily mean that the provisions of that law, as originally enacted, were satisfactory to the agricultural population of the West. It is well known that the sections of the law to authorize aid to agriculture were passed quickly to meet an emergency. For that reason, in the judgment of Congress, there was not sufficient time to set up the extensive and elaborate administrative machinery which would be necessary to make loans direct to individual farmers. The Anderson Commission has been working on a scheme for permanent legislation to take care of financing the production of farm commodities for periods of from six months to three years, depending upon the length of time necessary to mature the product upon which credit is asked. A committee of the farm bloc is working on it also, and we hope for permanent legislation on this subject before many months, such as will adequately deal with the whole subject. If the War Finance Corporation were to cease operations at this time, the large cash capital which it now has would be transferred into the general fund of the Treasury and later there would be increased difficulties in having such funds made the basis of a permanent farm-credit system.

The present law is temporary. While it has been criticized, there has also been quite general recognition of the fact that it has done much good, and all agree that if there has been disappointment it has not been caused by any lack of effort or lack of ability or lack of enthusiasm upon the part of the administrative board. These men have done splendidly, and where disappointments have occurred they have been occasioned by reason of limitations in the law itself.

The corporation has loaned over $341,000,000 to banks in agricultural communities, live-stock loan companies, and cooperative marketing associations. More than $21,000,000 were loaned in the State of North Dakota.

BIG LOAN TO EQUITY.

Mr. Chairman, one of the first loans authorized was that of $15,000,000 to the Equity Cooperative Exchange, at St. Paul, the greatest grain cooperative organization in the United States, with over 23,000 farmer stockholders.

Among those who believe that the War Finance Corporation has been of value to the farmers is this great Equity organization. I submit for printing in the RECORD an article which appeared in the Cooperators' Herald, their official paper, and later will submit some letters and editorials.

The CHAIRMAN. Is there objection to the extension of remarks in the manner indicated?

There was no objection.

The article from Cooperators' Herald is as follows:

During a 10-year contest with highly organized and resourceful competitors President John M. Anderson has at times been moved by powerful emotions both of disappointment and victory, but the greatest thrill of his young life was when Vice Managing Director McLean of the War Finance Corporation said:

"Gentlemen, our board of directors has decided to make a loan of $15,000,000 to your organization, the Equity Cooperative Exchange."

The gentlemen addressed were John M. Anderson, president, and Benjamin Drake, attorney for the Equity Cooperative Exchange, St. Paul, and Congressman GEORGE M. YOUNG, second district, North Dakota. They had just come back to get the verdict after having spent the forenoon presenting the claims of the Equity organization to recognition by Uncle Sam's great War Finance Corporation.

The advisability of making a loan had been under consideration by the War Finance Corporation for months, and the officials of the Equity and Congressman YOUNG had been furnishing all information asked for and losing no opportunity to get their case fully and completely before the board of directors.

The final presentation of the matter was made at the directors' room of the War Finance Corporation, Washington, on Thursday, September 22. Statements were made by Anderson, Young, and Drake, which, when they had finished, covered completely every phase of the history, development, character of business done, financial condition, and training and experience of the officers of the great farmers' cooperative sales agency.

The making of this large loan is a great compliment to the Equity Cooperative Exchange. It is one thing for a Government agency to pass favorable judgment as to the financial soundness and competent management of an institution. It is a decidedly different thing to back up that favorable judgment by loaning $15,000,000 of good, hard, honest American money.

President Anderson was found at his hotel before his departure for the West and shown a press copy of the statement issued by the Finance Corporation telling of the big loan to his company. Mr. Anderson appeared highly elated over the successful results of his negotiations. He spoke in terms of high appreciation of the directors of the Finance Corporation. He said:

"I am especially grateful to Congressman GEORGE M. YOUNG for the valuable assistance given us throughout the entire negotiations both before coming here and while we were here.

"The loan made us by the Government will enable us to give a greater service to our patrons whether stockholders or not. It will put us in a position to sell to the best possible advantage, because we can meet the requirements of the biggest operators whether foreign or domestic.

Mr. YOUNG. The Fargo Courier-News, October 2, 1921, said:

Doubtless it was as much a surprise to the chamber of commerce as it was to the Courier-News when the War Finance Corporation made this loan. Doubtless the chamber of commerce had thought, as the Courier-News confesses it did, that the War Finance Corporation could be counted on to do nothing displeasing to the big bankers. And here its first action was to lend $15,000,000 to the Equity.

Mr. Chairman, this legislation, enacted last year and which we now propose to renew, stands to the credit of the farmers' bloc. It is one of a number of bills, some bearing directly on agriculture and some not, sponsored by them. The farmers' bloc, I fully recognize, is on trial, particularly in those areas of our country where there is little farming done. People of those areas are apt to take a short-sighted view. They do not seem to realize that the prosperity of the farming industry is at the base of all prosperity in our country. It is fundamental. The members of the farm bloc have been strong not so much on account of their numbers as on account of the justice of their cause. Their leadership is producing better government and better things for all the people.

Mr. Chairman, whatever the views of eastern people may be regarding the farm bloc, it is here to stay. If you could look over the mail of the average member of the farm bloc you would be convinced that the next Congress will see them all back here, and perhaps more along with them.

Perhaps the letters to me and newspaper comment regarding me are not much different from that of other Congressmen of the farm bloc. Believing they are typical, I submit for printing in the RECORD, for reading by those who may be interested, some letters and editorials.

The Woodworth (N. Dak.) Rustler says:

There are a number of things which ought to be considered in choosing the one to support for Representative in the United States Congress, but probably all will agree the most important question is: Has he been loyal to the great basic industry of our State?

Fortunately, so far as Representative YOUNG is concerned, there are men who are entirely disinterested and who are in every way qualified to speak impartially, who know his record.

The Washington representatives of three great national agricultural organizations joined in selecting from the bills before Congress a list from which it would be possible to reach accurate conclusions as to the extent to which the various Members of Congress have been loyal to the farm industry, and after this list of bills had been selected a careful tabulation was made of the record votes of every Congressman. Those friendly to agriculture were divided into two lists: First, those Members whose voting records showed them to be at all times consistent supporters of the agricultural interests with voting records 100 per cent right; and

Second, those Congressmen who by their records had shown that they could ordinarily be counted upon to support the agricultural interests.

Congressman YOUNG was placed in the first class, with a 100 per cent voting record in favor of agriculture.

This is not at all surprising to those who have followed YOUNG's record in the past. In our opinion YOUNG'S 100 per cent record will appeal strongly to the people of this great agricultural district. His majority of 2,900 of two years ago will doubtless be pushed up to over 10,000.

The Binford (N. Dak.) Times says:

United States Senator ARTHUR CAPPER, head of the farm bloc, says GEORGE M. YOUNG should be reelected to Congress because he is an important member of the farm bloc. We of the great wheat State agree with the Senator. And we believe YOUNG will be reelected by a greatly increased majority.

FOR THE FARM BLOC.

The Willow City (N. Dak.) Eagle says:

The Equity Cooperative Exchange, the greatest cooperative grain marketing organization in the United States, with a membership of over 22,000, is not a political organization. The members are free to give a disinterested expression of their views. This great organization at its annual meeting in Fargo last winter adopted a resolution highly commendatory to Congressman YOUNG, a member of the farm bloc.

Many other expressions commendatory of Congressman YOUNG could be quoted from leading men and from farm journals.

Is there any better way to encourage and strengthen the farm bloc than to see to it that every member of it is reelected?

VIEWS OF FARM BUREAU.

NORTH DAKOTA FARM BUREAU FEDERATION,
Fargo, N. Dak., November 28, 1921.

Hon. GEORGE M. YOUNG,
Washington, D. C.

DEAR SIR: I note in the vote in the House on the question of keeping the surtax charge in the tax bill at 50 per cent that you voted "yea." I want to thank you for your vote and the interest that you took in this matter.

Yours truly,

NORTH DAKOTA FARM BUREAU FEDERATION,
By H. B. FULLER, *Secretary.*

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AMERICAN FARM BUREAU FEDERATION,
Washington, November 25, 1921.

Hon. GEORGE M. YOUNG,
Washington, D. C.

DEAR SIR: The American Farm Bureau Federation wishes to express the appreciation of farmers for your support of the 50 per cent surtax provision of the tax bill.

Our farmers are confident that their Representatives realize the importance of considering these questions from the farmer's viewpoint, and that by united action they can greatly hasten the return of a more happy situation in the farm communities and thereby restore national prosperity more quickly.

Assuring you of our continued best wishes, I am

Very truly yours,

AMERICAN FARM BUREAU FEDERATION,
GRAY SILVER, *Washington Representative.*

—

WASHINGTON HEADQUARTERS FARMERS' NATIONAL COUNCIL,
Washington, December 23, 1921.

(Herbert F. Baker, president; George P. Hampton, managing director till his death, June, 1921; Benjamin C. Marsh, managing director. Directors: H. Q. Alexander, director, North Carolina Farmers' Union; F. B. Wood, vice president National Nonpartisan League; William Bouck, master Washington State Grange; W. M. Burlingame, president Montana State Union A. S. of E.; John J. Farrell, president National Creamery Butter Makers' Association; H. A. Fuller, director Minnesota State Union United Farmers of America; C. H. Hyde, member Board United States Grain Growers (Inc.); F. F. Ingram, chairman Farmers' National Committee on Postal Reform; Ed C. Lasater, member Farmers' National Committee on Postal Reform; J. Weller Long, secretary-treasurer United Farmers of America; Martin H. Meyer, secretary-treasurer National Creamery Butter Makers' Association; George L. McKay, secretary American Association of Creamery Butter Manufacturers; A. C. Welch, president Minnesota State Union United Farmers of America; Western Starr, member governing board Farmers' National Headquarters; Grant Slocum, president National Gleaner Federation; C. E. Spence, master Oregon State Grange; R. W. H. Stone, president North Carolina Farmers' Union.)

Hon. GEORGE M. YOUNG,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN YOUNG: We are very prone to forget and ignore the work which is being done by Members of Congress for the farmers. I feel, therefore, that I am not going a bit out of my way in expressing to you my appreciation of the fight which you have made for taxation of wealth, particularly of the stand you made to retain the maximum surtax of 50 per cent on incomes, and also the splendid fight which you made as a member of the Ways and Means Committee, as well as on the floor, against levying the skyscraper duties upon manufactured products under the so-called American valuation plan, the almost inevitable result of which would have been to permit some of the big manufacturers to make the same profits in the future as they made during the war.

Yours sincerely,

BENJAMIN C. MARSH,
Managing Director.

The National Wool Grower says:

The business difficulties of recent months have given prominence to a number of men having the ability and the courage successfully to attack the problems confronting the Nation and affecting the welfare of all American citizens. The December Wool Grower presented photographs and short sketches of the work of the United States Senators and Congressmen who were fitted to serve in the proper consideration of the sheep industry in relation to national policies.

Congressman GEORGE M. YOUNG, of Valley City, N. Dak., is not particularly identified with sheep matters, but he is one of those whose ability and courage have made him prominent at Washington, particularly since December 1.

Early in December it seemed that the question of protecting American producers from a flood of imports would not be acted upon by Congress. Mr. YOUNG was the leader of a group of Congressmen from the West and South who appreciated the seriousness of the situation and were resolved to provide the most effective remedies possible.

Mr. YOUNG, it has been announced, will be in charge of the farmers' emergency tariff bill when it is reintroduced in the special session of the Sixty-seventh Congress. He is a member of the Ways and Means Committee and his assignment to this place permits Chairman FORDNEY and other members of the committee to complete the writing of the regular bill and at the same time have an experienced, most able Representative on the floor to present and urge the necessity of the Nation's protecting itself by action that is adequate to sustain farming and live-stock interests.

YOUNG'S FARMER TARIFF BILL.

[From the Red Polled Journal.]

Under the caption "Young's farmer tariff bill" in the daily press on April 9 were given for the first time some clear, sound reasons for an emergency tariff on farm products. The statement published was made by Congressman GEORGE M. YOUNG, of North Dakota, who pointed out, as a salient feature of the present situation, that "Our country alone, among the large consuming countries of the world, is able to pay for imported commodities. In this country is found the one market where cash and credit conditions and exchange rates make it possible to buy and hold the world's surplus until consumptive demands can absorb them or until these can be sold abroad." Under this extraordinary condition of buying power and credit large quantities of wheat have been admitted to our country, which has absorbed a large amount of ordinary money. Over 39,000,000 bushels of wheat have been imported from Canada, and it was estimated that there are 35,000,000 bushels more at Fort William awaiting the opening of navigation to be shipped to American ports. Mr. YOUNG pointed out that 90 per cent of the 1920 wool clip in America was still in the sheep raisers' hands, with no sale for it, and that there was then in this country two years' supply of wool for the manufacturers and 100,000,000 pounds more was headed for our ports; also millions of pounds of frozen lamb have been imported and are now in cold storage in our country. According to his figures the citizens of the United States last year bought nearly $900,000,000 worth of farm products from foreign countries.

It will be noted that the situation is most remarkable and without precedent. Consequently, whatever one's opinion may be with regard to the value of protective duties to the producer under normal conditions and over a long period, it must be apparent to every fair-minded man that the present extraordinary situation is unique and requires special emergency treatment.

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WHAT IS A "PROTECTIVE" TARIFF?

[From the Chicago Tribune, June 18, 1921.]

The assertion of Representative YOUNG, of North Dakota, a Republican member of the Ways and Means Committee, that many of the proposed rates in the permanent tariff schedule are too high ought not to subject him to a charge of party irregularity. Charges that his views indicate development of insurgency in the Republican ranks in Congress are ill-founded.

The tariff question to-day is not what it was at the time of the adoption of the Payne-Aldrich bill nor in the time of any previous administration since Washington. What were once clearly defined Republican policies are now affected by completely altered conditions of international trade, and by the change in the position of the United States from that of a debtor Nation to the world's chief creditor, it is possible that new or slightly altered policies may be in process of formation. Until policies are revealed in the completed bill no comment or suggestion can properly be construed as irregular.

The Farmers' National Magazine says:

GEORGE M. YOUNG, Representative in Congress from North Dakota, is best known in Washington as the author of the emergency tariff act, a measure designed for the relief of agriculture. An examination of Mr. YOUNG'S record discloses that he has never failed to vote for measures demanded by the great self-help farm organizations of the United States. As a member of the Ways and Means Committee of the House his influence on legislation is by no means inconsiderable. He is a hard and effective worker.

Mr. DEMPSEY. Mr. Chairman, I yield five minutes to the gentleman from Delaware [Mr. LAYTON].

Mr. DUPRÉ. Mr. Chairman, I yield five additional minutes to my colleague.

The CHAIRMAN. The gentleman from Delaware is recognized for 10 minutes.

Mr. LAYTON. Mr. Chairman and gentlemen of the committee, in preparing the bill now before the House, the Committee on Rivers and Harbors gave all the time and thought consistent with their duty to themselves and to the taxpayers of the country. In the very beginning, I desire to say that for once, at least, a rivers and harbors bill is presented to the House without a pound of pork in it, and without, in fact, even the semblance of a barrel, and I might say, not a visible stave thereof.

ECONOMY.

The animating thought of the committee was economy—a resolve to cut out every project that after careful consideration was regarded as useless or of such little usefulness as to justify the committee in leaving them out of temporary consideration. Primary attention was given to those projects where commerce was already established, and which possessed the certain evidences of growth and development, to secure the best water transportation possible under present conditions, in order to relieve as much as we could the congestion in transportation everywhere existing.

SELF-DEPENDENCE.

Especial consideration was also given to those projects which had local backing—where the people themselves who were asking for Government aid were not only willing but were actually putting their own money into the project, and so justifying their own faith, as well as the judgment of the committee, in granting their demands.

In this connection it would be well to call the attention of the House and the public to the fact that a material change has taken place in the manner in which localities approach the Rivers and Harbors Committee when seeking to have their projects authorized by law. Formerly, while most localities asked for Government assistance without any effort on their own part to aid in a development sought for, now it is getting to be the usual thing for the people of these localities to base their requests upon what they have already done themselves, or have practically undertaken to do. The very great portion of the projects sought to be established in this bill, including authorizations for those already established, are where the people themselves have spent far more of their own money in these improvements and aids to water commerce than the Government itself. To be discriminatory and, therefore, more accurate, I might say that nearly all improvements on the Atlantic, on the Gulf, and on the Pacific, are of this self-sustaining character, including as well the harbors on the Great Lakes. Of course, the people living along the Ohio and the Mississippi, using them as illustrations of many internal waterways, could not in the nature of things do what cities like New York and San Francisco, Galveston, or Boston could do, where the financial power necessary is concentrated and vested in one concrete body. To get proper accord and necessary coordination for such a purpose along a river over a thousand miles long, like the Mississippi, flowing by the shores of a dozen States, with a multitude of municipalities of varying interests and divergent desires, would involve such a problem in the hopeless clutch of endless time before that coordination could be secured. But even here there is a growing willingness manifested, a fine display of self-help in the expenditure of money by these municipalities in the building of wharves and docks and terminals and warehouses for the purpose of facilitating trade and commerce pari passu with the development of the waterways.

SOURCES OF INFORMATION.

As to the manner of arriving at the conclusions expressed in the bill, I desire to say that two principal sources of information were utilized—the long and technical experience of the Government engineers and the testimony of the representatives of the people of the localities who came before the committee asking for its consideration. I think the hearings will show conclusively that there was no careless acceptance of any statement made by either the engineers or by the proponents of the projects, but that the committee, by searching interrogation and analysis, sifted the evidence carefully and made its own conclusions.

PROJECTS SELECTED.

It is proper to say that the bill does not contain all the projects that commended themselves as meritorious, but only those which the committee deemed to be paramount and indispensable to the immediate welfare of the country, and, therefore, those which should be at once approved of.

ABANDONED PROJECTS.

An examination of the bill will disclose further the abandonment of three waterway projects, namely, the Pearl River project below Rockport, Miss.; the Brazos from old Washington to Waco, Tex.; and that part of the Trinity River project which lies above Liberty, Tex. These projects were abandoned upon the advice of Colonel Taylor as being useless and impracticable. A further Government project, known as the iron pier, near the town of Lewes, Del., has also been recommended for abandonment; the reasons for which will be found in the Annual Report of the Chief of Engineers for 1921, page 419.

CONSOLIDATION OF PROJECTS.

Section 4 of the bill provides for the consolidation of four projects for Tampa and Hillsboro Bays, and Hillsboro River, Fla.; and the consolidation of Calumet Harbor and Calumet River, Ind. and Ill.; and the consolidation of Black River at Port Huron and mouth of Black River, Mich.

These consolidations were determined upon through the advice of the Chief of Engineers for the purpose of economy and efficiency in administration.

HARMONY IN THE COMMITTEE.

I desire, also, to observe that in all the deliberations of the committee, the utmost harmony was observed among its members. The questions of political faiths or of geographical sections never presented themselves. Whether the project under consideration was in the East or in the West, in the North or in the South, upon an ocean front or a gulf littoral, or within the interior of the continent, the same earnest, impartial, and patriotic consideration was given to each project upon its merits without regard to its geographical situation. It gave as equal and unbiased consideration to the Galveston problems as it gave to those of the city of New York; to Savannah, in Georgia, as to Los Angeles, Calif.

As a member of a committee of such inestimable importance to the real welfare of the people, I can not fail to declare that it has been actuated by an altogether unselfish purpose, and as long as I have been a member of it it has studiously endeavored to protect the public interests, keeping in mind the tremendous burden under which the taxpayer was laboring, adhering to the most rigid economy during the war, and long after the war, until in this session of Congress, after obtaining abundantly reliable information concerning the needs of waterway improvement, the committee was impelled by a profound sense of national duty to advocate an appropriation in excess of that of the Budget in order to preserve projects already in process of construction where further delay in construction would result in great Government loss, and to extend the scope of projects already adopted in order to increase their utility in the inerests of the national welfare.

In the bill there is no project that should not be authorized if transportation is a matter of public concern. Some time ago the very able gentleman from Ohio, the Hon. THEODORE BURTON, whose experience in river and harbor work is probably as great as that of any man in the present Congress, practically advocated the abandonment of internal waterway improvements except in an extremely few cases, alleging that a study of this matter by European comparison led him to this conclusion. Without in any way attempting to place my judgment against that of the honorable gentleman from Ohio I would come to another conclusion, and that is that Congress, on the contrary, should take steps at the very earliest and most practicable moment after our present financial and industrial depression is removed to push to completion the great projects already authorized. I agree with the honorable gentleman from Ohio that small and piffle appropriations for continuing projects that seem to have no definite end is senseless and wasteful, and does not give that consummation to the great problem of water transportation which is demanded. We are pursuing a policy in which we appropriate a little this year and a little next year, all of which practically amounts to nothing definite and beneficent as far as results are concerned. Take, for instance, the Ohio River project. A mere moment of reflection will reveal the necessity for the completion of this project by reason of the tremendous industrial and other interests involved. This project has been authorized for years. The sum of money sufficient for its completion has also been authorized, and yet the money for its completion has not been appropriated. The result is that until finished this great waterway affords practically no relief or no benefit to the millions of people who are dependent upon it for the purposes of trade and commerce. In other words, until all the locks and dams upon the river are completed according to the plans of the engineers of the Government little benefit can accrue upon what has already been expended. It is plain that a railroad complete from New York to San Francisco, except a space of a hundred miles only out of the three thousand would be a very annoying, unsatisfactory, senseless, and incomplete proposition.

Expressing my own views only, I desire to go on record as firmly believing that river and harbor improvement is of the utmost value to the Nation, and will become more so as the population of the country increases, and therefore to its trade and commerce. I also desire to be recorded as firmly convinced that no waterway enterprise which lies largely outside of the territory of the United States should be undertaken until our own internal rivers and canals and the harbors upon our seacoast, upon the Great Lakes, and upon the Gulf, are adequately and abundantly cared for and converted into complete and actual utility.

No doubt these improvements will cost money. All earthly things do that are worth anything. The difficulty is we expend vast sums upon perfectly visionary and unnecessary things for the sake of the so-called public welfare, which in no wise, however, concerns the public welfare, but rather interferes with it, instead of real and practical expenditures that will result in good business—human employment—the one divine means for securing happiness and prosperity for everyone. A greatly less number of foolish bills—bills like the maternity bill, those for the nationalization of education, and that acme of fantastic conception which has for its purpose the teaching of little boys

and girls how to play, is fine—a lot of other measures to control every activity of our individual life, devoting the money expended therefor to practical purposes, for practical good, would soon show beneficent results in a restored national welfare.

Before I leave the field of general observation upon the measure now before the House I desire to briefly comment upon a matter germane to the bill, inasmuch as my comment will relate to the subject of transportation generally.

There are three fundamental problems, national in character, which concern most deeply all the people of the United States. Those three problems are production, transportation, and distribution. No President, no statesman, no Member of Congress, as far as I know, has attempted as yet to consider these three plain facts in our national life in respect to their absolute unity. And yet they are most intimately connected, and will become more and more so as time goes on. It is inevitable that it should be so from their very relations with each other. To solve one of these three problems will not solve the other two. They must be somehow solved together. Up to this hour Congress views them as absolutely distinct and separate. To show the lack of coordination as far as Congress itself is concerned, I desire to call your attention briefly to one only of these problems—the matter of transportation.

Congress assumes jurisdiction over legislation concerning railroads, jurisdiction over the matter of their credits, the fixing of freight and passenger rates, wages, and the bookkeeping. And yet Congress does not attempt to control the credit of ship lines or barge lines, or to dictate the rates of freights and passengers conveyed on the water. Congress appropriates large sums of money also for rivers and canals, and very appropriately, too, but thereby raising up intense competition with the railroads and adding to the difficulties of both. Congress also appropriates millions for public highways, and they become also rivals and competitors of the railroads and of the rivers and canals in all freight and passenger service. Thus Congress heartily, and with hardly a murmur, gives money, large sums of money, to embarrass and injure the railroads by increasing competition, but froths at the mouth and raises a horrible clamor if aid is asked to be extended to the railroads. This condition is a senseless one and not justified by a glimmer of reason. If Congress had set out to produce confusion, to sow the seeds of discord, and to entangle and embarrass this great national function of transportation it could have found no more effectual way of doing it. Some time—I am not a prophet—but some time, and soon, too, I know without being a prophet, that every means of transportation will be by necessity considered as one problem, for a growing population and a growing national need will compel it.

WILMINGTON HARBOR.

I desire now to speak upon an item of this bill which engages my deepest interest. I refer to the development of the port of Wilmington, Del. This is the one large city of the State of Delaware. Around it is comprised largely the industrial activity of the State.

The city of Wilmington was settled in 1638 by the Swedes and is one of the oldest American cities on the Atlantic seacoast. At one time in its history imports and exports comprised its largest and most important item of industry. Later in the history of the city industrialism developed to the obscuring of her former activities in this direction. To-day the activities of this city are varied and large. Her leather industry has an invested capital of nearly $35,000,000; iron and steel of $13,500,000; gas, nearly $8,000,000; pulp goods, $6,500,000; foundry and machine products, $4,500,000; and the canning and preserving industry of fruits and vegetables of more than $4,500,000.

The annual value of all manufacturing products amounts to over $121,000,000, with an added value of $60,000,000 for finished products. The number of her manufacturing establishments is 262; the average number of wage earners employed therein nearly 21,500. To show the varied character of her local industries I will mention railroad cars; car wheels; iron, steel, and brass casting; wooden and steel ships; plate and sheet steel; machine tools; boilers, engines, and specialized machinery; vulcanized fiber; paper; wood pulp; cotton goods and other textiles; leather, especially glazed kid, which latter is practically centralized within her limits; and explosives. The city lies within a mile of the Delaware River, at the head of Delaware Bay, but has depended up to this time for water transportation upon what is known as the Christiana River, a small stream that runs in from the Delaware River up into the interior about 12 miles. Wilmington has outgrown the facilities afforded by the Christiana River. It desires to extend itself to the Delaware River, where a depth of water and an amplitude of space is found to satisfy all the requirements of her future large development. With this end in view the city has bonded itself for $3,000,000 for the purpose of constructing near the Delaware River, at the mouth of the Christiana, wharves, docks, piers, warehouses, and railroad terminals. Those who have this projected improvement in hand have visited the principal ports upon the Atlantic seacoast with the view of obtaining a knowledge of the latest improvements in all matters concerning dockage, wharfage, storage, and the most expeditious means of loading and unloading freight. Having resolved to embark upon this enterprise, the city determined to have the best. There are three great trunk-line railroad systems that pass through the city, thus affording ample facilities for making the port both a fine export as well as an import point. These three railroad systems have already entered into an agreement to extend their tracks to the wharves when completed. For the purposes of imports and exports, this projected improvement, when complete, will furnish water opportunity greater than that of any other port upon the Delaware River, for it will be in proximity to one of the largest populations in the United States, as well as open to an industrialism unsurpassed by any river in the country.

I not only regard this contemplated improvement as being of great benefit to the State which I represent, but I consider it will be of national benefit, by affording new facilities for trade and commerce at a point most advantageously situated upon the Atlantic seaboard.

It is not necessary for me to call the attention of the Members of this House to the fact that the Government has already taken over the Chesapeake & Delaware Canal, with an immediate view of connecting with each other these two well-known bodies of water—the Chesapeake Bay and the Delaware Bay—for strategic and defense purposes in time of war, and which, when constructed, will bring the great cities of Baltimore, Wilmington, Chester, and Philadelphia into a close economic, industrial, and commercial union in times both of war and of peace.

Gentlemen of the House, the Wilmington Harbor project has been approved by the Board of Engineers of the Federal Government. It is regarded by them as not only a feasible project but a most valuable one. Accordingly the State whose interests I represent is asking you to approve the project, and confidently expects your support, because of the fact that the money that the State of Delaware pays into the Federal Treasury for the benefit of the Nation and for the benefit of other States in matters separately considered entitles the State to this measure of justice, especially when the taxes levied and collected from her resources and distributed for Federal purposes come back to her in a portion far less than she contributes to any national-welfare project.

By unanimous consent Mr. LAYTON was granted leave to revise and extend his remarks in the RECORD.

Mr. JOHNSON of Mississippi. Mr. Chairman, I make the same request.

The CHAIRMAN. The gentleman from Mississippi makes the same request. Is there objection?

There was no objection.

Mr. DEMPSEY. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. GREEN].

The CHAIRMAN. The gentleman from Iowa is recognized for 10 minutes.

Mr. GREEN of Iowa. Mr. Chairman, one of the pleasurable and delightful features of being a Democratic Representative at the present time is that such a person is enabled to take almost any position he may desire, provided it is against something that he thinks the Republican Party is going to do or something that it has done. The Democratic Party itself having at this time no platform, and I might almost say no definite principles, inconsistencies do not disturb the leaders or the speakers upon the other side.

Not long ago I heard one distinguished gentleman upon the Democratic side severely criticizing the Republicans because they had not yet passed the complete tariff bill. To-day I heard the gentleman from South Carolina [Mr. STEVENSON] criticizing the Republicans, in substance, because they had passed an emergency tariff bill and were going to pass another tariff bill with certain provisions in it that he did not like. He seemed to have a profound insight into what that body at the other end of the Capitol was going to do with the tariff—an insight that I wish I had myself—and I fear his insight may not be entirely correct. But the general tone of the gentleman's criticism was with reference to the tariff as it affected the farmer, and among other things he said that we would not be able longer to fool the farmer by putting a duty upon wheat, that the price of wheat was regulated entirely by the export value,

and consequently it was entirely useless to put any duty on wheat.

Well, my friend from South Carolina does not come from a wheat-raising region; otherwise I think he would understand the wheat situation better. I do not myself come from a district where wheat is an important crop, and I am compelled to get my information elsewhere as to the effect of a duty upon wheat.

If the gentleman from South Carolina will go to a North Dakota farmer, who can not be fooled about the effect of a duty upon wheat, he will find that it has an effect. To-day, under the emergency tariff, it has an effect. Before the emergency tariff bill was enacted, when wheat flowed freely from Canada into this country, the price of wheat was the same in Canada as it was here. But always when a tariff prevails the price has been higher in the past on this side of that invisible line that marks the boundary between Canada and the United States. I am informed by the gentleman from North Dakota [Mr. YOUNG] that during the time when the Payne tariff was in force scarcely a term of the Federal court was held when somebody was not indicted for smuggling wheat across the border from Canada. It is perfectly obvious to anyone that that would not have been done unless the price was higher on this side, for who would subject himself to a criminal penalty for nothing?

The fact is there was not only a difference, but a very considerable difference. The farmers along the border, the farmers in the wheat region, the farmers with whom wheat is a great crop, know quite well that it makes a difference whether or not there is a tariff on wheat, and the reason to my mind is quite obvious. Nowhere else in the world have they the facilities for grinding wheat that they have in this country. Nowhere else in the world is there such a market as there is in this country. To throw our market open to an adjoining country has the effect of keeping the price the same there as it is here. The farmers know that the effect of the duty is to make the price higher on this side.

Mr. CONNALLY of Texas. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. CONNALLY of Texas. If the purpose of levying a tariff duty on wheat is really to benefit the farmer, why does the gentleman and his party always put in a drawback clause, whereby the miller who brings in from Canada wheat and pays the duty, in exporting the same amount of flour gets the tariff drawback on wheat?

Mr. GREEN of Iowa. I had always supposed the reason was so plain that it needed no explanation to one so shrewd as the gentleman from Texas.

Mr. CONNALLY of Texas. It is not so plain if the purpose is to really benefit the farmer or benefit the miller.

Mr. GREEN of Iowa. The purpose of the drawback——

Mr. CONNALLY of Texas. Is to give the money back.

Mr. GREEN of Iowa. The purpose of the drawback, if they export flour made from Canadian wheat is to enable our mills to compete with the Canadian mills on the export trade. It is perfectly obvious that our mills could not compete with the mills in Canada unless they had this drawback. The Canadian price of wheat is less than ours when there is a duty, and the Canadian mill would have the advantage in export trade if our mills did not get the drawback. And why should they not have it on wheat, as they have it on everything else? It was contained even in the tariff that the gentleman's own party drew and put through this House and through Congress. It has always been in every tariff bill, that where a duty was levied upon an article that was imported, and that article was afterwards manufactured into goods which were exported, there should be a drawback of the amount of the duty less 1 per cent, or some similar amount, when the article was exported.

Mr. YOUNG. On all commodities?

Mr. GREEN of Iowa. On every commodity; it makes no difference whether wheat or what it is.

The fact is that the emergency tariff has immensely benefited the farmers of this country, and by reason of it they are getting on their feet to-day. They were on the verge of ruin, and many of them were actually ruined at the time the emergency tariff was passed. It has saved the sheep farmer; it has saved the man whose industry was centered largely on raising live stock. It has helped the wheat farmer on the border and the wheat farmer farther south. It has benefited the whole agricultural region, and we proposed to make those benefits permanent in the complete tariff bill.

The gentleman from South Carolina [Mr. STEVENSON] alluded to the duty upon long-staple cotton of 7 cents per pound contained in the emergency tariff bill but not contained in the bill that passed the House, which duty, however, has subsequently been restored by the bill as reported by the Senate committee. I confess that, so far as I was concerned, I was not in favor of the Senate provision; and yet as I have seen something of its workings, as the emergency tariff has continued and is still in force, I am not prepared to assert absolutely that it is not of some benefit to the cotton grower. I do not believe it will restore the growing of long-staple cotton in the South. By long-staple cotton I mean cotton 1⅛ inches in length or longer.

Mr. CARTER. Does the gentleman contend that long-staple cotton has to be 1⅛ inches in length?

Mr. GREEN of Iowa. It is just a question of name.

Mr. CARTER. It is not anything of the kind. Long-staple cotton is just as staple as anything can be.

Mr. GREEN of Iowa. If my friend from Oklahoma objects to my calling it long-staple cotton, I will not call it long-staple cotton.

Mr. CARTER. Every man in the country who knows anything about cotton at all knows what long-staple cotton is.

Mr. GREEN of Iowa. I will call it Egyptian cotton, then.

Mr. CARTER. That is an entirely different thing.

Mr. GREEN of Iowa. I am talking about cotton 1⅛ inches in length or greater.

Mr. CARTER. Of which there is practically very little raised in the South.

Mr. GREEN of Iowa. Almost none now, although in 1900 it exported over 18,000,000 pounds. A considerable amount has been raised in the Salt River Valley of Arizona on irrigated land, but its culture there is expensive.

I hope that our Agricultural Department and the enterprising farmers of the State which my friend represents in part will be able to develop a cotton which has a staple of 1⅛ inches or upward, and it is possible that the tariff may benefit them somewhat in that way. But the principal benefit would be in this, that if this long-staple cotton is somewhat kept out as a result of the tariff there will be a greater effort on the part of manufacturers—and that effort is being made all the time—to use the shorter-staple cotton for the same purposes for which they are now using the long-staple cotton. It has the effect to increase the use of cotton having a shorter staple and decrease the amount of Egyptian cotton imported. Cotton having a staple of 1⅛ inches and upward is used for automobile tires, and is a necessity for the finer grades of cotton goods, such as fine muslins and lace, and is generally used in making mercerized hose and mixtures with silk. We import an average of over 100,000,000 pounds a year, mostly from Egypt. At 7 cents a pound the revenue is large enough to be considered, and the additional cost to the consumer by reason of the duty would be very small.

The pending tariff bill is the only one in which the farmer was looked after as well as the manufacturer. Many Members on the Democratic side have seen the light. Why should the others cling to a policy which their constituents are discarding?

Mr. DUPRÉ. Mr. Chairman, I yield one minute to the gentleman from Texas [Mr. BOX].

Mr. BOX. Mr. Chairman, I ask leave to extend my remarks in the RECORD by inserting a statement made by former President Roosevelt concerning the management of the Spanish-American War by the administration then in power.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD by inserting the statement of former President Roosevelt. Is there objection?

There was no objection.

Mr. DUPRÉ. Mr. Chairman, I yield five minutes to the gentleman from Mississippi [Mr. QUIN]. [Applause.]

Mr. QUIN. Mr. Chairman and gentlemen, the bill before the House is entitled "the river and harbor bill." I have not heard anyone discuss it yet, but I am in favor of this bill, though there is not one dime in it that goes to the State that I in part represent, except for a few yards on the Tombigbee River and a few rods on a canal connecting those two streams down there between Alabama and Mississippi.

Four counties of the district that I have the honor to represent border on the greatest river in the world, the Mississippi River, that rises away up in Lake Itasca, in the State of Minnesota, going clear down through the heart of the United States to the Gulf of Mexico. Since the forests have been cleared away all the tributaries of that great stream pour their waters into the Mississippi, and at certain seasons of the year after the flood passes Memphis, Tenn., down clear to the coast of the Gulf there is too much water for the banks to contain. The Congress of the United States in years past has adopted the policy of building a levee system to protect the fertile lands

on either side of that great stream. It happens that on one side or the other where there are foothills they do not build any levee. In the counties of Wilkinson, Adams, Jefferson, and Claiborne, in the State of Mississippi, there are no levees, but on the western side of that stream splendid levees have been constructed under the supervision and by the help of the Federal Government, and as the water rises higher and higher it must inevitably find some place to go over on the eastern side, and there it devastates in these four counties thousands and thousands of acres of the finest land over which a crow ever flew.

The Supreme Court of the United States, in the celebrated case of the Government against Jackson, decided that the people who own that land can not recover damages. It appears to be a case of damages without a remedy, and the only recourse these people have is at the door of Congress. I have been here with measures asking Congress to do justice by these people, but up to this hour nothing has been done. Before the Flood Control Committee, one of the new committees of this House, I introduced a resolution asking that a committee be appointed to investigate conditions in the riparian section of those four counties in my district now inundated by water from the flooded Mississippi River, caused by great levees being constructed under Government supervision on the Louisiana side, and report to the December term of the Congress. The Flood Control Committee promised as soon as that committee returned from the excursion down the Mississippi River that they would give a hearing, but up to this good hour no hearing has been had on that resolution.

I submit that in fairness to these people whose property has been not only damaged but in many instances ruined, the Congress of the United States owes a debt to these people that it should pay. Not only in these counties I have mentioned but in other portions of the United States similar conditions exist. Is it possible that the United States Government, constructing under its supervision great levees on one side of the Mississippi River in order to protect the property on the other side, and by doing that damages the property on the eastern bank of the river, should not pay the people the damages that they suffer? If the United States should construct a canal it would proceed under condemnation proceedings and condemn the land and pay damages therefor. The Government can not in law or morals confiscate private property without making therefor a fair, just award and compensation.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. QUIN. Can the gentleman from Louisiana give me some more time?

Mr. DUPRÉ. I gladly yield the gentleman two minutes more.

Mr. QUIN. Thank you. Here the United States Government under its supervision has erected a great levee on the Louisiana side of the Mississippi River, and when this great flood came, the mightiest in the history of that stream, it broke right above the city of Natchez on the Louisiana side and overflowed four parishes of fertile land. Notwithstanding the direct volume of water that came down the stream was so great that it could not escape below, it found its way to the eastern side, covering these fertile farms 10, 15, and 20 feet deep, running the inhabitants who cultivated this rich land away from their farms, and doing damage to such an extent that these people will not be able to make a crop this year. In justice to these citizens we owe it as a Government to pay them the damages that have been done there. Is it possible that the Flood Control Committee will not under these circumstances even give a hearing, that we may produce the evidence before that committee and let them investigate it and make a report at the next session of Congress whereby it will be up to the Congress to do justice to that great class of citizens. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. DUPRÉ. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. JEFFERS].

Mr. JEFFERS of Alabama. Mr. Chairman and gentlemen, I am sure we have all listened with a great deal of interest to the gentleman from Illinois [Mr. GRAHAM] and the gentleman from Iowa [Mr. GREEN], who have spoken here this afternoon, as they have so laboriously made out their arguments in favor of their party, which is now in power. They have vainly tried to clear their skirts at the expense of the Democratic Party. In connection with the speeches they have made, I think it would be interesting to the Members, and apropos at this time, to listen to this little verse that I hold in my hand, and which I will ask the Clerk to read at this time.

The CHAIRMAN. Without objection, the Clerk will read.

Mr. WALSH. Reserving the right to object, what is it all about?

Mr. JEFFERS of Alabama. It is in my time.

Mr. WALSH. But it can not be read without unanimous consent. I would like to know on what subject it is.

Mr. JEFFERS of Alabama. It pertains to the present situation and the subject matter of it is right along the line of the subject matter of the speeches made here this afternoon by the gentlemen on the Republican side, to whom I have referred. If the gentleman objects to the Clerk reading it, I will read it myself within my time.

Mr. WALSH. I simply desired to know what it was about; I have no objection.

Mr. DUPRÉ. If the gentleman had waited he would have found out.

Mr. JEFFERS of Alabama. I think the gentleman will see that it is very appropriate at this time, if he will listen.

The CHAIRMAN. Without objection, the Clerk will read.

There was no objection.

The Clerk read as follows:

WE WANTED A CHANGE.

We were getting a dollar six bits for our corn,
We could sell every hide from the hoof to the horn;
But we wanted a change, and we got it.

Now we're getting a quarter for corn—it's so cheap
That we burn it for fuel, our toes warm to keep;
We can't sell the hides so we bury them deep,
But we wanted a change, and we got it.

The poor workingman pulled down eight bucks a day,
Now he's darn glad to work for half of that pay;
But he wanted a change, and he got it.

There was work and a plenty for every man's son,
And warm food and shelter when that work was done.
Now millions are idle, where before there were none;
But we wanted a change, and we got it.

Mr. Wilson spent quite a long time over there,
For peace he was fighting, but what did we care?
We wanted a change, and we got it.

We were prosperous and happy, well fed and gay;
Now millions of children go hungry each day;
But we wanted a change, and we got it.

Meanwhile we hear this: "It was certain to come—
Reaction from war time"—and war three years done!
If we wanted a lemon we sure did pick one.
Well, we wanted a change. Now we've got it!

Mr. DUPRÉ. Mr. Chairman, may I inquire how much time remains?

The CHAIRMAN. The gentleman from Louisiana has 11 minutes and the gentleman from New York 22 minutes.

Mr. DUPRÉ. Mr. Chairman, I yield to myself the balance of my time.

Mr. Chairman, I think it is well to recall the attention of the committee—those who have not gone to Quantico, and personally I do not miss them [laughter], although I am not mentioning any names—I desire to call the attention of the committee to the fact that the debate on this bill now under consideration, as I said in a colloquy with my friend from Massachusetts [Mr. WALSH], has taken such a wide range that unless one has been in steady attendance here for the last three hours it really would be difficult to know what was under consideration. It happens to be a bill introduced by the chairman of the Committee on Rivers and Harbors on construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes. Incidentally, there are no other purposes beyond that previously mentioned.

Under the new dispensation, for which I did not vote and for which I am glad I did not vote, appropriations for rivers and harbors emanate from the Committee on Appropriations. I see the distinguished minority ranking member [Mr. BYRNS of Tennessee] in the offing. They bring in such appropriations for this purpose as they see fit. Very few of them know anything about the matter, so they save their faces by bringing in a lump-sum appropriation, leaving it to the Chief of Engineers and the Secretary of War nominally to distribute the funds. However, even the Secretary of War and the Chief of Engineers can not allot any of this lump sum to any project that has not yet been authorized by the Congress, and up to the present time, although the Appropriations Committee has grossly deviated from its functions and brought in many legislative provisions, it has not yet sought to insert in its rivers and harbors item authority to spend any money on any particular project in the country. Therefore, the only way that any new project for rivers and harbors can be cared for under the benevolent system to which I have heretofore referred is by Congress sanctioning the authorization of certain new projects.

The bill in question, which has the ardent support of the members of the committee of both parties, seeks to include some 25 new projects, the total cost of which would be about $37,000,000, whenever the Committee on Appropriations thinks they can find money enough to pay for those items. However,

sufficient unto the day be the evil thereof. We are now authorizing these new projects, and we hope some day to have enough money to have them paid for and work begun on them. The projects included have been very carefully pruned by the committee. The report of the committee says that the two prime considerations on which the bill is based are, first, the necessity for the development of water transportation facilities to relieve the throttling railroad congestion of normal times, both at terminals and on tracks and to cheapen transportation costs, and, second, the obligation of selecting from many meritorious projects only those whose development is most necessary and beneficial, in keeping with a proper regard for economy in Government expenditures.

If there should be criticism that the bill contains too many new projects, I would call the attention of the committee to the fact that there has been no appropriation bill from the Committee on Rivers and Harbors since 1919, where an itemized attempt was made to prorate the money appropriated to the particular projects. In 1920 we had a lump-sum appropriation of $12,400,000. That could be expended only on projects that had been previously authorized by Congress. In 1921, through the grace of the steering committee of the majority party, that magnificent sum was increased to $15,250,000, not a cent of which could be used for any new project. Therefore, it seems to me that this committee, of which I have the honor to be a member, has been very careful in restricting the bill to the items included. As I say, the bill as reported authorized appropriations of $31,000,000. Since then an emergency has arisen, and the chairman of the committee, with full authority from his colleagues, will introduce an amendment adding $6,000,000 to that amount for the Monongahela River.

A number of surveys are authorized in this bill. The cost of them is comparatively negligible. Most of them can be disposed of with the data already on hand by the district engineer, the division engineer, and the Chief of Engineers. However, Congressmen are continually being asked to have these surveys made, and it was my belief, and I so expressed it in the committee and I reiterate it here, that the best way to dispose of these things was to have the surveys authorized. About three-quarters of them will be reported adversely without much cost to the Government, and that will dispose of these pending surveys.

I am very glad to say that the minority members have worked in harmony with the gentleman from New York, chairman of the committee [Mr. DEMPSEY], and I desire, for my own part, to express my appreciation of his individual courtesy to me.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. DUPRÉ. Yes.

Mr. WALSH. The gentleman referred to the various new projects authorized in the bill.

Mr. DUPRÉ. Yes.

Mr. WALSH. As I recall, when the appropriation bill of the War Department was before the House an item was carried which was increased, I think, by the Committee of the Whole——

Mr. DUPRÉ. Very wisely.

Mr. WALSH. To $42,000,000.

Mr. DUPRÉ. Yes.

Mr. WALSH. Does not that cover any of the projects carried in this bill?

Mr. DUPRÉ. Not unless the bill should become a law before the appropriating bill shall become a law.

Mr. WALSH. What will be the effect if that bill becomes a law first? Will it require an additional appropriation of $37,000,000 to take care of these projects?

Mr. DUPRÉ. The gentleman knows better than that. He knows that all that will be appropriated through the military bill, if the Senate has the good sense to follow the action of the House, will be $42,000,000, and that is all that can be expended. Whether that will be expended on projects already authorized or whether an attempt will be made to utilize that sum for the projects authorized in this bill remains to be seen, but I believe, in view of the fact that the $42,000,000 sought to be appropriated covers projects already authorized, that the Secretary of War and the Chief of Engineers will apply that sum, should it become available, to those things that have been pending for a long time and will not seek to divert it to any of these new projects, if they should be authorized finally by law.

Mr. WALSH. Then, in the gentleman's opinion, it will require further appropriation, if the military appropriation bill becomes a law before the pending measure, to take care of these new projects?

Mr. DUPRÉ. Next year that may be necessary, if the $42,000,000 which is going to be appropriated for the purposes of existing projects has not been sufficient to wipe them out and let us start next year with an appropriation to cover these authorizations.

Mr. WALSH. Will the work on these new projects have to be delayed until next year, in the gentleman's judgment?

Mr. DUPRÉ. It will, until the money is available.

Mr. WALSH. How much in addition to the $42,000,000 will be necessary in order that work might be begun on the new projects carried in this bill?

Mr. DUPRÉ. Of course, I can not forecast what is going to be the outcome of this bill, but it is my hope and judgment that as it leaves the House it will carry authorizations amounting to some $37,000,000.

But it will be up to my economist friend from Massachusetts in the next short session to give us as much or as little as he sees fit. We are so dependent upon his mercy in those matters.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WALSH. Has the gentleman any more time at his disposal? I want to ask him to answer another question.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WALSH. Well, that is a national calamity. [Laughter and applause.]

Mr. DUPRÉ. Well, I should prefer a national calamity to a local calamity like the gentleman's presence from the State of Massachusetts.

Mr. WALSH. Mr. Chairman, I make the point of order that there is no quorum present. There is nothing further to be done.

Mr. DEMPSEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. STAFFORD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 10766), had come to no resolution thereon.

ADJOURNMENT.

Mr. DEMPSEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 3 minutes p. m.) the House adjourned until to-morrow, Friday, May 19, 1922, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. BURROUGHS: Committee on Interstate and Foreign Commerce. H. R. 11674. A bill for the purchase of the Cape Cod Canal property, and for other purposes; without amendment (Rept. No. 1016). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. LOWREY: A bill (H. R. 11696) to provide for additional appropriation for the erection of a Federal building at Holly Springs, Miss.; to the Committee on Public Buildings and Grounds.

By Mr. SWANK: A bill (H. R. 11697) to amend the act of May 27, 1908, entitled "An act for the removal of restrictions upon part of the lands of allottees of the Five Civilized Tribes, and for other purposes" (35 Stat. 312); to the Committee on Indian Affairs.

By Mr. KRAUS: A bill (H. R. 11698) to credit "General account of advances" with moneys heretofore advanced to the midshipmen's store fund at the Naval Academy; to the Committee on Naval Affairs.

By Mr. KAHN: A bill (H. R. 11699) relating to the appointment of the Chief of Staff of the Army; to the Committee on Military Affairs.

By Mr. GREENE of Massachusetts: Concurrent resolution (H. Con. Res. 57) authorizing an expenditure of not to exceed $500 from the contingent funds of the Senate and House of Representatives for the purpose of preparing an index of the hearings on the bills to amend the merchant marine act of 1920; to the Committee on Accounts.

By Mr. RAMSEYER: Resolution (H. Res. 349) providing for the appointment of a special committee, to be known as the "War Finance Committee," which shall consist of 15 Members of the House, to be appointed by the Speaker; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWNE of Wisconsin: A bill (H. R. 11700) granting a pension to Sarah Jane Warren; to the Committee on Invalid Pensions.

By Mr. LANGLEY: A bill (H. R. 11701) granting a pension to William D. Miller; to the Committee on Pensions.

Also, a bill (H. R. 11702) granting a pension to John S. Combs; to the Committee on Pensions.

By Mr. MUDD: A bill (H. R. 11703) granting a pension to Rosanora Capito; to the Committee on Invalid Pensions.

By Mr. NEWTON of Missouri: A bill (H. R. 11704) for the relief of Charles T. Grady; to the Committee on Claims.

Also, a bill (H. R. 11705) for the relief of Eugene Henry Lever; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5661. By Mr. FULLER: Petition of the Peoria (Ill.) Farm Bureau, the Pekin (Ill.) Association of Commerce, the Tazewell County (Ill.) Farm Bureau, and the American Distilling Co., favoring a duty of 10 cents per gallon on blackstrap molasses; to the Committee on Ways and Means.

5662. Also, resolutions of the Associated Cooperage Industries of America for legislation to abolish the Railroad Labor Board; to the Committee on Interstate and Foreign Commerce.

5663. Also, resolutions of Homestead Aerie No. 769, Fraternal Order of Eagles, favoring modification of the Volstead Act; to the Committee on the Judiciary.

5664. Also, petition of the Illinois League of Women Voters favoring House bill 11490 to enlarge the powers and duties of the Department of Justice, etc.; to the Committee on the Judiciary.

5665. By Mr. GALLIVAN: Petition of Mrs. George R. Fearing, 168 Beacon Street, Boston, Mass., and George Washington University, Washington, D. C., recommending passage of House bill 11490; to the Committee on the Judiciary.

5666. Also, petition of Joseph Middleby, jr. (Inc.), Boston, Mass., recommending certain changes in House bill 7456; to the Committee on Ways and Means.

5667. By Mr. KISSEL: Petition of Graham Talking Machine Co., Brooklyn, N. Y., relative to the Kelly-Stephens better business bill; to the Committee on Interstate and Foreign Commerce.

5668. Also, petition of Lawrence W. Luellen, New York City, N. Y., relative to the patent laws; to the Committee on Patents.

5669. Also, petition of Mississippi Valley Association, St. Louis, relative to certain public projects; to the Committee on Appropriations.

5670. By Mr. TAYLOR of Colorado: Petition from freight shippers of Leadville, Colo., protesting against passage of the Sweet-Capper bills; to the Committee on Interstate and Foreign Commerce.

SENATE.

FRIDAY, *May 19, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

NAMING A PRESIDING OFFICER.

The Secretary (George A. Sanderson) read the following communication:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., May 19, 1922.

To the Senate:

Being temporarily absent from the Senate, I appoint the Hon. GEORGE H. MOSES, a Senator from the State of New Hampshire, to perform the duties of the Chair this legislative day.

ALBERT B. CUMMINS,
President pro tempore.

Mr. MOSES thereupon took the chair as Presiding Officer.

PETITIONS AND MEMORIALS.

Mr. ROBINSON. I present a petition from citizens and business men of Jonesboro, Ark., protesting against the proposed tax on kid gloves and urging a reduction in the duty. I move that it be referred to the Committee on Finance.

The motion was agreed to.

Mr. CAPPER presented resolutions adopted by the Central Reading Club and the Visiting Nurse Association, both of Kansas City, Kans., favoring the enactment of legislation creating a department of education, which were referred to the Committee on Education and Labor.

Mr. TOWNSEND presented petitions of sundry citizens of Beaverton, Carson City, Middleton, Ithaca, Davison, Flint, Gagetown, Pigeon, Bay Port, Owendale, Elkton, Swartz Creek, Durand, Turner, Au Gres, Mason, Twining, Saginaw, Fairgrove, Akron, Gilford, Reese, Bay City, Caseville, Unionville, Carleton, Waltz, Mount Clemens, Essexville, Hampton, and Linwood, all in the State of Michigan, praying for the imposition of a tariff duty of $2 per hundred pounds on Cuban sugar, which were referred to the Committee on Finance.

He also presented petitions of sundry citizens of St. Johns, Lansing, Williamston, Elsie, Ovid, Potterville, Charlotte, Eaton Rapids, Grand Ledge, Perry, Fowlersville, Mason, Flint, Dansville, Leslie, Eden, Olivet, Vermontville, Bellevue, Webberville, Oakley, Chapin, Vernon, Corunna, Owosso, Carland, Burton, North Star, Ashley, Bennington, Laingsburg, and Flushing, all in the State of Michigan, praying for the passage of an adequate tariff law protecting farm products with duties at least as high as those contained in the so-called emergency tariff, which were referred to the Committee on Finance.

Mr. WILLIS presented the petition of Florence Maurer and sundry other citizens of Canton, Ohio, praying for the imposition in the pending tariff bill of only a moderate duty on kid gloves, which was referred to the Committee on Finance.

He also presented the petition of Jake Bauman, of Perrysburg, and sundry other citizens of Perrysburg, Walbridge, and Lime City, all in the State of Ohio, praying for the imposition of a tariff duty of $2 per 100 pounds on Cuban sugar, which was referred to the Committee on Finance.

Mr. SUTHERLAND presented a petition of sundry citizens of Salem, W. Va., praying for the prompt passage of an adequate protective tariff law based on American valuations, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Elm Grove, Wheeling, Wellsburg, Bridgeport, Martins Ferry, Moundsville, Brookside, Bellaire, and Warwood, all in the State of West Virginia, remonstrating against proposed increased duties on household and dress linens, which was referred to the Committee on Finance.

BILLS AND JOINT RESOLUTIONS INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McCUMBER:

A bill (S. 3626) for the relief of Clement A. Lounsberry; and

A bill (S. 3627) for the relief of Michael Maher (with accompanying papers); to the Committee on Military Affairs.

By Mr. JOHNSON:

A joint resolution (S. J. Res. 200) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

TARIFF BILL AMENDMENT.

Mr. MOSES (Mr. CAPPER in the chair) submitted an amendment, intended to be proposed by him to House bill 7456, the tariff bill, which was referred to the Committee on Finance and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed a bill (H. R. 11152) to authorize the Bear Mountain Hudson River Bridge Co. to construct and maintain a bridge across the Hudson River near the village of Peekskill, State of New York, in which it requested the concurrence of the Senate.

AFFAIRS IN HAITI.

Mr. BORAH. Mr. President, I ask permission to have printed in the RECORD in 8-point type a statement by a distinguished Haitian lawyer upon the Haitian situation. The article is very brief. I will not ask to have it read, but simply that it may be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD in 8-point type, as follows:

HAITI'S APPEAL TO AMERICANS.

(By Prof. Pierre Hudicourt.)

This article embodies the more important parts of an address delivered by Professor Hudicourt at a Popular Government League luncheon in Washington, February 2, 1922. The Advocate of Peace prints it in justice to the Haitian people, who are under obvious handicaps in presenting their side of the debate on conditions in Haiti to the American people.—The Editor.

Mr. Chairman, ladies, and gentlemen, it is my privilege to express to-day before an American gathering the sentiments of the entire Haitian people toward the people of America. This sentiment is entirely one of confidence and friendliness. Living on the same hemisphere, having enjoyed, like you, the benefits derived from an independence conquered at the high price of prolonged suffering and bloodshed when we threw off the yoke, not of one, but of three Old World powers who were successively determined to keep us enslaved, the Haitian people have always had the same aspirations as yourselves and the same love of liberty and independence. Six and a half years ago this liberty, achieved by our forefathers not long after your own, was taken from us by the military forces of the United States.

Well, to date, the Haitian people have never held the American people responsible for the miseries inflicted by your military forces, acting, as we have always believed, under the inspiration of commercial and financial interests and not authorized by the Congress of the United States. And it is for this reason that the Haitian people have not hesitated to appeal to what they still believe is the tradition and the heritage of your country. And in this connection a few words about our own history may be pertinent.

EARLY DANGERS NUMEROUS.

The day after the proclamation of independence of the Republic of Haiti, on the 1st of January, 1804, our country, ravaged by 14 years of bitter struggle, was confronted with all kinds of financial difficulties, which seriously handicapped our economic development. We were in constant fear of invasion by France, and our difficulties with that country were only solved by the payment of the heavy indemnity of 90,000,000 francs, the interest of which proved a heavy burden. For the following 100 years Haiti continued more or less isolated. Your country itself did not recognize our independence until the administration of that immortal friend of mankind, Abraham Lincoln. We had our internal dissensions and our revolutions, and candor compels me to admit that in a few years before the American occupation they were frequent. But, nevertheless, they were Haiti's own affairs, because in these disturbances no foreigners were ever injured. We are proud and happy to say that under Haitian governments no American life was ever lost. It is important to remember also that throughout all these years the Haitians scrupulously paid the interest on their external and internal debt; that is more than several of your own Southern States did. I think I am not mistaken that a number of them repudiated their financial obligation some years after your Civil War. Please always remember this when you hear talk of anarchy in Haiti.

PEOPLE PROTESTED AMERICAN ACTIONS.

Now, whatever the conditions were in Haiti, the Haitian people are united in protesting that there was no justification for the landing and maintenance of American forces on Haitian soil since 1915; for the seizure by American marines of our customhouses, and indeed of all our revenues; for the dissolution of our legislative bodies; for the use of coercive measures to force an unwelcome and undesired treaty upon the country; and to compel us to adopt a constitution by totally illegal means. Under Haitian civil law, and I am sure under American law, as indeed under law everywhere, an agreement between individuals is not binding unless the consent of both parties has been freely obtained. Three causes are recognized by jurisprudence as vitiating the consent, viz, violence, error, and fraud. If one of these causes exists the agreement is null and void. These same conditions which apply to a civil agreement are required also by international law for any international agreement. It is our contention and our belief, therefore, that the convention of 1915 which holds Haiti to-day is null and void, and should be so declared.

THE FACTS.

It is not my desire or my purpose as a guest in your country to be critical of its actions. The facts themselves tell what has occurred; but I think I am justified in pointing out that these facts indicate that America's action in Haiti was contrary, first, to the formal agreement signed on the 18th of October, 1907, at the second Hague Peace Conference, of which Haiti is a signatory, relating to the necessary formalities which are to be carried out in case of a declaration of war, for America's acts against Haiti, while never so declared, were in reality acts of war.

Second. America's action was contrary to the formal agreement signed on October 18, 1907, at the second Hague Peace Conference, of which Haiti is also a signatory, relating to the peaceful settlement of international disputes.

Third. Contrary to the special agreement entered into on the 7th of January, 1909, between the United States of America and Haiti, providing for the submission to the permanent court of arbitration established at The Hague by the convention of July 29, 1899, of all differences of a legal nature which may arise between the two countries.

Fourth. It is contrary to the entire spirit of the Monroe doctrine, the first purpose of which was to defend the weaker nations of America from attack by the stronger.

America's action is contrary to the immortal principles laid down in the American Constitution, which constitutes for the present time the vade mecum of all democracies.

AMERICAN VIOLATION OF AMERICAN PRINCIPLES.

America's action against Haiti's independence and sovereignty is contrary to the decisions of America's Supreme Court, based upon certain fundamental principles of international law, as set forth in the declaration of the rights and duties of nations adopted by the American Institute of International Law on January 6, 1916, as follows:

1. Every nation has the right to exist and to protect and to conserve its existence; but this right neither implies the right nor justifies the act of the State to protect itself or to conserve its existence by the commission of unlawful acts against innocent and unoffending States.

2. Every nation has the right to independence in the sense that it has a right to the pursuit of happiness and is free to develop itself without interference or control from other States, provided that in so doing it does not interfere with or violate the right of other States.

3. Every nation is, in law and before law, the equal of every other nation belonging to the society of nations, and all nations have the right to claim and, according to the Declaration of Independence of the United States, "to assume among the powers of the earth the separate and equal station to which the laws of nature and of nature's God entitle them."

4. Every nation has the right to territory within defined boundaries and to exercise exclusive jurisdiction over its territories and all persons, whether native or foreign, found therein.

5. Every nation entitled to a right by the law of nations is entitled to have that right respected and protected by all other nations, for right and duty are correlative, and the right of one is the duty of all to observe.

6. International law is at one and the same time both national and international; national in the same sense that it is the law of the land and applicable as surely to the decision of all questions involving its principles; international in that sense that it is the law of the society of nations, and applicable as surely to all questions between and among the members of the society of nations involving its principles.

DOUBTFUL GOOD FAITH OF DECLARATIONS.

Now, what are the motives behind the American occupation? Not being in touch with the State Department and the Navy Department of your country, I can not say. The treaty which was imposed upon Haiti against its will specifically states:

That the United States has no aim except to insure, establish, and help maintain Haitian independence and the establishment of a firm and stable government by the Haitian people.

Well, gentlemen, to date there has not been the slightest evidence in Haiti of any such purpose. Not only has the United States failed to carry out a single provision of the treaty which it composed and imposed, but every move has been contrary to Haiti's interests, contrary to the fundamental ideas of democratic government, and designed apparently merely to aid American investors. If it were the intention of the United States to "aid the establishment of a firm and stable government" by the Haitian people, why did the United States dissolve and abolish all forms of representative government in our country? Does anyone here think that the Haitian people would be aided by holding them under martial law, by preventing elections, and by giving us every day visible proof of the utter contempt for the laws which the United States itself was responsible for at the hands of its military and civil officials? Indeed, an election of a president under the constitution which was written for us, according to his own boast, by Franklin Roosevelt, has been due, but by orders of the Marine Corps no such election has been held. The president who has been elected with the assistance of the Marine Corps should end his term next May, and no one in Haiti to-day among the Haitians knows whether it is the purpose of your Government illegally to extend his term, illegally to appoint another president to office, or, indeed, has the slightest inkling of what the future holds.

AMERICANS SEEK CHEAP LABOR.

We are a conquered and helpless people. The United States has abolished every real form of self-government. The presi-

dent himself is a mere figurehead, a device of the occupation to give an appearance of legality and of democratic sanction to its own acts. We are at the mercy of the arbitrary acts of every marine private, of every small civil official. We have neither recourse in law nor the right of appeal, even to higher authorities in the United States. Why do the American interests want Haiti? For one thing, labor is cheaper there than almost any other place on earth. It can be obtained for the sum of 20 cents a day, a fact enthusiastically boasted of in a recent prospectus of the Haitian-American Sugar Co., when it was trying to float a loan in the United States. This prospectus pointed out that the average daily wage in Cuba was $1.75; in Haiti, 20 cents. The president of the United West Indies Corporation, another large American development company, which has acquired vast tracts of land since the Franklin Roosevelt constitution permitted strangers to acquire it, testified recently before the senatorial commission of inquiry:

We would not invest capital in Haiti if we could only get 9 or 10 per cent out of it. We believe that the prospects for investment of capital in Haiti are far in excess of 10 per cent.

Now, what are these development companies doing and planning to do? They are planning by one means or another to push the little Haitian landowner off his land, the land that he has held and cultivated from father to son since our war of independence, when the great slave-holding estates were distributed among the peasants.

Having deprived them of their land, they will force these people, who have always been happy and contented, who by virtue of having a little piece of land all their own have never known want—to force these people, I say, to become homeless itinerant day laborers, working at the glorious wage of 20 cents a day in the seasons when work is provided—that is to say, for only 6 months out of the 12. During the other six months, robbed of their little property, God knows what they will do. You will, therefore, you who have supposedly come to help us, have introduced the American wage system and American unemployment in Haiti.

HAITI OPPOSES PROPOSED LOAN.

In this connection I want to say a final word on a matter which I consider of paramount importance in obtaining a just settlement of the Haitian situation. While a senatorial commission of investigation was still on its way to Haiti on what purported to be the first serious investigation of the events of the last six years, and while a resolution, I am happy to say, has been introduced by Senator KING, of Utah, who was formerly a member of that commission, calling for the withdrawal of the American occupation and the abrogation of the treaty which gives America complete financial control of the island, the American occupation is negotiating with American bankers for a large loan with Haiti. Under the terms of this loan, which is made subject to the convention of 1915, the Haitian finances will be subject to American control for 30 years. I think I may say that it is the hope of those Americans who desire to perpetuate the American hold on Haiti to have this loan an accomplished fact at the earliest possible moment, so that the question of abrogation of the treaty will be still further complicated. Haiti does not want this loan. Haiti does not need this loan. But in any event I desire to protest emphatically against the consummation of that loan while the entire Haitian question is sub judice. The Haitians desire the immediate return of their independence and sovereignty. Let them, then, if they feel that they need a loan, negotiate it freely upon such terms as they are able to secure. If the free Haitian Government should be willing to pledge a certain part of its revenues against such a loan, it can do so. But the loan now contemplated, like every other action based upon the illegal occupation, we repudiate in principle, and we object to it vehemently as an attempt to perpetuate the conditions which now exist. To these conditions the Haitian people will never consent. We have been a patient people. We have waited for six years in the hope and belief that the United States would render justice. We have not yet abandoned that hope, and we shall never abandon our determination to regain the freedom which is our birthright.

THE M'CORMICK COMMISSION.

Now, finally, I want to protest with all the emphasis of which I am capable, in the name of your own immortal principles, against the decision rendered recently by a senatorial commission which went to Haiti supposedly to investigate conditions there. That commission had spent some weeks in the United States listening to the testimony of marine officers and bankers interested in Haiti. When it came to hear the Haitian side, to hear the story of six years of tyranny, it spent actually only five days on the island, of which but one and a half was devoted to taking testimony. The rest of that time was largely spent in the company of the Marine Corps and of American investors. Immediately on its return, although the commission had announced in Haiti that the case was by no means closed and that hearings would continue, it rendered a decision in a preliminary report. This report recommended that the marines stay in Haiti; that there be no abrogation of the convention; that a high commissioner, who would be a virtual dictator, should coordinate the various civil and military functions; and that the loan must be put through at once. Now, if this is "the establishment of a firm and stable government by the Haitian people," I leave it to your sober judgment. For my part, if the United States desires to annex Haiti, to make it an American colony, of which America's every single act affords convincing evidence, why not say so? Why continue the sham and the hypocrisy of pretending, against the will of the entire Haitian people, that you are there for philanthropic reasons? As I said, the Haitian people have been a patient people. They are a good and kindly people. But once they lose all hope in the honor of the United States I do not know what may ensue. I ask those of you who believe in the rights of liberty and independence for small countries what your course would be?

ADJUTANT GENERAL PETER C. HARRIS.

Mr. SHEPPARD. Mr. President, Maj. Gen. Peter C. Harris has about completed his term of four years as Adjutant General of the United States Army. During that time he has labored most devotedly, working day and night, including Sundays, and has made a most enviable record.

I have here a statement by the War Department relative to his service, a memorandum which he submitted prior to his retirement, and a memorandum covering his service, based on the records, which I have had prepared. I ask to have these printed in the RECORD.

There being no objection, the memoranda submitted by Mr. SHEPPARD was ordered to be printed in the RECORD, as follows:

WAR DEPARTMENT STATEMENT RELATIVE TO RETIREMENT OF MAJ. GEN. PETER C. HARRIS.

The application of Maj. Gen. Peter C. Harris for retirement under provisions of law upon expiration of his four-year detail as Adjutant General of the Army on August 31, 1922, has been approved. General Harris has also been granted leave of absence with permission to go abroad from April 1, 1922, until the date of his retirement.

* * * * * * *

General Harris was assigned to The Adjutant General's Department in 1912 and appointed The Adjutant General on September 1, 1918. For his services in this department during the World War, he was awarded the distinguished service medal by our Government, the Legion of Honor (commander) by France, and the Order of the Crown (commander) by Italy. The citation of the distinguished service medal follows:

"For exceptionally meritorious and conspicuous service. During his service in The Adjutant General's Department, his zeal, energy, and judgment have been made manifest by the reforms accomplished in record-keeping systems in the War Department and in the Army."

When General Harris took over the office of The Adjutant General of the Army, August 26, 1918, the daily average number of pieces of mail of all classes received in the office was something over 100,000. This daily average rose to more than 200,000 before the signing of the armistice, and during the demobilization period the number received on a single day reached 546,986. The daily average for the fiscal year ended June 30, 1919, was 297,366, as against 75,286 during the fiscal year ended June 30, 1918. For the fiscal year ending June 30, 1916, the last during which normal conditions prevailed, the total number of pieces of mail received was 925,930, a daily average of only 3,025.

To handle work of this magnitude General Harris reorganized his offices and inaugurated a new system of record making and record keeping. As a result, the Government has been saved millions of dollars and The Adjutant General's Office, with a clerical force only twice that authorized for the fiscal year 1917, is to-day handling nearly five times as many letters and memoranda requiring investigation and correspondence as were handled in the office before the World War.

The records of the World War to-day, three years after the signing of the armistice, are far more nearly complete than were those of the Civil War 30 years after its close and are equally as accessible as were the records of the Civil War after they had been carded and assembled in individual jackets at a cost of many millions of dollars.

During the Spanish-American War General Harris was nominated by the President for brevet captain for gallantry in battle at Santiago de Cuba, July 1, 1898.

In addition to duty with troops and in The Adjutant General's Department, General Harris has served on the General Staff and represented the War Department at the Buffalo Exposition.

General Harris was born at Kingston, Ga., graduating from the United States Military Academy in 1888, from the Infantry and Cavalry School in 1895, and from the Army War College in 1908.

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STATEMENT TO THE SECRETARY OF WAR BY GENERAL HARRIS ON THE CONDITION OF BUSINESS IN THE ADJUTANT GENERAL'S OFFICE UPON HIS LEAVING.

APRIL 6, 1922.

Memorandum for the Secretary of War:

On the conclusion of my active charge of The Adjutant General's Office I deem it appropriate to advise you briefly of the condition of the work therein.

The number of communications requiring investigation and correspondence remaining on hand at the close of office on March 31, 1922, was 7,853, which is only slightly in excess of the number disposed of daily. The work is thus practically current, it being considered uneconomical to have on hand at the close of a day less than about the number of cases disposed of daily. If all the work were disposed of each day there would be a period at the opening of the following day during which a portion of the office force would not be occupied.

The clerical force (1,053) now employed in the office is less than twice the number (583) authorized for the fiscal year 1917, while the number of communications received daily requiring investigation and correspondence is nearly five times as great as the number of such communications received daily prior to the World War.

In that branch of the office which handles all requests for information from the records of soldiers of the World War there was on hand on March 31 actually less than one day's output, and among the cases on hand was only one that had been received prior to March 31. Contrasting that condition with the condition of work in the branch of the War Department that had custody of the Civil War records after the close of that war, it will be seen that the present system of making and handling records is far superior to that in use during and after the Civil War. On July 8, 1889, 24 years after the close of the Civil War, there remained on hand in that branch of The Adjutant General's Office which corresponds to the branch referred to above 40,654 unanswered requests from the Pension Office, the second auditor's office, and other agencies, and nearly 30 years after that war over 800 clerks were still employed on those records. Although less than three and one-half years have elapsed since the close of the World War, the force of clerks handling similar work has been reduced to 369 and the work itself is current. This condition becomes especially significant in view of the fact that the number of soldiers in the World War was twice as great as the number in the Federal service during the Civil War, and the number of organizations in the World War was approximately as large as the aggregate number of organizations in service during all the other wars in which the United States has participated.

In closing I desire to commend and thank the officers and clerks, without whose intelligent and energetic cooperation the accomplishments referred to would have been impossible.

P. C. HARRIS,
The Adjutant General.

MEMORANDUM ON SERVICE OF MAJOR GENERAL HARRIS AS ADJUTANT GENERAL.

When General Harris came to Washington in 1916 the record-keeping system of the Army and the War Department was substantially the same as in the Civil War.

When the National Guard was called into the service that year for Mexican border duty it took the companies several days, and in some cases weeks, to prepare the muster-in rolls and records in use at that time.

General Harris at once began a study looking to a revision of the records, and as a result of his work the National Guard when called into the service in 1917 were able to prepare in a few hours records that required as many days the year before.

In 1917 General Harris began a revision of the record-keeping system of the Army, beginning with the records of the soldier draft in the company. He extended his system up to and including The Adjutant General's office. To-day, with only twice the number of clerks that were in The Adjutant General's office in 1917, he is handling five times as many communications requiring investigation and correspondence as were handled in The Adjutant General's office in 1917, and this because of the changes in the record-keeping system conceived and put into operation through his individual efforts.

The records of the World War, three years after the signing of the armistice, are more complete and accessible than were the records of the Civil War 30 years after its close.

Thirty years after the close of the Civil War the Congress was still appropriating annually about $1,000,000 for work on the Civil War records, while to-day the amount available for the World War records is about one-third that amount. This is rendered possible through the changes made by General Harris. These changes also make it possible for The Adjutant General's office, immediately after the close of the World War, to furnish to the Bureau of War Risk Insurance, Auditor for the War Department, Army finance officer, and other relief agencies of the Government information necessary to adjudicate claims of soldiers of the World War. Much of the information now furnished for the soldiers of the World War was not accessible for soldiers of the Civil War until 30 years after its close.

General Harris has made extensive changes and improvements in the system of promulgating orders and instructions to the Army.

The records of The Adjutant General's office to-day are in better shape in every way, and the work is performed more economically than at any other time in the history of the War Department.

Contrary to the general impression, the volume of work in The Adjutant General's Office the last few months of the war and during the period of demobilization greatly exceeded that during 1917 and the early part of 1918.

When General Harris took over the office of The Adjutant General of the Army, August 26, 1918, the daily average number of pieces of mail of all classes received in the office was something over 100,000. This daily average rose to more than 200,000 before the signing of the armistice, and during the demobilization period the number received on a single day reached 546,986. The daily average for the fiscal year ended June 30, 1919, was 287,266, as against 75,286 during the fiscal year ended June 30, 1918. For the fiscal year ended June 30, 1916, the last during which normal conditions prevailed, the total number of pieces of mail received was 925,930, a daily average of only 3,025.

The volume of work handled during the first fiscal year of General Harris's administration was therefore nearly ninety-five times as great as that handled during a normal year, and on several occasions the quantity of mail received on a single day approximated two-thirds of that received during the entire fiscal year ended June 30, 1916.

It soon became evident to General Harris that a radical and immediate reorganization of the office was needed to handle the enormous and rapidly increasing volume of mail.

To illustrate: (1) Enlistment papers or records of enlistment; (2) reports of physical examinations at enlistments; and (3) daily reports of changes which had superseded the bimonthly muster rolls were filed separately (in different rooms) in the basement of the State, War, and Navy Building; (4) medical cards or record of sickness or disability while in the service were filed in a building on the Mall; (5) the correspondence in one great consolidated file was on the fourth floor of the State, War, and Navy Building; and (6) the reports of casualties and all records and correspondence relating thereto were filed in the Emery Building, First and B Streets NW.

Thus to obtain the complete military and medical record of an enlisted man it was necessary to examine records located, as already stated, in various parts of The Adjutant General's Office; to be exact, in four widely separated rooms of the State, War, and Navy Building and in two other buildings, one on the Mall and the other at First and B Streets NW., each a mile and a half away from the main office.

The several records relating to officers were similarly filed in widely separated rooms of the State, War, and Navy Building and the buildings on the Mall and at First and B Streets NW.

The necessity for segregating the records and correspondence relating to enlisted men in one file and those relating to officers in another file was apparent, and General Harris immediately set to work to bring this about. While he had the assistance of able and faithful clerks of long experience and of two civilian efficiency experts from New York City, General Harris personally directed and supervised the reorganization of the offices, and the system which he installed was conceived and developed by him.

So long as the several classes of records were filed separately, it was necessary that each should contain information duplicated on some or all of the others. After they were segregated, the duplication was eliminated, and two of the records—enlistment paper and report of physical examination—were consolidated. This revision and consolidation, made by General Harris personally, not only increased the efficiency of The Adjutant General's Office but greatly reduced the amount of clerical work involved in the preparation of these records by the Army.

Soon after the reorganization of the offices, the work became and has continued current, notwithstanding the unprecedented number of calls for information from the records received from the Bureau of War Risk Insurance, the Auditor for the War Department, Army finance officers, the Federal Board for Vocational Training, the American Red Cross, and from many other sources, both official and private. As a result of General Harris's work, the records of the World War, to-day, less than three years after the signing of the armistice, are far more nearly complete than were those of the Civil War 30 years after its close, and are equally as accessible as were the records of the Civil War after they had been carded and assembled in individual jackets at a cost of many millions of dollars.

"It is no exaggeration to state that the changes in the record-keeping system, made upon recommendation from this office after the declaration of war, have saved the Government millions of dollars, and, through making it possible to furnish information promptly to the Bureau of War Risk Insurance and other relief agencies previously referred to, have spared our disabled soldiers and the dependent relatives of those who sacrificed their lives in their country's cause untold suffering, misery, and want." (Extract from the Report of The Adjutant General of the Army to the Secretary of War, 1920.)

The efficiency and economy of the new system devised and inaugurated by General Harris is also shown by the fact that with a clerical force of only twice that authorized for the fiscal year 1916, The Adjutant General's Office is handling five times as many letters and memoranda requiring investigation and correspondence and more than 18 times as many reports and records required to be examined and filed as were handled before the World War.

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IMPROVEMENTS IN METHOD OF PROMULGATING REGULATIONS, ORDERS, AND INSTRUCTIONS.

In addition to reorganizing The Adjutant General's Office, General Harris has made important and extensive improvements in the method of promulgating regulations, orders, and instructions to the Army. These have greatly reduced the cost of publication and have made more readily accessible the regulations and instructions which officers must consult in the performance of their duties. The change in the method of publishing special orders, for instance, made on November 1, 1918, reduced the cost of printing these orders from $10,000 per month in September and October to $3,000 for the month of November, representing a saving of $7,000 per month. This change also rendered it unnecessary to send advance copies of special orders by telegraph, except in most urgent cases, thus reducing the War Department telegraph bill several thousand dollars per month.

REDUCTION IN PAPER WORK.

General Harris has also revised, in fact revolutionized, the record-keeping system of the Army and has done more to reduce Army paper work than any other person since the establishment of our Government.

HUDSON RIVER BRIDGE.

The bill (H. R. 11152) to authorize the Bear Mountain Hudson River Bridge Co. to construct and maintain a bridge across the Hudson River near the village of Peekskill, State of New York, was read twice by its title.

Mr. CALDER. Mr. President, the Senate has already passed a bill of like character, and I ask unanimous consent that the bill may be considered now.

There being no objection, the bill was considered as in Committee of the Whole, and was read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to Bear Mountain Hudson River Bridge Co., a corporation incorporated by act of the Legislature of the State of New York approved March 31, 1922, its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Hudson River, at a point suitable to the interests of navigation, near the village of Peekskill, County of Westchester, State of New York, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That this act shall be null and void, if actual construction of the bridge herein authorized be not commenced within three years and completed within seven years from the date of approval hereof.

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THOMAS B. FELDER.

Mr. WADSWORTH. Mr. President, I am in receipt of a communication from Mr. Thomas B. Felder. It seems that Mr. Felder, although a former resident of the State of Georgia, has been for the last three or four years a resident of the city and State of New York. In the Senate debate several days ago some very serious accusations were made against Mr. Felder's character and record. The letter which he has addressed to me in a sense, and I think in a very true sense, is a reply to some of those charges and contains certain data concerning his record and efforts while a resident of the State of Georgia.

In view of the fact that the charges against him have been printed in the CONGRESSIONAL RECORD and have had that very large distribution of the publication, I think it only fair that his answer to them be given equal publicity; otherwise he is quite unable to defend himself. I ask unanimous consent that his letter may be printed in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

Mr. CARAWAY. Mr. President, I shall not object, but I wish to ask the Senator from New York if he personally indorses the statements in the letter?

Mr. WADSWORTH. I have no method of ascertaining the truth or falsity of any statement that Mr. Felder has made in his letter. Mr. Felder is a constituent of mine, and I met him for the first time about a week ago.

Mr. CARAWAY. Whether his statements are true or false, the Senator does not know?

Mr. WADSWORTH. I have no personal information concerning the controversy whatsoever.

Mr. CARAWAY. I shall not object, but I shall have something to say about it at a later time. I hope the Senator from New York will be present when I do it.

Mr. POMERENE. Mr. President, I of course have not seen the letter which is presented for the RECORD, but there came to my office a letter purporting to have come from Mr. Felder. I believe it was in the nature of a circular letter, typewritten. I know nothing about the controversy in the letter which the Senator presents. The letter which came to my office contained very serious reflections upon two Senators now Members of this body.

Mr. WADSWORTH. I have examined with great care the letter which I have presented, and it mentions no Senator and makes no reflection upon any Senator by inference or otherwise.

Mr. POMERENE. I am quite sure that if the letter presented contained the statements that were in the letter I received no Senator would present it on the floor of the Senate.

Mr. CARAWAY. I wish to say, as I have said to the Senator from New York privately, that to-morrow some time after 12 o'clock I shall have something to say about the matter.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and the letter will be printed in the RECORD as requested.

The letter referred to is as follows:

FELDER, CHOROSH & MCCROSSIN,
New York, May 12, 1922.

Hon. JAMES W. WADSWORTH, Jr.,
Washington, D. C.

DEAR SIR: Charges were recently made against me on the floor of the Senate by Members of that body under the protection of senatorial immunity, as follows:

1. That I am a lobbyist for the liquor ring.
2. That I was indicted in South Carolina.
3. That I was run out of Georgia.

These charges appear in the CONGRESSIONAL RECORD. In the years to come my posterity may be told that the CONGRESSIONAL RECORD shows that their ancestor was guilty of these charges. As an American citizen I am entitled to have the truth appear in the CONGRESSIONAL RECORD.

On the eve of my departure from Georgia to take up my residence in the city of New York there was gathered in the Auditorium in the city of Atlanta more than 5,000 people, including the governor of the State, the United States Senators, and the members of the general assembly, which was about to adjourn after enacting a bone-dry law which I had prepared and which I assisted in putting into effect in Georgia. The meeting was called to celebrate the victory and as a "farewell" to me. Since I took up my residence in New York I have been appointed a coreceiver for the Savannah & Atlanta Railroad and for the Port Wentworth Terminal Co. I still hold these positions of trust and emolument.

Immediately after the charges were made against me on the floor of the Senate I received the following letter from former Gov. N. E. Harris:

"DEAR TOM: I have seen the gratuitous attack on you which occurred yesterday in the United States Senate.

"It was certainly unexpected, so far as I am concerned.

"If you need any word from down this way to show how utterly unjust was the criticism, write or telegraph me at Hampton, Carter County, Tenn., where I go to-morrow. I will return here on the 17th and can see all of our friends to set this matter right.

"You put prohibition into effect in Georgia.

"Yours sincerely,

"N. E. HARRIS."

I spent 12 months in the city of Washington working for the enactment of the eighteenth amendment, after having devoted years to the prohibition cause in my State and other States of the Union. After the adoption of the amendment I received a letter from Bishop H. M. Du Bose, one of the most distinguished bishops of the South Methodist Church, from which I quote:

"I shall always be happy to hear from you and shall not forget to pray for you and for the success of your labors. That you are a God-called man and that He will guide and direct you and give you courage and peace in your work I have no manner of doubt. Your life and loyalty have been an inspiration and comfort to me.

"H. M. DU BOSE."

When the war was declared against Germany, prompted by an intense spirit of patriotism and loyalty, I requested the then governor of my State to appoint me colonel of the Third Georgia Regiment; that I intensely desired to fight for my country; that he had offered me positions of honor and trust which I was forced to decline; that I would like to command the Third Georgia Regiment and go over with the Roosevelt expeditionary forces. I was assured that I would receive the commission if the fighting units were raised by the volunteer system. They were not so raised, and I was told thereafter that I was "too old to fight."

* * * * * * *

Either of the two Senators from South Carolina will verify the statement that I was never indicted in the State of South Carolina. When I left the State of Georgia to take up my residence in the city of New York, "without my knowledge, consent, or procurement," the governor of the State, every judge in the city of Atlanta, including the circuit, city court, and Federal judges, and all of the judges of the supreme court and court of appeals gave me letters from which I quote:

From Governor Harris:

"I have known Colonel Felder for many years. He is regarded in Georgia as one of the ablest lawyers at our bar, a fine advocate, an eloquent, forceful speaker, and is fully competent to handle any case that may be intrusted to him or any matter that may come before him for attention.

"I would have been willing at any time to have given him any appointment within my power, whether on the supreme court, court of appeals, or any other position. On one occasion I offered to give him a place on the court of appeals, but he declined to even consider the same, though I felt that he was fully able to meet any requirement that it would make upon him."

From a letter of Hon. Benjamin H. Hill, now judge of the court of appeals, then judge of the circuit court of the county of Fulton, city of Atlanta:

"I regard him as a very able lawyer, well versed not only in the fundamentals of the profession but abreast of all the important modern decisions.

"As a practitioner in court he has few equals in our State, fluent as a speaker, logical in the presentation of facts and accurate in the apprehension and citation of legal principles governing the issue in cases. He has impressed me as a lawyer of high professional ideals who endeavored to live up to them, thoroughly conscientious in the positions that he takes, and courteous in his deportment to the bench and the bar.

"He has long been regarded by the bench and the bar of this State as deserving confidence and admiration. If he leaves the State of Georgia, I think there will be very universal regret, and his going will be a distinct loss to the profession.

"BENJ. H. HILL."

Letter from Hon. A. E. Calhoun, judge of the city court of Atlanta:

"It gives me pleasure to testify to his splendid character and personal integrity as a man and his high standing in this city and State. As a lawyer he is energetic, able, resourceful, and well equipped. In the courthouse he is especially strong—an eloquent and convincing speaker, and a skillful examiner of witnesses. I consider him one of the best, if not the best, trial lawyers at the Atlanta bar.

"A. E. CALHOUN."

Letter of Hon. William T. Newman, judge of the United States district court:

"He has practiced for a number of years in the court over which I preside, and he is a good lawyer and has maintained an excellent character as a lawyer in this court at all times. I have come to know Mr. Felder very well, both personally and as a lawyer, and have come to like him very much, both in the courthouse and out of it, and I take pleasure in commending him to the consideration of all with whom he may come in contact.

"WM. T. NEWMAN."

Letter from Hon. William H. Fish, chief justice of the Supreme Court of Atlanta:

"I have known Hon. Thomas B. Felder, of Atlanta, Ga., for 20 years, and more. * * * He has practiced regularly in the Supreme Court of Georgia during the entire time that I have been a member of that court; that is, for more than 20 years. My opportunities for forming a correct estimate of Mr. Felder's character and legal ability have therefore been good. He bears the reputation of a gentleman of the highest character, is a lawyer of eminent attainments, and I am sure will most faithfully and efficiently represent any cause which may be intrusted to him.

"WM. H. FISH."

Letter from Hon. Beverly D. Evans, United States district judge for the southern district of Georgia:

"I have been associated with him in the trial of cases; I have presided as judge in the trial and appellate courts where he frequently appeared as counsel. I take pleasure in testifying to his ability as an advocate, his skill as a lawyer, and general trustworthiness. I commend him as a careful, competent, and energetic lawyer.

"BEVERLY D. EVANS."

Letter from Hon. M. W. Beck, judge of the Supreme Court of Georgia:

"He is a distinguished member of the Atlanta bar and has appeared before this court as counsel in numerous cases of importance, and has always represented his clients with marked zeal and ability.

"His distinguished career at the capital city of the State has made him known throughout the entire State of Georgia and the adjoining States. He is a lawyer of wide experience and ability, and now, in the ripeness of his powers, is prepared to render able service in any matters in which he may be retained as counsel.

"M. W. BECK."

Letter from Hon. Peyton L. Wade, chief judge of the Court of Appeals of the State of Georgia:

"My acquaintance * * * has extended over a period of more than 30 years, and it affords me sincere pleasure to bear witness to the deservedly high position he has long occupied at the Georgia bar, and to myself testify to his known legal ability, as exemplified in the trial of many important cases in the Supreme Court and the Court of Appeals of Georgia, as well as to his enviable reputation as an advocate of no mean power in the trial courts.

"PEYTON L. WADE,
"Chief Judge Court of Appeals of Georgia."

Letter from Hon. Jefferson B. Browne, chief justice of the Supreme Court of Florida:

"I have a very warm friend who moved from Atlanta to New York two years ago, Mr. Thomas B. Felder * * *. I have known Felder intimately for the last 20 years, and he is a man of exceptional ability and industry and of the highest integrity.

"JEFFERSON B. BROWNE,
"Chief Justice of Supreme Court, Florida."

Letter from Hon. George L. Bell, judge of the Superior Court of Atlanta, Ga.:

"Mr. Felder has practiced law before all of the courts of the South for a number of years and by his ability, energy, and eloquence has secured a large and varying clientele.

"I bespeak for him the kind consideration of the bench and bar of any locality in which he may cast his lot. He has demonstrated that he is not only an able lawyer but a man of affairs, and has taken a wide interest in the civic development of this State, and wherever he goes his influence for good will be felt.

"GEO. L. BELL."

Letter from Hon. H. M. Reid, judge of the city court of Atlanta:

"Thomas B. Felder, Esq., is a prominent member of the legal profession in this State, resident in this city.

"Mr. Felder's practice has been varied and extensive and he has established a reputation as a lawyer of ability and great resourcefulness in court trials, and occupies a position of eminence in his profession. He is well known throughout the State and is recognized as a man of high character as well as a lawyer of high standing

"H. M. REID."

I quote from a letter from J. T. Pendleton, circuit court judge:

"Mr Thomas B. Felder, an able attorney of this bar, is removing to the city of New York for further prosecution of his profession.

"Mr. Felder is an attorney of ability, and will, I am sure, represent with ability any business which may be intrusted to him. He is perhaps entitled to more credit for the recent prohibition laws of Georgia than any other one man in the State.

"J. T. PENDLETON,
"Judge Superior Court, Atlanta."

I quote from Hon. W. D. Ellis's letter:

"Hon. Thomas B. Felder has for many years been a prominent member of the bar of this circuit. He has been connected with several prominent law firms, and has from time to time been engaged, both in the State and Federal courts, in very important litigation. He is an attorney of ability and is very energetic in anything he undertakes to do.

"I am informed that he is about to engage in the practice of law elsewhere, and I wish for him eminent success.

"W. D. ELLIS,
"Judge, Superior Courts, Atlanta Circuit."

I quote from a letter written by Hon. H. Warner Hill, justice of the Supreme Court of Georgia:

"Hon. Thomas B. Felder, of the Atlanta (Ga.) bar, has been personally known to me for many years. He is a member of the bar of this court in good standing, is a gentleman of high character, and an able and distinguished lawyer. He has appeared in many cases before this court, some of which have been of great importance, and he has handled them with skill and ability.

"I am informed that Mr. Felder contemplates opening a law office in the city of New York. I cheerfully recommend him to anyone desiring the services of an able and painstaking attorney.

"H. W. HILL."

I quote from a letter written by Hon. Samuel C. Atkinson, associate justice of the Supreme Court of Georgia:

"I have known Hon. Thomas B. Felder, of the Atlanta bar, for many years, and take pleasure in saying that he is a gentleman of high character and well-recognized legal ability. He is attentive to business intrusted to him and is especially strong as a trial lawyer.

"I understand that he contemplates extending his field of practice to other States. If he does so, he will carry my good wishes and I will confidently expect to hear of his success.

"SAMUEL C. ATKINSON."

I quote from a letter from Price Gilbert, associate justice of the Supreme Court of Georgia:

"I have known Mr. Felder well since his graduation at college, and it gives me pleasure to say that he has been a prominent and successful practitioner in the courts of Georgia for many years. He is a man of splendid ability and industrious, and in the trial of cases is of unusual resourcefulness.

"PRICE GILBERT."

I quote from a letter from Walter F. George, of the Court of Appeals of Georgia:

"* * * This contemplated change of residence by Mr. Felder has been noted generally in the press of this State.

"I have known Mr. Felder for many years. He occupies and holds an enviable position at the Georgia bar. He is recognized as a lawyer of ability and force, fully competent to handle any class of litigation and to perform any legal service. He has been quite active in directing legislation, both through the legislature of this State and in the National Congress, respecting the question of prohibition. His ability, experience, and learning have been most helpful in shaping this legislation, particularly in this State, and his removal from the State is a matter of general and genuine regret. It is my pleasure to commend Mr. Felder as citizen and lawyer in the highest terms.

"WALTER F. GEORGE,
"Of the Court of Appeals of Georgia."

I quote from a letter from Hon. O. H. B. Bloodworth, judge of the Court of Appeals of Georgia:

"I have known Hon. T. B. Felder for a number of years. He is a lawyer of recognized ability, an advocate of power, and has been quite successful in his practice. I am informed that he contemplates opening an office in New York, and I predict that his legal ability will soon cause him to have a place among the leading lawyers in America's greatest city.

"O. H. B. BLOODWORTH."

I quote from a letter written by Hon. W. F. Jenkins:

"* * * It is with pleasure that I commend Mr. Felder as a member of the bar of this court, who is regarded as a lawyer of most exceptional attainments and capacity, and who has always commanded a large practice, and who has conducted himself worthily in his profession.

"W. F. JENKINS."

I quote from a letter from Hon. Nash R. Broyles, judge of the court of appeals:

"* * * and has practiced his profession with great success in all the courts of the State.

"The judges of the various courts and his fellow lawyers commend him to the kindly consideration of their brethren of the bar in the metropolis of America.

"NASH R. BROYLES,
"Presiding Judge."

I am, very truly yours,

THOS. B. FELDER.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. CALDER. Mr. President, I present a memorial addressed to the Senate by the joint legislative committee on housing of the Legislature of the State of New York, which I ask unanimous consent may be read and then referred to the Committee on Finance.

There being no objection, the memorial was read and referred to the Committee on Finance, as follows:

Memorial to the Senate and House of Representatives of the United States:

The undersigned, acting as counsel for and under the instructions of a joint legislative committee on housing of the Legislature of the State of New York, herewith presents this petition and memorial.

The committee is now, and has been for upward of two years last past, engaged in investigating housing conditions in the State of New York under various mandates from the legislature of this State in the form of joint resolutions of the senate and assembly, copies of which will be found in the intermediate report of the committee, to which reference will hereafter be made.

In brief, this investigation (which is still under way) has disclosed an alarming and increasing shortage of housing accommodations throughout the State, and more particularly in the city of New York, due in large measure to the operations of illegal combinations among manufacturers of and dealers in well-nigh all the various lines of building materials and supplies that are necessary in construction, and in no small measure to corruption among labor leaders and to illegal rules, regulations, and practices of labor unions.

These illegal combinations among manufacturers, dealers, contractors, and other employers and among labor unions having their headquarters mainly in New York, Chicago, Indianapolis, and Cleveland have been and are in many instances nation wide. Criminal prosecutions have been inaugurated at the instance of the committee by State and Federal authorities, resulting in many convictions, but these convictions, especially of employers, have in most instances resulted in the imposition of mere fines that have been insufficient to serve as an effective deterrent.

The principal intermediate report of the committee, outlining the result of its investigations to the end of January, 1922, is herewith submitted, from which a fair conception may be gathered of the outcome of its activities up to that time. Following the presentation of that report to the Legislature of the State of New York, accompanied by proposed legislation embodying the recommendations therein set forth, part of the program there recommended was enacted at the session that ended in March last.

On account of the inability to present the report until shortly before the close of the legislative session, and for other reasons, the balance of legislation failed of passage, although its most important features passed the senate and were approved by the governor.

The committee is now still engaged in conducting the taking of testimony at its public hearings, and finds the following situation has developed and is now existing, which requires immediate attention at the hands of the Congress:

A comprehensive program of housing construction has been perfected, part of which is under way, for which many millions of dollars have already been provided. A considerable part of this program is now actively under way which, if permitted to continue, will go far toward correcting the housing shortage not only in the city of New York and throughout the State but throughout most of the great cities of the country, the majority of which are affected by the housing emergency, but in a lesser degree than in the city of New York, where there is a present shortage of housing accommodations of the cheaper class for about 400,000 people among the masses of the workers, all of which is set forth in detail in the accompanying report.

The result of this shortage has been an abnormal increase in rents which the workers are unable to pay, and there have been and are consequent overcrowding and insanitary and unlivable conditions. It was hoped and expected that the carrying out of the program of new construction would relieve this critical situation. The committee now finds that there is a famine in the basic materials required in building construction, such as bricks, sand, lime, cement, etc. The supply of these materials has been restricted in many cases through the operation of these unlawful combinations and in other instances by reason of the phenomenal demand due to the increase of building activity that is essential to meet the emergency.

The exactions of manufacturers and dealers in building materials due to this scarcity of supply have resulted in abnormal price increases, and in some instances in the inability to meet the demand on any terms. Manufacturers and dealers are either unable or unwilling to satisfy these demands upon a basis of reasonable prices over and above the actual cost. This situation prevails not only in the city of New York but in many of the cities throughout the country, and for the same

reason. Unless corrected it threatens to paralyze the efforts to correct the present crisis.

As illustrative of the extent to which oppression has been practiced by these combinations above referred to, it appears from the evidence that at a time when the price of building sand was abnormally high, largely as the result of a monopoly in the transportation facilities, a trans-Atlantic steamer of the Munson Line brought as ballast into the port of New York a cargo of high-class sand, which it endeavored to market. Because of the then existing combinations on the building materials market, no dealer or builder dared buy the sand, although it was of high quality, was greatly needed, and could have been had for less than one-quarter of the price that was then being charged for a similar product. The steamship company was finally compelled, at considerable expense, to take the sand out to sea and there to dump it, because of the grip of this monopoly.

In this connection attention is also called to the incongruous fact that the Government of the United States, through the United States Shipping Board, is said to be itself a party to arrangements with foreign steamship lines to maintain exorbitant freight and passenger rates in the trans-Atlantic trade, and as a result of these combinations there have been various increases in such rates, that are now being maintained to the detriment of the building industry throughout the country.

Unless this situation is corrected the continuance of these arrangements will materially interfere with the importation into this country of building materials, unless Congress will, in fixing the tariffs, make such reductions as will take into account the added cost of transportation, due to the fact that our Government is a party to combinations against which its antitrust laws are directed.

The only immediate remedy in sight is to permit the prompt importation into this country of building materials of the classes that are now excluded through prohibitive tariffs, under cover of which the present profiteering demands are being exacted. The added cost of freight upon such importations due to combinations between the steamship companies increases the burdens to that extent.

The committee would not favor and does not ask that the tariffs be fixed at a rate that will not yield the domestic manufacturers and dealers a reasonable profit over and above the present costs of production, but it has been demonstrated that the prices demanded have been grossly exorbitant, that they are the direct result of a series of criminal conspiracies between former competitors, and that the prices now exacted under stress of the present emergency are in some instances at least 50 per cent above such reasonable profit.

No relief that is not immediate will meet the situation. It can not await the slow processes involved in the pending tariff revision by Congress. The committee asks that the subject be dealt with as an emergency measure, and that it shall be confined to the basic materials entering into housing construction, which will involve a comparatively simple problem that can be readily dealt with.

Respectfully submitted.

SAML. UNTERMYER,
Counsel for the Joint Legislative Committee on Housing of the State of New York.

Mr. ROBINSON. Mr. President, the memorial just presented by the Senator from New York discloses a condition respecting building materials that is of very great importance. It states that after an exhaustive investigation of those conditions applicable particularly to the city of New York, the entire industry affecting construction in that locality is controlled, mercilessly controlled, by close organizations within the industry.

I have before me the report of the Lockwood committee touching that indispensable construction material, brick. In a few hours the Senate will proceed to the consideration of the schedule in which is included brick. Under the rates now imposed, 10 per cent on fire brick not glazed, 15 per cent on glazed and similar brick, and 10 per cent on other bricks, not including bath brick, upon which there is a rate of 15 per cent, there are substantially no importations and the brick industry in the large centers is controlled by combinations to the detriment of the public.

The intermediate report of the Lockwood committee shows that for the first six months of 1920 brick delivered at the job in New York City cost $11.25 and that the selling price there was $28.75.

Mr. CALDER. The Senator, I think, means the manufacturing cost of brick.

Mr. ROBINSON. The cost of the brick. The cost included the delivery of the brick on the job, $11.25, according to the Lockwood report. The selling price on the job was $28.75.

Now, in spite of those conditions, the Finance Committee has brought into the Senate amendments to the brick schedule in the tariff bill increasing the existing rate from 25 to 225 per cent on brick. I desire to ask the Senator from New York, who presented the memorial, if, in his opinion, any increase in the rates on brick is justified.

Mr. CALDER. Mr. President, in my judgment the duty on brick does not affect the price to the consumer in the city of New York or any of the large cities in the East to the extent of 50 cents a thousand or in any degree at all. The freight rates from Europe or wherever brick may be made outside of this country are so great as to make it impossible for them to compete with brick produced along the Hudson River and in New Jersey. For my part, I would place brick absolutely on the free list.

Mr. ROBINSON. Accepting the conclusion of the Senator from New York as in entire accord with my own, I wish to call his attention to the fact that the only justification for any tariff on brick is claimed by the manufacturers of brick in New York City and near the Canadian border line, that importations occur across the Canadian border and on the Atlantic seaboard, particularly in the State of New York and along the New Jersey coast. The only importations that have ever occurred have been at those points and, as implied by the Senator from New York, those importations have been quite small. So that while they can not result in material revenue or any other benefit to the public, these duties have resulted, and increased duties must accentuate that result in enabling the domestic manufacturers to control absolutely the price of their product and to charge extortionate and unreasonable prices.

Mr. CALDER. Mr. President, let me again say, in response to the Senator's statement, that a duty of 10 per cent or 25 per cent or even 50 per cent will not, in my judgment, affect the price of brick to the consumers in the city of New York or thereabouts, nor did the brick manufacturers of the country adjacent to the city of New York ask for this duty. The request for the duty came from the men along the border. Because of the fact that Canada charges a rate of duty of 25 per cent against our brick, it was the disposition of some people in this country to have the same duty against Canadian brick that was levied against ours. I believe that the duty may be taken off, Mr. President, and not do any great injury to the manufacturers of brick; nor do I believe, either, I will say to the Senator from Arkansas, that it would be of very great benefit to the consumers of brick.

Let me add that we have had indictments and prosecutions of and heavy fines levied against brick manufacturers in and about the city of New York as the result of the investigation of the Lockwood committee. I am informed by people who claim to know that the combinations uncovered by that committee do not now exist. I do not know whether that is true or not; but if they exist, the people of New York City desire them prosecuted and the men responsible punished. The difficulty, however, is that we are to-day having a tremendous boom in building in and about New York City, and the men who manufacture brick have taken advantage of that great demand to raise prices unduly, and, in my judgment, I will say to the Senator from Arkansas, outrageously.

Mr. ROBINSON. Mr. President, again agreeing with the conclusions of the Senator from New York that no justification exists for even the present duty on bricks, and that, therefore, there is much less justification for the proposed increases in these duties, I call his attention to the fact that my first statement respecting this subject was absolutely correct, namely, that the demand for an increased duty comes chiefly from two localities in the United States. One of them, according to the record, is New York City, and the other is from the manufacturers of brick near the Canadian boundary line, particularly in the State of Washington. While importations have been merely nominal, the manufacturers of refractory brick in New York and vicinity have claimed that the preservation of the industry is absolutely dependent upon an increase in the tariff.

To show the Senator that this declaration is true and that there has been a request, and an urgent one, from his city for an increase, particularly on refractory brick, I refer him to page 376 of the House hearings before the Committee on Ways and Means on Schedule B, in which is printed a long brief on behalf of the Refractory Brick Manufacturers' Association of New York, in which the contention is made and repeated that unless Congress imposes an increased duty on this particular class of brick dire results to the industry may be expected. It is also claimed in that brief that unless the increase be granted the capital invested in refractory brick manufacturing in the United States, amounting to $220,000,000, will be sacrificed and that many of the laborers employed in the 200 plants manufacturing refractory bricks will become idle. The point is that with appalling conditions respecting building materials prevailing in New York, those representing the organizations which control the industry, while they were charging enormous profits upon their product, were appealing to the Congress for an increase in the tariff duties on their product, on the theory that unless Congress granted that increase their industries would be destroyed.

Mr. CALDER. Mr. President, if the Senator from Arkansas will permit me, a request for the increased duty on refractory brick refers, of course, to brick that are used for lining furnaces. Refractory brick, as I understand, are not used for building purposes.

Mr. ROBINSON. I understand that perfectly well, but a furnace is a structure, and refractory brick which are used for many purposes constitute one of the principal branches of the brick manufacturing industry. There has never been a time when ordinary structural brick have been imported into the United States from any source in any important quantity.

So I ask the Senator from New York: Why does his party insist upon an increase in the duty now imposed on common brick?

Mr. STANLEY. Mr. President——

Mr. CALDER. I will say to the Senator from Arkansas, if he will permit me——

The PRESIDING OFFICER. Does the Senator from Arkansas yield; and if so, to whom?

Mr. ROBINSON. I yield first to the Senator from Kentucky.

Mr. STANLEY. Mr. President, while I am not a brick expert, nevertheless I think it will not do to say that the use of refractory bricks is confined to the construction of furnaces. The fire clay which is used for making furnace brick is also used for making a thousand other kinds of material. In my opinion the greater part of the output from all the establishments making refractory brick is used in making tiling, sewer pipe, in building, and in paving streets, and all that sort of thing. If the Senator from New York will go to New Cumberland, in West Virginia, he will find the streets there are paved with refractory brick, and that houses are built of it.

Mr. ROBINSON. Mr. President, the Senator from Kentucky is correct. Refractory brick are used in all construction work which requires the exposure of the materials to high degrees of heat. The value of refractory brick lies in its resistant power to the action of heat, and it is used for very many purposes. The industry is quite a large one. Fire brick were produced in 32 States in 1916, and the total value of the product was $30,800,000. The average importations of fire brick do not exceed $100,000 worth per year, and they are probably very much less than that.

To illustrate the absurdity of this attempt to increase the tariff on brick, there is in the RECORD a brief filed by a distinguished statesman representing in another body the State of Idaho, and he makes the declaration in his brief that—

> There are two small plants producing fire brick, located in my home county in Idaho, and these plants are in competition with fire brick produced in Scotland, England, and elsewhere, where wages and conditions are not at all adequate for the American laborer.

In a thousand years brick produced in Scotland could not reach Idaho because of the character of the commodity, its weight, and the necessary charges incident to its transportation. Yet we have Idaho appealing to the Congress of the United States for the protection of its refractory brick manufacturing industry by increasing to a very large degree the tariff on this necessary and indispensable product.

Mr. WALSH of Massachusetts. Mr. President——

Mr. ROBINSON. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. I understand the figures to indicate that the imports were one-third of 1 per cent of the domestic production.

Mr. ROBINSON. The average imports are less than one-third of 1 per cent, and in a sense the importation is not competitive, but is supplemental to American production. In a very important sense refractory brick which have been brought into the United States from foreign countries have not come in spite of American production, but they have come supplementary to American production, because of peculiar shape or character of the brick, or something else pertaining to their manufacture which is not easily supplied by the American industry.

The industry of manufacturing common brick is not subject to the competition of foreign importations, but under the provisions of this bill it is proposed, as I read the paragraph, to levy a tax of 25 per cent ad valorem on common brick, which, as I have said, are not the subject of importation. Therefore the only effect of the proposed duty will be to give greater power to the combinations and trusts that are already controlling the right and privilege of the American people to build homes at a reasonable cost. I challenge Senators in the majority—and they can take their time while the brick schedule is under consideration to consider the matter—to give a reason for increasing the tariff on common brick. The manufacturers of common brick in this country have never been and can never be by the nature of the industry in competition with foreign manufacturers. If there is any purpose in the proposed increase, if it is to have any effect, it will accomplish the purpose of enabling the American manufacturers to enter into combinations among themselves to do elsewhere what they have done in New York City—rob the public.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. SIMMONS. Mr. President, I will add, if the Senator will pardon me——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from North Carolina?

Mr. McCUMBER. Mr. President, I merely yielded, as I supposed, for a question or a suggestion, but it appears that we are going off into a subject which we will reach in due time. I should like to get back to the pending question.

Mr. ROBINSON. Mr. President, I think I ought to thank the Senator from North Dakota for yielding to me, and I do so.

Mr. McCUMBER. Mr. President, there are two things that our good friends on the other side seem to rail against most vigorously and viciously. The one is the duty on fire brick and the other is the duty on asbestos.

Mr. President, it is true that we have recommended in this bill a 25 per cent ad valorem duty upon brick. Let us see who is asking for it—not those who are in this combination to furnish brick for the city of New York at five or six times what it costs them, but along the Canadian border, where they are using and making brick upon both sides. The Canadian can bring his brick into the United States free, while if we desire to export a few bricks into Canada we have to pay an ad valorem tax of 25 per cent, as I now remember.

Now let us see what the brickmaker along the border has to contend with.

The scale of wages is perhaps known by the Senator from New York [Mr. CALDER], who is also a builder, better than by any other man in that section of the country. He pays his bricklayers $12 a day, with a limited amount of work that must be performed. He pays his plasterers $15 a day.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Arkansas?

Mr. McCUMBER. Will not the Senator allow me to finish?

Mr. ROBINSON. I should like to ask the Senator a question. I want to know what the wages paid to bricklayers have to do with the cost of the manufacture of brick?

Mr. McCUMBER. Let us consider the situation.

The Senator from New York pays $15 a day for his plasterers. Then there is a combination on the part of those who furnish building materials, and they get enormous prices. That does not stop just with the city of New York, but it reaches into other sections to such an extent that building to-day is getting so terrifically expensive that people have to cease building homes. The prices not only of the bricklayer and the plasterer but the prices of the material, fixed by a combination, are so extraordinarily high compared with the earnings of most of the people that they are forcing people to live in little stalls and apartments in all our cities. The cost of building is out of proportion to the cost of anything else in the country. The result is that the brickmaker who has to live in a house which is built by carpenters at $12 a day and plasterers at $15 a day feels that he has to have a pretty good profit upon his brick in order to live, and I think he has some justification for it. I think the difference in the price because of the duty upon brick would not amount to a bagatelle in the matter of the cost of building any kind of a structure in the city of New York, and the Senator from New York, who is a builder himself, admits that that is true; that it is fixed by combinations, and not by inherent value of the material that goes into it.

But, Mr. President, we are coming to the brick schedule in a short time, and we may have it passed over for the day; but right now we are upon another feature of the tariff bill, on which I hope we can get a vote soon. I ask that the next amendment be stated from the desk.

Mr. STANLEY obtained the floor.

Mr. McCUMBER. Mr. President, I believe I have the floor yet.

The PRESIDING OFFICER. The Chair thought the Senator had asked for a vote on the amendment.

Mr. McCUMBER. No; I asked that the amendment be stated because I wanted to offer an amendment to it.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. The next amendment is on page 29, beginning on line 10, where the committee proposes to strike out "25 per cent ad valorem" and to insert in lieu thereof "1 cent per pound," so that, if amended, it will read:

> Formate, 1 cent per pound.

Mr. McCUMBER. Mr. President, on a reconsideration of this schedule the committee will make several recommendations, some lowering the duties proposed, and in this particular instance raising the duty from 1 cent per pound to 2 cents per pound. That ought to have been done in the committee before, because after the 1 cent per pound rate had been fixed the

duty had been made 4 cents per pound on formic acid. It takes two pounds of formate to make one pound of formic acid. We have already agreed to the formic-acid duty of 4 cents per pound. We ought, therefore, to have 2 cents a pound as the proper differential between formate and formic acid. Otherwise, of course, the formate comes in instead of the formic acid.

The PRESIDING OFFICER. The question is on the amendment proposed by the committee.

Mr. STANLEY. Mr. President, I presume I have the floor this time. I rose simply to make an observation.

The argument on the brick schedule made by the Senator from North Dakota is most significant—more significant than even a useless rate upon an article not imported to any appreciable degree, for the sole and manifest purpose of protecting a voracious trust, admittedly devouring the substance of an almost homeless people. With such a situation before him, with that condition undenied, with these appalling crimes against men seeking to live under their own vine and fig tree openly established, the Senator from North Dakota shows a cavalier unconcern that is as instructive as it is appalling.

It is said, Mr. President, that the immortal daring of the only troops that ever withstood Pickett's boy brigade, the stubborn courage that enabled them from behind a stone wall to stay the furious charge till the immortal heights were strewn three deep with the picked troops who were to the Army of Northern Virginia what the old guard was to the grand army of Napoleon, it is said, Mr. President, their valor was inspired by the cry, "We are fighting on our own home soil!" and that many of those who fought and bled upon Seminary Ridge could almost see the lights from their own cottage homes upon the hills round about them.

There is nothing in all this world that so stabilizes government, so inspires industry, so safeguards virtue, so spreads happiness in time of peace and daring in time of war, as the ownership of his home by the citizen. Give me a community anywhere made up of individual owners of their own cottage homes, and I will show you a community thrifty, virtuous, and martial; and the man who goes into a conspiracy to profiteer upon the hearthstones of America is guilty of a kind of treason. Yet when the Senator from North Dakota is advised, when the report is read, when the profiteering is admitted, what is his answer? Is it like that of the Senator from New York [Mr. CALDER], that possibly we had better revise this schedule? Oh, no! What is his answer? That it would be well to see whether this duty would act simply as a guaranty of securities to a trust in the pursuit of its nefarious business? Oh, no! "The laboring man," says the Senator from North Dakota, "is getting too much. Bricklayers are getting rich in New York"; and great scalding tears flow down his cheeks when he tells of the prosperity of the bricklayer, and the danger of profiteering by the plasterer. "Plasterers," he cries in alarm, "are getting over a dollar an hour. My God! What is the country coming to? Let us do away with the plasterers' union while you wait." It means that or it means nothing. If plasterers and bricklayers are not overpaid, his argument is a mere rhapsody of words. If they are overpaid, and there is a labor trust, what does his argument amount to? Why, where one trust exists, another must be tolerated; that is all.

He says the laborers are getting too much; they are guilty of extortion; therefore we ought to help the brickmaker to be guilty of further extortion. The poor, downtrodden millionaire, owner of this costly apparatus for making refractory brick, in which there are hundreds of millions invested, has had to pay too much for plastering a room and therefore he shall be given immunity in his nefarious business, and to plunder the community at large, because a hod carrier overcharged him.

Is it possible that with his long and distinguished service in this body, with his splendid equipment as a legislator, with his magnificent power of debate, with his fine imagination and wealth of diction, he can nowhere see anything else in this thing but the narrow personal interest of a brick mason and a brick maker? Oh, if the Senator from North Dakota and those who are associated with him could realize that there is another quantity, an unknown quantity, in this equation, that there are men who live in homes as well as men who plaster them, and as well as men who make the brick that go into them. How about the millions who pay the plasterer and buy the brick? Have they no rights? Is it to be said that any old trust shall escape if you can find another trust, especially a labor trust, just as bad?

Is it possible we have resolved ourselves into a solemn moot court, and when it is shown that a duty is unnecessary, that it makes it harder to secure a home, that it goes into the polluted coffers of an admittedly insatiate, grasping combine making from 200 to 300 per cent, shall we permit them to go scot free if their apologists can only find some other combination just as bad, and disregard the rights of the voiceless millions of America, who to-day are crowded into unwholesome tenements, who sleep in tents or wander upon the highways? What of the thousands just starting out in life, Mr. President? To me there is no more beautiful sight than a strong youth and a loving girl building, in fond fancy, a vine-clad cottage somewhere on a hillside or in a quiet street. But they are not to have their own little home. They are never to build their own love cot. They are never to raise their little brood under their own vine and fig tree. They are to remain tenants. They are to be crowded into unwholesome places, children are to be born in darkness, where consumption devours their lungs, and ophthalmia eats out their eyes, in order, according to the Senator from North Dakota, that the Brick Trust magnates may be compensated for having paid too much to a brick mason or a plasterer.

Mr. McCUMBER. Mr. President, I have generally tried to be fair in my arguments. I have never put up a straw man and proceeded to knock him down, no matter how eloquent I might have been in attempting to do so; but not being an eloquent speaker like the Senator from Kentucky, I have never tried to erect such an individual and then proceed to knock him to pieces. I have tried to deal with facts, and when I called attention to the fact that in the city of New York those who control the building material were reaping enormous profits, and that enormous wages were being paid as compared with what were paid a few years ago, while men who had earned a meager living digging the clay to make bricks in Idaho were out of employment, I did not think that I had said anything in favor of the great combinations. But I want to ask my good friend from Kentucky in all earnestness, if he does not think that the man out in Idaho, who is a laborer, walking the streets to-day looking for a job because the mill that was making his fire brick has been shut down, is just as much entitled to his little love cot as the man who is receiving $15 a day in the city of New York, and as much as the profiteer who is raising the price of his product ten times over is entitled to occupy his love cot?

I brought up this disparagement in the cost of making a home in New York and the cost of employment and the cost of building material to show that the brickmaker and the man who is digging the clay to make the bricks are also entitled to some protection, and entitled to the same protection as citizens in any other section of the country.

If that is offensive to the Senator from Kentucky, I am sorry to find him that sensitive. I think that the people of all sections of the country have a right to have their products protected to such a degree that the American laborer can get a job and hold it in every State of the Union.

Mr. STANLEY. Mr. President, the Senator from Kentucky was not at all offended, of course, by anything that was said by his esteemed friend from North Dakota. There was nothing personal in it one way or the other. I was simply grieved to hear so great a statesman give utterance with such unconcern to such an appalling political heresy and to show such indifference to so great a number of his fellow citizens. I was rather voicing my surprise and my grief than any sensitiveness.

Mr. McCUMBER. Mr. President, I thought I condemned, in as strong language as I could, the combinations which had fixed prices of building material so high that people were compelled to live in stalls, and I felt that that was sufficient to indicate my disapproval; but the Senator from Kentucky seems not to have so much objection to that as to the man out in Idaho who is making some fire bricks being able to supply his section of the country as against the Canadian imports.

Mr. GOODING. Mr. President, the discussion of this brick schedule, like the discussion of all the other schedules in the tariff bill so far, has shown how little Senators on the other side of the Chamber know about what conditions the industries of this country have to meet from Canada and from other countries.

I have here a short letter I want to read, which tells very well the story of the difference in conditions in the brick-making industry in Canada and Scotland and in this country. In Scotland they make brick and ship them around through the Panama Canal, taking up the markets of brick which is manufactured in Idaho. This tells the story very briefly and very well. It is the same story that could be applied to every other industry in this country; it tells of the same conditions which laboring men have to meet everywhere and which protection is designed to improve.

You have never given any consideration to the thought of a protective tariff for the American laborer. You hold that it is unconstitutional and morally wrong, and for that reason, of course, you have never even given it a passing thought.

This is a letter from J. B. Watson, of Troy, Idaho, manager of the Idaho Fire Brick Co., in which he says:

TROY, IDAHO, *April 3, 1922.*

Hon. F. R. GOODING,
Senator, United States Senate, Washington, D. C.

DEAR SENATOR: We believe the new tariff bill has passed the House of Congress and is now up for discussion in the House of Senators. We do not know whether the import tariff on imported fire brick has been increased from 10 per cent, as it was, or not. We earnestly ask yourself to use your best efforts to have this tariff increased from 10 per cent to 25 per cent.

We are selling very few brick in Everett, Seattle, Tacoma, or Portland. Any business we are getting is from inland points.

FACTS TO BE REMEMBERED.

Ocean freight rate from the Clyde River in Scotland and the Tyne River in England to Seattle and other Pacific coast ports is only a few cents more per ton than the railroad freights are from Troy, Idaho, or Spokane, Wash., to Seattle and other Pacific ports. Then, in Scotland a very great deal of the labor necessary in manufacturing the brick is done by females.

As to fire brick imported from Clayburn, British Columbia: The railroad freight Clayburn to Seattle is 17 cents and to Tacoma is 18 cents per hundredweight. Our rate to Seattle and Tacoma is 21½ cents per hundredweight, a difference of $3.15 to Seattle and $2.45 to Tacoma per 1,000 brick in favor of Clayburn, British Columbia. Besides this, this Clayburn company uses cheap Hindu labor at their plant, and further, on account of Hindu and Chinese labor in the coal mines, their coal is much cheaper in price than our coal is.

Again, the Canadian import tariff on fire brick, United States manufacture, is 22 per cent, with 2 per cent sales tax; total 24½ per cent. * * *

That is on brick from Canada into the United States. So that is the condition the brickmakers in my State have to meet. The manufacturers in Canada employ Hindu labor not only in the brickyards but in the coal mines. Women laborers are employed in Scotland, and that is what the brick plants of the West must meet. The freight rate the foreigners have to pay is about the same or a little more than we have to pay in Idaho. That is the condition which confronts the two little manufacturing plants we have in our State, and that is the real issue before Congress and before the Senate to-day, whether we will fix a rate which will equalize the difference which exists in the costs of production of any product, whether it is brick or anything else, and give us a chance to work our factories. The other side is not even willing to give our citizens the same protection that Canada gives theirs as against the United States. It is a simple, plain story, but it presents the whole tariff question as to protection, and it will be found to apply to every industry and every case, if Senators on the other side will just take the time to make an honest investigation, instead of casting insults across the aisle to this side, talking about the bill having been framed behind closed doors in the interest of predatory wealth, in all of which they know there is no truth at all.

I gave up a great deal of time while this bill was being framed and saw a great deal of the efforts of the committee. No men ever worked harder than they did, and this is the best tariff bill that has ever been presented to Congress protecting the interests of this whole country.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified by the committee.

Mr. JONES of New Mexico. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Harrison	Myers	Shortridge
Borah	Heflin	Nelson	Simmons
Bursum	Jones, N. Mex.	Newberry	Smoot
Calder	Jones, Wash.	Nicholson	Spencer
Capper	Kellogg	Norris	Swanson
Caraway	Kendrick	Oddie	Townsend
Colt	Keyes	Overman	Underwood
Culberson	Ladd	Page	Wadsworth
Curtis	Lodge	Pepper	Walsh, Mass.
Fletcher	McCumber	Phipps	Warren
Frelinghuysen	McKinley	Pomerene	Watson, Ga.
Glass	McLean	Ransdell	Watson, Ind.
Gooding	McNary	Rawson	Williams
Hale	Moses	Sheppard	Willis

Mr. CURTIS. I was requested to announce the absence of the Senator from Indiana [Mr. NEW] on official business.

The PRESIDING OFFICER. Fifty-six Senators having answered to their names, a quorum is present. The question is on the amendment as modified by the committee.

Mr. JONES of New Mexico. Mr. President, the amendment proposed by the chairman of the committee is found in line 11, page 29, in which it is proposed to increase the duty on formate from 1 cent per pound to 2 cents per pound. The only reason given for the proposed increase is the fact that the duty heretofore fixed upon formic acid was 4 cents a pound and it takes 2 pounds of the formate to make 1 pound of the acid. Therefore the committee is going to increase the duty from 1 cent per pound to 2 cents per pound on formate, the material from which formic acid and oxalic acid is made.

It seems to me unless a better reason than that can be given we should go back and reduce the duty on formic acid from 4 cents a pound to 2 cents. Merely because we find an inequality in the gradations of the duty from one material to another, we are complacently told that this duty should be increased 100 per cent higher than the committee originally thought it should be. It is a very simple process to increase the duty in that way, and it may be satisfactory to some people who have no other reason than that to give. I believe that the Senate is entitled to know why the duty on formic acid and oxalic acid should not be reduced rather than arbitrarily to increase the duty on this item from 1 cent to 2 cents per pound. Unless there is some other excuse for it than that, I do not see how it can be justified by anyone.

If it were the other way, if we had found that the rate on the material out of which the so-called finished product is made was too high, we might reduce it; but here, simply because a duty has been fixed at 4 cents per pound on formic acid and a similar duty on the oxalic acid, both of which are made from formate, we are now asked to increase the duty on formate, the raw material, to correspond with what has been put upon the so-called finished product. I do not think it can be justified.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified by the committee.

The amendment as modified was agreed to.

The next amendment of the committee was, on page 30, line 1, paragraph 80, after the word "potato" and the comma, to strike out "1½" and insert "2," so as to read:

Starch: Potato, 2 cents per pound.

Mr. FLETCHER. Mr. President, this paragraph refers to potato starch and other starches. The proposal is to strike out "1½ cents" per pound, as carried in the House text, and insert "2 cents." I am unable to see any sound reason for the amendment. The record in the matter discloses the following state of facts:

Under the act of 1909, the Payne-Aldrich law, the duty was 1½ cents a pound on potato starch. Under the act of 1913, the Underwood law, it was made 1 cent a pound. The Ways and Means Committee reported the pending bill to the House, and it passed the House carrying the original Payne-Aldrich duty of 1½ cents per pound. The Finance Committee of the Senate now proposes to increase that to 2 cents per pound.

It is unnecessary to do that on any basis or idea of protection. The industry, in the first place, does not need it. The most valiant protectionist, it would seem, would not urge the duty upon that basis. If we consider it from the standpoint of raising revenue, the statistics are rather enlightening in that they show the effect to be just the contrary.

Mr. SMOOT. Mr. President, does the Senator say the article does not need a protective duty?

Mr. FLETCHER. A duty of 1 cent per pound is the proper duty, from my standpoint.

Mr. SMOOT. If the Senator will read the report of the Tariff Commission, he will find that that is not sufficient, and that this is one of the items on which they say absolutely that the present rate is not sufficient.

Mr. FLETCHER. The statistics show that the imports of starch for 1909–1913 averaged 13,730,665 pounds, valued at $375,767. That was under the Payne-Aldrich Act of 1909, when the rate was 1½ cents a pound. In 1913 the rate was changed to 1 cent a pound, and what followed? From 1914 to 1918 the imports averaged 15,143,778 pounds, valued at $684,714, and approximately 95 per cent of those importations being potato starch. So under the act where the rate was 1 cent a pound we imported more of the starch—it is true of a higher value—and we got much more revenue out of it.

Mr. SMOOT. But that was potato starch, and that is exactly where the competition is so severe, as the Tariff Commission state.

Mr. FLETCHER. That is true; the larger proportion of those importations was of potato starch. But the value increased from $375,767 in the period 1909 to 1913 to $684,714 in the period 1914 to 1918, showing that we derived a great deal more revenue under a 1-cent duty than we did under a 1½-cent duty.

Mr. SMOOT. The Senator knows very well that the price of potatoes during the war was exceedingly high, and that is why the revenue was increased; but under the specific duty the price of the commodity made no difference in the amount of the revenue. Under a specific duty of so much per pound, whether it is a dollar a pound or 2 cents a pound, the price of the commodity makes no difference as to revenue.

Mr. FLETCHER. The unit value of the importations under the 1-cent-a-pound rate decreased from 8 cents in 1918 to 4 cents in 1921, according to the statistics.

Mr. SMOOT. That is a decrease of 50 per cent, but the specific duty was 1 cent a pound on the number of pounds imported; it made no difference what the price was.

Mr. FLETCHER. In 1918 the number of pounds imported was 20,416,589; in 1919 the number of pounds imported was 2,121,403; in 1920 it was 14,134,454, and for the first nine months of 1921 it was 4,101,561.

Mr. SMOOT. In other words, about 60 per cent of our consumption of potato starch was imported, all of the importations coming from Germany. However, I shall not interrupt the Senator from Florida now, but shall give the figures later.

Mr. FLETCHER. Very well. I shall be very glad to continue so that I may present the matter in a logical order, if possible.

Before the World War, as the Senator from Utah has suggested, Germany and the Netherlands supplied practically all, but in the last two years some of these importations have come from Japan. The fact is also that the important industry of this country is the cornstarch industry. The potato-starch industry is not very important to us, although it is the most imporant branch of the industry in Europe. Our manufacturers of cornstarch are developing processes whereby they are very largely substituting the cornstarch for the potato starch. In the Summary of Information the Tariff Commission says:

> Means have been found to make varieties of cornstarch suitable for use in the textile industry; these are severally competitive with potato starch.

Of the output in 1914 approximately 93 per cent of our production was from corn and only 3.8 per cent from potatoes. The remainder was obtained from wheat, rice, and cassava.

> Cornstarch is by far the most important industry in this country; potato starch, the most important in Europe, ranks second in consumption.

We are finding a way to make cornstarch serve the purposes of potato starch. We do not really need a very great deal of potato starch apparently, and our production is largely of the cornstarch rather than of the potato starch.

As I have said, the figures show that we derived a greater revenue from potato starch under the 1-cent-a-pound duty than we did under a 1½-cent-a-pound duty. Now, the committee proposes to make the duty 2 cents a pound. I think we are proceeding in the wrong direction.

As to our exports, we have exported very largely starch. From 1914 to 1918 we averaged 122,848,429 pounds, valued at $3,913,104. Practically all of that was cornstarch. Over one-half went to England and Scotland, while before the war the Netherlands and Belgium also took large quantities. In 1918 we exported 33,619,821 pounds, valued at $1,758,557. That was cornstarch. Of other starch, which would include potato starch, if we export much of that—and perhaps we export very little of it, although we did export starches of other kinds than cornstarch—we exported 16,083,388 pounds in 1918; we exported 89,703,821 pounds in 1919; 31,480,284 pounds in 1920; and for the first nine months of 1921 we imported 21,580,140 pounds. It appears, therefore, that we are exporting very largely starches other than cornstarch.

I have mentioned the great quantity of cornstarch which we export. As I have said, we have developed the industry, chiefly along the lines of the cornstarch product, and we are making use of cornstarch in many cases where formerly we used potato starch.

It seems also from the statistics that, while potato starch is the important industry in Europe, it is not so important in this country, and we are very largely substituting for potato starch the product of the corn. Therefore we are not very greatly concerned about the potato-starch production, which is already small and growing smaller by reason of our ability to substitute cornstarch for potato starch, as well as for other reasons.

The record also shows, as I have stated, that we got more revenue for the Treasury under a 1-cent-a-pound duty than we did under a 1½-cents-a-pound duty. I think, therefore, it would be a mistake to increase the rate from 1½ cents to 2 cents a pound as is proposed by the committee. I offer an amendment to strike out "2 cents a pound" and to insert "1 cent a pound," so as to make the duty 1 cent a pound.

Mr. HALE. Mr. President——

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Maine?

Mr. FLETCHER. I yield.

Mr. HALE. Does the Senator mean to imply that we do not have any use for potato starch in this country?

Mr. FLETCHER. We have use for it, but it is not a very extensive product, and we derive a certain amount of revenue by imposing a duty, and I am therefore in favor of the duty. However, our principal starch product is cornstarch.

Mr. HALE. But there are certain uses for potato starch which cornstarch can not possibly supply. Is not that true?

Mr. FLETCHER. I presume that is so. In the textile industry and in the manufacture of dextrine potato starch has certain advantages which give it a market even at a higher price.

Mr. HALE. So that there is still the same market that there always has been.

Mr. FLETCHER. I am not advised as to whether the market for potato starch has increased. I presume, however, that the demand for it has not really increased over what it has been heretofore, but, rather, it has gone the other way, I take it, from the fact that the production of potato starch is only 3.8 per cent of the production of cornstarch in this country.

Mr. HALE. That has nothing to do with the potato-starch industry. What the Senator has said is simply in relation to cornstarch. The cornstarch item is not now up for action. We are dealing merely with the question of potato starch.

The Senator has said that we derived more revenue from a duty of 1 cent a pound than we did from a duty of 1½ cents a pound. That may be true; but if there was any increase of revenue, it was entirely at the expense of the potato-starch industry in this country. In my State in 1894 there were 75 starch mills in operation, producing from twenty to thirty million pounds of potato starch. At the present time we have 45 such mills, and most of them are not in operation, although they do certain desultory work, and can be placed in operation at any time.

The potatoes used in the making of starch are not the highest grade of potatoes. The starch is made from the culls, from the potatoes which have been affected by rust, and from rotten potatoes. It is a very important matter to the people of Maine that the starch industry should be kept alive, because when a crop is poor and there are many potatoes of inferior quality, we can take care of those potatoes by making potato starch. If, on the other hand, the crop is a large crop and can not find a market, we can use the surplus in making starch.

If we have a duty of 2 cents a pound we can carry on the business, as was the case under the duty which prevailed before 1894. In 1894, however, the duty was cut down to 1½ cents, and in 1913 to 1 cent, and as a result of the duty of 1 cent a pound our potato-starch business has been greatly damaged.

We are simply asking for the lowest rate of duty under which the industry can live. We are not asking for an increase above 2 cents, despite the fact that the wages of labor have doubled, despite the fact also that coal, which is used in drying out the starch, has also gone up, and that railroad rates have doubled. Nevertheless we are asking only for 2 cents, and we hope to get along with that. It seems to me that such a rate is not very exorbitant.

Mr. FLETCHER. Mr. President, of course a rate of 2 cents a pound is an increase of one-half cent a pound above the Payne-Aldrich rate, which was always regarded as highly protective. The present duty of 1 cent a pound is equivalent to an ad valorem rate of about 20 per cent, and now the proposal is to double that or to make it 40 per cent, for that is what it will amount to in the ad valorem equivalent. In my judgment, we will lose revenue by increasing the duty to that extent, and there is no justification for it on any other ground.

Mr. HALE. But if we do not increase the duty the business will be driven out of existence. We are compelled to meet Japanese competition, for, as the Senator has already shown, in 1918, 21,000,000 pounds were brought into this country from Japan. The Japanese starch can be delivered at 4¾ cents on the east coast at the mills. We are compelled, as I have said, to meet that competition in some way, and unless we get a proper duty we can not possibly meet it, and the industry will be compelled to go out of existence.

Mr. FLETCHER. Mr. President, I will simply state that there will be a falling off in the revenue if we increase the duty, and that it is proposed to increase it 100 per cent above the present duty, which will make an equivalent ad valorem rate of 40 per cent. Of course, that will also mean a very great increase in the price of the article.

Mr. SMOOT. Mr. President, I want to say, as far as potato starch is concerned, that there are certain of the textile industries that can use only dextrine made from potato starch. Every textile industry would prefer to have dextrine made of potato starch. It makes a better sizing; it is better for the purposes for which dextrine is used in the textile industry; and with the finer threads, particularly in the woolen schedule, I do

not care what price they had to pay, they would still use dextrine made from potato starch. It is true that in the ordinary, common use of dextrine for the purpose of sizing they can use dextrine made from cornstarch.

As to the falling off of the importations, the only reason why the importations fell off in the latter part of the year 1921 was that only 15 per cent of the looms in the woolen mills of the United States were running, and of course they did not purchase the dextrine, because there was no use for it while the looms were idle.

Mr. FLETCHER. Mr. President, has the Senator the figures—or can the Senator from Maine help us out on that—as to what it is costing our manufacturers here to produce this starch? The Senator said it could be delivered from Germany at 4 cents per pound. What does it cost our manufacturers?

Mr. HALE. In the hearings before the House committee a brief was filed by one of the starch manufacturers showing that the starch they had on hand now cost them 6 cents a pound to produce. That, of course, is more than it ordinarily costs.

Mr. SMOOT. And I will say to the Senator that the domestic price to-day is 5 cents a pound and the pre-war price was 5½ cents a pound. Of course, I recognize that the price is very low to-day because of overproduction, because the woolen mills have been closed, and that the domestic price to-day is a quarter of a cent less than the pre-war price.

I want to say also that the very next amendment that we intend to offer will be offered to paragraph 81, which is based upon potato starch. Under that paragraph dextrine made from potato starch or potato flour is given a duty of 1¼ cents a pound. It takes 100 pounds of potato starch to make 80 pounds of dextrine, so that with the duty of 2 cents a pound on potato starch the duty on dextrine ought to be 2½ cents. In other words, if the Senator desires to figure it out, it would be as 80 is to 100, say, or as 2 cents is to x—that is the way we used to figure it in school—and that means 2½ cents; and the committee intended to make that change in reporting the bill to the Senate. We will have to offer that amendment as soon as this amendment of 2 cents a pound on potato starch is agreed to, if it is agreed to.

Mr. FLETCHER. I had not contemplated that, because the bill as reported does not show that the committee proposed that amendment and it does not appear, so far as we can judge from the bill, that the purpose is to change paragraph 81 at all. What the Senator says now is that he proposes to amend the bill on page 30, line 4, by changing "1¼" to what?

Mr. SMOOT. To "2½." In other words, it takes 100 pounds of potato starch to make 80 pounds of dextrine made from potato starch, and as the bill is reported the duty on potato starch is 2 cents a pound and the duty on dextrine made from potato starch is only 1¼ cents a pound; and the differential, as I say to the Senator, is equal to the difference between 1¼ and 2½.

Mr. FLETCHER. Mr. President, my disposition is to proceed as rapidly as we can with this bill. I do not want to take up any unnecessary time. I am perfectly willing to consider both these paragraphs as we go along now; and in that connection I will say that if this motion is made it means that there will be a very great increase over the act of 1909, because under that act dextrine carried a duty of 1½ cents per pound.

Mr. SMOOT. The duty on dextrine in the act of 1909 was 1½ cents a pound, as the Senator says; but I want to call the Senator's attention to the fact that the Tariff Commission state that very thing and what the result was. They say:

> In the conversion of starch to dextrine 80 to 88 parts of dextrine are obtained from 100 pounds of starch. In some of the previous tariff acts starch was made dutiable at a higher rate than the dextrine made from it, but the act of 1913 provides a one-fourth cent greater duty on dextrines than on the corresponding starches. The difference in price between starch and the dextrine made from it is usually between 1 and 2 cents.

The Senator can see, of course, that that is the case, and the mistake was made in 1909, and the Tariff Commission refers to it. It is perfect nonsense to try to give a duty upon dextrine and have it the same rate as on potato starch, because it does not balance at all.

Mr. FLETCHER. I am inclined to think there is merit in that suggestion. Nevertheless, I was a little surprised when I read paragraph 81 as proposing to carry only a duty of 1¼ cents a pound on dextrine, whereas it is proposed to make the duty 2 cents a pound on potato starch; but that would be, as I suggest, a very great increase, and I believe that increase is unwarranted, as I believe this increase is unwarranted.

As I say, under the act of 1909 dextrine carried a duty of 1½ cents a pound. Under the act of 1913 it carried a duty of 1¼ cents a pound. The statistics show that the production of dextrine in 1914 was 18,931,641 pounds, valued at $705,584. Domestic production of dextrine has increased greatly since 1914, the United States now having the largest plants and producing more tapioca dextrine than foreign countries; also large quantities from potato starch and cornstarch.

The equivalent ad valorem under the duty of 1¼ cents a pound is about 13½ per cent. This would make it something like three times as much, or nearly 40 per cent ad valorem on dextrine, instead of 13½, and 40 per cent ad valorem on potato starch, instead of 20 per cent ad valorem. It would seem that the industries have prospered greatly, increasing in number of plants and output under the duty of 1¼ cents a pound on dextrine. Why should we feel it necessary now to increase that two or three times?

I believe that there would be no advantage as far as our revenue is concerned in either of these increases, and no need for them even for the protection of the industries.

Mr. SMOOT. Mr. President, just so that the RECORD will show the facts, the duties on all the dextrines named in paragraph 81, with the exception of dextrine made from potato starch, are exactly the same as in the act of 1909, namely, 1¼ cents a pound. The differential is not required there, as it is in the case of potato starch.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Florida to the committee amendment, which will be stated.

The ASSISTANT SECRETARY. It is proposed to strike out the figure "2" before the word "cents" on line 1, page 30, and in lieu thereof to insert the figure "1."

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Florida to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question now recurs on the committee amendment.

The amendment was agreed to.

Mr. McCUMBER. Mr. President, on page 30, line 4, the committee desires to substitute "2½" for "1¼" cents.

Mr. SMOOT. I will say to the Senator that I have already explained the reason for that, and I think the Senator understood that that was necessary, since we have raised the rate on potato starch.

Mr. FLETCHER. Does the Senator say "2½"?

Mr. SMOOT. "Two and one-half." That is just the differential between the 100 pounds of potato starch and 80 pounds of dextrine.

Mr. FLETCHER. I can not agree to that increase. I ask for a vote on it; that is all.

The VICE PRESIDENT. The amendment, as modified, will be stated.

The ASSISTANT SECRETARY. The committee now proposes, on line 4, to strike out "1¼" and in lieu thereof to insert "2½," so as to read:

> Dextrine, made from potato starch or potato flour, 2½ cents per pound.

The VICE PRESIDENT. The question is on the committee amendment, as modified.

The amendment, as modified, was agreed to.

The ASSISTANT SECRETARY. On line 8, it is proposed to strike out "25" and insert "50."

Mr. McCUMBER. Mr. President, on page 30, line 8, I move to strike out "50" and insert in lieu thereof "40."

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. In lieu of the sum proposed to be inserted, "50," it is proposed to insert "40," so as to read:

> Strontium: Carbonate, precipitated, nitrate, and oxide, 40 per cent ad valorem.

Mr. WILLIS. Mr. President, a parliamentary inquiry. I understand that the Senator from North Dakota has modified the committee amendment, so that it is now subject to amendment.

The VICE PRESIDENT. If he proposes it as a modification, it is subject to amendment.

Mr. WILLIS. Then, Mr. President, I move to amend the committee amendment by striking out "40" and inserting "20."

The VICE PRESIDENT. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. It is proposed to strike out the modified figure "40," and in lieu thereof to insert "20."

Mr. WILLIS. Mr. President, I think my votes here make it clear that I am a rather enthusiastic protectionist. I think I can prove that even by my friend from New Mexico [Mr. JONES]; but I believe that even the modified rate which the committee proposes is not justified in this instance.

My reason for believing that is this: So far as I have been able to find out, there is only one manufacturer of strontium

nitrate in this country. It is not necessary to name the concern, because I do not think this is the proper place for advertising businesses or attacking individuals or corporations; but it is a fact that there is only one important manufacturer of strontium nitrate in the country. It is also a fact that there are some five or six manufacturers of railway signals in the country. It is also a fact that this one company that manufactures the strontium nitrate sells its product to one of the signal companies at a very much lower rate than that at which it is willing to sell it to any of the other companies. I am advised also that the transaction to which I have just alluded is under investigation by the Federal Trade Commission now, but that is not important as to this rate.

There are no considerable deposits of strontium in this country, so it can not be said we are going to develop any industry. The raw material is very largely imported from England. There is practically no production here. The rate under the present law is 15 per cent. Under that rate the independent companies have been able to get along and to buy their strontium nitrate to manufacture their product, namely, railway signals. If the rate shall be materially increased it will not only perpetuate a monopoly to this one company, which has a practical monopoly of the manufacture of strontium nitrate in this country, but through an arrangement which it has with one of the signal companies, it will give to that signal company a practical monopoly of the manufacture of railway signals in the country.

I am in favor of protection, as I have suggested, and my votes prove that; but I do not believe it is wise or defensible to adopt a rate which will make possible, if it does not invite, that sort of an arrangement. The rate under the present law is 15 per cent. I think, perhaps, the industry might stand an increase of 5 per cent, and, therefore, the amendment I have proposed would fix the duty at 20 per cent, 5 per cent lower than that which is fixed in the House text.

So, in the interest of independent production in this country, I do not believe the Senate wants to do a thing which will practically centralize this business in the control of one corporation in the country, which, I feel very certain, even the modified rate proposed by the committee would do. Therefore, I have moved to substitute 20 per cent in place of 40 per cent, as now proposed by the committee, which is 5 per cent more than the rate in the present law and 5 per cent lower than the rate adopted by the House.

Mr. McCUMBER. Mr. President, of course, in fixing these rates as a rule we have to be governed by the matter of the cost of production, the amount of imports, and many other considerations. I have not in my mind now how much of this article is manufactured by one concern and how much by another, and it is impossible for us always to know whether a concern sells its product to one person at a lower rate than to another. Ordinarily such abuses in trade will take care of themselves in a short time. But I wish to present some of the details as expressed on page 244 of the Summary of Tariff Information:

> The production of strontium salts increased from 2,006,000 pounds in 1916, the first available figures, to 4,927,000 in 1918, and then decreased to 1,971,519 in 1919. The output in 1920 by two firms only exceeded that of any previous year, except 1918. Domestic manufacture is chiefly from imported materials, principally celestite from England.
>
> Imports prior to the war, chiefly from Germany, supplied the requirements of the United States for strontium salts. In 1914, the only year figures are available, there were imported 1,941,103 pounds of strontium salts, of which 1,834,733 pounds were strontium nitrate and 52,179 pounds strontium carbonate.
>
> Later statistics of imports of strontium nitrate and precipitated strontium carbonate are not available, but it is known that considerable quantities have been brought in during 1921.
>
> Imports of strontium oxide are combined with those of the strontium minerals (par. 1622).

Mr. WALSH of Massachusetts. Mr. President——

Mr. McCUMBER. We have the statistics in the Reynolds report, which give some indication of the comparative selling price of this commodity in the United States and abroad. I yield to the Senator, if he desires to ask a question.

Mr. WALSH of Massachusetts. I was just about to ask the Senator what is the selling price?

Mr. McCUMBER. Let us take strontium nitrate, pure: The Reynolds report gives the foreign value in United States currency at 15 cents per pound, the landing charges at 1½ cents per pound, and the selling price of the foreign article at 30 cents a pound; in other words, just double what it costs in the foreign country. The selling price of the domestic article, which is reported as comparable, is 52½ cents a pound. So when we take the foreign selling price at 15 cents a pound and the American article at 52½ cents a pound we see that there would have to be about 300 per cent to equal the difference.

Let us take strontium nitrate, technical, which comes from England. The price of the foreign article is 9.6 cents. The selling price of the same article is 11.5 cents and the selling price of the American article is 16½ cents. So it will be seen that even a 50 per cent duty would not take care of the present differences in prices. I think that we can assume that the present cost of the article in the United States must necessarily go down, and for that reason the committee has made the differential very much below that which would be required for protection under the prices given here, and even under the prices prior to the war.

Mr. POMERENE. Can the Senator advise us as to where and by whom strontium nitrate is produced, and the amount of production in this country, as well as the amount of the importations?

Mr. McCUMBER. I do not know that I can just at this moment. I can undoubtedly get that information for the Senator in a short time. The junior Senator from Ohio has stated that there are practically only two concerns producing it in the United States.

Mr. SMOOT. There are four concerns in the United States producing it, and about 3,000,000 pounds of nitrate and carbonate are produced in the United States.

Mr. WALSH of Massachusetts. What are the imports?

Mr. SMOOT. The figures as to the imports are not available. They come in the basket clause, and the Tariff Commission can not give us the number of pounds imported.

Mr. McCUMBER. The Senator can see that until lately practically all of the product was imported.

Mr. SMOOT. All of it.

Mr. WILLIS. I desire to ask the Senator from Utah if it is not a fact that the great bulk of this product is manufactured by one company in this country, and that it is a by-product?

Mr. SMOOT. Oh, no; it is not a by-product; but the Senator's statement that the great bulk of it is manufactured by the Du Ponts is true. There are three other companies in the United States, however, which make it.

Mr. WILLIS. I do not desire to take more time, but I want to read one paragraph from a letter of a citizen of Ohio, a man who represents a very modest concern. This is his statement, and I think it reflects the exact facts:

> With the present duty of 15 per cent (foreign valuation), these five manufacturers have been able to purchase strontium nitrate and compete favorably—

With the one company which has been getting the favors from this other concern, which manufactures practically all the strontium nitrate made in the country. This writer said further:

> Should the new tariff bill pass, which we understand increases the duty to 25 per cent and based on American valuation, which would mean an increased duty of from 15 to 50 per cent, you will readily see that it will place these five manufacturers in a very unfavorable position.

There is no doubt about that, because they are practically shut out. If this goes through, it will mean that not only the production of strontium nitrate but the production of railway signals will be centered in one company, and I think it would be unwise to bring about that result. I think the 20 per cent rate will permit fair competition and furnish a proper degree of protection.

Mr. WALSH of Massachusetts. Will the Senator be kind enough to name the five companies which produce this product and tell us where they are located?

Mr. WILLIS. Perhaps I may be wrong about it, but I have always taken the view that this is not the proper place either to make attacks upon individuals or corporations or to advertise their products by name. So far as possible I have always sought to keep from doing that.

Mr. WALSH of Massachusetts. I am not making any attack upon them; I am simply asking for information.

Mr. WILLIS. I understand, and I shall be very glad to give the Senator the information privately; but it is a fact that there is one great company which manufactures nitrate, and it has a private arrangement with one of the signal companies in this country which gives that one company a tremendous advantage and shuts out the other five. If we fix this rate at 20 per cent, we shall give a fair protection to the manufacturer and at the same time permit these independent concerns to live.

Mr. WALSH of Massachusetts. Will 20 per cent be satisfactory?

Mr. WILLIS. As a matter of fact, the independent concerns are opposed even to the 15 per cent rate. The present rate is 15 per cent, and they are even opposed to that; but I am a protectionist, and I think in fairness we ought to give a rate of 20 per cent. I therefore have moved to amend the amendment and make it 20 per cent, instead of 40, which the committee now proposes.

Mr. WALSH of Massachusetts. The only reason I had for asking for the names of those companies was because these items will have to be considered later when we come to go over the House text, and I, as well as the other minority Members, want to know who are producing these commodities or products, so that we can get some information about the prices.

Mr. WILLIS. I shall be very glad to give the Senator the names of the persons and firms in this country producing railway signals, five of them discriminated against by the chief producer of strontium nitrate.

Mr. WALSH of Massachusetts. Day before yesterday we had a controversy here about prices, and I sent a telegram to one of the companies named and got some valuable information as to the price for which the product is selling in the domestic market. So if the Senator would give us the names of those companies it might assist us in getting the facts.

Mr. WILLIS. I will give the Senator the names privately.

Mr. SMOOT. I will give the Senator the name of the one which manufactures the most of it, the Du Pont Co., as I said a few moments ago.

Mr. WALSH of Massachusetts. I had no idea whether it was Du Pont or Smith or Jones or Brown, but I do want to know where we can get some information as to the domestic price. So the Du Pont Co., of Delaware, produces this product?

Mr. SMOOT. It does.

Mr. POMERENE. There is another question I would like to have some information upon. My colleague made the statement that there are four companies which are making these railway signals.

Mr. WILLIS. I meant to say six. There are six companies manufacturing them.

Mr. POMERENE. If I understood the balance of my colleague's statement correctly, it was that if this high rate prevails, then five of those companies will be ruined financially.

Mr. WILLIS. Practically so. It will center the business in the one company, which has the understanding with the producer of strontium nitrate.

Mr. POMERENE. Where are these five companies located, and what are their names?

Mr. WILLIS. As I stated a little bit ago, I have always made it a rule in this body, and in the body at the other end of the Capitol, never to give the names of persons or corporations, because I do not desire to make an attack on them or to advertise them. I shall be glad to give the names to my colleague privately.

Mr. POMERENE. I would not ask it if I did not think it was a matter of legitimate information.

Mr. SMOOT. Let me ask the Senator a question to find out just exactly what he did state. I may have misunderstood him. Does the Senator say that the five railway signal companies will go out of business under this rate?

Mr. WILLIS. Of course I do not know that they will go out of business, but I do know that it will be a tremendous burden on them, and it would give a very distinct advantage to the one company that has a private arrangement with the producer of strontium nitrate.

Mr. SMOOT. There are six purchasers of this article in the United States and four factories in the United States making it. There is one company, a signal company, that has a contract, I think, with the du Pont Co., and that is the company to which the Senator refers.

Mr. POMERENE. What is the company?

Mr. SMOOT. I have not the name of the company right now, I will say to the Senator, but I will give it to him. The name, however, does not make any particular difference.

Mr. POMERENE. Let us have the names of the other companies.

Mr. SMOOT. I do not even remember the names of the other companies, but they purchase this article which is used for pyrotechnics and for producing red lights along the railroad lines. That is what the article is for.

Mr. POMERENE. I assume that the Senator gets his information from the hearings before the Finance Committee. Am I right about that?

Mr. SMOOT. No; the information I get is from the reports of the hearings before the Ways and Means Committee, page 19, Schedule A. There will be found the brief of the Columbia Railroad Signal Co., which made the protest against the rate of duty upon this product.

Mr. POMERENE. May I see that?

Mr. SMOOT. Certainly.

Mr. LENROOT. Mr. President——

The PRESIDING OFFICER (Mr. MOSES in the chair). Does the Senator from Ohio yield to the Senator from Wisconsin?

Mr. POMERENE. I am not prepared to take the floor. I yield the floor.

Mr. LENROOT. I have before me the statement of the signal company referred to by the Senator from Utah, and I think it ought to be read into the RECORD in this connection. I read from page 19 of the House hearings:

> A well-known Delaware company is the sole manufacturer of this chemical in the United States and already our company is at a disadvantage in the purchase of this highly essential and very necessary material which we buy in carload lots, and for these reasons: It is true that we can, if need be, purchase this chemical from the sole maker, but our past experience has demonstrated that when we do so, we are forced to pay 4½ cents to 5 cents or possibly 6 cents a pound more than our competitor pays, with the result that our purchase from this source becomes prohibitive since we absolutely can not purchase strontium nitrate at any such excessive and arbitrarily increased prices and then meet the competition we are forced to meet in the open market when it comes to the sale of our own manufactured products.
>
> Moreover, as we understand it, strontium nitrate is produced from the raw celestite and strontianite, i. e., each being possible sources from which to manufacture the finished strontium nitrate. We also understand that this raw material is brought into the country as ship ballast and that a plant with a capacity of 5 to 8 tons per week and furnishing employment to only six or eight men and requiring a plant investment of not exceeding $35,000 is quite sufficient for all practical purposes.

Then, on page 346, will be found a protest from the Victor Sparkler Co., of Elkton, Md. It would seem that the price which prevails in this country to-day is by virtue of monopoly and not by virtue of cost of production.

Mr. SMOOT. Taking that statement into consideration, that would be true, because it says there is only one manufacturer, but that statement is not true.

Mr. LENROOT. I only stated what appears in the hearings.

Mr. SMOOT. I know the Senator did; and I say, taking that statement into consideration, it would be true; but the statement is not true. The Geological Survey, on page 24, in making their report upon this product, said:

> According to the Geological Survey, in 1917 four companies reported sales of strontium nitrate and carbonate amounting to about 3,000,000 pounds, of which the nitrate constituted by far the larger part.

I have sent to the telephone to get from the Tariff Commission the names of the four companies, and I shall put them in the RECORD later, if I can not get them before the debate on this item closes.

Mr. POMERENE and Mr. WALSH of Massachusetts addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Utah yield; and if so, to whom?

Mr. SMOOT. I yield first to the Senator from Ohio.

Mr. POMERENE. Is it true that the producer of strontium nitrate makes one price to one consumer for use in the making of railway signals and different prices to others?

Mr. SMOOT. I can not say as to that, because I never had any investigation made, and I do not think the Tariff Commission made any investigation.

Mr. POMERENE. The brief from which the Senator from Wisconsin read seems to indicate that there is a very material difference in the prices.

Mr. SMOOT. If there is no more truth in the one statement than there is in the other, then, of course, we need not give very serious consideration to it.

Mr. POMERENE. It is hardly fair to make a statement that the brief does not contain the facts. It may not, of course.

Mr. SMOOT. I do not say that that is not the case, because I do not know, and I am not going to make any statement on the floor of the Senate about which I am not sure.

Mr. POMERENE. Of course, the Senator would not do it intentionally.

Mr. SMOOT. I do not see why they should go to one firm to buy when there are three others in the United States from which they can buy. The only reason why they would go to the Du Ponts would be because they could get better terms than from the other producers.

Mr. POMERENE. I understand there is only one producer, but there are five or six different manufacturers of railroad signals.

Mr. SMOOT. They are purchasers of the material.

Mr. POMERENE. If I understand my colleague correctly, they would be compelled either to purchase from this domestic producer or to purchase abroad. That seems to be the situation. It does seem to me, looking at this matter even from the standpoint of the most ardent protectionist, all must admit the eminent unfairness of this rate if it is going to enable the producer to play favorites among the other companies. That is not a square deal.

Mr. SMOOT. I agree with the Senator, and certainly I would not agree to any rate that would bring it about; but the rate

applies to the other three producers as well, and the other three producers are certainly looking for business.

Mr. POMERENE. There seems to be a difference of opinion between the Senator from Utah and my colleague. My colleague says there is only one producer.

Mr. SMOOT. I think the Senator's colleague took that statement from the witness.

Mr. POMERENE. Does the Senator from Utah say that that is not correct?

Mr. SMOOT. I say it is not correct.

Mr. POMERENE. Who are the other producers?

Mr. SMOOT. I have just stated that I sent to the telephone to see if I could learn the names of the other producers.

Mr. POMERENE. In asking the question I had in mind the manufacturers of railroad signals rather than the producers of the product.

Mr. SMOOT. There are six of those.

Mr. WALSH of Massachusetts. Mr. President, I wish to say to the Senator from Ohio [Mr. WILLIS], in view of the information which has been given to the Senate by the Senator from Wisconsin [Mr. LENROOT], that I think he was absolutely right in withholding the names of the companies to which he referred. It is quite apparent that it is not safe for small concerns, dependent upon monopolies in America, in any way to interfere with the demands and exactions of the monopolies for high protective rates.

Mr. McCUMBER. Mr. President, I understand that there are four or five different concerns which are manufacturing this product.

Mr. SMOOT. Four.

Mr. McCUMBER. Four, the Senator from Utah says. I also understand that one of these firms does not deal fairly with all purchasers, but gives some an advantage. It seems that there is a desire to punish the other three because the one firm does not deal equitably with all who may desire to purchase the products of that firm.

The only question, it seems to me, is to ascertain whether the other concerns outside of the Du Ponts need the protection we have given them here. If they need it, we ought not to deny it to them because one concern does not deal fairly with all customers or would-be customers.

Mr. SMOOT. All the information the committee could gather from the Reynolds report and all the other sources of information as to importations and local prices and import prices would justify a very much higher rate than 40 per cent. The committee decided that they would not give more than 40 per cent on this article. Of course, it is a relatively new industry.

Mr. POMERENE. Does the Senator say that the Reynolds report would justify more than 40 per cent?

Mr. SMOOT. Oh, yes.

Mr. POMERENE. It was based upon prices as they were on August 1.

Mr. SMOOT. I am aware of that.

Mr. POMERENE. I understand that; but it is also in evidence here in the debates thus far that the foreign prices have very substantially changed.

Mr. SMOOT. And so have the domestic prices.

Mr. POMERENE. I think that is true; but whatever may have been the relative prices on August 1 might not be determinative of the question of duty from any standpoint as of this date.

Mr. SMOOT. That could happen, I will say to the Senator; but generally, I think, the prices in this country and the prices abroad have either increased or decreased relatively compared with what they were on August 1. There may be cases where that would not happen, where some particular cause would bring about a different situation.

Mr. McCUMBER. If the Senator from Utah will allow me, I have rather late figures upon the selling prices and the present quotations of only a few days ago.

The imported selling price is 7½ cents per pound. The domestic selling price is 12 cents per pound. That is on the strontium nitrate. Strontium carbonate is 10 cents a pound. The prewar price of strontium carbonate was 7 cents per pound. So we are getting down very closely; but we see, taking as a basis the 7½ cents for foreign and the 12 cents for domestic, that even a 50 per cent ad valorem rate would not take care of it; it would take almost 100 per cent.

The PRESIDING OFFICER. The question is on the amendment offered by the junior Senator from Ohio [Mr. WILLIS] to the committee amendment.

Mr. POMERENE. On that I ask for the yeas and nays.

Mr. JONES of New Mexico. Mr. President, I would like to say just a few words before the vote is taken.

Mr. SMOOT. Mr. President, will the Senator yield a moment that I may put in the RECORD the information I got by telephone?

Mr. JONES of New Mexico. I yield for that purpose.

Mr. SMOOT. The Geological Survey reports that the three principal manufacturers of this product are the Du Pont Co., the Mallinckrodt Chemical Works——

Mr. POMERENE. Where are they located?

Mr. SMOOT. A very large concern, located in St. Louis. The third one is the Powers-Weightman-Rosengarden Co., at Philadelphia. Those three concerns manufacture nearly all of this product. There is just one small manufacturer outside of those three. Each one of them, as the Senator knows, is a very large concern.

Mr. WILLIS. Can the Senator state the percentage of the product put on the market by each one of those three companies?

Mr. SMOOT. No; I can not.

Mr. WILLIS. That is really the meat in the coconut. The fact is that the first is the one which handles practically all the business.

Mr. SMOOT. I said, and so does the Tariff Commission in its report say, that the Du Pont Co. makes a large proportion of the product. I made that statement in answer to the Senator when the Senator from Ohio made an excuse for not stating even the name of the company.

Mr. WALSH of Massachusetts. All of the other companies produce other products besides this?

Mr. SMOOT. Certainly.

Mr. WALSH of Massachusetts. But the largest quantity of this product is produced by the Du Pont Co.?

Mr. SMOOT. That company produced the largest quantity. The only reason for that, I suppose, is that they have more customers, or reach the trade better, either by being able to furnish a lower price or otherwise. It is not because the other two companies can not produce all of it that is desired in the United States.

Mr. WALSH of Massachusetts. Are the three companies actually competing with each other?

Mr. SMOOT. I should judge so from the way the prices have fallen during the last six months.

Mr. JONES of New Mexico. Mr. President——

Mr. McCUMBER. Mr. President, the Senator from New Mexico [Mr. JONES] desires to speak on the amendment, but I wish to ask him to yield to me in order to make a statement.

Mr. JONES of New Mexico. I yield.

Mr. McCUMBER. The Senator from Alabama [Mr. UNDERWOOD] the other day asked that if at any time the Committee on Finance desired to have the tariff bill laid aside for any purpose we would give due and timely notice of that fact. I do not desire that the bill be laid aside at any time between our regular hour of meeting at 11 o'clock in the morning and 10 o'clock in the evening, if I can possibly help it; but I am informed that the Army and Navy pay bill should be disposed of before further headway can be made in the consideration of some of the appropriation bills; that the Committee on Appropriations are waiting for the Senate to act upon the pay bill. So I am going to suggest, and I desire to give notice at this time, that the Senate meet on Monday next at 10 o'clock a. m. instead of at the usual hour of 11 o'clock; that then the tariff bill may be temporarily laid aside in order to consider the Army and Navy pay bill. It is hoped that we may get through with that bill in an hour, or a little more than an hour, and that we may then go on with the tariff bill without the loss of any time.

Mr. JONES of New Mexico. I merely wish to say, in reply to what the Senator from North Dakota has said, that I believe if we work 11 hours a day that is all we should be called upon to do. I have not been making any complaint about the long hours; I have been here all the time; and I have been trying to do my share in the discussion of the very important subjects which are involved in the pending bill. If the bill to which the Senator from North Dakota has referred is not going to take up more than an hour, I do not see why we should meet at an early hour and be in session for 12 hours on Monday. I am very anxious to proceed with the pending bill as rapidly as may be within reasonable limitations, but it strikes me that to ask us to stay here continuously for 12 hours a day, without any intermission for lunch or dinner or any other reason, is asking too much.

Mr. McCUMBER. I desire to say to the Senator from New Mexico that each day the Committee on Finance is meeting at 9 o'clock in the morning and working until 10 o'clock at night. That makes 13 hours a day. If we can stand that and be here continuously, it seems to me that other Senators might, for one

day, meet an hour earlier for the purpose of considering the bill to which I have referred. I wish we might avoid evening sessions, but we are making such slow progress with the bill that they seem to be indispensable if we are going to get the bill through this summer.

Mr. JONES of New Mexico. I will state that other Senators are not idle until the hour of meeting at 11 o'clock in the morning. While the Senator from North Dakota may be meeting with the other majority members of the Finance Committee for the purpose of revising the pending bill, there must be work done by other Senators in order to prepare for the duties of the day.

Mr. McCUMBER. I hope the Senator from New Mexico did not think that I even had an idea in my mind that other Senators were idle.

Mr. JONES of New Mexico. In this connection I think it is not out of the way to make the observation that if the majority members of the Finance Committee could have additional hours for further consideration of the pending bill it would result in great benefit to the country. Since this debate has commenced here the majority members of the Finance Committee have discovered their own errors in a large number of cases, resulting, doubtless, from the discussion. When the bill was first brought before the Senate not a word could be heard from any of the majority members of the Finance Committee regarding any item of the bill; they declined to explain anything; but now they are not only explaining, but they are reconsidering and they are bringing in amendments of their own here greatly reducing the exorbitant duties first proposed by the majority members of the committee; and I think, in the interest of the country, it would be advisable to let the majority members of the Finance Committee have more time than they have been having.

Mr. CARAWAY. Mr. President, if the Senator will allow me, they will probably have more time after the next election.

Mr. JONES of New Mexico. That is far away and can not affect this bill.

Mr. DIAL. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from South Carolina?

Mr. JONES of New Mexico. I yield.

Mr. DIAL. Mr. President, I am a great believer in work; in fact, I have always been looked upon as an extremist for work. I must confess, however, that recently it seems we are getting a kind of an overdose of it. As to the long sessions of the Senate now being held, until 10 p. m., I am not making any great kick, but we are making the day longer at both ends. I do most earnestly protest against this hour-earlier business which has recently been inaugurated in this city. If people want to get up early and go to work, I have no objection; in fact, I think it is very commendable to start early; but when they do so, I do not see any reason why they should want to discommode everybody else. If it suits the storekeepers to open their stores at 8 o'clock or 7 o'clock or 6 o'clock, and the clerks agree to it, that is a matter for them; but things have gone so far now that everything in the city is getting out of joint.

The housekeepers are almost prostrated and there is great difficulty in trying to get the little fellows to school. I am fortunate enough to have a large crowd at my house; I patronize three schools, having five children to send to them; and it is a hard matter to get them off in the morning. It is much like trying to catch an early train; in fact, we got in such a big hurry yesterday that we turned over the coffee pot and spilled the coffee. [Laughter.]

Seriously, Mr. President, I think it time for people to become sane. We had some of this so-called daylight-saving business during the World War. At that time we tried a good many experiments and nobody kicked; we accepted anything anybody said would help to "win the war" and speed the good cause along; but there is no sound or sensible reason now why we should try to conduct any such experiments.

As I have said, if people in various occupations want to have different hours, they can accommodate themselves to their own desires; but let us go along and try to help the ladies and the people who are burdened with housekeeping so that they may have whatever comfort they can get out of life. The new arrangement of opening the schools at 8 o'clock is disconcerting and entirely unwarranted, and no doubt is a hardship on the teachers. There is no good reason for it. I can not find where it originated; I can not find any sponsors for it. It disconcerts the servant population and inconveniences everyone else.

We are going to have a great howl about new hours after a while. There is some talk here now about extending the hours of work for Government employees, and I want to commend that proposal highly. If the people who claim that they are not able to work eight hours a day, sitting in turn-around chairs under electric fans and with all other conveniences, would go down to my section of the country and see what some of my constituents go through they would come back with a different idea. Some people are even going so far as to talk about a six-hour day. We had a little hint along that line yesterday when I heard witnesses make such suggestions.

I want to say, Mr. President, that I wish, so far as the women and children are concerned, that no man's child and no man's wife would ever have to be compelled to hire themselves to anybody; but I can see no good reason why everybody in the world should not work for themselves. There ought not to be any law limiting the hours of work for grown men. Women and children, of course, are exceptions, but if any young man is not able to work over six hours a day he ought to be sent to a hospital.

We are going to disarrange the whole industrial ideas of this country if the present course be continued. Living costs are now so high that a man of ordinary means does not know which way to turn. So I must insist that Congress do not follow this new fangled "ism" of trying to change the time. I hear some talk of making the effort to do it here. While I am not a very long-winded talker, yet I talk pretty fast; I certainly could say a good many words against such a change; and when that kind of a proposition is brought forth, if it shall be, I will occupy much more time of the Senate than I have in the past.

Mr. FRELINGHUYSEN. Mr. President, the Senator from New Mexico has very kindly yielded to me for a moment to discuss briefly the item now under consideration. As a member of the committee, in placing this duty on this commodity, I was not governed by considerations affecting any manufacturing concern in this country. I had no information as to who were manufacturing the product, nor did I care. That is not the question, and in this argument we are drifting far afield from the point. If any concern in this country has a monopoly or is guilty of any unfair practices, there are ample and sufficient laws on the statute books to prosecute them. The question before the committee was, and the question before the Senate is, What is the proper duty to protect the American industry? And that is the question we are trying to solve. In placing a duty of 40 per cent upon this product we were trying to fix a differential between the American price here and the competitive price of the imported article. The information which the committee had was that 12 cents was the manufacturing cost of the American product, and that Germany could land the product here at 7½ cents. With those figures before us, even a 40 per cent duty was not sufficient.

What is the situation? Prior to the war the imports were chiefly from Germany. That country supplied the requirements of the United States for strontium salts. In 1914 there were imported 1,941,000 pounds of such salts. Later statistics of imports of strontium nitrate, precipitated and carbonate, are not available, but it is known that considerable quantities have been brought in during 1921.

These salts were not produced in the United States prior to the war, but we imported them from Germany. We are now supplying the domestic market with these salts. Germany can land them here at a much less cost; her wages are much lower than ours, as Senators on the other side know.

The question is, Are we willing to give a sufficient duty to protect the American industry, in view of the difference between the cost of production here and the cost of production in Germany? If we are not, cut the duty down to 20 per cent. If we are, give a 40 per cent rate and protect American labor. The whole debate on the other side has been an attack upon American labor and in favor of protecting labor on the other side of the Atlantic.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from New Mexico?

Mr. FRELINGHUYSEN. I will yield in a moment. The object of the committee is to protect the American workingman, and that has been the impulse of the committee in fixing the rate—an effort to cover the difference in costs of production here and abroad. Germany enjoyed the full benefit of the American market prior to the war. We have learned to make this product, and we are making it now; but unless you protect it with rates based upon the differential between the costs here and abroad you will destroy this industry and turn the business over to Germany. Now, the question is, Which do you want to do?

Mr. JONES of New Mexico. Mr. President, I hope the Senator from New Jersey will not leave the Chamber just for the moment. I should like to ask him how much labor is involved in the production of these salts?

Mr. FRELINGHUYSEN. Mr. President, that is not the question.

Mr. JONES of New Mexico. The Senator has just said that it was.

Mr. FRELINGHUYSEN. Wait a minute; that is not the question, because probably the same amount of labor is employed on the other side. The question is whether you are going to protect American labor, whether it is more or less, in a manufacturing process here or whether you are going to yield by giving the business to Germany and giving German labor the benefit of the business. That is the question.

Mr. JONES of New Mexico. Mr. President, I hope still the Senator will not leave the Chamber.

Mr. FRELINGHUYSEN. .I do not intend to leave the Chamber under any circumstances while this debate is going on.

Mr. JONES of New Mexico. You are asking here for a 40 per cent ad valorem duty. That is 40 per cent upon the finished product?

Mr. FRELINGHUYSEN. Absolutely.

Mr. JONES of New Mexico. What per cent is that on the labor involved?

Mr. FRELINGHUYSEN. The difference between the American wages paid and the German wages paid.

Mr. JONES of New Mexico. Mr. President, as a matter of fact, the Senator does not know anything about what wages are paid, either in Germany or in this country, so far as this industry is concerned.

Mr. FRELINGHUYSEN. I know this: I know that in every conversion-cost investigation that was made it was found that the German labor cost was not 20 per cent of the American labor cost. If the Senator wishes to go into that question and debate it on this amendment we will ascertain the wage scale in this industry and put it into the RECORD, and if he is willing to accept that as a final decision and will be convinced by it, I venture to say that if that investigation is made he will find that the differential between the cost of American labor and the cost of German labor is greater than the 40 per cent ad valorem.

Mr. JONES of New Mexico. But the Senator does not keep in mind the fact that the 40 per cent ad valorem is upon the finished product. It is not simply representative of the difference in the cost of labor.

Mr. FRELINGHUYSEN. Why, certainly I understand that, Mr. President. I understand that it makes no difference whether the conversion cost is 80 per cent raw material and 20 per cent labor or whether it is 80 per cent labor and 20 per cent raw material. That 40 per cent covers the difference in the cost of labor here and abroad.

Mr. JONES of New Mexico. And what else? It covers also the difference in the cost of raw material, does it not?

Mr. FRELINGHUYSEN. Certainly it does—everything that goes into it.

Mr. JONES of New Mexico. And the profit, also, does it not?

Mr. FRELINGHUYSEN. No; it does not cover the profit.

Mr. JONES of New Mexico. Then, unless the Senator knows the amount of labor necessary to the production of a commodity, I should like to know how he can say that 40 per cent is necessary for the mere protection of that labor.

Mr. FRELINGHUYSEN. I can not say that 40 per cent is necessary; neither can the Senator say that 40 per cent is necessary; but that is the basis upon which the tariff is made. That is the basis upon which the Underwood tariff was made—the cost of the finished article here and the invoice price of the finished article imported. If the Senator wants to go into the question of a proper basis of fixing scientific tariff duties he must change the whole policy of tariff making, and I will join him in such a policy. If he will agree to give a tariff commission or a governmental body sufficient powers to investigate and make studies of the difference between the conversion costs here and abroad and write that as the basis of the future tariff policy of this country I will join him; but neither his party nor mine has ever adopted that policy.

Mr. JONES of New Mexico. Mr. President, we had a good illustration yesterday of how such a policy as that would work. I will say to the Senator from New Jersey that for a considerable length of time on yesterday I called attention to the fact that the present Tariff Commission had reported that upon the oxides of lead, which we were discussing yesterday, there was no difference in the cost of production in this country and abroad; and notwithstanding that, the Senator from New Jersey flouted the Tariff Commission in the face, and voted to put a high duty upon these oxides of lead when the Tariff Commission had reported that they were not necessary, that there was no difference in the cost of production here and abroad. That shows the sincerity of people who talk about some theory, but when we come to put into practical operation the identical thing they simply repudiate the doctrine which they profess in the open in order to increase the prices and the benefits of some special concerns in this country.

Mr. FLETCHER and Mr. FRELINGHUYSEN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Mexico yield; and if so, to whom?

Mr. JONES of New Mexico. I yield first to the Senator from Florida.

Mr. FLETCHER. I just want to make this suggestion, as it may help this discussion along. The point is, Can the Senator from New Jersey tell us what is the total labor cost in the production of this item abroad, and what is the total labor cost of its production in this country? Unless he can give us those two items, the duty levied here is a mere guess. We must know what the total labor cost is abroad, what the total labor cost is here, and ascertain the difference, and then we will be able to say whether 10 per cent or 40 per cent ad valorem is necessary.

Mr. FRELINGHUYSEN. Mr. President, of course I can not give the difference between the——

Mr. FLETCHER. Then the argument all amounts to nothing.

Mr. FRELINGHUYSEN. Will the Senator do me the courtesy to listen to my reply without trying to wave it aside?

Mr. FLETCHER. I am not waving it aside; I am listening.

Mr. FRELINGHUYSEN. Of course, I can not give, in this specific instance, the difference between the labor cost of manufacturing strontium salts in this country and manufacturing them in Germany; but I can give the Senator the information that the wages in Germany are from 50 to 80 per cent below what they are in this country in every line of industry.

Let me say to the Senator from New Mexico, in response to his criticism, his sarcastic reference to my sincerity, that he will have the opportunity of voting for a bill which I have introduced giving the Tariff Commission power to make a study of the difference between the conversion costs here and abroad, taking into account the cost of labor in every product as well as the cost of raw materials, and report rates to this body; and I shall be very glad to have his support for that measure. The Senator knows that there is such a bill before this body.

I am perfectly willing to admit that our present system of tariff making is unscientific. It is the best we have had; but if you are going to have a scientific tariff you will have to give a governmental body the time, the authority, and the money to study these questions properly, and you will have to lay down a fundamental policy as to how the tariff shall be made. That is the policy that was adopted in Germany itself. It took the Germans three years to build their tariff. They did it on the basis of the difference between the conversion costs in Germany and abroad plus a reasonable profit to the German industry. They called in committees from the different industries, who served without pay, and upon that basis the German tariff was built—the difference between the conversion costs at home and abroad—but it took time, and it took authority, and it took money.

I am perfectly willing to accept a policy of that kind in this country if you will empower somebody to make those studies and submit to Congress the findings, calling in the industry, calling in all related interests, the transportation companies and those who furnish the raw materials, and lay down a fundamental policy of tariff making; but we have never pursued that policy in this country. It has always been either a tariff for protection or a tariff for revenue, and we have always adopted ad valorem rates rather than specific rates, and we have never empowered anybody to make complete studies.

As far as our committee have gone, we tried to make every investigation on the basis of the difference between the cost of production or the cost of the domestic article here and abroad. With all the information procurable within the limited time we had, I say to the Senator that in my effort to place a duty of 40 per cent upon this product, showing the cost of the product here as 12 cents, and 7½ cents in Germany, I was impelled by one purpose, and that was to keep in this country that industry which was created here during the war, because prior to that time Germany produced all of the strontium salts which we used. Is it worth while to impose a duty, and keep that industry here, and employ American labor, or must we take the risk and the chance of imposing a duty so low that we will destroy the industry here and give Germany a monopoly of the market again?

The Senator knows perfectly well that in my effort I am trying to protect American industry. I do not care anything about the question of whether or not one company is engaged in a strife with other companies. If they are doing anything wrong, if they have a monopoly, it is the duty of the courts to inter-

fere, and we have sufficient law. The great principle that I have tried to follow in my efforts, meager as they are, in the Finance Committee, has been to protect American industry and hold our trade here; and in fixing this rate of 40 per cent, which is hardly sufficient, I have tried to protect the American industry.

Mr. FLETCHER. Mr. President, will the Senator from New Mexico yield to me for just a moment?

Mr. JONES of New Mexico. Certainly.

Mr. FLETCHER. I just want to say one word to make it clear that making the general statement that wages are 50 per cent or 60 per cent or 75 per cent or 80 per cent, if you please, higher in America than in Germany, does not answer the question at all; it does not contribute toward a proper determination of what the duty should be on the article here, because the labor cost involved in the production of an article may not be over 10 per cent of the value of that article. Do you want to impose a duty of 40 per cent to cover a total labor cost of 10 per cent in the production of an article? That may be the case in this instance; and therefore I say that we can not tell whether or not this is a just and proper duty to levy unless we know the total labor cost entering into the production of this article in Germany and the total labor cost entering into its production here. The total labor cost in either instance may not exceed 12 per cent of the value of the product, and yet you propose to levy an ad valorem duty of 40 per cent.

Mr. FRELINGHUYSEN. Before the Senator takes his seat I would like to ask him a question.

Mr. FLETCHER. If the Senator from New Mexico will permit. I am trespassing on his time.

Mr. FRELINGHUYSEN. If the Senator had been a member of the Finance Committee, and it were shown that the American production cost was 12 cents, and that Germany was landing the article here at 7½ cents; and having no further information upon wages, although knowing generally that wages in Germany were probably 20 and in some cases 10 per cent of our American wages, what duty would the Senator put on this product? How would he fix the duty?

Mr. FLETCHER. I submit, in the first place, that there has been no information furnished, as far as I am advised, and none exists, as to what the cost of the production of that article here is. Merely stating what the price is does not give us any information as to the cost of the production. The price may be fixed by one factor or another.

Mr. FRELINGHUYSEN. In the absence of that information, although knowing generally that most of the cost of production in this country of this chemical is labor, I still ask the Senator the question, What duty would he fix on this article, which Germany lands here at 7½ cents, and which he says we can not manufacture at less than 12? What duty would the Senator put on it? Is he in favor of protecting American industry, or does he want to turn it back to Germany?

Mr. FLETCHER. That, of course, is not involved here. I would not levy any duty unless I had the facts upon which to base it, unless I had some reason for placing the duty. The first question appealing to me would be the need of the Government for revenue, and I would endeavor to fix a duty which would yield some revenue to the Government.

Mr. FRELINGHUYSEN. Then the question of the protection of American industry would be a second consideration with the Senator from Florida?

Mr. FLETCHER. It would be a secondary consideration under any tariff legislation, because I do not believe in the right to tax all the people for the benefit of the few.

Mr. JONES of New Mexico. I hope the Senator from New Jersey will not leave the Chamber.

Mr. FRELINGHUYSEN. I am perfectly willing to wait if the Senator is not going to take long, but I hope I shall have an opportunity to leave soon.

Mr. JONES of New Mexico. The Senator from New Jersey has dwelt upon the labor cost in the production of strontium nitrate, and he wants a 40 per cent duty on the entire item. If the Senator from New Jersey had considered the information which was furnished to the committee by the Tariff Commission, I do not believe he would have referred to that labor cost at all. I would just like to have the Senator from New Jersey listen a moment and see if he can figure out whether he wants 40 per cent duty on the price of the finished product for the benefit of the labor involved. Let me read about the manufacture of strontium salts.

> If the mineral strontianite is available, the manufacture of strontium salts is comparatively simple. The strontianite is simply dissolved in nitric acid to produce strontium nitrate.

I would like to know of the Senator from New Jersey what percentage of labor he thinks is involved in that simple process of dissolving the strontianite in nitric acid? That is the entire process in the manufacture of strontium salts. That is all there is to it, just simply dissolving the mineral in the nitric acid.

The mineral itself is imported into this country free of any duty. It is impossible to produce that ore in the United States, because it does not exist here in sufficient quantities to make it available.

It is quite true that prior to the war there was no production of strontium salts in the United States on a commercial scale. But let us see how much of an industry it is, and whether it needs this great 40 per cent protection. I will just give a little of the history of this industry and show the basis for protection which the committee has now suggested.

There are some strontium nitrate plants located in California, but they are only temporary, built for temporary purposes, with no idea of developing a permanent industry. The reason for that is that the ore must be imported into the United States, and the Tariff Commission says that the eastern manufacturers of strontium salts are so located that they can import the raw material free of duty, while the finished product, strontium nitrate, lacking specific mention in the act of 1913, has been declared dutiable at 15 per cent ad valorem as a chemical compound or salts.

They can not compete with the eastern manufacturer. The eastern concern can import the ore free of duty. We now have a duty of 15 per cent on the salts. So it would appear that necessarily there is only one concern in the East which is manufacturing this product at the present time, and, so far as information is concerned, there is absolutely no evidence that it can not manufacture it as cheaply as any concern on earth. As I have said, as stated by the Tariff Commission, the process is simply the dissolving of the ore in nitric acid.

Mr. SMOOT. The Senator is wrong in that.

Mr. JONES of New Mexico. I am reading from the Tariff Commission report.

Mr. FRELINGHUYSEN. I know the Senator does not want to mislead anyone; and I know he wants to get at the truth of this matter. I stated that I was informed that in the production of strontium salts the chief element was labor. That is borne out by the information I have received since I made that statement. In the Tariff Survey we find the following:

> Sources of strontium minerals: Celestite is the mineral largely used in this country for the production of strontium salts. Prior to 1916 practically no strontium ores were mined in the United States, our requirements of strontium salts being imported chiefly from Germany. In 1916 there were produced in the United States 250 short tons of strontium ore, but not all of it was marketed. In 1917 about 4,035 short tons of strontium ore, valued at $87,700, were mined in this country. About 90 per cent of this output was celestite (strontium sulphate), the remainder being strontianite (strontium carbonate). The larger part of the output was from California. In 1918 the output decreased to 400 short tons, valued at $20,000. Workable deposits of ore occur also in Arizona, Washington, Texas, Utah, Ohio, and Michigan.
>
> Manufacture of strontium salts: If the mineral strontianite is available, the manufacture of strontium salts is comparatively simple. The strontianite is simply dissolved in nitric acid to produce strontium nitrate. It can be reduced directly to strontium oxide, which, on treatment with water, forms strontium hydroxide.
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> The process of making strontium salts from celestite (strontium sulphate) is more complicated, as this mineral is not soluble in dilute acids. The celestite is finely pulverized with the proper quantity of coal and the mixture is then roasted in a furnace.

Of course, it does not go through automatically. You do not put it in a hopper and have it come out salts, but you have to have celestite, you have to roast it with coal, and then to get the strontium sulphide you treat it with Chile saltpeter, you evaporate it, and you crystallize it; so you have four processes. Does the Senator mean to say that that can be accomplished without labor? I am informed, and I should like to be corrected if my information is incorrect, that labor is an important factor in the development of this product, and therefore we are protecting labor, as I stated before. The Senator probably will be interested in knowing that I have in my office at the present time, which I am informed shows, speaking of the chemical schedule, that to-day chemists in Germany are working for 4 cents a day. The Senator probably knows the salaries paid chemists in this country. That difference between the returns to labor in Germany and in this country exists as to all classes of labor, and in placing the tariff upon this product, with these four processes, largely including labor, as far as we were able to ascertain, we have taken care of the difference between the cost of the manufactured article here and the price at which the product can be imported into this country, in order that we might retain the industry here.

The Senator attacks that. I firmly believe that that rate is too low, but I do know that if the amendment offered by the Senator from Ohio [Mr. WILLIS] prevails, it will mean the absolute destruction of that industry in this country, or that portion of the chemical industry which we have heretofore enjoyed.

Mr. WILLIS. Mr. President——

Mr. JONES of New Mexico. I would just like to reply to the Senator from New Jersey a moment, and I hope the Senator will not leave the Chamber. I want to make a statement right in this connection now. If the Senator from New Jersey will just listen to me a moment, I think he will discover that the experts have furnished him an excuse, and not a reason, and I will tell him why I say that.

The truth of it is that they have now gotten to another process entirely. The making of strontium nitrate from the celestite ore is practically a defunct enterprise. It is so simple to make it from the other ore, the strontianite——

Mr. SMOOT. They can not get that ore.

Mr. JONES of New Mexico. They can not get the other ore in this country. I want to say about that, that strontianite is the mineral which is largely used in this country, especially in California, for the production of strontium nitrate.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from New Jersey?

Mr. JONES of New Mexico. I yield.

Mr. FRELINGHUYSEN. Is the Senator reading from the Tariff Survey?

Mr. JONES of New Mexico. I am.

Mr. FRELINGHUYSEN. Will he not read the first two sentences on page 22?

Mr. JONES of New Mexico. Yes; I expect to read that.

Mr. FRELINGHUYSEN. That would seem to indicate that the Senator had been misinformed when he spoke of a new process. It speaks there of celestite. It says that strontium "is the more widely distributed and the one more commonly used in the preparation of strontium salts or chemicals." It would seem as though the celestite process was the principal process used.

Mr. JONES of New Mexico. But I call the attention of the Senator to the fact that the labor cost can not be very much more in using the one than in the other, because of the manufacture of salts from the strontianite mineral. I was just reading how simple a process it was to get the strontianite. It is evident that this process is simple, but if we take the manufacture of the nitrate from the celestite ore, the Senator has mentioned some processes, but he has guessed absolutely at the labor cost. He does not know anything about it. It is a mere guess. He has made no attempt to ascertain the cost.

Mr. FRELINGHUYSEN. I know nothing about the cost of labor in the manufacture of this product, and neither does the Senator, but I do know that whatever labor is employed in Germany is paid about 10 or 20 per cent of what is paid here. I also am informed, in the same manner in which the Senator is informed—because he is not a chemist, and neither am I—that the larger element entering into this production is labor. That seems to be the question between the Senator and myself. I lay down the fact that to a large extent the production of this salt is labor, and I want to protect American labor and American industry. The Senator challenges that, attacks that, and wants to lower the rate. We might go on with this argument for a long time. I claim that the labor cost is the principal element, and that I am trying to protect the labor here rather than the labor abroad.

Mr. JONES of New Mexico. I would just like to give a little picture of this industry, and I am almost induced to read everything upon the subject.

Mr. FRELINGHUYSEN. If the Senator will kindly do that, it will give me an opportunity to get lunch.

Mr. JONES of New Mexico. I hope the Senator will not leave the Chamber. I wish to remind the Senator that he and the Senator from Ohio [Mr. WILLIS] and the Senator from Utah [Mr. SMOOT] are the only Republican Senators in the Chamber at this time. That is usually the case during the consideration of this bill. Ordinarily the Senator from Utah [Mr. SMOOT] and the Senator from North Dakota [Mr. MCCUMBER] are the only ones here, and the others merely drop in when they have something to say. They do not desire to listen to anybody else.

Mr. SMOOT. And sometimes the Senator from New Mexico is the only Senator on the other side of the Chamber.

Mr. FRELINGHUYSEN. Mr. President, I know the Senator from New Mexico and I know of his great courtesy. I am perfectly willing to listen to him, but I think he has said upon this subject all that can be said. I have been discussing this question with him for three-quarters of an hour. I have some friends waiting for me, with whom I have an appointment, but I am perfectly willing to remain longer if he desires. However, I do not think anything would be accomplished.

Mr. JONES of New Mexico. I call attention to the fact, in view of the remarks of the Senator from Utah, that there are now present seven Democrats and only three Republicans.

Mr. MOSES. And more Democrats are coming out of the cloakrooms in response to the Senator's call.

Mr. FRELINGHUYSEN. I would suggest to the Senator from New Mexico that he call for a quorum.

Mr. WILLIS. Mr. President, I think the Senator from New Mexico ought not to make that sort of a statement, that there are ordinarily only one or two Republican Senators present. Some of us have been here pretty constantly. I personally have listened to the Senator with great delight hour after hour. I think it is hardly fair for the Senator to make such a statement.

Mr. JONES of New Mexico. I withdraw what I said, so far as the Senator from Ohio is concerned. He is protesting against it. I notice that the Senator from New Jersey [Mr. FRELINGHUYSEN] is leaving the Chamber. Now he is gone. I suppose he does not care to be convinced that the committee has placed this duty too high. The members of the committee are merely guessing at it. From all the Senator has said, I would like to have anybody state how they can determine that the rate ought to be 40 per cent and not 50 per cent. The Finance Committee comes in this morning and offers to change the rate from 50 per cent to 40 per cent. From all that has been said, how on earth can they draw such a close distinction as that? They do not know a thing about it.

The ore must be imported from abroad. It comes from England. Some of it comes from Germany, I suppose. At any rate, it exists in Germany, but I suppose we get our supplies in this country from England. It comes over to the New Jersey coast or somewhere on the eastern coast and there it is converted into this salt, sodium nitrate. It is a very simple process, whether it comes from strontiumite or from the celestite ore.

I will now make the observation, Mr. President, that there is only one Republican Senator present, the Senator from North Dakota [Mr. MCCUMBER]. The Senator from Utah [Mr. SMOOT] has disappeared, the Senator from Ohio [Mr. WILLIS] has disappeared, and the Senator from New Jersey [Mr. FRELINGHUYSEN] has disappeared. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GOODING in the chair). The Senator from New Mexico suggests the absence of a quorum. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Gooding	McLean	Shields
Brandegee	Hale	McNary	Shortridge
Broussard	Harris	Moses	Simmons
Bursum	Heflin	Nelson	Smoot
Calder	Johnson	New	Spencer
Capper	Jones, N. Mex.	Newberry	Stanley
Caraway	Jones, Wash.	Nicholson	Sutherland
Colt	Kellogg	Norris	Swanson
Culberson	Kendrick	Oddie	Townsend
Curtis	Keyes	Overman	Underwood
Dial	Ladd	Page	Wadsworth
Ernst	Lenroot	Pepper	Walsh, Mass.
Fletcher	Lodge	Pomerene	Warren
France	McCormick	Ransdell	Watson, Ga.
Frelinghuysen	McCumber	Rawson	Willis
Glass	McKinley	Sheppard	

The PRESIDING OFFICER (Mr. ODDIE in the chair). Sixty-three Senators having answered to their names, a quorum is present.

Mr. WILLIS. Mr. President, I ask that the pending amendment be again reported.

The PRESIDING OFFICER. The pending amendment will be reported.

The READING CLERK. On page 30, line 8, in the committee amendment as modified the junior Senator from Ohio [Mr. WILLIS] moves to amend by striking out "40" and inserting "20."

Mr. WILLIS. On that I ask for the yeas and nays.

Mr. JONES of New Mexico. Mr. President, I do not care to prolong the discussion at all, but I may state, for the information of the Senators who are now present and who will be called upon to vote upon this provision, that it has developed that there is no information as to the cost of production of the commodity either in the United States or elsewhere. The only information on which the committee now makes its recommendation is the mere fact that the New York selling price of the imported article is 8 cents a pound and the price in the same place of the American article is 12 cents a pound. Therefore, they recommended and proposed in the bill submitted in the Senate that the duty should be 50 per cent ad valorem. This morning they come in and ask that it be reduced from 50 per cent to 40 per cent. We are not told why, except that through some sort of intuition or in some subconscious way they have developed the thought that there should be a reduction from 50 per cent to 40 per cent. There are no facts given as to why that should be done. The Senator from Ohio has now made a motion to reduce that from 40 per cent to 20 per cent.

This commodity was not produced in the United States prior to the war. The only available supply of ore for these salts in commercial quantities is in Germany and the United Kingdom. So far as we are advised, the process of manufacture is simple, but there is only one concern in the United States which produces the commodity in commercial quantities. We are advised by the Tariff Commission that the California plants were merely temporary structures, built up for war purposes; and judging from the price which was obtained for the commodity during the war they doubtless amortized the entire cost of their plants by the prices which they charged for the commodity during the war.

Prior to the war the selling price of this commodity, strontium nitrate, was 5 cents per pound; the uniform sales price of it in New York, after paying the transportation charges and adding the profit and everything else, was 7½ cents a pound. During the war the price of the commodity went up in the United States to around 50 cents per pound, and it remained there until recently. It was kept up to the war price. In regard to the prices I will read the following:

The prices of strontium nitrate, the principal strontium salt used in the United States, was constant at about 7½ cents per pound prior to the war. With the outbreak of the war the price increased to a maximum of 48 cents in about July, 1916, or more than six times the pre-war price. The price from July, 1917, to January, 1920, was constant at 25 cents per pound, when the price increased slightly to 30 cents per pound, or about four times the pre-war price.

That was in January, 1920. They were still increasing the prices up to four times the pre-war prices. The invoice value of imports of strontium nitrate in 1914 was 5.2 cents per pound. Here is what can be said in regard to the competitive conditions:

Prior to the war the requirements of the United States in strontium salts were supplied by imports chiefly from Germany. The imports of strontium ore were small and sporadic and were used for the manufacture of laboratory chemicals.

The stocks of strontium salts in the hands of the principal consumer at the outbreak of the war were sufficient to meet requirements until 1916. The shutting off of imports naturally resulted in manufacture in this country. In 1917 there were two firms located in California at the source of the raw materials and at least two firms on the Atlantic coast. It is reported that the plants in California were of a temporary structure and would likely be closed down as soon as normal conditions of competition were restored. The only possibility that these plants will be able to keep operating under normal conditions is for them to induce the western beet-sugar refiners to use the more efficient strontium process of recovering sugar from the molasses residue instead of the cheaper lime process now in general use. This seems problematical, as it would involve change of equipment and is more expensive. The sugar companies do not seem to consider a change justifiable under present conditions.

The eastern manufacturers of strontium salts are so located that they can import their raw material free of duty, while the finished product (strontium nitrate), lacking specific mention in the act of 1913, has been declared dutiable at 15 per cent ad valorem as a chemical compound or salt.

That is all there is to this industry, so far as our information goes. There is no evidence to show other than that this one concern—it has been named here, else I should not repeat the name—the Du Pont Co., is the only concern in the eastern part of the United States now producing nitrate of strontium.

The uniform import price prior to the war was 5.2 cents a pound, and the sales price was 7½ cents a pound; but during the war it was increased to around 50 cents per pound, and the American selling price now has been recently reduced to 12 cents a pound. The imported article is on the market at the same old price of 7½ cents per pound; and because solely of that difference in price in the American market we are asked to put a duty upon the importation of this commodity of 40 per cent. There is not a word of testimony here to the effect that it cost one dime more to produce the commodity in the United States than it costs elsewhere, but to preserve the price, which has not gone back to normal, we are asked to impose this duty; and the concerns which raised the price during the war to six times what it was prior to the war are now asking us to reintrench them in their profiteering upon the American people. There never was a more outrageous proposition than that which they are now insisting upon.

The Senator from Ohio has pointed out the difficulties in this situation. The article ought to be on the free list. It is bearing 15 per cent duty now, and the Senator from Ohio moves to reduce the proposed rate from 40 per cent to 20 per cent. Unless the motion of the Senator from Ohio shall prevail, we must brand the object of the Senate as being simply to keep up the extortionate prices for the benefit, practically, of one concern that has a monopoly of the product in this country, as stated by the Senator from Ohio. I sincerely trust that the motion made by the Senator from Ohio will prevail.

Mr. McCUMBER. Mr. President, a number of Senators desire to have the pending matter go over, but before I consent to that I wish to make a statement in order that it may go into the RECORD to meet all of the criticisms which have been urged. I shall deal only with exact figures.

Under the Reynolds report the foreign selling price of pure strontium nitrate was 15 cents; the landing cost was 1.5 cents; the American price was 52.5 cents. Taking the usual method of levying a duty and allowing 33⅓ per cent for profit and overhead on the cost would make 13.1 cents. Then you would have the foreign price of 15 cents, plus the landing cost of 1.5 cents, and plus the profit and overhead of 13.1 cents, which would make 29.6 cents. That will give the importer a very good profit and allow him to sell at 29.6 cents. The American price being 52½ cents, and subtracting what it may be sold for with a good profit by the importer, we find a difference of 22.9 cents between the American selling price and the foreign selling price, with all of this profit. To equalize the two would require, according to that estimate, 150 per cent based upon the foreign valuation. I simply desire to say that we have not attempted to equalize it; we did not allow 150 per cent, but we did allow 40 per cent.

Taking the very latest figures we have, the present quotation on strontium nitrate shows an import selling price of 7½ cents per pound, while the domestic selling price is 12 cents per pound. The difference between the two—and I am speaking of 7½ cents per pound as the landing price here—would be 4½ cents. It would require 60 per cent to balance those prices. We did not give 60 per cent duty, but we did give 40 per cent.

On strontium carbonate the difference would be about the same. So that upon the various commodities in this paragraph the duties which would be required would range from 60 per cent to 150 per cent.

The real objection, as I understand—and there is a great deal of validity in that objection—is that practically only one firm supplies the market or nearly all of the market, and they supply it in such a manner as to compel certain business firms that need their product to labor at a great disadvantage as compared to others. If that be true, I am not certain that there might not be a justification for even a lower duty than 40 per cent, and I am willing to grant the request of several Senators that the matter may go over in order that we may investigate that feature of the subject.

The VICE PRESIDENT. Without objection, the amendment will be passed over.

Mr. SIMMONS. Mr. President, I think my colleagues will agree with me in the statement that heretofore I have indulged only occasionally in reading to the Senate anything from the press. If I have had anything to say to the Senate, I have preferred to say it in my own way rather than to quote from the discussions of others with reference to the subject matter. A few days ago, however, on account of the very extraordinary conditions that had arisen here, I felt it my duty to deviate from my ordinary rule and to read extensively from certain great newspapers of the country. I did that because I discovered that nothing we could say on this side of the Chamber in exposition of the defects of this measure was even heard, or, if heard, treated with any consideration by the other side of the Chamber, especially by the committee in charge of the bill. I discovered that ordinarily when we were discussing this bill the seats on the other side of the Chamber were vacant, and that the few Senators remaining representing the committee were indisposed to answer any arguments that we might make or in any way to defend the measure. They relied upon the fact that they had the votes to pass it, and practically said to us, "You can talk as much as you please." That was not confined to what I might characterize as the Old Guard section of the other side; but even our friends of the agricultural bloc, who, I would suppose, were deeply interested in the rates carried in this bill, as they injuriously affect the farmers of this country, uniformly abdicated their seats in the Chamber and paid no attention to the assaults that were being made upon the bill. It occurred to me, as all of our arguments, all of our arrays of facts, however forceful, however overwhelming, were disregarded and treated as mere partisan utterances that required no explanation, that possibly the other side of the Chamber did not realize the sentiment with respect to this bill which was everywhere prevalent in the country and which was reflected by some of the leading newspapers of the country, especially some of the great organs of the Republican Party; and in view of the fact that they would not heed us, I hoped that if I could show them that the very arguments which we were making against this bill, the very defects which we were pointing out, the very iniquities to which we were pointing, were recognized by leading Republican, independent, and trade papers of the country, possibly that might at least cause them to halt and reflect and consider whether

they were not going a little too fast and too far. So I read one or two editorials from great Republican papers, the New York Journal of Commerce and the Chicago Tribune, both shining lights in their respective sections of the country, and both of large and general circulation in the United States.

The Senator from North Dakota at the time of the reading of those editorials treated them rather lightly. He could see in them nothing except the pernicious influence of the importers and the corrupting influence of the great department stores. He contented himself with that answer.

Of course, I did not assume at the time that the Senator from North Dakota thought when he said that that he had answered the argument of these great Republican papers. I thought that suddenly taken by surprise to find these great organs of his party so strongly aligned against him, and presenting such forceful and unanswerable arguments, he must do the best he could, and for the time being he could conceive of no answer at all except that they were improperly influenced by department-store advertisements and by the propaganda of the importers.

Mr. President, that answer of the Senator from North Dakota was not accepted in this Chamber, of course, by his own side or by this side; neither was it accepted by the country. In fact, it has been very generally criticized, and in some instances ridiculed, and the Senator has been told by organs of his own party that his answer was insufficient, and admonished either to change the bill or to make more effective answer. I am going to-day to do some more reading from newspapers, and I will state later the reason why I do this.

First, let me read to the Senator from North Dakota and to the Senate a statement which I find in the Washington Post. I think it got into the Post by mistake. It is an editorial taken from the Indianapolis News. The Indianapolis News has not been known, I think, in recent years as quite an orthodox Republican paper. It has been known as a Progressive Republican paper. It represents that element in the Republican Party which Albert J. Beveridge, of the State of Indiana, where it is published, has so recently led to triumphant victory at the polls. I shall hereafter have something to say about the Progressive sentiment of the country with respect to this bill; but let me read what this great Progressive Republican paper has to say. It might be very well to consider it in connection with what that great Progressive Republican in this body, the Senator from Nebraska [Mr. NORRIS], said on yesterday, and it might be well to consider it in connection with what was said by that other great Progressive in this body, the Senator from Wisconsin [Mr. LENROOT], the other day about one of the rates in this bill. I think that we shall see before we get through that the revolt on this bill comes not only from the Old Guard element in the Republican Party, but it comes from the Progressive element, and that the leaven is working, and working very satisfactorily, in the interest of the welfare of the people.

The Indianapolis News says:

> It is an interesting fact that Senator MCCUMBER is thus far the only Republican Senator who seems to be particularly excited over the pending tariff bill. There is an occasional protest by our own Senator WATSON over what he supposes to be a filibuster, but it is a protest that does not seem to have much vigor behind it. He may be thinking of his most truthful statement that any tariff bill enacted under conditions practically the same as those which now exist would become obsolete in six months. Republican Senators, taking them as a whole, are singularly unvocal on the subject.

They are beginning, Mr. President, to be very weary of this bill. They are beginning to feel very much afraid of this bill; and we shall probably soon find a sentiment over there in favor of dropping it altogether unless the committee proceeds, as it has done in one or two recent instances, partially to correct its errors.

Let me proceed with the reading:

> That opposition to the bill and the demand for postponement of tariff legislation are swiftly gathering strength must be clear to all. The bill has been subjected to fierce and very effective assaults, and, what is quite as important, the arguments against it have not been met. Senator MCCUMBER, when confronted the other day by editorials from Republican newspapers criticising the bill, had something to say about "department store" influence, but the editorials were unanswered. Here is an interesting successor to the old "British gold" argument, and the department store has taken the place of the Cobden Club.
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> When the bill is criticised as conferring on the President a very great and extraordinary, if not unconstitutional, power, namely, to fix tariff rates, and as protecting, not production but profits derived therefrom, the only answer is that those who make these arguments—which, if true, should be fatal to the measure—are filibustering. It is not remarkable that Republican Senators should be uninterested. It is highly probable that many of them wish the bill had never been introduced or that, having been introduced it could now be dropped.

Again, Mr. President, let me read from a Republican paper, a paper that is very frequently independent, not hide-bound but liberal in its Republicanism, but always an advocate of what it regards as proper and legitimate protection. It is the New York Herald:

> MCCUMBER'S CRITICIZED TARIFF.
>
> Senator MCCUMBER, chairman of the Finance Committee in charge of the Senate tariff measure, protests with more heat than logic against Republican newspapers that can not condone and frankly condemn the impossible import duties proposed in the Fordney bill and in the McCumber amendments. He seems to think Republican newspapers should be for his Republican tariff measure whether it is a good bill or a bad bill. But it would be a poor newspaper, Republican or Democrat, that could think any bill put forth by its party must be a good bill, and any bill put forth by the opposition party must be a bad bill.
>
> If Senator MCCUMBER seeks Republican approval of his tariff, seeks it throughout the country, whether from newspapers or from individuals, the way for him to get it is to make a better tariff measure. His measure is not a sound economic product and it will not be a good thing for the country with its excessive duties and the certainty that such duties will increase the public's cost of living.
>
> The American people numbered in the ranks of MCCUMBER'S party will be no more favorable to the Fordney-McCumber schedules than are the newspapers that owe a higher duty to themselves and to the public than to be hidebound partisans on every question regardless of its merits. The Republican and independent newspapers that are telling FORDNEY and MCCUMBER the truth about their extravagant tariff duties are performing a service for their party that could be wrecked by some of the things the Fordneys in the House and the McCumbers in the Senate stubbornly insist upon doing in the face of business objection and public concern.

I am so well satisfied with the effect upon the course of this legislation of the Republican newspaper condemnation, which I have presented on two separate occasions, that, in addition to the first two great Republican papers from which I read, I read from half a dozen or more other papers a few days thereafter, to the same general effect, and the result of bringing the real facts with reference to this question to the knowledge of the other side of the Chamber, as reflected in the editorials of their own great newspapers, has been amazing. Up to that time they had listened to us in silence. They had stared at us, almost, when we attempted to criticize the measure. Every item that was reached and voted upon was passed by the almost solid vote of the other side of the Chamber, against the almost solid vote of this side of the Chamber, but after this new light was shed upon them they changed their tactics, and I am very glad to be able to say—and I congratulate my friends on the other side managing this bill—that they have been treating our objections with very much more consideration than before. They have been very courteous in answering our inquiries, and they have been always ready since then to give such arguments as they could present to our objections, feeble as they have been in most cases.

Not only that, Mr. President, but there has been a general awakening among the rank and file of the other side, and that has been reflected in the action of the committee. The members of the committee not only now explain and answer, but they have begun to amend their own amendments, and now nearly every morning when paragraphs are reached, and the iniquities and the excessiveness of the rates are exposed, we find the chairman of the committee or his lieutenant, the Senator from Utah, rising in the Senate and proposing to modify the rates heretofore proposed, and to reduce them, and we have just had a most striking illustration of the psychology of this changed situation upon the committee.

This morning we began early, and for nearly three hours we discussed a paragraph with no indication of any relenting on the part of the other side in the way of reducing the high tax they had prepared for the people, until suddenly a Senator on the other side, of progressive proclivities, who I assume has begun to feel about this bill as I have an idea many other progressives on the other side are beginning to feel—and before we go very far their ranks will be multiplied many times—the Senator from Ohio [Mr. WILLIS] rose in his place and proposed an amendment cutting the rate proposed by the committee in half, a rate they had contended for here for nearly three hours, without any suggestion during those three hours of any modification.

The Senator from Ohio made a speech in which he told the Senate that the majority of the Finance Committee of his own party had done this thing; that there was no justification for it; and that it was a gross outrage upon the American consumers of those products, and he offered an amendment to cut the duty one-half.

I do not know whether the committee is going to support that or not. I rather suspect that if they had not accepted it, and had taken a vote, there might have been some very startling changes, and I rather think the committee did not want those startling changes to develop just at this time. Therefore the committee came in and said, "If you will just let this go over, we will take it under consideration, and we might possibly reduce the rate." I see the leaven is working.

I call attention also to the action yesterday of the distinguished Senator from Wisconsin, who, by the way, is one of the ablest men in this body, one of the great leaders in the

West, and who, I believe, will be a leader in the next campaign, not as a hidebound, Old Guard Republican, but standing for the very same things that Beveridge and Pinchot stand for, and which brought them their magnificent victories recently.

The Senator from Wisconsin is one of the greatest debaters in this body, one of the most industrious students of this body, one of the great leaders of the Republican Party in this country, and he could not stand the duties proposed by the committee, so a few days ago he took the floor in criticism of one of these duties, and, by implication, uttered a warning to the committee which it has heeded, as is shown by the fact that morning after morning since then the committee have been coming in asking to cut down these rates, which in the beginning were so sacred that they could not be touched or questioned.

Yesterday another great Senator, a man in whose integrity and fairness and sound judgment every Member of this body has the utmost confidence, and for whom personally every Member of this body entertains the highest respect, took the floor on this question. He never has been a hidebound partisan. I do not know where he aligns himself now, but judging from his utterances in this Chamber for the past year I think he is in sympathy with the masses of the people of the United States, and will stand with that wing of his party known as the progressives when it is right, in his judgment, just as he will stand with the old guard when he thinks they are right, and will be against either, or both, of them when he thinks they are wrong.

The attitude he took yesterday means much that we can not just now see. We can only anticipate it. But I think I foresee in his attitude a movement which is growing day by day in this body, as it is growing day by day in the country. I am referring to the junior Senator from the great State of Nebraska [Mr. NORRIS]. He thought he saw the men with whom he has been aligned, and with whom he has been thinking in unison on the other side of the Chamber, generally characterized as the agricultural bloc, on the point of being led into a false position. He saw them, as he thought, I judge from his remarks, about to surrender the interests of the great agricultural classes of this country to the special interests through a trade, through a logrolling process, greatly to the discredit of the agricultural bloc and greatly to the discomfort of those toilers for whom the members of the agricultural bloc especially speak. I am not going to say that this is altogether a logrolling piece of business. I do not think the Senator from Nebraska said that, but the Senator from Nebraska did warn the friends of agriculture upon this floor that they were selling out the rights of the farmers in voting for these high duties upon the things which the farmer buys in return for a pitiable little concession made in the matter of certain isolated farm products which may possibly receive slight benefit from the imposition of protective duties.

I do not say there was any logrolling; I will not charge that. In my opening address I said there were things connected with the situation which indicated that something of that sort had taken place, and that a trade had been made upon the basis of a pretended concession to the agricultural interests by which those interests were to support the high, exorbitant rates upon the manufactured products of the country. It has seemed that way up until this recent outbreak on the part of the Senator from Michigan, the Senator from Nebraska, and the Senator from Ohio. None of the schedules which have been reached covers agricultural products, all of them relating to manufactured or mining products, upon which the very highest rates of duty have been imposed, higher rates, on an average, than on any other items in the bill, because all through this chemical schedule there is the sinister trail of the manufacturers of explosives and the manufacturers of dyestuffs, and this bill has been dominated more completely by the dyestuffs industry and the explosives manufacturing interests than by all the other industries put together, probably.

The chemical schedule is full of items which relate to by-products of the dyestuffs industry and the explosive-manufacturing industry, either a by-product itself or because it was some product which competed with a by-product of the dyestuffs monopoly.

The committee was committed to do for the Du Ponts and the other manufacturers everything they wanted. They had given them an embargo upon their dyestuffs, and probably could not put an embargo on the little things in the chemical schedule, and therefore decided to give them the next best thing, fixing prohibitive duties; so I say the sinister trail of the dyestuffs industry runs all through this chemical schedule, and that is one reason why I wanted to see it thoroughly debated and discussed.

What I mean to say is that while these high rates of duty, in many instances absolutely prohibitive, were being discussed there were no representatives of the agricultural bloc in the Chamber. There is not a single representative of the agricultural bloc in the Chamber now except my good friend from Nebraska [Mr. NORRIS]. These members of the agricultural bloc do not stay here and hear the argument. Why? I would not say they did not stay because they had had an understanding of which they were ashamed and did not wish to be subjected to the unpleasantness of being present when they were criticized. I will not say that. I do not think that would be quite true. Nevertheless, I must admit they have absented themselves concertedly, and I have noted that. We have wanted to talk with them. We want to reason with them. I do. I represent agriculture. I am deeply interested in it and I do not want to see it slaughtered in the American Congress, so I want to talk with them; but I can not talk with them. I have not been able to get their attention. No Senator on this side has been able to get their attention. They are absent when we discuss the bill, but when we come to vote upon the items and schedules they are very near the Chamber. They come in then, and up to this time they have been voting without question for every one of these outrageous duties.

I want to believe, and I do believe, that the beginning of the end of that monstrous situation is about at hand. Before I get through I want to read some things into the record which I do not think they can refuse to note and consider, and which I hope will bring them to a realization of the error they are about to fall into; not the error only, but the pit that was dug for them.

Do not tell me that the old guard Republicans, representing the protected industries in the country, want these agricultural products protected. No, they never have allowed them to be really protected. They have prevented them from being protected. They do not want them to be protected; but early in the discussions in the committee the old guard discovered that they would not be able to pass a bill imposing these prohibitive rates upon manufactured products, these ultraprotection rates, these rates protecting excess profits and not production, unless they could conciliate the agricultural element and get their votes. The agricultural element did not want to vote for the high rates imposed, but they found that they could not get what they thought they wanted for agriculture unless they agreed to these high rates.

So we have here a bill, as a result of that transaction, of that trade, if it was a trade, of which neither party to the trade on the other side of the Chamber approves, containing fake protection to agriculture which, although fake, is still obnoxious to the old guard, and containing high protective and prohibitive duties on manufactured products which are, of course, really obnoxious to the farming element; but these antagonistic elements, as different as oil and water, have come together, and they have worked together up until the little break that we had a few days ago, and the additional break we have to-day.

In confirmation of the statement I have made that we have been at last able to reach the old guard membership of the committee—and that controls in the majority membership of the committee—let me make this statement. New England is the dominating element of that committee, and with the aid of one or two of the old guard from other sections they have been able absolutely to dominate the committee. The result is that we have a tariff bill made in the interest of one section of the country and against the interest of every other section of the country. We have a tariff dictated largely by the protected manufacturers of New England and the North.

Those gentlemen came down here. They did not know anything about what was the difference in the cost of production here and abroad. They knew very little about what was the selling price of the American product as compared with the foreign product in the domestic market. They did not care anything about it. They knew what they wanted. They wanted a tariff high enough to protect them in their present exorbitant profits against foreign competition, and then they wanted an opportunity on the part of the President to raise that tariff high enough still to protect them against foreign competition in case they saw fit to further raise their profits. They told the committee what they wanted, and they got what they wanted.

What happened? I was not permitted to be present, but I find in the Daily News-Record of New York a very interesting article. I do not know to what party that paper belongs, but I have been told that it is a Republican paper. I read an article by the Philadelphia bureau of the Daily News-Record appearing in that publication, dated Philadelphia, May 17, as follows:

PHILADELPHIA, May 17.—Rumors that the tariff bill, now before the Senate, is in jeopardy and may not be passed at the present session without material support from the outside are current here. It is said

that Senator McCUMBER this week privately advised some prominent manufacturers that unless manufacturing interests actively support the measure its passage by its present supporters can reasonably be doubted.

In this connection it is pointed out that manufacturing interests generally made strong representations to the Senate Finance Committee when the bill was being rewritten, and, having obtained the schedules desired in many instances, rested on their oars, instead of continuing the support that friends of the bill in Washington feel it must receive if it is to become a law.

It is also hinted that the entire wool schedule may be subjected to strong attack from protectionist quarters on the ground that the rates are too high, and that this may materially aid Democrats who assail it for purely political reasons. Another point made is that many stanch Republican newspapers have voiced criticism of the schedules as they now stand, and as things are shaping themselves friends of the bill may find themselves in an isolated group unless their position is vigorously supported from the outside.

About to be deserted by some in their own ranks, not knowing whether they will be able to hold the agricultural element over there in support of the high rates, they begin to fear the fate of the bill, they begin to comprehend that possibly the solid phalanx with which they started has been punctured and broken, so they appeal, very naturally, according to this article, to the very interests which came here and camped upon the committee day in and day out, night in and night out, until they had prevailed upon or dragooned that committee into giving what they wanted.

The committee had the right to send out this call under the circumstances. They had the right to say to those people, "Come and help." But, Mr. President, it is a very peculiar thing to happen that the American Congress, having made this bill in its committee in favor of certain interests, will now call upon those interests to come here and, by lobbying methods or any other methods or influence they can exert, bring to bear enough influence upon this body to secure the passage of these unjust rates imposing taxes upon the American people. They will come, Mr. President. It will not be long, if they become convinced that the bill is in jeopardy, before the corridors of this building will swarm with profiteers and protective flies, just as the corridors in front of the Finance Committee swarmed with them while the bill was being framed.

Now, I desire to do some more reading. I read the other day from Republican papers, protectionist organs of the Republican Party, orthodox and hidebound in their protection theories. That is the kind of papers I read from the other day, but now I think we have to some extent reached the old guard crowd over on the other side of the Chamber and have brought about the new situation which exists and is so gratifying to the friends of justice and sound legislation. I am going to read to-day what the independent papers are saying and what the farm papers are saying and what the trade papers are saying.

I hope that this may find lodgment in the minds and hearts not only of the old guard but more particularly of the progressive element over on the other side of the Chamber, which it now appears is to supersede in power and control the Republican Party in the United States, the old guard having brought that party to a position before the American people which the people can no longer endure. I speak now to those who are to become the leaders of the Republican Party in the elections this coming fall, the party which is to be led by such men as Beveridge, Pinchot, Norris, Lenroot, and Capper.

But first let me read an editorial from a very good paper, one of the class I have described, sent to me by a merchant in my own town. What I shall read is an editorial from the New York Commercial of May 16, 1922. You may cast aside what the Democratic papers say about the bill if you wish, but in the name of high heaven why should you think that a paper of commerce, a paper devoted to the consideration and discussion of questions of trade and commerce, should misrepresent and unduly criticize the bill? I think the New York Commercial is Republican. I know from the article that it is a protectionist newspaper. The article makes that plain. I think it is also a Republican paper. There are not many Democrats in the North or in New York who are protectionists. The article says:

TARIFF DISSATISFACTION CRYSTALLIZING.

Something must be wrong with the Republican tariff policy as expressed in the Senate Finance Committee's bill now under debate, if it is unable to obtain the indorsement of Republican newspapers.

The New York Commercial has seen that the bill has not had the indorsement of Republican newspapers as well as we have seen it. Its great editor there, at, politically and commercially, the peak in the United States, with a sweep of vision that takes in the whole country, starts out with the statement that the bill is unable to obtain the indorsement of Republican newspapers. I take it, therefore, it must be accepted that that is the fact, and the tariff bill which can not obtain for it the indorsement of Republican newspapers must be a very bad bill; it must be fraught with the greatest consequences of disaster to the American people.

But let me proceed:

It is no good for Senator McCUMBER to denounce the newspapers for not agreeing with him, for the people of the country can hardly subscribe to the theory that the newspapers are all wrong and only Senator McCUMBER is right. It is too much like the remark of the proud mother as the parade went marching by, that "They are all out of step but Jimmy."

One of the greatest complaints against the tariff bill is that it places exorbitant duties upon articles of which we import few, if any. One might argue that this could do no harm.

We have heard that argument made here. If there are any imports, they say, the duty will not do any harm, and why do you object to it? The answer might be, Why did somebody ask for it?

One might argue—

Says this great newspaper—

that this could do no harm—

That is, these high protective duties when there are no imports or but few—

because if the goods were not imported there would be no duty to collect. That, however, is not the point of the argument.

Now, the point is—

It is the fact that manufacturers and distributors here would immediately advance the selling price on the basis of the higher duties, just as though the goods were imported freely.

This great commercial paper, which is published in the metropolis of the United States, expresses the unqualified opinion that, whether there are any imports or not, the manufacturers and the merchants and the distributors would raise the price to the extent of the duty. Of course, Mr. President, that could not be true where there existed such a condition as I shall describe a little later. I continue reading:

On items which are largely imported, either in whole or in part, the complaint is that duties are carried far beyond the point needed for protection or revenue; that they are in too many instances prohibitive. The effect of this is to increase the price to the consumer beyond any legitimate level.

There would seem, therefore, to be basis for the charge of an unnecessary increase in the cost to the consumer on so many items as to make an appreciable increase in the cost of living, an increase that would be wholly artificial. The Commercial does not view the tariff problem from the partisan standpoint. It attempts to measure it according to economic law. The test is whether or not the welfare of the whole American people will be advanced or retarded. While sufficient protection—

And the newspaper from which I am quoting believes in proper protection, from the traditional and platform Republican viewpoint—

against ruinous foreign competition for all industries should be furnished, excessive protection is unnecessary protection and can only result in excessive profits for those directly interested. Those excessive profits come from the high costs to the American people, which means that the people are being taxed for the benefit of particular interests, just as though the tax were specifically levied by direct impost.

The tariff is also faulty in that it erects a Chinese wall around the United States, entirely forgetful of the principle that if we do not buy we can not sell. These defects are all so glaring that no one who makes a careful study of the problem is able to commend the bill.

That is what I have been saying all the time. If we could just get Senators to study this bill for themselves, whether they are low-tariff men, as Senators are on this side of the Chamber, or moderate-tariff men, or protectionists—if they would just study the bill and see what it will do I should have no apprehension at all. This article continues:

The debate now going on is largely perfunctory. It is made chiefly to the Presiding Officer and the recording clerks. There are seldom more than half a dozen Senators present except when there is a roll call, when the Sergeant at Arms hustles out and rounds up enough Senators to make a quorum, who then vote on strictly partisan lines, regardless of the debate.

If the tariff debate is prolonged all summer, as seems likely, it may be that the people will become so thoroughly dissatisfied that they will not only change the political complexion of the House but will demand a change in the method of tariff making.

Mr. NORRIS. Mr. President, may I interrupt the Senator from North Carolina?

Mr. SIMMONS. Certainly.

Mr. NORRIS. The Senator from North Carolina has just made a statement that interested me very greatly. I have wondered for a good while if in the Senate here we could not get enough Senators from both sides of the Chamber to form a sort of a nucleus around which there might be organized, without regard to this bill, a group of men in the legislative body of our country who would make an attempt to frame a tariff bill along the lines that the Senator from North Carolina has just said he favored?

I have always felt as to the manner in which tariff bills are framed—and the suggestion applies to both parties equally, for the same method has been pursued as to all tariff bills with which I have ever come in contact—that it naturally invites partisanship, and I firmly believe that any legislation, no matter what it may be, if it is built up on partisan grounds and is made a partisan measure, can not be so good as though it were built on a different principle which eliminated partisanship. I should

like to join with the Senator from North Carolina, or with any other number of Senators, to try to build up the kind of legislative nucleus which I have indicated.

Mr. SIMMONS. Mr. President, I heartily approve of the suggestion of the able and conscientious Senator from Nebraska. I have long dreamed of the possibility of doing what he has suggested, and I had hoped when we established the Tariff Commission that we should find it possible to evolve out of that agency a better method of framing tariff laws.

Mr. WADSWORTH. Will the Senator from North Carolina yield to me?

Mr. SIMMONS. I shall yield in just a moment, if the Senator from New York will pardon me.

I still hope that what I have indicated may come to pass. I desire to say for myself that if this bill—and I think I have studied it carefully—were based upon what I consider a fair, honest, just application of the principle of protection, as it has been defined by the Republican Party, while I should disapprove of the bill and vote against it on account of the protective principle, I should not myself have been disposed to have taken up much time in its consideration, because I would have recognized, in that case, the right of the Republican Party to pass a bill along those lines.

Mr. WADSWORTH. Mr. President, now will the Senator yield?

Mr. SIMMONS. Yes.

Mr. WADSWORTH. Would the Senator be willing to join a group in the writing of a protective tariff measure and do it in a nonpartisan spirit?

Mr. SIMMONS. No; I would not. I do not suppose that any body which we might create would be created to write a protective bill any more than a low-tariff bill. Their function would be to write a fair tariff bill, without any regard to any particular theory of tariff legislation.

Mr. WADSWORTH. I understood the Senator from Nebraska to express the hope that some day a group of Senators might be formed who would write a tariff bill in a nonpartisan manner.

Mr. SIMMONS. Yes; but he did not say a protective tariff bill or a free-trade tariff bill or a low-tariff bill; he said a tariff bill.

Mr. WADSWORTH. Does the Senator think we can ever get the tariff out of politics?

Mr. SIMMONS. I do not see why we can not.

Mr. WADSWORTH. If it is done in your way; yes.

Mr. SIMMONS. No; I do not insist that it shall be done in my way. In that matter, as in everything else in the form of legislation, I would consider the interests of the people of the country, and I would forego my opinions to a reasonable extent by way of compromise, as I have done so many times since I have been a Member of the Senate.

Mr. NORRIS. Mr. President, I do not want unnecessarily to interfere with the line of argument the Senator from North Carolina is following by leading him in a somewhat different direction, but everybody knows that whenever there has been a tariff bill framed, regardless of the party in power, the procedure followed in the House and the procedure followed in the Senate has been something like this: The committee representing the party in control frame the bill, without any consideration of the minority members of the committee, and when they have framed it to suit their ideas the minority members of the committee are called in, not to help them deliberate, not to help in any other way, but simply to be notified of the medicine which they have to take. Then the Republicans are expected to follow the Republican side and the Democrats the Democratic side. The result has been that, as a rule—there have been some exceptions, of course—tariff bills have been framed in accordance with the opinions and evidence of men who had a direct interest one way or the other in the legislation to be enacted.

Every man who has had anything to do with courts and witnesses and juries knows that kind of evidence is always poor evidence, and if no evidence is heard on the other side—in this case the people's side—the result is very often worthless. Why should we not frame a tariff bill along nonpartisan lines? Why is not that possible? Why do we say that the tariff has always got to be a matter of politics because it always has been a matter of politics? If we had proceeded on that theory as to everything else, if we were to follow along a certain line merely because our forefathers followed along that line, we would now be barbarians. There never was an advance made in civilization but that it became necessary to get rid of something that was old and worn out. In this enlightened age to me it seems to be perfect folly to say that we have got to have a tariff bill made on partisan lines when we know that even this aisle does not divide Senators along those lines. There are Senators on the other side who believe in protection; there are Senators on the other side of the aisle who believe in higher tariff rates than I do on this side of the aisle; but if we are going to make a political scrap out of it they are supposed to line up one way and those on this side are supposed to line up the other way, and while we are fighting over party advantage special interests wipe the slate clean and steal everything in sight.

Mr. SIMMONS. Mr. President, I thank the Senator very much for his contribution. I agree with him, as I have said before.

Now, Mr. President, I wish to read from some independent newspapers. Some of the Republican newspapers from which I have read have been charged with being the mouthpieces of the department stores. I do not know what charge will be made against the independent newspapers.

The Brooklyn Eagle—I have understood that it is classed as an independent paper—speaks as follows:

> Nothing better could have been expected from Democratic newspapers, but it is beyond a joke when Republican organs assail the Republican control of Congress on the sacred issue of protection. It is a disagreeable and even a portentous reminder of the Republican revolt which greeted the Payne-Aldrich tariff bill during the administration of Mr. Taft. * * * It may be necessary to revise existing rates, although revision is at least questionable when a considerable volume of Republican opinion is against meddling with business in its present unsettled condition. But when revision includes taxes on food and taxes on raw material which enters into the production of necessities that all must use it requires no gift of prophecy to predict a quick rise in the cost of living all over the land. With this prospect in view is it any wonder that Republican newspapers fear for the future of a party responsible for placing new burdens upon the shoulders of the people? * * * If the Republican leaders of Congress can not see what is visible to Republican newspapers of distinction all over this country they are in a sorry plight.

That sentence, Mr. President, contains in it volumes which the other side of the Chamber ought to digest.

> If the Republican leaders of Congress—

I repeat, quoting the editorial from this great paper—

> can not see what is visible to Republican newspapers of distinction all over this country—

Not where there are great department stores and scores of great importers, but all over this great country of ours—

> they are in a sorry plight. Those newspapers protest against the tariff bill, not because they wish to make trouble for the Republican Party—

They are Republican papers that this editorial is speaking of—

> but because they know that persistence in folly by the party itself will inevitably lead to disaster at the polls.

Not only are these great Republican papers against it because they think it is against the highest public interest, but they are against this bill for partisan reasons, because they think they see in it the germs of disaster to the Republican Party in the country.

I read from the New York Evening Post, another great independent paper, published at the center of commerce and information in this great country:

> There are just two objections to the McCumber-Fordney measure; it is based upon no scientific principle, and its individual schedules won't bear analysis. We hesitate to quote the Chicago Tribune.

That is the paper I quoted the other day, a great Republican paper. Its quotation so irritated the chairman of the committee that he made a sharp reply.

> We hesitate—

Says this independent Republican paper—

> to quote the Chicago Tribune, after Senator McCUMBER'S terrible arraignment of it as a mouthpiece of the department stores, but in an editorial in which the tripling of the present duty upon aluminum is analyzed, the Chicago newspaper remarks—

I had not examined that. The editor says they have tripled the duty upon aluminum. My God, Mr. President! If there is a trust in this country—and they have a branch in my State; I do not want to say anything more against them than I am compelled to say—but if there is a recognized trust in this country, it is the Aluminum Trust. I say right here, by way of interjection in passing, that when I find a trust in this country which has risen to a position where it dominates prices and stifles competition in this country, in violation of the law, I will never consent, as a Member of the American Congress, to make that conspiracy against the law of the land effective by relieving it against foreign competition, which is the only remaining hope of the people for relief from the monopoly thus created.

Let me repeat:

> But in an editorial—

Speaking now of the editorial in the Chicago Tribune—

> in which the tripling of the present duty upon aluminum—

There were no importations of that, practically, before the war; there was a good deal during the war and a little after the war; the German trust was unloading some of it over here on the American trust; but before the war these two trusts divided the world and did not interfere with each other.

But in an editorial in which the tripling of the present duty upon aluminum is analyzed, the Chicago newspaper remarks—

The Tribune, it means—

Every hour's study of the bill, even by a layman—

Not by an expert on the tariff, not by a man whose experience in tariff legislation has placed him on the great committee or at the head of the great committee in charge of the financial affairs of the Government—

Every hour's study of the bill, even by a layman, reveals some point of such remarkable possibilities for evil and injustice as to cast doubt upon the value of the bill as a whole. Senator MCCUMBER seems to think that opponents of the bill have been answered when their motives have been impugned. But would there be any harm in taking into account the considerable number of voters who are so benighted as to believe that reason ought to play a part even in the framing of a tariff law?

Again, Mr. President, quoting from the New York Evening Post (independent):

The paradox of Congress forcing protection upon a manufacturer who protests that he doesn't need it or want it—

And we have had instances of this sort. In the case of these vegetable oils we have had manufacturers protesting against the duties imposed on their raw material forced on them; and there are many other instances—

The paradox of Congress forcing protection upon a manufacturer who protests that he doesn't need it or want it deserves a place in the museum of political curiosities. What is the psychology of such an attitude? Apparently there is a tariff type of mind which instinctively revolts at the sight of an untagged article from abroad. A product which does not pay toll at the customhouse gives such a person an uneasy feeling, as if the world were going to pieces.

Why, Mr. President, I heard one Senator say what in substance meant that he was in favor of putting upon any article produced in this country hereafter an adequate and "sufficient" protective duty to keep out the foreign article. Everything must be tagged with a duty. Every article that comes in must come in with a high tariff tax saddled on its back. If it does not come in, the producer in this country raises the price; if it does come in, the American consumer also pays the tax on the imported article.

Deep in their hearts—

Says this great paper—

Deep in their hearts members of the Fordney school of economics must be ashamed of having a free list at all—somehow it looks like an admission that the tariff system is not 100 per cent perfect. Tariff makers of this kind approach their task in the spirit of the fanatic.

Now, let me read from another paper, a nonpartisan paper. It is The New Republic. This paper is said to be very radical upon certain lines, and I think it is, but it is not a low-tariff paper. It is not a hidebound partisan paper upon the subject of the tariff. It is a free lance. It speaks its mind, as the great Senator from Nebraska [Mr. NORRIS] has the habit of doing, free of fetters and trammels. This great nonpartisan paper says:

The tariff makers in the Senate have interpreted a vague protectionist emotion as a mandate for letting every special interest in the country have just as high protection as it wanted.

The war has left our industrial rivals battered and anæmic. Is it strange that our industrial leaders should find a favorable occasion to go out after the commercial hegemony of the world? We have the greater part of the world's financial resources. We have an unlimited supply of what is the cheapest labor in the world, when efficiency is taken into account. If our manufacturers can pursue the policy of selling at a loss in every foreign market where our rivals appear to be making progress, why can we not eventually rule the world industrially? Our manufacturers can afford to sell at a loss abroad, provided they are enabled to charge monopoly prices at home.

Oh, yes; if you will just protect them against foreign competition, let no man's legs be long enough to scale the wall of protection, turn over to these trusts and monopolies that dominate many of the industries of the country the domestic market and permit them, with the consent of the Congress of the United States, supposed to represent the people of the United States and the welfare of the country, to charge in the domestic market whatever they please, then, enjoying the high prices of monopoly, they can afford to undersell the foreigner, or even to sell at a loss in all the other markets of the world.

This paper adds:

And that is what the present plans of the Republicans would enable them to do.

As for ordinary Americans, the employees in commerce and industry, the farmers, and the small shopkeepers—what will they get out of the policy of commercial imperialism? They will get the bills. They will also get a contingent claim upon the fruits of the national hostilities that will arise when "Made in America" has come to stand as a symbol for monopoly and sharp practice.

Now I want to read from another trade paper, the Shoe and Leather Reporter:

The tariff bill, as framed in the House and mutilated by the Senate Finance Committee, should be laid on the table and forgotten. It is about the worst piece of revenue legislation in the history of the Government.

I heard one Senator, claiming to represent the agricultural bloc—the man who went before the committee and secured these high rates upon certain farm products—say that this was the best tariff bill ever passed in this country.

I thought it was very strange that the junior Senator from Idaho [Mr. GOODING] was selected to represent the bloc, because I regard him as the highest protectionist I ever heard utter a protection sentiment in this country. He goes further in behalf of excessive protection than any man I have heard talk in this Chamber or outside of it. He declares that practically everything which comes into this country from abroad shall come in carrying a high tax, if not with a prohibitive tax, and that that shall apply not only to existing industries but industries which may be in the womb of the future, which may be unborn, which may not even have been conceived in the womb of time and possibility. I continue reading from this article:

It is about the worst piece of revenue legislation in the history of the Government. It is full of blunders, contradictions, and inequalities, and for every clause acceptable to an industry something follows of an objectionable character.

It should be plain as noonday sun—

To a man who always looks through a glass darkly the noonday sun is never plain, and I am afraid there are many hidebound protectionists in this body of that stripe—

It should be plain as noonday sun that it is not possible for Congress to frame an adequate bill at this time. Industrial and commercial conditions in all the countries of the world are in a state of flux.

We have not the figures showing the difference in the cost of labor here and abroad. We are not able to ascertain the fundamentals upon which a just and fair tariff, even upon the theory of the Republican Party, can be framed, and yet, without a guiding light, these gentlemen go and pile up taxes—25, 30, 40, 100, 200, 300 per cent—upon articles which the people of this country are forced to buy and consume. This article continues:

Whatever appears to be a good set of tariff clauses to-day might be completely out of alignment and inadequate to-morrow.

I am taking too much of the time of the Senate. I have here extracts from three leading farm papers, one of them the Southern Farmer, published in Houston, Tex.; one the Business Farmer, published in Mount Clemens, Mich.; and the other the American Agriculturist, published in New York. I want to put these in the RECORD without reading.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

The Southern Farmer, Houston, Tex., calls the Senate tariff bill "a betrayal of agriculture" and says: "The promise for protection for farm products is impossible to bring about, because we are an export nation for the main farm crops. This tariff will bring the farming regions of the West and South under still greater bondage to the industrial sections of the East and North. The emergency tariff showed the fallacy of any tariff helping prices for farm products to any extent worth considering. The bill is one written by special interests for such interests, with little regard to the plain people of the country, and it takes no prophet to foretell what its enactment will cost the Republican Party responsibility for it."

The Business Farmer, Mount Clemens, Mich.: "Nearly all of the agricultural items are in terms of specific duties. Reduced to an ad valorem basis at current valuations and compared with the ad valorem rates on commodities of which the farmer is a large purchaser, we find that the agricultural schedules are actually among the lowest on the list. Of what benefit to the farmer is a 25 per cent duty on a world grain like wheat, of which we produce a large surplus, when he must turn right around and pay a 40 to 80 per cent duty on the majority of things he buys? * * * The duty on sugar is an affront to every American consumer. But three and a half million Michigan people are asked to add several million dollars to their sugar bill for the direct benefit of a few hundred sugar-mill stockholders and a very small indirect benefit of a handful of beet growers."

American Agriculturist, New York: "They—our legislators—must bear in mind that products basic to the proper production, such as raw fertilizer salts, must be duty free, so that production is encouraged as cheaply as possible."

Here is an editorial clipped from The New Republic, from which I read a little while ago, relating to some of the mathematics of the Senator from Kansas [Mr. CAPPER] about the tariff. It reads:

According to Senator CAPPER's arithmetic we are losing $3,000,000 by every day's delay in enacting the tariff law. We lose one million dollars in revenue and our industry loses two millions in money return. That is at first sight a horrifying sum of losses in these hard times. But let us wait a moment before crying out. When money is lost somebody usually finds it. What becomes of these three million? It remains in the pockets of the consumers, who do not need to pay it, in the shape of higher prices, to the Government and to the beneficiaries of protection. Senator CAPPER's arithmetic, then, seems to

leave us just where we were before. We shall have to look at the tariff question from some other angle if we desire a glimpse of the realities.

What is the prospect of a swift recovery from depression? There can be no recovery until agriculture again enjoys satisfactory prices, and agriculture will not enjoy such prices until our European customers can find means of paying for American foodstuffs and raw materials. Whence will they find the means? They have no gold. Their credit is grievously impaired. Their only practicable resource lies in their exports; exports to America, or to other countries that are sending exports to America and thus have bills with which purchases in America can be made.

This is the simple economics of the question. We can not fully recover from depression without a stimulus to our agricultural exports. There are no resources with which to pay for such exports except imports. Yet Senator CAPPER and his colleagues of the agricultural bloc are demanding the erection of formidable obstacles against the import trade.

I will read now from the New York Herald, getting back to a Republican paper, although I understand that the New York Herald claims it is rather more independent than partisan. Anyhow, it is one of the greatest and ablest papers in this country. It is one of the most independent papers in its opinions and in the positions which it takes and advocates.

Mr. SMOOT. They are bitter against the bonus.

Mr. SIMMONS. They are bitter against this bill. The fact that a man who is against the bonus is also against this bill does not prove that your bill is good. That seems to be your logic, and seemed to be your logic the other day, that because I was against certain taxation plans to raise money for the bonus there was no force in my opposition to this bill. Because a newspaper is opposed to the bonus, you can see no merit in its opposition to the tariff bill. That is argument and reasoning and logic worthy of the architect of this bill. It is the character of argument with which this bill has been in large part defended.

The New York Herald article reads:

It is the conclusion of a mathematical expert, according to Senator MCCUMBER, that at the rate of progress so far made with the amendments the tariff bill will be passed on September 29, 1946.

Well, the American public may think that a quarter of a century from now will be soon enough to pass the new tariff measure if it can not in the meantime be ridded of its economically objectionable and politically dangerous provisions.

The people demand that their taxes shall come down, their cost of living shall come down, and the barriers against selling their goods abroad shall come down. If the only kind of tariff measure they can get from the present Congress is one that will jack up their cost of living still higher when it already is too high, and make it all the harder to export their surplus products when it already is hard enough to export them, then the American people do not want any statesman to rush himself out of breath over the passage of this tariff.

You are in a great deal more of a hurry about passing this bill than the people are. You are in a great deal bigger hurry about the passage of this bill than the unbiased leaders of thought of the Republican Party are. You thought in the beginning that by your threats of long sessions and night sessions, by your silence under attack, by your charges of a filibuster this bill might be voted upon before the rank and file of the Republicans in this Chamber, especially the Progressive and agricultural bloc, and before the people of the country, led by the newspapers of the country, had an opportunity to find out what was in it and to express their condemnation in advance of your hasty action. Against that disaster this side of the Chamber protected the country in its fixed determination, which it has pursued and will continue to pursue through the day and through the night, if we sit from the early eve to the early morning hours. This side of the Chamber has rescued the country from that danger and that threatened disaster, in my judgment, by its determination that the provisions of this bill shall have ample discussion to enable not only the representatives of the people who are to vote upon it to understand it but to enable the people of this country, irrespective of party, to understand it, and have an opportunity to express their opinion understandingly. The New York Herald article further says:

They will be content to wait till the cows come home for a Congress that has sense enough to know costs must be reduced, not inflated, and that has ability enough to frame the kind of tariff that is necessary to the welfare of the country.

The same paper continues:

If Senator MCCUMBER seeks Republican approval of his tariff, seeks it throughout the country, whether from newspapers or from individuals, the way for him to get it is to make a better tariff measure. His measure is not a sound economic product, and it will not be a good thing for the country with its excessive duties and with the certainty that such duties will increase the public's cost of living.

I probably read that before, Mr. President, and I desist.

I have read these editorial comments from these great lights of the Republican Party, nearly every one of which constitutes a bright particular star in the Republican and protectionist firmament, in order that the other side may have before it the views, the criticisms, the condemnation, and the denunciation of these papers generally throughout the country, not only Democratic papers, but Republican papers and independent papers alike.

Mr. McLEAN. Mr. President——

Mr. SIMMONS. If the Senator will pardon me, I am very nearly through, and I am so tired that I do not wish to prolong this discussion. I am not physically able to do it.

The balance I wish to say I shall be compelled, in self-protection, largely to read, without the heat of discussion, which has led me into exerting myself beyond my strength.

I want now to address myself especially to the agriculture bloc in this Chamber. I do wish more of them were here. I see but five of them in the Chamber. I do not know whether or not all of them will listen to me while I read.

Mr. SMOOT. There are six on the other side.

Mr. SIMMONS. I am not talking about my friend from Utah. I am talking about the agricultural bloc now.

I desire to read what I regard as probably the highest Republican authority in this country as to the effect of the bill upon the agricultural interests. He discusses it in a way that makes clear what he thinks of the measure and what the measure does. The speech to which I refer was made a few days ago in the city of Washington, being an address to that great body of business men who have been assembled here in convention as the representatives of the commerce of the United States, the organization known as the United States Chamber of Commerce. Secretary Hoover first addressed the convention, and I am glad to say that the speech which I am going to read is given equal treatment by the Evening Star, which I regard as a very fair paper, although I do not agree with it politically. It is a very able newspaper.

The address I refer to was delivered by Mr. James R. Howard, president of the American Farm Bureau Federation of Chicago, Ill. Who is Mr. Howard? He is, as I am advised, a Republican in politics, but an honest, fair-minded man, and recognized as one of the highest authorities upon questions pertaining to agriculture in the United States. He is probably the most prominent man representing that great interest in the United States to-day. That is attested by the fact that this great organization selected him to address it upon the subject of agriculture, and his speech followed the opening address of Secretary of Commerce Hoover. Here is what the article said:

Dependence of American agriculture on the European market was strongly stressed by James R. Howard, president of the American Farm Bureau Federation of Chicago, Ill., who said that the farmer has a greater direct interest in European conditions at this time than has the merchant or the manufacturer or the banker. They all have other trade fields to which they can turn, he pointed out, but the farmer has none other.

Now follows a quotation from Mr. Howard's speech:

Europe is the sole customer for our agricultural surpluses, the disposition of which is vital to every American industry. While she is the farmer's customer, she is the manufacturer's competitor.

The point I wish Senators might get into their minds is that she, Europe, is the farmers' customer and practically their only customer, but she is the manufacturers' competitor.

South America, India, Africa, Australia, which are open to the industrial trade of the United States, are the competitors of the American farmer in the European markets.

You ask to put up a bar of protection here against the agricultural products of Africa, India, Australia, and South America. This great agricultural authority tells us that our agricultural exports to Europe have competition there. Last year they amounted to nearly $2,500,000,000. The four products, tobacco, cotton, pork, and wheat, amounted to $1,500,000,000. The total agricultural products exported and sold in Europe, which is practically our only market, amounted to $2,500,000,000, and now this great agricultural authority tells us that when our $2,500,000,000 worth of American agricultural products reach the European market they are sold there in competition with the products of South America, India, Australia, and Africa.

What do we gain by keeping out the small imports from those countries? In the last year all of them together did not amount to more than four or five hundred million dollars. We keep out the small imports from Canada and Cuba, but what do we gain by keeping those few products out of the American market when it is absolutely certain that $2,500,000,000 worth of our agricultural products are going to Europe and there meet the agricultural products of the other countries to which I have referred in direct competition?

What folly! What absolute insanity is that proposition for the American farmer with these heavy exports against the other countries which are his competitors when he gets over to Europe. Mr. Howard points all that out. Suppose you drive them out of this market. Suppose you do not let them bring in the few things which they send now. They will carry them to Europe. Every part of this world produces its agricultural

products in sufficient quantity except Europe. Europe is the agricultural market of the world. If you drive out these agricultural products which are now coming from those countries to our market, necessarily they will go to the European markets, and you merely increase our competition there.

Mr. POMERENE. Mr. President, will the Senator yield?

Mr. SIMMONS. I can not yield. I just declined to yield to the Senator on the other side of the Chamber, and I could not in courtesy yield to the Senator from Ohio.

Mr. POMERENE. Very well.

Mr. SIMMONS. Our manufacturers are competitors with the manufacturers of Europe. They are competitors with the people who send imports over here which pay for our exports of agricultural products. It is desired now by the Republicans to raise the wall so high on those manufactured products which we have to take in exchange for our agricultural products—or else we can not sell them at all—that those manufactured products can not come in. We have $2,500,000,000 worth of agricultural products competing with the world, and you propose to exclude from our market the only coin in which Europe can pay us for those agricultural products. Of course, you leave the farmers absolutely helpless or worse than that. When the farmer sells his products over there he must take in exchange their manufactured goods which compete with our manufactures over here. He must take them in exchange. There is no other way for him to get paid, and yet, after forcing him to sell in this competing market of the world in competition with the products of all the world, you say that the things which he accepts in exchange, for which he trades his agricultural products, shall not come here, although they are his and he has bought them and paid for them with his own goods, that they shall not come into this country except with a load of tax upon them. He can not trade, as the Senator from Ohio [Mr. POMERENE] suggests sotto voce, even for house paints. It is too absurd, too absurd.

But let me proceed. Mr. Howard said further:

> Europe now being a debtor she will not be so much interested in furnishing a market for United States products, but rather will be more concerned in finding an advantageous market for the products of that Continent.

What does that mean, Mr. President? That means that Europe, if she finds that our tariff is too high on her manufactured goods with which she wants to pay for our agricultural products and raw materials will simply stop buying those products from us and buy them from Australia, Canada, India, and South America, where there are no such barriers imposed upon her.

> Naturally Europe will seek the cheapest possible markets in which to buy food products. This means that the American farmer, under high-wage conditions and with a soil in many sections of the country demanding artificial fertilization, must meet competition of the virgin soils of South America and Australia and crops grown by coolie labor. This is made more serious because we have virtually closed our doors to European immigration and those countries are relieving their congestion by sending their surplus populations to agricultural competing nations. Thus the Argentine, Australia, and western Canada can be depended upon for an increased agricultural production because of their influx of labor from Europe. This also means that the American farmer will have a keener competition in the world's market.
>
> Not only must this competition be met, but sooner or later Russia's experiment in sovietism will end and her reconstruction begin. That reconstruction will be agricultural. It is authentatively stated that the various negotiations for loans to the Russians by the Allies have been contingent upon the rehabilitation of her agriculture ahead of her other industries in order that England might have cheaper cereals at home and enjoy the industrial market abroad.
>
> AIDS TO AMERICAN AGRICULTURE.
>
> There are three things which, if accomplished in Europe, would assist greatly American agriculture, viz: That balancing of European budgets, the final settling of German reparations and the stabilization of exchange.

Then he adds:

> Three steps are essential in securing this stabilization of exchange.
>
> First, the drafts must be redeemable in some commodity of fairly stable value, preferably gold.
>
> Second—

And this I wish particularly to call to the attention of Senators—

> Second, the imports and exports of the various countries must reasonably balance each other; for only in this way can drafts continue to be redeemable in gold.
>
> Third, each country must be at work producing goods for sale and to use in making purchases of other countries; for only in this way can exports and imports hope to reasonably balance each other. These three points tie into each other, but the most important of the three is the last, namely, production.
>
> ECONOMIC BALANCE NEEDED.
>
> The greatest fundamental need is to have exports and imports of goods and services between nations more nearly in balance. This in turn can be accomplished only by resumption of business activities in countries now disorganized in order that they may have more goods to sell and with which to make purchases of our products.

Mr. President, I shall not read further from this article, but I will ask that the remainder of it, which I have not read, which is contained in this newspaper be incorporated in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

> Production is not only the antithesis of bankruptcy, it is the cure for it. It is the only means by which we progress in material affairs or advance in our standards of living. Half our own domestic trouble lies in lack of production. If the merchant, the miner, the manufacturer, the railroad man (and I am not singling out either capital or labor) had produced as fully during the past two years as the farmer, we would not have become economically unbalanced.
>
> As a Nation we need to learn that idleness is more fatal physically, socially, and morally than is overwork. I can conceive of no better solvent for the present world distress than work—and Europe can only be rehabilitated through the medium of well directed productive energy. It is a part of our obligation to furnish her the opportunity through production effort to solve her own economic difficulties.

Mr. SIMMONS. Mr. President, in this connection I wish to read something from Mr. Lasker. Mr. Lasker also has been talking to the bankers. The article which I shall now read is taken from the Baltimore Sun:

> The eloquence of Chairman Lasker of the Shipping Board cast a spell over the Chamber of Commerce of the United States recently. He pictured the future of American shipping, going to all corners of the world, laden with cargoes incoming and outgoing. He was specific, indeed, in detailing these cargoes, particularly the cargoes coming to American shores from abroad—possibly too specific for the peace of mind of some of his administration associates. This is what he said:
>
> "We must obtain manganese"—

That is the commodity on which it is proposed to place a duty—

> "for our steel mills from Russia and South America; our automobile tire industry must obtain crude rubber from Brazil; our tin-plate manufacturers must import their tin from the Malay Straits and from Bolivia; our silk factories must get their raw product from China and Japan; our manufacturers of twines, canvas, linens, and laces must get their flax from Russia and Belgium. We must also import large quantities of coconut oil"—

One of the very commodities which this bill wishes to keep out, Mr. President—

> And other vegetable oils—

Those are anathema to the pending tariff bill—

> from the Dutch East Indies, sugar from Cuba, and rice from the Far East.

Those are the commodities Mr. Lasker desires the ships to transport, and those are among the chief commodities which the framers of this bill do not want to come here, but if its proponents can keep them from coming here they will deal a death blow to agriculture and to the industrial interests of the country. Such is the logic of Mr. Lasker's contention.

This great newspaper, The Sun, continues:

> Mr. Lasker's imaginative rhetoric was written in blissful ignorance of what Congress is doing. Does he not know that the Senate is trying to write a high duty on manganese? That North Dakota is demanding, and probably will get, an almost prohibitive tariff on flax? As for coconut and vegetable oils, about which not much is popularly known but which are extremely important, are not the dairy and the farming interests demanding a rate of duty which may eliminate these imports from the Dutch East Indies? As for Cuban sugar, REED SMOOT and his votaries are doing their best to keep down imports and raise the domestic price to a point as high as the traffic will bear.
>
> The list might be continued indefinitely. As Senator HARRISON remarks, the free list in the McCumber bill is a fearsome and wonderful thing.

I will not read the remainder of the article, but I will ask that it be incorporated in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

> It reads almost like burlesque. It is not freakish, however, to a Congress that proposes simultaneously to pass a tariff measure which is the highest ever projected in this country and a bill to subsidize and stimulate American shipping for the carrying of a foreign commerce, which the tariff will make virtually impossible. Mr. Lasker in time may be able to see the point. Probably he would now if he were not so exclusively engaged in consulting the oracle about shipping. It is possible, also, that the dominating powers in the administration may see the point and advocate a change in policy. It is bad enough to put through a tariff bill that is economic folly. It is infinitely worse to put it in juxtaposition to a ship subsidy bill which it is bound to nullify in every hope held out for it.

Mr. SIMMONS. Mr. President, I wish to put in the RECORD an article written to the News and Observer, a paper published in my State, by Mr. Bion H. Butler. For 10 years Mr. Bion H. Butler has been regarded as the foremost writer upon economics and financial questions in the State of North Carolina. He has spent his life studying these great questions, and he writes constantly for the newspapers and some of the magazines with respect to them, and his writings are always worthy of reading, because he is fair, he is analytical, he is logical, he is truthful, and he has not the bias of partisan politics. I think he is a northern man, who came to my State many years ago and settled in that great northern colony around Pinehurst and Southern Pines in my State. He has won the respect and the admiration and the esteem of all North Carolina, a large

part of the South, for his character, his judgment, and his ability as a student of the subjects about which he writes.

His article is a very illuminating one. I wish I had time to read it, but I will put it in the RECORD, because I think it will appeal to our Republican friends representing the agricultural bloc. The Butler article discusses the agricultural situation and shows how utterly helpless agriculture will be if this bill shall pass and how absolutely certain it is that this bill will kill the only market in the world for our great agricultural surpluses. On the other hand Mr. Butler shows, just as Mr. Howard has shown, that if we escape competition with the agricultural countries of the world in our own market to a limited extent we will meet that same competition under adverse circumstances and to a very much larger extent in the sale of our two and a half billion dollars of agricultural exports.

The PRESIDING OFFICER. Without objection, the article referred to by the Senator from North Carolina will be printed in the RECORD.

The article referred to is as follows:

HIGH TARIFF NOT FOR THE FARMER—LIMITS FOREIGN MARKET FOR THE PRODUCTS WHICH HE RAISES.

(By Bion H. Butler.)

With the discussion of tariff, and the bunk that is handed out to the farmer about the benefits of that species of plunder called protection it is interesting to look over the March Bulletin from the Department of Agriculture which devotes some time to statistics of imports and exports.

To start with let it be known that agricultural exports for 1921, the year for which the statistics are presented, amount to over 50 per cent of the exports of the Nation. The farm is the one big factor of the country's world trade, yet the farm is the goat in every case where big business tries to present a case. Wheat products exported last year totaled in value $551,000,000, cotton came next with $534,000,000, pork products $246,000,000, and leaf tobacco with $205,000,000. These four farm crops were exported last year to the extent of more than a billion and a half dollars. This is more than a third of the total value of all exports of every kind. Cotton and leaf tobacco constitute over a sixth of the entire exports of this country.

LOOK AT THE FACTS.

Now the tariff apostles profess that they are going to protect the farmer by levying a tariff on the things he makes so the cheap labor of the Old World will not compete with him. It is amusing to look at some of the competition of the foreign producer. Last year this country imported 51,000,000 pounds of tobacco But it exported 10 pounds for every pound imported. If we are to be protected at home against the imports of foreign tobacco what are we to do in the markets of the Old World, where we sell ten times as much as the foreign producers sell in our market? America is not a tobacco-buying market. It is a tobacco-selling market. We buy a little of these types that go into fancy cigars and cigarettes, but the great movement of tobacco is from this country, and a tariff of a million dollars a pound would not make our home market any better for the tobacco grower because he supplies his home market and has half a billion pounds on his hands after he has supplied his home market, and he must market that abroad. It is that half billion pounds that goes abroad that makes the price of his tobacco, for unless that surplus sells at a price that will move it out of this country it would stay here to smash the market to absolutely nothing. Yet the high priests of tariff tell the farmers they will put a tariff on tobacco that will give the tobacco farmer his share of the tariff plunder.

When it comes to cotton, the situation is identical. We must find abroad a market for half of our cotton crop. If we do not, we have such a surplus that the price of cotton is wiped out. Suppose we put a tariff on foreign cotton to prevent it from coming into the United States? Where would that widen the market for the American cotton farmer? But if we really want to protect the American producer why not go at it right and forbid the importation of foreign cotton, foreign tobacco, foreign wheat, or anything else, and thus give the American market the complete field? But what good would that do? The farmer would still have on his hands just what he has now—a surplus of his crop that he must find a market for in the Old World, and all the tariffs and all the embargoes and all the artificial obstacles made can not change that situation. Unless the farmer has an outlet for his surplus he dies, and when the farm is wrecked the rest of the country will be walking closely behind.

EXPORTS FAR MORE THAN IMPORTS.

In the five years from 1910 to 1914 the average of farm exports of 21 leading products, as announced by the bulletin referred to, fell a little under $500,000,000 a year. Last year the imports of the same products ran a little above $500,000,000. In the same periods the exports were something less than $1,000,000 a year for the earlier years and almost $2,000,000 for last year. The farm exports have been doubling, but the farm imports have increased but moderately. The three big items of imports of agricultural products are, first of all, sugar, of which we import more than we make, the amount last year reaching almost 6,000,000,000 pounds. The next big item are hides and skins, amounting to 348,000,000 pounds, and almost as many pounds of wool. We imported much more wool than we raised, and nearly half as many hides and skins. Aside from these items our agricultural imports were about negligible. We had to import these items because this country does not make them in sufficient amount, as the imports show.

And on this exhibit the farmer is to have a tariff to protect him. Incidentally he will have to pay a tariff on all the things that come back from abroad in payment for the things he sells, and that is done to make these things high so we will not buy foreign goods, which is absolutely necessary if the farmer is to sell abroad.

What the North Carolinian gets out of a protective tariff is exactly what the lamb gets at the banquet when he goes to dinner with the wolf.

Mr. SIMMONS. Mr. President, I want to refer briefly to an article which appeared in the New York Herald a few days ago. I am not going to read the article, but am merely going to summarize a few of the things of which it treats. The article is written by a man whom I regard as one of the greatest reportorial writers in America to-day; indeed, Mr. President, he is entitled to rank with the greatest newspaper reporters of the world. I refer to Mr. Louis Seibold, who is now Washington correspondent of the New York Herald. The article appeared in the issue of May 17. I regret to say that I have mislaid the article since I made the memorandum I have before me, and therefore I can only give the memorandum, but I will have search made for the article, and if I can find it I will ask permission that it be put in the RECORD.

The PRESIDING OFFICER. Without objection, permission is granted.

Mr. SIMMONS. The article contains a most illuminating discussion of the present situation in the Senate. The writer discusses every angle of that situation and the tariff situation.

He declares in substance that the Fordney-McCumber bill has developed insurgency in the Senate. He declares that no scientific plan is observable in the framing of the bill. He declares that the attitude of the press of the country is such that the friends of the bill in the Senate should heed their admonitions; that the resentment against the bill among the Republicans is growing, and refers to the countrywide protests which he says the authors of the bill have ignored, and suggests that strong sentiment is developing for the withdrawal of the bill. I commend to a careful reading the words of this great newspaper correspondent published by the New York Herald, a great Republican newspaper.

Mr. President, I find here only a part of the Seibold article, but I shall offer the part of it I have located. It is as follows:

FORDNEY-MCCUMBER TARIFF DEVELOPING SENATE INSURGENCY—RESENTMENT GROWS AGAINST BILL TRACED TO AMBITIOUS FRAMERS—PERIL OF PARTY BREAK—REPUBLICAN SENATORS, UNINFLUENCED BY FARM BLOC, DEMAND DELAY—FEAR ELECTION EFFECT—WANT MEASURE CONSTRUCTED ON SOUND LINES BY COMMITTEE OF EXPERTS.

(By Louis Seibold. Special dispatch to the New York Herald.)

NEW YORK HERALD BUREAU,
Washington, D. C., May 16, 1922.

The attitude of many Republican Senators toward the Fordney-McCumber tariff bill, now being dissected in the upper House, brings into mind two famous criticisms of the last tariff measure put through Congress by their party.

When the Payne-Aldrich tariff measure was originally passed in 1909 the late J. P. Dolliver, a Senator from Iowa and one of the pioneers in the successful insurgent movement in the Republican Party, made this observation:

"This year has witnessed the perpetration of the two greatest fakes of the century—the discovery of the North Pole by Doctor Cook and the Payne-Aldrich tariff bill."

Four years later, when the same measure was being perfected, Albert Jeremiah Beveridge, then a Senator from Indiana (and now again a candidate), characterized it as the work of the "Taft-Aldrich-Lodge-Root combine and rank with injustices."

Mr. Beverdige's criticism was recalled by some Democratic Senators to-day in discussing the inadequacies of the pending bill pointed out by their Republican associates who are not affiliated with the agricultural bloc.

DESCRIBED AS MONSTROSITY.

Republican Senators who do not acknowledge the right of the "dirt farmer" element in the national legislature to dictate tariff legislation describe the Fordney-McCumber measure as a "monstrosity." Most of their Democratic colleagues who concur in this estimate of the bill express the hope that the Republican majority will pass it, as there will be a revulsion of popular opinion against it quite as decisive as that which followed enactment of the Payne-Aldrich tariff bill and eventually split the Republican Party wide open.

Republican Senators who concede certain reasonable privileges to the agricultural interests frequently have characterized the Fordney-McCumber measure as "amateurish, ill considered, and unnecessary" in the present condition of business both at home and abroad. They say the same thing about the bonus bill, which originated in identic quarters, and, like the tariff measure, was framed with the idea that the American farmer is demanding a bill of which eventually he will become the victim.

There appears to be a genuine demand among many Republicans that the tariff be treated as a business and not a political proposition and that it shall provide a reasonable amount of protection to all the elements of the population instead of only one. Speeches by Republican as well as Democratic Senators have reflected a profound conviction that both parties should cooperate to authorize the Tariff Commission to work out a system better adapted to the economic needs of the country than is provided by the pending measure.

SCIENTIFIC POLICY NOT OBSERVED.

This policy was not observed by the Fordney and McCumber committees, although a provision was incorporated giving to the President authority to elevate or deflate rates on recommendation of the Tariff Commission. This provision is recognized as a sop to the advocates of a genuine tariff system, and according to both Republican and Democratic critics, will prove unworkable, as well as exposing the decisions of the commission to political influences.

In their zeal to please certain agricultural interests of the country the Fordney and McCumber committees are declared by both Republican and Democratic Members of the two Houses to have ignored every other consideration. The charge was made in the Ways and Means and Senate Finance Committees that the chief influences which dictated the construction of the pending tariff bill were of a purely personal character.

Schedules were framed, it is declared, for the sole purpose of winning members of the two committees to support the ambition of Messrs. Fordney and McCumber to report the measure to their respective Houses. That is the generally accepted version of the manner in which the bill was passed by the House and sent to the Senate.

Mr. President, there was much more that I wanted to say about this matter, but, having consumed twice the time that I expected to consume, I shall not trespass further upon the patience of the Senate at this time.

Mr. McCUMBER. Mr. President, about every day or two during the discussion of the pending bill, so long as Senators on the other side desire to kill time and have no argument to make upon the bill itself concerning the real facts that have governed the making of rates in any schedule, we shall, of course, be compelled to listen to hours and hours and hours of reading of editorials from newspapers which represent the importing interests of the country. I know of no way to avoid that situation. When the Senator from North Carolina began his long discussion this afternoon I thought that I would take a few minutes to answer some of the statements suggested by these newspapers; but, Mr. President, they have given no arguments.

I do not desire to enter into a daily contest with the great metropolitan newspapers of the United States which get their advertising from importers and who are necessarily influenced from the source of their supply; but I again invite them to give us some real facts to show that the duty upon any item in this bill is too high; that any duty goes beyond proper and reasonable protection. I do not care what article may be selected—they may take hosiery; they may take gloves; they may take knitted fabrics; they may take anything else. I should like them to specify the article, to ascertain the cost of production at home, and what would be a reasonable profit to the manufacturer of the article, and then to ascertain what it costs to bring the foreign article into the United States, and make a comparison of the cost of production in this country and the cost of the foreign article which competes with it landed at New York, or at any other place in the United States; and then let the American people determine what is a reasonable protection.

If they say that the cost of production is too high, I invite them to show what element in that cost ought to be reduced. I invite them to come out squarely and say that labor's wages are too high, if they think they are too high. I ask them to come out and say that the cost of the material is excessive, if it be true. I ask them to come out and show as definitely and as clearly as possible the profit that is being made by the American manufacturer, and show that it is an excessive profit. It is only by that method that we can determine what is a proper rate of duty.

I agree with one thing that these papers have said. They have declared, and often declared, that this is not just the right time to make a tariff bill. I made the equivalent of that statement in opening the discussion upon this subject, that it is the most difficult time in the history of the United States to formulate tariff legislation; but I coupled that assertion with the assertion, equally positive, that of all times in the history of the United States this is the time when we most need a protective tariff.

Abuse from the press of the country is not argument. The Committee on Finance will welcome the presentation to it of any evidential fact to show that it has made a single error upon a single item, and it will correct that error if it finds that it has made one.

Mr. President, there is another reason why this is not the best time in the world to pass a tariff law. Possibly it might have been better to delay this bill in one respect, because, had we delayed it long enough, the virus of a Democratic tariff would have taken effect upon the American people to such an extent that they would be immune to the poison that is being circulated by these representatives of the importing interests.

Mr. President, I realize that often in this debate there will be only a few Senators present. Senators on both sides understand why this is so. No matter what honeyed words may be used, no matter how often the declaration may be made that there is no attempt to delay action upon this bill, every man in the Senate knows that there is that desire. Every man in the Senate knows that when you discuss a little item hour after hour, day after day, repeating the same argument over and over and over again, you are not acting in good faith. The country knows it. Senators know that it is a time-killing process, and naturally they go out into the cloakrooms or into the Marble Room, telephone for their stenographers, and proceed to dictate answers to their letters; and that will continue just as long as you continue this time-killing process.

Mr. President, in all the years that I have been in the Senate there have been on this side of the Chamber those who have held diverging views as to what constitutes a proper protective tariff, and there always will be; and the same thing happens upon the other side of the Chamber. The only difference between the two sides is this: We have stood manfully by what we considered a protective policy; but every time we find a Senator on this side of the Chamber who disagrees with the majority on what constitutes a protective policy, we see Members upon the other side of the Chamber come crawling and fawning and flattering and with the last rose of summer kneeling at the feet of some Senator whom they think they can bring over to their view of the case. Mr. President, I have seen that flattering attitude year after year, but with all of the flattery and with all of the fawning I have never yet seen one of them make a success. You may flirt, and maybe have some Members now and then that will flirt with you, but you do not bring them over. They go back to their constituents, and they run as Republicans and not as Democrats. Whenever you have succeeded—only once or twice that I have known of—in bringing a Republican first to being what is called a Progressive, and then a sort of a Socialist, and then a Democrat, he has generally been repudiated both by the Democrats and by the Republicans, and he ends up ordinarily as an anarchist.

Now, Mr. President, I think it is time that we get at our bill again. That is the reason why I am not going to answer these editorials. Some day I am going to take the time to make a short reply to them; but after we have spent the entire day, and have accomplished nothing, it seems to me it is time to get back to a vote.

Mr. GOODING. Mr. President, the editorials that have been read in the newspapers this afternoon, and those that we heard on former occasions, are but very little different from the editorials that appeared when the emergency tariff bill was under consideration. It is quite evident to my mind that the New York Journal of Commerce and a few others of the great daily papers in the large cities are not going to permit, if they can help it, a protective tariff bill to be passed that gives protection to the American farmer.

That is the only reason, in my judgment—one of the reasons, at least—why these great daily papers, that have advocated the principle of protection in the past, are now opposing it—because protection has been properly distributed all over the country; because the farmer for the first time in the history of the country has been given proper protection in any tariff bill, and we find them all arrayed against the farmer. The condition is no different now than it was when the emergency tariff bill was passed; and I want to read just a short paragraph from my remarks of May 10, 1921, when the emergency tariff bill was before the Senate, showing that I had the same view of the conditions at that time:

> Mr. President, I am not unmindful that there is a new force behind the Democratic Party to-day that is fighting against protection for the farmer and the live-stock grower. I refer to the international bankers of the country, who have had on a propaganda ever since the emergency tariff bill was introduced opposing the measure and emphasizing the importance of our foreign trade, and it must be admitted, Mr. President, that the international bankers of the country are a mighty force to-day, for they represent billions, not millions, and they have been able to fill the newspapers of the whole country with their opposition to the emergency tariff bill, and at the same time have accentuated the importance of our foreign trade. It is easy to understand why the leaders of the Democratic Party are fighting so bitterly against protection to the agricultural and live-stock growers at this time, for they are receiving much encouragement from the international bankers of the country, who they know will be a mighty factor in the coming campaign in the interests of free trade on farm and range products.

That is practically all there is in this fight to-day. The international bankers who control these great papers in our large cities to a great extent were fighting the emergency tariff bill, and are fighting this bill to-day, because the American farmer is to be given proper protection for the first time in the history of this great Government of ours.

Mr. President, I said at that time that I should be very much alarmed over the future of the great principle of protection if there were not a shifting of sentiment toward protection. I called the attention of the Senate at that time to an organization known as the Southern Tariff Association, who were becoming a mighty factor in the South in educating the people down there in the interest of protection; and I want to say that they are a mighty factor to-day in all the Southern States, and they are accomplishing great things. I want to send to the desk and have read three articles that I find in the Manufacturers' Record—one an editorial from the Manufacturers' Record itself, another an editorial quoted from the Atlanta Constitution, and one from the Fort Worth, Tex., Star-Telegram. I ask that the three articles be read in my time.

The PRESIDING OFFICER (Mr. MOSES in the chair). Is there objection? The Chair hears none, and the Secretary will read as requested.

The reading clerk read as follows:

PROTECTIVE TARIFF SENTIMENT AS EXPRESSED BY SOUTHERN FREE-TRADE PAPERS.

[From the Manufacturers Record, May 18, 1922.]

Believing absolutely in the value of a protective tariff for the country at large, the Manufacturers Record has for 40 years been advocating protection for protection's sake. At the same time, it has always recognized that the South was being stabbed in the house of its own friends by its fight against a protective tariff even when a protective tariff was absolutely certain for other sections.

The Democratic politicians have been perfectly willing in times past to fight against protection for the South's raw materials, even when they knew this was putting a club in the hands of the northern and western manufacturers to beat down the South with free raw materials produced by the South. The East and West always very properly demanded a protective tariff on the finished product. They have been unwise, however, in that, while demanding a protective tariff for their own products, they have often sought free trade on their raw materials and the South has thus been made to suffer whether Democrats or Republicans were in power.

Recently the Manufacturers Record called upon the politicians of the South to recognise the fact that a protective tariff bill will be passed by Congress and that if they continued the policy of fighting all protection it would simply mean that the South would again be slaughtered while the rest of the country would have the benefit of protection. We are glad to see that two of the leading papers of the South, following that line of thought, are urging upon the Democrats in Congress that as a tariff bill is going to be passed they do their utmost to see that the South gets its share of a protective tariff.

On this point the views expressed by the Atlanta Constitution and the Fort Worth (Tex.) Star and Telegram are indicative of an awakening of sentiment on the part of southern newspapers that this section shall no longer be sacrificed merely for a free-trade fetish of the past. We commend to the politicians and to the people of the South the following articles from these two leading papers:

TARIFF AND THE SOUTH.

[Atlanta Constitution.]

In view of the obvious certainty that a high tariff bill will be passed by the Republican Congress and put into operation either before or soon after the 1922 elections, despite all that the Democrats might be able to do to prevent it, let us hope that the application of its "protection" will be general to the industries of the whole country, and that it will not be, in effect, a sectional measure.

As the Fort Worth Star-Telegram truthfully said in a recent editorial, which we reproduce elsewhere upon this page, "the big fact that faces us, and which can not be dodged, is that the present Congress is going to pass a protective tariff bill"; and the Texas newspaper takes the very logical position that if, in their zeal to promote the theory of free trade, the Democratic minority oppose the measure to the extent of excluding strictly southern products and southern industries from its protective influence the South will suffer materially and no possible good result will have been attained.

"Democratic Representatives in Congress," says the Star-Telegram, "who come back home and tell their constituents that they 'kept the faith of the fathers' and voted against that bill will give little consolation to the producers of the South if the bill is a one-sided and sectional measure, giving the East a big advantage and placing the South at a decided disadvantage."

From the standpoint of the Democratic South and southern welfare, this is expressive of an altogether reasonable and common-sense attitude toward the pending tariff bill.

Our Texas contemporary goes on to say that while the Democratic Members of the House and Senate may be, and doubtless are, "powerless to prevent" the enactment of the tariff bill, "they are not powerless to obtain protection for the products of Texas and the South" on a parity with the measure of protection to be thrown around the products of the North, East, and West, and that "if the bill is a one-sided affair the Democratic Members who 'keep their records straight' will be directly responsible for it."

The point of the whole matter, from the standpoint of southern prosperity and common sense, is that while the Democratic South is traditionally opposed to the principle of so-called "protection," there is nothing to be gained by stubborn opposition to a tariff bill, the enactment of which, in one form or another, is a forgone conclusion and a certainty.

On the other hand, much may be gained in the way of an equitable distribution of the promised "protection" by yielding to the inevitable and making the best of it.

That is to say, so long as enactment of an undemocratic high protective tariff bill apparently is inevitable the industries of the South should be placed on an even footing with those of the rest of the country in the enjoyment of the protection for which it provides.

If the bill is going to pass anyhow, why should the South be discriminated against and deprived of whatever special benefits the industries of the country may derive from it?

Why should southern industries be made to suffer discrimination simply because southern Congressmen and Senators are desirous of keeping their records straight?

Winfield Scott Hancock, Democratic nominee for the Presidency in 1880, said in one of the campaign speeches that the tariff was a "local issue," or words to that effect.

That statement was ridiculed from coast to coast; but General Hancock was right—the tariff is "local," according to the particular products and industries of a given locality.

And in the same way and to a proportionately greater extent it may be made sectional.

It is to be hoped, therefore, that our Representatives in Congress will not let their opposition to the protective-tariff principle drive them to such an extreme as to alienate the South from the provisions of the bill that is to be enacted by the Republican majority despite Democratic opposition to it in principle.

THE REAL TARIFF QUESTION.

[From the Fort Worth (Tex.), Star-Telegram.]

The question which is being raised by the Southern Tariff Conference is an economic question and not in any sense a political or partisan one. It is not even a question of protection or free trade. It does not foreshadow a shift in Texas to the Republican column, it does not even mean a growth of "protection sentiment" in Texas or in the South. It is simply the very practical question of whether the products of other sections of the country are to receive the benefits of a protective tariff and the products of Texas and the South be placed at a decided disadvantage by being denied such protection.

The big fact that faces us; and which can not be dodged, is that the present Congress is going to pass a protective tariff bill. Democratic Representatives in Congress who come back home and tell their constituents that they "kept the faith of the fathers" and voted against that bill will give little consolation to the producers of the South and of Texas if the bill is a one-sided and sectional measure, giving the East a big advantage and placing Texas and the South at a decided disadvantage. The bill is going to be passed. The Democratic Members who are going to vote against it will admit that right now. They will say that they are "powerless to prevent it." But they are not powerless to obtain protection for the products of Texas and the South. If the bill is a one-sided affair the Democratic Members who "keep their records straight" will be directly responsible for it.

No academic discussion of the question of protection or free trade fits this situation. No partisan denunciation of the measure as a Republican measure fits it. If the partisan interests of the Democratic Party require that Democrats shall have nothing to do with the measure, which we do not admit by any means, then the question which is before the Democrats in Congress is simply whether they are willing to sacrifice the interests of the producers of the South on the altar of fancied party advantage. That kind of party advantage, even if it could be gained, would benefit nobody but officeholders and politicians, for it is related alone to political campaign and the holding of office and not at all to the economic interests of the South.

The politicians are in control of the party machinery and apparently the Representatives in Congress are obeying the party without reference to the interest of their constituents. However, the right of petition has not been abolished, and it is to that the Southern Tariff Conference has decided to appeal. It has made little headway with the politicians. It is now turning to the people. If you believe that everything should be done to prevent the new tariff law from being a sectional and one-sided affair, if you believe that everything should be done to protect Texas and the South from the consequences of such a measure, then tell it to your Congressman. The bill is going to be passed. It is going to be passed and enforced by your Government, which is none the less your Government because it is controlled by Republicans. The question is, What kind of a bill do you want it to be? It is up to you.

Mr. GOODING. Mr. President, before this bill is passed petitions bearing more than 1,000,000 signatures will be presented in the Senate from southern States asking for proper protection to southern industries.

Again, I want to say that in my judgment when this tariff question is finally settled it will be settled by the South and West in favor of protection to agricultural interests and to the manufacturing interests, all the way around. The selfish interests of the East are never going to give proper protection to agriculture until they are forced to, and I shall welcome the day when the South and the West will join hands and come here to give the people a fair and an honest tariff measure, which will afford protection for every industry.

Mr. HEFLIN and Mr. LADD rose.

Mr. GOODING. I yield to the Senator from North Dakota.

The PRESIDING OFFICER. Does the Senator yield the floor?

Mr. GOODING. I yield to the Senator from North Dakota.

The PRESIDING OFFICER. If the Senator is yielding the floor, it will be the Chair's duty to recognize somebody.

Mr. GOODING. I yield the floor.

The PRESIDING OFFICER. Then the Chair recognizes the Senator from Alabama.

Mr. GOODING. I merely wanted to say this, in connection with my remarks, that the Senator from North Dakota has a letter from the South which he wishes to place in the RECORD, and if the Senator from Alabama will be kind enough to yield for that for a moment I am sure he will not be delayed.

Mr. HEFLIN. If it is not a very long letter——

Mr. GOODING. It is not a long letter.

Mr. HEFLIN. The Senator just wants it printed in the RECORD?

Mr. LADD. I am going to read just one paragraph, and ask to have the letter printed in the RECORD.

Mr. HEFLIN. Very well.

Mr. LADD. It has been stated here several times on the floor that the tariff furnishes no protection for the farmer. I have received a letter from the United Peanut Associations of America, which shows what the protective tariff has done for them. I read from the letter:

The emergency bill saved the industry; it raised the price to the farmer for Spanish peanuts (variety grown in the far South) from $28 per ton to $70; the price of peanut oil from 4½ cents to 10 cents per pound. At prices to-day the farmers of the South will raise peanuts, as they are on a fair competitive basis.

I ask that this letter be printed in the RECORD, together with the card attached to it.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

THE UNITED PEANUT ASSOCIATIONS OF AMERICA,
Suffolk, Va., May 16, 1922.

Hon. EDWIN F. LADD,
United States Senator, Washington, D. C.

DEAR SENATOR: It is a strange coincidence that the South must go to representatives from the North in quest of just and equitable legislation to protect and preserve their industries, but such is a fact; and with a brief statement, the peanut interests of the South wish to ask

your support of Senator GOODING's amendment to the Senate Finance Committee's report on the permanent tariff bill, in which a rate of 3 cents per pound is asked on peanuts in the shell and 4 cents on shelled peanuts; same rates as were incorporated in the bill as it came from the House of Representatives; also to ask your support of amendments Senator GOODING asks on vegetable oils—cottonseed, peanut oil, soya-bean oils, etc.

I am inclosing you a card which contains brief statement of capital invested in the peanut industry and, approximately, number of people engaged in the industry. This will give you a fair idea of the industry, and also please consider that the peanut industry is yet in its infancy. With proper protection this industry can and will increase to many times to-day's value.

Another feature for you to consider is that peanuts make up a cash crop, and is the only cash crop that can be produced in the far southern sections where the boll-weevil pest has made it impossible to raise cotton. You take away the protection afforded by the emergency bill and these farmers will be thrown into the pauper class and their communities made bankrupt.

The emergency bill saved the industry; it raised the price to the farmer for Spanish peanuts (variety grown in the far South) from $28 per ton to $70; the price of peanut oil from 4½ cents to 10 cents per pound. At prices to-day the farmers of the South will raise peanuts, as they are on a fair competitive basis.

Imports of peanuts and vegetable oils come from China and other Asiatic countries. Senator, our farmers can not live in huts. We must surround them with some comforts of civilization, and you know they can not support this great Government of ours and compete successfully in a free market with a competitor who lives in a hut and is content with a cupful of rice a day as food. The tremendous markets we have builded belong by rights first to our own people.

Be not confused by the opposition of southern Senators. The producers of peanuts—the farmers—want protection. The southern Senators from the peanut-producing States are putting party politics and their personal political doctrines ahead of the true and just interests of the peanut farmers of the South.

I will venture this assertion: That if the Republican majority in Congress will give the South a permanent tariff protection which will continue the blessings of the emergency tariff bill that this will put the southern voter to thinking, and when these people begin to think, something is certain to happen.

Help the industries of the South to enter into the same measure of prosperity as other sections, as we have the unfortunate condition of having representatives in the Senate who do not properly represent public sentiment on this question. Hence our only course to save our industries is by aid of representatives from other sections who have the broadness of vision to see beyond their own borders and are willing to help all of America alike. This is the thought that is behind us in writing you.

Yours very sincerely,

M. M. OSBORN,
Secretary United Peanut Associations of America.

Commercial statistics.

Value of farm lands devoted to the culture of peanuts, taking the United States Government estimates of 1920 acreage, valuing the land at $70 per acre as an average	$88,362,000
Value of special farm implements required for culture and harvesting peanuts, approximately	7,700,000
Value of equipment of peanut mills, shelling, cleaning, and crushing machinery, real estate, buildings, storage warehouses, etc	11,500,000
Capital invested in manufacturing establishments for manufacture of peanut pickers and other special farm implements	750,000
Total	108,312,000

People engaged in peanut industry.

Number of people employed in the mills, shelling, cleaning, and crushing establishments	10,500
Number of farmers (heads of families) estimated to be engaged in the production of peanuts in the United States	121,000
Total	131,500
Number of acres (estimated) in the South that is adaptable to the culture of peanuts and can thus be utilized if a market is available for the product	9,340,000

Mr. HEFLIN. Mr. President, I have listened to the speech of the chairman of the Finance Committee [Mr. MCCUMBER], and also to the speech of the junior Senator from Idaho [Mr. GOODING].

The farmer must not be deceived as to what is in this bill. It is easy for Senators to talk about what they would like to do and what they hope to do, but when we proceed with the consideration of this bill and act upon a provision, we then get the judgment of a majority of this body, and we know then exactly what was intended to be done by what was actually done.

I saw the Republican side of this Chamber vote to increase the tax upon arsenic, used for spraying and for other purposes by the farmers of the United States. Every farmer who uses it hereafter must pay more for it by reason of the tax that you put upon him in favor of those who sell arsenic. Is that protection for the American farmer?

There is a provision in this bill which taxes plant food, fertilizer, potash. You are going to increase the price of that to the farmer by levying a tax upon the stuff he must buy to produce the wherewith to feed his own family and the world. Is that protecting the American farmer?

Every farmer in the country, without a single exception, uses salt, and he uses it in abundance, for various purposes. I saw you last night by a large vote place a tax of 40 cents a sack upon salt. Then you stand up here and tell us that you are undertaking to protect the farmers of the United States. Would you have the farmer look pleasant while you tell him that you are preparing a sweet and soothing something for him, when in fact the dose that you have fixed for him is a concoction containing so much poison that he can not even taste the grain of sugar put in for the purpose of fooling him?

I am in favor of raising some of our revenue for the Government upon imports, and I favor a rate sufficient to render aid to an industry in this country which has to compete in our markets with a foreign industry. But I do not intend to sit silent and permit you to deceive the farmer and increase the tax on everything that he has to buy many times over, while you give him a little soothing sirup to keep him quiet while the tariff barons accomplish their dangerous deadly work.

Here is a bill with 4,000 items it in. The Senator from Nebraska [Mr. NORRIS] suggested to-day that both sides should from a nonpartisan standpoint write an honest tariff bill and put only the things in the bill that really deserve to be in it.

If that should be done, why, instead of having 4,000 items in the bill there would probably be less than 250. The bill that you have presented was intended to increase the profits and the fortunes of certain people at the expense and to the injury of the American people. Those who are influential and powerful politically and financially wrote into this bill just what they wanted. This bill can not be defended and common honesty demands that we condemn and denounce it.

You have a very dangerous provision in this bill, the one that the Senator from Georgia [Mr. WATSON] touched on in able and eloquent fashion day before yesterday. You have a provision in the bill that transfers from the legislative body to the President, to one man, the taxing power. You have written into this bill that by the stroke of his pen the President can increase the taxes 50 per cent. Who ever heard of such a monstrous thing in a free Government? It has been just a little while since our boys brought back that flag from where they had won victories on a battle field 3,000 miles from home, fighting for liberty and constitutional government. But they come back and find you in power, bartering away the constitutional rights of the Government and turning over the taxing power to the tariff barons—not satisfied with employing the taxing power to put profits in their pockets, but transferring that power when Congress is not in session to the President and providing that he may do it if they demand it when the Congress is not in session. Then you stand up and say that we ought to get out of the way, that we ought to sit silently here and permit you to roll this monstrous thing through this body. Can a man do that and be a patriot? Can he live up to the oath he took in the Senate when he came here and permit you to put something over on the people that he knows is monstrous, that he knows is oppressive, that he knows is wrong?

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Georgia?

Mr. HEFLIN. I am glad to yield to my friend from Georgia.

Mr. WATSON of Georgia. I remind the Senator from Alabama that the estimate is that the bill will bring in a revenue of $300,000,000 a year to the Government. The most conservative estimate of what a tariff bill is worth to those whose business is protected from foreign competition by it is 5 to 1. Therefore this bill if enacted into law will be an annual bonus of $1,500,000,000 to the war profiteers, given to them in this Chamber, where the President came to take part in the discussion and to make a speech against the soldiers' bonus bill, which was killed in this Chamber by the very men who are giving this manufacturers' bonus of $1,500,000,000 a year.

Mr. HEFLIN. I thank the Senator from Georgia for his suggestion.

Mr. President, I believe that it will bring more than that into the pockets of the tariff barons of the United States. I believe that it will put $3,000,000,000 in the pockets of the tariff barons. Who will pay that money? Why, the masses of the American people will pay it. The consumer always pays the tax. Are you going to put this burden on a people already overburdened? Is the farmer to be deceived again?

Mr. POMERENE. Mr. President——

Mr. HEFLIN. I have finished, and I am glad to yield the floor to my good friend from Ohio.

Mr. POMERENE. Apropos of what the Senator has been saying with reference to the foreign markets for the farmers' products, perhaps a little information which I gathered a few days ago may be of interest.

At the present time there is a controversy between the Hollanders and the United States with respect to the shipment of

coal into the United States. The United States authorities are insisting upon certain regulations which are by no means pleasing to the Dutch of Holland. It has already succeeded in stirring up considerable irritation. One of those Hollanders who is here, a man in high authority, said with respect to those regulations: "The United States Government ought to remember that Holland is not required to buy her wheat or her meat in the United States, and if we are treated as the indications are the Government intends to treat us, we will buy our wheat in Argentina, and we will buy our meat in Argentina or Australia."

That is the situation. Now, let me apply the facts. Last year the wheat crop in Ohio was somewhat short. It amounted to 29,000,000 bushels, just about enough to feed our own people.

This year the Department of Agriculture reports that the crop will be 12,000,000 bushels in excess of what it was last year. That means about that much surplus of wheat for which we must find a market elsewhere. Our market is in Europe, the market that the farmer wants, the market of which the farm bloc here is trying to deprive the farmer under this legislation.

How are the farmers of Ohio going to be affected by a bill the purpose of which is to deprive our manufacturers and, whether it is the purpose or not, which will deprive our farmers of their market in just the way that I have indicated? It must be borne in mind that Europe already owes this country and our nationals about $18,000,000,000. Europe can not pay us in gold because she does not have it. Europe can not pay us in her depreciated currency because we will not take it. There must be some proper scheme of trade which is going to be reasonable and just to all parties concerned. If we are not going to do anything to encourage those markets, I submit that in the interest of the farmer we ought not to be attempting to deprive him of the market which he already possesses.

Mr. WALSH of Massachusetts. Mr. President, may we have the pending amendment stated?

The PRESIDING OFFICER. The pending amendment will be stated.

The READING CLERK. On page 30, line 14, in paragraph 84, thorium nitrate, thorium oxide, etc., the committee proposes to strike out "25" and insert "45," so as to read "45 per cent ad valorem."

Mr. SMOOT. In paragraph 84, page 30, line 14, I move to strike out the numerals "45" and to insert the numerals "40."

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. MCCORMICK in the chair). The Senator from Nebraska will state his inquiry.

Mr. NORRIS. I understood that the pending question was on the amendment proposed by the Senator from Ohio [Mr. WILLIS].

The PRESIDING OFFICER. That amendment has been passed over. The question is on the amendment offered by the Senator from Utah [Mr. SMOOT] to the committee amendment.

Mr. HITCHCOCK. Mr. President, it is cheerful to see that there is some recantation on the part of one member, at least, of the Committee on Finance, and I presume on the part of the committee itself. The present tariff rate upon this commodity is 15 per cent ad valorem, and I should like to hear some statement from the Senator from Utah, who now proposes to fix a duty of 40 per cent upon it, as to why the duty should be increased from 15 to 40 per cent.

While I am on my feet, I wish to refer to a statement made by the Senator from North Dakota a few moments ago. He said if it could be shown here upon the floor that any particular duty was excessive the committee would be glad to recognize the mistake and correct it. It is a most extraordinary theory upon which the Committee on Finance presents this case to the Senate. They attack a tariff which has been in force since 1913, and then they shift the burden of proof to this side of the Chamber.

It strikes me if an attempt is made to treble a rate which has been in existence for that length of time or to raise it in any particular the burden of proof ought to be upon the Committee on Finance to show that the change is necessary. But here in one case after another a proposed increase is presented to the Senate and not a word is said in justification of such increase. In this case the Senator from Utah by amendment proposes to increase the present rate on this article, which goes largely into the manufacture of gas mantles, from 15 per cent to 40 per cent, and I should like to hear from him some justification for the proposed increase.

Mr SMOOT. Mr. President, if the Senator from Nebraska will look at the report of the Tariff Commission he will find that the imports were a little over 25 per cent of the production in the United States, and from the Reynolds report he will find as to thorium nitrate—speaking now of the commercial thorium nitrate—that the foreign value in the United States currency is $2.23; that the selling price of the foreign article in the United States is $2.72 and the selling price of the domestic article reported comparable is $3.50.

Mr. President, the rate of duty in the act of 1909 on this article was 40 per cent and the rate of the duty in the existing law is 25 per cent. If the Reynolds report is correct, 40 per cent will not be sufficient to cover the difference in price between the foreign and domestic product; but I think that there will be a change not only in the foreign valuation but in the American valuation as well.

In 1909, with a 40 per cent rate, with conditions entirely settled, there were importations of this article which were fairly competitive with the commodity made in the United States. I think the ingredients which enter into this commodity being dutiable that 40 per cent is not an undue rate of protection under the conditions as they to-day exist.

I have a late report from the Commerce Department as to the wages paid in this very industry. I do not know that it would make any difference if I should call the matter to the attention of the Senator, but I wish to assure him that this particular item of thorium nitrate, being made from thorium itself, and the process being a rather difficult one and involving considerable labor, the proposed duty is not excessive.

I thought, in the first instance, that 40 per cent was ample, but the committee thought otherwise, and, under the Reynolds report, when the bill was reported to the Senate the rate was fixed at 45 per cent. Since then, however, in view of existing conditions, the committee thought that the rate of 40 per cent which was originally proposed was the correct rate. Therefore I have made the motion to fix the rate at 40 per cent.

Mr. HITCHCOCK. Mr. President, the Senator from Utah referred to the selling price of the article in the United States as an element in making up the duty.

Mr. SMOOT. I referred both to the American selling price and to the foreign selling price of the article in the United States and likewise gave the invoice price. Taking the invoice price of $2.23, we would have to have a duty of about 60 per cent.

Mr. HITCHCOCK. What is the selling price in the United States?

Mr. SMOOT. It is $3.50.

Mr. HITCHCOCK. What proof is there that that is a fair price?

Mr. SMOOT. The fact that the article has to compete with the foreign article here on a basis of $2.23.

Mr. HITCHCOCK. But what reason has the Senator to believe that $3.50 is a fair price for the product?

Mr. SMOOT. The pre-war price was a little over $3.

Mr. HITCHCOCK. Not according to my figures.

Mr. SMOOT. That was the price according to the report of the Tariff Commission.

Mr. HITCHCOCK. The imports in 1914 were 147,885 pounds and the price then of thorium nitrate was $2.30 a pound.

Mr. SMOOT. I will go down the list, beginning with 1914. In 1914 the price was $3.25; in 1915 it was $4.25; in 1916 it was $5.85; in 1917 it was $8; in 1918 it was $8; in 1919 it was $3.75.

Mr. HITCHCOCK. The Senator from Utah is now reading the American selling price?

Mr. SMOOT. No; I am not reading the American selling price; that is the estimated imported price of thorium in the United States. If the Senator will take the Reynolds report, he will find in the remarks following thorium these words:

Last domestic sale, October, 1920. Manufacture discontinued on account of foreign competition.

That was in 1920, and that was the last domestic sale made here.

Mr. HITCHCOCK. In the United States?

Mr. SMOOT. In the United States. If the Senator will turn to the tariff hearings, he will find stated there the following:

The present market price of thorium nitrate made in the United States is $3.75 per pound, which equals $8.25 per kilo, and which price represents a profit to the American manufacturers of about 20 per cent on the selling price. This American price of $3.75 per pound represents a decrease in selling price over the last five years of over 53 per cent and represents an increase over the importer's selling price of 1914, which was then $3.30 per pound, or less than 14 per cent.

Mr. HITCHCOCK. What is the consumption in the United States?

Mr. SMOOT. In 1913 it was approximately 149,000 pounds; in 1914, 156,000 pounds; in 1915, 210,000 pounds—I am giving the round figures.

Mr. HITCHCOCK. So that the consumption is approximately 200,000 pounds?

Mr. SMOOT. About that.

Mr. HITCHCOCK. And yet the imports from abroad are given in the report as being 35,406 pounds for 1920.

Mr. SMOOT. And for the first nine months of 1921 they were at the rate of 57,000 pounds.

Mr. HITCHCOCK. For the first nine months of 1921 the imports were 44,000 pounds.

Mr. SMOOT. That is for nine months, and that would be at the rate of 57,000 pounds a year, or over 25 per cent of the domestic production.

Mr. HITCHCOCK. In other words, the latest report shows that we are making 75 per cent of the product consumed in this country.

Mr. SMOOT. Not the latest.

Mr. HITCHCOCK. The latest I have been able to get hold of for 1921.

Mr. SMOOT. But the imports are increasing and will continue to increase if the Reynolds report is to be relied upon.

Mr. HITCHCOCK. But they do not approximate what they were before the war. They are less than one-third of what they were before the war.

Mr. SMOOT. I will tell the Senator what they were in prewar years. In 1911 the imports were 118,201 pounds.

Mr. HITCHCOCK. And now we have only 44,000 pounds.

Mr. SMOOT. Certainly, because they have not gotten fairly started yet; but the imports will be much greater, I will say to the Senator.

Mr. HITCHCOCK. Then, as in the case of other schedules, this schedule has been based upon what it is thought it is likely to happen and not what has happened and not what the statistics show?

Mr. SMOOT. No; that is an unfair statement.

Mr. HITCHCOCK. I asked the Senator what the consumption was, and he said something over 200,000 pounds. I asked him what the imports are, and he says they approximate 40,000 pounds.

Mr. SMOOT. They were 57,000 pounds in 1921.

Mr. HITCHCOCK. That is only 25 per cent of the domestic consumption.

Mr. SMOOT. Yes; but the imports are increasing and will continue to increase.

Mr. HITCHCOCK. Does the Senator mean that we are to shut out competition when it reaches 25 per cent of the domestic production?

Mr. SMOOT. No; I do not mean that. But I say that the figures show an increase in importations, and that the imports are gradually increasing there can be no doubt, as the Senator may see.

Mr. HITCHCOCK. Does not the Senator realize the need of doing business with Germany?

Mr. SMOOT. I do.

Mr. HITCHCOCK. Is it not absolutely necessary, if we are to export our products to Germany, that we must buy something from Germany?

Mr. SMOOT. I have no fear about that.

Mr. HITCHCOCK. But when Germany is not sending us anything how can she buy from us?

Mr. SMOOT. Under conditions existing in Germany to-day and in view of the cost of producing goods there and the wage scale prevailing there, I have no fear that there will not be plenty of goods bought from Germany.

Mr. HITCHCOCK. This tariff bill should be framed upon statistics; it should be based upon facts and not surmises or prophecies or predictions or guesses as to the future.

Mr. SMOOT. It has been framed upon the facts.

Mr. HITCHCOCK. I ask the Senator this question: Does he think that we ought to make a tariff schedule to exclude articles from Germany?

Mr. SMOOT. I have answered that question once, and I will answer it again and say "No."

Mr. HITCHCOCK. Then, what percentage of our consumption would the Senator admit in competition with our local production?

Mr. SMOOT. That would depend entirely upon the product.

Mr. HITCHCOCK. Does the Senator think 25 per cent is too much?

Mr. SMOOT. I think that wherever importations are 25 per cent of the domestic consumption in the United States, then we are getting very near the danger line, because, if they can take that much of the business away from the American producer, we know that there is extreme competition.

Mr. HITCHCOCK. Would the Senator be willing to admit 20 per cent of American consumption so as to have competition?

Mr. SMOOT. I say again that would depend upon the condition of the industry not only in Germany but in this country. As to some commodities, I would admit 75 per cent or 80 per cent of the domestic consumption, but there are others as to which I should think 25 per cent would be approaching the danger line.

The Senator knows that in some lines Germany can and does control the trade of the world, and will do so, no matter what rates we put in this bill. The same statement applies to some of the products of Japan, to some of the products of England, and also to some of the products of France, and other countries. Whatever rate might be put in this bill, such products will come into the United States because the people of the United States are going to buy them. The Senator knows that we would not keep out all the perfumes of France, even if we imposed on them a duty of 60 per cent or 75 per cent. They would be purchased here by the women who want French perfumery, and I would not care how much of that commodity came in.

Mr. HITCHCOCK. Can the Senator give the consumption in this country of gas-mantle scrap?

Mr. SMOOT. I do not know whether I have it here or not. Has the Senator got it there? I find that I have not. In the case of scrap I know that there is very little imported.

Mr. HITCHCOCK. The imports were 60,000 pounds in 1914.

Mr. SMOOT. Oh, if the Senator wants the imports——

Mr. HITCHCOCK. Do they approximate that?

Mr. SMOOT. No; not that much, I think.

Mr. HITCHCOCK. I understand that this schedule imposes the same tariff on gas-mantle scrap that it does on the thorium nitrate?

Mr. SMOOT. Why, certainly; because 95 per cent of the scrap is thorium nitrate.

Mr. HITCHCOCK. And yet the importations of gas-mantle scrap in 1920 were 144 pounds only.

Mr. SMOOT. The Senator knows that there is nothing in that. Whatever scrap comes in here is the waste from the gas mantles, and 90 per cent of that waste is thorium nitrate; and what difference does it make, Mr. President, if they can get the thorium nitrate in? The scrap is gathered up just the same as the waste of wool and the waste of cloth.

Mr. HITCHCOCK. Why is a tariff put on it if it does not make any difference? Why is it subjected to a 40 per cent tariff if it does not make any difference? Why do you put it in this bill and impose a tariff on it?

Mr. SMOOT. I say, if the tariff on thorium is a certain rate, and scrap mantle is virtually thorium, there should be the same rate. I do not see that there is anything wrong in that. Gas-mantle scrap, which is dutiable at 10 per cent ad valorem in the old bill, is converted into thorium nitrate, and this is the only commercial use of it. That is all there is to it. It is thorium nitrate just the same.

Mr. HITCHCOCK. I am asking the Senator why a duty of 40 per cent is imposed on it when less than 200 pounds comes into the country? It certainly is not a dangerous competition.

Mr. SMOOT. Simply because in the manufacture in a foreign country the scrap is used in exactly the same way that it is used here, and no one wants particularly to ship scrap in here when he can ship in the thorium at the same rate. Why should he?

Mr. HITCHCOCK. Mr. President, this item seems to me very much like ink, very much like wood alcohol, very much like a large number of other items in this bill which present a condition in which the American market is supplied to a very limited extent by foreign competition. The Senator from North Dakota indicated that the purpose of this bill was to impose a tariff to represent the difference in cost. It seems to me that the purpose of this bill is to shut out competition, because when we show a case such as ink, for instance, in which the United States manufactures all of its ink except some 20,000 pounds a year, when it not only manufactures all the ink that the American people consume but manufactures enough to export millions of dollars' worth of ink a year, nevertheless the Finance Committee insists on reporting to the Senate a duty double what it is at the present time.

Mr. SMOOT. Is the Senator speaking now of gas-mantle scrap?

Mr. HITCHCOCK. I am speaking now of ink. I have gone back to that. This is another item of the same sort.

Mr. SMOOT. There is quite a difference between ink and thorium. Ink is exported, and thorium is not.

Mr. HITCHCOCK. But the Senator stood here and insisted on demanding that the present tariff on ink be raised from 15 per cent to 25 per cent, and finally abandoned that and accepted a 20 per cent duty.

Mr. SMOOT. Oh, no; a 20 per cent duty is what we reported.

Mr. HITCHCOCK. No; you reported a 30 per cent duty. You doubled the existing tariff in your report to the Senate, and when I demonstrated that we made all of our own ink, and that we exported millions of dollars' worth of ink to other countries, then you moved to accept the House schedule of 20 per cent. I say that the condition is the same in this schedule, only not to so great an extent.

Mr. SMOOT. That was decided before ever the Senator spoke.

Mr. HITCHCOCK. We are not importing more than 25 per cent of our consumption in thorium nitrate. We are making most of our thorium nitrate, and yet you insist on increasing the duty on thorium nitrate, notwithstanding the fact that Germany never has been able to send to us thorium nitrate to the amount of more than 25 per cent of our consumption.

Mr. SMOOT. Not able to do so? The Senator is not correct in that statement.

Mr. HITCHCOCK. The Senator please will not interrupt me until I finish. I charge, under those circumstances, that your bill is not for the purpose of enabling American manufacturers to compete with foreign manufacturers upon a reasonable basis. That used to be the old Republican theory. Your bill is for the purpose of giving to the American manufacturer a monopoly in this market. Your bill is for the purpose of shutting out imports from such countries as Germany. Your bill is for the purpose of erecting a wall so high that the manufacturers in this country can increase the price of the things that they sell to the American people. That must be the case, otherwise you would be satisfied with the present tariff on thorium nitrate, under which the American manufacturer makes three-quarters of all the thorium nitrate that the American people consume, and the imports of thorium nitrate at the present time are less than they were before the war. They are almost negligible, and if the American manufacturer amounts to anything at all he ought to be able to hold his market as it is now, at 75 per cent of the American consumption.

It must be understood by the American people that you are making a tariff, not for the purpose of enabling the American manufacturer to compete with manufacturers abroad, but in one schedule after another you are raising the tax so high as to shut out competition and give a monopoly to the American manufacturer. I asked the Senator from Utah whether he would not be satisfied with competition amounting to only 25 per cent of the American consumption, and instead of saying definitely "Yes" or "No" he said that in some cases he would and in some cases he would not.

Mr. SMOOT. The Senator wanted me to tell the truth, did he not?

Mr. HITCHCOCK. Certainly.

Mr. SMOOT. Then, that is the only way in which I could answer the question.

Mr. HITCHCOCK. But I should like to know why 25 per cent is not a reasonable supply to come in from abroad and regulate the American price for the protection of the consumer. You have forgotten all about the consumer. He ought to have protection. When you levy taxes on him in order, under the Republican theory, to build up home industries you ought at least to have in mind the protection of the consumer by still permitting enough competition to come in from abroad to prevent exorbitant prices being charged.

That was the old theory of the protective-tariff idea, and that was what made it so alluring to the American people. They were told time and again by Republicans on the stump that all they wanted to do was to make the tariff high enough to enable the American manufacturer to compete against the so-called pauper labor from abroad; and now you are not satisfied with making the tariff high enough to enable the American manufacturer to compete. You want the tariff so high as to exclude competition. You want the tariff so high as to give a monopoly in this country, and that is the vice of this whole bill. It is in schedule after another—not only in thorium nitrate, but it was in ink to a still more aggravated degree, because it was demonstrated here by the figures I read into the RECORD that at the present time, with a 15 per cent tariff, the American manufacturer actually supplies almost the whole market, with only the faintest fraction of competition from abroad. So it was with wood alcohol in even a greater degree. You insisted on taking wood alcohol off the free list, although I demonstrated here that the United States had the greatest wood-alcohol production in the world; that we actually manufactured half of all the wood alcohol made in the world, and we have been able to do that with wood alcohol on the free list; and yet you insisted on putting a tax on wood alcohol, not for the purpose of raising revenue but to make it impossible for competition to come in here under any circumstances.

What is going to be the result? Going back again to wood alcohol, you have given an invitation, you have given an opportunity to the manufacturers of wood alcohol to unite to raise their prices to the American consumer. You have not increased your revenue at all. You have simply increased the probability that the price of wood alcohol will be advanced to the American consumer, and what is true of wood alcohol and ink is true of this schedule.

Mr. SMOOT. Mr. President, it is a strange fact that the raw material for the manufacture of thorium nitrate is controlled by England. She controls all of the raw material, which comes from India and a little from Brazil, and even in Brazil she controls it; and yet, before the war thorium nitrate entered into England free of duty. What has England found that she had to do to protect her industry in the manufacture of thorium? Why, she has taken it from the free list and imposed a duty of 33⅓ per cent upon it, and yet she controls all of the raw product of the world. We have to get ours there, too, with the exception of what we get down here in North Carolina.

Remember that under the Underwood bill there was a duty of 25 per cent put upon monazite sand. Why? Because it was produced in North Carolina. That bill imposed a duty of 25 per cent on the raw product, the sand, dug by men, as the Senator from North Carolina said here the other day, referring to another product; and yet they put a rate of 25 per cent duty on the monazite sand of North Carolina, and gave a duty of only 25 per cent upon thorium nitrate. I ask the Senator from New Mexico [Mr. JONES] if that is fair or right?

But England, free-trade England, as she is called, which had it on the free list before the war, since the war closed, in order to protect her industries, has placed a duty of 33⅓ per cent upon thorium nitrate. All that we are asking here is a 40 per cent ad valorem duty, and the importations prove that there is competition, and there is not any question but that there is.

Again, Mr. President, gas mantles are made from thorium nitrate, and 1 pound of thorium nitrate makes about 325 gas mantles. In 1909 we heard this Chamber ring and ring with the statement of the monopoly of the gas-mantle manufacturers of the United States. All they have to do is buy 1 pound of nitrate of thorium and make 325 gas mantles, and we are so solicitous of the manufacture of the gas mantles, that great monopoly which was so howled about in this Chamber in 1909, that we want to give them cheaper thorium nitrate. Let us be consistent.

Mr. President, I do not care to say anything more about it. The rate is a fair protective rate and no more, and the committee asks that 40 per cent be substituted for 45 per cent.

Mr. WALSH of Massachusetts. May the Secretary report the amendment?

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The READING CLERK. On page 30, line 14, the committee amendment proposes to strike out "25" and insert in lieu thereof "45." The Senator from Utah [Mr. SMOOT] has proposed to amend the committee amendment by striking out "45" and inserting in lieu thereof "40," so as to read:

Thorium nitrate, thorium oxide, and other salts of thorium not specially provided for, cerium nitrate, cerium fluoride, and other salts of cerium not specially provided for, and gas-mantle scrap consisting in chief value of metallic oxides, 40 per cent ad valorem.

Mr. WALSH of Massachusetts. I ask for the yeas and nays.

The yeas and nays were ordered.

The reading clerk proceeded to call the roll and Mr. ASHURST voted "yea."

SEVERAL SENATORS. Let the question be stated.

Mr. ASHURST. May the question be stated again, Mr. President?

The PRESIDING OFFICER. The Secretary will again state the amendment to the amendment.

The amendment to the amendment was again read.

Mr. ASHURST. In other words, we are voting on the amendment proposed by the Senator from Utah [Mr. SMOOT].

Mr. WALSH of Massachusetts. It raises the House rate 15 per cent and reduces the Senate committee rate 5 per cent.

Mr. FRELINGHUYSEN. Mr. President, the roll call had been begun.

The PRESIDING OFFICER. It had, and a response was made.

Mr. FLETCHER. A parliamentary inquiry.

Mr. BALL. What is the question?

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Utah to the committee amendment. The Senator from Utah proposes to strike out "45" and to insert "40."

Mr. ASHURST. Let the question be stated again, so that the parliamentarians over here watching the bill will know what the question is.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 30, line 14, paragraph 84, under thorium nitrate, the committee proposed to strike out "25" and to insert "45." The senior Senator from Utah [Mr. SMOOT] proposes to strike out "45" and insert "40," so as to read "40 per cent ad valorem."

Mr. FLETCHER. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. FLETCHER. I understand that the proposal of the Senator from Utah is really a committee proposal; that the committee proposes this change, so that it is a committee amendment.

Mr. SMOOT. That is correct.

The PRESIDING OFFICER (Mr. MOSES in the chair). The committee has a right to modify its amendment.

Mr. FLETCHER. That being so, it is a committee amendment, and the question is, Shall the committee amendment providing 40 per cent be agreed to?

Mr. SMOOT. No; the question is to strike out "45" and to insert "40."

Mr. ASHURST. An affirmative vote will be a vote to reduce the tariff. That is plain enough.

Mr. FRELINGHUYSEN. I make the point of order that the roll call has been begun and debate is not in order.

The PRESIDING OFFICER. That point of order is sustained, and the Secretary will proceed with the roll call.

The reading clerk resumed the call of the roll.

Mr. LODGE (when his name was called). I transfer my pair with the senior Senator from Alabama [Mr. UNDERWOOD] to the Senator from Maryland [Mr. WELLER], and vote "yea."

Mr. McCUMBER (when his name was called). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the senior Senator from Pennsylvania [Mr. CROW], and vote "yea." I ask that this announcement of my pair and its transfer may stand for the balance of the day.

Mr. NEW (when his name was called). I transfer my pair with the junior Senator from Tennessee [Mr. MCKELLAR] to the junior Senator from Oregon [Mr. STANFIELD], and vote "yea." I ask that this announcement of my pair and its transfer may stand for the day.

Mr. WATSON of Indiana (when his name was called). I have a pair with the senior Senator from Mississippi [Mr. WILLIAMS], which I transfer to the senior Senator from Maryland [Mr. FRANCE], and vote "yea."

The roll call was concluded.

Mr. GLASS. I transfer my general pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the Senator from Rhode Island [Mr. GERRY], and vote "yea."

Mr. FRELINGHUYSEN. I transfer my general pair with the Senator from Montana [Mr. WALSH] to the Senator from Washington [Mr. POINDEXTER], and vote "yea."

Mr. JONES of New Mexico. Making the same announcement as to the transfer of my pair as on the previous vote, I vote "yea."

The result was announced—yeas 59, nays 0, as follows:

YEAS—59.

Ashurst	Gooding	McKinley	Sheppard
Ball	Hale	McLean	Shortridge
Borah	Harreld	McNary	Simmons
Brandegee	Harris	Moses	Smoot
Broussard	Johnson	New	Spencer
Bursum	Jones, N. Mex.	Newberry	Stanley
Calder	Jones, Wash.	Norris	Sutherland
Capper	Kellogg	Oddie	Swanson
Caraway	Kendrick	Overman	Townsend
Curtis	Keyes	Pepper	Wadsworth
Dial	Ladd	Phipps	Walsh, Mass.
Ernst	Lenroot	Pomerene	Warren
Fletcher	Lodge	Ransdell	Watson, Ind.
Frelinghuysen	McCormick	Rawson	Willis
Glass	McCumber	Robinson	

NOT VOTING—37.

Cameron	France	Nicholson	Sterling
Colt	Gerry	Norbeck	Trammell
Crow	Harrison	Owen	Underwood
Culberson	Heflin	Page	Walsh, Mont.
Cummins	Hitchcock	Pittman	Watson, Ga.
Dillingham	King	Poindexter	Weller
du Pont	La Follette	Reed	Williams
Edge	McKellar	Shields	
Elkins	Myers	Smith	
Fernald	Nelson	Stanfield	

So Mr. SMOOT's amendment to the committee amendment was agreed to.

The PRESIDING OFFICER. The question now recurs upon the amendment of the committee as amended.

Mr. SIMMONS. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. GLASS (when his name was called). Making the same announcement as before as to the transfer of my pair, I vote "nay."

Mr. LODGE (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "yea."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "yea."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON]; and

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH].

Mr. FRELINGHUYSEN. I transfer my general pair with the senior Senator from Montana [Mr. WALSH] to the junior Senator from Washington [Mr. POINDEXTER] and vote "yea."

Mr. McCUMBER. Making the same announcement as on the previous vote, I vote "yea."

Mr. NEW. Making the same announcement as on the previous roll call, I vote "yea."

Mr. JONES of New Mexico. I make the same announcement as to the transfer of my pair, and vote "nay."

Mr. CARAWAY (after having voted in the negative). I have a pair with the junior Senator from Illinois [Mr. MCKINLEY]. In his absence I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and allow my vote to stand.

The result was announced—yeas 39, nays 18, not voting 39, as follows:

YEAS—39.

Ball	Hale	McCumber	Shortridge
Brandegee	Harreld	McLean	Smoot
Broussard	Johnson	McNary	Spencer
Bursum	Jones, Wash.	Moses	Sutherland
Calder	Kellogg	New	Townsend
Capper	Keyes	Newberry	Wadsworth
Curtis	Ladd	Oddie	Warren
Ernst	Lenroot	Pepper	Watson, Ind.
Frelinghuysen	Lodge	Phipps	Willis
Gooding	McCormick	Rawson	

NAYS—18.

Ashurst	Glass	Pomerene	Stanley
Borah	Harris	Ransdell	Swanson
Caraway	Jones, N. Mex.	Robinson	Walsh, Mass.
Dial	Norris	Sheppard	
Fletcher	Overman	Simmons	

NOT VOTING—39.

Cameron	France	Myers	Smith
Colt	Gerry	Nelson	Stanfield
Crow	Harrison	Nicholson	Sterling
Culberson	Heflin	Norbeck	Trammell
Cummins	Hitchcock	Owen	Underwood
Dillingham	Kendrick	Page	Walsh, Mont.
du Pont	King	Pittman	Watson, Ga.
Edge	La Follette	Poindexter	Weller
Elkins	McKellar	Reed	Williams
Fernald	McKinley	Shields	

So the committee amendment as amended was agreed to.

The PRESIDING OFFICER. The Secretary will report the next amendment.

The READING CLERK. On page 30, line 17, the committee proposes to strike out "20" and insert "25," so as to read:

PAR. 85. Tin bichloride, tin tetrachloride, and all other chemical compounds, mixtures, and salts, of which tin constitutes the element of chief value, 25 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I have examined all the data regarding this item which I have been able to find, and it does seem to me that there is no excuse to be given for the rate of duty which the committee proposes.

I am very glad to observe the Senator from Kansas [Mr. CURTIS] in the Chamber. I think it is about the first time to-day.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Kansas?

Mr. JONES of New Mexico. I yield.

Mr. CURTIS. I was sitting in the rear of the Chamber to-day when the Senator named the Senators who were present, and he did not look back to see me. I was there talking to one

of the employees. I was here all the time during the Senator's speech. I have been here all the time to-day except for two hours, when I was at a meeting of a subcommittee in the Finance Committee room.

Mr. JONES of New Mexico. If I have done the Senator an injustice I apologize for it, but I submit that if he was in the corner talking to somebody about something else he might as well have been in the cloakroom.

Mr. CURTIS. I heard every word the Senator from New Mexico said.

Mr. McCORMICK. If the Senator from Kansas was in the Chamber, he could not very well escape hearing everything the Senator from New Mexico said.

Mr. JONES of New Mexico. I do not believe anyone ever fails to hear what the Senator from Illinois has to say when he gets on one of his rampages here.

Mr. President, as I was trying to say, I have examined all of the information which I have been able to find on this subject. I have looked through all of the usual documents on which we have depended during this debate. If any reason can be offered as to why this duty should be imposed, I think we ought to have it.

I wish to state that there have been no importations of this commodity of any consequence whatever for years. In the year 1914 there were imported 337 pounds. It is a commodity produced entirely in this country so far as home consumption is concerned. Perhaps Senators do not understand what it is. It is chloride of tin, bichloride and tetrachloride of tin. It is produced from scrap tin, which can be obtained in this country. More particularly the use to which the tetrachloride is put is for weighting silk. So far as commerce is concerned, there is no commerce in this commodity at all, or anything that could be recognized as such. Under existing law it is dutiable under a basket clause at 10 per cent. The House bill imposed a duty of 20 per cent, increasing the existing duty 100 per cent. The Finance Committee of the Senate, feeling evidently that it was necessary for them to do something, have raised the rate of duty to 25 per cent. This product is made out of scrap tin and, as far as obtainable, from old tin cans, by dipping it in a solution of chlorine which makes a tin chloride. It is used for that purpose.

This increase must come just from the habit of increasing the taxes. It is true it does not affect everybody, only those who use weighted silk. That is the principal use for it, but it does go into the silk trade of the country, and a great many people struggle very hard to get a little silk, especially the ladies of the family.

I would like to know why this increase is proposed. It is just possible that it is done because pig tin has now been put on the dutiable list instead of on the free list where it is under the existing law. Of pig tin we import about 100,000,000 pounds a year. None of it is produced in the United States. They found a little up in Alaska—about 100 tons. Tin itself comes from Bolivia, as a rule, into the United States. It is admitted free now.

The bill proposes to put a duty of 2 cents a pound on the 100 tons annually imported. I do not see how that affects this item, but it may be offered as an excuse for increasing this duty. This material made out of scrap tin—there is no question of any competition that I can find at all. I may say that the 337 pounds which did come into this country in 1914 were valued at less than 4 cents a pound, while the present price of the commodity now is over 28 cents a pound, seven times the price of the small amount that was imported in 1914.

I would like to have somebody undertake to justify the rate.

Mr. SMOOT. Mr. President, I will say, in the first place, that the committee has reported to place tin in pigs and blocks on the free list. The Senator said it was 3 cents a pound.

Mr. JONES of New Mexico. I was looking at the rate recommended by the House, and I find that in the House bill it is 2 cents a pound.

Mr. SMOOT. Yes; but the Finance Committee put it on the free list. I will make a statement as to the rates when the Senator from New Mexico shall have concluded.

Mr. JONES of New Mexico. I see that the Senate Committee on Finance has stricken out the provision for 2 cents a pound upon tin. Therefore, I should like some Senator to explain why the committee increased the duty on bichloride of tin.

Mr. SMOOT. Mr. President, just a word. The pre-war price of bichloride of tin was from 10 to 11 cents a pound; the present price is below the pre-war price; it has come down to 9 cents a pound. The pre-war price of tetrachloride of tin was 26 cents a pound, while it is now 28 cents a pound, or about the pre-war price. On all of the chemical compounds and mixtures and of salts of different materials in this bill we have tried to preserve a uniform rate of 25 per cent ad valorem.

The House has a 20 per cent rate on the American valuation and the rate proposed by the committee is 25 per cent on the foreign valuation. So far as the use of this article is concerned, it is used as the Senator has stated for the weighting of silk, or, in other words, it is an adulterant. This material is put into silk in order to make the silk weigh; and I do not think anyone is going to suffer from the imposition of this duty.

Mr. NORRIS. Mr. President, will the Senator from Utah yield to me?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. I yield.

Mr. NORRIS. It seems to me, from what I can learn in relation to it, that this is an article on which we might very well levy a tariff because it is, in fact, a luxury. The question, however, arises in my mind, fithere are no imports, then what is the use of imposing a duty on it? We shall get no revenue by doing so, and I can not see any good from doing it. I confess that if revenue could be derived, this would be a very proper place to levy a revenue duty; but if there are no imports, and we shall get no revenue, it does not seem to me worth while fooling with it.

Mr. SMOOT. So long as the article is going to be used, and so long as we may get it from any other part of the world, I think we ought to have it made in this country. That is my opinion. The Reynolds report shows that the foreign value in the United States is 34 cents a pound.

Mr. NORRIS. What about the imports?

Mr. SMOOT. I will give those later. The selling price of the foreign article of tetrachloride of tin in the United States was 90 cents a pound. See what profit there is in that. If it may be made in this country and is going to be used in this country, let us make it in this country instead of importing it from a foreign country.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Florida?

Mr. SMOOT. I yield.

Mr. FLETCHER. Does the Senator from Utah say there are no importations at all of this article? The statistics in reference to the subject are not available.

Mr. SMOOT. It is in the basket clause in the present law. For 1914 the importations were given, but because of the fact that the article is in the basket clause under the existing law we can not segregate the various salts and mixtures which fall in that clause. We have the statistics for the entire importations in the basket clause, but we can not ascertain as to the importations of a particular item.

Mr. FLETCHER. The statistics seem to be combined with those concerning gold, platinum, and silver and rhodium salts in the importation figures. There are apparently three concerns manufacturing it in this country, and even now, under the present law, imposing a duty of 10 per cent ad valorem, there do not seem to be any importations coming in. How can it be expected that any will come in under a 25 per cent duty?

Mr. SMOOT. I do not know whether or not any are coming in.

Mr. FLETCHER. I can not see that there is any justification for increasing the duty from 15 per cent under such circumstances.

Mr. JONES of New Mexico. Mr. President, just a word. All the information that there is upon the subject, after a description of the article and its uses, I find under the head of production in the tariff report:

> The preparation of tin chlorides has developed almost exclusively into the detinning of scrap tin by means of chlorine gas. The process originated in the plant of the Goldschmidt chemical works at Essen, Germany. The process, however, was soon established by the Goldschmidts in this country. In about 1913 another company began operations, and at the present time (1918) there are three companies producing tin chlorides in the United States by the chlorine detinning process. The growth of the industry is dependent on the growth of the silk industry, which is the largest consumer.
>
> In 1914 census reports give the production of all-tin salts as 8,291,200 pounds, valued at $2,028,500. In 1919 (preliminary figure) the output of tin chlorides was 8,999,200 pounds, valued at $2,986,500, and of oxide of tin 1,352,600 pounds, valued at $900,240.
>
> Imports: Statistics are combined with those of gold, platinum, silver, and rhodium salts.
>
> Exports: Statistics not available.

That is all the information that the Tariff Commission gives in its summary, but I have here from a member of the force of the Tariff Commission the statement that the present price of these tin crystals is 27½ to 28 cents per pound, and of tin oxide from 37 to 38 cents a pound, and that the imports of tin chloride

in 1914 were 337 pounds. I figure from the book containing the statistics that the value of that importation was $93, or a little less than 4 cents a pound.

Mr. SMOOT. That would be a little less than 30 cents a pound.

Mr. JONES of New Mexico. The Senator is right. That is just about the present price of the commodity in this country. I do not, therefore, see any possible reason for increasing the duty on the commodity.

The present rate is 10 per cent; the House bill made it 20 per cent, and the Senate committee proposes to make it 25 per cent. There is no earthly information on which to figure any such tariff rate. There are no imports coming in, and none can come in. The material is made out of scrap tin, and any other country which wants to make it has got to get the scrap tin from somewhere else. There is something in the tariff surveys to the effect that Japan is threatening to develop the industry, buy her scrap tin in the markets of the world, and make the chloride and weight the silk over in Japan. There is some suggestion of that kind, but there is no suggestion that Japan is going to make the tin chloride and ship it to this country in competition with the American product. There is not a suggestion of competition from any country on earth.

Mr. President, I move to strike out the figure "25" and insert "10."

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from New Mexico [Mr. JONES] to the committee amendment.

Mr. JONES of New Mexico. Upon that I ask for the yeas and nays.

The yeas and nays were ordered, and the principal legislative clerk proceeded to call the roll.

Mr. ERNST (when his name was called). I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the senior Senator from Minnesota [Mr. NELSON] and vote "nay."

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as heretofore in regard to my pair and its transfer, I vote "nay."

Mr. LODGE (when his name was called). Making the same announcement as heretofore with reference to my pair and its transfer, I vote "nay."

Mr. McCUMBER (when his name was called). Making the same announcement with regard to my pair and its transfer, I vote "nay."

Mr. NEW (when his name was called). Making the same announcement as to my pair and its transfer as on the previous vote, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call having been concluded, the result was announced—yeas 14, nays 39, as follows:

YEAS—14.

Ashurst	Harris	Ransdell	Simmons
Caraway	Jones, N. Mex.	Robinson	Walsh, Mass.
Dial	Overman	Sheppard	
Fletcher	Pomerene	Shields	

NAYS—39.

Ball	Hale	McKinley	Rawson
Brandegee	Johnson	McLean	Shortridge
Broussard	Jones Wash.	McNary	Smoot
Bursum	Kellogg	Moses	Sutherland
Calder	Kendrick	New	Townsend
Capper	Ladd	Newberry	Wadsworth
Curtis	Lenroot	Norris	Warren
Ernst	Lodge	Oddie	Watson, Ind.
Frelinghuysen	McCormick	Pepper	Willis
Gooding	McCumber	Phipps	

NOT VOTING—43

Borah	France	Myers	Stanfield
Cameron	Gerry	Nelson	Stanley
Colt	Glass	Nicholson	Sterling
Crow	Harreld	Norbeck	Swanson
Culberson	Harrison	Owen	Trammell
Cummins	Heflin	Page	Underwood
Dillingham	Hitchcock	Pittman	Walsh, Mont.
du Pont	Keyes	Poindexter	Watson, Ga.
Edge	King	Reed	Weller
Elkins	La Follette	Smith	Williams
Fernald	McKellar	Spencer	

So the amendment of Mr. JONES of New Mexico to the amendment of the committee was rejected.

The PRESIDING OFFICER. The question recurs upon the amendment proposed by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The PRINCIPAL LEGISLATIVE CLERK. On line 20, after the word "titanium" and the comma, the committee proposes to insert the words "5 cents per pound and," so as to read:

Titanium potassium oxalate, and all compounds and mixtures containing titanium, 5 cents per pound and 25 per cent ad valorem.

Mr. FLETCHER. Mr. President, I trust that amendment will not be agreed to. Under the ruling I believe it will not be in order to offer an amendment to the ad valorem item; otherwise I should move to reduce that; but the question would come upon the adoption of this amendment, and it does not seem to me that that amendment is at all justified.

The story of this paragraph is about like this:

Under the act of 1909 the duty was 25 per cent ad valorem. Under the act of 1913 the duty was 15 per cent ad valorem. The House bill carries a provision for 25 per cent ad valorem, and now the Senate committee proposes to add to the 25 per cent ad valorem 5 cents per pound. That would mean an addition of about 8 per cent more, making this duty 33 per cent ad valorem instead of 10 per cent ad valorem.

The statistics show that as to the amount of production there are no figures available, but that the imports for the fiscal year 1914 were only 3,328 pounds, at about 60 cents per pound. In other words, at that time the imports of titanium trichloride amounted to only about $2,200 worth—about 3,328 pounds, worth about 60 cents a pound. That was the total importation in 1914, when the duty was 15 per cent ad valorem. It is now proposed to make it 33 per cent ad valorem.

Importations of titanium sulphate in 1914 were 1,213 pounds, worth about 20 cents per pound. In other words, about $224 worth of the product came in in 1914 under a duty of 15 per cent ad valorem. The proposal now is to raise that duty to 33 per cent ad valorem.

What is the use of it? What is the occasion for it? The importations amount practically to nothing. They amounted to nothing under the act of 1913, and yet the House proposes to increase that duty 66⅔ per cent, and the Senate committee proposes to add 8 per cent more on top of that.

I can not see any revenue to be derived from it or any basis for any protection. It just seems to be a duty levied without any rhyme or reason, increased from 15 per cent to 25 per cent in the House bill, which is an increase of 66⅔ per cent of the duty, and then the Senate committee proposes to add 5 cents a pound on top of that, which would be at least 8 per cent ad valorem more.

The exports are not recorded. There are no available figures further than those that I have stated, and it does seem to me that there is no ground whatever for proposing this great increase in the duties on these commodities.

Mr. McCUMBER. Mr. President, the House imposed a duty of 35 per cent ad valorem upon the American valuation. An examination of the Reynolds report showed that that would be insufficient, but that with a duty of 5 cents per pound and an ad valorem duty of 25 per cent on the foreign valuation we would equalize the foreign selling price with the American selling price. On a further consideration of that matter this morning the committee came to the conclusion that with the last data they had on the subject they could strike out the provision of 5 cents per pound which they had previously recommended and then raise the 25 to 30 per cent ad valorem, which would give the duty just an ad valorem basis and make it 30 per cent, so that is what I was about to present. The Senator from Pennsylvania [Mr. PEPPER], however, is very much interested in this subject and possibly desires to discuss it to-day, or possibly may request that it go over.

Mr. PEPPER. Mr. President, if it is agreeable to the chairman of the committee, I should very much prefer not to discuss it at the moment, but to have it go over until I have had an opportunity to review the relation between the figures now proposed and those originally reported by the committee.

Mr. FLETCHER. Of course, I did not know what was in the mind of the committee. I was basing my observations on what appeared in the bill. I think the proposal of the committee will be an improvement, because I think that would mean 30 per cent ad valorem instead of about 33 per cent ad valorem; and I am perfectly willing to have the matter go over to suit the convenience of the Senator from Pennsylvania.

The PRESIDING OFFICER. Without objection, the amendment will be passed over. The Secretary will state the next amendment of the committee.

The READING CLERK. Schedule 2: Earths, earthenware, and glassware.

Mr. McCUMBER. Mr. President, we have passed over quite a number of the paragraphs in the first schedule; and if the

Senator from Missouri [Mr. SPENCER] is here, I should like to take up paragraph 74.

Mr. ROBINSON. What is the paragraph?

Mr. McCUMBER. Paragraph 74, zinc salts. The Senator from Missouri desires to be present when that is discussed. If he is not present, however, I will suggest that paragraph 7, on page 4, has been passed over.

Mr. WALSH of Massachusetts. Mr. President, I make the point of no quorum. The Senator from New Mexico [Mr. JONES], who knows about this schedule, is absent, and desires to be here when it is taken up.

The PRESIDING OFFICER. The Senator from Massachusetts suggests the absence of a quorum. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Harrison	McNary	Shortridge
Ball	Johnson	Moses	Simmons
Brandegee	Jones, N. Mex.	New	Smoot
Bursum	Jones, Wash.	Newberry	Sutherland
Calder	Kellogg	Norris	Townsend
Capper	Kendrick	Oddie	Wadsworth
Caraway	Keyes	Overman	Walsh, Mass.
Curtis	Ladd	Pepper	Warren
Dial	Lenroot	Phipps	Watson, Ind.
Fletcher	Lodge	Pomerene	Williams
Glass	McCormick	Rawson	Willis
Gooding	McCumber	Robinson	
Hale	McKinley	Sheppard	
Harris	McLean	Shields	

The PRESIDING OFFICER. Fifty-three Senators have answered to their names. There is a quorum present. The question is upon agreeing to the amendment proposed by the committee in paragraph 7, page 4.

Mr. SIMMONS. That paragraph includes ammonium sulphate, and my understanding is that it was put over until we take up potash.

The PRESIDING OFFICER. The Chair will say to the Senator from North Carolina that the chairman of the committee just now suggested that we return to the consideration of that paragraph.

Mr. SIMMONS. I just talked with the chairman of the committee, and I think I have stated the understanding correctly.

Mr. McCUMBER. It can be passed over again, if the Senator desires.

The PRESIDING OFFICER. Has the chairman of the committee any suggestion to offer?

Mr. McCUMBER. I want to see if we can take up paragraph 8, antimony salts.

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. In paragraph 8, page 4, the committee proposes to strike out, after the word "oxide," the words "2 cents per pound" and to insert "1½ cents per pound and 25 per cent ad valorem."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The READING CLERK. The next amendment passed over is, on page 4, line 22, strike out the words "tartar-emetic" with the hyphen and to insert the words "tartar emetic."

The amendment was agreed to.

The READING CLERK. The next amendment passed over is, on page 4, line 23, after the "tartrate" and the comma, to strike out "5" and insert "6," so as to read "6 cents per pound."

Mr. SIMMONS. What is that matter?

The PRESIDING OFFICER. Potassium-antimony tartrate, 6 cents per pound.

Mr. SIMMONS. Why was that passed over? Does the Senator from North Dakota know why it was passed over?

The PRESIDING OFFICER. The Chair is informed that the Senator from New Jersey [Mr. FRELINGHUYSEN] requested to have it passed over.

Mr. McCUMBER. I do not remember who made the request, but it was passed over at the request of some Senator because of its relation to liquated antimony, in paragraph 376. I do not think it was asked that we wait until we reached that paragraph. I do not recall now, other than that, why it was passed over.

Mr. SIMMONS. I wish to suggest to the Senator that where a Senator requests that a matter be passed over, and it is called up while he is away, probably the Senator ought to have some notice of it.

Mr. McCUMBER. It is rather difficult to handle a bill when, after a Senator asks that half a schedule go over from time to time, he is away when we get back to it.

Mr. SIMMONS. I shall make no objection to have the amendment considered.

Mr. McCUMBER. I understand the Senator does not make any objection, but I am not certain that the Senator who asked that it go over would not make objection, and I think under the circumstances we had better go on with the next schedule.

The PRESIDING OFFICER. Without objection, the balance of paragraph 8 will be passed over.

Mr. McCUMBER. Pass over all of that schedule and go to the next schedule.

The PRESIDING OFFICER. The Secretary will report the next amendment.

The READING CLERK. Schedule 2, on page 31, earths, earthenware, and glassware.

The first amendment of the committee in this schedule is on page 31, line 4, after the word "manner" and the comma, to strike out the words "and brick other than fire brick, 10" and to insert "15", so as to read:

> Fire brick, weighing not more than 10 pounds each, not glazed, enameled, ornamented, or decorated in any manner, 15 per cent ad valorem.

Mr. ROBINSON rose.

Mr. McCUMBER. I was just going to ask that this amendment be passed over on account of the fact that the Senator from Idaho [Mr. GOODING] presented the matter again this morning, and the committee had it under consideration this morning until 11 o'clock, when it had to adjourn before considering it even a second time. So I will ask that this paragraph may go over.

Mr. ROBINSON. I have no objection.

The PRESIDING OFFICER. Without objection paragraph 201 will be passed over, and the Secretary will state the next amendment.

The next amendment of the committee was in paragraph 202, on page 31, line 21, after the word "grooved," to strike out the word "and" and insert the word "or".

The amendment was agreed to.

The next amendment of the committee was on page 31, line 23, after the word "tiles" and the comma, to insert the words "red or brown, and measuring seven-eighths of an inch or over in thickness."

The amendment was agreed to.

Mr. JONES of New Mexico. I should like to inquire of the chairman of the committee as to the program. Are we going ahead with the next schedule, covering earthenware?

Mr. McCUMBER. I could not find the Senators present at whose request some of the paragraphs in the preceding schedule were passed over, and I did not want to bring them up in their absence. Therefore I asked that we go on to the next schedule.

Mr. JONES of New Mexico. I suppose we can go ahead to some extent upon this new schedule, but, as far as I am concerned, I have been paying more attention to the paragraphs which we have passed over than to the paragraphs in the next schedule. We can go ahead for awhile, but now we have passed over the first paragraph of the earth and earthenware schedule. I presume, of course, the best thing to do is to go ahead with it and go back to the paragraphs passed over at the convenience of the various Senators, but I agree with the chairman of the committee that the sooner we dispose of these paragraphs in the chemical schedule and get rid of them the better. I can only regret that Senators who want to take up these passed-over paragraphs are not here. By the way, I observe that the Senator from New York [Mr. CALDER] is now here, and perhaps the first paragraph in the earth and earthenware schedule could be taken up.

Mr. McCUMBER. I just stated a moment ago that the Senator from Idaho had desired a further hearing upon that matter, and we had begun to have a hearing on it when we were called into the Chamber this morning, and for that reason I asked that it be passed over.

The next amendment of the committee was, on page 32, line 3, to strike out "35 nor more than 50" and to insert "45 nor more than 60," so as to read:

> Tiles wholly or in part of cement, valued at not more than 40 cents per square foot, 8 cents per square foot, but not less than 45 nor more than 60 per cent ad valorem.

The amendment was agreed to.

The next amendment of the committee was, on page 32, line 5, to strike out "38" and insert "50."

Mr. SHEPPARD. I desire to offer an amendment to substitute "5 cents per square foot" for the figure appearing in the bill.

The PRESIDING OFFICER. Does the Senator desire to have "50 per cent ad valorem" stricken out and to insert "5 cents per square foot"?

Mr. SHEPPARD. There is an amendment just prior to that one.

The PRESIDING OFFICER. On page 32, line 3, there was an amendment agreed to, striking out "35 nor more than 50" and inserting "45 nor more than 60."

Mr. SHEPPARD. I intend to offer my amendment there.

The PRESIDING OFFICER. Without objection, the vote whereby the amendment on line 3 was agreed to will be regarded as reconsidered, and the Senator from Texas is recognized for the purpose of offering an amendment to the amendment of the committee.

Mr. SHEPPARD. My motion is to strike out the words "8 cents per square foot, but not less than 45 nor more than 60 per cent ad valorem," and insert in lieu thereof "5 cents per square foot."

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. In paragraph 202, page 32, line 2, the Senator from Texas proposes to strike out the words "8 cents per square foot, but not less than 45 nor more than 60 per cent ad valorem," and to insert the words "5 cents per square foot."

Mr. SHEPPARD. I also desire to amend by striking out the remainder, as reported by the committee, and inserting the language of the bill as it passed the House.

The PRESIDING OFFICER. May the Chair suggest to the Senator that we dispose of the amendment he has already offered first?

Mr. SHEPPARD. Very well. I desire to address myself to that amendment.

TILES AND TILING.

The tariff act of 1909, the Payne-Aldrich Act, placed a duty of 4 cents per square foot on plain unglazed tiles, of one color, exceeding 2 square inches in size; on glazed, encaustic, ceramic mosaic, vitrified, semivitrified, flint, spar, embossed, enameled, ornamented, hand-painted, gold decorated, and all other earthenware tiles and tiling, by whatever name known, except pill tiles and so-called quarries, or quarry tiles, valued at not exceeding 40 cents per square foot, a duty of 8 cents per square foot, and where valued at a figure exceeding 40 cents per square foot a duty of 10 cents per square foot and 25 per cent ad valorem; on so-called quarries, or quarry tiles, 45 per cent ad valorem; on mantels, friezes, and articles of every description, composed wholly or in chief value of tiles or tiling, 60 per cent ad valorem.

The tariff act of 1913, the Underwood-Simmons Act, reduced the duty on plain unglazed tiles, of one color, exceeding 2 square inches in size, from 4 cents per square foot to 1½ cents per square foot; on glazed, encaustic, ceramic mosaic, vitrified, semivitrified, flint, spar, embossed, enameled, ornamented, hand-painted, decorated, gold decorated, grooved, and corrugated, and all other earthenware tiles and tiling, except pill tiles and so-called quarries, or quarry tiles, but including tiles wholly or in part of cement, reduced the duty from 8 cents per square foot to 5 cents per square foot; on so-called quarries, or quarry tiles, it reduced the duty from 45 per cent ad valorem to 20 per cent ad valorem; on mantels, friezes, and articles of every description or parts thereof, composed wholly or in chief value of earthenware tiles or tiling, except pill tiles, it reduced the duty from 60 per cent ad valorem to 30 per cent ad valorem.

The tariff bill of 1922, the Fordney-McCumber Act, as passed by the House, placed a duty of 8 cents per square foot, but not less than 35 nor more than 50 per cent ad valorem on tiles—unglazed, glazed, encaustic, ceramic, mosaic, vitrified, semivitrified, flint, spar, embossed, enameled, ornamented, hand painted, gold decorated, grooved, and corrugated, and all other earthenware tiles and tiling by whatever name known, except pill tiles, and so-called quarries or quarry tiles, but including tiles wholly or in part of cement, valued at not more than 40 cents per square foot, and where valued at more than 40 cents per square foot, 38 per cent ad valorem. On so-called quarries or quarry tiles, red or brown in color, it levied a duty of 3 cents per square foot, but not less than 20 per cent ad valorem. On mantels, friezes, and articles of every description, or parts thereof, composed wholly or in chief value of earthenware tiles or tiling, except pill tiles, 38 per cent ad valorem.

The tariff bill of 1922, the Fordney-McCumber Act, as reported to the Senate and now before us, imposes a duty of 8 cents per square foot, but not less than 45 nor more than 60 per cent ad valorem, on tiles—unglazed, glazed, encaustic, ceramic, mosaic, vitrified, semivitrified, flint, spar, embossed, enameled, ornamented, hand painted, gold decorated, grooved or corrugated, and all other earthenware tiles and tiling by whatever name known, except pill tiles and so-called quarries or quarry tiles, red or brown, and measuring seven-eighths of an inch or over in thickness, but including tiles wholly or in part of cement, valued at not more than 40 cents per square foot, and when valued at more than 40 cents per square foot, 50 per cent ad valorem. On so-called quarries or quarry tiles, red or brown, and measuring seven-eighths of an inch or over in thickness, it places a rate of 5 cents per square foot, but not less than 30 per cent ad valorem. On mantels, friezes, and articles of every description, or parts thereof, composed wholly or in chief value of earthenware tiles or tiling, except pill tiles, 50 per cent ad valorem.

Tiles are made of clay and are used for flooring, roofing, and in finishing walls. They contribute in marked degree to the comfort, beauty, utility, and sanitation of the home. They are used in making pipes or conduits for the drainage of land.

It will be seen that the lowest range of duties in the measure I have mentioned is found in the Democratic act of 1913, the Underwood-Simmons Act. And yet it was under that act that the production of tiling in the United States grew from a value of $5,705,583 in 1914 to $10,930,000 in 1920, with exports in the latter year of over $1,000,000 in value; imports having in that same year a value of less than $85,000. Under the Democratic act of 1913 the tiling industry reached a point where it supplied the domestic market and exported a substantial surplus. Imports are so small as to be not even remotely suggestive of competition.

It would strain the human intellect to the breaking point, therefore, to find a reason for the enormous increase in the rates on this important building material in the bill under consideration, rates which rise from less than 2 cents on the commoner forms to 8 cents per square foot, a sweep upward of 400 per cent on the cheaper varieties. Truly our Republican friends are the champion aerialists of tariff legislation. Evidently they mistake the Senate for an aerodrome, the various tariff schedules for airships to be used in contests for the dizziest altitudes, the flight leaders being Pilot McCUMBER and Pilot SMOOT.

Mr. President, it is questionable whether the enormous increases proposed by the Senate bill will not imperil the small amount of revenue derived from these articles under the present law. Inasmuch, however, as revenue is the supreme need of the hour, and inasmuch as the position of this industry makes it independent of protection, I move to substitute the existing rates for those in the bill reported by the Senate Committee on Finance.

Mr. President, I ask for the yeas and nays on the amendment which I have proposed.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). Transferring my pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Texas [Mr. CULBERSON], I vote "yea."

Mr. LODGE (when his name was called). Making the same announcement as to the transfer of my pair, I vote "nay."

Mr. SUTHERLAND (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON]. I transfer that pair to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

The roll call was concluded.

Mr. WATSON of Indiana. Making the same announcement as on the last roll call, I vote "nay."

Mr. BALL. Has the senior Senator from Florida [Mr. FLETCHER] voted?

The PRESIDING OFFICER (Mr. BROUSSARD in the chair). That Senator has not voted.

Mr. BALL. I transfer my pair with the Senator from Florida [Mr. FLETCHER] to the junior Senator from Oklahoma [Mr. HARRELD] and vote "nay."

Mr. CARAWAY. Has the junior Senator from Illinois [Mr. MCKINLEY] voted?

The PRESIDING OFFICER. He has not voted.

Mr. CARAWAY. I have a pair with the junior Senator from Illinois [Mr. MCKINLEY]. I transfer that pair to the Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. JONES of Washington (after having voted in the negative). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent. I have a pair with him for that day. I find, however, that I can transfer that pair to the senior Senator from Iowa [Mr. CUMMINS], which I do, and allow my vote to stand.

Mr. JONES of New Mexico. Making the same announcement as to my pair and transfer, I vote "yea."

Mr. COLT. I have a general pair with the junior Senator from Florida [Mr. TRAMMELL]. I transfer that pair to the Senator from Washington [Mr. POINDEXTER] and vote "nay."

The roll call resulted—yeas 11, nays 35, as follows:

YEAS—11.

Ashurst	Harris	Overman	Shields
Caraway	Harrison	Pomerene	Simmons
Dial	Jones, N. Mex.	Sheppard	

NAYS—35.

Ball	Hale	McCormick	Shortridge
Brandegee	Johnson	McLean	Smoot
Broussard	Jones, Wash.	McNary	Sutherland
Bursum	Kellogg	Moses	Townsend
Calder	Kendrick	Newberry	Wadsworth
Capper	Keyes	Nicholson	Warren
Colt	Ladd	Oddie	Watson, Ind.
Curtis	Lenroot	Pepper	Willis
Gooding	Lodge	Rawson	

NOT VOTING—50.

Borah	Frelinghuysen	New	Stanfield
Cameron	Gerry	Norbeck	Stanley
Crow	Glass	Norris	Sterling
Culberson	Harreld	Owen	Swanson
Cummins	Heflin	Page	Trammell
Dillingham	Hitchcock	Phipps	Underwood
du Pont	King	Pittman	Walsh, Mass.
Edge	La Follette	Poindexter	Walsh, Mont.
Elkins	McCumber	Ransdell	Watson, Ga.
Ernst	McKellar	Reed	Weller
Fernald	McKinley	Robinson	Williams
Fletcher	Myers	Smith	
France	Nelson	Spencer	

The PRESIDING OFFICER. On the amendment offered by the Senator from Texas to the amendment of the committee, the yeas are 11 and the nays are 35. A quorum not being present, the Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Hale	McLean	Smoot
Ball	Harris	McNary	Sutherland
Broussard	Johnson	Newberry	Townsend
Bursum	Jones, Wash.	Nicholson	Wadsworth
Calder	Kellogg	Oddie	Warren
Capper	Keyes	Overman	Watson, Ind.
Caraway	Ladd	Pepper	Williams
Colt	Lenroot	Phipps	Willis
Curtis	McCormick	Rawson	
Ernst	McCumber	Sheppard	
Gooding	McKinley	Shortridge	

The PRESIDING OFFICER. Forty-one Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absent Senators.

The reading clerk called the names of the absent Senators and Mr. GLASS, Mr. HARRISON, Mr. LODGE, and Mr. MOSES answered to their names when called.

Mr. BRANDEGEE and Mr. KENDRICK entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-seven Senators have answered to their names. There is not a quorum present.

Mr. MCCUMBER. I move that the Sergeant at Arms be directed to request the presence of absent Senators.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Dakota.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will carry out the instructions of the Senate.

Mr. DIAL and Mr. POMERENE entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. A quorum of the Senate is present. The Secretary will call the roll on the amendment proposed by the Senator from Texas [Mr. SHEPPARD] to the amendment proposed by the committee.

The reading clerk proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as before with regard to the transfer of my pair, I vote "nay."

Mr. JONES of Washington (when his name was called). Making the same announcement as before, I vote "nay."

Mr. LODGE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. NEW (when his name was called). Making the same announcement as before, I vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as before, I vote "nay."

The roll call was concluded.

Mr. ERNST. Making the same announcement as before, I vote "nay."

Mr. GLASS. Making the same announcement as heretofore, I vote "yea."

Mr. JONES of New Mexico. Making the same announcement as on the previous roll call as to the transfer of my pair, I vote "yea."

Mr. BALL. I transfer my pair with the Senator from Florida [Mr. FLETCHER] to the Senator from Missouri [Mr. SPENCER] and will vote. I vote "nay."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH].

The result was announced—yeas 11, nays 40, as follows:

YEAS—11.

Ashurst	Glass	Overman	Shields
Caraway	Harris	Pomerene	Simmons
Dial	Jones, N. Mex.	Sheppard	

NAYS—40.

Ball	Hale	McCumber	Phipps
Brandegee	Johnson	McKinley	Rawson
Broussard	Jones, Wash.	McLean	Shortridge
Bursum	Kellogg	McNary	Smoot
Calder	Kendrick	Moses	Sutherland
Capper	Keyes	New	Townsend
Colt	Ladd	Newberry	Wadsworth
Curtis	Lenroot	Nicholson	Warren
Ernst	Lodge	Oddie	Watson, Ind.
Gooding	McCormick	Pepper	Willis

NOT VOTING—45.

Borah	Frelinghuysen	Norris	Sterling
Cameron	Gerry	Owen	Swanson
Crow	Harreld	Page	Trammell
Culberson	Harrison	Pittman	Underwood
Cummins	Heflin	Poindexter	Walsh, Mass.
Dillingham	Hitchcock	Ransdell	Walsh, Mont.
du Pont	King	Reed	Watson, Ga.
Edge	La Follette	Robinson	Weller
Elkins	McKellar	Smith	Williams
Fernald	Myers	Spencer	
Fletcher	Nelson	Stanfield	
France	Norbeck	Stanley	

So Mr. SHEPPARD'S amendment to the amendment of the committee was rejected.

Mr. SHEPPARD. I now move to strike out the remainder of the paragraph as reported by the committee, and to insert the language which I send to the desk, the remainder of the paragraph after the words "ad valorem," on line 4.

Mr. SMOOT. Mr. President, is that motion in order?

The PRESIDING OFFICER. The last amendment proposed by the Senator from Texas does not affect the previous amendment, and the amendment of the committee is now before the Senate.

Mr. SMOOT. The Senator can offer that amendment after the committee amendments are agreed to.

The PRESIDING OFFICER. The question is on the amendment proposed by the committee on page 32, line 3.

The amendment was agreed to.

The ASSISTANT SECRETARY. The Senator from Texas now proposes, after the words "ad valorem" and after the semicolon on line 4, to strike out the remainder of the paragraph, all down to and including line 12, and to insert in lieu thereof the following words:

So-called quarries or quarry tiles, 20 per cent ad valorem; mantles, friezes, and articles of every description or parts thereof, composed wholly or in chief value of earthenware tiles or tiling, except pill tiles, 30 per cent ad valorem.

Mr. SHEPPARD. That is the existing law; and on that amendment I ask for the yeas and nays.

Mr. SMOOT. Technically, of course, the Senator can not offer that amendment at this time.

Mr. SHEPPARD. Why not?

Mr. SMOOT. Because of the fact that there are a number of items stricken out that are in the bill, and there is no amendment on the part of the committee to those items, and the committee amendments are to be considered first, but after the committee amendments are disposed of the Senator can offer his amendment.

Mr. SHEPPARD. Would that be held to be an amendment in the third degree?

Mr. SMOOT. I do not mean now; I mean after the committee amendments in the whole bill are agreed to.

Mr. ASHURST. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Arizona?

Mr. SMOOT. I do.

Mr. ASHURST. I do not want to discuss the amendment, but I simply want to find out the parliamentary status. A unani-

mous-consent agreement, then, has been entered into to consider committee amendments first, has it?

Mr. SMOOT. Yes.

Mr. ASHURST. And it would not be in order to attempt to amend the text?

Mr. SMOOT. Not until the committee amendments are agreed to.

Mr. ASHURST. But, of course, even under that agreement the Senator is at liberty to move to amend the committee amendments.

Mr. SMOOT. Oh, certainly; but that is not what the Senator is doing. The Senator is striking out, for instance, "mantles, friezes, and articles of every description, or parts thereof." There is no amendment to that.

Mr. ASHURST. Oh, I see; he is striking out the text.

Mr. SMOOT. He is striking out the text and substituting the existing law.

Mr. ASHURST. But he could move an amendment in order on line 5 and line 9.

Mr. SMOOT. Oh, certainly.

Mr. ASHURST. And all of lines 10, 11, and 12.

Mr. SMOOT. As to the rates, that is true.

Mr. SHEPPARD. As the Senator says, technically, of course, the amendment can not be offered in the shape in which I have offered it; but in order to present the issue I ask unanimous consent to offer it in that way. If that is not granted, I will simply move to amend the committee amendment by substituting "20" instead of "50."

Mr. SMOOT. I think the best way to do is to proceed under the unanimous-consent agreement, as we have on all of the other paragraphs that have been disposed of, and of course when the committee amendments are disposed of this amendment can be offered. I think it would be better to follow that course in this instance, too.

Mr. SHEPPARD. Then I ask to have the next committee amendment stated.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment of the committee was, in paragraph 202, relative to tiles, on page 32, line 5, to strike out "38" and insert in lieu thereof "50," so as to read:

Valued at more than 40 cents per square foot, 50 per cent ad valorem.

Mr. SHEPPARD. I move to amend by substituting "20" for "50," and on that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. POMERENE. Before the vote is taken I desire to say that I was out at my dinner while a part of this paragraph was passed over, or perhaps was being considered, and I want to ask one of the Senators in charge of the bill a question with regard to the earlier part of the paragraph. On page 31, line 23, after the words "so-called quarries or quarry tiles," are the words "red or brown, and measuring seven-eighths of an inch or over in thickness." Why is this amendment limited to the two colors, red and brown?

Mr. SMOOT. The reason for that is that if we do not make it red or brown specifically, then artificial colors could be put in and simply take a higher rate because of the artificial color. The red and the brown are the natural colors of the clay, and that is all we want to go by.

Mr. POMERENE. They are the natural colors of certain clays. They are not the natural colors of all clays.

Mr. SMOOT. That is true.

Mr. POMERENE. I was not expecting the matter to come up at this particular time, but some months ago some people came to talk to me about this subject, and my impression is that that was one of the objections to the amendment. It picks out the tiles of certain concerns which manufacture the red or brown tile, when there may be other varying colors. The color of the tile when it is finally burned depends in large part on the chemical elements which are in the clay, and why they should make special favorites of those who manufacture either red tiles or brown tiles when there might be intermediate colors I have not been been able to comprehend.

Mr. SMOOT. If the Senator will wait just a moment I will call his attention to a decision which was made upon this very point.

Mr. POMERENE. If this matter has not already been passed upon, I should like to have it go over until I can have an opportunity to examine my file.

Mr. SMOOT. If the Senator makes the request, of course I will not object, but will consent to let it go over for the present, until the Senator can get his file.

Mr. POMERENE. I will not be able to do that to-night.

Mr. SMOOT. We can take it up the first thing in the morning.

Mr. POMERENE. I will try to have that done.

Mr. SMOOT. I ask unanimous consent that the vote by which the amendment on page 31, line 23, was agreed to may be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMOOT. I ask that that amendment be passed over.

The PRESIDING OFFICER. It will be passed over. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. SHEPPARD], on page 32, line 8, to the amendment of the committee. The yeas and nays have been ordered and the roll will be called.

The Assistant Secretary proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as on the last vote, I vote "nay."

Mr. FRELINGHUYSEN (when his name was called). I transfer my pair with the senior Senator from Montana [Mr. WALSH] to the junior Senator from Missouri [Mr. SPENCER] and vote "nay."

Mr. HARRISON (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "yea."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as on the previous vote, I vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement with reference to my pair and its transfer, I vote "nay."

Mr. LODGE (when his name was called). Making the same announcement as before in regard to my pair and its transfer, I vote "nay."

Mr. NEW (when his name was called). Making the same announcement as to my pair that I made on the previous vote, I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as on the last roll call, I vote "nay."

The roll call was concluded.

Mr. BALL (after having voted in the negative). I understand my pair, the senior Senator from Florida [Mr. FLETCHER], has not voted.

The PRESIDING OFFICER. That Senator has not voted.

Mr. BALL. I transfer my pair to the junior Senator from Oklahoma [Mr. HARREID] and allow my vote to stand.

Mr. ERNST. Making the same announcement as before, I vote "nay."

The result was announced—yeas 12, nays 40, as follows:

YEAS—12.

Ashurst	Harris	Overman	Sheppard
Caraway	Harrison	Pomerene	Shields
Dial	Jones, N. Mex.	Robinson	Simmons

NAYS—40.

Ball	Gooding	McCumber	Phipps
Brandegee	Hale	McKinley	Rawson
Broussard	Johnson	McLean	Shortridge
Bursum	Jones, Wash.	McNary	Smoot
Calder	Kellogg	Moses	Sutherland
Capper	Kendrick	New	Townsend
Colt	Keyes	Newberry	Wadsworth
Curtis	Ladd	Nicholson	Warren
Ernst	Lenroot	Oddie	Watson, Ind.
Frelinghuysen	Lodge	Pepper	Willis

NOT VOTING—44.

Borah	France	Nelson	Stanfield
Cameron	Gerry	Norbeck	Stanley
Crow	Glass	Norris	Sterling
Culberson	Harreld	Owen	Swanson
Cummins	Heflin	Page	Trammell
Dillingham	Hitchcock	Pittman	Underwood
du Pont	King	Poindexter	Walsh, Mass.
Edge	La Follette	Ransdell	Walsh, Mont.
Elkins	McCormick	Reed	Watson, Ga.
Fernald	McKellar	Smith	Weller
Fletcher	Myers	Spencer	Williams.

So Mr. SHEPPARD's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment proposed by the committee.

The amendment was agreed to.

The next amendment of the committee was, on page 32, line 8, to strike out "38" and insert "50," so as to read:

Except pill tiles, 50 per cent ad valorem.

The amendment was agreed to.

The next amendment of the committee was, on page 32, line 9, to strike out the words "brown in color, 3 cents per square foot, but not less than 20," and insert "brown, and measuring seven-

eighths of an inch or over in thickness, 5 cents per square foot, but not less than 30," so as to read:

So-called quarries or quarry tiles, red or brown, and measuring seven-eighths of an inch or over in thickness, 5 cents per square foot, but not less than 30 per cent ad valorem.

Mr. POMERENE. This raises, perhaps, the same question which was involved before. I ask that the amendment may go over.

Mr. SMOOT. I have no objection to its going over.

The PRESIDING OFFICER. Without objection, this amendment will be passed over, and the Secretary will state the next amendment.

The next amendment of the committee was, in paragraph 203, page 32, line 14, to strike out the numeral "100" and to insert "one hundred" in italics.

The amendment was agreed to.

The next amendment of the committee was, on page 32, line 17, to strike out "17" and insert "20," so as to read:

Other cement, not specially provided for, 20 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I want to make a statement at this stage of the procedure. We were notified on yesterday that the bill would be taken up in a certain order, and I was furnished with a copy of that order. No one expected we would go ahead and reach the earthenware schedule to-day. The Senator from Arkansas [Mr. ROBINSON] was prepared to take up paragraph 201 and the Senator from Texas [Mr. SHEPPARD] paragraph 202 of the earthenware schedule, but no one expected that that schedule would be reached to-day. We thought we would go ahead with the items which have been passed over in the first schedule.

Mr. SMOOT. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from Utah.

Mr. SMOOT. I want to say to the Senator from New Mexico that the junior Senator from Utah [Mr. KING] had to go to Chicago. He desired that the item should go over until his return. He made a special request to that effect. We can return to zinc oxide if the Senator is ready to proceed with that.

Mr. JONES of New Mexico. I am ready to proceed with that item.

Mr. SMOOT. I have no objection to returning to zinc oxide and proceeding with the consideration of that item. I will say to the Senator that the other matters were passed over because of the request made by the junior Senator from Utah, who stated that he had to leave the city, that he had an engagement in Chicago, and would not be back until Monday morning.

Mr. JONES of New Mexico. I did not know that the request applied to all the passed-over items. I thought it applied only to the dye embargo provisions and the duties on dyes and the related items.

Mr. SMOOT. The junior Senator from Utah especially mentioned that subject, but I understood him to say when he left that he desired the items which had been passed over to go over until Monday because he could not be in attendance before that time. If the Senator from New Mexico will take the responsibility and answer to the junior Senator from Utah for the promise that was made to him, he can call up any item that he desires.

Mr. JONES of New Mexico. I suppose there is no objection to taking up the first paragraph of the second schedule then?

Mr. ROBINSON. The first paragraph of that schedule was passed over because of the absence from the Chamber of the Senator from Idaho [Mr. GOODING].

Mr. SMOOT. That is correct.

Mr. ROBINSON. That Senator is now present and if he is ready and desires to do so, I know of no reason why the Senate should not proceed with that item.

Mr. CURTIS. I think the Senator from Arkansas must have misunderstood the chairman of the committee. The intention was to have a further hearing before the Committee on Finance in the morning.

Mr. ROBINSON. The chairman of the committee did say that the junior Senator from Idaho had presented to the committee some matter touching the brick paragraph and had not concluded it. He did not say when it was expected the matter would be concluded, but I think perhaps it is true that the Senator from North Dakota did not expect to proceed with the paragraph to-night. However, I am merely announcing that I am ready to proceed with it, and if Senators on the other side are ready there is no reason why we should not go ahead with it.

Mr. GOODING. Mr. President, I asked the chairman of the committee to give me a hearing on the brick paragraph to-morrow morning, which he promised to do, and I would like to have the item go over for that reason.

The PRESIDING OFFICER. The understanding of the Chair was that paragraph 201, fire brick, has been passed over.

Mr. ROBINSON. It was passed over, but no definite time for its consideration was fixed.

The PRESIDING OFFICER. That is true.

Mr. ROBINSON. If anyone insists that it shall go over, I do not insist upon proceeding with it now. I merely announced that we are ready to go on with it if the others are, but the Senator from Idaho has stated that he wants to take up the matter again before the committee in the morning, so I presume that will carry it over.

The PRESIDING OFFICER. The previous arrangement then remains unchanged and the item will be passed over.

Mr. SMOOT. I am perfectly willing to take up paragraph 8, antimony, which was passed over, if the Senator desires to do so, but I wish to be frank with the Senator from New Mexico and say that I understood the junior Senator from Utah to ask that those items which had been passed over should not be taken up in his absence. I may be mistaken and the Senator from New Mexico may be correct, but the junior Senator from Utah specifically mentioned paragraphs 25 and 26 and wanted those two paragraphs to go over entirely until we take up the embargo. I understood that he wanted those items which have been passed over to go over until his return, but I may be mistaken.

Mr. SIMMONS. Mr. President, as I understood the junior Senator from Utah, he wanted the embargo question to go over, but I did not understand him as asking that all these items should go over and await his return.

Mr. SMOOT. Then I ask that we take up paragraph 7, ammonium carbonate and bicarbonate.

The PRESIDING OFFICER. Let us come to some understanding about paragraph 203, cement. Is the Chair to understand that by agreement the amendment on line 13, page 32, is passed over?

Mr. SMOOT. No one has asked that that be passed over.

The PRESIDING OFFICER. The Chair understood the Senator from New Mexico [Mr. JONES] to ask that it be passed over.

Mr. JONES of New Mexico. That involves the question of Portland cement.

Mr. SMOOT. No; not at all. Portland cement has nothing to do with that amendment.

Mr. JONES of New Mexico. Does not the amendment in line 17, page 32, cover Portland cement?

Mr. SMOOT. That is "other cements, not specially provided for." On Portland cement a rate of only 5 cents per 100 pounds is proposed by the committee.

Mr. UNDERWOOD. But they are all in the same paragraph.

The PRESIDING OFFICER. The pending question is on the amendment in line 17, page 32.

Mr. SMOOT. And that does not touch Portland cement at all.

Mr. JONES of New Mexico. The whole matter ought to be discussed together before we decide upon that part of it.

Mr. SIMMONS. That is, other cements than Portland cement?

Mr. SMOOT. Yes.

Mr. SIMMONS. When that amendment is voted upon, there will be a motion offered, I suppose, to adopt the paragraph, will there not?

Mr. SMOOT. Certainly; that is, the amendment is all there is in the paragraph which has not been agreed to.

The PRESIDING OFFICER. May the Chair interject that it is not the practice in the Senate to move to adopt a paragraph but merely to agree to the amendment in a paragraph.

Mr. SIMMONS. So I supposed, the motion being simply to agree to the amendment.

Mr. SMOOT. That is all.

The PRESIDING OFFICER. That, the Chair will state for the information of the Senator from North Carolina, is the pending question.

Mr. SIMMONS. I understand what the pending question is.

The PRESIDING OFFICER. Is it agreed that that amendment shall be passed over?

Mr. SMOOT. No; it is not.

Mr. SIMMONS. I will state the only reason why I ask that it be passed over. I am willing to go on with it myself right now, and ready to discuss it if the Senator from Utah wants to discuss it, but I wish to say that the Senator from Nebraska [Mr. HITCHCOCK] has been investigating the matter and desires to discuss it. He is unfortunately unable to be here to-night.

Mr. SMOOT. All the cement which falls under the amendment in that paragraph is some special kind of cement, generally with a trade-mark. It does not touch Portland cement

at all. It involves cements in little cans, with trade-marks, or some special kind of cement.

Mr. SIMMONS. What are the cements used for which are included in the amendment?

Mr. SMOOT. Does the Senator mean those "not specially provided for"?

Mr. SIMMONS. How are they designated and what are they used for? I know Portland cement and Roman cement are used in house building and road construction.

Mr. SMOOT. These cements are used more as pipe cements than anything else. They are higher priced, and they are generally put up in little packages, although some are not. It has no more reference to Portland cement than cement has to lime.

Mr. SIMMONS. I suppose that is true. It is not Portland cement and it is not Roman cement. I do not know exactly what it is. I do not know the use of it. I do not know the kinds. For some reason I take it the Senator from Nebraska [Mr. HITCHCOCK] has some objection to this amendment.

Mr. SMOOT. He might have some objection to the rate of 5 cents a pound on Portland cement, but that is not up for discussion at this time.

Mr. SIMMONS. And the Senator probably knew that it was not up for discussion, because the committee only changed the numerals "100" to the words "one hundred." There could be no objection to that. I assume the other item is the only matter the Senator from Nebraska intends to discuss. However, if the Senator from Utah desires to take it up in his absence I have nothing to say.

Mr. SMOOT. This is all that I would suggest——

Mr. SIMMONS. I notice that the Senator from Utah has been very liberal in putting over matters for Senators on the other side of the Chamber who do not happen to be here to-night or whose convenience will be advanced or promoted by putting the items over.

Mr. SMOOT. Mr. President, that is not a fair statement.

Mr. SIMMONS. I withdraw it if the Senator thinks it is unfair.

Mr. SMOOT. I requested a moment ago, and the Senator must have heard me, that all of this paragraph should go over on the request of a Democratic Senator, and I am perfectly willing that it shall go over.

Mr. SIMMONS. I withdraw the statement if the Senator says it is unjust. I did not hear him when he made that request. If the Senator from Utah is going to get angry, of course I will have to withdraw it.

Mr. SMOOT. I am going to say this much further to the Senator, that if we act upon this amendment to-night, which I hope we will, because it does not amount to anything—I am referring to the amendment we have up now—and if the Senator from Nebraska when he returns wants to open up the item for discussion I shall ask unanimous consent that the vote by which the amendment was agreed to shall be reconsidered, and the Senator then can make any kind of statement upon it he sees fit, just as if it had never been acted upon.

The PRESIDING OFFICER. The Chair understands the Senator from Utah to object to the unanimous-consent request to pass over this amendment at the present time. The question is upon agreeing to the amendment proposed by the committee.

Mr. SIMMONS. Mr. President, I do not propose to discuss this item to-night myself, but I offer an amendment to reduce the amount specified in the committee amendment from 20 per cent to 10 per cent.

The PRESIDING OFFICER. The amendment proposed by the Senator from North Carolina to the amendment of the committee will be stated.

The ASSISTANT SECRETARY. On page 32, line 17, in lieu of the numerals "20" proposed to be inserted by the committee, the Senator from North Carolina proposes to insert "10," so as to read:

Other cement, not specially provided for, 10 per cent ad valorem.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from North Carolina to the committee amendment.

Mr. SIMMONS. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. BALL (when his name was called). Making the same announcement as on the previous vote with reference to my pair and its transfer, I vote "nay."

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HARRISON (when his name was called). Making the same announcement as on the previous vote, I vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement as before, I vote "nay."

Mr. NEW (when his name was called). Making the same announcement as on the previous vote, I vote "nay."

The roll call was concluded.

Mr. WATSON of Indiana. Making the same announcement as heretofore, I vote "nay."

Mr. COLT. Making the same announcement as heretofore, I vote "nay."

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Vermont [Mr. DILLINGHAM] with the junior Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH].

The result was announced—yeas 12, nays 42, as follows:

YEAS—12.

Caraway	Harrison	Pomerene	Shields
Dial	Jones, N. Mex.	Robinson	Simmons
Harris	Overman	Sheppard	Underwood

NAYS—42.

Ball	Hale	McKinley	Rawson
Brandegee	Johnson	McLean	Shortridge
Broussard	Jones, Wash.	McNary	Smoot
Bursum	Kellogg	Moses	Sutherland
Calder	Kendrick	New	Townsend
Capper	Keyes	Newberry	Wadsworth
Colt	Ladd	Nicholson	Warren
Curtis	Lenroot	Norbeck	Watson, Ind.
Ernst	Lodge	Oddie	Willis
Frelinghuysen	McCormick	Pepper	
Gooding	McCumber	Phipps	

NOT VOTING—42.

Ashurst	Fletcher	Nelson	Stanley
Borah	France	Norris	Sterling
Cameron	Gerry	Owen	Swanson
Crow	Glass	Page	Trammell
Culberson	Harreld	Pittman	Walsh, Mass.
Cummins	Heflin	Poindexter	Walsh, Mont.
Dillingham	Hitchcock	Ransdell	Watson, Ga.
du Pont	King	Reed	Weller
Edge	La Follette	Smith	Williams
Elkins	McKellar	Spencer	
Fernald	Myers	Stanfield	

So the amendment of Mr. SIMMONS to the committee amendment was rejected.

The PRESIDING OFFICER. The question recurs on the amendment proposed by the Committee on Finance.

Mr. UNDERWOOD. Mr. President, I propose to detain the Senate but for a moment in reference to the pending paragraph. I stated the other day that when the present law was written an earnest effort was made by those who drafted the bill to provide so far as possible untaxed material for the building of the homes of America; and I pointed to the fact that in writing that bill shingles and lumber had been put on the free list; that the tax on paints had been very greatly lessened; and that on almost everything else that went into the homes or into the schoolhouses the tax had been entirely removed or greatly reduced.

I realize that those who believe in a protective-tariff system see no reason why there should be discrimination in favor of the citizens when tariff taxation is levied or in the purposes for which it is levied. That is the distinct line of demarcation between those who believe in the character of law that is now on the statute books and those who frame a protective-tariff measure.

Of course there is only one amendment now pending to this paragraph, as the Senate committee agree with the House of Representatives in reference to Portland, Roman, and other hydraulic cements. The only amendment which the Senate committee have proposed to the paragraph as it came from the other House is to increase the tax on cements other than Roman, Portland, and other hydraulic cements. I must say that the item on which the committee have increased the tax imposed in the bill as it came from the other House is of minor importance; but that is not true as to the item in which they agreed with the House bill and left a 5-cent tax on every 100 pounds of building cement which is introduced into the United States.

Under the agreement as to the consideration of this bill the amendments proposed by the Committee on Finance must be considered before there is any opportunity to offer amendments as to the remainder of the schedule. So, Mr. President, we are prevented from making any motion in reference to this important item except as to a minor subdivision; but, Mr. President, the proposed duty on Roman cement and Portland cement shows how far the majority members of the committee may go

in trying to protect special interests in this country when such protection is absolutely unnecessary.

Everybody knows that the great equation incident to the distribution of cement is transportation; that the cost of making cements is a minor consideration compared to the cost of transportation.

I recall that at one time when I was a Member of the House of Representatives the question of building the great Roosevelt Dam near Phoenix, Ariz., arose. The project had been agreed upon and the appropriation was made, or the money had been allocated for that purpose; but when the engineers of the Government started to build that dam they found that all the cement manufacturers in the United States had entered into a combination and fixed the price of cement, for they knew that an immense amount of cement was going to be used in the construction of that dam. They put up the price on the American people and on the Government and on the homesteaders in the Salt River Valley, who ultimately had to pay for the dam. The railroads also at the same time put up their cost of transportation. The result of the concerted move on the part of the manufacturers of cement and the railroads was that the Government engineers went to the site of the location of the dam and there easily found a cement rock; and, instead of paying the exorbitant price that this combination proposed to impose on the Government, the burden of which ultimately would have been imposed on the farmers and homesteaders of the Salt River Valley for the cost of the dam, the Government built its own cement factory to make cement merely for the purpose of building the dam, and scrapped the factory when the dam was built, thereby saving one-half the cost of the amount which otherwise they would have paid for the cement. There is hardly a State in the Union that has not cement rock. The cost of preparing the rock for the manufacture of cement is not great, but the real question is one of transportation.

Mr. President, there may be a few points at the borderline of our country where the foreign manufacturer of cement may cross and compete with the American manufacturer just across the line, but it is only within a very narrow margin; yet, in order to protect those few individuals, those few places right along the borderline—for the foreign cement on account of its weight and the freight rate can not enter the country to any distance—the Committee on Finance now proposes to take cement off the free list, where it is now untaxed, and put a tax of 5 cents per 100 pounds or $1.10 a ton on every ton that comes through the customhouse. Of course, there will be very little come through the customhouse; but this proposed legislation will build up a wall to allow the cement manufacturers within the country to level tribute to that extent on the American people. The proposed tax is not necessary. Keeping cement on the free list would not destroy an American industry. The imposition of the tax is not going to protect labor; it is nothing in the world but an effort of the Finance Committee to try to collect money from the pockets of the mass of the people and to take that money and put it into the coffers of the few special producers of cement.

There is to-day no more important article to the home life and business life and hygiene of America than cement. Millions of tons of it go into the roads over which the children are transported to school in automobiles.

Mr. SIMMONS rose.

Mr. UNDERWOOD. I will yield to the Senator from North Carolina in just a moment.

The works in every drainage district are made with cement; cement is the foundation of almost every house; the lining of wells to protect them from infection is now made of cement, and not of brick. Now I yield to the Senator from North Carolina.

Mr. SIMMONS. I have just gotten some data here that I wish to furnish the Senator in connection with the argument he has just made.

In 1920 I find that there was produced in this country 100,000,000 barrels of cement, the unit value of which—that is, the barrel—was $2.02. When the war began it was selling for about 85 or 86 cents. The imports in 1920 were only about half a million barrels. In 1921 the imports were only 120,000 barrels. The exports in 1920 were 2,985,807 barrels. The percentage of imports to domestic production is just about one-half of 1 per cent.

Mr. UNDERWOOD. I did not have an opportunity to see the figures before I started to make my discussion, but I know that what the Senator has just said is true, because I examined it years ago—that the imports coming into this country amount to one-half of 1 per cent and the exports about equal the imports.

Mr. SIMMONS. No; the exports for 1921 were 1,181,024 barrels. The imports were only 121,000 barrels; so the Senator will see that it is eight or ten times as much.

Mr. UNDERWOOD. Oh, yes—121,000 barrels. Then, the imports do not equal one-half of 1 per cent—not nearly—and the exports are as much as 1 per cent of the American production; so that the exports going out of this country exceed the imports coming in several times over, and yet all of them are infinitesimal in proportion to the American production.

Mr. SIMMONS. Nearly ten times over.

Mr. UNDERWOOD. A hundred times. The American production is more than a hundred times greater than the imports.

Mr. SIMMONS. Oh, yes; several hundred times greater.

Mr. UNDERWOOD. So that if you are going to have any tariff at all to produce revenue for the Government, you can not disturb that situation without damming out all of it. The result is that except possibly at some little corner of the United States not a barrel of Portland cement will come into this country, and yet you are going to erect an impregnable wall, behind which special interests may flourish to levy their tribute on the foundations of the home, the cellars of the people, the great roads of the country, and every other useful enterprise that needs cement.

Mr. President, I suppose it is utter folly to talk to the gentlemen who have charge of this bill with the idea that they will change their language one iota; but if there is any tax in this bill that is not justified from a revenue standpoint, because it will produce only an infinitesimal amount of revenue, or from a protective standpoint, unless somebody along the borderline has to be wet nursed in order that honest competition can not come in in connection with him, it is this paragraph of the bill. There is no justification whatever for it.

Mr. McCUMBER. Mr. President, I want first to correct one statement made by the Senator. He says that the committee has increased the duty. The House bill called for a duty of 17 per cent ad valorem.

Mr. UNDERWOOD. The Senator will please put me correctly before he starts to correct me. I said that you had increased the duty over the present law. This article is on the free list under the existing law.

Mr. McCUMBER. Then I misunderstood the Senator.

Mr. UNDERWOOD. That is what I said.

Mr. McCUMBER. I desire to state, however, that compared with the House bill we have reduced it, so that it is not even half of what the House bill would be at 17 per cent upon the American valuation.

I desire to say further, Mr. President, that this affects only the production along the Canadian line. It probably will not affect the price at all at other points in the United States. Canada has a duty of 11 cents a hundred; and if the American along the Canadian line desires to ship cement into Canada he must pay 11 cents for every hundred pounds, while under the present law the Canadian would ship into the United States freely. Of course, neither of them will ship very far on account of the freight rates; but it does affect, and affect disadvantageously, the American producer along the Canadian line.

The duty is a very small one, and I think it should be sustained.

Mr. POMERENE. Mr. President, I desire to ask the Senator from North Dakota a question. What duty is charged by the Canadian Government?

Mr. McCUMBER. Eleven cents per hundred pounds.

Mr. POMERENE. That is against the importation of our cement?

Mr. McCUMBER. Portland cement; yes.

Mr. POMERENE. I notice that in the Summary of Tariff Information which is presented here this significant statement is made:

> The bulk of the increase—

That is, since the armistice—

> is Canadian cement from plants located near the border. The Canadian industry is expanding and will be of increasing importance in the domestic market.

But this is added:

> Most Canadian plants operate at a disadvantage, however, since fuel must, in most cases, be imported from the United States.

That is the situation with regard to cement. I simply want to add this further statement:

Cement is produced all through our section of the country, and I do not know of what particular benefit this tariff would be to them. Of course, like everything else, if they can get a tariff I assume that they want it.

Mr. SMOOT. Mr. President, just for the RECORD, I want to state the reason for the Government building a cement plant

at the Roosevelt Dam. The Senator from Alabama, I think, was a Member of the House then, and I was a Member of the Senate. It was figured that the freight rate on the cement from the nearest factory that could furnish the cement to that dam would amount to more than the building of the whole plant.

Mr. UNDERWOOD. I will say to the Senator that what I said I said advisedly, because I was on the committee that acted on the question, and I know that we had hearings, and it was shown there that the cement operators had gone into a combination and put the price up on the Government, and so had the railroads.

Mr. SMOOT. I am not disputing that, because I do not know anything about the combination of the cement industry; but I know that it was shown that the railroad freights alone on the cement from the closest cement factory to the Roosevelt Dam would have amounted to more than the building of a cement plant, and of course it was a very splendid thing for the Government to do.

Mr. UNDERWOOD. Certainly; and that being the case, showing that this question is governed by freight rates, your committee, where there is no necessity to put this in here to protect an American industry throughout the country unless you want to play favorites right on the border, put it in here so that they may have this to hide behind.

Mr. SMOOT. The Senator is right as far as 90 per cent of the cement manufacturers in the United States are concerned, and perhaps more than that. It is only a question here of the people along the border in Canada. That is all that will ever be affected.

Mr. UNDERWOOD. Yes; just a few favorites here.

Mr. SMOOT. I do not think they are favorites. I think it is a condition that exists; and, of course, they can have a cement factory in one place from which we can ship cement into Canada because of the freight rate. The Senator is right on the question of cement; it is a freight question. Some of that cement is manufactured in some of our cities and shipped into Canada, with a duty of 11 per cent. Why? Not because Canada can not furnish it, but because of the fact that the freight rate is more than the 11 per cent itself to the point at which they want to use the cement.

Mr. ROBINSON. Mr. President, referring to the statement made by the Senator from Alabama [Mr. UNDERWOOD] as to the condition of the cement business at the time of the construction of the Roosevelt Dam, much evidence exists to establish the conclusion that that condition has not materially changed. The cement business is controlled by an organization of the industry which constitutes a monopoly.

The Senator from New York [Mr. CALDER] this morning put into the RECORD a portion of the report of a legislative investigating committee in that State touching housing conditions, commonly known as the Lockwood committee. That committee in its intermediate report discusses at some length, on page 86, what it designates as the cement combination.

The Lockwood committee declares that throughout the eastern district of the United States, and in fact throughout the entire country, the business is controlled by what is known as the Cement Manufacturers' Protective Association. The eastern branch of the business, it is stated, is in the hands of 19 manufacturers who are associated under the title of the Cement Manufacturers' Protective Association, the largest producers being the Atlas Cement Co., the Lehigh Portland Cement Co., and the Alpha Portland Cement Co. It is stated in the report to which I have referred that the aggregate business of the group just mentioned exceeded 50,000,000 barrels per year at the time of the investigation. The eastern organization was connected by the most intimate affiliation and exchange of detailed information with two other organizations in different sections of the country. The report set forth that at fixed times these groups, representing the various sections of the United States, exchanged all the information or data which they possessed concerning every transaction in the business, the result of which was to bring about uniformity of trade conditions and uniformity of prices throughout the United States; and that combination is designated by the committee as one of the most flagrant and dangerous monopolies in the building industry.

The committee report proceeds to detail the manner in which this combination was effected and carried out. It states:

> A complex reporting system for the purpose of controlling prices maintained by the eastern association required each member to make a daily report to the association of all business done by that member. These reports were exchanged daily between all the members of the organization, each being obliged to report on a form card every contract closed. These cards were mimeographed and immediately sent to every other member of the organization. Besides this daily disclosure and exchange of the business of each other to each and all of the others, the association issued bulky quarterly printed books or bulletins specifying every contract made by each member for specific job work with all the details of the contract. Each of the three associations covering various sections of the country had the same system and exchanged such information.
>
> A comparison of the voluminous quarterly-yearly reports shows absolute uniformity of price in any given period. There were wide fluctuations in the price of cement between 1915 and 1919, but it fluctuated constantly upward, and when there were price changes they were uniform and instantaneous with mathematical precision.

The testimony of the vice president of one of the companies in the combination known as the Cement Manufacturers' Protective Association, namely, the vice president of the Alpha Portland Cement Co., touching upon the point of uniformity of prices, made this statement quoted in the Lockwood report at page 87:

> I don't know of any variation between the price of my closest competitor and myself to the extent of 1 cent a barrel at any time in two years.

That declaration of fact is conclusive evidence that the condition described by the Senator from Alabama as existing some time ago was true as to conditions at the time this committee made its investigation and submitted its report. It shows conclusively that the cement business is controlled absolutely, both as to trade conditions and prices.

The Lockwood committee report proceeds:

> The uniform advances in the market price of cement by this combination and the dates of changes in price are shown by reference to the manufacturers' prices in New York City up to November 1, 1920, which were as follows.

Now, listen to these figures relating to prices of cement, and the uniform and very great advances beginning with January 1, 1920, when the price per barrel was $2.65. The price per barrel on the respective dates is stated as follows:

March 29	$2.75
April 7	2.95
April 23	3.35
June 18	3.65
July 13	3.90
October 4	4.09

Mr. DIAL. Mr. President——

The PRESIDING OFFICER (Mr. FRELINGHUYSEN in the chair). Does the Senator from Arkansas yield to the Senator from South Carolina?

Mr. ROBINSON. I yield.

Mr. DIAL. Does the Senator mean that that is the average price, or did it all go up at the same time?

Mr. ROBINSON. I mean that according to this record they all advanced at the same time. To quote the language of the president of the Alpha Portland Cement Co.:

> I do not know of any variation between the price of my closest competitor and myself to the extent of 1 cent a barrel at any time in two years.

Mr. DIAL. It sounds very much like a conspiracy, does it not?

Mr. ROBINSON. Beyond any doubt, if that evidence is to be accepted as reliable, it is a trust within the meaning of the Sherman antitrust law and ought to be proceeded against under that statute.

Mr. DIAL, Mr. HITCHCOCK, and Mr. CALDER rose.

The PRESIDING OFFICER. Does the Senator from Arkansas yield; and if so, to whom?

Mr. ROBINSON. I yield first to the Senator from South Carolina, who rose first.

Mr. DIAL. Notwithstanding all that, the United States Government is one of the largest consumers of cement, indirectly, through the States in building bridges and constructing highways.

Mr. ROBINSON. Yes; it is.

Mr. DIAL. Our taxes go very largely for those activities.

Mr. ROBINSON. To pursue the suggestion which the Senator from South Carolina has just made, public works which require the use of Portland cement are in process of construction throughout the United States on behalf of States, counties, and other governmental subdivisions.

Mr. DIAL. And the National Government contributes and helps pay for it.

Mr. ROBINSON. I yield now to the Senator from Nebraska.

Mr. HITCHCOCK. Mr. President, evidently the Attorney General's office takes the same view as that taken by the Senator from Arkansas, that there is a Cement Trust. I notice by the New York papers that that trust has been on trial for the last five weeks, and the case is now nearing its conclusion. The hearings were closed yesterday, and the arguments are proceeding to-day and to-morrow. In view of the fact that the legal department of the Government, acting upon the statistics which the Senator from Arkansas has read, has proceeded to prosecute this Cement Trust as a criminal conspiracy, I would like to know of some member of the Finance Committee why the committee is recommending to the Senate the establishment of

this high tariff on the product—the legal branch of the Government prosecuting the conspiracy for robbing the American people, and the legislative branch deliberately proposing to raise a tariff wall around the country so as to give it a better opportunity.

Mr. CALDER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from New York?

Mr. ROBINSON. I yield.

Mr. CALDER. If the Senator will pardon me, I was going to call his attention to the fact just mentioned by the Senator from Nebraska that those men were indicted by a Republican district attorney in New York, and are now being tried. In further answer to the statement just made by the Senator from Nebraska, I want to call his attention to the fact that these increases in prices, beginning, as the Senator from Arkansas has indicated, early in 1920, step by step, step by step, until they increased 100 per cent in one year, all occurred in the period when cement was admitted free of duty. It occurred to me that the fact that cement was free did not have the effect of bringing down the price.

Mr. ROBINSON. In reply to that statement I will say to the Senator from New York that ought to suggest to his mind that if these conditions exist his party should not put a premium upon the conduct of this trust by raising a tariff wall so as to prevent the possibility of importations of material quantities of cement into the United States in competition with the products of the trust.

Mr. CARAWAY. Mr. President, would it not suggest itself also that if this trust is able to control prices and raise them when the product is free, it needs no protection?

Mr. ROBINSON. Absolutely. I have not concluded my discussion of the facts which I am producing in an attempt to show that this association is a trust. I intend to submit some conclusions.

Mr. CARAWAY. May I say just one more word?

Mr. ROBINSON. I yield with pleasure.

Mr. CARAWAY. I know this is true, at least in our section, that not only do they agree upon prices but the territory is parceled out, and you can not buy in one section where low prices may be quoted if you do not belong to that territory; and the road commissioners in Arkansas have been unable to purchase from people in some other section than their own.

Mr. ROBINSON. Not only is the statement just made by my colleague true, but if a purchaser of Portland cement or other cement for use in the construction of the highways has a controversy with the company from whom he purchases, he can not purchase one pound of Portland cement from any other company until he adjusts that controversy to the satisfaction of the other party to it.

Mr. HARRIS. Mr. President, I want to remind the Senator from Arkansas that this is not the first time they acted as a trust. In the Roosevelt administration, I believe it was, either the Bureau of Corporations or the Department of Justice investigated them and found that they were acting as a trust.

Mr. ROBINSON. To proceed with some further evidences on which this committee based its conclusion that the business is trust controlled, I want to bring to the attention of the Senate two regulations which were adopted by those controlling the organization, for the purpose of enabling the trust to know at all times what stocks were on hand and what uses were contemplated for the same:

(1) Dealers were allowed an advance supply equal only 15 days.

(2) Where a contractor required cement for a particular job he was required to execute an agreement that the cement delivered would be used only for the purpose specified in the contract and on that particular job. If any cement remained after the job was completed, he was under obligation to return it, so that by no possibility could a stock be surreptitiously accumulated.

So we have the evidence that the dealers in cement and their organizations require the mutual exchange of all information respecting contracts and prices; that when one dealer raises the price all other dealers simultaneously do the same thing, and that the net result of the combination during the year 1920 was to almost double the price of this expensive material.

Mr. POMERENE. Mr. President, is this a part of the perfectly balanced tariff law about which we have heard so much this afternoon?

Mr. ROBINSON. Mr. President, I wonder what sort of a conscience an individual must have to justify the imposition of a tariff for protective purposes on the products of this gigantic trust? I wonder by what mental process a protective tariff can be justified in honest conviction, whether one be a Democrat or a Republican, when the circumstances surrounding the industry exist which are disclosed in connection with cement.

The committee, further proceeding, reported:

In order to further enforce compliance with these provisions by the purchase, the association maintained a vigilance system with a staff of inspectors throughout the territory to check up the supply on hand at the various dealers and the uses to which their stock had been put.

When public sentiment became aroused and the manner in which this industry was controlled and conducted was discussed, particularly in the city of New York the dealers announced that they had suddenly abandoned their former practices which had proved so obnoxious to the public. But the Lockwood committee went into that question and reached the conclusion that in spite of the protestations of reform the combination continued to operate in other forms, notwithstanding the fact that in the meantime its members have been indicted.

The tax on Portland and Roman cement in this paragraph is 5 cents per hundred pounds, or $1 per ton. How do you justify the imposition of any tax for the protection of this trust-controlled product? Throughout the United States this combination is levying tribute from every road district, from every home builder, from every bridge builder, charging excessive and extortionate prices. The outrageous extortion in the State of New York almost produced a revolution there. Thousands of people homeless, the construction of buildings suspended, business throughout the country suffering interruption consequent to that condition, and yet the Senate is asked to levy tribute upon the American people for the benefit of men and combinations of men who violate and defy the laws of the United States and of the States of the Union.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Ohio?

Mr. ROBINSON. I yield.

Mr. POMERENE. It perhaps may add a little to the illumination of the subject if I were to give to the Senate some information which came to me to-day.

In the State of Ohio there have been built up to date about 5,100 miles of paved highway throughout the State. That means the equivalent of one road from New York through Ohio to San Francisco and back nearly to Columbus, Ohio. A large part of these roads are made of brick with a concrete base. Many others are made of cement. During the past year or two very bitter complaints have been made because of the very high prices that must be paid by the State or the county, as the case may be, for road-building material, a large part of which is the cement which the Senator from Arkansas is discussing.

I suspect our friends who talk about this bill being for the benefit of the farmer will be able to demonstrate how it is going to benefit the farmer to have this increased price in the road-building material of the country, a large part of which is paid by assessment upon their farms or by taxes collected either by the State or the county or the Nation.

Mr. ROBINSON. Mr. President, the condition described by the Senator from Ohio in that State is similar to those in the State of Arkansas. For 10 years the road question was agitated there, until public sentiment became so overwhelming in favor of the construction of improved highways that the people, in the form of improvement districts, provided for the construction of more than 4,000 miles of roads within the limits of the State, the greater portion of them being hard surface and the principal part also contemplating the use of large quantities of cement. That condition is quite general in nearly all the States.

About the time the war began the States in the South and Southwest moved forward as if in one enterprise for the construction of hard-surface roads. The people had come to know that rapid and permanent progress without them was impracticable, if not impossible. For every mile of road that has been built and for all highways that are now under construction throughout the United States excessive prices have been paid and are being charged now for cement. This will continue, in all probability, whatever may be the provision in this bill, but it is astonishing beyond my comprehension that the Senate of the United States should be requested, should be urged, to put a protective tariff upon a trust-controlled product, and thus fasten more securely upon the public its iniquitous power. Where is the justification for it in law, in common sense, or in morals?

Mr. DIAL. Mr. President, I wish to ask the Senator a question, if he will yield to me.

Mr. ROBINSON. I yield gladly to the Senator from South Carolina.

Mr. DIAL. The Senator will recall that Congress appropriated about $17,000,000 with which to build new hospitals to take

care of sick and wounded ex-soldiers, and a large part of the expense involved in that construction will, of course, be cement. Does not the Senator think the tariff will help keep up the prices in the United States at the expense of the wounded and disabled ex-soldiers, because the construction of the buildings which are provided for in the act, as the Senator will recall, must be fireproof?

Mr. ROBINSON. Yes; the Senator is correct. Not only is cement used in the construction of highways and private homes but in many public buildings, including hospitals constructed under the order of Congress for the benefit of sick and wounded ex-service men. This trust has levied a tribute of millions of dollars against the Government of the United States. We are imbecile enough—I will not say mean enough—to consider putting a premium upon the outlawry of the agencies which, while plundering the citizens and home builders of the land, dishonor the flag and the Government it symbolizes.

Mr. CALDER. Mr. President, the Senator from Alabama [Mr. UNDERWOOD], it seems to me, in his statement this evening touched the point better than anyone else. As I recall it, he said that the transportation question was the most important one affecting the price of this commodity. I believe that is so. The greater the distance necessary to carry the article the more it costs the consumer; the price goes up accordingly, of course.

I have taken the trouble to look up the price of cement quoted in the Tariff Information Survey, volume 2. I observe that beginning in 1900, when the tariff was 7 cents per hundred pounds, 2 cents per hundred pounds more than the amount proposed in the pending bill, the average factory price per barrel was $1.09, and the same in 1901, when the tariff rate was 8 cents.

The price hovered along about $1 per barrel until the Payne-Aldrich law was enacted, that much-defamed measure which fixed the duty at 8 cents per hundred pounds. Then the price of cement in this country, the average price at the mill, went down to 85 cents a barrel in 1908; in 1909 it was 81 cents; in 1910, 89 cents per barrel; in 1911, 84 cents per barrel; in 1912, 81 cents per barrel; and in 1913, $1 per barrel. Then it began to rise under the Underwood law, a law under which cement was admitted free of duty. It continued to rise until in 1919——

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. CALDER. Certainly.

Mr. ROBINSON. I presume the purpose of the Senator's argument is to show that the intention of the proposed duty is to lower the price of cement.

Mr. CALDER. The rates then began to rise, and we find that in 1919 the mill price was $1.69; and in 1920, as the distinguished Senator from Arkansas has pointed out, the price ran up to $4 a barrel, and still there was no tariff on cement.

Now, of course, these exorbitant prices were caused by a combination of the cement manufacturers. In New York State a Republican legislature authorized the appointment of an investigating committee, of which Senator Lockwood is chairman, a State senator coming from my old congressional district. It is true that we have a gentleman for counsel of the committee from the Senator's own party, doing a splendid job.

What happened? As the result of the information unearthed by this committee we have been able to obtain information, to submit it to the Federal authorities, by them to have it submitted to a grand jury, and now we are trying in New York the men responsible for the high prices. It is true the Committee on Finance has reported the bill imposing a duty of 5 cents per hundred pounds on this article.

Mr. POMERENE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Ohio?

Mr. CALDER. I yield.

Mr. POMERENE. Do I understand that while the good people of New York are trying to put in jail the men to whom the Senator from that State refers, we are trying to reward them by imposing an increased tariff duty on cement?

Mr. CALDER. No; Mr. President, but through the activities of a Republican administration here in Washington and through the officials of the Department of Justice in New York, we are trying to destroy the Cement Trust.

However, Mr. President, the Committee on Finance propose a rate in this bill of 5 cents per hundred pounds on cement. The Senator from Ohio knows that a duty of 5 cents a hundred pounds on cement will not affect its price in the slightest degree. There are some manufacturers along the Canadian border, notably in Michigan and Wisconsin—not in my own State, for my State has not asked for this duty, nor have I advocated it—where there are large cement industries on this side of the border and others on the Canadian side. These American companies, I am informed, are out of the combination who have asked for this duty of 5 cents per hundred pounds in order to even up the cost of manufacture between this country and Canada. That is the whole story. Any man who has studied the question, anyone who knows anything about the problem of the manufacture and transportation of cement, knows that the proposed duty will not affect the price in the slightest degree in the building of homes.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Massachusetts?

Mr. CALDER. I do.

Mr. WALSH of Massachusetts. I ask the question of the Senator from New York, because he is a contractor and is very much interested in the housing problem. I understood the statement which was put into the RECORD this morning, which was filed by Mr. Untermyer, counsel for the Lockwood committee, to be to the effect that, in his opinion, building materials are now selling for 50 per cent in advance of the cost of production, allowing a reasonable profit to the manufacturers of such building materials. Is it the opinion of the Senator from New York that that is a truthful statement as to the situation in New York?

Mr. CALDER. I do not know what the costs of manufacturing building material are to-day, but I should not be surprised if in New York common brick are selling for double what they cost to produce. I am not so well informed as to other building material.

Mr. WALSH of Massachusetts. The statement of Mr. Untermyer was that building materials are selling for 50 per cent in advance of the cost of production, allowing a reasonable profit to the producer. Does the Senator from New York agree with that statement?

Mr. CALDER. I said a moment ago that I agree to it in the matter of brick. I doubt very much, however, if the statement is accurate in regard to cement. I think that the cement manufacturers who are selling that product in our market are obtaining a pretty good profit, but I doubt if they are getting 50 per cent profit, I will say to the Senator from Massachusetts.

Mr. McCUMBER. Mr. President, it never occurred to me that because this combination on cement was formed by some of the producers of Portland cement during the time of the Democratic free trade tariff that the Democratic Party or their policy were at all responsible for that combination. Though it was brought about during the time that cement was coming in free, I want to acquit them of any complicity whatever in attempting to bring about the combination.

Neither do I think the Democrats are justified in assuming, because we are asking for a rate of 5 cents per hundred pounds in order to protect a class of producers of cement along the Canadian border, none of whom have entered into any combination whatsoever, so far as the testimony shows, and who for the most part are selling directly to the consumer, that we are endeavoring to further the interests of a combination.

The evidence is undisputed that this little tariff rate of 5 cents per hundred pounds on cement will only affect the producers of cement who are along the Canadian border, mostly in Michigan and west of that State, and who are in direct competition with the Canadian producers. The testimony received by us was to the effect that it costs somewhat more in the United States to produce cement than it costs in Canada. Then, too, the producers of American cement are cut off from the Canadian trade by reason of a tariff of 11 cents per hundred pounds which is imposed on that article by the Canadian Government, while the people of Canada are exporting their product into the United States free of duty.

The proposed duty will not affect the cement combination one way or the other. It will, however, affect a little strip of territory lying mostly west of the Alleghanies which is in direct competition with the Canadian producers of cement.

Mr. UNDERWOOD. Mr. President, the defense of this bill is remarkable to me. I thank the Senator from North Dakota for acquitting the Democratic Party of an attempt to aid the Cement Trust in any way, but it is very apparent that when the Democratic Party took the tariff off cement they did not intend to be guilty of going into partnership with the trust, and so they acquitted themselves when they accomplished that act. However, the combination and understanding to put up the price of cement did not originate after cement was placed on the free list; it existed before that time. Perhaps it was not so hard and fast a combination as it is to-day, but I pointed

out awhile ago the operation of the combination at least 15 years ago, if not more—at any rate, long before the present tariff law was placed on the statute books.

The Senator from New York justified this proposed tax because of the rising and falling of the prices. Of course, we all know that at times when there is great building activity, when there is demand for cement to build roads all over the country, and there is a greater demand generally for the product, the combination can put up its prices; but in duller times, when there is not so much cement needed, when there is not so much construction going on in the country, the price comes down closer to the point of the cost of production. The very figures the Senator from New York has read in reference to the difference in the cost of production at various times show what an enormous profit the cement industry working in combination can reap from the American people.

I have said that I realize that the conditions of this trade were governed by freight rates, and that is true; but there is a border line. The Senator from North Dakota in his eloquent remarks said the duty is only 5 cents a hundred pounds, but 5 cents a hundred pounds is $1.10 a ton.

The cement manufacturers do not expect to make their profits out of the tax; they only want to exclude from foreign competition that territory in which the foreign cement may enter by paying the freight rates, thus giving the people of that section of the country the benefit of lower prices. Of course cement is a commodity which is carried at a comparatively low freight rate. I do not recall the railroad transportation rates, but probably $1.10 a ton will cover the freight rate for from 150 to 200 miles from the border into the interior. I am not familiar with the freight rates, as I have said, but I know $1.10 would carry it to a certain extent into the interior and perhaps 150 or 200 miles. That is probably as far as the competition could go. The chairman of the committee so admitted a moment ago when he said, "There can be no competition except along the border, and we are simply establishing a freight rate, not in order to build up an industry, not to protect labor, but to prevent competition on the border." The border, however, is not only on the Canadian line; the border is also at New York. I have heard of instances as far south as the Carolinas where the cement combination attempted to force high prices for cement, but, by reason of the fact that the local communities could bring in a few shiploads of cement, they forced down the price to a more reasonable figure.

Mr. SIMMONS. Mr. President, I wish to say to the Senator that I am advised that in my State, where we are doing an immense amount of road building, the State having voted $50,000,000 for that purpose and many of the counties on the coast having voted from $1,000,000 to $2,000,000, the price of cement charged by the American producer was so unreasonable that they sought to overcome that by purchasing abroad; that they did make a purchase abroad, and in one contract saved a half a million dollars. If we impose this tax on cement, of course, such relief against the exorbitant prices of the Cement Trust will be gone.

Mr. UNDERWOOD. Certainly. The Senator from North Carolina has pointed out one instance where the people of his State in building roads saved a half million dollars because they could bring cement across the border. The same situation applies to New York, where the people are crying out against the throttle hold of the trust, and yet the Senator from New York defends the proposal of the committee and says that he wants to wait until the Supreme Court of the United States decides whether the members of the combination are guilty and shall go to the penitentiary, but in the meantime he wants to lock the door against any foreign competition and let the cement manufacturers continue to exploit the people of New York. The people of the Senator's State have found them guilty, and he has acknowledged that the verdict is a righteous one.

Mr. President, this is simply an instance of the way this bill is written, and it is admitted on the floor here. There is no evidence tending to show that the duty is needed because the product of a foreign country is produced cheaper than the commodity is produced on American soil. There is nothing said here showing that the tax is to be laid in order to protect American labor; there is nothing here to show that if it were not imposed the industry would fail. No; not at all; but we are told that some of the manufacturers of this product, for their own selfish interest, come before the Finance Committee and ask for a tax that will exclude foreign competition, and it is granted to them without question. That is how this bill has been written. The door was open to those who wanted to exploit the American people. They are invited before the committee and asked what prices they desire to levy on the necessities of the American people, and they are granted without question.

Mr. HITCHCOCK. Mr. President, let us see, first of all, what it is that the United States Tariff Commission report on the subject of cement; and having this report of the commission before us, I am unable to see how any committee could consider for a moment the levying of any tariff.

The United States Tariff Commission has this to say:

> Domestic plants produce almost 50 per cent of the world production of hydraulic cement. The United States was the pioneer in the development of concrete construction, and as a result domestic consumption of the material per capita is the highest in the world.

Mr. President, you have not here the case of an infant industry. You have here just about such a case as when we discussed wood alcohol. Of all the production of hydraulic cement in the world, the United States produces one-half; and yet, in the face of that fact, we are asked here to erect a Chinese wall around the country to prevent any importation whatever of cement from abroad.

If this were a statement made in a partisan spirit, made in the heat of an argument, it might be discredited somewhat; but here is the calm, unbiased, nonpartisan declaration of the Tariff Commission that of all the hydraulic cement produced in the world the United States produces one-half. That statement was written when cement was on the free list.

Now, let me read another paragraph from the report of the Tariff Commission:

> The United States is independent of other countries for its cement supply. Domestic manufacturers have the advantage of cheaper fuel, and by the use of large-scale mechanical units and labor-saving devices they have gone far toward eliminating the European advantage due to lower-priced labor.

Yet we are asked to take cement off the free list and subject it to a tariff of something like 20 or possibly 25 per cent.

Mr. SMOOT. Oh, no.

Mr. HITCHCOCK. Will the Senator say what per cent it is?

Mr. SMOOT. If it were $3 a barrel, that would be 200 pounds, and 1 per cent would be 2 cents. That would be 2½ per cent.

Mr. CALDER. If the Senator will permit me, I believe a barrel weighs about 380 pounds, and with a duty of 5 cents a hundred pounds this would mean about 9½ per cent.

Mr. SMOOT. Yes; but, I say, even if it were 5 cents for 380 pounds, it is not 1 per cent. The Senator talks about its being 25 per cent.

Mr. HITCHCOCK. Then I will withdraw that statement. The committee has brought in so many 25 and 30 per cent tariff schedules here that I perhaps made an overhasty computation and figured that that was it; but it does not matter what per cent it is. It is on the free list now.

Mr. SMOOT. If the Senator had made that statement, I would have agreed with him, and I would not have interrupted him.

Mr. HITCHCOCK. I am glad the Senator has corrected me.

Mr. SMOOT. I thought the Senator would be.

Mr. HITCHCOCK. It is a crime to take an article off the free list and subject it to any tariff whatever which must inevitably raise the price to the American consumer when America has shown, by her own experience in the course of many years, that she can make cement in competition with the whole world, and for many years we have actually made one-half of all the cement produced by all the nations of the world.

Mr. President, some attention has been drawn here to the uses to which cement is put. Heretofore the Senator from North Dakota or the Senator from Utah, when we have mentioned one of these tariffs, has risen in his place and has called attention to the small quantity of the article consumed, and he has assured us that on account of the small quantity of the article consumed we need not be disturbed over the tariff imposed, because it would not necessarily affect very many people. But what have we in the matter of cement? We are in an age in which cement is used more than it ever has been used before in the construction of our public buildings, in the construction of our bridges, in the construction of our great office buildings, in the construction of our hotels, in the construction even of private homes, and, above all, in the construction of the good roads of the country that the National Government and the State governments have gone into partnership in building. We are appropriating something like $100,000,000 a year to aid the States of the United States in constructing good roads, and a very large proportion of this expense will necessarily be incurred by the purchase of cement, and yet we are deliberately going to work here, by a tariff on cement, to shut out all possi-

bility of competition, for the obvious purpose of raising the price of cement to the American consumer.

The Senator from New York [Mr. CALDER] has been active in expressing the great need for promoting the housing industry of the United States, and yet he comes forward here as the supporter of a plan to increase the cost of every building in the United States. He stands now advocating something which will tend to make rents higher everywhere in the United States.

Mr. CALDER. Mr. President, the Senator knows that that is not so. The Senator knows that a rate of 19 cents a barrel on cement, which is 9½ per cent, will not affect the price of cement in the crowded centers of the country at all. He knows, as the Senator from Alabama pointed out, that while it might affect the price of cement 150 miles from the border, it will not affect it beyond that, just as the Senator knows that free trade on cement had nothing whatever to do with fixing the price at $4.65 a barrel during 1920.

Mr. HITCHCOCK. The Senator flatters me. I do not know as much as the Senator asserts I do; but I do know that within 150 miles of the border of the Atlantic Ocean a great many people live, and in the Senator's own State there are millions of people living in houses complaining of exorbitant rents; there are thousands of office renters in New York City complaining of the outrageous rents they are compelled to pay; and the Senator knows that in the city of New York at the present time the cost of building is so exorbitant that even the loan companies hesitate to make loans upon the buildings, feeling that the cost is outrageous.

Mr. CALDER. And if the Senator will permit me, the Senator from New York also knows that the exorbitant price of cement to-day is at a time when cement is on the free list.

Mr. HITCHCOCK. I am going to deal with that suggestion made by the Senator. I credit the Senator with ignorance as to the reason, for I do not believe that he intended to misrepresent the matter to the Senate. I credit the Senator with ignorance as to the real reason why cement has been high. He has forgotten, apparently, that we have had a war, and that that war put a stop to our imports, and that the fact of cement being on the free list during that time produced comparatively little competition from abroad.

Mr. CALDER. Did it stop the imports from Canada?

Mr. HITCHCOCK. I will read the Senator the figures on imports. I have said that I have credited him with ignorance, because I could not believe that he knew the figures and deliberately stood up here to argue to the Senate that because cement was on the free list we were nevertheless having competition from abroad to regulate prices.

Now let us look at what the figures are.

The importation of cement in 1910 was $587,000 worth.

The importation in 1911 was $315,000 worth.

The importation in 1912 was $168,000 worth.

The importation in 1913 was $124,000 worth.

In 1914 the value of the imported cement was $163,000.

The importation in 1915 was $132,000 worth.

Then, the war being in full blast, the value of the imports fell to $9,000 worth in 1916.

It fell to $2,000 worth in 1917.

It fell to $6,000 worth in the fiscal year 1918.

It fell to $1,100 worth in the calendar year 1918.

The Senator can see that there were practically no importations of cement during that period to regulate the price, and whether cement was on the free list or subject to a duty did not cut much figure.

Mr. CALDER. The amount of cement used in the country fell off then because there were no building operations of any importance during the war.

Mr. HITCHCOCK. The Senator is mistaken again. There were a great many military operations that required a great deal of cement.

Mr. CALDER. But not to be compared to what they were in 1919 or 1920.

Mr. HITCHCOCK. I tell the Senator that there were a great many building operations. There were a number right here, promoted by the Government, in Washington. The Government actually put money into the construction of cement buildings, and encouraged manufacturing institutions to enlarge their plants with cement construction during the war.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. HITCHCOCK. I yield.

Mr. ROBINSON. So great was the demand for cement during the war that many road programs throughout the South had to be abandoned because the producers of cement could not supply the material necessary in the construction of the roads.

If the Senator will yield to me for just a moment further, there was some discussion a while ago about the ad valorem equivalent of this 5 cents a hundred pounds on Portland and Roman cement. The Senator from Nebraska made the statement that it was approximately 25 per cent, and the Senator from Utah retorted sarcastically and indignantly that it was less than 2½ per cent. Of course the ad valorem equivalent depends upon the price of Portland cement. If you take the price of Portland cement in 1914, before we entered the war, your figures were not very far wrong; it would be approximately 20 per cent. If you take the price of Portland cement at its peak, in 1920, when it was $5 a barrel instead of 90 cents a barrel, it would be 4 per cent; but the ad valorem equivalent of necessity depends upon the price of the commodity, and varies as the price fluctuates. But in 1914, I repeat, before the United States entered the war, the price of Portland cement was 90 cents a barrel, and the ad valorem equivalent of 5 cents per hundredweight at that price would be 20 per cent.

Mr. HITCHCOCK. I am not through with the Senator from New York yet. He rose here and undertook to convey to the Senate the impression that the price of cement had been advanced while cement was on the free list, and therefore he made the implied argument that being on the free list increased the price of cement. He argued here that the Cement Trust was formed during that period, while cement was on the free list; and when I showed him the figures demonstrating that during that period imports were practically negligible on account of the war, he advanced another fallacy. What was it? Why, he advanced the fallacy that we were not using much cement during that period. Now, I want to convince the Senator what we were doing during that period. I have the figures here, and I am astonished that as a builder he was not aware of the fact.

I will take the war period. I ask the Senator from New York to listen to this. In 1914 the production of cement in the United States was 88,000,000 barrels. Not using much cement? We produced in this country 88,000,000 barrels. During 1915 we produced 85,000,000 barrels. During 1916 we produced 91,000,000 barrels.

Mr. CALDER. Mr. President——

Mr. HITCHCOCK. Not now. During 1917 we produced 92,000,000 barrels. During 1918 we produced 71,000,000 barrels. During 1919 we produced 88,000,000 barrels. Yet the Senator says we were not using much cement during that period.

The Senator has been convicted of being absolutely wrong, both as to the import matter and as to the consumption matter.

Mr. CALDER. Mr. President, the Senator stops at 1919, when he pointed out that we imported $51,000 worth of cement. He did not go to 1920, when the figures would have shown that we imported $1,230,000 worth of cement.

Mr. HITCHCOCK. I only stopped because the Tariff Commission report did not show any later figures, I will say to the Senator. If there are any later figures, I shall be very glad to hear them.

Mr. CALDER. I do not charge the Senator's party with being responsible for the high price of cement——

Mr. HITCHCOCK. That was the clear implication from what the Senator said.

Mr. CALDER. Because there was free trade in cement, but I do charge that during the time the Senator's party was in control of the country the trusts, which reached great proportions, such as the Cement Trust reached, were the strongest and most powerful and made the greatest profit and violated the law the most. Nor do I charge that they were responsible for that altogether, because I recall that during the year 1920, when the high prices obtained to which the Senator from Arkansas referred—and this is fair in this discussion, for we are all desirous of getting information—because of a regulation adopted by the Interstate Commerce Commission, the cars usually required for the hauling of cement were taken from the cement manufacturers and were given to the hauling of coal. The Senator will recall that we had a coal strike at that time.

Mr. HITCHCOCK. The Senator can make his argument in his own time, but not in mine. I am here to make the argument, and I repeat it—and I would like to have the Senator take his own time to meet this charge—that he sought to give the impression to the Senate and to the country that although cement was on the free list, and, being upon the free list, came in here in destructive quantities, nevertheless, the price was rising and a trust was being formed; and when I called his attention to the fact that war practically put a stop to the importations during that period—and he had to admit the figures as I read them from the report—he said, "Oh, there was not much cement being used." Now, I have shown him that there was just as much cement being used in the United

States during that period as during any other, only it was not being used in the same way.

Mr. CALDER. But the fact remains that during the operation of the last Republican tariff law, when the duty on cement was 7 and 8 cents per hundred pounds, the price was low; in fact, one-half what it is to-day, when we are manufacturing it in large quantities and when it is coming in free of duty.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER (Mr. MOSES in the chair). Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. HITCHCOCK. I yield.

Mr. GOODING. I want to say to the Senator that I think he must agree that the tariff question affects but a small portion of the cement which is used in this country. Owing to freight rates and the cheapness of cement, it can not reach from any given point to any great distance. I am quite sure that none of the intermountain country, nor any other territory, unless it is very close to the border of Canada, can be affected by this tariff. Canada has a rate of 11 cents against our 5 cents. So it seems to me it would be unfair to the cement plants which can reach the Canadian market not to give them some protection as against 11 cents in Canada. I think we must agree that a 5-cent duty on cement from Canada can not affect the whole supply of cement in this country. Will the Senator argue that it can affect it?

Mr. HITCHCOCK. The Senator gives his case away. The reason why Canada puts on a higher tariff than we do is because of the increased cost of fuel, which makes it more expensive to produce in Canada than in the United States.

Mr. GOODING. Not 6 cents more.

Mr. HITCHCOCK. The Tariff Commission state in their report that it costs more to manufacture in Canada than in the United States on account of the cost of fuel. The Senator is met, furthermore, by the stern fact that during all these years and at the present time the United States is producing one-half of all the cement in the world, and is exporting——

Mr. GOODING. That has nothing to do with it at all.

Mr. HITCHCOCK. And is exporting great quantities of cement to other countries.

Mr. GOODING. If the Senator will yield, I think that he will agree with me that the scale of labor is a little lower in Canada than it is in America; that labor is a little bit cheaper there; that the Canadians produce a little bit cheaper all along the line. I merely want to see this question discussed in a spirit of fairness and intelligence, and the fact accepted by men of intelligence; that is all.

Mr. HITCHCOCK. When a Republican comes to the point where he is willing openly to impose a tariff upon a trust-controlled article like cement, used in such enormous quantities for public and private purposes—to build highways, for which the people pay taxes; to build hospitals, which must be built largely of cement; to build public buildings, which must be built largely of cement—when a Republican can bring himself to the point where he is willing to vote a tariff for a trust which his own courts are prosecuting for violating the law by raising the prices to the American people, there is no hope for such a Republican.

Mr. McCUMBER. Mr. President, will the Senator yield to a Republican to ask unanimous consent that when we close our session for this calendar day we shall recess until to-morrow at 11 o'clock?

The PRESIDING OFFICER. Is there objection?

Mr. HARRIS. Mr. President, I ask the Senator from North Dakota if he is not willing to begin the sessions at 9 or 10 o'clock in the morning and stop at 6 or 7 at night? To-night we wasted about 40 minutes in getting a quorum, and we are wasting time coming here at night. We have had long speeches about subjects other than the tariff, and we had the same last night. I think we would do more work if we began earlier.

The Senator said this morning, as an excuse for not meeting earlier, that the committee has meetings in the morning. It seems to me it would be better for the committee to meet at night. There are only four or five Republican members of the committee to meet, and it would be better to do that than to inconvenience the Senate and keep us here at night.

I am willing to stay here all night, if necessary, but I am not willing to stay here and waste time, as we are doing to-night, and as we have been wasting time. We have had to wait several times to get a quorum, and I hope the Senator will let us meet earlier. I believe by pursuing that course he will get through with the bill much sooner than if we have night sessions. I wonder if he will not be willing to agree to that.

Mr. McCUMBER. I do not think so. But let us meet to-morrow at 11 o'clock, and then let us see if we can not close the session at 6 to-morrow instead of having an evening session. I feel positive that we shall do a little work to-morrow, perhaps.

Mr. UNDERWOOD. Is it the Senator's proposal to meet at 11 tomorrow, or at 10?

Mr. McCUMBER. At 11 to-morrow.

Mr. UNDERWOOD. Of course, as I have said a number of times, the Senator from North Dakota is in charge of the bill, and there is no disposition on this side of the Chamber to interfere with his fixing the hours he wants the Senate to sit; but I believe that as much headway will be made if we sit during daylight hours, and eliminate midnight hours. Of course, however, that is entirely within the control of the Senator. We do not desire to throw any logs in his way in fixing the time of running the sessions.

Mr. McCUMBER. I really hoped it would result as the Senator has stated, but I have found that we really do not get down to business until late in the day. It is not until between 5 and 6 o'clock in the evening, generally, that we get really to voting upon any of the items. For that reason I felt that we had to do most of our voting after about 5 o'clock.

Mr. UNDERWOOD. The Senator said to-day that although it was stated that there was no filibuster on this bill, he was satisfied there was. Of course, the Senator is entitled to his own opinion, but he is mistaken about a filibuster. If we were really filibustering on this bill, we would still be on the first paragraph of the chemical schedule. This is the easiest bill to filibuster, if we wanted to filibuster it, that I have ever seen come into the Congress, because of the number of amendments. But this side of the Chamber is not trying to prevent the passage of the bill by dilatory tactics.

You control the majority, so you have a right to express your views to the country. We merely have the right to express our opposition, and with a bill of this magnitude, in which a great deal is involved, it is our right and privilege to present our viewpoint to the country, and we know we can not do it in a few days of debate. Undoubtedly there is going to be considerable debate on the bill, as there always has been on a bill of this kind. The average time a tariff bill stays in the Senate is two or three months, and we are going to debate this one thoroughly. It is not a question of voting on the amendments. We can vote on a hundred amendments in half an hour when we get ready, but we are going to let the American people know what is in this bill first, and when that is done, then if you have a majority of votes to pass the bill, you can do so. But whether we meet at 11 and stay in session until 11 at night, or whether we meet at 11 and stay in session until 6, I do not think it will make much difference as to the ultimate date when the bill is voted on.

Mr. HITCHCOCK. Before agreeing to unanimous consent, I would like to ask the Senator whether he intends to press this particular amendment to a vote to-night?

Mr. McCUMBER. I do not want to hold the Senate any longer than 10 o'clock.

Mr. HITCHCOCK. I will say to the Senator that I would like to have the amendment go over until to-morrow. I was caught by surprise in having it come up this evening, and there are some matters I want to look into.

Mr. SMOOT. This matter has been passed on once already, but I gave notice that if the Senator from Nebraska wanted a reconsideration of the vote by which the amendment was agreed to, I would ask unanimous consent for a reconsideration of the vote, giving the Senator an opportunity either to speak or to offer an amendment.

Mr. UNDERWOOD. The proposition pending before the Senate has not been voted on. The Senator from North Carolina proposed an amendment and that was voted on. The issue now before the Senate is the committee amendment, and that has not been voted on.

Mr. SMOOT. I think the committee amendment has been agreed to.

Mr. UNDERWOOD. No; I took the floor when the committee amendment was proposed, and it has not been voted on.

Mr. SMOOT. That may be.

Mr. ROBINSON. A vote was had on the provision we have been discussing, placing a duty of 5 cents per hundredweight on Portland and Roman cement; but of course the Senator can move to reconsider it.

Mr. UNDERWOOD. I think the Senator is mistaken, because when the Chair announced the vote on the amendment offered by the Senator from North Carolina I took the floor, and I do not think there has been any vote taken since. I ask the Chair to inform us as to the parliamentary situation.

The PRESIDING OFFICER. The parliamentary situation is that there is an amendment pending, proposed by the committee, in paragraph 203, on page 32, line 17.

Mr. UNDERWOOD. That is the second amendment?

The PRESIDING OFFICER. It is the second amendment.

Mr. McCUMBER. In either event, I do not think it has much to do with the request that when we close our session to-day we shall meet at 11 o'clock to-morrow.

Mr. UNDERWOOD. There is no objection to that.

Mr. HITCHCOCK. I have no objection to it, if there is no intention of forcing a vote on this amendment to-night.

The PRESIDING OFFICER. The Senator from North Dakota asks unanimous consent that at the close of the session to-night the Senate shall take a recess until 11 o'clock to-morrow. Is there objection? The Chair hears none, and it is so ordered.

Mr. HITCHCOCK. I will say to the Senator that I am going to make a strong plea to the members of the Finance Committee to pass over this paragraph at least until we find out definitely whether this product is controlled by a trust. It may not be necessary to wait until the court reaches a decision in New York, but I can not conceive that self-respecting Republicans want deliberately to impose a tariff for the benefit of a criminal outlaw.

Mr. SMOOT. For the information of the Senator, I want to say that there is no amendment offered here as to Roman cement, and, of course, under the agreement we can not offer an amendment as to that until the committee amendments are disposed of. The only amendment there relates to special cement, cement not otherwise provided for; not hydraulic cement, not Roman cement, but cement that is carrying a trade-mark, put up in little packages and little bottles, used for pipe cement, having nothing to do with buildings whatever.

Mr. HITCHCOCK. Mr. President, I have heard before that these are very little things, and that we are making a great deal of fuss about some small matter. The country is entitled to know whether this enormous product, which has such varied uses of a public and private character, involving taxation, involving the housing problem, involving the rent question, is to be given a high protective tariff by this Congress and taken from the free list, particularly when the cement industry is practically controlled in the United States, when the United States makes one-half of all the product in the world, and when it is alleged in court that those who control a large part of the industry are engaged in a criminal conspiracy to rob the public.

Mr. SMOOT. What the Senator should do, as I expect he will, and I shall have no objection if he does, is to offer an amendment to put Roman cement and hydraulic cement upon the free list. However, there is no amendment in the bill touching that item at this time.

Mr. HITCHCOCK. I propose to go further than that. I want cement on the free list.

Mr. SMOOT. Then, of course, the Senate will have to disagree to the amendment of the committee.

Mr. HITCHCOCK. That is going to be the issue before the American people, whether the Congress of the United States is going to deliberately put on the tax schedule and take from the free list an article which is dominated by a trust.

Mr. SMOOT. The Senator is proposing to take something from the free list that has a patent name and for which they charge exactly what they please under the patent, and then say that it has an influence upon the erection of buildings and upon the construction of roads.

There are two items in the paragraph. One is controlled by patent or trade-mark in every instance. There is no reason why, under that condition, we should not get whatever revenue we can for such goods of that character as may come into the country in competition with the product. But there is no question as to hydraulic cement and, in part, on that item I agree with the Senator. But do not let us try to disguise the question that is before the Senate at this time. We have been discussing things to-day that are not before the Senate at all.

Mr. HITCHCOCK. That is nothing new.

Mr. SMOOT. I am perfectly well aware of that.

Mr. HITCHCOCK. But we are going to get it before the people. It is going to be before the Senate, and we have a right to get it before the people.

Mr. SMOOT. I have in my desk a list of the daily speeches that have been made and the length of time that has been taken by the different Senators on subjects which have nothing to do with the tariff. If that were put in the record it would surprise every Senator, I believe, but I do not think it would be a very good record to be pointed to in the future. If there were any one thing that would convince me that there is a filibuster on it would be that record.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After eight minutes spent in executive session the doors were reopened.

WAPATO IRRIGATION PROJECT, WASHINGTON.

Mr. JONES of Washington. Mr. President, I ask unanimous consent for the present consideration of the bill (H. R. 9951) to amend section 22 of an act approved February 14, 1920, entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes," for the fiscal year ending June 30, 1921.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, and it was read, as follows:

Be it enacted, etc., That the eighth paragraph of section 22 of "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes," for the fiscal year ending June 30, 1921, pertaining to the collection of charges from landowners on the Wapato project of the Yakima Indian Reservation, Wash. (41 Stat. L., 431), following the words "*And provided further,*" be amended to read as follows:

"That the Secretary of the Interior is hereby authorized and directed to collect on or before December 31 of each calendar year hereafter, including 1922, from landowners other than Indians under the said system the sum of $2.50 per acre for each acre of land to which water for irrigation purposes can be delivered from the said system, which sum shall be credited on a per acre basis in favor of the land in behalf of which it shall have been paid and be deducted from the total per acre charge assessable against said land when the amount of such total charge can be determined, and the total amount so collected, including any money collected from Indian allottees, shall be available for expenditure under the direction of the Secretary of the Interior for continuing the construction work on the said system.

"That nothing herein shall be construed to modify or release any charge that may have accrued prior to the year 1922 and as to any unpaid amounts due for the years 1920 and 1921, the Secretary of the Interior, in his discretion, is hereby authorized to grant an extension of time within which such payments may be made for such time and upon such terms, including interest charges, as he may determine and under such rules and regulations as he may prescribe: *Provided*, That no extension for the payment of any amount so due for the years 1920 and 1921 shall in any event be extended beyond January 1, 1925."

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ADDRESS BY SENATOR FRANK B. WILLIS.

Mr. McCORMICK. Mr. President, I request that there be printed in the RECORD in the regular type an address delivered by Senator WILLIS on the one hundredth anniversary of the birth of General Grant.

There being no objection, the address was ordered to be printed in the RECORD in eight-point type, as follows:

ADDRESS BY HON. FRANK B. WILLIS AT BETHEL, OHIO, 2 P. M., APRIL 28, 1922, UPON THE CELEBRATION OF THE ONE HUNDREDTH ANNIVERSARY OF THE BIRTH OF GEN. U. S. GRANT.

Senator WILLIS spoke as follows:

"It is a singular and interesting coincidence that Bethel was the home of the man who did more in his day to preserve the foundation of the Union than was done by any other man of his generation, and at the same time the home of the man who by his effort was to make possible the erection on that foundation of an enduring structure—an indissoluble union of indestructible States.

"Here the lives of Thomas Morris, the advocate and expounder, and Ulysses S. Grant, the soldier and builder, were inextricably interwoven, and here to-day a grateful people in solemn pride pay tribute to the memory of two of their former citizens. Yet these mighty men, the gift of Bethel and Clermont County to the Nation, are too great in character and achievement to be circumscribed in the narrow compass of village, county, or State. Thomas Morris and Ulysses S. Grant belong to the whole Nation, whose freedom they had such a prominent part in preserving.

"In yonder cemetery is a humble shaft bearing the inscription:

"Thomas Morris. Born January 3, 1776; died December 7, 1844. Aged 69 years. Unawed by power, and uninfluenced by flattery, he was throughout life the fearless advocate of human liberty.

"This inscription is an epitome of the life of Thomas Morris. His 20 years of service in the General Assembly of Ohio furnished constant exemplification of his unfailing, courageous devotion to free schools, free speech, free soil, and free men. His elevation to the United States Senate in 1833 gave larger scope and fuller play to his powers. Unawed by threats he battled on for the preservation of free government at a time when other great leaders were endeavoring to blow out the moral lights around them in a nation-wide effort to make slavery follow the flag.

"The great triumvirate—Clay, Webster, and Calhoun—were a unit in demanding that the constitutional right of petition should be overthrown to the end that the shackles of slavery should be forever riveted on the Republic. Calhoun and Clay,

Wright and Preston, Buchanan and Leigh, all leaders of the Senate, united in thunderous demand that not only the limbs of slaves but the minds and consciences of men should be shackled and tied and chained. Slavery was to be preserved and extended at any cost; its opponents, feeble in numbers and influence, were denied the right of even having their petitions heard by Congress.

"In this dark hour one voice rang out in the Senate clear as a silver bell. It summoned the discouraged friends of freedom to battle and sounded uncompromising challenge to any and all who for mere political advantage would enter into a 'covenant with death and an agreement with hell.' The speech of Senator Thomas Morris, of Ohio, delivered in the Senate on February 9, 1839, has never been excelled in that body in point of courage, logic, or far-reaching effect. It awakened a lethargic Nation from the stupor of slavery; it saved the foundation on which Grant and his soldiers fought and won.

"Ulysses Grant and Thomas Morris were brought together in another relationship even more intimate and interesting. Senator Morris was a great lawyer. There came to his law office an awkward country lad seeking an opportunity to study law. Judge Morris took this man into his office and his home. This confidence was not misplaced. The lad became lawyer, Congressman, general—the Hon. Thomas Hamer, long a resident of Bethel, who gave up his life in the Nation's service at Monterey in 1846.

"While Thomas Hamer was a Member of Congress, the father of Ulysses Grant applied to him for an appointment for his son as a cadet at West Point and through the good offices of Senator Morris this application was granted and General Hamer appointed Grant to West Point. A few days later the term of office of Thomas Morris as United States Senator expired and he went home, politically an outcast, repudiated by his own political associates because he had been the uncompromising foe of slavery. Yet he fought long enough to save the foundation of constitutional liberty and to provide the leader who was to build on that foundation.

"Grant began where Morris left off. The afterglow of greatness casts a strange light on life and character and tends to obscure perfectly human qualities and to ascribe to their possessor a meaning and significance as unwarranted as they are fantastic. Grant was a typical American boy, reared in a good Christian home; he knew how to work and did work on farm and in tannery, but it does not seem probable that he pleaded any harder with his father for opportunity to begin work early in the morning than most American boys would do under similar circumstances or that he had to be cautioned by his parents against overwork. The fact is that throughout his life Grant was inclined to be sluggish—he worked best under pressure—he was a ponderous machine that functioned in direct ratio to the size of the task to be done. The first 38 years of his life were not strikingly successful; his first 11 years in the Army would have been forgotten but for his later achievements. In 1860 he was a clerk in a tannery at Galena, Ill., at the munificent salary of $600 a year; eight years later he was elected President. A crisis had come big enough to call out all his latent powers.

"From Donelson to Mount McGregor the life of U. S. Grant is history—he was part of the Nation's life, and for a considerable period a very dominant part.

"Shiloh, Vicksburg, Chattanooga, Richmond, Appomattox were the steps by which he mounted the heights of military fame to take place alongside of Hannibal and Napoleon as one of the greatest captains in history. He was a common-sense commander—he relied more upon action than he did upon Jomini; his theory of warfare he summarized as follows: 'The art of war is simple enough. Find out where your enemy is. Get at him as soon as you can. Strike at him as hard as you can, and keep moving on.'

"Grant maintained from the hour he came to the notice of President Lincoln the unbroken confidence of that great leader. Had it not been for the stoic firmness of the President in sustaining Grant in the Vicksburg campaign the outcome would have been doubtful. The President said of him, 'I can't spare this man; he fights.' Again he said, 'I rather like this man Grant; I think we will try him a little longer.' To Carpenter, Lincoln said, 'The great thing about Grant is his perfect coolness and persistency of purpose. He is not easily excited and he has the grit of the bulldog; once let him get his teeth in, and nothing can shake him off.'

"The great captain was always confident of himself; though modest and quiet, he did not underestimate his own powers. When one of his generals in alarm reported, 'General Lee is on our flank,' General Grant coolly replied: 'Very well, then we are on General Lee's flank.' In the darkest days of 1864 Grant said, 'I feel as certain of capturing Richmond as I do of dying.'

"His terse expressions as a leader are illustrative of his character. His reply to General Buckner at Fort Donelson was: 'An immediate and unconditional surrender; I propose to move immediately on your works.' Again, after a great disaster in the advance on Richmond, 'I propose to fight it out on this line if it takes all summer.' But while he was oak and rock in battle, he was generous as a woman and tender as a child. After General Buckner surrendered at Fort Donelson, General Grant remembered the friendly help given him by Buckner when he had been left penniless in New York. In General Buckner's own words describing the surrender he says:

"General Grant left the officers of his own army and followed me with that modest manner peculiar to himself into the shadows and there tendered me his purse. In the modesty of his nature he was afraid the light would witness this act of generosity and sought to hide it from the world.

"The credit for the final success of the great campaigns in the East for the capture of Richmond must be adjudged by impartial history to belong to General Grant. That Mr. Lincoln sought to interfere as little as possible with the military affairs after General Grant took charge of the Army will be shown by the following letter:

"WASHINGTON, *April 30, 1864.*

"Lieutenant General GRANT. Not expecting to see you before the spring campaign opens, I wish to express in this way my entire satisfaction with what you have done up to this time, so far as I understand it. The particulars of your plan I neither know nor seek to know. You are vigilant and self-reliant, and (I put no) restraints or constraints upon you. While I am very anxious that any great disaster or capture of any of our men in great numbers shall be avoided, I know that these points are less likely to escape your attention than they would be mine. If there be anything wanting which is within my power to give, do not fail to let me know it. And now with a brave Army and a just cause, may God sustain you.

"Yours very truly,

"A. LINCOLN.

"And then when the last shot had been fired and the last drop of blood shed, the great leader was magnanimous, kind, and generous. His treatment of General Lee and his army at Appomattox did more than any other one thing to make the South realize that, after all, we were all citizens of the common country, with a common hope and a single flag. Happily, now North and South are united, each proud of the heroism of the other and rejoicing in the achievements of the heroes in blue and gray—all Americans.

"Lincoln's prophecy has been realized—

"Though passion may have strained, it must not break our bonds of affection; the mystic cords of memory stretching from every battle field and patriot grave to every living heart and hearthstone all over this broad land will yet again swell the chorus of the Union when touched, as surely they will be, by the better angels of our nature.

"The conquering hero said, 'Let us have peace.' The memory of this patient, silent, courageous, typical American is one of the mightiest forces making for union and the maintenance of our institutions.

"General Grant never sought political preferment. He was elevated to the Presidency in response to the people's demands. As President he was as courageous as he had been as general. When, following the financial difficulties of 1873, his own party lost its sense of proportion and passed the inflation bill to authorize an increase in the greenbacks to four hundred million, he bravely vetoed the action of the Congress, believing it to be a departure from the true principles of sound finance.

"Grant stood by his friends even to his own hurt. Some of them sought to use their connection with the old hero for their own personal profit. General Grant was loath to believe that any human being could entertain a motive so foreign to his own thought. When criticized because he stood by a friend who was under fire, Grant said:

"The true test of friendship, after all, isn't to stand by a man when he is in the right—anyone can do that; the true test is to stand by him when he is in the wrong.

"As he stood by his friends, so he remembered his enemies in a thoroughly human way, and sometimes he castigated them mercilessly. It will be recalled that when it was brought to his attention that a certain prominent leader did not believe in the Bible, Grant said:

"Certainly not; he does not believe in it because he did not write it himself.

"The San Domingo scheme was criticized bitterly at the time it was announced. Yet subsequent events have shown that Grant was not far from right in this matter.

"While educated for war, he was devoted to peace: the treaty of Washington and the settlement of the Alabama claims was the first long step forward in the direction of arbitration and world peace.

"The Washington conference of 1921 was in no small degree an outgrowth of Grant's policy of peace and international good

will. American ships now sail unimpeded through the Panama Canal—Grant foresaw and planned it. His statesmanship was as farsighted as his generalship. Modestly, quietly, patiently he planned and executed. Great in war and official station, he was majestic in private life.

"Imposed upon by trusted friends, the meager savings of a lifetime were lost in an hour and the old hero had to begin over again to earn support for wife and family. Already fatal disease had laid its palsying hand upon him. Toiling at Mount McGregor to finish his memoirs he looked death in the face without a tremor. He stoically worked on that he might pay his creditors and provide for those dependent upon him. He won his last fight and when the spirit fled a sorrowing world cherished the memory of this mighty oak whose falling left a lonesome place against the sky.

"So lived and toiled and struggled and achieved this sturdy, upright, patient, modest, typical American, whose life is an inspiration and whose memory is a benediction to us all."

RECESS.

Mr. CURTIS. I move that the Senate take a recess, the recess being under the order previously made, until to-morrow at 11 o'clock a. m.

The motion was agreed to, and (at 10 o'clock and 10 minutes p. m.) the Senate took a recess until to-morrow, Saturday, May 20, 1922, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 19 (legislative day of April 20), 1922.

POSTMASTERS.

CALIFORNIA.

George A. Herdeg, Riverside.
Jessica H. Wright, Sierra Madre.

COLORADO.

Grace M. Fawcett, Smuggler.

CONNECTICUT.

Edward A. Honan, Gaylordsville.

LOUISIANA.

Joseph H. Hebert, Addis.
Levi P. Carter, Bunkie.

NEW JERSEY.

Ralph G. Riggins, Bridgeton.

OKLAHOMA.

Agnes L. Dillon, Geary.
James M. Baggett, Tuskahoma.
William C. Colvin, Westville.

PENNSYLVANIA.

Nellie Smith, Abington.
Isaac H. Detweiler, Perkasie.
John E. Showalter, Terre Hill.
Charles W. Schlosser, Waterford.

TEXAS.

George H. Sparenberg, Austin.
R. Kyle Cross, Cumby.
Richard T. Polk, Killeen.
Benjamin F. Womack, Snyder.

UTAH.

Clyde A. Pons, Standardville.

WEST VIRGINIA.

Harry M. Slush, Whitesville.

HOUSE OF REPRESENTATIVES.

FRIDAY, *May 19, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our heavenly Father, in a changing world Thou art a God who changest not. May Thy anchorage be our stay. Encourage us in all our ways to acknowledge Thee. Help us to trust our Maker's love and our Savior's ransom. We breathe our confessions; with considerate pity forgive us. Do Thou always show us the acceptable excellence of life. Bless us with a growing appreciation of men, his rights and his relationship to our institutions. In Thy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

DESIGNATION OF SPEAKER PRO TEMPORE.

The SPEAKER. I expect to be absent to-morrow, and possibly on Monday, and I therefore designate Mr. WALSH as Speaker pro tempore until my return.

BRIDGE ACROSS HUDSON RIVER NEAR PEEKSKILL, N. Y.

Mr. HUSTED. Mr. Speaker, I ask consideration for the bill H. R. 11152, granting consent to the Bear Mountain Hudson River Bridge Co. to construct and maintain a bridge across the Hudson River near the village of Peekskill, State of New York.

The SPEAKER. The Chair would like to state that in recognizing gentlemen for unanimous consent as to these matters the Chair has adopted the rule that that privilege was taken away from the Chair and given to the House, and he only recognizes gentlemen in case of bridge bills, which constitute a kind of perfunctory legislation. The Chair thinks the House is always glad to facilitate business of that kind, and with that in mind he recognizes the gentleman from New York [Mr. HUSTED].

Mr. GARNER. Mr. Speaker, the statement of the Chair is with the idea that anyone having a bridge bill to be considered may go to the Speaker at any time and get permission from him to ask unanimous consent to consider the bill. Now, it occurs to me that the rule the Speaker has adopted is a good one and must apply in cases of that kind only in case of emergency.

The SPEAKER. The Chair is glad that the gentleman made the suggestion. The Chair has adopted that very rule, and it is only in case of emergency, and where they are awaiting the passage of the bill, that the Chair recognizes gentlemen for that purpose. The gentleman from New York is recognized.

The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 11152) to authorize the Bear Mountain Hudson River Bridge Co. to construct and maintain a bridge across the Hudson River near the village of Peekskill, State of New York.

The SPEAKER. Is there objection?

Mr. STAFFORD. Before the objection stage is passed, I would like to inquire of the author of the bill as to the reason why in this bill the time for beginning construction is extended three years instead of the customary 1-year period, and the time for completion is extended five years instead of the customary 3-year period?

Mr. HUSTED. Section 2 of the bill provides that the act shall be null and void if actual construction of the bridge therein authorized be not commenced within three years. As a matter of fact, they intend to commence construction immediately.

Mr. STAFFORD. Under the general bridge act it provides construction shall be begun within one year and completed within three years, and there are many instances where, when construction has not been begun within one year, that we pass revival acts, granting them further time. When I read this bill and report it seemed to me rather peculiar that in the bill itself you should provide for the beginning of construction within three years. I thought perhaps it might be a speculative scheme, by which it was desired to float bonds before real construction began.

Mr. HUSTED. No. I can assure the gentleman that is not the case. It is the intention to begin construction at once, and the financing has been fully completed, contingent only upon the passage of the bill.

Mr. STAFFORD. There are some bridge bills that we scrutinize rather carefully in their passage through the House. Those built across the Mississippi River are in that class. As I recall, there is but one bridge across the Hudson River, that at Poughkeepsie. Are there more?

Mr. HUSTED. There is but one bridge across the Hudson River between New York and Albany, a distance of 150 miles, and that is a railroad bridge only. The bridge provided for in this bill is for automobiles and foot passengers, something which is very much needed.

Mr. STAFFORD. How far above New York is this proposed bridge to be constructed?

Mr. HUSTED. About 50 miles above the city of New York. It will cross the Hudson River just north of the village of Peekskill, and will connect the east with the west bank near the big pavilion in the Interstate Park, about 3 miles below West Point.

Mr. STAFFORD. Is it to be a toll bridge?

Mr. HUSTED. It is to be a toll bridge, but there are provisions in the act whereby the interests of the State have been carefully safeguarded. There is a provision that the State can

take it over at once for cost plus 10 per cent, and then at the end of short periods the State can take it over at practically cost less depreciation, and at the end of 30 years it becomes absolutely the property of the State free of cost. The estimate of the life of the bridge is approximately 100 years.

Mr. STAFFORD. And the State has already provided legislation in regard to this construction?

Mr. HUSTED. It has.

Mr. STAFFORD. I have no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 11152) to authorize the Bear Mountain Hudson River Bridge Co. to construct and maintain a bridge across the Hudson River near the village of Peekskill, State of New York.

Be it enacted, etc., That the consent of Congress is hereby granted to Bear Mountain Hudson River Bridge Co., a corporation incorporated by act of the Legislature of the State of New York approved March 31, 1922, its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Hudson River, at a point suitable to the interests of navigation, near the village of Peekskill, county of Westchester, State of New York, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 22, 1906.

SEC. 2. That this act shall be null and void if actual construction of the bridge herein authorized be not commenced within three years and completed within seven years from the date of approval hereof.

SEC. 3. That the right to alter, amend, or repeal this act is hereby expressly reserved.

Also the following committee amendment was read:

Page 2, line 3, strike out the figures "22" and insert in lieu thereof the figures "23."

The SPEAKER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. HUSTED, a motion to reconsider the vote by which the bill was passed was laid on the table.

CHANGE OF REFERENCE.

Mr. STEENERSON. Mr. Speaker, I move a change of reference be made on the bill (H. R. 6339) from the Committee on the Post Office and Post Roads to the Committee on Claims.

The SPEAKER. The Chair does not recognize the gentleman for that purpose. The Chair likes to be notified in advance before any such motion as that is made.

Mr. STEENERSON. A motion to change the reference of a bill? I supposed that was the order of business after the reading of the Journal right now.

The SPEAKER. The Chair thinks in courtesy the gentleman ought to notify the Chair and the members of the committee before making a motion.

Mr. STEENERSON. We do not want this bill in our committee, and I thought there would be no objection to it.

The SPEAKER. The Chair thinks the gentleman ought to notify the Chair in such a case.

Mr. STEENERSON. I certainly would have done so if I had been aware of any such rule.

The SPEAKER. There is no such rule, of course.

Mr. STEENERSON. It was requested to be done by the gentleman from Texas [Mr. HARDY].

Mr. GARNER. Mr. Speaker, will the gentleman yield for a question? I would like to know if he comes within the rule. He has not made a statement. If he is within the rule authorizing him to make his motion, well and good; but unless he comes within the rule, I shall object.

The SPEAKER. There is no right of debate.

Mr. STEENERSON. I have no statement to make except that the gentleman from Texas wished this to be done.

The SPEAKER. This is a private bill, and the gentleman can make a change of reference without any motion of the House.

Mr. GARNER. It is a private bill.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 2853. An act for the relief of persons suffering damage by reason of proceedings for the condemnation of land for Camp Benning, Ga.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate numbered 53, 54, 56, 58, 59, and 113 to the bill (H. R. 10329) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1923, and for other purposes.

The message also announced that the Senate had agreed to the amendments of the Senate numbered 44, 47, and 61 to the bill (H. R. 11065) making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1923, and for other purposes.

The message also announced that the Vice President had appointed Mr. CAPPER and Mr. ROBINSON members of the Joint Select Committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Government Printing Office.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 2853. An act for the relief of persons suffering damage by reason of proceedings for the condemnation of land for Camp Benning, Ga.; to the Committee on Claims.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that on May 17 they had presented to the President of the United States for his approval the following bill:

H. R. 4069. An act authorizing the Secretary of the Interior to sell certain lands on the Wind River Reservation, Wyo.

RIVER AND HARBOR AUTHORIZATIONS.

Mr. DEMPSEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10766.

The motion was agreed to.

The SPEAKER. The gentleman from Wisconsin [Mr. STAFFORD] will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10766) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, with Mr. STAFFORD in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 10766, the river and harbor appropriation bill. The gentleman from New York [Mr. DEMPSEY] has 22 minutes remaining.

Mr. WALSH. Mr. Chairman, the Clerk ought to report the title of the bill, should he not?

The CHAIRMAN. It is not necessary, although it has been the practice.

Mr. WALSH. I think it is necessary.

The CHAIRMAN. Where is the rule that requires it? I ask the gentleman from Massachusetts to cite the rule.

Mr. WALSH. The rule provides that measures shall be considered in the Committee of the Whole House on the state of the Union by their title—not by their number.

The CHAIRMAN. The gentleman from New York is recognized for 22 minutes.

Mr. GARNER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GARNER. I understand last evening that general debate was exhausted and that we should read the bill under the five-minute rule.

The CHAIRMAN. There were 22 minutes remaining.

Mr. GARNER. Then that was an erroneous statement by the gentleman from Masachusetts [Mr. WALSH] that I read in the RECORD this morning, that that was one reason why a point of order was made that there was no quorum present, because there was nothing else pending before the committee.

Mr. WALSH. Mr. Chairman, will the gentleman from New York yield for a parliamentary inquiry?

Mr. DEMPSEY. Yes.

Mr. WALSH. I did not quite get the remark of the gentleman from Texas. The RECORD discloses that "the gentleman from Massachusetts" said, "There seems to be nothing further to do." I had endeavored to get some time in which to ask the gentleman from Louisiana [Mr. DUPRÉ] a question, and I was advised that all of his time had expired.

Mr. GARNER. Well, when the gentleman from Massachusetts made the remark that there was nothing more to do I understood that the general debate had been exhausted and that we were ready to take up the bill under the five-minute rule.

Mr. WALSH. Not at all.

Mr. DEMPSEY. Mr. Chairman, the bill under consideration is an attempt to take a step forward in the solution of the problem——

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. WALSH. What is the bill under consideration?

Mr. DEMPSEY. The purpose of the bill is for the adoption of projects for the improvement of rivers and harbors.

Mr. WALSH. That is the first time at this session that that has been said about it. I am glad to have it in the RECORD. [Laughter.]

Mr. DEMPSEY. It is a bill seeking to take a forward step in the solution of the very serious traffic problem which confronts the United States. It is needless to say that in ordinary times, in normal times, the railroads of the country, aided by the waterways in their present state and condition, are unable to handle the traffic which the country has. This is peculiarly true following the harvest, and the question is whether we can contribute to the solution of the very difficult problem of providing adequate transportation facilities by improving our waterways.

A few days ago, when we had under consideration in the House the question of making appropriations for the improvement of rivers and harbors, a gentleman who has long been eminent in connection with the improvement of waterways stated that in his opinion it was hopeless to improve the inland waterways of the United States as a whole; that there were exceptions; but, taking it all in all, the condition was rather a hopeless one. Now the question is whether an examination of the record——

Mr. ANDREWS of Nebraska. Mr. Chairman, will the gentleman yield for a question there?

Mr. DEMPSEY. Yes.

Mr. ANDREWS of Nebraska. What relation does this bill sustain to the appropriation that was carried a short time ago in the Army appropriation bill in relation to rivers and harbors?

Mr. DEMPSEY. It has this relation: That bill appropriates money to improve rivers and harbors. Whether it will apply to these new projects or not depends on whether this bill becomes a law in advance of the appropriation bill, in which event those appropriations would apply to these new projects as well as to the old projects; or there might be inserted in the appropriation bill a provision making those appropriations applicable not only to the projects already adopted but also to those to be adopted, in which event the appropriations already made would apply to the projects in this bill.

Mr. ANDREWS of Nebraska. The other bill carried the appropriation, and now you are proposing to pass legislation to tell what shall be done with that money?

Mr. DEMPSEY. No. That bill in its terms applies only to projects already adopted by Congress.

Mr. ANDREWS of Nebraska. This bill carries money for additional projects?

Mr. DEMPSEY. No. This bill provides authorizations of new projects entirely.

Mr. ANDREWS of Nebraska. Then, it is the idea that the appropriation goes first and the legislative proposition comes afterwards?

Mr. DEMPSEY. Yes.

Mr. ROACH. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. I would prefer to make a continuous statement first, and then I shall be glad to answer questions, if I have time.

Mr. ROACH. I want to ask a question on this point.

Mr. DEMPSEY. My time is limited.

Mr. ROACH. Will the gentleman yield?

Mr. DEMPSEY. Yes; I am yielding. What is the question?

Mr. ROACH. That appropriation bill only provided for old projects. If we pass this bill, will there be a lessening of expenditure on the old projects, or will the money all go into the new projects?

Mr. DEMPSEY. No. The appropriation was of a lump sum, without specifying the places of expenditure. If that is made available for new projects, it will be in the discretion of the engineers as between the old and new projects.

Mr. ROACH. The appropriation was a lump sum and it was based on the minimum requirements?

Mr. DEMPSEY. I agree with the gentleman as to that.

Mr. ROACH. How can you spend money out of that appropriation for new projects without lessening the appropriation for the old projects?

Mr. DEMPSEY. You can not.

Mr. LONDON. Mr. Chairman, will the gentleman permit a question?

Mr. DEMPSEY. I am sorry I can not. I decline to yield further.

Now, as to the question of whether we can relieve the transportation situation by the improvement of the inland waterways of the country, it is well to examine the condition and see what the inland waterways are doing at the present time.

There have been large developments in the matter of the carrying of shipments by inland waterways within a very brief time. Take, for instance, the Sabine-Neches waterway, in which the country is as vitally interested as in any other waterway in the whole United States. A wonderful oil field has been developed in the State of Texas, one of the greatest oil fields in the world, and that inland waterway, about 76 miles long, is now carrying about 11,000,000 tons of traffic, and that upon a depth of 25 feet. We are now giving them a depth of 30 feet. They need that for the class of tank vessels which carry the oil, and undoubtedly that waterway will be used to capacity, and the amount of freight carried upon it will vastly increase. Now, 11,000,000 tons is a very large amount of traffic for any waterway to carry, and this I say is comparatively new traffic.

Take another illustration. Take the Monongahela River. That runs down to Pittsburgh. It carries at the present time 24,000,000 tons of traffic. By this bill we are giving the Monongahela River additional facilities. The traffic is now so dense that boats have to wait for long periods in order to pass through the locks, and the amount of traffic is so very great that navigation is dangerous. We are simply increasing the facilities so that the traffic, which is growing there by leaps and bounds, can be carried and can be carried safely.

Take as another illustration the Columbia River and Willamette River in Oregon. That waterway carries 4,000,000 tons of traffic, and the traffic there is steadily increasing. Take as a small example the Clatskanie River in Oregon. We have spent on that river only $24,000.

Mr. MONDELL. While the gentleman is discussing these specific projects, may I call his attention to a project for which a survey is to be ordered? May I make an inquiry with regard to it?

Mr. DEMPSEY. Certainly.

Mr. MONDELL. The Rio Grande River a short distance above El Paso has upon it the Elephant Butte irrigation dam. The entire flow of the river is controlled and carried through the canals of the national irrigation project, which is fed from the Elephant Butte Dam. The Rio Grande below that point, if it carries any water at all at any time, carries what water is not needed for irrigation. If there has ever been any attempt at navigation at that point, even before this reclamation project was started, I do not know of it. It is 1,200 miles, I think, above the mouth of the river. The Rio Grande at that point is dry except when the water is not needed for irrigation. I notice that you are proposing a survey of the Rio Grande at El Paso. Is that for irrigation purposes or for navigation?

Mr. DEMPSEY. Irrigation and reclamation projects are not within the province of our committee.

Mr. MONDELL. What is the idea?

Mr. DEMPSEY. We are not attempting to usurp the province of another committee.

Mr. MONDELL. What is the idea of the committee making a survey of a river that is dedicated to irrigation?

Mr. DEMPSEY. As to the survey to which the gentleman refers, the reason it is granted is very obvious. It is this: We appropriate annually about a quarter of a million dollars for surveys. That is the amount which has been appropriated for many years. Now gentlemen come in and ask for a survey. It is almost a matter of course to grant them a survey, and why? The engineers testify before our committee that the inclusion of a particular survey does not add materially, if at all, to the expense, that they have most of the data right there in their office, that they are able to prepare it as a matter of clerical work and not as a matter of work in the field, and that the appropriation will not be exceeded, nor will it deprive any genuine survey—if this one happens not to be—of the funds which are needed for the purpose of making it.

Mr. MONDELL. Then do I understand the gentleman to say that if I should come in before his committee and ask for a survey of the North Platte River in Wyoming, which carries much more water than the Rio Grande carries at El Paso, I would be able to secure in this bill an appropriation for a survey? It might help me locally.

Mr. DEMPSEY. The gentleman might procure a survey, and the result of it would be that instead of helping him locally I think he would find that the report would be adverse, and the people in his district would say that his energies might well

have been spent upon something other than the securing of a survey where he knew the result would be adverse.

Mr. MONDELL. If the gentleman would say that to the gentleman who asked for this Rio Grande survey, it would be more to the point.

This is not a question of rivers and harbors. The gentleman from New York has assured us that there was nothing in this bill except rivers and harbors.

Mr. DEMPSEY. Now, this project bill attempts to deal with the problems of the country and to help really to solve many of the transportation problems. For instance, we propose the improvement of Coos Bay in Oregon. What does that mean? The Coos Bay district in the State of Oregon contains billions of feet of lumber. A great part of that lumber belongs to the United States, and the United States is interested in having it marketed. The instant that we improve Coos Bay in Oregon we will bring that lumber to the eastern market.

That will result in two things: First, the lumber in the Coos Bay district will increase in value at least $1 a thousand, and that will add to the Government resources ten or fifteen times the cost of this project. That is important to the Government as a government, but it is still more important to the people of the United States as a people, because the lumber of the South which has been supplying us in the North for many years is being exhausted. The peak of production in the South was reached some years ago. The time is coming, and coming in the near future, when the South, with its splendid climate, with its rich agricultural land, and rapid development, is sure to need all the lumber that is growing in its own territory. The result will be that if the people of the East, in the thickly populated part of the country, are to have lumber at any moderate price they must secure it from the Pacific slope, and the only way it can be brought East at a moderate price is by water.

Now, let us come down to San Francisco. We find that San Francisco has one 40-foot entrance to its bay. San Francisco is the greatest port on the Pacific slope. It is a great center for the commerce between the United States, China, and Japan, and all the great east with its teeming millions. San Francisco has a 40-foot channel but it is along the coast. It is 6 or 7 miles longer than a straight channel into the bay. It is dangerous to navigation because it is near the rockbound coast, and in great storms vessels are apt to be cast on that coast. So it is of vast importance that a new channel should be dredged.

I started to say a word about the importance of deep waterways in Texas. There is nothing more important in the public mind than the enormous increase in the use of gasoline in the United States and the constantly mounting price. We hope that we can reduce the price if we reduce the cost of transportation to market. The only way we can reduce that cost is by deepening the channel and enabling the vessels of deeper draft, which are more economical to operate, to bring it to market. That is what we expect to do by the improvement of the Texas waterways.

Another thing we do in this bill is this: Certain projects have been completed, and yet the appropriations do not lapse at the end of the year, and so it becomes necessary, in order to release them, even after the project has been entirely finished, to have a clause releasing them and turning it into the general fund. That we do by this bill.

For the first time in the history of the country, or for many years, the Mississippi River is doing a large and constantly increasing business. When the project for the upper Mississippi was adopted we made no provision for the improvement by the Government of harbors along the river, and so you can navigate the river; but when you reach a city, when you reach the point where you are to receive or discharge a shipment, you have no harbor which you can enter or from which you can depart. The bill provides that the project for the improvement of the upper Mississippi shall include the harbors of that part of the river.

One of the worst problems, and the most serious problem with which we had to contend during the war in supplying the troops with munitions and food, and in supplying our allies with both these things, was the congestion in the port of New York.

People in the country seem to assume that that condition is going to continue; that the port of New York will be unable to avoid it; and that in the future we will have the same difficulty in handling the traffic that prevailed during the war. The fact is that the port of Greater New York has been formed, which includes not only the city of New York but adjacent territory, and that port of Greater New York will expend $500,000,000 as a local contribution to solve traffic conditions in the city of New York and make it so that we can not have a condition where freight cars are piled up outside the city for 50 miles, as they were during the war. In other words, they are going to provide abundant facilities for the handling of this traffic—docks and terminals sufficient in number and adequate in size—and facilities for sending traffic destined beyond the city around it, instead of through the congested centers. And this bill provides the channels to be used in connection with the docks and warehouses, so that the improvements may be complete and result, as they will, in the economical and rapid handling of all the freight which comes to that great city.

Mr. BEGG. Will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. BEGG. Does this contemplate adding this authorization to the $40,000,000 appropriation, or is this to come out of that?

Mr. DEMPSEY. I will show the gentleman. River and harbor improvements are made in the United States only on projects that have been adopted. Up to the present time certain projects have been adopted—say 100, and I suppose there are 200. They are in various states of completion. Take, for instance, the gentleman's Ohio River; that project was adopted 12 years ago to be completed in 10 years. About half of the locks and dams are completed, about one-quarter are being built, and one-quarter are not started. That is the situation on that project already adopted. We find, as time goes on, in this great country of ours that we need to do new things, that we can not rely simply on the projects we have already adopted.

Mr. BEGG. I understand that part of it, but the point is——

Mr. DEMPSEY. We are adopting now some new projects. As to the appropriation of money, under the appropriation bill passed by the House, the $42,815,000 which it carried would not apply to these projects now to be adopted. It could only apply in one of two events—in the event that this bill becomes a law before the appropriation bill becomes a law, or in the event that there be inserted in the appropriation bill two words, the words "and hereafter" after the word "heretofore." The appropriations now carried in that bill apply to projects heretofore adopted, and if there were added the words "and hereafter" after the word "heretofore," then the appropriation would apply also to this bill.

Mr. BEGG. Is it contemplated that after this bill is passed a new river and harbor appropriation bill, in addition to the $42,000,000, will be adopted?

Mr. DEMPSEY. No. I would say in addition to that to make it clear that the amount which it will be necessary to expend to complete the projects covered by this bill will be about $36,000,000, but that is not to be expended at once. It will be expended only from year to year, and the maximum amount which it is estimated might be expended the first year would be perhaps ten or eleven million.

Mr. BEGG. And that would come out of the $42,000,000?

Mr. DEMPSEY. Yes; in either of the contingencies I have suggested.

Mr. DUPRÉ. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. DUPRÉ. In the case of the Monongahela River we were informed by the engineers that it would take about eight years to complete the enterprise, the whole cost of which will be some $6,000,000, but it would be asked only pro tanto each year.

Mr. DEMPSEY. I thank the gentleman for his suggestion. My recollection is that the engineers said, in addition to that, that the amount to be expended would be, roughly, a half million dollars the first year. This bill provides also authority for the construction of six new dredges. There has been progress made in the construction of dredges for harbor work in the United States, the same as there has been in locomotives or any other mechanical contrivance, so that the dredge of to-day does much better work and so much more work that the present dredge saves about $50,000 over the obsolete dredge which we have in operation in the United States. There can be no greater measure of economy, there can be nothing that will tend to make each dollar appropriated for rivers and harbors go further and secure a full dollar of return for each dollar expended than the authorization for these new dredges.

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired, and the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the following works of improvement are hereby adopted and authorized, to be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers, in accordance with the plans recommended in the reports hereinafter designated:

Pawtucket River, R. I., in accordance with the report submitted in House Document No. 654, Sixty-sixth Congress, second session.

Mamaroneck Harbor, N. Y., in accordance with the report submitted in House Document No. 651, Sixty-sixth Congress, second session, and subject to the conditions set forth in said document.

Harbor of New Rochelle and Echo Bay, N. Y., in accordance with the report submitted in House Document No. 110, Sixty-seventh Congress, first session, and subject to the conditions set forth in said document.

New York and New Jersey Channels, in accordance with the report submitted in House Document No. 653, Sixty-sixth Congress, second session.

Mr. BURTON. Mr. Chairman, a parliamentary inquiry. Would an amendment proposed to this paragraph lie when the section is read or would it lie now?

The CHAIRMAN. The present occupant of the chair is not advised whether that question has been presented since the appropriating powers have been taken away from the Committee on Rivers and Harbors. The rule has been that on general appropriation bills and on revenue bills the bill is considered by paragraphs, but the river and harbor bill, even when it carried appropriations and not merely authorizations, was not a general appropriation bill, and yet the bill was always considered by paragraphs. The Chair thinks it would be better practice to have the bill considered by paragraphs, and all question would be removed if the gentleman having the bill in charge would ask unanimous consent to have it so considered.

Mr. DEMPSEY. Mr. Chairman, I ask unanimous consent that the bill be considered by paragraphs instead of by sections.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DEMPSEY. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DEMPSEY rose.

Mr. LONDON. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. LONDON. I notice that in sections 1 and 2 of the bill, in making various provisions for projects it is provided that projects be made in accordance with the reports submitted to the House at various times.

Mr. DEMPSEY. Yes.

Mr. LONDON. Some of these reports have been submitted as late as 10 years ago. Is it customary in legislation to refer to some document that is not before the House?

Mr. DEMPSEY. Oh, the documents are before the House in the sense that they have been sent to the committee and they are available to everyone. The gentleman will find that instead of that being a report of 10 years ago, the probability is that the project has been completed, and that that is simply a modification of a project on which there is a recent report.

Mr. Chairman, I started to say a word about the question of whether we could really help the solution of the traffic problem by improving our inland waterways. It has been suggested that that has been possible in Europe, that in Europe they have made a great success of their waterways, but that in this country it is impossible. As an illustration of what we can do in the United States, let me point to the greatest inland transportation, not alone in the United States but in the world; the greatest in extent, the greatest in success, the greatest in the rate of transportation. There is no transportation in the world that has been as cheap or is as cheap to-day as the transportation on the Great Lakes, and that transportation has been made possible by American genius and American enterprise, by devising the kind of ships best fitted for that transportation, by inventing labor-saving devices to unload and load, so that they load and unload in a miraculously quick time, a time which puts to shame the loading and unloading elsewhere in the world.

We carry on the Great Lakes 100,000,000 tons. That varies up to one hundred and twenty and one hundred and thirty million tons. About 96 per cent of that consists of iron ore and coal which is carried back to the Northwest. All of that traffic is between our own people so that there is left only a minimum, a small portion of traffic which goes abroad. Let me make a comparison of the cost of transportation on the Great Lakes and transportation on the ocean. The cost per ton-mile for transportation on the ocean by foreign nations, where they have cheap labor, where they have been in the transportation business from time immemorial, transportation by England, which has been the mistress of the seas for hundreds of years, is 3 mills per ton-mile.

And it costs on the Great Lakes, just one-third of that, 1 mill per ton-mile. That shows what you can do on your inland waterways when American genius and American enterprise starts out to solve the problem. It is equally well shown in the result in Texas on this comparatively new waterway, the Sabine-Neches.

They have grown there to a traffic of over 11,000,000 tons, an enormous traffic when you consider it in comparison with waterways anywhere in the world, and that has grown up in a few years, because those who produce the oil have seen the necessity of transporting it in the cheapest way to the market.

Mr. BURTON. Will the gentleman yield for a question?

Mr. DEMPSEY. I will.

Mr. BURTON. Does not the gentleman from New York recognize the vital distinction between the waterways of the Great Lakes, 20 feet deep and more, and the so-called inland waterways, rivers having a depth of from 2 to 12 feet?

Mr. DEMPSEY. I recognize the distinction and I recognize there is a wide distinction; I realize, for instance, in a city you improve your road from curb to curb, and I realize where traffic is not so great in the country you will have it sometimes from 12 to 16 feet. You can not have 20 feet of depth everywhere, it is true, but what I do say is the waterways of the country, a large number of them, aside from the Great Lakes, and I will call attention to a considerable number now, can be used to relieve congestion in transportation and to secure a lower rate of transportation and thus reduce the cost of living. The Monongahela the gentleman recognizes as a useful waterway with its 24,000,000 tons of freight; and the Sabine-Neches, with the 11,000,000 tons it carries.

Mr. BURTON. But the Sabine-Neches is not an inland waterway.

Mr. DEMPSEY. Why not, it is an artificial waterway, and——

Mr. BURTON. It provides access to the sea by ocean-going boats.

Mr. DEMPSEY. No; they are tankers, that is all.

Mr. BURTON. They sail on the ocean and go all over the world, and the object of improving the Willamette and the Columbia is to give access to the port farthest inland, Portland. That is very different from the Monongahela.

Mr. DEMPSEY. Let us put the issue squarely. What I am contending here is this, that the improving of our inland waterways, according to our experience up to the present time, is of the greatest value to the Nation in relieving the congestion which occurs in normal times owing to the inability of the railroads, through lack of cars, trackage, and adequate terminals, and in securing cheaper rates, and that it is important to improve every inland waterway which is capable of carrying a tonnage large enough to really help relieve congestion and to make the transportation economical. Does not the gentleman agree to that?

Mr. BURTON. I would not agree to that broad statement.

Mr. DEMPSEY. Let me call attention to a few illustrations besides those I have referred to. Let us take a very small stream which is only 8 feet. Here is the Calcasieu River, La. Now, we have spent $655,000 upon it. It carried freight last year to the value of $8,000,000—636,000 tons. Was that river worth improving? Let us take another. Here is the Tensas River, La. It is only 4 feet, but——

Mr. BURTON. Do not leave out the Bayou-Teche.

Mr. DEMPSEY. We abandon projects in this bill which were adopted years ago and upon which vast sums of money have been expended in preceding times. We abandon those projects which have no water, and only improve those with water. Let us take the Tensas, upon which we have spent only $85,000. Last year it carried 102,000 tons of traffic, worth a million dollars in round figures. Let us take another. I spoke of the Clatskanie River, Oreg. We have spent less than $25,000 on it, and it carried last year 100,000 tons of freight, worth nearly two million dollars.

Take the Ohio. It is only improved part of the way down. The Ohio and Mississippi together and their various tributaries constitute an inland waterway of over 6,000 miles, but they are not in use, all of them, because we have not completed the improvements, and yet, in spite of that, the Ohio carried last year about 9,000,000 tons of traffic. It should have carried 13,000,000 or 14,000,000 tons, but the reason probably that it lost last year is that there has been no traffic on the ocean as compared to the ordinary years and less traffic by rail during this time. So we say we believe it is worth while to develop the waterways of our country. We believe we can develop them; we believe there is no reason why, if we can do what we have been doing on the Great Lakes, what we have been doing on the Monongahela, we believe there is no reason why we can not do what we have done on the Sabine-Nechez if we put the genius, the energy, and the resourcefulness of our people at work. We can use our waterways and develop them for all purposes. There is no reason why with the 66,000,000 primary horsepower in the United States we should be using only 6,000,000 horsepower. All of this vast unused energy should be developed and applied

to useful purposes and to the saving of coal at the same time that we improve the navigation of our waterways.

There is no reason why in the end we can not cease using our streams as places for sewage, a practice which will make the history of this age and the history of our people up to this time incomprehensible to our descendants, and have pure water for all the people of the United States. The time must come, and it is coming soon, when we must use these waterways, if we are to send the farmer's product or the manufacturer's product to the markets. It is useless to plant our fields, it is useless to have our factories running, unless you can send the products of both to the places where they can be sold. [Applause.] And you can send them more cheaply by water than you can in any other way. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BURTON. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to proceed for 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BURTON. Mr. Chairman and gentlemen of the committee, I still adhere to two views expressed in the discussion of the Army appropriation bill; first, that specific appropriations should be made by Congress for the various river and harbor projects instead of leaving the apportionment to the War Department.

Mr. DEMPSEY. Permit me to say that I entirely coincide with the gentleman's views, as I think they are the result of observation and experience. I think he is entirely correct.

Mr. BURTON. Second, I do not share the optimistic expectations expressed here in regard to the improvement of inland waterways. There are numerous inland streams which can be profitably utilized. In some remarks here on March 27, page 4632, I sought to set forth the classes of inland waterways which might profitably be improved. What I have especially objected to is the expensive development by locks and dams and the removal of serious obstacles in rivers paralleled by railroads, where there are other methods for transportation available much cheaper and much more convenient. I do not think the gentleman from New York [Mr. DEMPSEY] has thoroughly realized the difference between the ordinary inland waterway and the Great Lakes, where there are bodies of water, like Lake Superior, Lake Huron, Lake Michigan, and Lake Erie, with a depth quite as useful for navigation as in the ocean itself. What is needed for their utilization is the improvement of the connecting waters, such as the River St. Clair, the River St. Marys, and the Detroit River. Then, again, the other class of improvements which he names, the Willamette and the Columbia, extending to the sea and furnishing a channel for ocean-going vessels. The Sabine-Neches is in the same class. The Delaware River is in the same category. The Patapsco River, furnishing an outlet from the port of Baltimore, is of the same type. Those are different from shallow-draft streams, where you must use small boats. And in this age I think that latter method is distanced by others more convenient and useful.

Yet I recognize the congestion that prevails on the railroads, and I do not offer any objection here to giving this method by the inland waterways a trial. What I would suggest as regards the more expensive improvements is to do this, improve the barge canal, that has been undertaken by the State of New York; improve the Ohio River; improve the Mississippi River. The latter is at a very high stage of utilization for navigation from Cairo down. Let us ascertain whether they are going to succeed or not. If those three waterways do not prove successful, in view of the very fertile territories through which they pass, no others will.

But, Mr. Chairman, I did not rise especially to speak on this subject. There are certain fundamental principles which we must adopt in utilizing the waters of the country. I look to a great era of development in the United States in the coming years. We are just at the beginning of the utilization of our resources, just at the beginning of providing the conveniences and luxuries of life. During the time in which I was chairman of the Rivers and Harbors Committee there was a disposition for economy which prevented our making appropriations adequate for the purposes which we desired. The keynote of this problem is this: First, we must recognize that water is an asset just as well as the land. Next, in the utilization of that water, cooperation must be used. I use that single word—I mean cooperation between different uses of water and cooperation between the Federal Government and municipalities, States, and private individuals, on the other hand. We were constantly hounded, when I was a member of that committee, for appropriations for mere bank protection where there was no navigation. We excluded those just as far as possible.

Now, what is the solution? We must take into account the different uses and treatment of water. First, navigation; second, water supply for cities, water supply for irrigation comes in. We must take into account the purification of water. Along with those we must also regard drainage and flood protection, and last of all, I would name—and in a way it is the most important—the utilization of water for power. Different agencies, the Federal Government and communities, must all join, the Government paying its share for navigation; private individuals for their share for bank protection; municipalities providing the funds necessary to secure purification of water and water supply, and presumably private enterprise putting in the capital for the development of water power.

There are a number of streams in this country that could not be utilized profitably for navigation alone, nor could they be used profitably for water power alone, but if you join the two together they can be improved and improved with profit.

Now, I think this bill contains projects which are for the most part entirely commendable. I desire to say just a few words on the proposition for the use of the New York and New Jersey Channel. In 1900, with a Government engineer, I went through the Arthur Kill and the Kill Van Kull, and was impressed with the possibilities of that waterway near New York, as a place to provide for smelters, for the refining and storage of oil, and for a great variety of uses.

The project was adopted by the Committee on Rivers and Harbors. Just see what the result has been. There have been, I think, 30,000,000 tons carried through that waterway in a single year, with a value of a billion dollars. That certainly is an improvement this country can afford to undertake. I do not say that there may not be some odds and ends, some incidental portions of it, that should be taken up by private enterprise.

And, to digress here, generally speaking, amounts expended upon the harbors of the country, the channels adjacent to great cities, have conferred in their improvement a greater benefit than money expended upon the rivers of the country. That does not mean that we should omit to utilize the rivers, particularly such rivers as the Mississippi and the Ohio, but so far as the return is concerned in increased trade and development of traffic and general profit to the whole country, what could surpass the benefits obtained from the improvement of such a harbor as that of New York and the channels in the neighborhood, also the channels to the harbors of Philadelphia and Baltimore, and the improvement of the Southwest Pass for access to New Orleans, and, perhaps, overtopping them all, the improvement of the Great Lakes and its harbors?

Gentlemen of the committee, I want to lay before you this idea: There is something for us to consider in the coordination of different uses of water. If we are to have as good a country as we ought to have, if we are to have the abounding wealth that we desire, we must take up this problem in a large way. We must impose the expense where it properly belongs. Where the improvement is for private benefit, let it be paid by private parties; where it is for the benefit of a community alone, let it be paid by that community. And it is the same with respect to a State. Where you can place the improvement on the ground of universal and general benefit, then the whole country should pay for it from the Federal Treasury. But the dividing line between them all should be carefully drawn. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. DEMPSEY. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio may have one additional minute. I wish to ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from Ohio is recognized for one minute more.

Mr. DEMPSEY. I may say that I am quite in sympathy with what the gentleman from Ohio has so well said, and I believe if he will stay here—and I know he will—during the consideration of this bill he will find that every item of it is within the principle that he has laid down in the light of the experience he has had.

Mr. BURTON. I am glad to hear that. I had understood that there were improvements proposed for creeks or harbors scarcely worthy of attention, but I did not find them. The old "chestnuts" that were thrown off when I was active in this work do not seem to be here. Most of this work is for the enlargement of projects already undertaken.

Mr. DEMPSEY. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DEMPSEY: On page 2, between line 9 and line 10, insert the following paragraph:

"Newark Bay and Hackensack and Passaic Rivers, N. J., in accordance with the report submitted in House Document No. 206, Sixty-seventh Congress, second session, and subject to the conditions set forth in said document."

Mr. DEMPSEY. Mr. Chairman, I would say in reference to this amendment that it applies to a part of the Greater New York development, and it is part of the improvement of that port which is of importance to the whole country. It aims to make Newark Bay available for the commerce which comes in on all the trunk-line railroads there, and to make it available there so that it can be transshipped from Newark Bay instead, where it is unnecessary to do it, of sending it over to Greater New York. It is also intended to give Newark Bay all the commerce that would naturally come through it as a great center, as it is, for manufacturing and commerce and all the things that go to make for commercial prosperity.

Mr. WARD of North Carolina rose.

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield for a question?

Mr. DEMPSEY. Yes.

Mr. LEHLBACH. Is it not a fact that it was intended to incorporate this item in the bill proper, and the reason for its not being offered then as an amendment is the fact of its being referred to the district engineers for report?

Mr. DEMPSEY. Yes. All the gentleman said is true. The district engineer had not fully realized the necessity of this project, but in the opinion of the Chief of Engineers it was of such vital importance that he deemed a special report necessary, and it was sent back for a new report, so that it might be made a part of this bill. It is as important a project as there is in the bill.

Mr. WARD of North Carolina. The question I wanted to ask was substantially submitted by the gentleman from New Jersey [Mr. LEHLBACH].

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. APPLEBY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from New Jersey moves to strike out the last word.

Mr. APPLEBY. Mr. Chairman and gentlemen, I want to say a very few words in favor of this particular section on page 2, line 7, calling for New York and New Jersey channels in accordance with the report submitted in House Document No. 653, Sixty-sixth Congress, second session.

We should all be interested in better waterways located within the United States where the public is going to be benefited. This particular project which I wish to speak for will provide for the deepening of the channel from Sandy Hook to Perth Amboy, and from Perth Amboy through the Arthur Kill and Kill Van Kull into upper New York Bay. As the gentleman from Ohio [Mr. BURTON] has said, there is probably a greater development of industrial plants along these waterways than in any other part of the United States. Many large manufacturing plants of various kinds have located there in the last few years. These channels at the present time are not of sufficient depth to carry the deep-draft ships which would like to enter. This project was recommended in 1881, and in 1905 by the War Department, which improvement calls for a 30-foot channel for incoming steamers from the Atlantic Ocean opposite Sandy Hook via Arthur Kill to upper New York Bay. It seems to me there is no more greatly needed item in this bill than this particular one. The possibilities for the further development of industry and increased number of plants are immeasurable. At the present time the oil coming into the Standard Oil establishment at Bayonne has to be reloaded into the ocean-going ships from the boats of lighter draft in order to reach the refining and storage plants. Anyone familiar with the volume of the business done by these oil companies, and the coal companies as well, together with the great number of plants located along the Arthur Kill, must know that this project is a necessity, and will save thousands of dollars annually through lowering the cost of transportation. In fact, it is the most important item in the entire bill, as a great project calling for such a harbor improvement as this must of necessity be. The country in general will be well satisfied if the House approves this project which I have so hastily mentioned. [Applause.]

Mr. HILL. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. HILL. Mr. Chairman and gentlemen, in reference to this bill, H. R. 10766, which is a bill "authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," it is my understanding that for the work on the Baltimore Harbor no reference is necessary in this bill. I should like to ask, however, a statement from the chairman of the committee on this subject.

It is my understanding that under existing legislation there is authorized a 35-foot channel for the port of Baltimore, and that in the War Department appropriation bill, out of the $42,000,000 authorized by this Congress and appropriated for rivers and harbors, $350,000 was provided in the discretion of the engineers for the project in Baltimore. It is my understanding, therefore, that it is not necessary for Baltimore Harbor to be referred to in this bill; but, as I say, I should like to have that understanding confirmed by the chairman of the committee.

Mr. DEMPSEY. Baltimore Harbor has already adopted in its interest the project for 35 feet of water, and that project is under way and in process of completion. That is one of the very great harbors of the country. It is one of the harbors which is a demonstration of the fact that you can be located off the ocean and yet have a wonderful business. Everyone on the committee realizes the importance of Baltimore, and we believe that with the increased appropriation which was passed in the Army appropriation bill Baltimore will get all that it needs for the present year, all that can be profitably and economically expended in the improvement of the harbor.

Mr. HILL. I thank the chairman of the committee, and I wish to ask one more question: It is my understanding that the Representatives of the State of Maryland in this House should be entirely content with the situation as to the appropriation for Baltimore Harbor, and that there is nothing further to be done in reference to that situation at the present time?

Mr. DEMPSEY. There is nothing to be done except to be sure that you are present if there is any danger when the military appropriation bill comes back from the Senate. However, I understand that the Senate committee have adopted, I think unanimously, the appropriation as it was passed by the House, so I do not anticipate any difficulty in conference. But we should be prepared to meet it if it turns out that I am wrong. I think my information is correct.

Mr. HILL. It is my further understanding that the House has dealt generously with the Baltimore Harbor in this matter.

Mr. DEMPSEY. It is a lump-sum appropriation, but the disposition of the engineers is to regard Baltimore as being of very great importance in relation to the other harbors of the United States, and my understanding is that the Chief of Engineers believes that he will be able to allot to Baltimore Harbor all that can profitably and economically be expended there during the coming season.

Mr. HILL. I will say to the chairman of the committee that Baltimore City has recently authorized a bond issue of $50,000,000 and is making enormous improvements, and that therefore it is particularly gratifying to the people of Baltimore that this appropriation has been made.

Mr. GARNER. Will the gentleman yield?

Mr. HILL. I yield to the gentleman from Texas.

Mr. GARNER. I want to congratulate the gentleman from Baltimore upon getting a certificate of character to exhibit to his constituents from the chairman of the committee. I understand this project is all right, and that the record will give the gentleman from Baltimore full credit for everything being satisfactory, and that Baltimore will get out of the $43,000,000 all that can possibly be spent in Baltimore Harbor.

Mr. DEMPSEY. Why should not the gentleman have the credit to which he is entitled? He has done his part.

Mr. GARNER. I do not want it to go under the guise of his having to assist the Baltimore project. I merely want it to show that it is for the purpose of assisting the gentleman in his reelection.

Mr. DEMPSEY. He should be assisted when he has done good work, as he did in this instance, and we all want to assist him where he has done good work.

Mr. GARNER. I quite agree with the gentleman.

Mr. HILL. I want to thank the gentleman from Texas—I have not had the chance before—to thank him for the help he gave me by inference a little while ago on my bill for 2.75 per cent light wines and beer. [Laughter.]

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn and the Clerk will read.

The Clerk read as follows:

Wilmington Harbor, Del., in accordance with the report submitted in House Document No. 114, Sixty-seventh Congress, first session, and subject to the conditions set forth in said document.

Mr. LAYTON. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. The gentleman from Delaware asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. LAYTON. Mr. Chairman, it is not necessary for me to speak at any length upon this item for the harbor of Wilmington, Del. Yesterday I put a rather long dissertation in the RECORD upon this subject, including this paragraph itself. I will only repeat what I said yesterday that the committee, in including projects, were careful to include projects where the localities were showing a disposition largely to help themselves. The city of Wilmington is the one great city in my State, a city of 125,000 inhabitants and with probably as varied an industrialism as there is in any city in the United States, with a tremendous output, and valuable output, and as you all know with a tremendous wealth, which goes to swell largely the Federal Treasury. They have bonded themselves for $3,000,000 in order to develop a port. Up to this time the city of Wilmington has depended upon a little river called the Christiana. It is probably not more than 80 or 100 yards across. Wilmington has reached the point where she must have an outlet upon the Delaware River. The consequence is that she has asked that this paragraph be favorably considered by the House, in order to improve the mouth of that river, where she proposes to spend at least $3,000,000 for docks, terminals, warehouses, and so forth. Running into that development are three of the great railroads of this country—the Baltimore & Ohio, the Pennsylvania, and the Reading. I believe, and I think the House will believe, if they give it mature consideration—I know the engineers of the Government take this view of it—that even now there is a congestion upon the Delaware River that demands this improvement. I do not believe there is any place in the United States where there is a greater industrialism and a greater congestion of population, with a certainty of still greater future development in industrialism, in agriculture, and in horticulture, and of increasing population than there is from New Castle, Del., up beyond Philadelphia for many miles, at least as far as Bristol.

Mr. BURTON. I quite agree with the gentleman from Delaware that along the Delaware River is a place for great industrial growth. Has there been improvement along on the front of the Delaware River to accommodate the traffic of Wilmington as yet?

Mr. LAYTON. I do not exactly understand the gentleman's question.

Mr. BURTON. You are right near to the Delaware River and most of your traffic has been in the Christiana River.

Mr. LAYTON. Yes.

Mr. BURTON. I used to tell the people coming from there that you would ultimately have to improve the facilities on the main Delaware River. Have they begun to do so?

Mr. LAYTON. Oh, yes; undoubtedly; and there is already a $5,000,000 factory to be established, conditioned upon the making of this improvement.

Mr. BURTON. In olden times the sewage of Wilmington used to be discharged into the Christiana River, and the Government had to do the work of getting it out. Has that been attended to?

Mr. LAYTON. Does the gentleman mean the discharge from the factories—the sewage, and so forth?

Mr. BURTON. Yes.

Mr. LAYTON. The gentleman has asked me a question that I can not answer. I do not know.

Mr. BURTON. That was one objection that lay to this appropriation some 10 or 12 years ago.

Mr. LAYTON. Mr. Chairman, almost from Wilmington to the northern limits of Philadelphia there is one compact municipality as far as factories, dwelling houses, and warehouses and things of that kind are concerned. There is hardly a vacant space, so to speak. It is all connected up with trolley lines and cement roads, and the time will soon come when there will be no vacant space on the Delaware River within the limits I have specified. There is a great territory behind the port of Wilmington, and therefore in making this projected improvement it is going to relieve Philadelphia; it is going to relieve Chester also, and as soon as the Chesapeake Canal is constructed it will bring into cooperation the great port of Baltimore, bringing it into relation with the Delaware River and all its industrialism, which is almost inestimable. [Applause.]

The Clerk read as follows:

Locklies Creek, Va., in accordance with the report submitted in House Document No. 612, Sixty-third Congress, second session, and subject to the conditions set forth in said document.

Mr. CLOUSE. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to extend and revise my remarks in the RECORD.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. CLOUSE. Mr. Chairman and gentlemen of the committee, it is not my purpose to discuss at length the various projects which your Committee on Rivers and Harbors have incorporated in the pending bill, nor shall I attempt to discuss any particular project with a view to showing the relative merits of one as compared with another. Were I called upon to discuss or express my individual opinion on the several projects, I could but say that there is not one single item in the bill which deserves any greater consideration than the other, but that each and every one is not only meritorious but an absolute necessity in the handling of the commerce of the Nation.

Your committee has labored long and diligently in the investigation of all matters pertaining to the improvement and development of rivers and harbors, and in those deliberations we have endeavored at all times to arrive at our conclusions solely and alone from facts produced showing or tending to show the imperative necessity of the project, not only from the viewpoint of handling the commerce but with the view also of benefiting the greatest number of people possible by way of reduced charges of transportation.

Perhaps at no time in the history of the world, and certainly at no time in the history of this Nation, have we been confronted with the serious problems that threaten to destroy our progress and prosperity as we are to-day. Chief among the obstacles confronting us is that of transporting the produce of the soil, the products of the factory, the natural and necessary resources of the Nation, at rates that are reasonable to the farmer, the merchant, the laborer, the manufacturer, and the citizen. I think that all will agree that present-day conditions of transportation are not only inadequate, but that they are exorbitant and intolerable. They can not be defended, much less can they be long endured.

The hour of the Nation's return to normalcy and prosperity may be well measured by the course which we pursue in encouraging and coordinating the transportation facilities of the country. The troublesome conditions into which we have been thrown may be attributable to many causes, but chief among them, in my judgment, is due to the fact that the people of this country, the Congress of the United States, the Nation, has failed to grasp the wonderful possibilities and benefits that are to come to all our people as a result of the development and improvement of our internal rivers so that they may be utilized for the handling of the commerce of the country.

The Government of the United States entered upon a program of building a merchant marine. The construction of this merchant craft was started during the period of war, and while millions of dollars was ruthlessly wasted in the execution of that program, yet out of an expenditure of approximately three and a half billion dollars we have, after discarding all worthless craft, a huge fleet left, which can be utilized only in the carrying of our surplus products across the high seas and to the markets of the world. In this way only can we ever expect to realize a single farthing on this stupendous investment. Only by the improvement of our rivers and harbors will we be able to freight the surplus corn and wheat and cattle and hogs and horses and mules and coal and timber and the thousand and one things that go to make up our commerce to the ports of embarkation at rates that are reasonable and profitable to the producer.

The inadequacy of the railroads of this country to handle the commerce of the Nation has been conclusively demonstrated, and when we consider the fact that the commerce of the United States doubles every 10 years, then we are irresistibly driven to the conclusion that in order to meet future conditions of an ever-increasing population we must turn our attention to the development and use of rivers as the one and only means of meeting the situation with which we are now, and in the future will be all the more seriously, confronted. By this means and in no other way can we hope to reduce the cost of transportation, which is a tremendous burden on the farmer and producer as well as on the consuming public.

In advocating the development of these natural arteries of commerce it is not my intention to advocate the abandonment of our railway systems. They have in the past rendered great service in the development of our country, and in all which

they deserve the appreciation and fair consideration of a grateful people. They have not only aided in the development of our country and its resources in the past but they will constitute an indispensable influence in the continued growth and progress of the Nation. The principle which I have in mind, the policy which this Government must inevitably adopt, is to improve and encourage all sorts of transportation in order to obtain the benefits of the almost inexhaustible resources of the country and furnish to our people the most seasonable and economical transportation that it is possible to devise.

There are some governmental policies relating to the operation of railroads, however, which I do not approve, and which, in my judgment, should not be tolerated for another day. The policy to which I refer is that of the Interstate Commerce Commission allowing railroads to establish rates on lines which parallel our rivers so as to meet the rates established by water transportation, and to permit them to establish an entirely different rate on the very same character of freight when it is being hauled into inland territory. To illustrate, the railroads haul to-day from New Orleans to St. Louis, a distance of 718 miles, 100 pounds of second-class freight for $1.73, while they charge for hauling the same amount of the same kind of freight from New Orleans to Fort Smith, Ark., a distance of 494 miles, but where there is no water competition, $1.84½. The railroads to-day haul 100 pounds of freight from Portland, Me., to New Orleans, a distance of 1,685 miles, for the sum of $2.51, while they charge from Kansas City to New Orleans, for the same kind and amount of freight, the sum of $2.48½, although the haul is 806 miles shorter. Why this inequality? Simply because in one case there is water competition, in the other there is not.

I believe that the rates should be made according to the character and distance hauled, and not predicated upon the fact of whether there is or is not water competition. I believe that the railroads should have a fair return on their investment, but I do not believe that they should be permitted to drive commerce from our rivers by hauling freight at a loss in order to compete with water transportation, and then charge an excessive rate to the shipper who lives in the interior where there is no water transportation. No sane business man would tolerate such practices in his private business affairs, and why should we as representatives of the people, clothed with the power to tax the people and appropriate their money, be less mindful of the affairs of our constituents than we would be of our own affairs? I want to see the Government adopt business methods in the administration of the affairs of the Nation. I want to see Congress function with an eye single to the development of our vast resources along economical lines, but always functioning for the benefit of the greater number of American citizens. I want to see in the not far distant future steamships and steamboats plying the waters of every navigable river in America, carrying the products of the farm, the forest, the mines, the factory to all the markets of the earth, and with this I hope to see a Nation of the most prosperous, progressive, happy, and contented peoples of all the ages of the world.

I am glad to say that we as members of your Committee on Rivers and Harbors have at all times endeavored to follow a course which would give the greatest results with the least possible expense to the taxpayer. We have stood firmly by every scheme and every program that tended to reduce the expenses of administration of Government, but we are firmly convinced that it is not always economy to deny appropriations adequate to carry on the necessary work of the Government in a continuous, successive manner. Indeed, in the development of our rivers and harbors it has been shown that the greatest expense, if I may not say extravagance, has been due to a lack of sufficient appropriations to carry on the work of improvement continuously after it has once been commenced.

It requires a large amount of money to assemble the necessary machinery with which to carry on the work, and of course, if funds are not provided with which to prosecute the work after assembling the necessary machinery and materials, then the amount so expended is absolutely lost. It was for these reasons that this committee carried the fight for increased appropriations for rivers and harbors to the floor of this House, and successfully put through a bill increasing the amount of the appropriation for the next fiscal year $30,000,000 above that of last year and $27,000,000 more than the Director of the Budget had recommended. We confidently believe that the wisdom of our course will have been thoroughly demonstrated by the time the next appropriation for this purpose comes up for consideration. We hope to see the work commenced on all projects heretofore adopted and prosecuted to a speedy completion. We hope out of this amount to see some of the newer projects commenced. We hope by next year to see this House adopt the plan of allowing the Committee on Rivers and Harbors to designate the amount to be spent upon the several projects, the time and manner in which it shall be spent, and the place where the money shall be spent.

I hope to see the great Cumberland River in my own State and in the State of Kentucky completed for the benefit of the thousands of honest peoples living in that fertile region. We have a sufficient amount allocated this year to complete at least the adopted project below Nashville, and then if I continue as a member of this great committee of this House, I expect to see the work commenced between Carthage and Burnside, Ky., and carried on continuously until that stream is made navigable 365 days in each and every year.

I know there are some here who say the expense incident to completing the remaining locks can not be justified, but to those who entertain such views let me say that there is in and contiguous to the Cumberland Valley through which this river flows 3,000,000 acres of the most fertile soil to be found in America. With proper facilities for shipping and handling the products of this vast area of productive soil we can increase the quantity production at least as much as $5 per acre, and with this we find that in one year we have increased the value of crops raised in this particular section no less than $15,000,000, or a sufficient amount to pay all of the expense of its completion and have a net balance left of approximately $5,000,000.

Ah, but some one says, that operates to the benefit of only those living in that section. I deny it. When you have offered facilities which increases the productivity of any section of the country you have not only benefited that particular section of the country but you made it possible through cheaper means of transportation to reduce the cost of living to the consuming public of America.

Now, Mr. Chairman and gentlemen, I want briefly to discuss a few of the items embraced in the pending bill, and in doing so I desire to say that there is not a single project embraced in the bill that affects my district or my State. But as a member of the Committee on Rivers and Harbors, after weeks and months of diligent study and investigation, we have reported a bill here that I think is absolutely necessary to meet the requirements of the Nation at this time. I do not quite agree with the distinguished gentleman from Ohio [Mr. BURTON] in all that he said with respect to the improvement of internal rivers. I do agree, however, with him in that this Congress should have the power and should exercise the power of designating the particular projects that should be improved.

Mr. DEMPSEY. Will the gentleman yield?

Mr. CLOUSE. Yes.

Mr. DEMPSEY. In order that they might be designated with reasonable intelligence the gentleman would send them to a committee that knew something about the subject.

Mr. CLOUSE. I would certainly do that. I would not only vest the committee with the power to designate the projects to be improved but I would give the committee the power to make the appropriation to carry out that improvement. The great difficulty under the present system is that the Board of Engineers look to the tonnage and commerce that is being carried on a certain river, and from that they determine the necessity of its development or improvement. That is not the true criterion by which to be governed on river improvement, internal or otherwise. I am going to show you by an illustration. The Cumberland River project was adopted in 1880. Appropriations were made by Congress for the commencement of work. What did the Board of Engineers do? I speak of a river now that penetrates and passes through my district.

The Board of Engineers goes to the headwaters of the Cumberland River in Kentucky and constructs a lock and dam there at a cost of $359,875.05. What next do they do? Instead of continuing at the head of the river going toward the mouth, they drop down below Nashville, a distance of nearly 400 miles, and commence there the construction of dams. They built dams on the lower river at an expense of $3,720,832.54. They then shift the scene and commence work between Nashville and the upper Cumberland River, and there they have constructed seven dams at an expense of $2,500,000. The first lock was placed in operation November 26, 1904, almost 20 years ago, and the last lock to be completed was 12 years ago. Nothing has been done on the remaining locks, yet, uncompleted as they are, they constitute an impediment rather than a benefit to navigation. Is that a system that any intelligent business man would pursue? The Cumberland River before the construction of these locks and dams could be utilized for navigation at least six months out of the year. As it is to-day it is a worthless project until completed. This river, as I have said, penetrates one of the most fertile sections in America—rich not only in agricultural possibilities but rich in minerals and in timber. In bygone days

the manufacturers of timber in the city of Nashville and down on the Ohio floated their logs down that stream, which is now rendered impossible by the construction of the locks, because rafts can not pass over them at any tide in the river. The commerce on this river showed a greater tonnage in 1890 than it did in 1920. Why? Because of this impracticable method of constructing locks and dams at different points and not in succession, as they should be built.

Mr. BURTON. Will the gentleman yield?

Mr. CLOUSE. I will.

Mr. BURTON. I am interested in the gentleman's statement. Do I understand the gentleman to say that that improvement by locks and dams has proved to be an injudicious one?

Mr. CLOUSE. Indeed, it is until completed, because the locks and dams make the floating of logs an absolute impossibility, and you can not traverse the river by boat higher than Carthage, Tenn., nor can you get into the Ohio by reason of the uncompleted locks and dams on the lower section.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BURTON. Mr. Chairman, I ask that the gentleman have two minutes more that I may ask him a question.

The CHAIRMAN. The gentleman from Ohio asks that the time of the gentleman from Tennessee be extended two minutes. Is there objection?

There was no objection.

Mr. BURTON. I am interested in asking this question, because I incurred a great deal of obloquy by opposing the building of those dams. How many more are needed to complete the project?

Mr. CLOUSE. According to the plan adopted by Congress eight more dams will be required before the project is completed.

Mr. BURTON. Does the gentleman say that if those were completed the improvement would be injudicious?

Mr. CLOUSE. No. I say that if those were completed it would furnish a commerce of not less than 2,000,000 tons annually, with a value of probably $20,000,000.

Mr. BURTON. So that the gentleman advocates the project?

Mr. CLOUSE. Indeed I do, but I do not advocate the system which the Board of Engineers has adopted in making the improvement. They should have begun at one end or the other of the river and carried on the work successfully and continuously, and not by piecemeal and in broken lots.

Mr. BURTON. The gentleman from Tennessee still advocates, I take it, the preliminary examination and the survey as a condition of the adoption of any improvement, does he not?

Mr. CLOUSE. Oh, yes. This project is already adopted. It is a continuing one. It is not necessary to embrace it in this bill. In fact, the engineers are still working upon it, but they are not working as they should work, because, as has been demonstrated here in the improvement of this as well as the Ohio River, which was adopted many years ago with an authorized appropriation of millions of dollars, now possibly two-thirds or three-fourths completed, yet those rivers are not serving the people in the way they could serve them if they were completed.

Mr. BOND. Just what the gentleman has been talking about is not embraced in the present bill?

Mr. CLOUSE. Oh, no. The Cumberland River project is an adopted one, and I sincerely hope that with the very valuable aid of my distinguished colleague, whose judgment and advice as a member of the committee is always sound, that the good people of this section of Tennessee and Kentucky may soon realize their fondest hopes, and that is that the Cumberland River may be speedily put into condition whereby it may be utilized every day of the year.

The Clerk read as follows:

Waterway connecting Core Sound and Beaufort Harbor, N. C., in accordance with the report submitted in House Document No. 88, Sixty-seventh Congress, first session.

Mr. WALSH. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WALSH: Page 2, line 21, after the word "session" insert:

"Plymouth Harbor, Mass., in accordance with the report submitted in House Document No. 996, Sixty-sixth Congress, third session, and subject to the conditions set forth in said document."

Mr. WALSH. Mr. Chairman, this project contemplates an improvement of the harbor of Plymouth, Mass., upon conditions that the Commonwealth of Massachusetts or other local interests shall contribute $51,000, the entire cost of the project being $102,000. It means the dredging of an additional channel and turning basin to a new point in the harbor where the wharf is to be constructed. At the time the Committee on Rivers and Harbors were holding their hearings the manufacturing interests at Plymouth had under consideration the dredging of a channel to another point in the harbor, and at my request the committee, under the authority which they have, requested the Board of Engineers to make a survey of this new project. That survey has been completed, and the cost of that project is such that the parties interested feel that at the present time they could not make the contribution which they expected to make toward its completion.

Mr. DUPRÉ. Mr. Chairman, will the gentleman yield?

Mr. WALSH. I do.

Mr. DUPRÉ. Will the gentleman indicate the volume of the commerce on this proposed improvement? Incidentally I want to welcome the gentleman among the supporters of the bill.

Mr. WALSH. The commerce at Plymouth is quite considerable. The main plant of the Plymouth Cordage Co. is located at Plymouth. They bring large quantities of their raw material by water and ship some of their products by water, but not a very considerable quantity.

Mr. DUPRÉ. What does the gentleman mean by "considerable"? It is a rather elastic term. I am in favor of the amendment, but I would like to hear a little more about it.

Mr. WALSH. Some fifteen or twenty thousand tons, worth several hundred thousand dollars, to that one plant. We also have there located cotton mills and I think two woolen mills which, of course, have some of their raw material and some of their fuel brought in by water.

Mr. DUPRE. Is the project in the gentleman's district?

Mr. WALSH. It is.

Mr. DUPRÉ. I gravely suspected that to be the fact. Is it a local or a national issue?

Mr. WALSH. It is entirely a local condition, affecting national resources.

Mr. DUPRÉ. Affecting the gentleman from Massachusetts, who is a national resource? Is that the idea?

Mr. WALSH. Hardly that, although I have no objection to the gentleman accusing me of that, in view of my characterization yesterday, which I am happy to say has not affected the gentleman's good temper and genial disposition.

Mr. DUPRÉ. It certainly has made the gentleman from Massachusetts amiable this morning when he is asking something for himself. [Laughter.]

Mr. WALSH. I plead guilty to the usual failing of humble Members who are asking appropriations for their own particular section. I was explaining why this matter had not been brought to the attention of the committee. I think I had stated that a survey had been made by a board of engineers of this other proposed project, and the interests affected and particularly interested in this other project at another point in the harbor did not feel at this time they could make the contribution which would be proper in order to have the dredging and the channel constructed at that point. The parties in interest here are at this time ready to contribute 50 per cent of the cost.

Mr. DUPRÉ. The gentleman understands that he will have to wait until the next military appropriation bill for the money to carry out this project if it be authorized?

Mr. WALSH. I understand from the explanation made by the gentleman yesterday that that will be the case.

Mr. DUPRÉ. All of which the gentleman understood before he sought the explanation?

Mr. WALSH. Oh, no; I think the gentleman does me an injustice there.

Mr. DUPRÉ. Not knowingly.

Mr. WALSH. I really was asking the gentleman for information, because I was uncertain as to what the status of these projects would be, in view of the appropriation heretofore carried in the military appropriation bill.

Now, that is all I have to say in reference to this project, except that it was passed upon by the Board of Engineers. The conditions imposed are that local interests or the Commonwealth shall contribute $51,000 toward this improvement, which it is estimated will cost $102,000.

Mr. DEMPSEY. Mr. Chairman, it is my understanding that the committee informally considered this report by the engineers and were ready to adopt it, but that we did not adopt it, solely owing to the circumstances suggested by the gentleman from Massachusetts. He wanted a resurvey, with the idea of the adoption of another project to which local interests would largely contribute, and while I have no authority to accept the amendment as chairman of the committee, I do state my understanding is that the committee favored the project and the adoption of the recommendation of the engineers.

The question was taken, and the amendment was agreed to.

Mr. LYON. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, between lines 21 and 22——

The CHAIRMAN. After the amendment just adopted?

The Clerk read as follows:

Insert a new paragraph, as follows:

"Cape Fear River below Wilmington, N. C., in accordance with the report submitted in House Document No. 94, Sixty-seventh Congress, first session."

Mr. LYON. Mr. Chairman and gentlemen of the committee, as I stated on yesterday, the amendment as offered does not provide for any new project. It simply authorizes the present project to be changed so that the channel across the bar at the mouth of the Cape Fear River, Wilmington, N. C., can be straightened. This amendment has been approved by the War Department and the Board of Engineers for Rivers and Harbors. This is one of those projects that I think meets with the approval, or perhaps will meet with the approval, judging from his remarks, of the gentleman from Ohio [Mr. BURTON]. Now, I want to say this in regard to this amendment, that according to the engineers' report the cost of dredging this new channel would be very little, if any, more than to get the required depth in the present channel. It proposes to straighten the channel so as to get the same depth at perhaps a less cost, but with a saving in maintenance charge, according to the engineers, of about $60,000 a year. We have spent on this channel as presently located hundreds of thousands of dollars, and the channel to-day is in a worse condition than it was in 1916. They figure that the cost of building a new channel, dredging, and so forth, will be even less than it will cost to dredge the channel as at present located. The cost of maintenance will be considerably less, practically saving the Government some $60,000 or $65,000 each year. I will bring this thought to you: This change is bound to come some time. The engineers say the conditions are going from bad to worse, and it looks to me as if it would be economy to make the change at this time, so there will be no more money thrown away on the present channel. Every year's delay means the expenditure of perhaps $100,000 on the channel as it is now located. I want to say this, that the bill now pending in the Senate has this item in it. I think there is no question of the fact that it will become the law, but I prefer to see it become a law in the House of Representatives rather than wait until it goes through the Senate, and I hope it will have the support of gentlemen on both sides of the Chamber.

Mr. DEMPSEY. Mr. Chairman, the amendment proposed by the gentleman from North Carolina was considered by the committee. It is true that there was a favorable report by the Board of Engineers, and it is true that the Board of Engineers estimated that the annual maintenance would be reduced from $90,000 per annum to $30,000 per annum, and so a large saving will be made. It is true also that the present channel is tortuous and dangerous, but the commerce on the Cape Fear River is not large enough so that we think that it would justify the item at the present time, and we have tried to keep the expenditures down just as low as possible. We think the project should be adopted at the proper time, but we do not believe that it should be adopted now.

Mr. LYON. Does not the gentleman think, though, that in view of the fact we are continuing to expend $90,000 a year in attempting to maintain the present channel that we should not wait until they have spent two or three hundred thousand dollars more before making this change?

Mr. DEMPSEY. I stated very frankly the facts.

Mr. LYON. I appreciate that.

Mr. McDUFFIE. Does not the gentleman recognize the fact that by the adoption of this amendment it would mean the saving of money on the part of the Government in the end?

Mr. DEMPSEY. I stated the facts in regard to it. I said the engineers estimated that instead of costing $90,000 a year it will only cost $30,000 a year; there has been an expenditure of $420,000 and——

Mr. DUPRÉ. In six or seven years the saving would pay for this improvement if authorized at the present time. Is not that so?

Mr. DEMPSEY. Yes. After all——

Mr. LYON. Will the gentleman yield for a question?

Mr. DEMPSEY. This is one of the close questions, I will say frankly. We thought we ought to keep within as narrow proportions as possible in spending the money, and I am obliged to say that this is one of the close questions.

Mr. LYON. I want to make this statement: I wish to say about the additional cost of $420,000, that the estimated amount for the completion of the present project, which has not been completed, is $303,000, and that amount is not available. And the engineers state, I believe, that the difference in the cost of completing the present project as the channel is now located; and the cost, if the change be made, will be less than $200,000.

Mr. DEMPSEY. That is entirely correct.

Mr. LYON. And we could save $60,000 a year for the maintenance.

Mr. DEMPSEY. All those things are true.

The CHAIRMAN. The question is on the amendment of the gentleman from North Carolina [Mr. LYON].

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sabine-Neches Waterway, Tex., in accordance with the reports submitted in House Document No. 975, Sixty-sixth Congress, third session, and the supplemental reports submitted by the Chief of Engineers under date of February 25, 1922, and subject to the conditions set forth in said reports: *Provided*, That no expense shall be incurred by the United States for acquiring any lands required for the purpose of this improvement: *Provided further*, That before entering upon the prosecution of the improvements herein authorized, local interests shall guarantee, in a manner satisfactory to the Secretary of War, that the United States will be held free from any claim for damages resulting from the execution of the work hereby authorized.

Mr. DEMPSEY. Mr. Chairman, I offer the amendment which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will read.

The Clerk read as follows:

Amendment offered by Mr. DEMPSEY: Page 3, lines 14, 15, and 16, after the word "and" in line 14, strike out the words "the supplemental reports submitted by the Chief of Engineers under date of February 25, 1922," and insert in lieu thereof the following: "Senate Document No. 152, Sixty-seventh Congress, second session."

Mr. DEMPSEY. Mr. Chairman, this is simply a formal amendment. The report was not in at the time this bill was prepared, but has come in, and we give it the proper designation.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GARRETT of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GARRETT of Texas: On page 3, after line 24, insert the following paragraph:

"Buffalo Bayou, Tex., in accordance with the report submitted in House Document No. 93, Sixty-seventh Congress, first session, and subject to the conditions set forth in said document."

Mr. GARRETT of Texas. Mr. Chairman, I feel confident if the gentlemen have examined House Document No. 93 and have looked into this project at all they will readily agree with me that this project should be included in this bill. This is what is known as the Upper Houston ship channel, which is a distance of about 6 miles from the turning basin to the foot of Main Street in the city of Houston. There is a considerable amount of traffic carried over this portion of the channel. I think in 1918 the report showed that there was over $26,000,000 of freight transported over this portion of the channel. It is now 5 feet deep and a little over, and this is to authorize a depth of 10 feet.

The people of Houston have spent a great deal of their own money on this project. They have built a public free wharf at the foot of Main Street that cost $50,000, and the traffic is growing day by day. The immense industries of the Houston Ship Channel are served by it, and the coast country craft that ply from the foot of Main Street serve people that the larger vessels do not serve. This project has been approved by the engineers, and it is one that ought to be in this bill. I would certainly feel very grateful to the chairman of the committee if he should agree with me that this should go in and, if not, that my good brethren here in the House will join me in putting it in this bill.

Mr. DEMPSEY. Mr. Chairman, I would like to have the proposed amendment read again, please.

The CHAIRMAN. Without objection, the amendment will be again reported.

The amendment was again read.

Mr. DEMPSEY. Mr. Chairman, all I can say in regard to this amendment is this, that this is a part of the Houston Ship Canal, which is one of the great waterways of the country, doing a very large business, but while there is a favorable report the committee did not deem that this was the proper time to adopt it or incur the expenditure. On that account the committee feels that the amendment should not be adopted.

Mr. GARRETT of Texas. The gentleman will concede that this is a very meritorious project?

Mr. DEMPSEY. The Houston Ship Canal, I am frank to say, is one of the great waterways of the country. Of course, it is impossible to adopt all these improvements at one time. I think the gentleman's amendment will prevail at some time, but we could not accept it now.

Mr. GARRETT of Texas. I hope the gentleman will accept it now, because to-day is the day of salvation, and to-morrow is uncertain.

The CHAIRMAN. The question is on agreeing to the amendment of the gentleman from Texas [Mr. GARRETT].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. GARRETT of Texas. Division, Mr. Chairman.

The committee divided; and there were—ayes 11, noes 23.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Red Lake and Red Lake River, Minn., in accordance with the report submitted in House Document No. 61, Sixty-sixth Congress, first session, and subject to the conditions set forth in said document.

Mr. DEMPSEY. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. DEMPSEY: On page 4, between lines 8 and 9, insert the following paragraph:

"Monongahela River, Pa., in accordance with the report submitted in House Document No. 288, Sixty-seventh Congress, second session."

Mr. DEMPSEY. Mr. Chairman, the Monongahela River has the largest traffic of any of these inland rivers of the whole country—over 24,000,000 tons. The traffic is not only tremendously great, but it is increasing very rapidly. At the present time not alone is the river, owing to the insufficiency of the improvements, unable to accommodate the traffic, but the traffic is positively dangerous. This condition is constantly increasing. Very great businesses are waiting upon the improvements to be made which are contemplated in this report. Enormous sums will be expended the instant the Congress has adopted it. I know of no provision in this bill and know of no provision which could be inserted in any bill, which is more meritorious or which should be adopted in preference to this particular amendment.

Mr. KELLY of Pennsylvania. Mr. Chairman, the improvement of the Monongahela River into a great commerce-carrying waterway was a dream of George Washington in the early days of the Republic.

On several occasions he traveled from the Point at Pittsburgh, where the Monongahela joins with the Allegheny to form the Ohio, to its sources in the West Virginia mountains.

In the diary which he kept on those journeys are many allusions to the strategic importance of the Monongahela and the possibility of making it part of a continuous waterway from the Gulf of Mexico to the Atlantic seaboard.

But, Mr. Chairman, even the far-seeing Washington did not vision the actual accomplishments of the present. The river he followed through the wilderness is to-day the greatest commerce-carrying waterway in the United States. In 1920 more than 24,000,000 tons were carried on its bosom, almost all the tonnage being coal for the great industries of the Pittsburgh district.

I have been at Lock No. 3 on this river and have seen the continuous procession of the boats, at a time when 100,000 tons of coal were being locked through in 24 hours, while the empty barges were passing upstream. Such a sight can be seen on no other river in the United States.

The Chief of Engineers, United States Army, has reported that the commerce on this river is increasing rapidly. With the increasing utilization of the river the correction of certain physical disadvantages of the present locks and dams has been urgent.

The Chief of Engineers sums up the case as follows:

The construction of an additional chamber at Locks Nos. 7 and 8 is necessary to accommodate the increased traffic and also to avoid any interruption to the movement of coal should an accident occur to any one of the chambers. Where a dam is provided with a lock consisting of one chamber only, any accident to this lock interrupts traffic on the river. As stated in the reports of the district engineer and the Board of Engineers for Rivers and Harbors, the movement of coal has grown to such amounts that any interruption is of far-reaching consequence. As an illustration it may be stated that there is one industrial plant on Pool 2 of the river which now uses about 35,000 tons of coal per day, all of which is brought to it by water. It is readily seen that any interruption to this steady movement of coal would be most disastrous. Another industrial plant uses 14,000 tons of coal per day. Both of these plants are taking steps to increase their facilities with a corresponding enlarged consumption of fuel. The increased movement of coal has also rendered necessary the extension of the guide walls of the lock, and in some cases the guard walls also. The term "guard wall" is applied to that wall in extension of the lock wall nearest to the dam. The guard wall is a great measure of safety to the fleet, as it protects it from danger of being carried over the dam in high water. Under present conditions with the present guard walls tows proceeding downstream are compelled to drive into the head of the lock at full speed in unfavorable conditions of wind and water, and this action has caused damage at several localities. The guard walls should, therefore, be extended both for the safety of navigation and the safety of the locks themselves. There is great danger if the guard walls are not extended, as stated in the report, of a serious accident involving not only loss of property but also loss of life. The term "guide wall" is that given to the extension of that wall of the lock nearest to the land and generally parallel to the bank. The extent of tow movement on the river is now so great that where formerly vessels could tie up during foggy weather or exceedingly high winds, they are now compelled to navigate as long as they possibly can. This means that tows are constantly arriving at the locks, and if the guide walls are not of sufficient length, much time is lost in moving the tow into the lock, whereas with the guide walls of sufficient length that they can accommodate the entire tow, the tow is able to move into the lock as soon as the gates are open. The extension of the guide walls is of first importance in securing the efficiency of the structures already existing, for cases are already not uncommon where a lock even with double chambers is kept in operation every minute of the 24 hours. * * * If the guide walls are not extended as recommended, the locks in the course of a very few years will be unable to handle the traffic desiring to pass through them. The tow in times of high water can not remain unmoored a short distance above the lock without danger of being carried over the dam. It is necessary, therefore, that the tow, if it has to wait, be tied up immediately above the lock, so as to move into it at slow speed, or so far above it as to gain sufficient headway to permit maneuvering on approach to the lock. The delay in the latter case will be readily recognized.

* * * Since the improvements proposed by the district engineer are designed to meet the needs for increased capacity and to provide the facilities for expediting and safeguarding the important business of this river, the board is of the opinion that the work is worthy of being undertaken by the United States, and it therefore concurs with the district and division engineers in recommending the modification of the existing project to the extent above indicated. The board believes that the transportation facilities afforded by this improvement give such benefits to the general public through the reduction in cost of manufactured products that no local cooperation should be required.

After due consideration of the reports and also of the far-reaching economic results, I concur in general with the views of the district engineer, the division engineer, and the Board of Engineers for Rivers and Harbors, and therefore report that the further improvement of Monongahela River, Pa., is deemed advisable to the extent proposed and described above, at an estimated cost of $6,640,439. I concur with the district engineer and the board also in the opinion that no local cooperation should be required in this case. The initial appropriation should be $2,000,000 and the balance as required to complete the work in four years, with the exception of the second chamber at Lock No. 8, whose construction may probably be deferred until the movement of coal from the pool above it requires its use.

LANSING H. BEACH, *Major General.*

Mr. Chairman, in 1886 an eminent English authority on the manufacture of iron stated that the iron trade in the northern part of the United States could never become one of a largely exporting character because of the distance at which iron ore and fuel lie apart and the expense of sending the product to the seaboard.

This handicap has been overcome by American enterprise. The iron ore comes from the Lake Superior fields to the lake ports and thence to Pittsburgh. The coal can be brought to the center of manufacture by means of the Monongahela River.

Upstream improvements are now essential, as the coal in the lower reaches is practically exhausted. Railroad transportation will not meet the need, because of the physical characteristics of the land. Nor can the steel companies provide the space necessary for incoming cars, for switching, and for empty cars.

It is stated that within 5 miles from the river, in Pools 7 and 8, there are hundreds of millions of tons of coal in the Sewickley vein alone. This can be handled to the Pittsburgh district by water at a saving of 50 cents a ton. There are companies which use from 17,000 to 35,000 tons of coal every day, so that the saving involved would greatly lessen the cost of producing iron and steel.

The United States has spent to date on the Monongahela River $8,041,855. This further amount of $6,640,439 will make a total of little more than half that spent on the locks at Sault Ste. Marie, which are much less vital to American industry.

In the Monongahela Valley, exclusive of the city of Pittsburgh, are 34 cities, boroughs, and towns, with a population of 250,000. The business activities of the valley are largely confined to two great industries—bituminous coal and the manufacture of steel products. The presence of the vast beds of coal in the valley is largely responsible for the great steel industry.

Mr. Chairman, this is no local improvement, but one nation-wide in scope. It means cheaper production of the products which are basic in our civilization. It should inure to the benefit of every consumer in America, wherever located.

I was glad to introduce as a bill the measure which is now incorporated in the amendment offered by the chairman of the committee. It should be adopted without a vote in opposition, for it means benefit to every American. [Applause.]

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Jamaica Bay, N. Y., and the entrance thereto, in accordance with the progressive project adopted by the river and harbor act approved June 25, 1910, with a view to securing a depth of 30 feet at mean low water as far as Mill Basin, subject to the conditions set forth in House Document No. 1488, Sixtieth Congress, second session.

Mr. BOND. Mr. Chairman, I present a committee amendment.

The CHAIRMAN. The gentleman from New York offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BOND: Page 6, strike out the paragraph in lines 14 to 20, inclusive, and insert in lieu thereof the following:

"Jamaica Bay, N. Y.: Any funds heretofore or hereafter appropriated for this improvement may be applied to providing the channels specified in House Document No. 1488, Sixtieth Congress, second session, with a depth of 30 feet at mean low water whenever and to such extent as the city of New York shall construct or provide for the construction of terminals with facilities suitable to channels of that depth: *Provided*, That the city of New York may be reimbursed for dredging and disposing of the material dredged from the main interior channel at actual cost: *Provided further*, That such reimbursement which may include overdepth allowance not exceeding 1 foot shall be made on a cubic yard unit cost and shall not exceed a rate of 10 cents per cubic yard for dredging and disposing of the dredged material, including any cost of inspection borne by the United States."

Mr. BOND. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN (Mr. WALSH). The gentleman from New York asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from New York is recognized for five minutes.

Mr. BOND. Mr. Chairman and gentlemen, this is a provision which was drafted by the Army engineers, and which has the unanimous consent of the Committee on Rivers and Harbors, to carry into effect a contract which was entered into a number of years ago between three parties, the United States Government, the State of New York, and the city of New York. Under this contract the State was to deed to the city of New York 16,000 acres of land. This has long since been done. The United States was to dredge the entrance channel to be protected by one or two riprap jetties to be provided when necessary. The limit of the expenditures of the United States Government in any event was fixed by the terms of the agreement at $7,450,000. The city on its part was to make these channels of service by dredging basins, erecting bulkheads, and by making suitable connections with the upland. While the original project as adopted provided for a 30-foot channel, it also provided that 18 feet was first to be provided and then, as commerce required, increased to 30 feet. The purpose of this amendment, which has the full approval of the Army engineers, and the phraseology of which was drafted by General Taylor, of the Board of Army Engineers, is designed to carry out the original project of a 30-foot channel in Jamaica Bay.

A great work is being done at Jamaica Bay. It has the facilities, if properly developed, so that it may become one of the great loading ports of the world.

This is an amendment which will make it possible to apply the money appropriated and to be appropriated to the improvement creating the 30-foot channel.

This is another example of the present method adopted by Congress of only making appropriations for river and harbor improvement where there is local cooperation. In this particular instance it is estimated that the expenditure of the city of New York for this improvement will be twenty times that of the United States Government. This is a part—a most important part—of the port of New York. While you all realize in a measure the importance of the port of New York, it might be well to place before you a few concrete facts. It is estimated that about one-half of all the foreign commerce of the country goes through the port of New York. A port district was created by a joint act of the Legislatures of New York and New Jersey and ratified by the Congress of the United States. This port district of New York alone, as thus created, contains 105 organized municipalities. It embraces a population of 8,000,000 people and is served by 12 trunk-line railroads, which bring in and take out over 75,000,000 tons of freight per annum. An immense number of foreign and domestic steamships, not less than 8,000 in number, annually bring to or take from the port over 45,000,000 tons of freight per annum. There is an almost incalculable amount of local water-borne traffic within the port. There is the most prodigious manufacturing output in the world within a similar area, with a variety of products and commodities to be handled unprecedented anywhere else. There are over 4,000,000 tons of foodstuffs alone annually required by the people of the port district.

The magnitude of the Jamaica Bay portion of the port of New York may be visualized when it is stated that it contains an area of 18½ square miles and is sufficient to include the harbors of Liverpool, Rotterdam, Antwerp, and Hamburg, and still have some to spare.

In carrying out its part of this three-party agreement, during the last year the city of New York entered into a contract for the bulkheading of 2,240 feet, extending south on Flatbush Avenue extended, to Rockaway Inlet, at a contract price of $525,000. This work is now more than two-thirds completed. April 8, 1921, the city of New York authorized the issuance of corporate stock of $750,000 for dredging and bulkheading construction. While the city of New York already owns most of the property adjacent to this development, it has adopted a plan and has taken actual steps to acquire additional land at a cost estimated at $5,000,000. The city of New York is awake. It realizes that it must furnish better harbor facilities than it has done in the past, and this is part and parcel of the general scheme to accomplish this. Plans have been already drawn by the city of New York, and the money has been provided for the building of additional docks at Jamaica Bay. These docks are of most modern construction, with most modern compliances and of a size never before constructed, one being 757 feet wide by 1,000 feet long, and the others being 757 feet wide and 2,000 feet long. This modification—if it is even that—has the approval of the Army Engineers and of the entire Rivers and Harbors Committee, which has not only had hearings on the subject but it has examined Jamaica Bay and has seen the work now being done by the city of New York in actual construction.

This improvement is more than local, it is a part of the development of the transportation system of the country. There is hardly any subject of more importance before the public to-day than that of transportation. No country can become truly great without a real system of transportation. Water transportation is, and always has been, the cheapest form of transportation. As the country grows in population and prosperity it will become increasingly more necessary to increase water transportation facilities. It has been estimated that nearly one-half the cost of most necessaries of life is for transportation and distribution.

The entire bill under discussion appropriates in round numbers on new projects and modification of old ones $37,000,000. Only the most urgent of projects have been included in the bill. In addition to this sum there was appropriated in the Army appropriation bill passed by the House for old projects and their maintenance the sum of approximately $42,000,000. Considering the tremendous commerce of the country carried on our waterways this is an exceedingly small sum, and it is predicted by those who have given the subject most thought that in the near future appropriations for such improvements will be greatly in excess of the amount being provided this year. Many other projects were presented to the committee and discarded, not because they were without merit, because many of them were of exceeding merit, but because it was felt that the financial condition of the country is at present such as not to warrant greater expenditures at this time. No doubt many of these will be considered at a later date and adopted. I am sure the commerce of the country will warrant this action.

In the old days there used to be considerable criticism of rivers and harbors appropriations, and there is no doubt that in many instances money was appropriated for projects which did not have real merit. Under the present method, however, of framing these bills such a result can never occur again. There is not a project in this bill which has not had the careful consideration and scrutiny of the Army engineers, who have specialized in this character of work, and each and every project contained in the bill has been approved and recommended by the Army engineers. Also it is the settled policy of the committee not to recommend any project in which the locality does not have sufficient faith to cooperate to the extent of contributing its own funds to the enterprise. In most of these projects at least one-half of the expense is borne by the localities, and in many of them the localities bear the expense to a much larger proportion. This effectually does away with the old tendency to ask for Government improvement of projects without merit, for no locality is willing to match money with the Government unless it conscientiously believes that the improvement when made will be worth the money invested.

The members of your committee have given this bill most careful and painstaking attention, and its members feel sure that it is a conservative measure, well worthy of your most favorable consideration.

Mr. LAYTON. Mr. Chairman, will the gentleman yield?

Mr. BOND. Yes.

Mr. LAYTON. I understand that this amendment does not call for any larger appropriation?

Mr. BOND. That is correct.

Mr. LAYTON. But owing to the congestion in the port of New York the city of New York has bought land on the north shore and proposes there to erect docks and terminals in order to relieve that congestion?

Mr. BOND. Yes; that is true. The city of New York let a contract last year of $535,000 for this work. Two-thirds of that work has been done. They also issued bonds for $750,000 for this improvement. Piers, the largest ever built, have been planned for, and the money has been provided.

Mr. McDUFFIE. Mr. Chairman, will the gentleman yield?

Mr. BOND. Yes.

Mr. McDUFFIE. This addition to the terminal facilities is very much needed by the commerce of the city?

Mr. BOND. It is tremendously needed. Nearly one-half of the commerce of the United States goes through the port of New York. It is very congested, and has been complained of a great deal, and this is a part of the development, so as to relieve that congestion. [Applause.]

The question is on agreeing to the amendment offered by the gentleman from New York.

The amendment was agreed to.

The Clerk read as follows:

Waterway from the Mississippi River to the Sabine River, La. and Tex.: The section from Calcasieu River to Sabine River, in accordance with the report submitted by the Chief of Engineers under date of August 13, 1921, and printed in Senate Commerce Committee document.

Mr. DEMPSEY. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DEMPSEY: Page 6, line 24, and page 7, lines 1 and 2, strike out the words "by the Chief of Engineers under date of August 13, 1921, and printed in Senate Commerce Committee document" and insert in lieu thereof the following: "in Senate Document No. 149, Sixty-seventh Congress, second session."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

Trinity River, Tex., from Liberty to Dallas, in accordance with the report submitted in House Document No. 980, Sixty-sixth Congress, third session.

Mr. BRIGGS. Mr. Chairman, I move to strike out the last word. This provision leaves the river open from the mouth up to Liberty, but provides for the abandonment of the stream from Liberty on up to Dallas?

Mr. DEMPSEY. Yes.

Mr. BRIGGS. Mr. Chairman and gentlemen of the committee, the Rivers and Harbors Committee has followed the recommendations of the Army engineers in declining to continue any further improvement of the Trinity River between Dallas and Liberty, and in so doing has, in my opinion, been too greatly influenced by the expenditures heretofore made in the construction of locks and dams in the upper part of the river, within 50 miles of Dallas, without the development of a sufficient amount of commerce to justify the investment.

I do not intend to offer any extenuation or excuse for the investment of nearly $2,000,000 in locks and dams in the upper part of the river under the plans pursued in the past. That was something with which I had nothing to do. Starting the improvement of the river at the head of the stream was, in my opinion, a grievous mistake, and one that has occasioned not only a considerable loss to the Government but has also resulted in the greatest injury to the further development of navigation upon the river and to those who would have made substantial use of the lower half of the waterway if its improvement had been commenced at the mouth of the river and carried on up the stream as conditions required.

In the development of the Mississippi River the plan apparently deemed the proper and only logical one was to commence the improvement at the mouth of the stream and then carry it on up as the demands of commerce justified. And a similar course, it would appear, has been pursued with respect to other streams. Had the improvement of the Mississippi been started at the head of the stream instead of at its mouth, as was the plan pursued with respect to the Trinity, the great port of New Orleans would never have been developed and there probably would have been no navigation of consequence upon that great waterway.

But in the case of the Trinity, Congress saw fit to start the improvement at the head of the stream and work downward to the mouth, and now appears disposed to condemn the river because the lock and dam construction in the upper part of the stream has not provided the commerce anticipated in that section of the river. Had the development of the stream proceeded from its mouth northward, it would have permitted commerce to have utilized the stream to the fullest, and, as the development proceeded, would have afforded not only a waterway for the surrounding country but an outlet to the sea for the vast resources of timber and other building material, as well as the agricultural products of the territory along the waterway.

I therefore insist that the previous action of Congress in starting the improvement of the Trinity at the wrong end can not justify the conclusion that the improvement of the lower half of the stream would not develop enough commerce to make further investment advisable at this time.

It is true that after much investigation and a number of hearings it was made apparent that the improvement of the river, by open channel work, from the mouth of the stream as far up as Liberty ought to be continued and that this recommendation has been adopted by the committee, and it is further true that, as such improvement proceeds and commerce develops, additional development of the river northward will probably be made; yet this does not, in my opinion, justify the present abandonment of the remainder of the lower half of the stream, although it may not be regarded by the committee as being advisable to continue further lock and dam construction.

The conclusion of the Army Engineers and of the Rivers and Harbors Committee that enough commerce could not be expected to develop to justify further improvement of the section of the stream between Long Lake or Hurricane Shoals and Liberty, either by virtue of a plan for additional locks and dams or open channel work, is not, in my opinion, borne out by the testimony adduced upon the several hearings held by the engineers at my request within the past three years.

At a hearing recently before the Rivers and Harbors Committee upon this project I took occasion to review some of the testimony which came from those residing in various counties along the river, who have been for years and are now intimately acquainted with the stream, the adjacent territory, and the resources, and available commerce of that section. It is so important that I feel it proper to again refer to the same with reference to the present transportation conditions which have particularly emphasized during and since the World War the great need of a more adequate development of the waterways.

Everywhere there is felt the discomfort and, no doubt, the distress, in many cases, flowing from the scarcity of houses and apartments for rent and the alarmingly high and necessary prices that must be paid to keep a shelter over one's head. Building operations—either industrial, business, or for home use—are not keeping pace with the demand; and one of the chief reasons why is the reluctance of those able to build to pay the high costs of construction, especially of building material. Entering into this cost will be found the cost of transportation as one of the greatest factors, whether the material moved is steel from the mills or gravel from the pit or stone from the quarry.

Can anyone, therefore, fairly argue that the failure of individuals and communities to get reductions in costs of transportation to haul building material both for building and highways is not delaying the solution of both the housing and transportation problem? Certainly it needs no argument to demonstrate that for many years to come the railroads will not be able to carry the tremendous amount of growing traffic that will have to be moved.

But it is not alone a case of entire want of such facilities in many most important cases, but even where such transportation can be obtained it is at such greatly increased costs that cheap materials can no longer be hauled and remain cheap. Perhaps no group of men better appreciate or are more familiar with that situation than the Army engineers. The great Government projects of which they are in charge have reflected these enormous increases not only in the actual costs but must, so far as freights are concerned, still be anticipated in their estimates in some appreciable degree.

But even the Government does not have brought home to it and does not encounter the difficulties to the same extent or in quite the same discouraging degree as those engaged in work other than that for the Government. The Government, because it is the Government and its projects are the projects of all, commands the advantage of priorities in shipment, and can get materials hauled where others can not, even though transportation charges are abnormally high.

Perhaps as alarming a development as can be cited is that there nowhere appears to be any prospect of a substantial decline in railroad freight rates.

This condition of lack of transportation, as well as high costs, threatens to result in still greater confusion and demoralization unless the waterways of this country can be utilized.

I am well aware of the efforts of the past to develop inland waterway transportation and the discouraging results that have followed from the standpoint of the actual use of the improved streams. It has not been contended, and, of course, can not be, that the waterways have not brought about enormous reductions to the people in freight rates. But in doing so the commerce on the streams has for the most part been destroyed, for the charges the railroads made were so low—admittedly in some cases by the railroad heads to be at cost and perhaps at an actual loss—on the haul that water rates were practically met, and shippers, where it was possible to do so, would use the railroad in preference to the stream. The railroads never allowed water competition to divert from them any traffic, even if it required, as stated, rail rates to be made so low that there was no profit in the haul. Moreover, they would not issue through or joint rates and declined to issue through bills where hauls were to be partly by rail and partly by water, thereby keeping through traffic not originating on a river or other stream from using an inland waterway. This is not forming an indictment of the railroads; it is reciting only actual experience and gives the reasons why commerce has not developed on our streams when railroads were sufficiently near to serve the needs of communities and shippers.

But these lessons have not been taken by the people as reasons for abandoning their streams and turning over their entire transportation needs to the railroads for solution. Instead the public has sought for and found, I believe, the means of correcting and checking an artificial—not natural—condition which has prevented the use of natural highways, streams, when all facilities for transportation are needed and, as previously asserted, more desperately than ever to-day.

Conditions, too, have changed greatly in the last three years. The railroads have only recently notoriously broken down. They were in that condition before the Government took them over. The strain to which they were subjected by the vast war movement did not benefit them, and gave no opportunity to bring them up to the fullest measure of efficiency to which they might be raised. It was only with the greatest effort and exhaustion of every available resource that they could be coaxed and forced into carrying the tonnage that simply had to be carried to win the war.

Even then the country released them from every haul considered by the Government unnecessary, or rather subordinated to the exigencies of the time. They hauled little bulk freight—whether steel, ore, stone, gravel, lumber, or what not—that was not immediately destined for war material or as a direct aid in supplying the facilities required to carry on the war.

This is not said in criticism—for the tonnage the railroads carried in freight and passengers was enormous—but to emphasize how industry, ordinary commerce, and public and private improvements, in a general way, were interrupted, halted, and delayed for several years; everybody and every industry have held off buying as far as they could since the war, waiting for costs to come down; but the purchase of machinery, equipment, supplies, or raw materials would not longer be postponed, probably, if transportation charges were sufficiently reduced.

It would be a bad enough situation if the railroads only had to meet the problem of moving the tonnage that the people of the country have been waiting to have moved since the war began, and also the normal current demand for transportation.

Only comparatively recently the public had the experience of inadequate roadbeds, equipment, and terminals to even take care of that situation, and there was further presented an even more aggravated situation during the previous immense movement in the foreign trade, coal shortages in sections of our own country, with the greatest crops, which had to be moved, that perhaps this country has ever produced.

The coal situation and the crop movement were more than temporary situations, and were contributing factors which added to the congestion produced by the more constant causes and demonstrated the demoralization in railroad transportation from which there is no relief except through the waterways.

But perhaps even such desperate conditions might not suffice to persuade the railroads to forego their practice in the past of throttling water competition by putting into effect—and either maintaining or raising later—rates which operate to drive water traffic and steamboats from the rivers; so Congress in the recent transportation act of 1920 (pars. 1 and 2 of sec. 406) provided that the Interstate Commerce Commission shall not grant any authority to railroads exempting them from the operation of the so-called long and short haul provision "on account of merely potential water competition, not actually in existence," and further provided:

> Wherever a carrier by railroad shall, in competition with a water route or routes, reduce the rates on the carriage of any species of freight to or from competitive points, it shall not be permitted to increase such rates unless, after hearing by the commission, it shall be found that such proposed increase rests upon changed conditions other than the elimination of water competition.

It has been charged that the purpose of this statutory inhibition against raising rates after reduction to meet a potential or actual water competition has been practically defeated and its value destroyed, by the ability of the railroads to recoup their losses or increase their earnings under the discretionary power heretofore vested in the Interstate Commerce Commission to waive the operation of the "long and short haul" clause, and allow the railroads to charge less for long than short hauls. By the amendment referred to of the interstate commerce act the Interstate Commerce Commission is now prohibited from authorizing any such waiver on account of merely potential water competition not actually in existence, and thereby vitality will be given to the other provision which prohibits increase of rates after being once reduced, except under certain conditions.

While it is often argued that railroads were accustomed frequently to raise their reduced rates made to destroy water competition, after such destruction had been completed, this was by no means general; and it is common knowledge that such low rates were kept in effect to deter the establishment of any new river or waterway service. Therefore the clause prohibiting increase after reductions was seldom, if ever, called into operation, as the railroads could recoup their losses or increase their earning through the indefinite suspension of the "long and short haul" clause, and therefore were indifferent. But now, once railroad rates are reduced to destroy water competition, they must stay reduced until changed conditions obtain other than the elimination of water competition. And railroads will not be permitted to recoup losses or increase earnings in another way.

But these are not all the regulatory measures recently adopted to meet and correct the condition which previously has enabled the railroads to destroy the traffic on the waterways and deprive the country of their service.

Congress, in the new transportation act of 1920, has further conferred the great power upon the Interstate Commerce Commission of fixing not only maximum but minimum railroad rates. This will enable the Interstate Commerce Commission to protect the waterway transportation from the assaults of the railroads by preventing them from reducing their rates to a point that will destroy the competition, although unprofitable otherwise.

Moreover, provision is made for through rates, and a maximum charge where one of the carriers is a water line. This is one of the powers that the commission seemed inclined to think it previously had, but concerning which apparently the railroads took a contrary view. It now moves out of the sphere of controversy and becomes one of the further aids that waterway advocates have urged as necessary to a successful solution of waterway commerce.

At the risk of perhaps being regarded as tedious, I have dwelt at some length upon recent fundamental and vital changes in economic and transportation conditions. I have also called attention to new statutory powers and inhibitions that are regarded as means for bringing about reforms which will enable waterways to develop lines and commerce and succeed when improved consistently with present and prospective needs.

But I have not yet directed attention to a recent declaration of policy by Congress that is equally important and deserves the closest consideration by all.

Section 500 of the transportation act of 1920 expressly declares—

> It is hereby declared to be the policy of Congress to promote, encourage, and develop water transportation service and facilities in connection with commerce of the United States, and to foster and preserve in full vigor both rail and water transportation.

Of course, no one knows better than Congress the history of the decline of inland waterway transportation in this country, with the reasons and causes for such decline. Nor is anyone better informed upon the deplorable lack of commerce and shipping on improved or partly improved waterways, capable of handling a very large tonnage in the aggregate. And yet with the picture before it of the rather disastrous past experience of the waterways in competition with the railroads, Congress

has determined and declared in unmistakable language that the waterways of this country shall not be abandoned, but instead shall be promoted, encouraged, and developed, with necessary service and facilities, and that both rail and water transportation shall be fostered and preserved in full vigor. Could language be stronger in enunciation of a present and future policy or more convincing that Congress had made up its mind definitely that the waterways are absolutely necessary and must be preserved and fostered because they are needed? Feeling also, because many, owing to unfair competition, may not be used as they ought to be used and many may not be paying now reasonable returns on the Government investment, that is no reason for abandoning them. It is rather viewed as only a more urgent reason for removing their artificial handicaps and putting them to service. The railroads under Government operation lost a billion dollars in two years and a half, and under private control continue to lose at the rate of a hundred million a month—which the Government paid for a while—in spite of rate increases, which the public continues to pay in high freight and passenger rates. But this is not regarded as any reason for abandoning the railroads, in the face of an unprecedented need and demand for transportation. And yet these losses aggregate more, probably, than the total cost, extending over more than a hundred years, of improving and developing not only all the inland waterways of the United States but the coast waters, ports, and harbors as well, with all the cost of maintenance thrown in. According to the Report of the Chief of Engineers for 1921, the total amount of all appropriations made by Congress was $1,072,611,103.44.

Attention has been pointedly called, though in a rather general way, to the new and changed conditions because of the arguments so often voiced that since the building of the railroads river traffic has gone never to return. I think it has been demonstrated that there is very little, if any, basis left for such a conclusion if improvements of the waterways are continued under the present declared policy of Congress, in the light of such new conditions and with the statutory safeguards which it has so recently provided—quite aside from other most important considerations as applicable to the Trinity.

It is therefore erroneous to argue that because the Trinity River lost the largest part of its boat traffic after the coming of the railroads that it can never be restored.

The Trinity River, in fact, enjoys additional considerations in favor of its improvements not enjoyed by a great many other improved waterways, and in this connection I desire to call attention to the evidence developed on the last hearing before you of the enormous quantities of hardwood timber in the bottom lands and the vast deposits of stone and lignite along the banks of the river, as well as to the sand and gravel in its bed.

Not only in the testimony of the witnesses who have appeared at the various hearings has this condition been made to appear but it is confirmed by the original survey report of Colonel Barden and the supplemental or reexamination report of Colonel Cosby.

Mr. D. A. Nunn, of Crockett, one of the most prominent citizens in that community and who is exceptionally well posted on the situation, testified that between Hurricane Shoals (sec. 20) and White Rock Shoals (sec. 25) there are over 1,000,000,000 feet of merchantable hardwood timber. He further states the great body of the same is right adjacent to the river.

Practically all witnesses agree that upon this land there can conservatively be cut 5,000 feet of merchantable timber to the acre, worth at least $5 a thousand. Some of the witnesses gave actual estimates running up to 10,000 feet to the acre, but for purposes of average it may be assumed that there are only 5,000 feet to the acre.

The supplemental or reexamination report also shows that while there are 250,000 acres of land in the valley within 1 mile of the river between Long Lake (mile 316) and the mouth of the stream, yet the total area of land nearer to the river than to a railroad from Long Lake to the mouth is approximately 1,084,100 acres, the great bulk of which, as all witnesses testified and the reports reflect, is heavily timbered. There are from five to ten billion feet of timber on these acreages, valued at from $25,000,000 to $50,000,000.

In fact, the reports show that of the 675,000 acres of bottom lands in the reach from Dallas to the mouth only about 10 per cent was cultivated, and of the territory within 1 mile of the river only about 14 per cent. It is assumed that these figures are averages, as in some localities, like that of Trinity County, it is reflected by the testimony of Mr. Renfrow, of Trinity, that over 20 per cent is in cultivation, and, according to Messrs. Wooters and Ellis, of Houston County, out of 89,000 acres over 40 per cent was cultivated. Of course, it is frankly admitted that the cultivation along some parts of the river is very much greater than it is along other parts.

But it is apparent from only brief computation that several billion feet of hardwood, merchantable timber is to be found in the bottom lands along the lower Trinity, conservatively valued at $25,000,000 at the least estimate. Surely this great asset of the country is worth saving and ought not to be destroyed.

It moreover offers commerce both in rough and milled lumber right on the banks of the stream.

But these vast resources of timber are not all that is available for tonnage on the stream. The great deposits of lignite, which are shown to exist along the banks of the river, and the great stone quarries there and adjacent thereto, with a practically inexhaustible supply of gravel out of the bed of the stream, will, aside from farm products, supply river traffic with a tremendous amount of commerce.

In this connection attention is further called to the fact that while it may be true that roadways will be needed to the river to enable much of the lands in the bottoms to reach steamboat landings, yet it will be possible to construct such roadways at a tremendously less cost if the river can be utilized to haul the material entering into their construction than if those same materials have to be hauled by railroad and then again hauled from there by teams and wagons or trucks. In fact, one witness, Mr. H. H. Haines, then general manager of the Galveston Commercial Association and now with the Houston Chamber of Commerce, and a traffic man of long experience, stated at the hearing at Galveston in March, 1920, that if the river could be utilized to haul the road materials for construction of roads from the river through the bottom lands, that the cost of such construction would not exceed, probably, $5,000 a mile, as against $12,000 a mile if the haul had to be made by railroad.

Judge G. C. Clegg, of Trinity, Tex., testified his precinct had voted a $200,000 bond issue for construction of a roadway to the river, but that the railroad freight rates on road material are so high it was impossible for them to go ahead with the work.

Mr. Woolsey, of Trinity County, another witness at the Galveston hearing, stated that if the river could be utilized it would mean a saving on hauling of gravel or shell of $50,000 or $70,000—referring apparently to the road bond issue testified to by Judge Clegg—and that the money for road improvement in Trinity County is lying idle now in bank on account of present prohibitive freight rates on gravel. It might be added that, irrespective of the high freight rates, it is almost impossible to even get cars to haul it.

The witnesses at the Galveston hearing particularly stressed, as I also desire to do, the fact of the great saving there will be in road construction along the river if the river is improved so that the road materials can be carried on the stream to their destination and the roadways built from the river at or along to points beyond, instead of having to carry such materials on the railroads and build from the railroads.

It seems to me, as it seems to the people of my district, that the tremendous importance and value of this difference and distinction was not sufficiently appreciated in the conclusions reached in the supplemental report with reference to the improvement of the Trinity above Liberty. There seems to be no great difference of opinion concerning the fact that some roadway must be built, though there may not be accord and agreement as to the nature and extent of the same.

But there is the gravest difference in the conclusions which have been drawn, particularly in the reexamination report, that it will be as easy to build from the river farms and bottoms to the railroad as it would be from those lands to the river. To appreciate the error of this conclusion we have only to consider the fact that 250,000 acres of the finest river bottom land is according to the supplemental or reexamination report within 1 mile of the river from Long Lake to its mouth. It is also recited in the report that the acreage in the valley nearer the river than to the railroad from Long Lake to the mouth is 1,087,100 acres, and it may be added with a growth of from five to ten billion feet of timber. It is further the testimony of substantially all the witnesses that the railroad is for the most part many miles from the river, except a short line between Livingston, in Polk County, and Weldon, in the southern part of Houston County, which is 28 miles long and runs at an average of 7 miles from the river.

Mr. D. A. Nunn, of Crockett, at the Galveston hearing, testified that the river is from 14 to 25 miles to possibly 35 miles from the railroad up in his section; that is in the section between White Rock and Hurricane Shoals. He further testified he had no lines of railroads paralleling the river, excepting at something like 14 to 30 miles. He further testified that farmers

now have to haul their cotton and drive their hogs 20 to 25 miles into Crockett, where they met the railroad.

Mr. W. L. Smithers testified that between Riverside and Long Lake it was from 15 to 20 miles in most places on the river to the nearest railroad line.

Mr. M. A. Milliff also testified that under existing conditions and from the large farms along the section of the river between Trinity and Hurricane Shoals and above, products are now being transported 15 to 35 miles by wagon. It seems unnecessary to refer to the testimony of any other witnesses, as reference to the stenographic reports of the hearings will reflect that particularly all witnesses testified to the same effect.

It will also be recalled that the original and supplemental reports, as well as the testimony, reflect that the width of the valley is only from 3 to 7 miles except at a few places. It is therefore readily apparent that the distances necessary to construct roads to the river would be far less than the distance necessary to construct roads to railroads.

In calling particular attention to the great advantage that the Trinity River enjoys in its great latent commercial resources over many other inland waterways, I do not desire to underestimate or have you to lose sight of the remarkable fertility of the bottom lands and their great productive power. Practically all the witnesses at the hearings held before you last September, and the one at Galveston, agree in stating that these lands in seasonable years will produce from three-quarters of a bale to a bale per acre, and from 40 to 60 bushels of corn, in addition to being especially adapted to the raising of the finest sugar cane. It was further testified that 20 hogs per acre can be raised each year. In this connection the board will further recall that Mr. Smithers and Mr. Nunn, I think, and others, testified that the farmers, however, to get their hogs to market had to drive them from 20 to 25 miles in the heat of summer, causing them to suffer great loss in weight and some to die on the way, and that if water transportation were available on the river hogs could be transported without any loss at all times of the year.

Mr. H. J. Arledge, of Crockett, states that he has to haul his products from his farm to Crockett, 25 miles away, at a cost of 70 cents per hundred pounds.

Messrs. Daniel and Arrington, of Crockett, state that their cost on a 25-mile haul of their products from their stream is from 65 to 70 cents a hundred pounds, while Mr. W. L. Smithers, of Walker County, testified that such estimate was entirely too low and at least $1 to $1.50 would be nearer a correct estimate of such cost.

This testimony is not conjectural, but is based upon the actual experience of men who own and operate farms along the river and actually transport their products the distances named in order to get to a market or the railroad.

To further illustrate, not only the tremendously high cost to which the river-bottom farmers are subjected in order to get their crops to market, but the additional impossibility in many cases of moving them at all, as will be remembered by the board to have been disclosed by the testimony at the last hearing before you. It will be recalled that in the testimony on that occasion it appeared that it took four mules to haul out from the river farms 5 bales from 15 to 35 miles to market, and that the strain on the teams is so great that they can only make two trips a week.

Testimony then further developed that due to such difficulty many of the products grown on the river farms, such as sugar cane, corn, and other grain, had either to be thrown away or fed to the hogs.

It will be further borne in mind that on the hearings the further startling fact was disclosed that it was costing from $25 to $30 an acre to clear the bottom land of timber so that it might be farmed, and that such timber when cut had to be burned up and destroyed because there was absolutely no way of getting it out to market in spite of its great value.

It is further to be borne in mind that efforts have been made in the past to save this timber by trying to raft it down the stream, but the logs have proven too heavy to float in most cases and in others the driftwood and snags cause the rafts to be lost and the effort to save the logs to be discontinued.

Mr. M. A. Milliff, at the hearing in September, stated in his letter that three years before he had gotten a timberman interested, and he cut several hundred logs along that section of the river and tried rafting them to the International & Great Northern Railroad at Riverside, but owing to shoals and snags and overhanging timber that grew along the river bank he lost most of his timber and all of his money.

It appears that an Indiana company installed a hardwood lumber mill on the banks of the river somewhere between Hurricane Shoals and White Rock Shoals to manufacture timber for the construction of wagons.

Mr. D. A. Nunn, of Houston County, testified at the Galveston hearing that the man in charge of the mill told him that he was more concerned now over getting his lumber out from his mill than about anything else; that he could not truck it out and that it cost too much to haul it to Crockett, 20 miles away, by wagon; that he is still cutting lumber and stacking it, but has not shipped a plank to his factory because of lack of transportation facilities.

Mr. W. F. Bruton, of Houston County, testified that he had lately made a contract with a sawmill in that part of the country for $50,000 worth of timber, but that the contract had a proviso that if the company could not get the lumber down the river the contract was to be null and void. That they have put about $10,000 worth in the river about 15 miles up from the lower lock, and eventually the timber got torn loose and lost and they had to quit. That about eight months ago he also sold lumber at $10 a tree; that the buyers cut about 75 trees and quit because they had no transportation and could not get the trees out.

Surely it is scarcely to be imagined that this great natural wealth of timber, stone, lignite, gravel, and sand, of which the world is in such great need to-day, and these remarkably fertile bottom lands, with their power to raise the greatest supply of farm products so necessary for the life of the Nation and even countries abroad—surely, I say, it can not be contemplated that they are to be abandoned when a great natural waterway is at their door offering, with some improvement, an outlet for all their great latent commerce.

Criticism is made in the supplemental report to the effect that statistics do not show that the use of the pool immediately above White Rock Shoals has been very great, being 12,143 tons for 1917, 1918, and 1919 (p. 60 of H. Doc. 989). In the first place, the question of getting accurate statistics in these localities is very difficult, as witness the showing at the September hearing of the commerce in Chambers County, which was far in excess of the Government reports, and, secondly, the pool with 6-foot depth only extends 13 miles and can serve only a most restricted territory, giving it really a distinctly local character. In fact, the bottom land adjacent thereto may all be owned by one individual or company, as seems most likely to be the case, and the marketing or manufacturing of the timber on such property may be slower than would ordinarily be the case where in the hands of more active owners. The fact, however, that one hardwood mill has already located along the banks of the pool is a very good indication that with the opening up of additional territory by extending further the improvement of the Trinity other mills and industries will also be established upon the banks of the stream.

When the development or improvement of the river is made and the reaches extended so as to give assurance of its availability for more general use, prospective mill and lumber companies and other industries will organize with the knowledge that when they engage in any enterprise on a large scale there will be a fairly dependable and reliable means of getting both to and from their plants or mills the rough and finished material.

Witness after witness at the hearings has stated that if the improvement of the river is made additional lumber mills will be built along its banks and that steamboat lines will be established and boats built, and that they will ship their products down the river and utilize the stream for the hauling of material to build their highways, and for other purposes. Such men as Mr. D. A. Nunn, of Houston County, one of the most substantial and well-to-do citizens of that community; Mr. J. W. Cochran, a banker of Polk County; Mr. G. C. Clegg, a prominent lawyer with large farming interests, of Trinity County; Mr. M. A. Milliff; and a number of other witnesses confirm this statement in their testimony.

All these citizens argue irresistibly, it seems to me, for the continued improvement of the river.

It is true that the estimates of the cost of canalization of the lower Trinity are apparently large, but again it seems as if a greater use of the river for hauling materials could be made it would reduce these estimates considerably. To do this would no doubt involve cleaning out the lower river and removing the drift and snags and some of the bars, so that at periods of high water supplies could be transported to points where construction was being undertaken.

But this cleaning out and snagging of the river should be done in any event and without delay. The consensus of opinion testified to by those who live along the stream being that they have had no dangerous overflows where such cleaning and snag-

ging has been done. Overflows, I think the engineers generally concede, have a most damaging effect upon the navigable character of the stream.

So, if you should be of the opinion that under present conditions it might not be possible to substantially reduce the estimates and that prevailing costs will not justify the adoption at this time of the proposed lower Trinity River project as a whole, yet would it not be more in line with the declared policy of Congress to sanction at least the further improvement now of cleaning, snagging, and removing bars in not only the section from Galveston to Liberty but also in some other section or sections above the coastal plain and reaching more into the heart of the lower Trinity?

The supplemental report shows that this can be done even under existing conditions at no great expense. The estimate for the total work of thoroughly snagging and removing obstruction to navigation from the mouth of the river to Long Lake was only $438,000, and that the following estimates would cover such improvement in the following sections:

From the mouth of the river to—	
Trinity	$255,000
Liberty	72,000
From Lock 25 (White Rock Shoals) to Lock 20 (Hurricane Shoals)	124,000

It should further be considered that the undisputed testimony of witnesses, as well as the findings of the Government engineers, shows beyond question that a thriving open-river traffic was carried on in the early days, especially from 1867 to 1878, before the advent of the railroads. Within the period named it appears there were some 44 boats, ranging from 65 to 480 tons burden, engaged in trade between the mouth of the river and as far up as Porters Bluff, and even occasionally to Dallas. One vessel is mentioned as 150 feet long and 35 feet wide, with a carrying capacity of 700 bales of cotton, from Lock Ridges Bluff. Captain Van Devender testified that in 1869 two boats were built, with a cargo capacity of 1,800 bales of cotton, plying between Magnolia, near Long Lake, and the mouth of the river. Navigation was not considered hazardous at a reasonable stage of water.

The method by which the railroads destroyed the river traffic has already been discussed, and the changed conditions to-day, with the new statutory restraints imposed upon the railroads, as well as the recently declared policy of Congress, has been cited in verification of the fact that the conclusion is erroneous that commerce, because it has once been driven from the river, will never return. Even if the report of Colonel Barden, prepared in 1916, and before the present transportation needs and problems had become so acute, and before Congress had passed the remedial legislation referred to, attention was called by him to the vast timber resources of the region and the finding made that probably eight to twelve million tons of hardwood alone was available for river shipment below Dallas; and after pointing out that hardwoods were then being marketed by water in limited amounts further expressed the conclusion that "there seems to be no reason why an increasing amount can not be handled by small towboats and barges in the open river." (Sec. 53 of report.) So it is shown that even from the standpoint of Colonel Barden that as late as 1916 there was every reason to expect a profitable open-river commerce in lumber if the stream was kept clear of obstructions.

Regarding the improvement from the mouth to Liberty, the testimony shows in the most cogent way not only the value but the necessity of this part of the waterway to that section.

In fact, Judge C. N. Smith, the county judge, Liberty County, in testifying before the district engineer at Galveston on the hearing, stated that the county had experienced much trouble in securing transportation of material for roads both before, during, and since the war, and though an effort was made to utilize the Trinity River for hauling shell, boats could not get by the bar 3 miles below Trinity. This compelled the county to bear an enormous expense of hauling road material by railroad, and other tonnage as well. He estimated that the saving on the cost of transportation of shell by water would have been at least two-thirds of the rail rate. Liberty County, as stated, is now about to spend $2,000,000 for new roads and should be allowed to use that river to save on transportation costs by railroad.

Mr. J. F. Richardson, one of the county commissioners of Liberty County, also confirmed this statement and pleaded for relief.

It will also be remembered that on the hearing last September Judge Gordon, for the Anahuac Canal Co., stated that nearly 50,000 acres of rice were in cultivation in Liberty and Chambers Counties, which would make at least a half million sacks, worth, at the then market quotation, nearly $5,000,000, the bulk of which would have to be shipped by water.

The Robertson-McDonald Lumber Co. stated that the approximate tonnage of rice alone passing in and out of Anahuac Channel was from two hundred and fifty to three hundred thousand sacks per year, weighing from 180 to 200 pounds; also, that the lumber from their sawmill in Chambers County, located on Turtle Bayou, approximates from twelve to fourteen thousand tons per year that goes by barge in and out of the channel.

The Peden Iron & Steel Co., of Houston, stated that they have shipped a large quantity of material by water to Anahuac, Moss Bluff, and Wallisville, on the Trinity, and to Turtle Bayou, of an estimated annual value of $400,000.

The Mays Cattle Co., of Wallisville, in a most excellent and detailed statement, stated that by reason of failure to have water transportation for their herds, which ran between four and five thousand head, that they had to drive their live stock some 20 miles overland to either Liberty or White's ranch in order to obtain rail transportation. Calling attention to the fact that a twelve hundred pound steer loses two or three hundred pounds on such a drive; that if the Trinity were made navigable the cost of transportation would be cut fully 50 per cent in long drives for cattle, and little or no shrinkage; for in three hours they could be in Liberty and ship by rail from there; in 5 hours reach Galveston, and in 10 hours be in Houston; that under present conditions it takes between two to five days to get stock to a shipping point and another day or two before it reaches market.

It was also stated that they had about 20 clamshell banks on the river. In 1917 they contracted and sold 50,000 yards, but the contractors have been unable to haul it to market because channels have been clogged with snags, and so forth.

That opposite the village of Wallisville they have a large sawmill building located near reach of river bank with only machinery yet to be installed. A number of pieces of machinery have been purchased, and company will commence operations as soon as some definite assurance is given that river will be made navigable so they may ship upstream to Liberty or down to Galveston.

If this is done they estimate that they will ship per month, of beef, 500,000 to 1,000,000 pounds; pork, 75,000 to 100,000 pounds; hay, 5,000 to 10,000 bales; corn, 10,000 to 25,000 bushels; lumber, 10,000,000 feet; shell, 3,000,000 to 5,000,000 cubic yards.

Only recently the shoaling of the channel in Turtle Bayou, Chambers County, threatened to cause the gravest injury to the rice crop of the county, because such a large portion of the crop has to be transported to market through that channel, thence through Anahuac Channel and through Galveston Bay. There are no railroads in Chambers County except in the extreme southern portion of the county, and the roads are frequently so bad as to be impassable for wagons or trucks.

The rice crop planted in this county this year is estimated about 40,000 acres and will run conservatively about 10 sacks to the acre. The same estimate may be made of the rice crop in Liberty County, with a value now of about $3.75 per sack.

In view, therefore, of the remarkable showing of commerce available along this river, which is absolutely dependent upon it for an outlet, if it is to be moved at all, and in view of the declared policy of Congress to preserve, foster, and develop in full vigor the inland waterways of this country, and of the collapse of the railroad transportation system, the alarmingly high freight rates, the distressing situation confronting the industrial, business, housing, and public interests of the country by reason of inability to secure material for building and highway purposes, and the maximum need in general for inland waterways, especially for one with all the natural resources and wealth of material and farm products presented in the case of the lower Trinity River, I submit the improvement ought not to be abandoned, and that no report or recommendation to such effect should be made; but that, instead, the proposed project of the lower Trinity ought to be approved, and if not deemed wise to do so now in its entirety, in view of prevailing costs, yet ought to be done in sections.

A start, at least as recommended from the mouth on up to Liberty, ought not only to be made but the removal of obstructions in the rest of the lower river should be undertaken for all the reasons heretofore stated.

To illustrate how much this waterway improvement is needed, as well as showing its condition in November last, I quote part of a letter received then from one of my constituents, Mr. R. McDonald, who is a most worthy and excellent citizen. He said:

MY DEAR JUDGE: It has not rained on the watershed of the Trinity River in three months, so that the water would run in the branches, and as a consequence everything is drier than I have ever seen it, except twice, in 1860 and during the last war, and still the water is

20 feet deep and running over the gates at the lock and dam on the river just below town and raises the water 4 feet deep 25 miles above the dam, and still the Congressmen claim that the river can not be made navigable. To show that we need it, there was a man the other day that had to pay $72.60 freight on a carload of railroad ties from Carlisle, 11 miles down on the B. & G. N. R. R., to Trinity.

The flooded condition of the Trinity River and the overflows which have produced such distressing conditions not only call for the earliest relief for those who have suffered so keenly through the devastation of the river waters but demonstrates also that the stream is not a small waterway of insignificant character, but is a river of size and power, which, if properly developed, even through open channel work, by removing the snags and bars, cutting off bends, and clearing the stream generally, would afford relief from high rail transportation costs and supply the territory along such river and commerce generally, with cheap and yet efficient transportation by water which is a natural carrier, and which carrier deserves to be further developed.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

Pier in Delaware Bay near Lewes, Del.: And the Secretary of War is hereby authorized to dispose of the pier and such rights as the Government possesses in the land and the abutments thereof at public or private sale.

Mr. LAYTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Delaware offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAYTON: Page 9, strike out all of lines 10, 11, 12, and 13.

Mr. LAYTON. Mr. Chairman, this amendment is offered after full consultation with and approval of the chairman of the committee. This pier was constructed in 1872, just inside of Cape Henlopen, when it was contemplated to make it a point for ocean traffic by connecting the Pennsylvania Railroad with it; but the Pennsylvania Railroad never connected with this pier, and the pier has been allowed to decline, until to-day it is practically not usable. At first it was thought proper to give the pier and the abutting land to the town of Lewes. Later it was considered to be the proper thing to put the pier up at public sale and dispose of it to any private parties who might want to buy it, and with that thought in view I had this paragraph incorporated in the bill. But recently I got in touch with some mercantile, financial, and maritime interests there who desired to have the matter remain in status quo until they had an opportunity to make arrangement whereby they might either obtain the assistance of the Government in putting the pier in repair or else make financial arrangements to buy it in case it is disposed of at public sale hereafter.

Mr. McLAUGHLIN of Michigan. Will the gentleman yield?

Mr. LAYTON. Yes.

Mr. McLAUGHLIN of Michigan. Has there been an investigation and a report by the Corps of Engineers?

Mr. LAYTON. Yes.

Mr. McLAUGHLIN of Michigan. And does that corps recommend the abandonment of this work and the sale of the property?

Mr. LAYTON. Absolutely. But I will say that there is no disagreement between General Taylor and myself or the members of the committee specially interested in it, because before I offered this amendment I put the matter up to General Taylor, and he said he would be perfectly satisfied to let the matter remain in status quo until the next session of Congress.

Mr. McLAUGHLIN of Michigan. It is not the intention of the gentleman, then, to offer an amendment providing an appropriation or directing the expenditure of money on this work?

Mr. LAYTON. Absolutely not. There is no such intention here, nor, as I understand it, in any other body.

Mr. DEMPSEY. Will the gentleman yield?

Mr. LAYTON. Yes.

Mr. DEMPSEY. This matter was presented to this committee. It is simply the question of the abandonment of a pier. It was thought at one time that we should abandon it, but after consultation with the Chief of Engineers it was deemed best to leave this item out of the bill altogether.

Mr. LAYTON. Just one other thought. The people in interest there—the transportation interests, the pilot interests, and all of those who are interested in transportation and navigation on the Delaware River and Delaware Bay—have been to me, and they say this is the best place for a pier there is in that vicinity, the reason being that it is close under the lee of Cape Henlopen, and therefore is protected largely in wintertime and in early spring against the ice, and at other times against certain winds of a dangerous character and ocean currents.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. LAYTON. Certainly.

Mr. GRAHAM of Illinois. The gentleman has forgotten one of the best recommendations for this pier, and that is that there is good fishing off of it.

Mr. LAYTON. Yes; the gentleman and I found that out last summer when we caught many trout weighing from 3 to 7 pounds.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEC. 5. That the Secretary of War be, and he is hereby, authorized and directed to construct six seagoing hopper dredges for use in improvement and maintenance work on authorized projects on the Atlantic, Pacific, and Gulf coasts, the said cost of said dredges to be paid from appropriations heretofore made, or to be hereafter made, for the preservation and maintenance of existing river and harbor works, and for the prosecution of such projects heretofore authorized as may be most desirable in the interests of commerce and navigation: *Provided*, That the limit of cost of each of the dredges herein authorized shall not exceed the sum of $750,000.

Mr. ROACH. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 10, line 8, strike out lines 8, 9, 10, 11, and 12, including the word "navigation," line 13.

Mr. ROACH. Mr. Chairman and gentlemen of the committee, I hope you will realize the importance of the adoption of this amendment. To my mind, this raises sharply the issue whether or not we are going to invade the fund of $42,815,666 which we recently appropriated for river and harbor work. If I correctly understand this section as it is written now, the money necessary to construct these six seagoing hopper dredges is to be taken out of the fund which we recently appropriated for river and harbor work. In other words, it will mean that there will be taken out of this fund a total amount of $4,500,000 to pay for these six dredges. I want to remind you that at the time we had the appropriation up it was shown satisfactorily and conclusively that $42,815,666 was the minimum amount necessary to carry on the work on the projects that had been approved and were under construction in this country. I have no objection whatever to the construction of the six seagoing dredges provided for in this section, but I do strenuously object to taking the money out of the fund appropriated and necessary to carry on river and harbor work, because that appropriation was wholly inadequate and was the minimum amount deemed necessary.

It will be recalled that the Bureau of the Budget only recommended for rivers and harbors $13,500,000. When the matter of the inadequacy of that amount was brought to the attention of the committee the amount was increased to twenty-seven million and some hundred thousand dollars, and then here on the floor of the House we increased that amount to $42,815,666, and it was shown by the most satisfactory evidence that every dollar of that amount would be required and that such sum was the minimum amount necessary to carry on the work. Now, are you going to take $4,500,000 of that fund at this time? If not, adopt this amendment, and that will simplify the matter, and we will preserve the fund intact.

Mr. LAYTON. Will the gentleman yield?

Mr. ROACH. Yes.

Mr. LAYTON. The gentleman will remember that the Board of Engineers recommended $62,000,000 to be appropriated.

Mr. ROACH. Yes; as a matter of fact $62,000,000 was much nearer the figure actually needed than the sum we appropriated. I expect to vote for this bill, but I do not want to take the money to pay for these dredges out of that fund, which will mean that the improvements of the rivers will suffer to that extent and be deprived of that amount next year when they are entitled to all the fund, and it ought to be kept intact for the purposes for which we appropriated it.

Mr. DEMPSEY. Mr. Chairman and gentlemen, the gentleman from Missouri is entirely correct in saying that the evidence before the Committee of the Whole when we appropriated $42,815,000 for the improvement of rivers and harbors was needed, and he is correct in saying that that was the minimum amount. The gentleman, however, I think, will agree with me after I have made the explanation that, by the adoption of this provision as it is, we will not invade or lessen the appropriation of the $42,815,000, but that we will make it go further than it would go otherwise. There is no way of getting the dredges except in the way provided by this bill. We are not going to get any special appropriation through Congress for the dredges

this year. We are not going to get authority for the appropriation unless it is carried in this bill. These dredges will save $50,000 apiece each year. They will do more work and they will do what work they do do at a less cost. There has been an enormous advance in the construction of dredges. The dredge of to-day is no more like the old dredge than the locomotive to-day is like the old locomotive 30 years ago. If we can get the dredges they will make the $42,000,000 do more work—every dollar do the work of $1.50 or $2 all over the United States. If you adopt the amendment you will not get the dredges but you will go on with the old dredges and do the work at an increased cost, and your $42,000,000 will not go as far as it will if you accept this provision and get the new dredges to do the work.

Mr. ROACH. Will the gentleman yield?

Mr. DEMPSEY. Certainly.

Mr. ROACH. The cost of the dredges were not included in the estimates furnished by the War Department.

Mr. DEMPSEY. Yes; they were.

Mr. ROACH. As I recall it, the estimates that went to make up the total of $42,000,000 did not contain a single item for a dredge.

Mr. DEMPSEY. We have had the question of dredges up not only this year, but for two or three years. This is the first time we are near getting them. I want to say that I sympathize with the gentleman; I am in the same attitude he is. I want this money to go for rivers and harbors, because it is badly needed. But we are going to do better for rivers and harbors by passing this section as written in the bill than we will if we adopt the gentleman's amendment.

Mr. ROACH. I can not understand the gentleman's sympathy when he takes the money that might be used on the rivers in my country and builds dredges to be used on the Atlantic and Pacific Oceans.

Mr. DEMPSEY. Dredges are used everywhere—in rivers just as well as in harbors.

Mr. ROACH. These dredges, it is expressly provided in this bill, shall be used on the Atlantic and the Pacific Oceans.

Mr. DEMPSEY. But when you save $50,000 a year by the use of each of these dredges that $50,000 is going to remain in the general fund, to be expended for the rivers as well as for the harbors, and it is in the interest of economy that we have them. They will pay for themselves in a short time. It is absolutely the worst kind of extravagance and inefficiency and waste to continue the use of these old, worn-out, inadequate, obsolete dredges that we have.

Mr. ROACH. Does the gentleman realize that if we expend this money in this way some rivers and harbors are bound to suffer from a depletion of the appropriation which we make in paying for these dredges?

Mr. DEMPSEY. No; I think, on the other hand, we will have more money by adding these new dredges; that we will get more out of the $42,000,000 after subtracting the $4,000,000 for these dredges.

Mr. ROACH. I would like to have them, but I do not want to pay for them out of the $42,000,000.

Mr. DEMPSEY. I think what the gentleman wants will be accomplished better in the way that I suggest.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. COOPER of Wisconsin. There are a great many projects which have been partially completed.

Mr. DEMPSEY. Yes.

Mr. COOPER of Wisconsin. Some of them adopted 10 or 12 years ago.

Mr. DEMPSEY. Yes.

Mr. COOPER of Wisconsin. The Chief of Engineers reported, as I understand it, and I think the gentleman from Missouri [Mr. ROACH] is correct in his statement, that the $42,000,000 was necessary to complete the projects which had been adopted.

Mr. ROACH. To carry on, not to complete them.

Mr. COOPER of Wisconsin. Necessary to carry on the work. I will say to the gentleman from New York that this morning I was at the office of the Chief of Engineers, and I talked the subject over with him, not, however, having in mind the issue which the gentleman from Missouri has made by his proposed amendment. I asked him about the $42,000,000, and he said that that was the minimum amount that ought to be appropriated in order to properly carry on the work for projects already adopted.

Mr. DEMPSEY. That is true.

Mr. COOPER of Wisconsin. He told me that this morning. Let me ask the gentleman from New York this question.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DEMPSEY. Mr. Chairman, I ask unanimous consent to proceed for three minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COOPER of Wisconsin. If the Chief of Engineer's report on $42,000,000 was the minimum amount necessary to carry on the work properly on unfinished projects——

Mr. DEMPSEY. But that is not what he reported.

Mr. COOPER of Wisconsin. That is what was said here on the floor.

Mr. DEMPSEY. Oh, no; the estimates of the Chief of Engineers were in writing, submitted to the committee in writing, and they included, if the gentleman from Wisconsin will permit, the dredges which are provided for in this bill. That entered into the $42,000,000. I think the $42,000,000 is the minimum amount. I quite agree with the gentleman from Missouri [Mr. ROACH], but I do not think the gentleman from Wisconsin got the point I made with the gentleman from Missouri. The testimony of the Chief of Engineers before our committee shows that each of these dredges would save about $50,000 a year and that we would do more work and do it infinitely faster. It is in the interest of commerce not alone to economize but to expedite the work.

Mr. COOPER of Wisconsin. There are very many of these projects which are unfinished, which do not require the use of a dredge at all for their completion, such as the building of breakwaters.

Mr. DEMPSEY. I think the gentleman will find that 95 or 97 per cent of the work will require the use of the dredges. I do not think there is more than 3 or 5 per cent in the other category.

Mr. COOPER of Wisconsin. What I have in mind is the completion of an arrowhead harbor improvement. It is the making of the last link, the putting in of cribs, and the dredges that they have can do that work.

Mr. DEMPSEY. They dredge for that work. There is no work that can be done practically in an improvement of a harbor without the use of dredges. This is really as important almost as anything else in the bill.

Mr. COOPER of Wisconsin. Why did not the gentleman from New York include that in the original $42,000,000 appropriation?

Mr. DEMPSEY. I had that in view, and I made a very hard fight for the $42,000,000.

Mr. COOPER of Wisconsin. Why did not the gentleman insert in that a provision taking $4,000,000 and over of the $42,000,000 for the purpose of these dredges?

Mr. DEMPSEY. Because the Chief of Engineers in the estimates he has submitted had included an estimate for these dredges.

Mr. ROACH. Was that in the $62,000,000 estimate or in the $42,000,000 estimate?

Mr. DEMPSEY. I think it was in both. My sympathy was with the larger amount.

Mr. ROACH. I know the gentleman's sympathy was with us.

Mr. DEMPSEY. But I realized fully that the $42,000,000 was all that the condition of the country or the temper of the House would stand.

Mr. ROACH. The gentleman has made the statement here that the cost of these dredges was included in the $42,000,000.

Mr. DEMPSEY. That is my understanding. I am quite clear about it.

Mr. ROACH. The gentleman asserts that to be the fact?

Mr. DEMPSEY. Yes. That is my recollection. I will send out for the report, if the gentleman desires.

Mr. ROACH. I do have very serious doubt in my mind whether the estimates provided for six dredges, and in that connection the gentleman stated we would not get these dredges unless we carried an appropriation. Why can not we write in this bill an appropriation for $4,500,000 for these dredges? We have the votes in the House to carry it; we have them over in the Senate, so why mince matters, why not get the $4,500,000? We need it.

Mr. DEMPSEY. Because this is not an appropriation bill.

Mr. ROACH. We can authorize an appropriation, can we not?

Mr. DEMPSEY. But you will not get an appropriation, and if you leave it as it is, you will get the appropriation and the dredges.

Mr. ROACH. I want to have the dredges on the Atlantic and on the Pacific coast, but that is not going to do the middle West and the Mississippi States any good——

Mr. DEMPSEY. It is going to save money, and it is——

Mr. ROACH. By taking the money that would otherwise go to improve our rivers and harbors and build these dredges.

Mr. McDUFFIE. Mr. Chairman, I will say for the benefit of the gentleman from Missouri that on page 101 of the estimates, in which various items are included going to make up the $42,000,000, you will find the first item—I have not read the whole list—is for four seagoing dredges on the Atlantic coast at $3,000,000, and is included in the $42,000,000.

Mr. ROACH. How many?

Mr. McDUFFIE. Four, to cost $3,000,000.

Mr. ROACH. This bill provides six, to cost $4,500,000.

Mr. DEMPSEY. If the gentleman believes we should not have six I would rather see two of them cut out than to be left with all these old dredges. I think it would be entirely wrong not to do that. In the estimate of $42,000,000 four are provided for only, and here are six provided. We are going to economize; we are going to do this work faster on your rivers with these new dredges.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROACH. Mr. Chairman, this is an important item, and I ask unanimous consent that the gentleman may have five minutes additional.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. ROACH. Since it happens that the $3,000,000 was included in the $42,000,000 estimate for four dredges, is the gentleman willing to have this bill amended to conform with the estimate for the four dredges instead of six?

Mr. DEMPSEY. I think it would be a serious mistake made if it were done.

Mr. ROACH. The gentleman can see what it would mean—that we would lose $1,500,000, which we will do unless we limit the number of dredges to four.

Mr. DEMPSEY. I do not think it will. I think we will make good progress by it. One of these dredges will do as much work in one day as the old-fashioned dredge would do in three or four days, and one will excavate material at a dollar where it will cost with the old dredge $1.50 to $2. Now, we want every one of these dredges, we need them every one, and the men who are in favor of river and harbor improvements, and who need river and harbor improvements, should know that we need modern tools. You want modern tools with which to work, you want the tools that will accomplish the most for the money.

Mr. ROACH. What I want and what I get may be two different things. The gentleman is bound to admit that unless we cut the number of dredges down to the four dredges included in the estimate there is going to be $1,500,000 shortage.

Mr. DEMPSEY. No; I do not admit it.

Mr. ROACH. Somebody is going to lose $1,500,000, and who is it going to be? I predict it will be the inland rivers on the bottom of the list.

Mr. DEMPSEY. No; the gentleman does not understand that by the improved dredges we are going to save money; we are going to save money by the use of these dredges.

Mr. ROACH. I can see that the $42,000,000 is not enough to go around if this amount is included in the items provided for in the appropriation; I can see that very plainly.

Mr. McDUFFIE. May I suggest that the $1,500,000 is not going to be taken from this item, but if the gentleman will examine he will find in the estimate in many districts a certain amount is always expended for the construction and repair work on dredges and tools with which the engineers have to work.

Mr. DEMPSEY. Of course.

Mr. McDUFFIE. Some of these dredges are 20 years old; they have deteriorated and——

Mr. DEMPSEY. And it means waste to endeavor to use them.

Mr. COOPER of Wisconsin. Will the gentleman permit a question?

Mr. DEMPSEY. The gentleman from Alabama has very well stated—I stated it in a general way, but the gentleman was more specific—that every year on every kind of work there is so much expended for repairs for dredges, and you want your work done with the very best dredge you can get.

Mr. ROACH. The gentleman wants to be fair in his discussion. These dredges are not to be used on any river——

Mr. DEMPSEY. The gentleman does not follow my argument.

Mr. ROACH. But they will be used on the Atlantic and Pacific. They are seagoing dredges

Mr. DEMPSEY. The gentleman did not follow my argument.

Mr. ROACH. I am sorry I did not follow the gentleman's argument. It is my way of looking at this bill.

Mr. DEMPSEY. What I said was that in every great project each year there are sums of money expended in improving the tools with which the work is done. That will be true out in the gentleman's country just as well as it will be in the use of these two additional dredges to which he refers.

Mr. COOPER of Wisconsin. It is a fact, is it not, that in this bill you propose to authorize the construction of two more dredges than the Chief of Engineers suggested? He suggested that out of that $42,000,000 there should be four more dredges constructed at a cost approximately of $3,000,000.

Mr. DEMPSEY. Yes.

Mr. COOPER of Wisconsin. This committee now proposes, after we passed it and settled it——

Mr. DEMPSEY. The committee does not propose at all. The committee has not proposed anything here except upon a report made, first, by the district engineer, next by the Board of Engineers, and next by the Chief of Engineers, and we have acted only in accordance with favorable reports. Then, after all that was done, we did not take the report. We have not relied upon it alone, but we have called before us the assistant to the Chief of Engineers. We have examined him at length and we have found out that instead of needing, and needing badly, as they supposed at the time they made the estimate for the $42,000,000, only four dredges, they needed six. They told us where they needed them and why they needed them. They convinced the committee, and the committee was unanimous in finding that not only were they necessary but that securing them would be in the interest of economy and efficiency in completing these projects, such projects as the gentleman has on the Great Lakes, which are as worthy as any projects in the world. There is nothing that will result in doing the work better or more efficiently and at less cost than to provide these modern dredges. And I am sure the gentleman will be convinced of that if he reads the hearings.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOPER of Wisconsin. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. COOPER of Wisconsin. Mr. Chairman, I agree with the gentleman from Missouri that to bring in this provision at this time is bad policy. Originally the Chief of Engineers submitted a report recommending $42,000,000 of an appropriation as a minimum amount which could be properly appropriated, and that sum of $42,000,000 included $4,000,000 to be used to construct three dredges. The House passed that bill with that understanding of its provisions, based upon the recommendations of the Chief of Engineers. The chief had had a year in which to make up his report. That bill went over to the Senate some weeks ago. But now comes in this committee with a bill proposing to take out of the $42,000,000——

Mr. ROACH. Let me make a suggestion at that point.

Mr. COOPER of Wisconsin. I would like to finish my sentence, and then the gentleman can interrupt me and explain.

It proposes to take out of that $42,000,000, besides the $3,000,000 which the engineers recommended to be taken out of it for the purpose of constructing four dredges, an additional sum of more than $1,000,000 for the construction of two more dredges, thus making a total of six dredges. The gentleman from New York has said that his committee has in mind specific projects where these six dredges are to be used. Now, that raises the exact point in this controversy. Gentlemen who have projects that have waited for years and which ought long ago to have been completed, see now an attempt made, after that appropriation has gone to the Senate, to take a million and a half of dollars, or approximately that sum, from projects that do not need new dredges and put it onto somebody's projects which do need new dredges. We think that under the circumstances, Mr. Chairman and gentlemen, that ought not to be done by this House.

Mr. ROACH. Will the gentleman yield?

Mr. COOPER of Wisconsin. Yes.

Mr. ROACH. I want to call the gentleman's attention to the further fact that it costs considerable money, no doubt, to operate these large dredges which are provided for in this bill, and if these two extra dredges are built it will further invade this fund of $42,000,000 to operate those two dredges that were not taken into account in the estimate submitted to us by the Chief of Engineers in the $42,000,000.

Mr. COOPER of Wisconsin. I do not understand, Mr. Chairman, that the Chief of Engineers has ever issued or filed or sent to the House or submitted anywhere an official report in anywise modifying the recommendations in his annual report,

which he had a year to consider before submitting and which provided only four dredges out of that $42,000,000, at an expenditure of approximately $3,000,000.

Mr. DEMPSEY. If the gentleman please, first, it has not been stated by anyone they were intended for any particular work, but to be used at every place where they were needed.

Mr. COOPER of Wisconsin. I understand what the gentleman said. I think the RECORD will show he did say they had in mind specific projects.

Mr. DEMPSEY. I did not say that.

Mr. COOPER of Wisconsin. If that was not so, how did you come to arrive at a conclusion that two more were needed? If you had not in mind certain projects, what made you think two more were needed than the engineer had recommended?

Mr. DEMPSEY. I did not think about it at all. I am reading from the testimony on page 86 and page 87. Six dredges were recommended. It was not the thought of any member of the committee or of the chairman. It was the thought of the engineers. The gentleman from Missouri——

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. COOPER] has expired.

Mr. DEMPSEY. Mr. Chairman, I ask unanimous consent that the gentleman have two minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. DEMPSEY. If the gentleman from Missouri has any doubt as to the operation of the dredges, I find on page 86 of the testimony—and I will send the gentleman a copy of it if he has not seen it—that the steel dredge will excavate 20,000 yards in the same time that the old-fashioned dredge will excavate——

Mr. ROACH. If the gentleman please, I never raised any question as to that or disputed the value of these dredges. They are extremely valuable. I wish we were able now to include a hundred of them in this bill, and I wish we had the money to pay for them, and I wish we had some of them now out on the Missouri River.

Mr. DEMPSEY. The gentleman suggested that the price of the two additional steel dredges would come out of this amount. I wanted to call his attention to this fact—that where you get 20,000,000 yards from the new type of dredge and only 5,300,000 yards from the old dredge, there is a manifest advantage in having the new type. General Taylor says this, in answer to a question of the chairman:

> The CHAIRMAN. Now, what would be the relative cost to-day of these two dredges, the modern steel dredge and one of these old-fashioned small wooden dredges?
>
> General TAYLOR. A wooden dredge of the same size to-day would cost almost as much as the steel dredge.

I thought that referred to operations also, but the cost of operation is away out of proportion as between the two dredges, as well as the results.

Mr. ROACH. And generally the machinery of these new dredges is more costly than that of the old dredges. The point I was trying to impress on the gentleman was this, that we have only $42,000,000 for rivers and harbors, and if we go into that $42,000,000 for two extra dredges and the expense of operating them and paying for the high-priced engineers and machinists we shall so reduce the $42,000,000 that the rest of the country will not get any of it.

Mr. DEMPSEY. The gentleman from Wisconsin [Mr. COOPER] suggested that there was no report submitted by the Chief of Engineers. In answer to that I beg to hand to him a report dated May 5, 1921, in which an estimate is made for six seagoing hopper dredges, at a cost of $750,000 each, amounting in the aggregate to $4,500,000, so that it is not any new thought, it is not anything that has been injected since the passage of the $42,000,000 appropriation.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. COOPER of Wisconsin. Mr. Chairman, I would like to have two minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. LAYTON. Mr. Chairman, will the gentleman yield there for a question?

Mr. COOPER of Wisconsin. Mr. Chairman, in reply to the last statement of the gentleman from New York [Mr. DEMPSEY], the chairman of the committee, I direct attention to the fact that he says there are to be six seagoing dredges purchased, at a cost of $750,000 apiece.

Mr. DEMPSEY. That is what the bill provides. That is in the bill. There is nothing uncovered and nothing that is in the nature of a nightmare.

Mr. COOPER of Wisconsin. I was not saying that it was "a nightmare." But none of these seagoing dredges will be used in the rivers or inland harbors of this country. They will be used only where seagoing dredges can be advantageously used, and it strikes me that it will subtract about a million and a half dollars of money from the funds that otherwise would be used for the completion of inland projects long delayed, and which in the original report of the Chief of Engineers were said to deserve early completion.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. LAYTON. Mr. Chairman, I move to strike out the last two words, or I make whatever motion necessary to obtain time.

The CHAIRMAN. The gentleman from Delaware asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. LAYTON. I may not need that much.

Mr. Chairman, as a matter of fact, did it not come out in the hearings that General Taylor said that in all probability, before the six dredges could be constructed, there would be a material reduction in the cost of them by reason of the decline in the prices that has taken place?

Mr. DEMPSEY. That is my recollection, that he said that the cost of machinery of this kind was constantly declining. I will say also to the gentleman from Missouri [Mr. ROACH] that it is my understanding that only a few of these dredges will be completed in the fiscal year. I do not think we can build even four of them, which are estimated for, in the $42,000,000.

Mr. ROACH. I have no doubt that is true, but the only way I knew of getting at it would be to adopt my amendment, or some similar amendment, to protect this $42,000,000 fund.

Mr. DEMPSEY. I think the general object contemplated is exactly what the figures provided.

Mr. ROACH. The gentleman cited a statement that $3,000,000 would be needed.

Mr. DEMPSEY. General Taylor estimated that for these dredges.

Mr. ROACH. But that is not in the estimates on which this $42,000,000 was based. That is a matter that came up in the hearings.

Mr. DEMPSEY. No.

Mr. ROACH. Did it not come up in the hearings?

Mr. DEMPSEY. It is in a report made May 5, 1921, which I hold in my hand.

Mr. NEWTON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. NEWTON of Missouri. In fact, the six dredges were included in the $63,000,000 estimated as necessary, and when that amount was cut down they cut out two of them.

Mr. DEMPSEY. Yes.

Mr. ROACH. If they cut down the estimates from $63,000,000 to $42,000,000 and estimated for dredges, they should cut down on the dredges here.

The CHAIRMAN. The time of the gentleman from Delaware has expired.

Mr. McDUFFIE. Mr. Chairman, I offer a substitute.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Alabama.

The Clerk read as follows:

> Amendment offered by Mr. McDUFFIE as a substitute for the amendment offered by Mr. ROACH: Page 10, line 8, after the word "of" insert "four of."

Mr. McDUFFIE. I think, gentlemen, that this substitute will absolutely meet the objections raised by the gentleman from Missouri [Mr. ROACH]. However much I think the bill should be passed as it is written, yet in order to meet his objections I prepared that amendment, which makes the paragraph read so that of these dredges which, as has been shown, were included in the estimate of the engineers, only four will be paid for out of the $42,000,000.

Mr. DEMPSEY. May I ask the gentleman this question?

Mr. McDUFFIE. Yes.

Mr. DEMPSEY. Just read your bill and see how the other two would be paid for. These dredges must be paid for out of appropriations either already made or to be made hereafter.

Mr. McDUFFIE. Yes.

Mr. DEMPSEY. The way the gentleman's amendment is worded is to cause four of the dredges to be paid for out of the appropriations already made or hereafter to be made. How are the others to be paid for? There is your difficulty.

Mr. McDUFFIE. Why not eliminate it?

Mr. BRIGGS. Will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. BRIGGS. As I understand the amendment, four of the dredges are to be paid for out of the appropriation heretofore made and the two remaining dredges are to be paid for out of the appropriation to be made hereafter.

Mr. DEMPSEY. The difficulty is that the appropriation has not yet been made. We have passed it in the House, but it has not passed the Senate. It will have to come back to conference, and when it becomes a law then the appropriation will be made.

Mr. McDUFFIE. I thought I was meeting the objection of the gentleman from Missouri [Mr. ROACH] in offering the amendment.

Mr. DEMPSEY. That was a very good intention, but I do not think it meets the objection. Let us find out what the committee want to do.

The CHAIRMAN. The question is on agreeing to the substitute.

Mr. McDUFFIE. I withdraw the substitute.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to withdraw the preferential motion to amend. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the amendment of the gentleman from Missouri [Mr. ROACH] to strike out lines 8 to 13, down to the word "navigation."

The question being taken, the amendment was rejected.

Mr. ROACH. Mr. Chairman, I offer another amendment, in line 5, after the word "construct," by striking out the word "six" and inserting the word "four."

The CHAIRMAN. The gentleman from Missouri offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ROACH: Page 10, line 5, after the word "construct," strike out the word "six" and insert in lieu thereof the word "four."

Mr. McLAUGHLIN of Michigan. Mr. Chairman, in my judgment this section is not necessary at all. It is evident that it is not, from the fact that the Corps of Engineers have included in their estimates the cost of building dredges, and having some knowledge of the work of the engineers on the harbors of the Great Lakes, I am under the impression that costs of boats and other paraphernalia necessary for the use of the engineers in the construction and maintenance of harbors and in carrying on of their work of all kinds are often, if not always, paid for out of the appropriation for the work, and that such use of money is made without any authorization whatever for the construction of boats.

Mr. DEMPSEY. No new dredge is ever paid for in any such way.

Mr. McLAUGHLIN of Michigan. In what way?

Mr. DEMPSEY. Out of the ordinary appropriation.

Mr. McLAUGHLIN of Michigan. I beg the gentleman's pardon.

Mr. DEMPSEY. The gentleman can beg my pardon, but he is all wrong. That is the only trouble. It does not change the situation any to beg my pardon.

Mr. McLAUGHLIN of Michigan. I am not wrong. I have knowledge of discussions as to the use of money for harbors on the Great Lakes, and I remember the position the engineers took. I remember the determination they made and their methods of expenditure of money.

Mr. DEMPSEY. So have I.

Mr. McLAUGHLIN of Michigan. I know something of the uses made of money appropriated for harbor work, all properly used, but each use not particularly set out in the law.

Mr. COOPER of Wisconsin. I move to strike out the last word.

The CHAIRMAN. The gentleman is recognized in opposition to the amendment.

Mr. COOPER of Wisconsin. Mr. Chairman, my objection to this provision increasing from four to six the number of dredges to be built arises out of this state of fact: When the bill making appropriations for rivers and harbors was passed by the House some weeks ago, the House, by a large majority, passed the bill containing the provision for $42,000,000.

Mr. ROACH. Will the gentleman yield right there?

Mr. COOPER of Wisconsin. Yes.

Mr. ROACH. I think the gentleman misunderstands my amendment. My amendment reduces the number of these dredges from six to four, four being the number carried in the estimates of General Beach, making up the total of $42,000,000.

Mr. COOPER of Wisconsin. I moved to strike out the last word. I did not rise to oppose the gentleman's amendment. I rose in support of his amendment.

Mr. ROACH. Very well.

Mr. COOPER of Wisconsin. I am in favor of the amendment. I am opposed to the provision in the bill; because when we passed that appropriation of $42,000,000 for river and harber improvements a few weeks ago, the understanding in the minds of all who understood anything at all about the bill was that that sum was to include work absolutely necessary to complete projects already adopted, and which ought to have been already completed. There was not a suggestion of the completing of six dredges or the taking of any part of that $42,000,000 to build the extra two dredges. To build seagoing dredges for use on the Atlantic, Pacific, and Gulf coasts will cost $750,000 each, which will absorb so much money that otherwise would have been used for the improvement of harbors on the Great Lakes and of the rivers throughout the country. But this provision for six dredges is exclusively for the benefit of the great harbors on the Atlantic, Pacific, and Gulf coasts.

Mr. DUPRÉ. Will the gentleman yield?

Mr. COOPER of Wisconsin. I yield to the gentleman.

Mr. DUPRÉ. I merely want to say that nobody would think that any of the $42,000,000 was for the purpose of building these dredges. It is merely an authorization the financing of which depends on future appropriations. It would not depend at all on the $42,000,000 appropriation which is now pending before the Senate.

Mr. COOPER of Wisconsin. The gentleman from Louisiana is, I think, plainly in error. If we authorize this, the engineers will never expend all of the $42,000,000 for the purposes for which we authorized it to be expended when the House passed that bill a few weeks ago. They will hold back in reserve more than $4,000,000 for the completion of these dredges, and the inland harbors and waterways will to that extent be deprived of the use of the money to which they would otherwise be legitimately entitled. When we passed that bill four or five weeks ago we did it upon the distinct understanding that there could not be more than four dredges built.

Mr. DUPRÉ. They were not authorized at all at that time.

Mr. ROACH. They were included in the estimate, though, to make up the $42,000,000.

Mr. DUPRÉ. They were not authorized, and therefore could not possibly be included in the bill appropriating that money.

Mr. ROACH. Certainly not; they were included in the $42,000,000 appropriation as a part of the estimates that went to make up the appropriation.

Mr. DUPRÉ. Estimates are not authorizations and authorizations are not expenditures.

Mr. ROACH. It is intended that the money shall be used in the manner in which the estimates are submitted.

Mr. COOPER of Wisconsin. The estimates of the $42,000,000 included the money necessary to construct four dredges.

Mr. DUPRÉ. In case Congress authorized them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The question was taken; and on a division (demanded by Mr. ROACH) there were—ayes 18, noes 50.

Mr. ROACH. I object to the vote because there is no quorum present.

The CHAIRMAN. The gentleman from Missouri makes the point that no quorum is present, and the Chair will count.

Mr. ROACH. Mr. Chairman, I will withdraw the point of no quorum.

Mr. ANDREWS of Nebraska. I renew the point of order.

The CHAIRMAN. The gentleman from Nebraska renews the point of order, and the Chair will count.

Mr. ANDREWS of Nebraska. Mr. Chairman, I withdraw the point of order and ask for tellers.

The CHAIRMAN. The Chair has counted up to 99, and there are still others that he had not counted. The gentleman calls for tellers. The Chair wishes to state that the demand for tellers is in order, but the question is as to whether a quorum is present. All those in favor of taking the question by tellers will rise.

Nine Members have risen, not a sufficient number, and tellers are refused.

So the amendment was rejected.

Mr. HULL. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 10, line 15, after the figures $750,000 insert: *"Provided further,* That no money authorized to be expended for the acquirement of any dredge or dredges shall be so expended for the purchase of any dredge or dredges from private contractors which at the time of the proposed purchase can be manufactured at any navy yard or other Government-owned factory for a sum less than it can be purchased for from such private contractor."

Mr. HULL. Mr. Chairman and gentlemen of the committee, Members seem to be concerned as to how you can get six dredges for the price of four. This amendment will solve the problem if you will adopt it. I know some of the objections that will be urged against the amendment, but I want to assure gentlemen of the House that they are not valid objections. This amendment has been put on appropriation bills for some four or five years, and it has resulted in every case in a great saving to the Government. It does nothing but put a limitation upon the purchasing bureaus of the Government. It does not compel them to manufacture at Government-owned factories; it simply compels them when they want an article to find out from these great Government institutions as to whether they can produce it less than the private contractor can.

Mr. RAKER. Will the gentleman yield?

Mr. HULL. Yes.

Mr. RAKER. If it can be produced as cheaply as it can at the navy yard, can the department award the contract to the Navy Department?

Mr. HULL. Certainly; and it has been done in hundreds of cases.

Mr. RAKER. What are the objections to this provision?

Mr. HULL. Objections come from the purchasing department of the bureau, or, to say the least, personal influence directing them to award the contract to a private contractor.

Mr. LAYTON. Will the gentleman yield?

Mr. HULL. Yes.

Mr. LAYTON. When are you going to follow the administration? I understood the President of the United States said it was nearly time for the Government of the United States to get out of private business.

Mr. HULL. I did not know that the President of the United States, and I do not believe it is true, wants to destroy navy yards and arsenals of the Government and go to purchasing munitions of war in peace times of private contractors.

Mr. LAYTON. Are the navy yards manufacturing dredges as a part of their work?

Mr. HULL. Certainly they are; and if they can not do it, the amendment will not compel them to do it.

Mr. LAYTON. Where has the Government ever manufactured a dredge?

Mr. HULL. At Government navy yards.

Mr. LAYTON. Will the gentleman give me one dredge in operation now, either old or new, that was built at a Government navy yard?

Mr. HULL. I do not know; but I will say if they have not done so, somebody is making money out of the Government. This proposition has been tried, and I want to say to the gentleman that the Director of the Budget issued a general order November 9 instructing the bureaus to submit the procurement program that they wanted to him and he would have an estimate made at the Government factory as to how much it would cost them to produce it.

Mr. RAKER. Will the gentleman yield?

Mr. HULL. Yes.

Mr. RAKER. We have passed the scrapping bill, and there is bound to be a great deal of material on hand belonging to the Government; can not the Government with that property build the dredges much cheaper by using this material than anybody else?

Mr. HULL. I have no doubt of it at all. I have no doubt that they will build it for less than 60 per cent of the price you have mentioned, $750,000.

Mr. RAKER. The Government ought to save that 40 per cent.

Mr. HULL. That is just what I want it to do. I want to read from the record of the Ordnance Department a few items where they did save the Government a good deal of money. This was tried from 1920 to 1921, and I have a list that was printed in the CONGRESSIONAL RECORD, page 1828, by the gentleman from Massachusetts [Mr. DALLINGER], giving the orders and what they saved. I am going to refer to only three or four of them. The Navy Department placed an order with the Frankford Arsenal for check-sight attachments. The lowest bid from the private contractor was $12,900.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HULL. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HULL. The Frankford Arsenal produced them for $3,249.60 and paid an overhead of 60 per cent on the order.

Mr. COOPER of Wisconsin. That is about 25 per cent of the private bids.

Mr. HULL. Certainly; here is another one: The Navy Department placed with the Rock Island Arsenal an order for fuel water strainers. The lowest bid from an outside contractor was $1,582.50. The Rock Island Arsenal produced them for $746.20 and paid over 60 per cent of an overhead. I call attention to the fact that the overhead which they charged against these orders to the Government has to be paid in any case, because that goes right on. I am not advocating, however, that they should not charge the overhead. They should, just like any other institution, and they should pay a liberal overhead, and they are doing it on all these others. Here is another one: They produced for the Quartermaster's Department at the Rock Island Arsenal some bronze rings, and the lowest offer they had was $21,870 from a private concern, while they produced them for $10,720. For the Interior Department at the Rock Island Arsenal they produced some posts. The lowest bid on the outside was $52,750, and the Rock Island Arsenal produced them for $22,350. Hundreds of orders were taken at the Rock Island Arsenal alone, and on the orders they took they saved over $90,000 in a little over a year, and all saved to these other bureaus of the Government. Do you not think it is about time to utilize the facilities that we have in order to find out what it costs to produce these things? And that is all the amendment does. It simply puts a limitation upon the purchasing bureaus of this Government. Everyone talks about and preaches economy and about punishing the profiteers. Here is a chance not to punish them but to limit them. I submit that this amendment is perfectly safe, sane, and ought to be adopted.

Mr. DEMPSEY. Mr. Chairman, I have only one suggestion to make with reference to this matter. I am as anxious to save money as is anyone. General Taylor, in his testimony before our committee, used the following language, and I shall quote it verbatim rather than to say what he said:

General TAYLOR. Yes, sir; we have quite a number of manufacturers in this country now that are making very good Diesel engines, which are used to a great extent. That development has come within the last two or three years. A Diesel engine that is used very extensively by cargo carriers is the McIntosh & Seymour, a type of which the Shipping Board has about 22 of those engines on hand which were purchased for installation in ships which they expected to build, but which they did not build, and I am endeavoring to have 12 of those, which would be the number that I would need for 4 of these dredges, assigned to the Engineer Department of the War Department without charge. I have not yet been able to accomplish this, because the Shipping Board has a prospect of selling them for $60,000 apiece. I hope, however, that we will be able to get them at a considerable reduction under $60,000, even if we can not get them for nothing. That would mean that much saving in the cost of our dredges.

I understand now that General Taylor has made an arrangement, so the clerk of the committee tells me, by which the engines will be procured without cost. The only thing I have to say with reference to the amendment is that I would not want it to complicate the matter so that we could not use these engines, so that by adopting the amendment we would add the price of the engines to the cost of the dredges.

Mr. HULL. Oh, there is nothing in the amendment that would complicate that. That would do just what they want done—find out whether they have material on hand in the other Government departments or not and then use it if they have.

Mr. DEMPSEY. I am not sure about that, but that is all I have to say concerning the amendment.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. RAKER. Who will construct these dredges, the War Department, or will the matter be let out by contract?

Mr. DEMPSEY. The War Department, I assume. The gentleman means under the bill as it is?

Mr. RAKER. I mean under the suggestion he has made about the four Diesel engines. If the War Department constructs them, of course they can use these engines, but if they leave the matter to a private contract, where would the four engines come in?

Mr. DEMPSEY. If they make a private contract, why would it not be feasible to provide in the contract that the dredge should be constructed and that the Government furnish the engine?

Mr. RAKER. That would mean another contract for some one to spend ten or fifteen thousand dollars on in placing the engine.

Mr. DEMPSEY. I can not see any reason why it would not be an easy matter to make such a provision in a contract. If they give a contract, they can provide that the Government shall furnish the engine and they could have bids on that basis. That is what I want to be sure that this amendment will do.

Mr. HULL. There is no question about that. There is nothing in this amendment that will prevent that.

Mr. RAKER. Mr. Chairman, I move to strike out the last word. The suggestion made by the amendment and the explanation made by the distinguished chairman of the committee seem to be in accord, because if the Government can procure these four engines it leaves a contract for the dredges, and when you come to place the engines in the dredges it will possibly cost half as much as the engines to do that, unless it be specifically provided in the contract that we have these engines and they are to be placed in the dredges.

Mr. ANDREWS of Nebraska. Would not the adoption of the amendment clear the way for the use of the engines without the extra expense?

Mr. RAKER. Surely.

Mr. ANDREWS of Nebraska. The Government would be doing its best to use the material.

Mr. RAKER. That is all I have to say.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn. The question is on the amendment offered by the gentleman from Iowa.

Mr. WALSH. Mr. Chairman, may we have that amendment again reported?

The CHAIRMAN. Without objection, the amendment will be again reported.

There was no objection, and the Clerk again reported the amendment.

Mr. WALSH. Mr. Chairman, I move to strike out the last two words, to ask the gentleman from Iowa a question. Does the gentleman believe that the phraseology of his amendment will cover a case where the War Department enters into a contract for the construction of a dredge?

Mr. HULL. Certainly.

Mr. WALSH. The gentleman uses the term "purchase of a dredge." The gentleman knows how strictly they construe these statutes, particularly the provisions making limitations. Would that prevent the War Department from making a contract to construct the dredge in accordance with plans and specifications?

Mr. HULL. It certainly would not. The intention of the amendment—and I think it is properly drawn—is to put a limitation upon the purchase, and ask them to construct it themselves if they possibly can do it more cheaply than they can contract for it or purchase it.

Mr. WALSH. The gentleman has in mind an instance where they are going to buy a dredge already constructed. He would not prevent them from doing that unless they can manufacture or construct a dredge in a navy yard for less than they can buy it?

Mr. HULL. That is the point; if they can construct it for less, let them construct it; that is all.

The CHAIRMAN. Without objection, the pro forma amendment will be considered as withdrawn, and the question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEC. 6. That funds heretofore appropriated for improvement of rivers and harbors and which remain in the Treasury unexpended because the work or projects for which the same were appropriated have been completed, are hereby made available for expenditure by and under the direction of the Secretary of War and the supervision of the Chief of Engineers for the preservation and maintenance of any existing river and harbor works and for the prosecution of such projects of improvement heretofore adopted and authorized as may be most desirable in the interests of commerce and navigation.

Mr. BURTON. Mr. Chairman, I desire to move to strike out the last word. I would like to ask the chairman a few questions in regard to this paragraph. Suppose there is a project pending, a new project, and work has not been commenced, and there is a balance left from the old project; does that mean that the money goes back into the Treasury?

Mr. DEMPSEY. Well, as I understand it, this applies simply to completed projects. The provision is that where the project has been completed and there remains an unexpended balance to the credit of the project it goes back into the Treasury and becomes a part of the lump sum.

Mr. BURTON. Now, there are several projects on Lake Erie, Ashtabula, Fairport, and so forth, where there is enormous commerce, and there are balances remaining, and there have been also further improvements of projects recommended there. Would that money go back into the Treasury or would it remain to the credit of that improvement?

Mr. DEMPSEY. I think it would go back into the Treasury on existing projects which have been completed. It seems to me that that is clear. Suppose, say, a project has been conducted at Sandusky and the amount appropriated was $100,000, and there has been expended $90,000. That project has been completed; and I doubt very seriously whether it would remain for the new project.

Mr. BURTON. I would like to examine the provision further, but I shall not interpose an objection.

The CHAIRMAN. The pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

SEC. 8. That from the moneys available for the improvement of the Detroit River, Mich., not to exceed $45,000 may be expended by the Secretary of the Treasury for remodeling and flooring over the light well of the Federal building at Detroit, Mich., to better accommodate the demands for space and to enable the engineer department to remain in its present quarters.

Mr. BRENNAN. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Strike out section 8 of the bill and substitute the following:

"SEC. 8. That from the moneys available for the improvement of the Detroit River, Mich., not to exceed $45,000 may be expended by the Secretary of the Treasury in his discretion for remodeling the old Federal building or for renting quarters at Detroit, Mich., to better accommodate the demands for space and enable the engineer department to be properly quartered."

Mr. BRENNAN. Mr. Chairman, this is, of course, a purely local proposition. When section 8 was written in the bill by the committee it was thought desirable to provide the necessary quarters for the engineers in the Federal Building at Detroit by building over a light well, but there has been so much objection raised to that plan that it is suggested, with the consent of the committee, that this other method of procedure be adopted.

Mr. DEMPSEY. Mr. Chairman, the committee accepted the amendment suggested by the gentleman from Michigan, and I would simply say in addition to what the gentleman has said that there are two things involved here. First, the headquarters of the engineer force of the Great Lakes has been for many years in this building. Everybody who is interested in the navigation on the Great Lakes knows where their headquarters are. The engineer force will be driven out of the building because there is not sufficient space there, unless what is contemplated in section 8 is done, and if they are driven out not only will the work of navigation on the Great Lakes be discommoded, but in addition to that the Government will lose about $12,000 or $15,000 a year.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Michigan.

The question was taken, and the substitute was adopted.

Mr. MONDELL. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. That motion is not in order.

Mr. MONDELL. Mr. Chairman, I move to strike out the last two words; I move to strike out the paragraph.

The CHAIRMAN. That motion is not in order. The gentleman asks unanimous consent to proceed for five minutes.

Mr. MONDELL. The gentleman will make no such request.

The CHAIRMAN. The Clerk will read.

Mr. MONDELL. Mr. Chairman, why is a motion to strike out a paragraph not in order?

The CHAIRMAN. The gentleman from Wyoming propounds a parliamentary inquiry to the Chair. The Chair wishes to state that the committee has just adopted an amendment in the nature of a substitute for the paragraph under consideration. An amendment perfecting the amendment was in order before the committee adopted the amendment, but having adopted the amendment a motion to strike out can not be considered as in order, as that would negative the affirmative action that the committee has just taken in adopting the amendment. The Clerk will read.

The Clerk read as follows:

SEC. 9. That the Secretary of War is hereby authorized and directed to cause preliminary examinations and surveys to be made at the following-named localities, and a sufficient sum to pay the cost thereof may be allotted from appropriations heretofore made, or to be hereafter made, for examinations, surveys, and contingencies for rivers and harbors: *Provided*, That no preliminary examination, survey, project, or estimate for new works other than those designated in this or some prior act or joint resolution shall be made: *Provided further*, That after the regular or formal reports made as required by law on any examination, survey, project, or work under way or proposed are submitted no supplemental or additional report or estimate shall be made unless authorized by law: *And provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this act until funds for the commencement of the proposed work shall have been actually appropriated by law:

Saco Harbor and River, Me.

Mr. ROACH. Mr. Chairman, I move to strike out the last word for the purpose of asking a question. I notice that section 9 provides for a large number of surveys to be made, totaling 118 in number. I want to inquire of the gentleman as to what information the committee had as to what these surveys are going to cost. I make that inquiry for the reason that the

cost of these surveys will also come out of the $42,000,000 which the House recently appropriated.

Mr. DEMPSEY. The gentleman is in error as to the facts. There was an appropriation of $250,000 for surveys in addition to the $42,815,000, so the surveys will be limited to that amount.

Mr. ROACH. I may be in error, and I wanted to inquire, as the language of the bill here is just a little uncertain to my mind, as to whether it was intended to take the cost of these surveys out of the $42,000,000, as it was easily susceptible of that construction unless there is some additional appropriation.

Mr. DUPRÉ. If the gentleman will look at the bill, he will find a certain amount in the military appropriation bill that is provided for the present surveys.

Mr. ROACH. My inquiry was to ascertain whether the cost of the surveys was to come out of the $42,000,000.

Mr. DUPRÉ. There was a certain amount fixed in the military appropriation bill set aside for that purpose—some $350,000.

Mr. ROACH. I am informed by the gentleman from Pennsylvania [Mr. BUTLER] that it was $250,000.

Mr. DUPRÉ. And beyond which no cost as to this will go.

Mr. MONDELL. Mr. Chairman, I rise in opposition to the amendment.

Mr. ROACH. Mr. Chairman, I ask unanimous consent to withdraw the pro forma amendment.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to withdraw his amendment. Is there objection? [After a pause.] The Chair hears none.

Mr. MONDELL. Mr. Chairman, I move to strike out the last two words. I ask unanimous consent to proceed for 15 minutes.

The CHAIRMAN. The gentleman from Wyoming moves to strike out the last two words and asks unanimous consent to proceed for 15 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MONDELL. Mr. Chairman, there has been considerable question in the minds of many people of the country, considerable question in the minds of many Members of the House, as to whether we were justified at this time, in the present state of the Treasury, in bringing in a river and harbor bill. Gentlemen who believe that in the matter of public buildings, the housing of the public activities, there is quite as urgent need of expenditure as for rivers and harbors, realizing that there are very considerable river and harbor improvements already authorized and very considerable appropriations available, were, many of them, not inclined to think we should authorize more improvements at this time. To some of us who have no direct local interest whatever in rivers and harbors but who have always been favorable to river and harbor improvement, it seemed that there were some of the waterways of the country where it was absolutely essential to the best interests of the country that additional work should be authorized. I said to the gentlemen of the committee that so far as I was concerned I believed we were justified in taking up a river and harbor bill providing it was taken up and reported containing only projects that could be fully justified before the country.

We all remember that there was a time when river and harbor bills had a bad name in the country, so bad a name that it was something of a reflection on a man to vote for one unless he could justify himself before his constituents by claiming that he had received a large appropriation for his district, if that was justification.

The gentleman from Ohio [Mr. BURTON] became chairman of the Committee on Rivers and Harbors, and by insisting on a modification of the policy of the committee made river and harbor bills respectable again. And those who have no interest in rivers and harbors, except the general interest of the people of the country in having water navigation improved, have been very hopeful that when after the lapse of several years we took up authorization again they would be taken up with appreciation of the fact that care should be exercised; that nothing but projects that could be defended from every standpoint should be included in the bill. I hope the committee has done that. I think, in the main, they have.

My attention was called to one of the items of survey. I made a very proper inquiry of the chairman of the committee in regard to that item. I called his attention to the conditions as I knew them surrounding the stream where it was proposed to make the survey. I do not think the answer and explanation, to the effect that these surveys were frequently authorized on the request of Members without any considerable examination and were not of great importance in many cases because they entailed no great expense, was altogether satisfactory. Now, I am honestly interested in river and harbor bills. I want to continue to vote for them. I have voted for most river and harbor bills since I have been here, and no dollar of the expenditure has ever been made within hundreds of miles of my State.

I aided the gentlemen who are directly interested in these projects not only in persuading some of those who are opposed to this general purpose to withhold their objection, but also in bringing the bill on the floor. I hope they will justify support by at least keeping questionable amendments from the bill.

If we are to continue river and harbor development in this country as we should, it must be continued in a way that will keep the project free from suspicion.

Mr. LINTHICUM. I wanted to ask the gentleman whether the Rio Grande would not come better under the Mexican Boundary Commission, which we established some years ago, and whether that would not be an international matter that they should consider rather than have it come under a river and harbor bill?

Mr. MONDELL. I think that a survey of that stream is not justified under a river and harbor bill.

Mr. DUPRÉ. Mr. Chairman, will the gentleman yield to me for a serious question—not one like that?

Mr. MONDELL. Yes.

Mr. DUPRÉ. I think what the gentleman said about the Rio Grande River is probably true, and I think the best way of disposing of that proposition is to have a survey made and show officially that there is no possibility of making it navigable; to dispose of it from official sources. That is the theory upon which I acted to-day.

Mr. MONDELL. That is a theory that it will be very difficult to get the country to approve.

Mr. DUPRÉ. I will take my chances on that.

Mr. MONDELL. The gentleman may take his chances; but there are other folks that may take a different view. This committee has a much greater responsibility in this matter than I have, and if there is no better defense of a survey item than that it does not cost much, that anyone who desires a survey can have it, then such items ought to go out of the bill.

Mr. ANDREWS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. ANDREWS of Nebraska. Could not this bill make it appear to the country that this session of Congress has created a $79,000,000 liability for rivers and harbors?

Mr. MONDELL. I am willing to take my responsibility of having agreed that the condition of the waterways of the country was such that as to some waterways it was necessary to have legislative action, and I regret, very sincerely regret, that the committee has not been better informed, and more careful as to some of the survey items which they have placed in their bill.

Mr. DEMPSEY rose.

The CHAIRMAN. The gentleman from New York is recognized in opposition to the pro forma amendment.

Mr. DEMPSEY. Now, so far as the temper, so far as the manner, of the response of "the gentleman from New York" was concerned, if it was faulty I apologize before the House to the gentleman from Wyoming. If he answered in heat or in an ungracious manner he apologizes for it.

But the gentleman from Wyoming attacks this bill in the same manner as he did before. It is not fair. He says he is complaining of the creeks in this bill. There is just one creek mentioned in the whole project part of the bill, and yet the inference to be drawn from the gentleman's statement would be that this bill was made up of creeks.

Mr. MONDELL. Does the gentleman say there is but one creek in this bill?

Mr. DEMPSEY. There has not been a bill pending before the House for years that has contained such important items as make up this bill.

Now, let us take up the question of what has been done here and what the gentleman has criticized. The gentleman criticizes first the manner of the gentleman from New York, for which he has apologized and for which he again apologizes if apology is due. Next he criticizes the surveys. Now, let us see what is done as to surveys. Why, here is the situation: It has been the custom in the Committee on Rivers and Harbors for the whole committee to consider all the items of the bill except the surveys. They know that the item of surveys costs, year in and year out, about a quarter of a million dollars. They know that that is the cost regardless of the number of items; that if you have 20 items it will cost that amount; if you have 50 items it will cost that amount; if you have 75 items it will cost that amount. It did not make the slightest possible difference that the item to which the gentleman re-

ferred was included in the surveys. It could cost but a trifle. I personally knew nothing about the insertion of it. It is the custom to allow the ranking majority member to be the chairman of a subcommittee to deal with surveys.

We do not deal with it in the committee as a whole, because we know that we are not increasing the expense. We know that there is a certain limited expense and that it is a necessary and proper expense. It starts in the proper way. It says we shall not even consider an item until there has been a favorable report by the engineers. So when a thing comes in it is the custom to send it to the engineers, and if it is improper it is refused at once.

What is the history of surveys? It is minuted at page 2109 of part 2 of the Annual Report of the Chief of Engineers for 1920. We find that only 34 per cent of the surveys have been acted upon favorably. Now, why is it that it does not cost any more when you insert an additional survey? Nine-tenths of the data consists of geography. Nine-tenths of it is matter that the engineers have at hand. It involves at the most nothing but slight clerical work in the office. These men who ask for surveys are simply asking that there be an investigation made which will not cost anything to determine whether their project is worthy or not, and on the statistics they have one chance in three of having that report favorable. Now, it seems to me the difficulty is right here. I want to speak in entire good temper. I am sorry that this dispute arose. I regret it and have apologized so far as I can be charged with any fault in regard to it. But it arose in the early part of this bill; it was brought up before surveys were reached at all, brought up out of order, brought up by a man who had been opposed to the increase in the river and harbor appropriation. And when I saw it brought up in that way, when I saw that there really was nothing to it at all and yet that it was being magnified into an important part of this bill, might I not be pardoned? I ask this of all of you in good faith. [Applause.]

Mr. GARNER. Mr. Chairman, I move to strike out the required number of words.

The CHAIRMAN. The gentleman from Texas moves to strike out three words.

Mr. GARNER. Mr. Chairman, it is rather amusing in the House to see the leaders of two respective thoughts quarrel with each other about who should get the larger end of the swag as each terms the other's appropriation. I happen to occupy a position of advocacy of each one of their ideas. I believe in river and harbor work and I also believe in reclamation. I think these gentlemen had better get together and each one of them concede that there are merits in each of their ideas, and also they might concede that there is a little bit of pork that creeps into each one of these governmental activities, reclamation probably, as well as river and harbor work.

Now, referring to the particular item spoken of by the gentleman from Wyoming [Mr. MONDELL], I want to say that of course there is no possibility of navigation at El Paso. But this item was inserted in the bill, I imagine—though I have no authority to speak for it, because it was probably put in there by my colleague [Mr. HUDSPETH], who represents El Paso—for a very good reason, and a reason which I think will appeal to the House itself when the House understands it. Some of these days Mexico will be recognized by the United States, and we will resume our relations with that Republic. When we do that it is the hope of the people living in Texas along the Rio Grande that there will be negotiated a treaty with the Republic of Mexico concerning the waters of the Rio Grande. At the present time it is recognized as a navigable stream by a treaty existing between this country and Mexico. So a mere declaration on the part of this Government that the Rio Grande is nonnavigable would not carry the authority to take the water out of the river for irrigation purposes to the detriment of navigation. So I imagine that my colleague [Mr. HUDSPETH], or whoever had this item inserted, had the viewpoint that if a declaration could be obtained from the river and harbor engineers to the effect that the river is a nonnavigable stream at the present time it might be very valuable information to the State Department when they undertook to negotiate this new treaty. So I say for that reason I think they were justified in including it in the river and harbor bill. I agree with the gentleman from New York [Mr. DEMPSEY] that many surveys are authorized—and I think they were authorized when the distinguished gentleman from Ohio [Mr. BURTON] was chairman of that committee—that in all probability would receive no favorable report.

I will admit that this authorization for a survey at El Paso for river and harbor possibilities is an extreme case, but I think I have given a sufficient explanation that will justify retaining the item in the bill. The survey will be made from the office of the Board of Engineers rather than on the ground, and the result is that we will have a declaration that it is a nonnavigable stream at the present time, and so we will get the use of the water for more valuable purposes, which is the irrigation of arid land in Texas, and I know my friend from Wyoming is in favor of that.

Mr. CAMPBELL of Kansas. Will the gentleman yield?

Mr. GARNER. Yes.

Mr. CAMPBELL of Kansas. Aside from the Rio Grande proposition in the pending bill, I would like to know something about Goose Creek, where it is located, how much water it contains, and what its possibilities are. I see it is provided for here.

Mr. GARNER. I have no Goose Creek in my district, I have no survey in my district, I have no authorization for any work to be done in my district, and I have no interest as far as the river and harbor bill is concerned more than has the gentleman from Kansas. I am in entire sympathy with the work and have no objection to a survey of Goose Creek, wherever it is. The gentleman from Maryland says that it is in Pennsylvania. Probably if you get a letter from Mr. Pinchot he will tell you all about it. [Laughter.]

Mr. CAMPBELL of Kansas. The Goose Creek in this bill is located in Texas.

Mr. GARNER. I am not acquainted with it.

Mr. MONDELL. Mr. Chairman, the gentleman from New York can not write me down as an opponent of river and harbor development. Years ago in my early service there were bills that I could not vote for. Then came the gentleman from Ohio [Mr. BURTON], as chairman of the Rivers and Harbors Committee, and the bills became entirely defendable, and, as I suggested, we all voted for them. I not only approved but I voted for the appropriation, the very goodly appropriation, contained in the appropriation bill for river and harbor work. I did not believe that we were justified, taking into consideration the condition of the Treasury, the fact that we were holding down appropriations in other directions, that we were justified in increasing the appropriation as was done.

Now, with regard to this particular matter, if the gentleman from New York had in the beginning given the reason which he has recently advanced for this survey, I should have been reasonably satisfied, although I think it is rather a lame reason. I can not quite agree with the gentleman from Texas [Mr. GARNER], who from his very lively imagination has conjured up a theory as to the reason for the inclusion of the Rio Grande item in the bill. I think I know the reason, because I have made some inquiry. The people of El Paso have been anxious for a long time to have the War Department spend some money rectifying and establishing the banks of the Rio Grande, and my guess would be that the thought of the gentleman who was instrumental in having the survey item placed in the bill was that out of it might come some expenditure for bank rectification and protection.

Now, Mr. Chairman, I am going to support this bill. I am going to vote for it, unless it is loaded with amendments I can not support. Some reference has been made to creeks, and the gentleman from New York says that there is only one creek in the bill. Here is Glen Cove Creek, N. Y.; Big Timber Creek, N. J.; West Creek, N. J.; and others——

Mr. DEMPSEY. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. DEMPSEY. The gentleman knows that I said repeatedly in my remarks that I was not speaking about the surveys, I was speaking about the bill and what the bill provided—a great bill that is going to help the commerce of the United States, cheapen transportation, relieve the congestion; and when we had all these great questions before us that we were starting to consider, the question he propounded was as to a survey at the end of the bill. That is what the gentleman is talking about now—surveys. In the legislative part of the bill—the part that is of importance—there is only one creek.

Mr. MONDELL. Every one of the items of the river and harbor bill that have been objectionable began with a survey. There was the Trinity River——

Mr. DEMPSEY. That is abandoned in this bill.

Mr. MONDELL. Thank Heaven! How many millions were sunk in the Trinity River? Then there is the Brazos. All began with surveys. I am not objecting to the surveys because they are creeks; I know something about surveys. Goose Creek is not in Pennsylvania, as was stated; it is in Texas, and it has some navigation on it and is, perhaps, susceptible of improvement. I think it would be entirely proper to survey Goose Creek. I do not know as to the other creeks, and I regret that doubt should be raised in my mind as to survey items in a bill for which I desire to vote.

The Clerk read as follows:

Dorchester Bay and Neponset River, Mass.

Mr. FREEMAN. Mr. Chairman, on behalf of the committee I offer the following amendment.

The CHAIRMAN. The gentleman from Connecticut offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 12, between lines 15 and 16, insert the following paragraph:
"Mystic River, Mass."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

Thames River, Conn.

Mr. FREEMAN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 12, between lines 19 and 20, insert the following paragraphs:
"Guilford, Conn.
"Westport Harbor.
"Saugatuck River, Conn."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

Great Kills, Staten Island, N. Y.

Mr. FREEMAN. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Amendment offered by Mr. FREEMAN: Page 12, between lines 20 and 21, insert the following paragraphs:
"Fresh Kills, Staten Island, N. Y.
"Murderers Creek, N. Y.
"Hudson River at and near Stockport, N. Y.
"East Chester Creek, N. Y., with a view to extending the navigable channel to Sixth Street Bridge, in the city of Mount Vernon.
"Milton Harbor, N. Y."

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. FREEMAN. Yes.

Mr. LONGWORTH. Do I understand that all of these amendments that the gentleman is offering cost the Government nothing?

Mr. FREEMAN. Practically nothing. They are all in the hands of the Board of Engineers.

Mr. LONGWORTH. Let me see if I quite understand. As I understood the gentleman from New York, the chairman of the committee [Mr. DEMPSEY], there was a limitation of $250,000 somewhere—I do not know where; it is not in this bill—so that it makes no difference, as far as this bill is concerned, whether you have 1 survey or 10,000 surveys; it costs the Government the same thing.

Mr. DEMPSEY. That is exactly the truth.

Mr. LONGWORTH. Where does one find in this bill, or any other bill, a limitation as to the amount which can be expended for these surveys?

Mr. DUPRÉ. In the military appropriation bill, now pending in the Senate, making provisions for these surveys.

Probably the gentleman voted for that. I hope he did.

Mr. LONGWORTH. I did vote for it. Does that cover all of the surveys provided in this bill?

Mr. DEMPSEY. It does.

Mr. DUPRÉ. It covers all surveys that will not use up more than $250,000, which is the limitation.

Mr. LONGWORTH. Which are to be made in the next fiscal year?

Mr. DUPRÉ. Yes.

Mr. LONGWORTH. But there is no limitation as to the fiscal year.

Mr. DUPRÉ. There is no money to pay for these things. The engineers are dependent upon the appropriation bill.

Mr. LONGWORTH. How long does this authorization last? This authorization here is not limited to the fiscal year?

Mr. DUPRÉ. No.

Mr. LONGWORTH. Then it seems to me that we are in quite an absurd position; that it makes absolutely no difference as to the merits of these propositions—in fact, the less meritorious they are the better, because the Government will declare a stream nonnavigable which we now know to be nonnavigable.

Mr. DUPRÉ. Possibly.

Mr. LONGWORTH. Of all of the absurd procedures, it is to take it for granted that anybody can offer an amendment providing for a survey, no matter where, and that we accept it as a matter of course.

Mr. DUPRÉ. Nine-tenths of these will be disposed of at a cost of less than $100 each.

Mr. LINTHICUM. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman can not take a Member off the floor by a parliamentary inquiry without his consent.

Mr. DEMPSEY. These surveys are not made without examination. The practice has always been, and it was followed in this case, to refer the question of a survey to a subcommittee, of which the ranking majority member is the chairman, of which the next member on the majority side is a member, and of which the ranking minority member is a member. That committee of three goes into the question of surveys. They go into it just as extensively as they can, as the time will permit. They find out all they can find without the expenditure of money. All that has been said in regard to the matter is this, that only a limited amount is appropriated, and that the surveys, regardless of the number of them, will come within that amount. It has been said in addition that the vast majority of these surveys do not cause any expense, except a small, a very small amount of clerical work, that the data is largely in the hands of the engineers, and that where there has to be any work done it is done by the resident engineer, who is on the ground, who is paid a certain salary, who does not employ additional help, and it is all done within the appropriation.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. LONGWORTH. The gentleman is speaking about the procedure in the committee.

Mr. DEMPSEY. Yes.

Mr. LONGWORTH. But we are adopting now an entirely different procedure. A member of the committee rises here and offers one amendment after another, and he says it costs nothing.

Mr. DUPRÉ. But he stated that he was acting by approval of the committee.

Mr. LONGWORTH. He made no such statement.

Mr. DUPRÉ. Oh, yes; the gentleman did make that statement.

Mr. LONGWORTH. I did not so understand him.

Mr. DEMPSEY. He is the chairman of the subcommittee, which is composed of himself and the next ranking member and of Mr. DUPRÉ, the ranking minority member.

Mr. LONGWORTH. These are all committee amendments?

Mr. DEMPSEY. Yes.

Mr. LONGWORTH. Let me ask the gentleman this. I want to understand just how this procedure is done: I have in my district a very beautiful river, known as the Little Miami. Suppose I had come to the gentleman's committee and said I would like to have a survey of the Miami——

Mr. DUPRÉ. As far as I am concerned, I would have said, "All right, Nick, I will do it."

Mr. LONGWORTH. The river is very much more navigable than many other rivers, and I find that I have support from a very influential member of the committee.

Mr. DEMPSEY. And I would say in answer to the question of the gentleman from Ohio that the gentleman from Connecticut would sit down with him and members of the subcommittee and find out as far they could the facts with regard to this without the summoning of witnesses——

Mr. LONGWORTH. I would state to the gentleman under those circumstances there is no more chance of that river being declared navigable than there is of the Rio Grande being declared navigable, but that I wanted to have the people understand it is not navigable, and therefore I wanted to have it surveyed. What is the difference?

Mr. DUPRÉ. Will the gentleman offer an amendment?

Mr. LONGWORTH. Will the gentleman support it?

Mr. DUPRÉ. Certainly.

Mr. CAMPBELL of Kansas. Mr. Chairman, it has been stated here that the items now being put in the bill cost nothing——

Mr. DEMPSEY. No; it has not been stated; that has not been said. Let us state what has been said.

Mr. LONGWORTH. Practically nothing.

Mr. DEMPSEY. No; that has not been said.

Mr. LONGWORTH. Oh, yes; the gentleman from Connecticut said that.

Mr. DEMPSEY. The situation is this, that the expense of these surveys, a larger part of them, is largely negligible, owing to the fact the data is mostly in the hands of the engineers, and they do not have to do additional work, owing to which the expense is very small, indeed.

Mr. CAMPBELL of Kansas. Let me tell the gentleman what will happen. We have got $250,000 in the current military appropriation bill for making these surveys. The next time the military authorities appear before the Committee on Ap-

propriations they will ask for additional appropriation in order to make the surveys which we authorize in the bill providing for rivers and harbors.

Mr. DEMPSEY. I will say in answer to the gentleman from Kansas that he is a very poor prophet.

Mr. CAMPBELL of Kansas. Oh, I know what has been done in reference to these things.

Mr. DEMPSEY. The gentleman absolutely is misinformed. That has not been the experience.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAWLEY. Mr. Chairman, I move to strike out a sufficient number of words.

The CHAIRMAN. The gentleman is recognized in opposition to the pro forma amendment.

Mr. HAWLEY. Mr. Chairman, I think this matter of surveys can be cleared up by a short explanation of the procedure followed by the Board of Engineers. When a river and harbor bill has been passed and signed by the President it goes to them for execution. They ask the district engineers in all parts of the country where the surveys are authorized to make what they call preliminary examinations. That examination in many cases may never be made outside of the office, or may be made by the writing of a few letters, or it may require some hearing or investigation locally. They take what action is necessary to get a sufficient amount of information to convince them that a project is worthy or not worthy of improvement at the expense of the Government. The report is sent back to the Board of Engineers here in Washington, and if unfavorable nothing further is done usually with the project upon which they reported. Only those upon which they report after examination that they find them worthy of more detailed investigation is an investigation made on the ground or at any length, and only those cases cost any particular sums of money, but the preliminary surveys, such as the chairman has described, are made upon information in the office of the local engineer or as indicated above.

Mr. MONDELL. Will the gentleman yield?

Mr. HAWLEY. I will yield.

Mr. MONDELL. An amendment offered to make a survey of the Mississippi River would not cost anything?

Mr. HAWLEY. It might cost the district engineer of the district in which the river is located the writing of three or four letters, or possibly a local hearing or examination, if the information received indicates that the project is worthy of further consideration.

Mr. MONDELL. Even on the Mississippi and Missouri Rivers?

Mr. HAWLEY. I did not understand the gentleman to say Mississippi or Missouri. I thought he said on any river. If the local engineer makes a preliminary investigation and believes a project worthy of further development, he would report the matter back to the Board of Engineers of Rivers and Harbors. But no detail survey can be made until they examine the report of the district engineers upon the preliminary examination in Washington and direct the detail surveys.

Mr. MONDELL. Then I understand if any Member has a stream, a bayou, or a creek anywhere that he has not a survey or a report on it is because he has not been active in suggesting or recommending or asking that it be surveyed?

Mr. HAWLEY. The gentleman is not quite correct in that, because in my experience I go before this subcommittee with the data sent from my locality showing the commerce, present and prospective, and the possibility of development, and I find a number of times that the committee has been unfriendly to including that proposed project in the bill because we did not have the showing sufficient to justify the authorization of the survey.

Mr. CAMPBELL of Kansas. I rise in opposition to the amendment offered by the gentleman from Oregon [Mr. HAWLEY].

The CHAIRMAN. The gentleman from Kansas is recognized.

Mr. CAMPBELL of Kansas. Mr. Chairman, when I first came to Congress, some 20 years ago, the Committee on Rivers and Harbors were making up a river and harbor bill. It was intimated to me that I could get a project into that bill. I am now talking to the gentleman from New York [Mr. DEMPSEY] and others. "Well," I said, "I am not interested in rivers and harbors. There are no navigable streams in my district or State." They replied, "Oh, that does not make any difference. You can get an item in the bill just the same." Well, I had the name of a stream that ran through my district—a name that sounded good—and so I got it in for a survey, one of these preliminary surveys that was not going to cost the Government a sou.

Years after—five or six years after that—some young men representing the War Department spent months along the banks of that stream.

Mr. MONDELL. Was there good fishing?

Mr. CAMPBELL of Kansas. There were ponds in it during the summer that had fish.

Mr. DEMPSEY. Did the gentleman furnish the name of the stream and of the men so that they could be reported to the War Department?

Mr. CAMPBELL of Kansas. They made the survey authorized by this Congress.

Mr. FAIRCHILD. Will the gentleman give us the name of the stream?

Mr. CAMPBELL of Kansas. The Neosho.

Mr. LONGWORTH. We do not believe it. "There ain't no such name."

Mr. HAWLEY. Does not the gentleman know that the system has been entirely changed since that occurrence?

Mr. CAMPBELL of Kansas. Oh, no. The system only changed in this House when those practices became so odious to the country that they had to stop. Now they are putting in a lot more of surveys in this bill in order to secure support for a bill that should command the support of this House because it is meritorious. It is a cheap way of securing support for a bill.

Do not let anybody convince you that these surveys are not going to cost anything. They are. There is no question about it.

Mr. BEGG. Mr. Chairman, I make the point of no quorum.

The CHAIRMAN. The gentleman from Ohio makes the point there is no quorum present. The Chair will count. [After counting.] One hundred and two Members are present, a quorum.

Mr. LAYTON. Mr. Chairman, I rise to support the pro forma amendment of the gentleman from Oregon.

Mr. GERNERD. I move to strike out the last word.

Mr. LAYTON. As a member of the committee, I would like to have the floor.

Mr. GERNERD. I did not know that the gentleman was a member of the committee.

The CHAIRMAN. The gentleman from Delaware is recognized in opposition to the pro forma amendment offered by the gentleman from Oregon [Mr. HAWLEY].

Mr. LAYTON. Mr. Chairman and gentlemen, we are having a nice little tempest in a teapot, and it is very plain as to who is raising the tempest. I ask the Members of this House that they consider what this opposition means; where all the disturbance begins, and to what it is tending. It is not due, so it is said, to an opposition to the real bill. It is due to some matters of an incidental and negligible character—mere surveys. If the gentlemen who are interested in raising this disturbance against this bill want to go back to the vote that was taken, whereby certain gentlemen were offended not long ago in this House, let them come out frankly and say so. There is nothing in this fuss that is going on here about surveys, when surveys constitute an immaterial part of the bill. And the bill ought to be considered before this House on its merits. The committee has given honest, conscientious consideration to the bill, and deserves better treatment at the hands of certain gentlemen in the House. [Applause.]

Mr. ANDREWS of Nebraska. Will the gentleman yield for a question?

Mr. LAYTON. Yes.

Mr. ANDREWS of Nebraska. Having passed a bill carrying an appropriation of $42,000,000, what are the specific public necessities that call for a levy of $37,000,000 more of liability upon the country at this time?

Mr. LAYTON. In the judgment of the standing committee of this House that is composed of intelligent men, who have just as much right to report a bill to this House as any men who belong to any other committee, for the good of the country. Moreover, the gentleman's question is an assumption.

Mr. ANDREWS of Nebraska. That is no answer.

Mr. HAWLEY. Mr. Chairman, I ask unanimous consent to withdraw the pro forma amendment.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn.

There was no objection.

Mr. MONDELL. Mr. Chairman, can the gentleman from Connecticut [Mr. FREEMAN] give us some information as to the nature and character of the stream which he proposes to have——

The CHAIRMAN. The gentleman from Wyoming moves to strike out the last two words.

Mr. MONDELL. It seems to me, Mr. Chairman, that the committee is entitled to some information.

The CHAIRMAN. The Chair wishes to say to the gentleman from Wyoming that debate was exhausted when the pro forma amendments were withdrawn. The Chair was trying to follow the parliamentary practice of the House.

Mr. MONDELL. Will the gentleman from Connecticut yield? Do I understand the gentleman does not desire to give any information to the House?

Mr. FREEMAN. I will say to the gentleman and members of the committee that I know nothing about the amendment I offered. It was offered by direction of the committee.

Mr. MONDELL. I understand the chairman of the subcommittee that examined these cases——

Mr. FREEMAN. Those are printed in the bill. But these are amendments that have come in since the bill was printed, and have been passed upon by the full committee and not by the subcommittee alone.

Mr. MONDELL. The gentleman has no information, then, in regard to them?

Mr. FREEMAN. On that particular amendment that I offered I have not—the last one, the one in Connecticut. I know about the Westport Harbor and Guilford Harbor, but aside from that I know nothing about the amendment I have just offered.

Mr. MONDELL. How many amendments has the gentleman?

Mr. FREEMAN. About a dozen more.

Mr. GERNERD. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Pennsylvania is recognized.

Mr. GERNERD. Mr. Chairman, first, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. GERNERD. Mr. Chairman and gentlemen, I am going to try and divert your attention from this vacillating subject for a few moments to the subject of the emergency tariff bill and its effect on the importation of farm products.

Mr. STEVENSON. This is under the five-minute rule, is it not?

The CHAIRMAN. Yes; the gentleman has been recognized for five minutes.

Mr. STEVENSON. I make the point of order that the gentleman is not in order under the five-minute rule if he is going to discuss the emergency tariff.

Mr. GERNERD. Well, I am in favor of this bill.

The CHAIRMAN. The gentleman will confine himself to this amendment. The committee will be in order.

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. GERNERD. I will.

Mr. GARNER. Let me suggest to the gentleman, with all due deference to him, that it appears that the committee is not anxious to hear what he is saying on the tariff. Why does he not ask unanimous consent to extend his remarks in the RECORD on the tariff?

Mr. GERNERD. I will say to the gentleman very kindly that I have been here regularly and have listened patiently to many speeches from the gentleman from Texas and a great many of his colleagues from the South, and I think they would be very much interested in hearing what I have to say about the results of the emergency tariff.

Mr. GARNER. The gentleman has never heard the gentleman from Texas speak upon anything that was not pending.

Mr. ARENTZ. Mr. Chairman, will the gentleman yield?

Mr. GERNERD. Yes.

Mr. ARENTZ. The gentleman from Texas was referring only a few minutes ago to the question of reclamation. I suggest that that, too, was a question foreign to the subject matter of the pending bill.

Mr. GERNERD. Yes. I wish to say he also spoke of the election in Pennsylvania. I will say to the gentleman that we had an election there, and it was a very wholesome one, and I favored Gifford Pinchot for governor, if he cares to know. [Applause.]

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. GERNERD. Yes.

Mr. CHINDBLOM. The gentleman is making a survey of the results of the emergency tariff?

Mr. GERNERD. Yes. I shall shortly proceed to do that very thing.

Mr. STEVENSON. Mr. Chairman, will the gentleman from Pennsylvania yield?

Mr. GERNERD. I shall be very happy to, although I may have to ask for additional time.

Mr. STEVENSON. I want to ask the gentleman if he has noticed that the one southern product that is protected in that emergency tariff bill, to wit, long-staple cotton, has been imported to a greater extent in the first eight months of this fiscal year under the emergency tariff that ever was imported before in one single year in the history of the country when there was a tariff?

Mr. GERNERD. That is a fact which is gratifying to know. It has brought that much more income into the United States Treasury.

Mr. STEVENSON. I thought the gentleman wanted to stop competition with our home products. They have imported 254,000 bales in eight months, when they never did anything like that before.

Mr. ANDREWS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. GERNERD. Yes.

Mr. ANDREWS of Nebraska. It shows that Republican prosperity has struck the South?

Mr. GERNERD. Yes.

Mr. BUTLER. Go ahead. I suggest to my friend not to yield, but to keep the floor.

Mr. GERNERD. Mr. Chairman, frequently one hears the question put: Has the emergency tariff worked out? Has it given relief to the farmer? Has it reduced the importation of foreign products? Have the results justified the hopes of its advocates? To all of these questions I reply by saying that it has had a marvelously wholesome effect in reducing imports and in stimulating the demand for our domestic farm products. It appears almost inconceivable that this measure was not put into effect a year earlier, when our markets were flooded with the world's surplus of farm products, for it was only in our market that the foreigner could sell for cash and for a currency that had not depreciated. During the calendar year 1920 we imported $1,660,000,000 worth of products which came in direct competition with those of our farmers, and at a time when they had exerted their greatest efforts in maximum production under the stimulus of the war and when he still had on hand large unsold crops occasioned by the sudden ending of the war. Immediately the markets of our farmers were broken, and the worst deflation known to economic history began. It is estimated that in the year 1920 the farm products of the United States depreciated the colossal sum of $7,000,000,000. Is it any wonder, then, that our farmers were financially paralyzed when they practically realized nothing from their crops and the live stock which they had produced at the peak of the cost of production? Under such circumstances it was but natural that distress, bankruptcy, and hardships of the severest character became the unhappy lot of the American farmer. Such a condition inevitably spells disaster, and it became imperative that Congress pass legislation that would speedily lessen the rigors of such a disheartening situation.

The 45,000,000 people engaged in agriculture and stock raising were employed in a business which formed the very basis of American prosperity. Their great misfortune almost immediately reflected itself in the business of the Nation and greatly reduced its vitality, with the result that it hastened the great depression that we have suffered during the past year and a half.

I am satisfied that if the existing duties on farm products and live stock had been in effect at the close of the World War we should have been spared the drastic losses that we have sustained. Our decline from war prices would have been gradual, and our domestic consumption would have largely taken care of our production.

I have carefully analyzed the importations for 1920 and of 1921, and I believe that you will agree with my observations; but in order that you may have the facts more clearly before you I shall discuss a number of the more important farm products that have been primarily affected during the operation of the emergency tariff.

POTATOES.

There is no question but that we can produce all the white or Irish potatoes that our people require at a fair and reasonable price to the consumer. We have very few localities that are not adapted to the growing of potatoes in the United States, but we have a number of States where the soil and climatic conditions are especially favorable to the growing of this very nutritious food product. They are Maine, New York, Pennsylvania, Michigan, Minnesota, Colorado, Idaho, Virginia, and California. Our normal annual productions during the past five years have been about 375,000,000 bushels. Nevertheless, in view of these facts, we imported, principally from Canada and Denmark, in the year 1920, 12,526,620 bushels. Potatoes being a perishable product, must be disposed of within a period of six to eight months after their harvesting. Therefore the farmer is unable to store his crop, and is compelled to ship to market after harvest and frequently at a time when

prices are most unfavorable. He has often been subjected to the most vicious competition through the importation of foreign potatoes, imported by the produce merchants of the larger cities for speculative purposes, and at times intended solely to depress the market.

It can readily be seen what effect a cargo of several hundred thousand bushels of potatoes shipped from Denmark will have upon the Philadelphia and the New York markets, or the unloading of 500,000 bushels on the Chicago market from Canada. Whenever the potato market is impaired by such practices its recovery is naturally very slow, requiring weeks and sometimes months before a normal price level is reached, with the result that great harm is done to the shipper. Frequently such situations were created, and they were comparatively easy to create, while our markets were free and open to the world. The effect of the emergency tariff of 25 cents per bushel upon the importation of this product is rather interesting. During the month of May, 1921, which was the last month that potatoes were imported free, we imported 173,643 bushels, whereas the importations dropped the very next month after duties had gone into effect to 23,805 bushels. The statistics of imports for the corresponding seven months of 1920 and 1921, beginning with the month of June of each year, show that our decline of imports during this period amounted to 1,783,459 bushels:

Free of duty, 1920.		*Duty of 25 cents per bushel, 1921.*	
June	399,637	June	23,805
July	65,400	July	5,122
August	268,847	August	55,214
September	236,696	September	116,249
October	443,170	October	160,536
November	615,612	November	136,865
December	321,334	December	69,446
Total	2,350,696	Total	567,237

Decrease of imports for seven months, 1,783,459 bushels.

WHEAT.

It is most interesting to examine the importations of wheat for the years 1920 and 1921. In the year 1920 we imported 35,808,668 bushels of wheat for domestic consumption, practically all of which came from Canada, but to this total should be added 3,555,757 bushels more, for the reason that this amount was imported in terms of flour, thereby making the actual total for 1920, 39,354,213 bushels. From September 1, 1920, up to June 1, 1921, at which time the emergency tariff went into effect, the most active influences were at work, for during that period we imported 50,335,818 bushels of wheat. This does not include the grain shipped through the United States by Canada for export through our American ports, for all of this wheat was shipped in bond. I make mention of this fact in order that no doubt may arise in the mind of anyone as to the actual quantity that came into direct competition with our own domestic product.

In view of these figures who can successfully contend that this large importation of wheat did not influence and affect the price of wheat in this country? How effectually this great flow of wheat into the United States was stopped by the emergency tariff act is evidenced by the table below, which shows an immediate drop from the month of May, 1921, which was the last month wheat was imported free of duty, of from 1,902,667 bushels to 89,807 bushels for the month of June, 1921, the first month that a duty of 35 cents per bushel was imposed. The comparative figures for the corresponding seven months of 1920 with those of 1921, after the tariff became effective, show a decisive drop of imports amounting to 27,911,203 bushels:

Free, 1920.		*Duty of 35 cents per bushel, 1921.*	
January	756,228	January	4,504,856
February	534,692	February	4,403,712
March	665,154	March	2,671,043
April	227,284	April	4,451,304
May	474,891	May	1,902,667
		DATE EMERGENCY TARIFF TOOK EFFECT.	
June	283,010	June	89,807
July	100,334	July	713,669
August	364,827	August	239,559
September	1,842,397	September	81,031
October	9,802,149	October	878,115
November	9,522,578	November	1,184,776
December	11,235,112	December	2,052,247
Total	33,150,407	Total	5,239,204

Decrease of imports for seven months beginning June 1, 1921, 27,911,203 bushels of wheat.

IMPORTS OF CONDENSED AND PRESERVED MILK AND CREAM.

I am certain that the producer of milk in our country is welcoming the beneficial influence that the emergency tariff is exerting upon the demand and price of his product. We all appreciate the great hazard and arduous labor that is involved in the production of milk. His herds of cows are constantly in danger of being subjected to quarantine and the most rigid sanitary laws are being enforced in order to insure a pure milk supply. I am sure that we have no industry that is watched and guarded with such vigilance as is that of the dairy industry of America. Marvelous progress has been made in building up the finest milk-producing cows in the world and thereby insuring the health of our infant population. Surely these farmers are entitled to our encouragement and protection against unfair foreign competition. In 1920 we imported 23,755,780 pounds of condensed and preserved milk and cream free of duty. During the month of May, 1921, we received from foreign countries 2,684,392 pounds free of duty, whereas the following month—being the month of June, 1921—after a duty of 2 cents per pound was imposed, the imports dropped to 354,681 pounds. What a marked contrast is shown by the comparative figures of imports during the corresponding periods of the seven months of 1920 and 1921.

Free of duty, 1920.		*Duty of 2 cents per pound, 1921.*	
June	4,196,279	June	354,681
July	4,584,718	July	623,398
August	2,628,895	August	594,007
September	1,190,632	September	3,501
October	1,560,298	October	34,963
November	978,867	November	43,390
December	962,242	December	1,491
Total	16,101,931	Total	1,655,431

Difference, 14,446,500 pounds.

BUTTER AND OLEOMARGARINE.

The statistics concerning importation of butter and oleomargarine are rather illuminating. Being a part of the dairy industry, it naturally follows that a free market would have a marked influence upon the price of this all important food product. Again, a tariff duty of 6 cents per pound showed a decrease in importation of butter during a period of seven months of 1921 over the corresponding months of 1920 of 18,937,940 pounds. During the year 1920 we imported free of duty 37,454,172 pounds.

Free of duty, 1920.		*Duty of 6 cents per pound, 1921.*	
June	3,186,559	June	33,884
July	8,311,404	July	191,748
August	2,737,265	August	149,886
September	2,574,064	September	397,929
October	2,455,315	October	1,858,409
November	2,798,684	November	1,925,560
December	4,033,754	December	2,601,689
Total	26,097,045	Total	7,159,105

Decrease of imports for seven months beginning the 1st of June, 1921, of 18,937,940 pounds.

CORN.

We all know that the United States is the world's great producer of corn. About 70 per cent of the entire corn crop of the world is grown in this country. Not over 20 per cent ever enters the channels of trade, and practically all of this is sold in the Eastern and Southern States. The Atlantic seaboard receives all the imported corn. The question then arises, Why should there be any need for a duty on corn? The answer naturally follows, To prevent speculators from depressing the natural market price of this product.

Why should we import corn from the Argentine, 6,000 miles from our eastern ports, if for any other reason than to create an artificial market and thereby lessen the price of corn for speculative purposes?

In 1920 we imported 7,784,482 bushels of corn, 7,028,422 bushels of which came from Argentina. All of this importation had a very serious influence upon the price of corn grown in Pennsylvania and Ohio. How quickly the importation of corn ceased with the enactment of the emergency tariff which put into effect a duty of 15 cents per bushel. The marvelous decline of importation for the corresponding seven months of 1921 as compared with those of 1920 amounts to 6,548,876 bushels:

Free of duty, 1920.		*Duty of 15 cents per bushel, 1921.*	
June	937,204	June	17,615
July	2,343,445	July	17,671
August	1,300,418	August	5,366
September	1,066,449	September	3,137
October	608,064	October	472
November	128,600	November	1,086
December	166,125	December	6,082
Total	6,600,305	Total	51,429

Decrease of imports for corresponding seven months of 6,548,876 bushels.

FRESH LAMB AND MUTTON.

One of the most startling injustices ever inflicted upon a great and sturdy people—the cattle and sheep growers of America—occurred when our markets were flooded by the importation of more than 100,000,000 pounds of fresh lamb and mutton during 1920 from New Zealand and Australia. They dumped their surplus supplies upon our market and thereby nearly ruined our sheep industry. The disastrous effect of this cruel and un-

warranted competition will require years of courageous effort to rehabilitate this important business. If we had had a protected market I am positive we should never have had this sad experience. How any American can advocate an open market after acquainting himself with all these facts and the suffering that it brought to the cattlemen of the West and Southwest is beyond my understanding. Beginning with the 1st of June, 1920, and comparing the imports with the corresponding imports of these products for 1921, for a period of seven months, we shall, in a measure, be able to appreciate the significance of this unrestricted competition.

Free of duty, 1920.		*Duty of 2 cents per pound, 1921.*	
June	2,033,200	June	103,826
July	5,181,526	July	113,801
August	13,956,578	August	617,243
September	18,460,700	September	1,237,402
October	27,024,972	October	1,301,338
November	13,791,198	November	1,244,103
December	10,648,347	December	1,416,208
Total	91,096,521	Total	6,033,921

Decrease of imports for seven months amounted to 85,062,600 pounds.

In view of the foregoing facts and figures how happy all must be who helped to enact this important legislation into law. It has dissipated every argument advanced against a protective tariff for farm products.

Personally I never agreed with the theory that a protective tariff should only apply to manufactured articles. The farming industry is just as essential to the well being of our country as are the great industrial plants of the Nation. The one is dependent upon the other. If the tariff is a good thing for the steel mills, the silk mills, the woolen mills, and the cotton mills, why then should it not be equally good for the farmers who raise potatoes, wheat, cotton, wool, milk, and all other farm products?

Our recent agricultural depression demonstrates this fact, and I confidently trust that the great inequality that has existed since 1913 may never again happen. If the Underwood tariff law enacted in 1913 under the Wilson administration had not placed all farm products upon the free list, I am positive the shock to our farming industry and its resultant harmful effect upon the Nation would not have been so severe. Let us take heed of this costly experience and resolve in the future to protect as well as preserve all the industries of this common country of ours. [Applause.]

The best market in the world is our own. We export but 15 per cent of our production. Why seek those distant and uncertain markets, far removed from our shores, while the American market waits upon us for action? Why not put our own strength to the test by stimulating mutual confidence and putting into effect the great dynamic energy that so successfully brought us to an early victory when the hope of triumph appeared afar off?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GERNERD. I ask that my time may be extended.

Mr. LINEBERGER. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended five minutes.

Mr. LINTHICUM. Mr. Chairman, I make the point that there is no quorum present.

The CHAIRMAN. The gentleman from California asks unanimous consent that the gentleman's time may be extended five minutes, and the gentleman from Maryland makes the point of no quorum. The Chair will count. [After counting.] Two hundred and one Members are present—a quorum.

Mr. LINEBERGER. I ask unanimous consent that the time of the gentleman from Pennsylvania [Mr. GERNERD] be extended five minutes.

The CHAIRMAN. Is there objection?

Mr. LINTHICUM. I object.

The CHAIRMAN. The gentleman from Maryland objects.

Mr. STEENERSON. Mr. Chairman, is there any time on this amendment?

The CHAIRMAN. All time on the pending amendment has expired.

Mr. STEENERSON. I move to strike out the last word.

The CHAIRMAN. That is not in order.

Mr. STEENERSON. I just wanted to stay a word about these surveys; but I suppose I will have to wait until the next item is read.

The CHAIRMAN. Without objection the pro forma amendment will be withdrawn. The question is on the amendment offered by the gentleman from Connecticut [Mr. FREEMAN].

The question being taken, on a division (demanded by Mr. FREEMAN) there were ayes 45, noes 35.

Mr. LONGWORTH. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Ohio makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred Members present, a quorum.

Mr. LONGWORTH. I ask for tellers, Mr. Chairman.

Tellers were ordered, and the Chairman appointed Mr. FREEMAN and Mr. LONGWORTH.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, a parliamentary inquiry. Is this a vote on the amendment?

The CHAIRMAN. This is a vote on the amendment.

The committee again divided; and the tellers reported—ayes 53, noes 32.

Accordingly the amendment was agreed to.

The clerk read as follows:

Big Timber Creek, N. J.

Mr. STEENERSON. Mr. Chairman, I move to strike out the last word. I just wish to make a few remarks on the question of these surveys. I have had several surveys in the river and harbor bill in past years. I have had several preliminary examinations of rivers and harbors, and I have never yet known of one that did not cost something. I think the statement that has been made here that it is absolutely without any expense, that all that is necessary in most instances is to write a letter or two, is inaccurate. It may be so in some cases, but I have known of none in my experience of 20 years. I have known preliminary surveys to cost a good many thousands of dollars and to result in adverse reports, so that there was no subsequent detailed survey made.

Mr. MONDELL. Would the Chief of Engineers be doing his duty if he did not make a survey when the Congress had ordered it made?

Mr. STEENERSON. Naturally, the Congressman who is instrumental in getting the item inserted in the bill will insist on the survey. It is rarely refused. In one case I recall the report on the preliminary survey was adverse. The first proposition was to improve the river for navigation by means of a reservoir system, and in the next river and harbor bill I got an item inserted for a survey to improve the river generally for navigation. That was also turned down on the preliminary examination. The last time I got an item inserted in the river and harbor bill providing that this survey should be made with a view not only to the improvement of the river for purposes of navigation but with a view to preventing floods and for purposes of drainage, in cooperation with local interests. That survey went through and cost something like $5,000.

A detailed survey was made with plans and estimates, and as a result the recommendation was made that drainage and flood prevention part of the project amounted to nine-tenths of the last improvement. That the interests of navigation would be improved by only a very small extent. I think the total improvement was estimated to cost $800,000, and that the improvement to navigation would amount to only $10,000. So you see the item of improvement to navigation was very small indeed. The improvement is now going on at the expense of more than $1,000,000, and will reclaim hundreds of thousands of acres of land, besides improving river navigation.

So these preliminary surveys are not as they have been represented here. They may be quite expensive, and I have known a preliminary survey costing a considerable sum to result in an adverse recommendation. You may insert such an item here without any knowledge as to what the proposition is. An item has just been adopted, and the gentleman offering it says he knows nothing about it. Nobody on the committee seems to know anything about it. It is simply an accommodation to a member. A member of the committee stated on the floor jocularly that all he needed was that somebody ask for a survey, and he said, "All right, let us put it in."

Now, I don't believe that ought to be done; I do not think the Government would be justified in spending its money blindly without any information as to the merits.

Mr. LAYTON. Upon what basis did the gentleman proceed in the first place when this proposition was turned down, as he says, three times?

Mr. STEENERSON. It was a scheme to improve navigation by means of reservoirs. It was meritorious, but not sufficiently important as a navigation proposition. The next survey of the same river resulted in the adoption of a plan or project valuable for reclamation by drainage and flood control, and the cost of that part of the project to be assessed against the land instead of charged to the Government.

Mr. LAYTON. Then the gentleman's scheme depended upon something that he knew nothing about.

Mr. STEENERSON. No. It depended on the cooperation of local interests, which pay nine-tenths of the cost, the Government only paying for improvement of navigation.

I protest against including items for surveys unless some one can give information and assurance that there is merit in the project.

Mr. WATSON. Mr. Chairman, I move to strike out the last word. The gentleman from Wyoming stated many of us are not directly interested in the development of rivers and harbors. Many of us are not directly interested in the sagebrush of the Middle West, but by reciprocity between the East, the West, the North, and the South, the one helping the other, it has developed a great Nation, until to-day we are the strongest Republic in the world. [Applause.] We are richer than any empire every known in the history of man. [Applause.] Although very much has been said against the surveys, I want to emphasize the wisdom of the committee in authorizing a survey of the Delaware River from Trenton to Easton.

Mr. MONDELL. Will the gentleman yield?

Mr. WATSON. Yes.

Mr. MONDELL. Will that survey cost anything?

Mr. WATSON. Of course it will.

Mr. MONDELL. I understood that the survey did not cost anything.

Mr. WATSON. All surveys do.

Mr. MONDELL. How much does the gentleman think it will cost?

Mr. WATSON. I do not know how much it will take. The cost, of course, will depend upon the time required, and the Government will pay the bill.

Mr. MONDELL. It would cost money, of course.

Mr. WATSON. Let me give an experience. A few years ago the Rivers and Harbors Committee authorized the survey of the Delaware River from Philadelphia to Trenton. That survey was made by Colonel Ledue. The Government brought him from the West that he would not be under the influence of the people of the East. Colonel Ledue was probably three months in making that survey, and he submitted a very extended report. He employed an assistant, several clerks, had a yacht at his command, and, of course, it cost money. He made an adverse report, but we appealed to the Committee on Commerce, which reversed the report because it believed in the development of the Delaware River and that it would be beneficial to the State of Pennsylvania as well as to the Federal Government.

In 1869 Congress appropriated a certain amount of money to deepen the channel 6 feet between Philadelphia and Trenton. No doubt at that time the Members of Congress opposed it, as they are opposing such appropriations to-day. In 1909 it was found that the channel was not deep enough, and there was an appropriation for a 12-foot channel. The result was that in 1919 over 800,000,000 tons of commodities were transported to and from Trenton. That city recently expended over $1,000,000 for terminal facilities. Now we want an 18-foot channel. There will be a fight against that, but it will come later.

The idea of developing the upper Delaware from Trenton to Easton will be on account of the coal mines, the great cement industries, the stone quarries, the fertile lands on either side of the banks, which produce agricultural products for the great cities of Philadelphia and New York, and I believe it is a wise thing to develop the upper Delaware River, and I congratulate the committee upon its action. [Applause.]

The CHAIRMAN. The pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

Northeast River, Md.

Mr. MONDELL. Mr. Chairman, I move to strike out the last word. Is there any gentleman on the committee who can give us some information in regard to this particular stream that it is proposed to have surveyed? I think these surveys ought to be made where there is some probability of developing navigation.

Mr. GOLDSBOROUGH. What stream does the gentleman refer to?

Mr. MONDELL. Any one of these streams, if the gentleman knows about them.

Mr. GOLDSBOROUGH. Northeast River, Md., is off the upper part of Chesapeake Bay, and is navigated principally by fishing vessels.

Mr. MONDELL. I am glad to have the information from the gentleman, but my inquiry was as to what the committee knew about the item and the reason for including it in the bill.

I yield to the gentleman from Maryland. He seems to be the only one who has information, although he is not a member of the committee.

Mr. GOLDSBOROUGH. I am not a member of the committee, but this particular improvement is in my district, which is the Eastern Shore district of Maryland. I gave the gentleman the information about the Northeast River.

Mr. MONDELL. Did the gentleman appear before the committee and make a statement in detail in regard to the stream?

Mr. GOLDSBOROUGH. I will give the gentleman the information about the items, if he desires it.

Mr. MONDELL. Did the gentleman appear before the committee?

Mr. GOLDSBOROUGH. That is a confidential matter between me and the committee which I do not feel disposed to discuss. I am willing to give the gentleman the information.

Mr. MONDELL. I would not have the gentleman discuss anything that is purely confidential. I had supposed that this was public business.

Mr. GOLDSBOROUGH. It is public business; but that question is not germane to the inquiry.

Mr. MONDELL. But if it is purely confidential I would not want the gentleman to divulge it. This is a confidential improvement of a river, I presume.

Mr. LAYTON. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. LAYTON. I can give the gentleman some specific information about one item. I refer now to the Christiana River, Del., from Newport to Christiana. It lies about 6 miles north of the city of Wilmington and it has three towns of considerable size upon its banks. It runs through the midst of a rich farming section, and it is desirable to have it surveyed to determine whether or not that part of the river can be dredged to accommodate a growing industrial and agricultural community.

Mr. MONDELL. Has the stream been improved at all?

Mr. LAYTON. Yes; up to Wilmington and a little beyond it. It runs through a section of the country with no rock of any kind, a section that is easily susceptible to dredging at a very low cost. We are simply asking for a survey to let the experts of the Government determine whether the river shall be further improved.

Mr. MONDELL. This is a very proper item, I should say, for survey.

Mr. LONGWORTH. Can we get some confidential information as to how much this will cost?

Mr. GOLDSBOROUGH. The gentleman can get all the information he desires.

Mr. LONGWORTH. Nobody will say anything outside of this Chamber about it, I assure the gentleman.

Mr. GOLDSBOROUGH. The gentleman can get the information if he wants it. Take Crisfield Harbor: That is the fourth port of entry in the United States, so far as the number of ships, not the size, that enter it is concerned. It is in the lower part of Chesapeake Bay, near the Virginia shore. Black Walnut Harbor, Md., is traversed by the packet boats from Baltimore to the eastern shore.

Mr. MONDELL. I have one other inquiry that I would like to submit to the gentleman: He has given us some valuable and interesting information; what is there about it that is confidential?

Mr. GOLDSBOROUGH. There is nothing about it that is confidential that I know of.

Mr. DEMPSEY. Mr. Chairman, if the gentleman will permit, the gentleman from Wyoming did not ask the gentleman from Maryland to divulge the testimony before the committee, but merely as to whether or not he appeared before the committee.

Mr. GOLDSBOROUGH. He asked for facts.

Mr. DEMPSEY. He asked whether the gentleman appeared before the subcommittee.

Mr. GOLDSBOROUGH. I did not appear before the subcommittee, but I talked to Mr. DUPRÉ, and also to Mr. LAYTON.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. LINTHICUM. Mr. Chairman, I move to strike out the last two words. I think these are very important surveys in Maryland, especially at Crisfield and at Cambridge Harbor. If more Members of this Congress would visit Crisfield and Cambridge and ascertain the amount of shipping done at those points they would readily see that these surveys are necessary. I am always interested in river and harbor bills, especially under the new system of appropriating just what money is necessary to efficiently do the work. I can see no reason why these surveys should not be made, if necessary, and submitted to Congress, because, as has been stated, their necessity will be determined mostly upon data which they have already; and if it is not worth a real survey it will not be provided. This bill does not provide anything particularly for the city of Balti-

more, because the Congress has already been fair and just to Baltimore City, in that it has granted surveys of the harbor and river, so that we are well provided for so far as the present needs are concerned.

You talk about making a river and harbor bill popular with the people and to have them deeply interested in it. I will tell you how to do it, and that is let the people who are benefited by these appropriations and surveys do like Baltimore did—cooperate with the Government in developing its port and its channel. We have appropriated $50,000,000 in Baltimore for improving our harbor and channel. Now let the people in other parts of this country where these improvements are provided and these appropriations are made to carry them into effect cooperate with the Government and show by their own taxation, by their own appropriation, by their own efforts, that the project is worthy, and you will never find any objection on the part of the people with reference to appropriations for rivers and harbors. Let them go down into their pockets as do the people of Baltimore, and you will accomplish great popularity for this bill.

Mr. DEMPSEY. I call the gentleman's attention to part 2, page 2109, of the Report of the Chief of Engineers, and he will see that, as against 98 surveys in this bill, in 1902 there were 170; 1905, 176; 1906, there were 2; in 1907 there were 200; 1909, 274——

Mr. LINTHICUM. I hope the gentleman will not take all of my time, as it will be impossible for me to get any more.

Mr. DEMPSEY. I will get the gentleman additional time.

Mr. LINTHICUM. The gentleman can not do it. I can not yield further. I do not know about the items the gentleman read because he has not stated to me what they are; but I repeat that Baltimore is cooperating and her harbor and channels have been taken care of in the appropriation bill which was passed for the purpose some time ago. Our surveys have been provided for, and we are quite well satisfied at this time. What I want to impress upon this committee is cooperation upon the part of the people who receive the benefit of these appropriations. If they will get busy and appropriate from their own pockets, provide by their own taxation and cooperate with the Government work, we will find no objection on the part of the people of this country to appropriations in a river and harbor bill. [Applause.]

Mr. FAIRFIELD. Mr. Chairman——

The CHAIRMAN. The gentleman is recognized in opposition to the pro forma amendment.

Mr. FAIRFIELD. Mr. Chairman, I want to call the attention of the chairman of the committee to this. This bill makes a wholesale appropriation, and these funds are not distributed, are they?

Mr. DEMPSEY. No.

Mr. FAIRFIELD. I mean authorizations; they are not distributed. How many survey provisions are authorized and under investigation?

Mr. DEMPSEY. I will have to examine to see.

Mr. FAIRFIELD. The gentleman is not aware of the number?

Mr. DEMPSEY. No; I think the reports are pretty well up to date. I do not think there are a very large number of surveys which have not been acted upon, and the reason I say that to the gentleman is that reports which have been referred to the Board of Engineers within a few weeks have been reported back within a few days.

Matters referred to them only a few weeks ago, some in this report, for instance, one in regard to Newark Bay was referred to the engineers only a few weeks ago, and the report was received about two weeks ago.

Mr. FAIRFIELD. Now, will these surveys, if they are authorized, necessitate specific appropriations, or can the money be taken out of the lump sum which has been already appropriated for rivers and harbors?

Mr. DEMPSEY. The military appropriation bill contains a specific item for examination of surveys and contingencies for rivers and harbors, for which there may be no special appropriation, of $325,000, provided that no part of this sum shall be expended for any preliminary examination of a survey project or estimate not authorized by law.

Mr. FAIRFIELD. When authorized, then every one of these projects will take money from the projects already authorized and for which a survey has not been made?

Mr. DEMPSEY. To such extent as may be necessary, but the amounts will be small.

Mr. FAIRFIELD. I know there are some very important ones it might very seriously interfere with.

The Clerk read as follows:

Mulberry Creek, Lancaster County, Va.

Mr. MONDELL. Mr. Chairman, I move to strike out the last word. Can the gentleman give us any information in regard to Mattox Creek, Va.?

Mr. DEMPSEY. I am not a member of the committee, but the matter came before the subcommittee, and I should say that the gentleman from Virginia [Mr. BLAND] could give the information.

Mr. BLAND of Virginia. Mr. Chairman, there was a bill introduced by me for a preliminary examination and survey of Mattox Creek. At the time this bill was considered I had other creeks and rivers to be considered, and so I submitted to the subcommittee a written memorandum of the information which had been received by me. I still have that report. I have the Mattox Creek item. I am informed that for many years the creek was used by steamers, but was finally abandoned on account of inadequate depth of water. I am advised that the commerce in that vicinity which can use this stream would aggregate about $150,000. And on that I ask that there be at least a preliminary examination and survey.

Mr. MONDELL. The gentleman says that the stream has been abandoned by commerce.

Mr. BLAND of Virginia. It was abandoned by steamers because it had begun to fill up to such an extent that steamers no longer came up the stream. Commerce would still be on the creek in the way of small boats and fishing craft, and the hope in having this preliminary examination and survey is that it will show that the creek can be dredged out without unreasonable expense to such an extent that it can be used.

Mr. MONDELL. Of course, such a survey as the gentleman in his opinion desires, as in the opinion of Congress, will call for a survey that will take a considerable time to ascertain the measurements and depths, and all that sort of thing, and might cost quite a considerable sum of money.

Mr. BLAND of Virginia. I will say to the gentleman from Wyoming that I have had experience in some of these preliminary examinations and surveys. There were two creeks, or two authorizations, examined in my district. On them the total cost to the Government was probably about $25, because an engineer from Wilmington came down and examined one on one day and examined the other the next. He was accompanied by a stenographer. Hearings were had at night. He was entertained in the community by people living there, and his only cost was his railroad fare from Wilmington to the eastern shore of Virginia and return.

Mr. MONDELL. Was the report favorable or unfavorable?

Mr. BLAND of Virginia. The reports on those cases were unfavorable. There has been a favorable report in one case, but the——

Mr. MONDELL. If the facts were so patent as to the nonnavigability of the stream and the inadvisability of spending public money in the improvement of it, why could not that have been developed here in Washington as well as to have some gentlemen visit the community and enjoy the hospitality of Virginia, and tell the people that it was not navigable and could not be used?

Mr. BLAND of Virginia. Because it was a great deal easier for the people of that country to have one engineer go there and take the evidence of those people than to impose the burden upon those hard-working people to come to Washington and testify before a committee here.

Mr. MONDELL. They did not need to come.

Mr. BLAND of Virginia. They did need to come. The evidence was taken by the engineer on the ground. People were notified, 50 or 100 of them, and in each of these cases, I believe, there were at least 100 people there who testified as to the commerce on those streams, testified as to the commerce in that neighborhood, and as to the benefits to be derived therefrom.

Mr. MONDELL. I hope that will all redound to the credit of our friend from Virginia, although leading to an adverse report. Does the gentleman think that Mattox Creek could be examined for $30?

Mr. BLAND of Virginia. I will answer the gentleman that I believe it could be examined for less, and I was going to give him the reason why I say so. I had other surveys——

Mr. MONDELL. Does the gentleman expect the result of the examination will also be adverse, as it was in the other cases?

Mr. BLAND of Virginia. I hope that it will be granted. It is impossible for me to say what the report will be.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn, and the Clerk will read.

Mr. BLAND of Virginia. Mr. Chairman, the item for Mulberry Creek was read. I rose at the same time as did the gentleman from Wyoming to offer an amendment to that item.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BLAND of Virginia: Page 14, line 4, after the word "Virginia," strike out the period and insert a comma and add the words "and entrance thereto from channel of Rappahannock River, Va."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

Mr. MONDELL. Mr. Chairman, I think we ought to know something about this amendment. It is highly important to know whether or not this committee is prepared to accept every amendment offered for a survey, without knowledge. I would like to hear from these gentlemen as to the matter of these surveys.

The CHAIRMAN. The gentleman from Virginia is recognized for five minutes in support of his amendment.

Mr. BLAND of Virginia. Mr. Chairman, the bill which I have introduced applied for a survey of Mulberry Creek and the channel connecting that creek with the Rappahannock River. When the committee framed the bill it only framed the bill for a survey of Mulberry Creek. The information which I gave to the committee was to the following effect:

I understand that there is adequate water in the creek itself, but that there are sand bars near the mouth where the creek empties into the Rappahannock River, and these sand bars need to be dredged in order to afford proper transportation facilities. The proposition is recommended to me as a necessary one. I understand that the people of that community are largely engaged in fishing and oystering, and an estimate given to me of the business for the year 1920 is in the sum of $300,000, consisting of oysters, lime, lumber, oyster shells, potatoes, coal, gasoline, wood, canned tomatoes, farm products, and general merchandise. I understand that at present the products must be handled on lighters; that about 300 yards need to be deepened to furnish a much-needed harbor for small craft.

The idea is to get rid of these bars, which are 300 feet long, so that there will be an open entrance to that creek.

Mr. DEMPSEY. How long is this channel?

Mr. BLAND of Virginia. The creek is of considerable size.

Mr. DEMPSEY. What about the channel?

Mr. BLAND of Virginia. The channel to be dredged is about 300 yards.

Mr. BUTLER. How wide is this creek?

Mr. BLAND of Virginia. I really do not know. I have not seen it myself. I speak only from information that has been given to me.

Mr. MONDELL. How wide is the channel?

Mr. BLAND of Virginia. I want to say to the gentleman from Wyoming that this stream, which is designated here as a "creek," would appear to the people of Wyoming as great as the Atlantic Ocean. [Laughter.] It is as wide almost as the Potomac River.

Mr. MONDELL. The gentleman is long on assertion but short on argument.

Mr. BLAND of Virginia. Well, the gentleman can place any interpretation he pleases on what I have said.

Mr. LONGWORTH. Is the committee in favor of this amendment?

Mr. DEMPSEY. I think the committee is opposed to the amendment, but I have not given it consideration.

Mr. LONGWORTH. We desire, you know, to follow the committee. [Laughter.]

Mr. DEMPSEY. I have no knowledge as to the necessity for a survey.

Mr. LONGWORTH. Then the gentleman advises that we oppose the amendment?

Mr. DEMPSEY. I would not so advise the gentleman, but if he desires to do so he can.

Mr. LONGWORTH. Will the gentleman suggest that we vote against it?

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the "noes" appeared to have it.

Mr. BLAND of Virginia. Mr. Chairman, I call for a division.

The CHAIRMAN. The gentleman from Virginia calls for a division.

The committee divided; and there were—ayes 31, noes 43.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. ANDREWS of Nebraska. Mr. Chairman, I object to the vote on the ground that there is no quorum present.

The CHAIRMAN. The gentleman from Nebraska makes the point that there is no quorum present. The Chair will count. [After counting.] One hundred and six Members are present, a quorum. The Clerk will read.

The Clerk read as follows:

Onancock River, Va.

Mr. MONDELL. Mr. Chairman, can some member of the committee give us some information in regard to this river in Virginia?

The CHAIRMAN. The gentleman from Wyoming moves to strike out the last word.

Mr. DEMPSEY. Mr. Chairman, my understanding was that this bill was to be considered by sections. We are now on the ninth section, and the section has not been completely read.

Mr. LONGWORTH. Mr. Chairman, the gentleman asked unanimous consent himself to have the bill read by paragraphs.

The CHAIRMAN. The Chair will state that it was the order of the committee that the bill should be read by paragraphs. It is a reasonable request to make for information.

Mr. BLAND of Virginia. What is the item concerning which the gentleman asks?

Mr. MONDELL. Onancock River, Va.

Mr. BLAND of Virginia. Onancock River was passed, but I will be very glad to give the gentleman what information I have. I shall not try to make arguments of facts, but I will try to give facts.

This is an existing project, but the channel provided for in the existing project is a channel across the outer bar, a distance of 1,000 feet, 200 feet wide, 8 feet in depth at mean low water, and for straightening the river channel by cutting off projecting shoals to a depth of 7 feet at mean low water. It is desired to increase the depth at bar to 9 feet, and otherwise to 8 feet. The waterway is a very important one.

Mr. MONDELL. What is the gentleman reading from?

Mr. BLAND of Virginia. I am reading from the memorandum I gave to the subcommittee on surveys of the Committee on Rivers and Harbors, which memorandum collected the information that was in my possession at that time, and which is as complete information on the subject, in a few words, as I am able to give the gentleman. This is a copy of the paper that I gave to the members of the subcommittee.

Mr. DEMPSEY. Will the gentleman yield?

Mr. BLAND of Virginia. Yes.

Mr. DEMPSEY. I will suggest also that he will find the matter treated in part 1 of the report of the Chief of Engineers at page 590.

Mr. BLAND of Virginia. Yes.

Mr. MONDELL. If this river has been improved, why is another survey necessary?

Mr. DEMPSEY. We sometimes make second improvements on rivers and harbors throughout the United States. That is not an uncommon practice.

Mr. MONDELL. If the river is being improved, I should assume that they would know something about it.

Mr. DEMPSEY. As has been stated, it began in the Delaware River with an improvement to a depth of 6 feet, and then they got to a depth of 12 feet, and then it went to a depth of 18 feet. River and harbor improvements are progressive, and sometimes they find, for instance, that they have to improve up to a wharf where a wharf had not been placed before. Great industries grow up along the stream and they make necessary corresponding improvements.

Mr. MONDELL. My recollection is that where that is done the item specifically provides for the character and purpose of the survey. Here is a stream that has been partly improved, and I understand from the gentleman from Virginia that the purpose is to improve it to a greater extent or in some other part of the stream.

Mr. BLAND of Virginia. To increase the depth.

Mr. McLAUGHLIN of Michigan. The engineers will recommend the improvement of a river or harbor in a particular manner and to a particular extent. The Congress of the United States adopts that recommendation, and that becomes a project. When it is carried out and completed, the authority of the engineers over that project ceases. If the project is to be changed in extent or character, it must have authority to make a survey to determine whether or not it is advisable to the extent of the proposed change.

Mr. MONDELL. I think we understand that; and yet, if the gentleman will allow me, it occurs to me that where a river has been improved and it is the purpose to make still further improvement, the item for the survey ordinarily makes some reference to and provision for the character of the new survey.

The CHAIRMAN. The time of the gentleman from Wyoming has expired. Without objection, the pro forma amendment will be withdrawn and the Clerk will read.

The Clerk read as follows:

Mattaponi River, Va., from Walkerton to Aylett.

Mr. LOWREY. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Mississippi offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LOWREY: On page 14, between lines 10 and 11, insert the following paragraph:

"Tallahatchie and Coldwater Rivers, Miss., and the tributaries of these rivers, with a view to devising plans for flood protection and determining the extent to which the United States should cooperate with the State and other communities and interests in carrying out such plans, its share being based on the value of protection to navigation."

Mr. LOWREY. Mr. Chairman, I agree with the gentleman from Wyoming [Mr. MONDELL], and I voted against the increase of the appropriation to $42,000,000, because I did not believe in wasting money on small streams and unnecessary projects; but the situation here is just this: The hill country extends away to the east and slopes very much like this floor, and there have been a lot of drainage districts organized, and the creeks up there have been straightened by means of canals, and the water rushes rapidly from those hills, and when it reaches the Mississippi bottom, in this flat country, in the last two or three years the flood waters have spread out over everything. In this way a great deal of valuable land is being ruined. Legally these streams are navigable. The Government has appropriated money in the past to keep them open, and there has been a little navigation on them. So they are under Government control and not local control. The people there are desperately anxious to get at some means by which they can cooperate with the Government to protect their lands from the floods and still, if desired, keep these streams open as navigable streams.

Mr. MONDELL. Will the gentleman yield?

Mr. LOWREY. Yes.

Mr. MONDELL. Is not this more a matter for the Committee on Flood Control rather than the Committee on Rivers and Harbors?

Mr. LOWREY. I have an idea that it would go to the Flood Control Committee, but the matter has to do with navigation of these rivers, and that will have to be disposed of. The amendment asks for a survey in order that they may determine between the National Government, the State, and so forth, as to the extent to which each shall participate in protecting that country from these rivers.

Mr. LONGWORTH. Has the gentleman presented his amendment heretofore to the committee?

Mr. LOWREY. Yes; I went with my map twice to the committee room with the amendment. The committee had accepted the amendment, but when they began to make so many objections to the committee amendments I took it back from the committee and have offered it myself.

Mr. LONGWORTH. The gentleman received his amendment from the gentleman from Connecticut [Mr. FREEMAN]?

Mr. LOWREY. Yes.

Mr. LONGWORTH. The gentleman from Connecticut would have offered it?

Mr. LOWREY. I left it with the committee.

Mr. DEMPSEY. The committee has taken no action as a committee in regard to it, but I am going to ask for some information.

Mr. LONGWORTH. The gentleman from Mississippi says it was authorized by the committee.

Mr. CAMPBELL of Kansas. The gentleman from Connecticut said he presented a committee amendment, and the gentleman from Mississippi said that he got the amendment from the gentleman from Connecticut.

Mr. LOWREY. I want to state that I went twice to the committee room with my map, and on yesterday morning when they had their final meeting I went to present it to the full committee; but they were very busy. I had given it to the chairman and the secretary, and we had gone over it, and I told them that if they wanted any further information I was ready to give it to them.

Mr. LONGWORTH. Was the objection of the committee based on the large cost for such a survey?

Mr. LOWREY. I do not think it would be very large. The citizens who have written me seem to want the Government to adopt some plan by which matters can be adjusted between the State and the Government. They expect to bear their share when they have authority to do what is agreed to be done.

Mr. LONGWORTH. I thought by the reading of the amendment that it not only called for a survey with reference to this creek but to the tributaries, and it occurred to me that the committee might object to it by reason of the cost.

Mr. LOWREY. I would be willing to have the tributaries stricken out. All I want is the survey of the stream.

Mr. DEMPSEY. All I can say is that the committee has not had an opportunity to consider it as a committee. The gentleman came to us a little late, and I am sorry we did not have the time to investigate it.

Mr. LOWREY. I say I got my appeal from the citizens very late; they are in agony now over the flood in that district.

Mr. SISSON. Mr. Chairman, I am somewhat familiar with the situation there. The people themselves want to know what they themselves may do. They do not object at all to paying whatever is necessary or what is right for them to pay, but they want, of course, permission from the Secretary of War or the Federal Government. The only way the Federal Government can determine the matter is by a survey.

Mr. DEMPSEY. Will the gentleman state to the committee in a brief way what is involved in the matter?

Mr. SISSON. I can not tell, of course, how many acres of land are involved.

Mr. DEMPSEY. What are the streams; are they navigable; can they be made navigable?

Mr. SISSON. There are so many streams called navigable which I doubt are navigable, but they are put on the maps as such.

Mr. LONGWORTH. How many streams are involved in the amendment?

Mr. SISSON. Only one stream involved. I presume that they put in the word tributaries because where the other streams come in it may require a little work. How much of this matter is flood control and for protection of the land, and how much relates to the navigation of the river, the survey will determine. I do not believe the people themselves know. It requires no engineering work. It is just a survey to determine how much the Federal Government should pay, if anything.

Mr. DEMPSEY. I understand this involves the Tallahatchie and the Coldwater Rivers. I find that both of these are under improvement. The projects have been adopted, and the facts are set out at page 1157 of Part I of the Report of the Engineers for 1921. They have a small tonnage.

Mr. SISSON. I will state to the chairman that this is not so much a question of importance to the Federal Government, so far as navigation is concerned, as it is to the local property owners. I do think that these people ought to be permitted to know just what they may and may not do.

Mr. DEMPSEY. I will say to the gentleman that in this present bill there is provision for doing certain work up in Wisconsin, the cost of which will be $15,000 to the Government, while to the State of Wisconsin it will be over $700,000. The entire cost, except simply the cost of supervision, is borne by the locality. That is not an infrequent thing, I would say. The commerce on these two streams was $5,000,000 in 1919 and $3,000,000 in 1920.

Mr. SISSON. I say frankly that I do not think there is that much or that there ever will be that much navigation on the Tallahatchie River. That is not the question, but the question is how much will the people be permitted to do themselves, whether or not this can be altogether a reclamation project or how much of it is navigation.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. MONDELL. Mr. Chairman, I rise in opposition to the amendment. I want to ask the gentleman from Mississippi [Mr. SISSON] this question: Does he not think, if we are going to legislate for rivers and harbors, that it would be well to keep the river and harbor bill free from drainage and reclamation projects?

Mr. SISSON. I think so. I agree with my friend about that. There is no difference of opinion about that. This thing does not involve the expenditure of a dollar by the engineers. It is simply a question of a survey for the purpose of classifying the river and this work.

Mr. MONDELL. I shall be very glad to support that in the proper place.

Mr. SISSON. This is the only place to put it.

Mr. LITTLE. How is it classified now?

Mr. SISSON. As a navigable stream.

Mr. LITTLE. That is what is the matter with it, is it not? You want to get it unclassified, so to speak?

Mr. SISSON. Personally, I do not care one way or the other. But it should be either declared navigable or not, as facts are.

Mr. LITTLE. That would be the result of this survey.

Mr. SISSON. I do not know what the result would be. The engineers might say it is navigable.

Mr. MONDELL. It is not going to be the result unless the Congress acts, because a navigable stream is navigable until it is declared nonnavigable by act of Congress. Some one stated here in the course of the debate that one of the purposes of these surveys was to declare streams nonnavigable. That

could only result in case Congress acted, and Congress very infrequently acts along those lines.

Mr. LITTLE. Is it not the fact that the folks down there can not do anything because it is a navigable stream?

Mr. SISSON. That is correct.

Mr. MONDELL. Mr. Chairman, it is highly important that the river and harbor bill be kept a river and harbor bill, free from questionable projects.

Mr. SISSON. But the Committee on Rivers and Harbors does not want to give up control of navigable streams, except with its own consent and on information obtained by their own engineers. I think it is right. I think it is the proper thing to do. I do not think it involves an expenditure necessarily of one single dollar, but I do believe the people down there have a right to know where they stand.

The CHAIRMAN. Without objection the pro forma amendment will be withdrawn, and the question is on the amendment offered by the gentleman from Mississippi [Mr. LOWREY].

The question was taken; and on a division (demanded by Mr. SISSON) there were—ayes 55, noes 25.

Mr. LONGWORTH. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Ohio makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and four Members present, a quorum.

Mr. LONGWORTH. Mr. Chairman, I demand tellers.

The CHAIRMAN. The gentleman from Ohio demands tellers. As many as are in favor of taking the vote by tellers will rise and stand until counted. [After counting.] Seventeen Members have risen, not a sufficient number and tellers are refused.

So the amendment was agreed to.

The Clerk read as follows:

Cape Fear River, below Wilmington, N. C., and between Wilmington and Manassa.

Mr. LYON. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 14, line 15, after the word "and," strike out the word "Manassa" and insert "Novassa."

Mr. LYON. Mr. Chairman, I ask to withdraw the amendment.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

Mill Gut, North Harlowe, Craven County, N. C.

Mr. CAMPBELL of Kansas. Mr. Chairman, I would like to know something about the item on line 18. Who knows something about Mill Gut?

Mr. WARD of North Carolina. That is within the district of Mr. Brinson, who died lately. I am sure it is in his home county, where he lived. I can not give the gentleman any information, but simply rose because I knew that was so.

Mr. CAMPBELL of Kansas. Can anybody give any information about this?

Mr. CONNALLY of Texas. Possibly the clerk of the committee.

Mr. DEMPSEY. Mr. Chairman, a bill was introduced by Mr. Brinson to cover this matter. He appeared before the subcommittee in reference to it. Personally, as I say, I was not a member of this subcommittee on surveys and I have no information in regard to it.

Mr. CAMPBELL of Kansas. Is Mill Gut a creek or a river?

Mr. BARKLEY. Does it not speak for itself?

Mr. CAMPBELL of Kansas. Apparently nobody else speaks for it.

Mr. GARNER. At least it will have the assumption of innocence.

Mr. CAMPBELL of Kansas. Are we to pass this item without information from anybody in respect to it?

Mr. LAYTON. Move to strike it out if you want to do so; that is the way to do business, instead of delaying the passage of a bill reported by a standing committee.

Mr. CAMPBELL of Kansas. Do members of the committee want this item to pass without any information?

Mr. DUPRÉ. We do. [Laughter.]

Mr. DEMPSEY. In response to the inquiry of the gentleman from Kansas I will say in reference to these surveys——

Mr. CAMPBELL of Kansas. No; this item.

Mr. DEMPSEY. I may say in reference to this item it is utterly impossible for a committee to take testimony with regard to surveys and to preserve the evidence.

Gentlemen who are members of that subcommittee do not any of them live in the vicinity; they have to take testimony and act upon it as it appears to them at the time. They have no way of preserving it. They can not come on the floor of the House weeks and perhaps months later and remember the testimony. This bill was introduced the 7th day of March, as the gentleman from Kansas will remember. That is about two months ago. Testimony was probably taken two months before that—four months ago. With no means of preserving what was said and with no personal familiarity with the subject it is very natural that gentlemen should not remember all the facts. It would be utterly impossible for any member of the committee to remember the testimony as to all of these items.

Mr. CAMPBELL of Kansas. Was there evidence taken in respect to this?

Mr. DEMPSEY. The subcommittee obtained information as to every item.

Mr. CAMPBELL of Kansas. And no record kept of the evidence?

Mr. DEMPSEY. They do not take evidence in the sense of having the service of a stenographer, and never have. They simply have them appear before the subcommittee and state the facts, and the subcommittee reports upon the evidence which is taken.

Mr. LONGWORTH. Is there a member of the subcommittee here on the floor?

Mr. DEMPSEY. Mr. Dupré is a member of the subcommittee, and he is at the service of the gentleman from Ohio.

Mr. LONGWORTH. The gentleman from Louisiana said he wanted us to take it without information.

Mr. DUPRÉ. I beg the gentleman's pardon.

Mr. LONGWORTH. He disagreed on the ground that there was no information.

Mr. DUPRÉ. All I can state with reference to information on the subject is that the gentleman from North Carolina [Mr. Brinson] spoke to me about the item. I do not recall the details of the matter. He has departed this life, and it seems to me it is a very ill time for the gentleman from Kansas to try to make us believe he is a wit—which he is not.

Mr. CAMPBELL of Kansas. The "gentleman from Kansas" would never endeavor to measure his wit with the gentleman from Louisiana—at times.

Mr. LONGWORTH. Mr. Chairman, I move to strike out the last two words.

I want to see if I thoroughly understand this situation. As I understand it, the Army appropriation bill, which passed the House and is now slumbering, possibly, in the Senate, carried an appropriation of $250,000 to be expended next year on such surveys, or a portion of such surveys, as might thereafter be authorized by Congress. Now, is or is this not the fact, I ask the gentleman from New York [Mr. DEMPSEY]? The Secretary of War, being authorized and directed to select certain of these projects—in fact, directed to select them all eventually—would it not be possible to expend that whole $250,000 this year on the first 10 surveys provided for?

Mr. DEMPSEY. Theoretically possible, but not humanly possible. That has not been the experience of the committee. You have to reach a decision, not in some absurd way, not in some impossible way, not in some way that the wild flight of fancy of the gentleman from Ohio might suggest, but in a way that experience with the matter in the past has demonstrated it will result in in the future. We find the present situation to be this: We have just looked over the surveys, and we find that there are 80 of them that have not been reported upon. That is all that are left at the present time. We find, for instance, as I stated a few minutes ago, a report on Newark Bay, a very important project, indeed, one of the most important in the United States, was sent to the engineers for reexamination perhaps six weeks ago. It passed through the district engineer, the Board of Engineers, the Chief of Engineers, and was back on the Speaker's desk within probably two to three weeks from the time that it was rereferred. So experience demonstrates two things.

First, that within the appropriation which has been made annually for many years, and which is about the amount that was appropriated this year, the surveys, whatever their number—and in most years the number is much larger than this year, generally two or three times as many—are made within the appropriation, and the reports are made with reasonable dispatch.

Mr. LONGWORTH. Surely, if the gentleman will pardon me, some of these surveys will take more than a year.

Mr. DEMPSEY. Now, coming to the second question as to whether the engineers would arbitrarily select the first 10 surveys in the bill——

Mr. LONGWORTH. I do not think they would, of course.

Mr. DEMPSEY. Or select any 10——

Mr. LONGWORTH. Any 10.

Mr. DEMPSEY. What the engineers would do is what they have done in the past. When they found a survey was as important as the Newark Bay project—and I could call attention to a number of projects in the present bill where our experience has been similar to that with the Newark Bay project—they select surveys that are important to the commerce of the country—they see that those surveys are reported on promptly and returned to the Speaker's desk at the earliest date possible. The others, that are relatively unimportant, they see if they have the data, which they can gather in the office of the Chief of Engineers, from geographies, from encyclopedias, by writing letters to the district engineers, and get such information as they can get from them. The testimony before the committee is and always has been that with a great number of the smaller surveys they get their data and make up the report without finding it necessary to go upon the ground. So two things result. First, as I say, they can not exceed the appropriation, and within the appropriation they are able to report promptly upon all of the surveys included in the bill, and they are taken up in the order of their importance. I again call attention to the fact that while this bill started out with an attack upon the surveys which are of trivial importance there is much in this bill that is of vital importance to this country.

Mr. LONGWORTH. I agree with the gentleman.

Mr. GARNER. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Ohio.

Mr. Chairman, it seems that it is nearly 6 o'clock, and I do not think the House has been treated at this session with the kind of performance that we have seen here this afternoon. [Applause.] You Republicans are always talking about disorganization. How can you expect the Republican Party in the House to stay organized when you have a unanimous report from a standing committee of the House, the Committee on Rivers and Harbors; you have a steering committee that passed upon the proposition of its consideration, composed of the gentleman from Ohio and others; a rule brought in by the Committee on Rules, a partisan committee, and a unanimous report; and then you have the leader of the Republican Party here attacking the bill on the floor of the House? [Applause.]

Mr. LONGWORTH. Will the gentleman yield?

Mr. GARNER. Certainly.

Mr. LONGWORTH. The only question that I have asked, the only opposition I have made to this in any way, was to an amendment or two introduced on the floor of the House.

Mr. GARNER. The gentleman is attacking an amendment that was already in the bill.

Mr. LONGWORTH. The gentleman did not attack it.

Mr. GARNER. The gentleman from Wyoming did.

Mr. MONDELL. The "gentleman from Wyoming" did nothing of the kind. The "gentleman from Wyoming" asked for information.

Mr. LAYTON. Will the gentleman from Texas yield?

Mr. GARNER. Certainly.

Mr. LAYTON. It is just as plain as the nose on another man's face only 2 feet away that certain gentlemen in this House have been endeavoring to delay the passage of this bill.

Mr. GARNER. I can understand how they can delay the passage, but can not understand, to save my life, how the Republican organization, through its leader, through its chairman of the Rules Committee, through one of the most influential men on the steering committee, will undertake to repudiate your own action. You talk about keeping your organization together. If we did that on our side of the House, if we would not keep together, we would beat the motion.

Mr. BEGG. Will the gentleman yield?

Mr. GARNER. Certainly.

Mr. BEGG. Does it worry the gentleman much?

Mr. GARNER. It worries me to the extent that you are keeping me after 6 o'clock.

Mr. BEGG. If the gentleman wants a quorum, I will call for one.

Mr. GARNER. The Chairman always counts a quorum. I merely rise to call attention to the fact when the gentleman from Wyoming [Mr. MONDELL], the gentleman from Kansas [Mr. CAMPBELL], and the gentleman from Ohio [Mr. LONGWORTH] refuse to stand with the organization. I think it proper to call attention to their performance here this afternoon. It will not lie in their mouths in the future to chide their brethren for not following their organization, because they have repudiated their own action. I think the attention of the country ought to be called to it. It only emphasizes the disorganization of the Republican Party throughout the country. [Applause on the Democratic side.]

Mr. MONDELL. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas.

Mr. BEGG. Mr. Chairman, I make the point that there is no quorum present.

Mr. MONDELL. It is quite proper for the gentleman from Texas to lecture this side.

The CHAIRMAN. Does the gentleman from Ohio [Mr. BEGG] withhold his point of no quorum?

Mr. BEGG. I will withdraw it.

Mr. MONDELL. The gentleman from Texas has not stated the facts quite accurately. It was said that at the beginning of the discussion an attack was made on a survey item. An inquiry was made. When did it occur that an inquiry in regard to a provision in a bill was an attack? Have we reached the point where gentlemen may not make inquiries in regard to legislation pending before the House without being charged with making an attack upon it?

Now, "the gentleman from Wyoming" has endeavored to aid the Committee on Rivers and Harbors to bring in a bill. The gentleman has cooperated with the committee to that end. But members of the Committee of the Whole are entitled to know the facts. When a lot of items are offered from the floor in regard to which it is confessed that we have received no information, certainly gentlemen can not be criticized if they insist that that is not the proper procedure.

So far as "the gentleman from Wyoming" is concerned, he hopes that this committee will keep its bill defendable. It is true the committee put on a drainage item a moment ago, and other items will be offered, no doubt. The gentleman desires to support the bill, but notwithstanding the majority that appears to be interested in these items, I think it is in the interest of the country as well as of the committee that this bill shall be kept in some reasonably defendable form. At any rate, I understand that we are not to be called upon to vote on certain amendments that were to have been presented; that is so much gained by the inquiries that have been made. [Applause and cries of "Vote!"]

Mr. DEMPSEY. Mr. Chairman, I simply want to correct one misapprehension. The chairman of the committee did not state that the committee has no information. The chairman of the committee simply said that this testimony as to these surveys was taken about four months ago, was taken orally, was taken in the way it is ordinarily taken, and it could not be hoped that the members of the committee could carry in their minds all of the data for the long period which had elapsed. On the other hand, it is true that as to most of these items ample information has been furnished. Occasionally you can pick out an item where the members of the committee do not have a distinct recollection of what occurred so long ago, but they did deal with it fairly and intelligently at that time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Tombigbee River, Ala. and Miss., and canal connecting the Tombigbee and Mississippi Rivers.

Mr. DUPRÉ. Mr. Chairman, by direction of the committee I offer the following amendment.

The CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DUPRÉ: On page 15, between lines 12 and 13, insert the following paragraphs:

"Waterway from Bayou Teche, La., to the Mermenteau River.

"Waterway from Lake Charles, La., to the Sabine River, Tex. and La., through the Calcasieu River and the Intercoastal Waterway from Calcasieu River, La., to the Sabine River, Tex. and La."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Louisiana.

Mr. CHINDBLOM. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CHINDBLOM. We had not reached that point, had we?

The CHAIRMAN. What is the point of order that the gentleman makes?

Mr. CHINDBLOM. That we had not reached that point in the reading.

The CHAIRMAN. We had.

Mr. LONGWORTH. Do I understand the gentleman from Louisiana to say that this is by direction of the committee?

Mr. DUPRÉ. By direction of the Committee on Rivers and Harbors.

Mr. LONGWORTH. The full committee.

Mr. DUPRÉ. The entire committee.

The CHAIRMAN. The pending amendment is virtually two amendments, one relating simply to waters within the State of Louisiana and the other relating to waterways partly in Louisi-

ana and partly in Texas; but the Chair thinks it is in order in this way. The question is on agreeing to the amendment offered by the gentleman from Louisiana.

Mr. MONDELL. Has the gentleman any information with regard to this particular waterway?

Mr. DUPRÉ. I happen to have some information on the subject, but I do not know whether the gentleman will avail himself of the information if I give it to him, so perhaps he will let the amendment go through at this late hour without any further discussion.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

The Clerk read as follows:

Rio Grande River, at El Paso, Tex.

Mr. NEWTON of Missouri. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Missouri offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. NEWTON of Missouri: On page 15, between lines 20 and 21, insert the following:
"Missouri River, between Kansas City, Kans., from the upper end of Quindaro Bend, and Sioux City, Iowa."

Mr. NEWTON of Missouri. Mr. Chairman, I offer this amendment at the request of the gentleman from Nebraska [Mr. JEFFERIS]. We had it up before the full committee and the full committee adopted it.

Mr. LONGWORTH. It is by direction of the committee?

Mr. NEWTON of Missouri. Yes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was agreed to.

The Clerk read as follows:

Tillamook Bay and River, Oreg.

Mr. HAWLEY. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Oregon offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HAWLEY: Page 17, line 9, strike out "Tillamook Bay and River, Oreg.," and insert in lieu thereof the following paragraph:
"Tillamook Bay and entrance, Oreg.; Tillamook River, Oreg."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

Deer Island Slough, Oreg.

Mr. HADLEY. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HADLEY: Page 17, between lines 18 and 19, insert the following paragraph:
"Deep River, Wahkiakum County, Wash., and entrance thereto."

Mr. HADLEY. Mr. Chairman, I wish to say for the information of the committee that I offer this amendment on behalf of my colleague [Mr. JOHNSON of Washington], who is unavoidably absent on account of illness. I regret to say that I know nothing about the merits of the proposition. The amendment was handed to me this afternoon, and my colleague has been in the hospital for several days.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. HADLEY].

The amendment was agreed to.

The Clerk read as follows:

Entrance to Port Orchard Bay, Wash.

Mr. HADLEY. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HADLEY: Page 17, between lines 19 and 20, insert the following paragraph:
"Skagit River, Wash."

Mr. HADLEY. Mr. Chairman, this is a large river in my district, and there is an old improvement with reference to the local project; but I think the conditions of the river are such that there should be a general survey above the point where it has been improved. It will take some time to explain it, but I am quite sure that Members would agree that it is a meritorious project.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The amendment was agreed to.

The Clerk read as follows:

Entrance to Port Orchard Bay, Wash.

Mr. ROACH. Mr. Chairman, I move to strike out the last word. I only intend to take a moment of your time. This afternoon when I offered an amendment to section 5 of this bill there was some confusion as to just what the estimates covered in the $42,000,000 appropriation that was estimated as money necessary for river and harbor improvement. I have since that debate arose secured a copy of the printed estimates by the Chief of Engineers office setting forth the particular items that go to make up the $42,000,000 that was estimated to be the minimum amount required for river and harbor improvement. In those estimates are contained contracts for four sea-going dredges for use on the Atlantic and Pacific Oceans, $3,000,000.

I call attention to that for the reason that I expect to make a motion to recommit the bill in order that the amendment may be voted upon. I want the committee to understand that if this amendment that I have offered is not adopted that we are taking out of the $42,800,000 fund the sum of $1,500,000, and I do not believe there is a Member of this House that intended that any sum should be taken out of that. If the committee wants to take out $1,500,000 from the $42,000,000 fund for the construction of dredges to go on the Pacific Ocean and Atlantic Ocean and thus rob the inland rivers of that amount, it is their right, but I expect to carry it to the floor of the House, because the $42,000,000 was inadequate to begin with, and it should have been $62,000,000. I am not going to subscribe to any bill that will take any portion of it, particularly a sum as large as $1,500,000, and spend it on the Atlantic and Pacific Oceans, and where it will not do the inland rivers any good.

The Clerk completed the reading of the bill.

The CHAIRMAN. The committee having completed the reading of the bill for amendment, and no Member desiring to offer a further amendment, the committee under the order of the House will rise.

Accordingly the committee rose; and Mr. WALSH, Speaker pro tempore, having taken the chair, Mr. STAFFORD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 10766, authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, and having adopted sundry amendments, he reported the bill back to the House with the amendments.

The SPEAKER pro tempore. Is there a demand for a separate vote on any amendment?

Mr. LONGWORTH. Mr. Speaker, I demand a separate vote on all the amendments to section 9. In the interest of the speedy passage of the bill, I ask unanimous consent that they may be voted on en bloc.

The SPEAKER pro tempore. The gentleman from Ohio asks unanimous consent that the amendments to section 9 be voted upon en bloc. Is there objection?

There was no objection.

Mr. BEGG. Mr. Speaker, I make the point that no quorum is present.

The SPEAKER pro tempore. The gentleman from Ohio makes the point that no quorum is present. Evidently there is no quorum present.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. STAFFORD) there were 44 ayes and 53 noes.

Mr. MONDELL. Mr. Speaker, I ask for tellers.

The SPEAKER pro tempore. The gentleman from Wyoming asks for tellers. Those in favor of taking the vote by tellers will rise. Thirty-six Members have arisen, not a sufficient number, and tellers are refused.

Mr. GARNER. Mr. Speaker, I move a call of the House.

The question was taken, and the motion was rejected.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that when the House adjourn to-day it adjourn to meet on Monday.

The SPEAKER pro tempore. That request is not in order, as there is no quorum present.

Mr. STAFFORD. No business can be transacted until a quorum is present.

The SPEAKER pro tempore. The gentleman from Wisconsin is correct.

Mr. GARNER. Mr. Speaker, having no quorum present, and the House having refused to adjourn, I guess we will all be seated to await developments by the gentleman from Wyoming.

The SPEAKER pro tempore. The Chair will state that in the absence of a quorum the House can vote to adjourn, can order a call of the House, and order the Sergeant at Arms to bring in the absentees. No other business is in order.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I renew the motion that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. BARKLEY) there were—ayes 68, noes 28.

So the motion was agreed to. Accordingly (at 6 o'clock and 20 minutes p. m.) the House adjourned until to-morrow, Saturday, May 20, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

613. Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and a partial survey of Tennessee River and tributaries, in North Carolina, Tennessee, Alabama, and Kentucky (H. Doc. No. 319), was taken from the Speaker's table, referred to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. BLAND of Indiana: Committee on Industrial Arts and Expositions. H. J. Res. 170. A joint resolution to approve the holding of a national and international exhibition in the city of Philadelphia in 1926 as an appropriate celebration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence; with amendments (Rept. No. 1017). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND of Indiana: Committee on Industrial Arts and Expositions. S. J. Res. 173. A joint resolution authorizing the President to appoint a commission to represent the Government of the United States at the centennial celebration of the independence of Brazil, to be held at Rio de Janeiro in September next; with amendments (Rept. No. 1018). Referred to the Committee of the Whole House on the state of the Union.

Mr. VOLSTEAD: Committee on the Judiciary. H. R. 9218. A bill to incorporate the American Mathematical Society; with an amendment (Rept. No. 1019). Referred to the House Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on the Post Office and Post Roads was discharged from the consideration of the bill (H. R. 6339) for the relief of Carrol A. Dickson, and the same was referred to the Committee on Claims.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MILLER: A bill (H. R. 11706) granting a certain right of way with authority to improve the same across the old canal right of way between Lakes Union and Washington, King County, Wash.; to the Committee on Military Affairs.

By Mr. HUDDLESTON: A bill (H. R. 11707) to regulate interstate commerce in the products of child labor; to the Committee on Interstate and Foreign Commerce.

By Mr. HAYDEN: Joint resolution (H. J. Res. 328) reappropriating $150,000 for completing construction of a diversion dam on the Gila River Indian Reservation, Ariz.; to the Committee on Appropriations.

By Mr. LEHLBACH: Joint resolution (H. J. Res. 329) authorizing the President to require the United States Sugar Equalization Board (Inc.) to take over and adjust the importation or importations of sugar from the Argentine Republic, which importation or importations were made at the request of the Department of Justice to relieve the shortage during the year 1920, and direct the said board to pay the losses sustained on such importations; to the Committee on Agriculture.

By Mr. HAMMER: Joint resolution (H. J. Res. 330) to authorize the Commissioners of the District of Columbia to effect daylight saving; to the Committee on the District of Columbia.

By the SPEAKER (by request): Memorial of the Legislature of the State of Kentucky, urging the same relief for those who lost in the operation of their business during the year 1920 regarding tax exemption as those who lost during the years 1919 or 1921; to the Committee on Ways and Means.

By Mr. CAREW: Memorial of the Legislature of the State of Kentucky regarding tax exemption to those who lost in the operation of their business during the year 1920 the same as those who lost during the year 1919 or 1921; to the Committee on Ways and Means.

By Mr. KISSEL: Memorial of the Legislature of the State of Kentucky regarding tax exemption to those who lost in the operation of their business during the year 1920 the same as those who lost during the year 1919 or 1921; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BELL: A bill (H. R. 11708) granting a pension to John H. Hubbard; to the Committee on Invalid Pensions.

By Mr. BROOKS of Pennsylvania: A bill (H. R. 11709) granting a pension to Sarah J. Heilman; to the Committee on Invalid Pensions.

By Mr. BROWNE of Wisconsin: A bill (H. R. 11710) to make a preliminary survey of the Wolf and Fox Rivers, State of Wisconsin, with a view to the control of floods, and for other purposes; to the Committee on Flood Control.

By Mr. FESS: A bill (H. R. 11711) granting a pension to Mary E. Hart; to the Committee on Invalid Pensions.

By Mr. GOLDSBOROUGH: A bill (H. R. 11712) for the relief of Roland Webster; to the Committee on War Claims.

By Mr. KETCHAM: A bill (H. R. 11713) granting a pension to Alice Hadsell; to the Committee on Invalid Pensions.

By Mr. MILLER: A bill (H. R. 11714) granting a pension to Francis M. Meadows; to the Committee on Invalid Pensions.

By Mr. OLDFIELD: A bill (H. R. 11715) granting a pension to William D. Gibson; to the Committee on Pensions.

Also, a bill (H. R. 11716) granting an increase of pension to Mary C. Bowen; to the Committee on Invalid Pensions.

By Mr. SCOTT of Tennessee: A bill (H. R. 11717) granting an increase of pension to Brooklyn Hodges; to the Committee on Pensions.

By Mr. SEARS: A bill (H. R. 11718) granting a pension to Clara S. Schuler; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 11719) granting an increase of pension to Ann Starkey; to the Committee on Invalid Pensions.

By Mr. STRONG of Pennsylvania: A bill (H. R. 11720) granting an increase of pension to Anna M. Miller; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5671. By the SPEAKER (by request): Resolutions adopted by the National Association of Builders' Exchanges at their last annual convention, relative to certain tax legislation; to the Committee on Ways and Means.

5672. Also (by request), resolutions adopted by the Presbytery of Boston, at Boston, Mass., indorsing H. R. 9753, to secure Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia.

5673. Also (by request), resolutions adopted by the Presbytery of Boston, at Boston, Mass., indorsing House Joint Resolution 131, relative to polygamy and polygamous marriages in the United States; to the Committee on the Judiciary.

5674. Also (by request), resolutions adopted by the Presbytery of Boston, at Boston, Mass., indorsing Senate Joint Resolution 31, relative to regulating marriage and divorce in the United States; to the Committee on the Judiciary.

5675. By Mr. ANSORGE: Petition of the National Republican Club, New York City, congratulating President Harding upon his appeal to Congress to maintain a United States Navy strength of 86,000 men and favoring a minimum strength of 150,000 men for the United States Army; to the Committee on Appropriations.

5676. Also, petition of J. F. Bingham Lodge, No. 155, Brotherhood of Locomotive Firemen and Enginemen, indorsing H. R. 10798; to the Committee on Interstate and Foreign Commerce.

5677. By Mr. CANNON: Petition of citizens of Illinois, in behalf of an amendment to the Constitution prohibiting Congress from making appropriations for sectarian use; to the Committee on the Judiciary.

5678. Also, petition of citizens of Illinois, for an amendment to the Constitution to prohibit polygamy; to the Committee on the Judiciary.

5679. Also, petition of citizens of Illinois, praying for adoption of a constitutional amendment authorizing Congress to enact uniform laws on the subject of marriage and divorce; to the Committee on the Judiciary.

5680. Also, petition of citizens of Illinois, for adoption of H. R. 9753; to the Committee on the District of Columbia.

5681. By Mr. COOPER of Ohio: Petition of Mrs. Hattie J. Kamenetzsky and other residents of Youngstown, Ohio, urging the recognition of Palestine as the Jewish homeland; to the Committee on Foreign Affairs.

5682. By Mr. FULLER: Petition of the Salesman's Association of the American Chemical Industry, favoring a tariff based on American valuation; to the Committee on Ways and Means.

5683. By Mr. GRAHAM of Illinois: Petition of Mrs. Jennie G. Morgan and others, relative to Senate bill 3083; to the Committee on the District of Columbia.

5684. By Mr. JOHNSON of South Dakota: Resolutions adopted by the Presbytery of Huron at Madison, S. Dak., indorsing Senate Joint Resolution 31, relative to uniform laws on the subject of marriage and divorce; to the Committee on the Judiciary.

5685. Also, resolutions adopted by the Presbytery of Huron at Madison, S. Dak., relative to prohibiting polygamy and polygamous marriages in the United States; to the Committee on the Judiciary.

5686. Also, resolutions adopted by the Presbytery of Huron at Madison, S. Dak., indorsing House bill 9753 to secure Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia.

5687. By Mr. KISSEL: Petition of the First National Bank, Louisville, Ky., relative to Senate bill 3255 and House bill 9527; to the Committee on Banking and Currency.

5688. Also, petition of the Metropolitan Dealers' Association, New York City, N. Y., favoring the Stephens-Kelly bill; to the Committee on Interstate and Foreign Commerce.

5689. By Mr. STAFFORD: Resolutions adopted by Milwaukee citizens at a mass meeting held at Plankinton Hall, Milwaukee, Wis., May 15, 1922; to the Committee on Interstate and Foreign Commerce.

5690. By Mr. STEENERSON: Petition of citizens of Minnesota, favoring the bill to prohibit the manufacture of filled milk; to the Committee on Agriculture.

5691. By Mr. STRONG of Kansas: Resolutions adopted by the Concordia Presbytery, United Presbyterian Church, at Manhattan, Kans., indorsing H. R. 9753, to secure Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia.

5692. Also, resolutions adopted by the Concordia Presbytery, United Presbyterian Church, at Manhattan, Kans., indorsing Senate Joint Resolution 31, relative to regulating marriage and divorce in the United States; to the Committee on the Judiciary.

5693. Also, resolutions adopted by the Concordia Presbytery, United Presbyterian Church, at Manhattan, Kans., indorsing House Joint Resolution 131, relative to prohibiting polygamy and polygamous marriages in the United States; to the Committee on the Judiciary.

SENATE.

SATURDAY, *May 20, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MOSES in the chair). The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	McKinley	Shortridge
Ball	Glass	McLean	Simmons
Borah	Gooding	McNary	Smoot
Brandegee	Hale	Moses	Spencer
Bursum	Harris	Myers	Sterling
Calder	Harrison	Nelson	Sutherland
Capper	Heflin	New	Underwood
Caraway	Hitchcock	Newberry	Wadsworth
Colt	Johnson	Norbeck	Walsh, Mass.
Culberson	Jones, N. Mex.	Oddie	Walsh, Mont.
Curtis	Jones, Wash.	Overman	Watson, Ga.
Dial	Kendrick	Page	Watson, Ind.
Dillingham	Keyes	Pepper	Williams
Edge	Ladd	Pomerene	Willis
Ernst	Lenroot	Ransdell	
Fletcher	McCormick	Robinson	
France	McCumber	Sheppard	

Mr. DIAL. I wish to announce that my colleague [Mr. SMITH] is unavoidably absent. I ask that this announcement may continue through the day.

The PRESIDING OFFICER. Sixty-five Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Presiding Officer [Mr. MOSES] as Acting President of the Senate pro tempore:

S. 1162. An act declaring Lake George, Yazoo County, Miss., to be a nonnavigable stream;

H. R. 2193. An act to amend the act entitled "An act to prohibit the importation and use of opium for other than medicinal purposes," approved February 9, 1909, as amended; and

H. R. 11645. An act making an appropriation to enable the Department of Justice to investigate and prosecute war frauds.

PETITIONS AND MEMORIALS.

Mr. NELSON presented resolutions adopted by the Presbytery of Mankato, Presbyterian Church, at Edgerton, Minn., favoring amendments to the Constitution prohibiting polygamy and providing for uniform marriage and divorce laws, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by the Presbyteries of Duluth and Mankato, Presbyterian Church, at Edgerton, Minn., favoring the enactment of legislation providing for Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. CAPPER presented a memorial of sundry dry-goods merchants of Salina, Kans., protesting against the proposed tariff duty on kid gloves, which was referred to the Committee on Finance.

He also presented resolutions adopted by the Shawnee Parent-Teachers' Association, of Shawnee, and the Park School Parent-Teachers' Association, of Kansas City, both in the State of Kansas, praying for the enactment of legislation creating a department of education, which were referred to the Committee on Education and Labor.

Mr. WILLIS presented the petition of Mrs. L. Jewell and sundry other citizens of Toledo, Ohio, praying that only a moderate duty be imposed on kid gloves in the pending tariff bill, which was referred to the Committee on Finance.

He also presented the memorial of C. S. Zigler and sundry other citizens of Delaware, Ohio, remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MCNARY:

A bill (S. 3628) authorizing the Secretary of the Interior to grant a patent of certain lands to Truman H. Ide; to the Committee on Public Lands and Surveys.

By Mr. CALDER:

A bill (S. 3629) granting relief to Red Cross nurses who served with the Army or Navy of the United States in the War with Spain or the Philippine insurrection; to the Committee on Pensions.

By Mr. WADSWORTH:

A bill (S. 3630) to amend an act entitled "An act to amend an act entitled 'An act for making further and more effectual provision for the national defense, and for other purposes,' approved June 3, 1916, and to establish military justice," approved June 4, 1920; to the Committee on Military Affairs.

TARIFF BILL AMENDMENT.

Mr. JOHNSON submitted an amendment intended to be proposed by him to House bill 7456, the tariff bill, which was referred to the Committee on Finance and ordered to be printed.

AMENDMENT TO HOUSE RIVER AND HARBOR BILL.

Mr. CALDER submitted an amendment providing for the improvement of Glen Cove Creek, Long Island, N. Y., intended to be proposed by him to the bill (H. R. 10766) authorizing appropriations for the prosecution and maintenance of public works on canals, rivers, and harbors, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

AMENDMENT TO PENSION BILL.

Mr. CALDER submitted an amendment intended to be proposed by him to the bill (H. R. 4) granting relief to soldiers and sailors of the War with Spain, Philippine insurrection, and Chinese Boxer rebellion campaign; to widows, former widows, and dependent parents of such soldiers and sailors; and to certain Army nurses; which was ordered to lie on the table and to be printed.

PRESIDENT HARDING ON NOMINATING CONVENTIONS.

Mr. HARRISON. Mr. President, on the 11th day of February the President made a speech in the city of Washington to the League of Republican Clubs, in which he advocated at that time a return to the party convention system of nominating candidates for office. I desire to incorporate in the RECORD that speech. I ask unanimous consent to do so.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

[From the Washington Post, February 12, 1922.]

THE PRESIDENT'S SPEECH.

In his speech President Harding said:

"I do not think there is occasion for me to make any remarks, except to congratulate myself that I had the good fortune to come in as I have. I have been edified and encouraged and delighted, though I have not shared the full program of the evening.

"I want to thank Colonel Cattel and Mrs. Speel for the very great pleasure they have afforded us all.

"I bring, I think for the first time, the mistress of the White House to a Republican banquet, and I want to convey to you my more than cordial greetings and to say how deeply and sincerely I am interested in Republican organization and everything that becomingly tends to promote party interest and party spirit and party activity.

GIVES CREDIT TO PARTY.

"I do not regret—nor ought you—I do not forget that I first acquired an expression of the trust of the Republican Party before I could have a position of trust in the Nation.

"I never forget that it was not I, the individual, who won the elections of 1920, but the United States of America gave its expression of confidence and hope in the party of Lincoln and McKinley and Roosevelt.

"I believe in political parties. Ours is a representative, popular Government through political party, and if I could express one outstanding wish to-night I would rather have a little more of the party spirit of Lincoln's time than some I know of nowadays.

CITES LINCOLN'S EXAMPLE.

"I do not mean that as Republicans who serve party, but as Republicans committed to the trust we serve the Republican honor of the party. Nor do I forget that Lincoln in his matchless career came to that time in his life when he met defeat, and he thought he was retiring into the shadows, never to know public service again. But he had stood for principles; he believed in parties, he supported party dictum and party policy, and because he was a partisan, and all that that means, somehow he came again into public service.

"Ladies and gentlemen and fellow Republicans, I would rather trust the declaration of a party in national convention, expressing the conscience of its membership in representative convention, looking forward to a successful appeal to the conscience and convictions of the country, than I would to the ephemeral whims of passing moments in public life.

FAVORS PARTY CONVENTIONS.

"Lincoln was the great partisan. No greater or better Republican ever lived. And he believed, as I know you believe, that the greatest possibilities for service are in the party. Of course, parties can not always foresee and declare upon all contingencies under our present system.

"I wish I dared—I will say it—I crave the return of intelligent conventions in the Republic. I had rather have men appeal for popular support on the pronouncements of party conventions, uttering their convictions, than to have the appeal of the individual for his particular locality.

"It has been said repeatedly men in Congress represent the Nation rather than the districts. That ought to be true; but, ladies and gentlemen, there is no party service worth while that is not in the end of the highest service to the Nation.

SERVICE HONORS PARTY.

"When you serve the Nation you honor the party that trusted you. I care not what our associations may be, if I did not believe with all my heart that a party policy was for public good, then I would seek to have my party alter the policy.

"There will never come a time when personalities and leadership do not impress themselves; there will never be a time when genius and talents are without their impress; but I believe in the collective judgment, and I said what I did a little while ago because I believe in that collective vision of the convention; I believe in the dictum of the party.

"I thought when Colonel Cattel was talking, speaking from his surpassing privilege of observation of American advancement, how we of America, the only truly representative popular Government that I know of in the world, how we of America have made the surpassing record of human progress of all the nations of the earth. That is no unseemly boast.

"In a century and a third, or a little more, we have outstripped all the peoples of the world. It is not because of our personality or individuality; it is not an extraordinary inheritance, because we of America are a blend of all the peoples of the world. It must have been, my countrymen, because of the foundation of the Republic on which we builded this representative Government. And as we developed it through political parties, I rejoice that we belong to the party which has made this surpassing contribution to American achievement.

"Men in public life and women in public life—I hope there will be more of you in public life before this administration is closed—you are not to be discouraged because the task is difficult and criticism is rife. Do not forget how they came to the master martyr who was lashed by angry tongues as no public servant was ever lashed. He drank from as bitter a cup as ever touched human lips, but his faith was unaffected, his courage was undaunted, and he wrote the supreme chapter in the life of the Republic, because in the commitment of his party he was devoted to union and nationality, and martyrdom revealed him as the colossal statesman of all times.

"It is a joy to gather with you to drink inspiration from his memory and to find ourselves resolved anew to give the most and the best that is in us to maintain the Republic—aye, the united Republic—he handed on to us, and make it worth the best citizenship in the world."

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, the pending amendment of the Committee on Finance being in paragraph 203, page 32, line 17, to strike out "17" and insert "20," so as to read:

Other cement, not specially provided for, 20 per cent ad valorem.

Mr. WILLIAMS. Mr. President, my attention has very recently been called to some words of wisdom at which I wonder, considering their party source. I am reading from a preliminary report from the select committee on reconstruction and production made by the Senator from New York [Mr. CALDER] in which, among other things, he said:

There is no doubt that there exists a serious shortage of housing not only in the great cities but in the smaller cities, as well even in the far West and South—

Now, our situation must be very serious when the Senator from New York takes notice of the far West and the South—

and that this shortage has a material effect upon industrial growth and upon public health and *morals*. The total housing construction during the last four years is hardly equal to that of a normal year. Rentals have increased from 25 to 150 per cent. Four years ago a house for workingmen cost on the average about $3,000.

A house for a workingman in Mississippi did not cost that. I call attention to that fact because I want the Senate and the country to know that the Senator from New York has not made any overstatement. He has made the cost four years ago greater than it really was, and he has made the cost to-day less than it really is, and still he has won his argument. I compliment him upon the conservatism of his statement.

I go on with the reading now.

To-day that same house costs $6,000.

Which, by the way, is an increase of 100 per cent. I continue the reading:

Houses produced at such cost are beyond the purchasing power of the workingmen of this country.

I will stop the reading there because that is sufficient. I have reached the point where high Republican authority informs me and you that houses for workingmen at the date of this report, December 14, 1920, "are beyond the purchasing power of the workingmen."

I compliment the Senator from New York upon his report. He was telling the truth and he was telling it conservatively. He understated it rather than overstated it. That is the situation. He says that this cost of construction in the large cities has extended even to the smaller towns in the far West and the remote South, which are parts of the Union by the general silent permission of the Northeast. I know it reaches further. It has gone out into the country—to the plantations. Some time ago I wanted to construct a few walks around the flower garden and the yard, and I inquired the price of cement, because I had to use it as a part of the raw material, with gravel and other things to make the mixture for the walk. I found it was far beyond my present ability with a restricted income to indulge in a luxury of that description. That was away out on a plantation where I could furnish the gravel, at any rate, for the hauling and have nothing much to buy except the cement and the lime.

Mr. President, as I sat here a moment ago while the roll was being called I was wondering if I could contribute to the harmony of this occasion and to the self-satisfaction of the Republican Party by calling attention to the high cost of construction, to the scarcity of homes, and to the peculiar remedy which the Republican Party is suggesting. They propose to cure the high cost of construction of homes for the workman, who already can not construct one, as the Senator from New York has asserted most conservatively, an assertion from which he can not retreat—they propose to remedy that condition by two pieces of rather inexplicable conduct, if anybody except the Republican Party had been guilty of the conduct.

Upon yesterday at adjournment they left a high duty upon bricks which are used in construction, and this morning they are proposing to put a duty of about $1 a ton, I believe it is, upon cement. What they are going to do with lumber everybody is aware. Mr. President, I want to call attention to the remarkable lucidity of the intellectual processes of the Republican Party when called upon to solve great and distressing problems which are announced to exist by one of their main constituent elements, the Senator from New York. It consists in this: That "when a difficulty is discovered the increase of the difficulty will cure the difficulty." They have tried that in this bill as to nearly everything concerning which one may speak. There is a high cost of living, and yet the Republican Party is priding itself upon the fact that it is going to make foodstuffs higher and ordinary textiles and wearing apparel still higher. There is a shortage of houses, and a great cry of distress has gone up in the District of Columbia, so extreme

that it has produced the abnormal Ball law, which we are going to be asked to renew in a few days, and the cure the Republicans propose for that is to render it still more expensive to build houses, unless you do not build them out of either lumber, brick, or cement. Of course, adobe houses down in Arizona and New Mexico have thus far not been increased in price by the Republican Party, and I am not aware now that any adobe mud has been imported or is threatened; but the last time I inquired as to the price of cement and was looking into it, things were in such a condition as to the prices that even if cement had been brought here in ballast it would not have threatened those who were trying to profiteer in selling it to me.

Mr. President, it seems to me when the Republican Party discovers an apostle, a man who comes out with "glad tidings of a new birth," and amongst other things announces that there must be a reduction in the cost of construction, especially for workingmen's houses, that even the Republican Party ought to have respect enough for an apostle in its own ranks not to undertake to stultify itself and him and counteract all his ameliorating influence by increasing the price of the very thing that he has said was already so high that "the workingman could not afford a home."

Mr. President, if the workingman can not afford a home, then we are in a bad fix. We have been threatened with a bad fix for a long time, because even in normal conditions at normal prices of construction only a very small percentage of workingmen have been able to afford to own a home. The remainder of them have rented their homes or their joint tenements, crowded to death. They have become a dissatisfied element of American citizenry. The most threatening thing which can happen to any republic in the world, where one vote is equal to another, is that a large number of comparatively uninstructed people shall find their way in life hard to travel. They had already found that even before the World War and now, in consequence of the natural evolutions of war, that way has become still more difficult and still more hard to travel.

The Senator from New York has called attention to that in words which are convincing and eloquent; his party has heard his voice crying in the wilderness, and it now comes forward with a solution of the difficulty which consists of making bricks still more costly and in making cement still more costly, or, if not that, in providing a tariff against the day when they shall fall in price by natural evolution, by natural readjustment of industry to its normal basis.

Mr. President, I am not a great believer in dwelling too much upon the schedules of a tariff bill. When I know the object of the tariff is either to increase the cost of living to the consumer or to decrease it, I take my side at once in favor of the tariff that decreases and in opposition to the tariff that increases the cost of living of the consumer; but I am aware of the fact that I occupy a peculiar and, just at this point, an unpopular, or, at any rate, an unfashionable attitude upon that subject. So I did think that even I with my unfashionable views would dwell just a moment upon what seemed to my poor uninstructed Mississippi Democratic intelligence rather a contradiction in the position which the apostles of the Republican Party have assumed and which the Committee on Finance, legislatively representing the Republican Party, has assumed.

I would be delighted to hear some justification of an attempt to raise the price of brick and to raise the price of cement so that the American producers of these two articles may make a larger profit or may, at any rate, earn a larger sum of gross income from these products, when the conditions of things is such that the ordinary man in the city or town or even upon a plantation to-day can not afford to build, and when the condition is such at the Capital of the Nation that the Ball rent bill has been a law for quite a while and is going to be extended very soon, and doubtless by the vote of the Senator from New York amongst others, though as to that I am not fully informed.

Then there is the White House crying, "Back to normalcy"—not very good English, but at least comprehensible by the American people—and here is the Republican Party attempting to keep us from getting back to "normalcy" with all the power and influence of the Committee on Finance and with the votes of the Republican Members of this august debating body behind the obstruction.

I should like to hear some defense made by the Senator from New York, in view of his report, concerning this attempt to raise the price of cement by an increased duty on its importation. I am aware that he may say that it "will not result in raising the price," but, Mr. President, the *intention* of every increase of duty is to raise the price. That is its intention, whatever may be its effect; otherwise the man who proposes it is a fool; he has not the sense with which he was born. The only object of increasing a duty is to protect the American producer, and the only way in which increasing a duty may protect the American producer is to enable the American producer to sell at a higher price. So I hope that when the Senator goes into his reply to me he will not commit the further Republican stultification of saying that the object of the increased duty is not to raise the price.

THOMAS B. FELDER.

Mr. CARAWAY. Mr. President, late yesterday afternoon the Senator from New York [Mr. WADSWORTH], by unanimous consent, had placed in the RECORD a letter written to him by Thomas B. Felder, an attorney, of New York City. In presenting the letter the Senator from New York said that it was an answer, in the truest sense, of the criticism that had been offered against the reputation of Mr. Felder.

Personally, I have no interest in Felder; so far as I know, I never saw him but once, and that was when he came to my office to convince me that he and not the present Attorney General was instrumental in securing a commutation of sentence for Charles W. Morse, who at that time was confined as a prisoner in the penitentiary at Atlanta. Because I did not agree with Mr. Felder he wrote me a letter which I incorporated in the RECORD. The Senator from Georgia [Mr. WATSON] thereupon made a statement as to the reputation of Felder while a citizen of Georgia. After that I received a very offensive letter from Mr. Felder, written from New York City. In that letter he wanted me to waive my personal immunity. He wanted me to infer that he was going to inflict some kind of punishment on me. I immediately wrote him a letter and waived all personal immunity, and then had a letter from Mr. Felder saying that he did not want to come to see me because I had been discourteous when he had done so previously. Then he sought the aid of the Senator from New York, who, I am persuaded, knew of all these matters, because every Senator has had a copy of those letters placed on his desk. Therefore, I repeat, I am sure the Senator from New York had full knowledge of this correspondence when he inserted in the RECORD on yesterday the letter in defense of Mr. Felder. I had no objection to that being done. I never would have discussed Mr. Felder's reputation at all if it had not been that he was connected—and boasted of the fact—with the Attorney General, Harry Daugherty, in securing this pardon. He thrust himself into the controversy and his reputation became an issue.

I have here on my desk letters, papers, and reports dealing rather freely with Felder's reputation in Georgia and South Carolina. I shall insert them in the RECORD after quoting from them. I shall then be glad, if the Senator from New York wants to indorse Mr. Felder's record and reputation, to have him do so.

First, however, Mr. President, this whole controversy grew out of a reference I made to a report, which was common, that Daugherty before he became Attorney General had been instrumental in procuring a commutation of sentence for Morse. When I made reference to that fact the Senator from Indiana [Mr. WATSON]—and I notified him that I was going to take up this matter and asked him to be present, but he sees fit not to do so—had insisted that the Attorney General told him he had absolutely nothing to do with the pardon or commutation of sentence of Morse.

I want to read again the exact language of the Senator from Indiana, and then I hope that when I shall put into the RECORD a letter that I have here in my possession, he and the Attorney General will adjust this question of veracity between themselves.

This is the statement of the Senator from Indiana:

I meant by that that my understanding—

He was speaking of his understanding from numerous conversations had with the Attorney General about this particular question—

I meant by that that my understanding of the situation is that he was representing his client, and that the testimony of Mr. Morse was necessary, and that in that way he had contact with Mr. Morse; but he did not get him out of the penitentiary; he had not anything to do with getting him out of the penitentiary; and he received no fee for getting him out of the penitentiary.

The Attorney General told the Senator from Indiana [Mr. WATSON] that he had nothing to do with the Morse commutation. I know this because the Senator from Indiana said so on the floor of the Senate.

Mr. HARRISON. May I ask the Senator to give the date of that colloquy on the floor of the Senate?

Mr. CARAWAY. May 2, 1922.

I now have in my hand a photostatic copy of the contract between Harry Daugherty and C. W. Morse, in which for $25,000, contingent, he would get him out of the penitentiary. I shall

read it for the benefit of the Senator from Ohio [Mr. WILLIS], who rushed to the defense of the Attorney General. I shall read it for the benefit of the Senator from Indiana [Mr. WATSON], who purposely absents himself from the floor when he knows this question is to be discussed. He may read it in the RECORD.

The first is a letter written by Daugherty to Morse after he was pardoned. It is as follows:

LAW OFFICES OF DAUGHERTY, TODD & RAREY,
WYANDOTTE BUILDING,
Columbus, Ohio, April 30, 1913.

Mr. C. W. MORSE,
New York City,

MY DEAR SIR: I inclose you herewith copy of the letter setting forth the contract you made of August 4, 1911, with Mr. Felder for his services and mine. You will observe that I was correct in the statement that there was a balance due of $25,000 when you were commuted. I also hand you a copy of a paper you handed me in the prison some time after that time, and I have to-day asked Mrs. Daugherty to send to you by express the papers which I got from Harry and others from time to time—

"Harry," I understand, is the son of Mr. Morse—

which you spoke to me about.

As I advised you, I have telegraphed Mr. Felder, and written him, to meet me there with you next Monday or Tuesday. I will advise you as soon as I have a confirmation from him of this engagement.

Yours very truly,

H. M. DAUGHERTY.

Here is what he transmitted in that letter, Mr. President:

(Clifford L. Anderson, James L. Anderson, Thomas B. Felder, jr., Daniel W. Rountree, Charles G. Wilson, George P. Whitman.)

ANDERSON, FELDER, ROUNTREE & WILSON,
ATTORNEYS AT LAW,
Atlanta, August 4, 1911.

Mr. C. W. MORSE, *Atlanta, Ga.*

DEAR SIR: In further relation to the employment of Hon. H. M. Daugherty and myself, permit me to say that we will undertake to represent you in your civil and criminal matters upon the following basis:

1. You are to pay Hon. H. M. Daugherty a retainer of $5,000 and the actual expenses incurred by him in looking after your matters, expenses not to exceed $1,000.

2. I will pay such expenses as I may incur in connection therewith.

3. You are to direct counsel heretofore employed to withdraw your appeal in the habeas corpus proceedings heretofore instituted.

Now, look here:

4. We are to receive, in the event we secure an unconditional pardon or commutation for you, the sum of $25,000, which is to be in full compensation for services rendered in connection with your application for pardon.

5. We are to receive 25 per cent of whatever sums we may be able to recover by compromise or litigation in the matter of the Metropolitan Steamship Co., said transaction being fully described in your letter addressed to me dated August 2, 1911. If we find it necessary in the prosecution of these matters to have associated with us other counsel, we are to select such counsel, subject, of course, to your approval, and they are to be provided for out of our compensation.

6. In all matters herein undertaken in your behalf we are to have full and absolute control, and you are to accept implicitly our counsel and advice.

If the above and foregoing terms are satisfactory, you will signify your acceptance thereof in writing.

I remain, yours very truly,

THOMAS B. FELDER.

P. S.—You can terminate this contract at any time after January 1, 1912, by giving 10 days' notice in writing.

THOMAS B. FELDER.

I accept the above, this the 4th day of August, 1911.

C. W. MORSE.

Mr. President, the Attorney General for some reason assured the Senator from Indiana, and had him repeat here on the floor, that he had had nothing to do with Morse's commutation of sentence. There is another Republican Senator sitting here on the floor to whom the Attorney General made the same statement not a great while ago. There is some reason for the Attorney General to have made that statement; what is it, Mr. President? If it were a transaction of which a man should be proud, if it were a transaction that involved nothing dishonorable, the Attorney General would not have given this assurance to the Senator from Indiana, his close personal friend. And he is the close friend and associate of the Senator from Indiana. I have that on the statement of the Senator from Indiana, that they are closely associated, and have been for years, and that they frequently have social engagements, and that at these times the Attorney General assured him he had nothing to do with this case. Well, he did.

The Attorney General knew that he did, and he took advantage of the Senator from Indiana when he had him repeat that statement upon the floor of the Senate assuring the Senate and the country that the Attorney General had nothing to do with the Morse case, when the Attorney General knew that that statement was not true. He induced the Senator from Indiana to make it in good faith, he, the Attorney General, knowing at the time that the statement was not the truth, for he did represent Morse in getting this commutation.

Felder becomes of interest in this case from another point. Felder, in his letter to me, said that he and the Attorney General were close and intimate friends and associates—I am not quoting his exact language—and had cooperated together, and that that was the reason he selected Mr. Daugherty to help him get the pardon or commutation for Morse. My information is, however, in passing, that at that particular time Mr. Daugherty was acting as the campaign manager for Mr. Taft, who was running for a second term, and was being pursued by a man named Theodore Roosevelt, and about that time Mr. Taft made his famous speech in Ohio in which he said he "was like a rat in a hole and had to fight." I do not assert upon my own information that Mr. Daugherty was acting as his campaign manager in Ohio, though I have been assured that that is true by numbers of people who tell me they were familiar with the facts; but I want to qualify the statement that I have no personal knowledge as to that.

Before I go further I want to call attention to the fact that this association, this partnership in taking care of people charged with crime between the Attorney General and Thomas M. Felder seems to be a continuing partnership, or else a man whose reputation never has heretofore been questioned is not truthful. I want to read a statement and letter which were put in the CONGRESSIONAL RECORD on the 15th day of May, 1922.

Felder—the same Thomas B. Felder—is the man mentioned here. I want to read the letter, and then a word of explanation will be necessary.

This letter is addressed to Hon. ROY O. WOODRUFF and bears date of May 5, 1922. It is as follows:

MAY 5, 1922.

Hon. ROY O. WOODRUFF,
House of Representatives, Washington, D. C.

MY DEAR MR. WOODRUFF: Before bringing to your attention my memorandum to Col. Guy D. Goff, Acting Attorney General, dated March 18, 1922, and incorporated in your speech to Congress on April 11, I desired to be sure that Hon. H. M. Daugherty, the Attorney General, was personally acquainted with and fully informed as to all matters involved in the situation at the Department of Justice, in order that he might act in the premises if he desired to do so.

I was informed that Col. T. B. Felder was a very close personal friend of Mr. Daugherty, and I was brought in contact with Colonel Felder and explained the situation to him and requested him to call the attention of the Attorney General to the reports that I had filed and to inform him that unless he acted I would pursue the course indicated in the memorandum referred to. The next day I was called to the office of the Attorney General, and he stated to me that he had my reports before him, and I then ascertained that he had been personally acquainted with the situation.

The Attorney General stated to me that he would call me into conference on the following Tuesday, but I heard nothing further from him, and after waiting a sufficient time to give him every opportunity to act, I formally transmitted the matter to you, as is now well known. I might add that I had never known Colonel Felder before meeting him on this occasion and for the purpose stated, and subsequent thereto have only seen him casually until last night.

Yesterday I had a message from Colonel Felder to meet him in his room at the Shoreham Hotel, which I did last night, and in the presence of a witness I engaged with him in an extended discussion of conditions in the Department of Justice, of which I had complained. I stated to him that I had no animus against the Attorney General, but that I felt most bitter against the conditions which he was permitting in the Department of Justice. During the course of the conversation Colonel Felder stated that he had been retained as counsel for the Bosch Magneto Co. and that he desired to associate me with him in the case. He told me that he had been with the Attorney General during the afternoon and had gone into the matter with him fully and that the Attorney General wanted him to see me. He stated that the Attorney General had agreed to cooperate with us and that he had also talked with Col. Guy D. Goff for an hour and a half during the afternoon, and that everything had been arranged for us to proceed.

Before leaving his room in the Shoreham Hotel Colonel Felder stated that he was going to spend the night with the Attorney General at the Wardman Park Hotel and that they would talk about the matter until 3 o'clock that night. Each time Colonel Felder broached the subject of my employment I shifted the subject, and when we parted he asked me to do nothing in my fight until he could see me next day. When we parted Colonel Felder took a taxi for the Wardman Park Hotel and asked me to join him that far out on my way home, but I declined. This morning I received a letter from Colonel Felder notifying me that I had been retained in the Bosch Magneto case, a copy of which is hereto attached.

While I think it is eminently proper that a suit should be brought to set aside the Bosch Magneto sale, and while under ordinary circumstances I would have had no hesitation in being employed in the case, when Colonel Felder disclosed the fact that he had come to me from the Attorney General and with the arrangements that had been suggested, the impropriety of the proposal I consider reprehensible, and I desire that you be acquainted with the facts.

In order that there may be no misconception of my true position and intentions in the matter in case I am further approached, I am reducing the foregoing statement to writing and will have this letter duly witnessed.

Very truly yours, H. L. SCAIFE.

Here is the Felder letter:

SHOREHAM HOTEL, *Washington.*

DEAR CAPTAIN SCAIFE: Am obliged to return to New York to-night. Sorry I did not see you before my departure——

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Ohio?

Mr. CARAWAY. I yield.

Mr. WILLIS. Will the Senator kindly give the page of the RECORD? I have been looking for the document.

Mr. CARAWAY. This is dated May 5.

Mr. WILLIS. Will the Senator give me the page?

Mr. CARAWAY. It is page 7613. Here is the letter. I will begin it again. It reads:

SHOREHAM HOTEL, *Washington.*

DEAR CAPTAIN SCAIFE: Am obliged to return to New York to-night. Sorry I did not see you before my departure. I expect to return on Monday or Tuesday next, when I will complete our tentative arrangements. You may consider yourself retained in the Bosch Magneto case. We will discuss the details on my return.

Very truly yours,

THOS. B. FELDER.

The above letter was undated, but bears postmark of May 5, 1922.

The Attorney General never has denied it. The Bosch Magneto case is one of the big cases pending before the Department of Justice. It is one in which it is contended that the Government was robbed of anywhere from two to ten million dollars, and Scaife is the special agent of the Department of Justice who made the investigation. He is the man who wanted the Attorney General to proceed. He is the man whom the Attorney General discharged, not for not telling the truth but because he gave out information to ROY JOHNSON and ROY WOODRUFF, two Members of the House, two former soldiers in the World War, two men who have been honored by their people. They made public the report which Scaife gave to them, and the Attorney General discharged him, saying, "You have been disloyal to the Department of Justice"; not that what he said was not true. Even the Attorney General did not dare to say that.

He discharged Scaife, saying, "You have been disloyal to the department," not that "You have given out statements that are not true," but "You have given out true information, and the department did not want it given out, and therefore you are discharged."

Felder knew that this man Scaife was the principal investigator for the Government, the man who had made the investigations on which the Government is expected to recover from this company anywhere from two to ten million dollars, and coming directly from the Attorney General, where he had a conference about this case, and at the request of the Attorney General wanted to hire this man to become the head of the defense in this lawsuit which the Attorney General is presumed to bring against the Bosch Magneto Co.

In other words, at the request of the Attorney General, Thomas B. Felder was undertaking to hire away from the Government the investigator on whom the Government must rely if it is to recover judgment against this company.

The association, therefore, which Felder bragged about existing in 1911, that did exist in obtaining commutation of the sentence for Charles W. Morse, according to this testimony, which has been in the RECORD for a week, and undisputed, still exists, the Attorney General representing the Government and Thomas B. Felder representing the defendant and hiring, or trying to hire, the Government's witnesses away from the Government at the request of the Attorney General.

I say there is but one decent thing for the Attorney General to do, and that is to resign. He ought not to embarrass the administration by longer continuing in office, because he has not denied, for a whole week, this statement in the RECORD that he induced Thomas B. Felder, his close associate and former colleague in the procuring of a commutation of sentence for Morse, to hire the Government's witnesses in this case, which he, the Attorney General, is, under his oath of office, compelled to prosecute.

I did not want to go into these matters further, but the Senator from New York, in his anxiety to put Mr. Felder "right" before the country, compels me, and I shall therefore meet the issue; and I want to say now, for fear I forget it, if the Attorney General wants to make an explanation he may do so. If he does not, there are other statements coming along regularly now, signed documents, which the Attorney General and none of his apologists truthfully dispute. I merely drop that information for the benefit of the Attorney General and his associates.

Here is a paper, the Lincoln Journal, published in Lincoln, Ga. It is dated Thursday, May 11, 1922, and contains an editorial bearing upon Colonel Felder's reputation. The headline is, "The ex-Georgia lobbyist," and the article reads:

Everyone who has been in the Georgia Legislature any time within the last 20 years prior to 1916 remembers Thomas B. Felder. Suave, full of gush and bombast, he was known as the king-bee lobbyist. He represented the liquor interests and fought every temperance measure until the first prohibition law was enacted. Realizing then that public sentiment had reached a point which would not tolerate a return of the old-fashioned saloon, and knowing that the mill would no longer grind, as an evidence of his craftiness he joined the ranks of the Antisaloon League as their paid lobbyist, and assisted in putting through the bone-dry law, which prohibited the shipment of whisky into the State for personal or medicinal use.

No one who knows Felder, the professional lobbyist and corruptionist for over 20 years, believes he experienced any change of heart. The antisaloon people may have thought they needed him, but they didn't. Public sentiment had done the work in spite of the efforts of Felder and those he represented. A lot of perfectly good money was thrown away in employing him, but he was shrewd enough to make the gullibles believe that his services were necessary.

After the "drought" hit Georgia in earnest Felder moved to New York, where, through the liberal use of publicity, he has kept himself more or less in the limelight.

That is from a paper published in Georgia by a member of the State senate, and if the Senator from New York thinks that a man whose reputation was as stated there deserves his indorsement here in the Senate, I am perfectly willing that he should extend it. But that is not all.

Mr. POMERENE. What is the date of that last article?

Mr. CARAWAY. The paper bears date Thursday, May 11, 1922, and the article appears on the second page of the paper.

Here is a paper published in Savannah, one of the larger cities of Georgia. I shall read a statement from it:

WE ARE MAD WITH TOM WATSON ABOUT ABUSING TOM BOSH FELDER.

A general wave of indignation went up from Savannah when they read what Senator WATSON said about "our own Tom Bosh."

Senator WATSON was called on by the Senator from Arkansas to tell what he knew about the "Hon. Thomas B. Felder."

The two Senators must have made it up to skin "our own Tom Bosh."

WATSON said Felder was a crook; that he was not a lawyer but a lobbyist.

WATSON knows Felder as well as anybody on earth knows him.

Felder is the duck who wanted to stick his knife in the Hawkeye in the Kimball House lobby in Atlanta because we printed the same thing about him that Senator WATSON said about him on the floor of the Senate.

He is the same duck that came down here and induced ex-Mayor Pierpont to give him $1,000 to save his hide before the Georgia Legislature.

It was through this source the prohibition ranks were swelled by the number of two men. Pierpont "j'ined," and so did Felder. Felder got Pierpont's money and Pierpont retired to private life at the end of his term.

That seems to be Felder's reputation. In my hand is a letter written to the Senator from Georgia [Mr. WATSON] from a former official of Georgia, and I shall read part of it, as follows:

Your denunciation of "T. Bosh Felder" was rich and well merited. Everybody who has ever been in the legislature knows that he was nothing but a professional lobbyist and corruptionist. He was about the worst one we ever had. I was in the convention when you denounced him to his face, and, just as you stated, he turned very pale, but made no attempt to reply or to refute what you said about him. He could not, because he knew it was true.

As I expect the Senator from New York to defend Felder again, I have some other testimonials about the Hon. Thomas B. Felder, and I want to say that I notice him at all in this controversy because, and only because, it is shown that he and the Attorney General have had a working partnership for years, and the Attorney General must have known and does know the reputation of Felder, and he chooses him with knowledge. According to Felder's statement he and the Attorney General have been closely associated, and according to Felder's statement of the 4th or 5th of this month, he, the same Thomas B. Felder, and the Attorney General, Daugherty, were closeted together arranging an agreement to settle the Bosch magneto case and agreeing that Felder should hire the Government's investigator away from the Government.

This is a report of a former Governor of South Carolina, under date of January, 1913. It reads:

FELDER'S MOTIVES.

About 15 months ago information came to me that one T. B. Felder, of Atlanta, Ga., had attempted to bribe certain officials of this State, and that he had endeavored to form a conspiracy to defraud the State and her people.

Letters written by this man were placed with me, showing conclusively his guilt.

As your chief executive, it was my duty, if it were possible for me to do so, to have Felder placed on trial in your courts. Seeking to carry out the law of the State, I attempted to have Felder arrested. Being a man of some ability, possessed of considerable wealth, connected with certain influences and interests in the State of Georgia, supported by some men in South Carolina who hated me more than they loved their State, being unscrupulous in his methods, knowing that he was guilty of the charges that I had brought against him, and fearing to face an honest South Carolina jury, Felder evaded arrest and has continuously since remained a fugitive from the justice of this State.

Mr. WADSWORTH. Mr. President, will the Senator state the name of the governor?

Mr. CARAWAY. Gov. Cole Blease. Under the law as it used to be in South Carolina there was a dispensary commission. The dispensaries handled all the liquor. The commissioners bought the whisky, and it was sold through the dispensaries, which were governmental agencies. If I am not right the Senator from South Carolina [Mr. DIAL] will correct me. In 1911 and 1912 among the commissioners was one H. H. Evans. I

think a man named Towill was another. Does the Senator from South Carolina remember who the other member was?

Mr. DIAL. I do not remember who the commissioners were at the different times. There were three who composed the board.

Mr. CARAWAY. Anyway, I have here their sworn testimony about what occurred, but fortunately a lot of it does not rest on their sworn testimony. I want to read for the benefit of the Senator from New York, who wanted to know who the governor was, a letter from the Senator's friend, Mr. Felder. Here is the letter. It starts by giving the name of the hotel, and it says "Fireproof." I rather think he was wise in selecting that hotel.

(Will V. Zimmermann, manager; C. J. Owens, assistant manager. Europlan and amiplan.)

THE PIEDMONT,
Atlanta, Ga., October 2, 1905.

DEAR HUB:—

That is H. H. Evans—

I have just returned from Peoria, Ill. I have framed up our company in such a way that we will be able to make all the money out of it by the time your term as commissioner expires as we will reasonably need and you can then retire. I want you to think seriously of the plan which I submit and make an appointment as soon as possible, either here or elsewhere, and I can discuss with you more fully and satisfactorily the details. The plan is sufficiently feasible to justify our taking your associates in on the ground floor—

That is, the other two commissioners, you know. That part of it might be entirely good form in some States.

The plan is sufficiently feasible to justify our taking your associates in on the ground floor. It is this: The capital stock of the company at present is $100,000—owned by you and I—

That is the first time Evans ever knew he owned half of the stock—

It is all paid for, and I have the actual custody of the stock. Hull, the general manager of Clarke Bros. & Co., wants an interest, and we may need him, but not a present. If we can get for October, November, and December large orders from Carolina—

That is, if this commissioner will buy large quantities of whisky—

I can issue $500,000 of preferred stock of the company, sell it to parties who have already agreed to purchase, we can divide the proceeds from the sale of the preferred, and then do one of two things—sell the common and let some new company run it or run it ourselves. Meantime we will have in hand $250,000 each, less such sums as we may have to pay to others to secure business in the meantime. Now, Hub, I want you to give this matter your serious consideration and cooperation. If you will do it, I will make you a fortune, and that very quickly. Wire me when and where you will meet me upon receipt of this. We have very little time in which to "pull the scheme together."

Have been working on the plan several months and now have it perfected. I have a brother-in-law in Indiana, a millionaire, who assisted me in working out the plans and will assist me in selling the preferred stock as soon as we can make a good showing. He has, as all other very rich men, accumulated his fortune by the manipulation of stocks. There is enough in this plan to justify us in paying more for business than anyone else can afford—

That is, we can corrupt the officers because we have more than anybody else—

There is enough in this plan to justify us in paying more for business than anyone else can afford, as you will perceive. Then, too, as Clarke Bros. & Co. are the largest distillers in the United States no one can be criticized for giving them large orders. Whatever is done must be speedily done. Can you get your associates to meet us here or in Augusta right away? Now, Hub, don't dillydally about this, for after months of labor my plans are mature and we can make a killing.

Yours, T. B.

That is Thomas B. Felder. There are many of these ethical letters. Here is the sworn testimony of the man to whom they were addressed, their sworn testimony as to the proposition he made to them when he met them. Here is the proclamation of the governor that he was a fugitive from justice.

I am perfectly willing for the Senator from New York to indorse him. He says Felder has moved to his State, and if he wants to defend his record I am not going to criticize him. The Senator has a right to do it. The record shows that Daugherty & Felder had a written contract to secure a pardon or commutation for Morse on what lawyers call a contingent fee; that is, "if we do not get you out, you do not owe us a cent." It is a kind of contract, so far as I know, that reputable lawyers nowhere make in dealing with criminal matters. I never knew in my experience a lawyer to undertake a criminal matter on what is called a contingent fee.

The Attorney General made that contract and the Attorney General, with Thomas B. Felder, got Morse out of the penitentiary by means of a representation that Morse was dying of Bright's disease, when, in fact, he was not a sick man at all, I am informed.

The Senator from Ohio [Mr. WILLIS] had placed in the RECORD a letter that Mr. Taft is said to have written to Attorney General, then Mr. Harry M. Daugherty, when he, Daugherty, thought he was a candidate for office in Ohio, saying that Daugherty had nothing to do with this case—that is not exactly the language, but that he told him he was merely employed as attorney and did not make any recommendation. I promise to produce the record that will show that former President Taft had forgotten. In the meantime Mr. Taft, after he retired from the Presidency by unanimous consent, wrote "What the President can really do" and had it published in the Ladies' Home Journal. One of the installments appears in the April, 1914, issue, and I presume everybody will recognize this case as the Morse case. I read from page 82:

One never knows until he has been in the Presidency the amount of pressure that is brought in one way and another to stay the prosecutions and to pardon criminals. I had two cases before me in which it was represented to me that both of the convicts were near death, and I instituted an investigation to find out the truth through the Army Medical Corps. Examinations were made, watches were established over the sick men, and it was reported to me that both were in the last stages of a fatal disease. One of them died soon after he was released from the penitentiary. Another of them is apparently in excellent health and seeking to reestablish himself in the field in which he committed a penitentiary offense. This shakes one's faith in expert examination.

The President said they put up a job on him, in the language of the street; at least, that is what he seemed to say as politely as he could.

I wrote to Chief Justice Taft about this case and have a letter from him. I thoroughly appreciate his position. He says he does not want to become mixed up in it. I did not intend to do it, but the Senator from Ohio, his friend, feeling the necessity of coming to the rescue of the Attorney General, brought the former President into this controversy by having published a letter that the former President gave out to help Mr. Daugherty when he was assaulting—I mean, attempting to run for office in Ohio. So, in order to bolster up his reputation, the Senator from Ohio [Mr. WILLIS] produced a letter from the present Chief Justice, former President Taft, written in 1915, when Mr. Daugherty had appealed to the former President to help him out, and that letter was placed in the RECORD. I do not blame the Chief Justice for not wanting to be mixed up in this case. I do not blame anybody for wanting to keep away from it.

Mr. President, yesterday evening the Attorney General gave out an interview, and the headlines are as follows:

Daugherty to name Democratic grafters. Promises exposé in frauds to jar Nation.

In this interview he says that he is having trouble to get a lawyer who will prosecute these Democratic criminals, and that if he can not get a good lawyer he is going into court and do it himself. If the Attorney General imagines any Democrat is going to change his course because he gives out these big interviews, the Attorney General does not know Democrats.

But to show how much real fear that threat ought to inspire, I shall read a newspapers clipping. First, I wish to ask the Senator from Ohio if he is familiar with a paper published in Ohio called the Ohio State Journal?

Mr. WILLIS. Yes; I know that paper very well.

Mr. CARAWAY. A Republican paper?

Mr. WILLIS. No; it is not.

Mr. CARAWAY. When did it cease to be—when the Senator ran for office?

Mr. WILLIS. Oh, no. There are three papers in the city of Columbus, and the Senator can ascertain by talking with anyone familiar with the situation there, that there is no Republican paper in the capital city of the State of Ohio. The best that can be said of the Ohio State Journal is that it is an independent paper.

Mr. CARAWAY. I rather imagine from the denials that there are no Republican papers anywhere; that all of the papers have turned Democratic. The Senator from Missouri [Mr. SPENCER] denounced the St. Louis Globe-Democrat as being a Democratic paper, and said it had ceased to be a Republican paper, although it has been known as the leading Republican paper west of the Mississippi River long before the junior Senator from Missouri blessed the Senate with his presence.

Now the Senator from Ohio denies that the Ohio State Journal is a Republican paper. Anyway, here is what it published the other day:

Our own further unparalleled offer for the day:

That is the headline.

We will give $2,500 in gold for every grafting war contractor put in jail by Harry Daugherty, with an extra prize of a genuine Packard Single-Six in every case where said grafting war contractor so placed in jail is a Republican.

Anyway, that is a leading newspaper published in the town where the Attorney General lives. I merely read that for the

consolation of the people whom Daugherty now threatens. In conclusion, the Attorney General must admit that he was joking—I will say that to be polite—when he induced the Senator from Indiana to deny that he had anything to do with the Morse case. If he is not joking now about prosecuting Democrats, I want him to make his threat good to prosecute Democrats and pardon Republicans, because that is what the interview implies. The warning is that, "You Republicans who grafted need not fear, because I am your own Harry Daugherty, but all Democrats whom Wilson appointed to office had better make your peace with God, because I, Harry Daugherty, am after Democrats."

Mr. President, he ought now to make good that threat. I promise him that if he does not do it another document that he will not like is going to be printed in the CONGRESSIONAL RECORD right away. I will give him time to make up his mind. We are threatening each other now, and I am going to make good; he is not.

I want here, Mr. President, to waive all personal immunity for the benefit of Thomas B. Felder or any of his friends. I do not waive any legal right, for I do not want to be harassed by a lot of blackmailing lawsuits; but I waive all personal immunity. Felder said he wanted me to put that in the RECORD, and I do so. I include in that waiver the Hon. Thomas B. Felder and any of his friends or apologists.

Mr. WATSON of Georgia. Mr. President, I went on duty at my office yesterday morning at 9 o'clock; answered the roll call over here about 11 o'clock; and remained continuously in the Chamber, or in the adjacent reading room, throughout the day, until about 6 o'clock. Nine hours' continuous work just about uses up all my strength; so I did not return to the Senate after dinner at the hotel, because I am paired with the junior Senator from Arizona [Mr. CAMERON]. Therefore my absence was not an injury to the public service. My vote was virtually recorded on the Democratic side each time the roll was called, just as the vote of the Senator from Arizona was practically recorded on the other side. As an accommodation to the Senator from Arizona, who is a most pleasant gentleman, I made the pair, which has existed now for several weeks. I was glad to extend him that courtesy.

However, Mr. President, had I been here last night I would have objected to the unanimous-consent request made by the Senator from New York [Mr. WADSWORTH]. I think the CONGRESSIONAL RECORD ought to be kept clean and undefiled, but with Felder's letter in it, it is unclean and defiled. The Senator from New York said:

> I have no method of ascertaining the truth or falsity of any statement that Mr. Felder has made in his letter. Mr. Felder is a constituent of mine, and I met him for the first time about a week ago.

Mr. President, the Italian fish dealer who murdered the brave policeman in New York day before yesterday is also a constituent of the Senator from New York, and no doubt there are many other of his constituents whom he might be cautious enough not to vouch for upon a week's acquaintance. Had the Senator from New York wished to treat with consideration two of his colleagues on this side, who have never given him personal offense, he might have directed some inquiry to us.

Mr. WADSWORTH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. PEPPER in the chair). Does the Senator from Georgia yield to the Senator from New York?

Mr. WATSON of Georgia. With pleasure.

Mr. WADSWORTH. I thank the Senator. I presented the letter addressed to me by Mr. Felder immediately at the close of the roll call, which occurred, I think, in the neighborhood of 6 o'clock yesterday evening. My recollection is that during that roll call the Senator from Georgia [Mr. WATSON] and the Senator from Arkansas [Mr. CARAWAY] were both present.

I think they both answered to the roll call. It never occurred to me that they would care one bit whether the letter went into the RECORD or not, because the letter does not mention either of them or cast any reflection upon them, but is merely a statement by Mr. Felder in his own defense. If I had thought for a moment that there was in Mr. Felder's letter anything offensive personally to the Senator from Georgia or to the Senator from Arkansas, of course I would have consulted them first, and I shall be glad now, if there is anything that may be pointed out in the letter which is offensive to any Member of the Senate, to express my regret.

Mr. WATSON of Georgia. Mr. President, I take the word of the Senator that what he says is absolutely true; I have no disposition to question his veracity or to wound his feelings; but my colleague [Mr. HARRIS] has, according to my understanding, been serving with the Senator from New York on the Committee on Military Affairs, and had the Senator from New York asked my colleague, "What about this man Felder?" he would have obtained from my colleague just about the same statement that I made in reply to a question which was directed to me by the Senator from Arkansas [Mr. CARAWAY].

I did not voluntarily get into the controversy. This is a man whom I would not touch. He is a man whom ordinarily I would not notice, whom I would not dignify by noticing, and neither would my colleague. But the Senator from Arkansas [Mr. CARAWAY] asked me what about him, and I could not do anything less than answer his question, briefly, as I did.

Now, I will point out to the Senator from New York the offensiveness implied in Felder's letter, and I assure the Senator I do not want to be offensive. The Senator from Arkansas asked me what about Felder, and I said I had known Felder for many years as a crook, as a lobbyist, as a knave. Now, here comes into the RECORD a page and a half of testimony from Georgia, apparently contradicting her junior Senator. I think the Senator from New York will at once see that this brings up an issue of veracity between myself and the Georgians who signed these testimonials; and it seems to me that a Senator ought to hesitate before joining in a controversy between a Senator and a former resident of his State, who is apparently backed up by testimonials from that State.

If the Senator from New York will turn to those letters he will see that they bear no date. That ought to have impressed him as a suspicious fact.

Mr. WADSWORTH. Mr. President, will the Senator yield?

Mr. WATSON of Georgia. Certainly.

Mr. WADSWORTH. I thank the Senator. That matter had not occurred to me before, but for the Senator's information, permit me to say that in the one interview which I have had with Mr. Felder he showed me the originals of these letters.

Mr. WATSON of Georgia. I am not doubting their genuineness, Mr. President.

Mr. WADSWORTH. And my recollection is—and I only give this in order to keep the RECORD as clear as possible—my recollection is that they were written to or about Mr. Felder at the time he left the State of Georgia and removed to the State of New York, which I think was about four years ago.

Mr. WATSON of Georgia. Mr. President, the Senator is mistaken as to the date. Felder left the State of Georgia 10 years ago, benefiting the State of Georgia very much by doing so. His occupation as a lobbyist was gone; he had been denounced in the newspapers so often, and was denounced to his face in the Democratic State convention of Georgia, as Representative WRIGHT, of Georgia, here knows, for he was present when I denounced Felder to his face. He could no longer be useful to any corporation as a lobbyist, and he went to New York, and is now lobbying in Washington City, as is shown in the letter which Representative WOODRUFF, a Republican from Michigan, placed in the RECORD on May 15. That very letter shows that when I characterized Felder as a lobbyist I placed him where he belonged. That letter shows that he is still at that dirty work which he was doing in Georgia.

I call the attention of the Senator from New York to the fact that the letters attesting Felder's character were signed in 1912. Some of the men who signed are dead; and here is this man Felder, who would get fresh testimonials from Georgia if he could procure them, using 10-year-old letters of dead men. Some of the men who signed the letters are political back numbers; they are down and out. One of the letters was signed by a governor who was the only governor who was not given a second term. His first term was unsatisfactory, and when he offered for reelection he was overwhelmingly defeated. The same thing is true of some of the other signatories; but I do not wish to say anything unpleasant about them. What I say is this: Those of the gentlemen who are still living would not now give "Bosh" Felder a certificate of good character. Why did he not get some fresh testimonials? Why did he not get something up to date?

Again, Mr. President, he has lived in New York 10 years. If he has established a good character there, why should he have to go to Georgia to get a certificate of character? Why not bring some New York lawyer to vouch for him—the New York governor, the mayor of the city? Why not bring some testimonials from New York? One who lives in a big city like New York for 10 years practicing law, as he says he is, ought to have established a good character by this time if he has got one. Why not a testimonial from Judge Alton B. Parker, for instance, or Judge Samuel Seabury? Why none from eminent members of the bar? And most of us know who the leading lawyers there are. Why did he not get some testimonials from one of them?

Since he has been in New York he has belonged to the firm of Felder, Gilbert, Campbell & Barranca, but for some reason

they put him out. That firm is still doing business under the name of Gilbert, Campbell & Barranca. He has formed two other connections with law firms in New York, but he is not now a member of either. Why was he put out? Why does he not get a certificate of good character from Gilbert, Campbell & Barranca, his former partners? That is a fair question. If he is an honorable man, an honorable lawyer, a square partner, why does he not get a certificate from those who were his partners?

Mr. President, he denies that he was indicted in South Carolina. I can only repeat that the records show that he was indicted. Governor Cole Blease put a requisition upon Governor Joseph M. Brown, of Georgia, to have Felder brought across the Savannah River into South Carolina, to be tried under that indictment. Felder had influence enough, somewhere—and I admit that he has some influence, somewhere—to induce Governor Brown not to grant that requisition. That is the first time in the history of Georgia, so far as I know, that the governor has refused a requisition legally presented. Governor Brown's conduct in that case was so unpopular that he was defeated when he next appeared before the people. Felder left the State, and he could not now go into the State and dare to say in Atlanta, or elsewhere, what he said in the New York papers about daring me to meet him behind a closed door. I invite him to try it. Let him go to Georgia and say what he said in New York.

He was the lobbyist for the whisky ring for years and years and years. He suddenly changed when he saw that we had him beaten. I myself wrote the first antisaloon plank that ever was in a political platform in the South, and I am proud of it. I campaigned the State to close up the saloons. We did close them up. This man fought us at every step. We whipped him at every step; and finally, when he saw that he was completely beaten, he suddenly turned to the other side—doubtless for a consideration—and noisily, dramatically, assisted a man from Ohio, Meikelheim, as I remember, in framing what is called the bone-dry law.

Mr. President, the whisky men who had been paying Felder to lobby for the whisky ring, were so indignant that one of them cursed him black and blue on the streets at Atlanta, and applied to him an epithet with which I will not soil my tongue—and Felder took it. Another one lost control of himself in the Kimball House and he almost riddled Felder with his knife—cut him almost to death. Why, it must have been 20 years ago that Felder was denounced on the floor of the State Senate of Georgia as a lobbyist by a State senator—Kinch Overstreet, of Screven County. Upon coming out of the senate chamber, Felder attacked Overstreet about his speech, and they had a fight in the lobby. Every member of the Georgia delegation in the other House knows him just as I know him. They are here in the Chamber, and from them the Senator from New York can get information as to what kind of a constituent this particular man is.

Mr. President, an obscener bird never flapped his vulture wings than T. Bosh Felder. A slimier reptile never crawled the earth than T. Bosh Felder; and I would not say it here, Mr. President, if I had not, in 1912, said virtually that to his face, in the Democratic State convention of Georgia.

Mr. WILLIS. Mr. President, we have consumed now about an hour and a half in the discussion of this matter, most of that time having been given to the discussion of T. B. Felder, whom I never saw and of whom I never heard and about whom I care nothing at all. Therefore I do not propose to go into any defense or vituperation or anything of that sort. I care nothing about Mr. Felder; but I do want to say one or two things touching some matters that have been mentioned here, particularly by my friend the Senator from Arkansas [Mr. CARAWAY].

I think the Members of the Senate and the country, so far as it pays attention to our deliberations here, are not interested in local politics and the local newspaper situation in Ohio. I repeat what I said in substance to the Senator from Arkansas, a thing that we can prove by anybody who is acquainted with the political situation in Ohio, that there is not in Columbus a Republican Party daily paper. Two of the papers in that city are under one management, and I am very certain that I express a thing that would be looked upon as a matter of pride by that management when I say that those papers are at least independent papers. At any rate, they have no leaning toward Republicanism. To that statement I only want to add, as a matter of fairness, a thing that always ought to be taken into consideration when we are hearing witnesses—that there is a bitter personal feud between the management of the two leading papers in the city of Columbus and the Attorney General. That much is a matter of common information with anybody that knows anything about the Ohio political situation, so I pass that point with that remark.

As to the Bosch Magneto case, I know nothing whatever about it. I think my information in regard to it is about as extensive as that of the Senator from Arkansas. I understand that there is some case of that sort, under that title, pending. I think it will be very much better to wait until that case is tried and finally decided. I know nothing at all about the case.

Mr. CARAWAY. Mr. President, may I ask the Senator a question?

Mr. WILLIS. Certainly.

Mr. CARAWAY. I wonder if it would not be well, then, for the Attorney General to wait until he indicts people before he sends out threats about what he is going to do.

Mr. WILLIS. Mr. President, I do not know what the Attorney General has said.

Mr. CARAWAY. Oh, but that was not what I asked the Senator.

Mr. WILLIS. He is able to take care of himself. What I say is that in a matter which is pending in court, and about which I know nothing—and I think my friend from Arkansas can not know much more about it than that—it will be well to wait until that matter is determined before he discusses it.

Mr. CARAWAY. Just wait; will the Senator let me ask him a question?

Mr. WILLIS. Certainly.

Mr. CARAWAY. Would it not be just as well, then, for the Attorney General to wait until he gets into court before he threatens what he is going to do?

Mr. WILLIS. Oh, well, Mr. President, the Attorney General is able to take care of himself. I have not seen the statement that he has made, and he is entitled to make any statement that he wants to make, so far as that is concerned. I do not care about that; but let us wait on this case until we find out how the matter is determined.

My friend the Senator from Arkansas and my friend the Senator from Georgia are both of them good lawyers. They seem to have discovered a new method of qualifying a witness and establishing his credibility. I understood my friend from Georgia just now, amongst other phrases, to use this interesting expression—that this man Felder was a "slimy serpent," or something to that effect. I could not pretend to quote the language that he used, but it is in the RECORD. Furthermore, on May 3, when this interesting subject was first brought up, my friend from Arkansas turned to my friend the Senator from Georgia and made inquiry of him as to this man Felder, called him as a sort of a character witness, and this is what the Senator from Georgia then said:

> Mr. President, for the last 40 years I have known Thomas B. Felder well, and I have known him to be a crook. I know him to have been a professional lobbyist of the whisky ring, opposing every one of the temperance laws that I was advocating and other temperance people were advocating in Georgia. He combated us at every step. We had to close the barrooms over his protest; and he never ceased to be a lobbyist in Georgia until the attack made upon him by myself and by others destroyed his usefulness as a lobbyist. Then he left the State and went to New York.

The Senator further said:

> I would not say this here if I had not said it to his face, in a State convention in Atlanta. I denounced him to his face in that convention, and he turned about as white as a piece of paper and did not open his mouth. I am asserting a fact in saying that he was not a lawyer, but a lobbyist; not an honest man, but a knave; not a witness whom anybody would believe; but a man who, in the State of Georgia would be impeached if offered as a witness on the trial of a case by men of the highest standing and character, who would say that from their general knowledge of his character they would not believe him on oath.

That is what the Senator from Georgia said about this gentleman on May 3, and what he has said to-day is of like tenor.

The Senator from Arkansas has read from documents tending to prove that this man was guilty of very serious misconduct in the State of South Carolina, that he was a lobbyist, that he was mixed up with what, according to the documents from which he read, was a very questionable transaction, if not an illegal one, and for which, if these allegations are true, he should have been punished. Having thus established the character of the witness as a lobbyist, as a knave, as a person whom no one would believe on oath, having thus laid the foundation, my friends introduce their witness, and my friend from Arkansas then proceeds with that witness to convict the Attorney General of sundry and divers things.

Mr. President, all I want to say about this matter at this point is this: Here is the testimony of Mr. Felder, whom, I repeat, I do not know and about whom I do not care. If he is half as bad a man as the Senator from Arkansas and the Senator from Georgia have stated that he is, he is not worthy of

belief, and yet his testimony and his letters are relied upon in the statement that is made here this morning.

Mr. CARAWAY. Mr. President, will the Senator yield?

Mr. WILLIS. That is buttressed——

Mr. CARAWAY. Just a minute; will the Senator yield?

Mr. WILLIS. Oh, certainly.

Mr. CARAWAY. What letter did I read that I relied upon that Felder wrote?

Mr. WILLIS. I do not know the extent to which the Senator relied upon it, but he read a letter from Mr. Felder.

Mr. CARAWAY. Oh, to the dispensary commissioner in South Carolina? I read the letter of the Attorney General showing the relationship between him and Felder and with the Morse case.

Mr. WILLIS. I understood the Senator to read a letter from Mr. Felder. I think the RECORD will so show.

What I am about to say is that these Senators rely upon the testimony of a man who the Senator from Arkansas and the Senator from Georgia agree is unworthy of belief, and that buttressed by the testimony of another gentleman who has been discharged from the service of the Government. I know nothing about him except as I have read the letter here put in the RECORD on page 6990. They rely upon the testimony of those two witnesses, one a discharged official, the other one convicted by those who bring him here as a witness as being unworthy of belief. Before I can believe the charges of two witnesses of that sort I shall have to have some stronger testimony, particularly in view of the fact that a former President of the United States and a former Attorney General of the United States, on page 6920 of the RECORD of May 5, make very definite statements to the contrary. I am perfectly willing to put those two witnesses against the witnesses who have been adduced here by the Senator from Arkansas.

Mr. DIAL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from South Carolina?

Mr. WILLIS. I yield to the Senator.

Mr. DIAL. Mr. President, I have nothing to do with this controversy, but I want to say that I know Capt. H. L. Scaife. He is a native of my State; he is a lawyer of high standing and of good reputation, and a man of unimpeachable veracity. I would believe any statement Captain Scaife would make. He is deeply interested in the Government getting justice out of those who were profiteers during the war. He feels that we have been robbed and that the Government has been neglectful in prosecuting people who ought to be in the penitentiary.

Mr. WILLIS. Mr. President, I have made no attack upon the constituent of my friend the Senator from South Carolina. I do not know him, and know nothing of him at all except as I see this letter. But the Senator knows, as every other Senator knows, that a man in that position, having been discharged, naturally has a certain amount of bitterness in the statements he may make. I am calling that to the attention of the Senator so that he may properly weigh the testimony brought in by this man.

Mr. CARAWAY. Mr. President, the Senator from Ohio proceeds to set up a straw man and then to knock him down. I do not know anything about Thomas B. Felder except what his record and his reputation show. I do know, however, that he is the associate of the Attorney General. That comes both from the Attorney General and from Felder. I do not care how bad his reputation is, the Attorney General chose him as his confederate in his dealings in these matters.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER (Mr. MOSES in the chair). Does the Senator from Arkansas yield to the Senator from Ohio?

Mr. CARAWAY. I yield.

Mr. WILLIS. I am interested in that statement. I did not understand the Senator to make it before.

Mr. CARAWAY. Oh, yes; the Senator did.

Mr. WILLIS. Of course, the Senator must not say that.

Mr. CARAWAY. I did make it.

Mr. WILLIS. I want to ask the Senator a question in perfect good humor: I understand him now to make the statement that this man Felder is now the associate of the Attorney General—connected with him in some fashion?

Mr. CARAWAY. The Senator did not understand me to say that if he understood me at all.

Mr. WILLIS. I misunderstood the Senator, then.

Mr. CARAWAY. Just wait a minute, then. I wish the Senator would just pay attention to what I do say, if he wants to answer me. I said this, that Felder and the Attorney General were associated together, and both of them say it. I put in the RECORD a letter Felder wrote me in which he said they cooperated in this matter. I hold in my hand a letter of the Attorney General in which he says they were employed in this matter. If the Senator thinks that is setting up a witness like Felder to convict the Attorney General, of course he is welcome to put any construction on it he wants to.

Mr. WILLIS. What I wanted to ask my friend was whether he claims that the Attorney General and Mr. Felder are now associated, or that they were associated at this other period. That is what I am trying to elicit.

Mr. CARAWAY. I shall show that. I say they were associated, or else both of them are not worthy of belief, because each one of them over his signature has said so. Does the Senator doubt they were associated in the Morse case?

Mr. WILLIS. I do not know.

Mr. CARAWAY. The Senator does not know?

Mr. WILLIS. I do not know about that, and I want to get any information the Senator has.

Mr. CARAWAY. The Senator wants to ask the Attorney General, I reckon.

Mr. WILLIS. I have never talked with the Attorney General about this matter, I will say to the Senator. I am not the mouthpiece of anybody here. The Attorney General has never talked to me about it, nor have I talked to him about it.

Mr. CARAWAY. I do not care whether the Senator talks to him about it or not. The Senator says he does not know whether they were associated. Both of them over their signatures have said so, and if he does not believe both of them, of course I can not help him. The Senator knows that, and he is entitled to give credit to the witness of the Attorney General or not. But I do know that the Senator knows that the Senator from Indiana said that the Attorney General told him he had nothing to do with this case. The Senator from Ohio undertook to deny that the other day, but he had evidently not read all the RECORD, because the Senator from Indiana did say the Attorney General had nothing to do with the Morse case. I have in my hand right here a photostatic copy of the letter and the contract which the Attorney General, Harry M. Daugherty, made with Morse in that case, and now the Senator says he does not know whether they had anything to do with each other or not.

I do not care what the reputation of Felder is. Unless it becomes imperative, the private reputations of private citizens should not be dragged into debate by way of a criticism of their reputations. It is not fair if it can be avoided, but in this particular case it came about this way, and I am going to reiterate it:

I was making a statement here on the floor about a reputed arrangement which existed between the Attorney General, before he became Attorney General, and Morse, in securing a commutation of sentence, and the Senator from Indiana [Mr. WATSON], who was invited to be present to-day and did not come, got up and said it was not true, that the Attorney General was not representing Morse. Then going on down with the colloquy, he finally said that he had talked with the Attorney General about it many times, and the Attorney General assured him he had nothing to do with the case at all. I believe that the Senator from Ohio will say that he believes that Jim Watson was reporting what the Attorney General said to him, will he not?

Mr. WILLIS. Mr. President, I did not hear that particular colloquy, but I certainly would have believed Senator WATSON if I had heard it.

Mr. CARAWAY. The Senator has read it in the RECORD, has he not?

Mr. WILLIS. Yes; I have.

Mr. CARAWAY. The Senator believes that the Attorney General told the Senator from Indiana that, does he not?

Mr. WILLIS. I would believe that the Attorney General told Senator WATSON whatever Senator WATSON said the Attorney General told him.

Mr. CARAWAY. That is what he said he said. I have a photostatic copy of the contract which the Attorney General did make with C. W. Morse to get his pardon or commutation of sentence, and the Attorney General will not deny it. Then why does the Attorney General tell Senator WATSON and another Republican Senator who is on this floor that he had absolutely nothing to do with this case? Does the Senator know why he should have done that?

Mr. WILLIS. Mr. President, I know nothing about that, and I want to ask the Senator to absolve me from the knowledge which he attributes to another Republican Senator, because I am not the custodian of that information.

Mr. CARAWAY. The Senator has absolutely no information touching Daugherty!

Mr. DIAL. Mr. President, I have not kept up with the details of this controversy, but I want to state that so far as Captain Scaife's discharge by the Attorney General is concerned, that is a matter of no great importance to him. Cap-

tain Scaife is not dependent upon his position in the Government for a living. He rendered great service during the war; he is a man of exceptional ability; and, as I said before, he is well posted, having investigated some of these wrongs against the Government, and he thinks a great number of people ought to be prosecuted and put in the penitentiary.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 32, line 17.

Mr. McCUMBER. Mr. President, in order that we may fully understand the relevancy of the two hours' debate this forenoon and connect it up with the particular question before the Senate, I ask that the Secretary may read the proposed amendment.

The PRESIDING OFFICER. The Secretary will state the amendment.

The ASSISTANT SECRETARY. In paragraph 203, page 32, line 17, the committee proposes to strike out "17" and insert "20," so as to read:

Other cement, not specially provided for, 20 per cent ad valorem.

Mr. HITCHCOCK. Mr. President, last night while we were considering the cement schedule the fact was made public that the Government of the United States is prosecuting the cement manufacturers of the United States in the Federal Court of the Southern District of New York. I desire to put into the RECORD, in part by reading and possibly otherwise, the charges which the Department of Justice makes against the cement manufacturers.

In the first place, let me say that these documents of the Department of Justice reveal the fact that the country is divided into districts, and that in each district there is a cement association, composed of the dealers and manufacturers in that district, and the case in New York is brought against the district of the manufacturers whose headquarters are in New York, and whose business is largely in the Eastern States. Reading from the indictment filed August 8, 1921, by the attorneys of the Department of Justice, I proceed as follows:

In the District Court of the United States of America for the Southern District of New York. Of the August term, in the year 1921. The United States of America *v.* The Atlas Portland Cement Co. et al. (Filed August 8, 1921.)

INDICTMENT—FIRST COUNT.

SOUTHERN DISTRICT OF NEW YORK, *ss:*

The grand jurors for the United States of America empaneled and sworn in the District Court of the United States for the Southern District of New York at the August term of said court in the year 1921, and inquiring for said district, upon their oath present, that, throughout the period of time extending from August 10, 1918, to the day of the finding and presentation of this indictment, Portland cement, extensively used in the construction of buildings, subways, sidewalks, wharves, docks, bridges, sewers, retaining walls, dams, and pavements has been manufactured in large quantities by certain corporations, a list of which, showing their corporate names, the States of their incorporation, and the location of their several mills, is as follows, to wit:

Name.	State of incorporation.	Location of mills.
The Atlas Portland Cement Co.	Pennsylvania	Coplay, Pa.; Northampton, Pa.; Hudson, N. Y.
The Allentown Portland Cement Co.	New Jersey	Evansville, Pa.
Alpha Portland Cement Co.	do	Manheim, W. Va.; Alpha, N. J.; Martins Creek, Pa.; Cementon, N. Y.; Jamesville, N. Y.
Bath Portland Cement Co.	Pennsylvania	Bath, Pa.
Coplay Cement Manufacturing Co.	do	Coplay and Saylors, Pa.
Dexter Portland Cement Co.	do	Nazareth, Pa.
The Edison Portland Cement Co.	New Jersey	New Village, N. J.
Giant Portland Cement Co.	Delaware	Egypt, Pa., and Norfolk, Va.
The Glens Falls Portland Cement Co.	New York	Glens Falls, N. Y.
Hercules Cement Corporation	Pennsylvania	Hercules, Pa.
Knickerbocker Portland Cement Co. (Inc.).	New York	Hudson, N. Y.
The Lawrence Cement Co.	do	Siegfried, Pa.
Lehigh Portland Cement Co.	Pennsylvania	Ormrod, West Coplay, Fogelsville, and Newcastle, Pa.; Fordwick, Va.
Nazareth Cement Co.	do	Nazareth, Pa.
Penn-Allen Cement Co.	do	Do.
Pennsylvania Cement Co.	do	Bath, Pa.
The Phoenix Portland Cement Co.	do	Nazareth, Pa.
Security Cement & Lime Co.	West Virginia	Security, Md.; Martinsburg, W. Va.
The Vulcanite Portland Cement Co.	New Jersey	Vulcanite, N. J.

said corporations being made defendants to this indictment together with certain of their officers and agents hereinafter named; that the above-named corporations, during said period of time, together have manufactured and sold, as hereinafter shown, approximately 25,000,000 barrels of such cement annually; that is to say, approximately 90 per cent of all such cement manufactured in the States above mentioned and approximately 25 per cent of all such cement manufactured in the United States—

I call attention to that, Mr. President, because it shows the existence in the eastern district of the United States of what is in fact a practical monopoly, if this statement of the Department of Justice, upon which the trial is now proceeding, is correct—

that each of said corporations, throughout said period of time, has sold practically all of the cement so manufactured by it to dealers in States other than the State or States in which it was manufactured, and large quantities to dealers in said southern district of New York, and, in pursuance of such sales, has continually during said period shipped such cement to said dealers over common-carrier routes; that such sales and shipments by said corporations throughout said period, by reason of the facts that cement is a commodity of great weight and little value and the freight rates charged for transporting it comparatively high, have necessarily been confined to States near said places of manufacture, to wit, to the States of Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, and West Virginia, and by reason of the same facts practically no cement manufactured in other States than those above named has during said period been sold in those States; that said dealers to whom said cement has been so sold and shipped by said corporations are so numerous that it is impracticable to set forth their names in this indictment; that said corporations throughout said period of time in so selling and shipping the cement so manufactured by them as aforesaid to dealers in other States than those in which it was manufactured have carried on trade and commerce among the several States of the United States within the meaning of the act of Congress approved July 2, 1890, and entitled "An act to protect trade and commerce against unlawful restraints and monopolies"; and that because said corporations in so carrying on said trade and commerce were throughout said period separate entities independent of each other, as said grand jurors upon their said oath charge the fact to be, they should have refrained from engaging in any unlawful combination and conspiracy in restraint of said interstate trade and commerce.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that said corporations throughout said period of time respectively have had divers officers and agents who have been actively engaged in the management, direction, and control of their affairs and business and of their said trade and commerce; and that a list of the names of such officers and agents, so far as they are known to said grand jurors—Christian names unknown to said grand jurors being indicated by initial letters—showing with which of said corporations they have during said period been respectively connected, and the character of their several officers and agencies is as follows, to wit:

Mr. President, I shall not read the names of those corporations. They seem hardly necessary in this connection—

said officers and agents being also made defendants to this indictment.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that, continuously throughout said period of time, at and within the Borough of Manhattan, in said southern district of New York, said corporate and individual defendants, each then well knowing all the premises aforesaid, unlawfully have engaged in a combination and conspiracy in restraint of said interstate trade and commerce in cement so carried on by said corporate defendants; that is to say, in a combination, now here described, which has unlawfully restrained said trade and commerce in the manner hereinafter set forth:

Throughout said period of time said corporate defendants, under said management, direction, and control of said individual defendants, have, in pursuance of an understanding and agreement among them so to do, carried on their said interstate trade and commerce without any competition between any of said corporate defendants as to discounts, as to charges for bags, as to credit allowances for bags returned, as to charges for bin tests, as to the prices at which they have so sold and shipped such cement, or as to customer dealers to whom they have so sold and shipped the same, and under these circumstances have so sold and shipped said cement in said trade and commerce at arbitrary, noncompetitive, and excessive prices, and in quantities fixed by agreement among said defendants from time to time during said period.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that, as a means of securing compliance on the part of each of said corporate defendants with the terms of said understanding and agreements, said defendants have, throughout said period of time, caused said business, trade, and commerce to be carried on in pursuance of a plan known as the "Eddy plan of open competition," under which each of said corporate defendants has made to the Cement Manufacturers' Protective Association, of which said corporate defendants were the only members, detailed daily, monthly, and special reports of all current and completed transactions pertaining to its said business, trade, and commerce, which said reports have been summarized by said association, and which said summarizations have been promptly sent by said association to each of said corporate defendants as members of said association, so that each of said corporate defendants, at all times during said period of time, has had full information as to the business and as to said interstate trade and commerce of all the other corporate defendants.

In that charge the Department of Justice outlines the workings of this conspiracy among the cement manufacturers of the Eastern States, who absolutely control the market to the exclusion of all competition from any other cement manufacturers of the United States. He outlines how these manufacturers, in violation of the Sherman antitrust law, have entered into a conspiracy, that as a result of the conspiracy they agree absolutely as to the price they are to charge for the cement, that there is only one price charged over all the whole area of country subject to varying freight rates, that each of those corporations sends a report, daily, weekly, and monthly, to the

head office, and that the head office reports to each one of the members of the conspiracy the information gathered from those reports, so that they are enabled to keep in close touch with each other as to the prices, and are practically doing exactly what the head office from time to time directs them to do with regard to the sale of cement.

And so the grand jurors aforesaid, upon their oath aforesaid, do say that said corporate and individual defendants, throughout the period of time, at the place, and in manner and form aforesaid, unlawfully have engaged in a combination and conspiracy in unlawful restraint of a part of the trade and commerce among the several States, against the peace and dignity of the United States, and contrary to the form of the statute of the same in such case made and provided.

Now, notwithstanding that charge of the Department of Justice and the trial which has been going on now for five weeks, seeking to convict these men of a penitentiary offense for absolutely controlling the market in that district, embracing New England, New York, and other States, and in that district selling practically all of the cement which is sold and raising the prices to the consumer, it is proposed by the pending tariff bill to exempt this criminal conspiracy from any competition from abroad.

I come now to the second count.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that said corporate and individual defendants named in the first count of this indictment on said August 10, 1918, at said borough of Manhattan, in said southern district of New York, by agreeing, under the circumstances in that count specified, as they then and there did agree, to adopt and follow the "Eddy plan of open competition" mentioned in said first count, under which each of said corporate defendants was to make to said Cement Manufacturers' Protective Association, of which said corporate defendants were the only members, detailed daily, monthly, and special reports of all current and completed transactions pertaining to the business, trade, and commerce mentioned in said first count as having been carried on during the period of time therein set forth, which said reports were to be summarized, and which summarizations were to be promptly sent by said association to each of said corporate defendants as members of said association, as in said first count charged, and under which plan said members of said association were also to hold, to wit, in said borough of Manhattan and southern district of New York, monthly meetings to discuss said reports and to give to each other further information pertaining to the conduct of said business, trade, and commerce, so that each of said corporate defendants, at all times after said August 10, 1918, would have full information as to the business, and as to said interstate trade and commerce, of all the other corporate defendants, unlawfully did make a contract in restraint of said trade and commerce, in that the natural and inevitable effect of such adoption and following of said plan, as said defendants each then and there well knew and intended, would be to eliminate all competition between said corporate defendants, in the several particulars set forth in said first count, in the carrying on after that date of said interestate trade and commerce against the peace and dignity of the United States and contrary to the form of the statute of the same in such case made and provided.

WILLIAM HAYWARD,
United States Attorney.

Now, Mr. President, that is the charge which the Department of Justice makes against this large number of cement manufacturers, whose corporate names I have read into the record. They control the cement business of a great area of the eastern part of the United States. They control the cement business of Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, and West Virginia. This combination, controlling those States, has entered into another conspiracy with other combinations in other portions of the United States, by the terms of which those other associations agree not to ship into the district which these corporations control.

What are the people in those States to do, Mr. President? These indictments may or may not prove to be effective; on some technicality the defendants may escape. If they do escape, and if the arrangement they have continues in force, what hope have the people in the Eastern States for relief?

Now, that those people have suffered is easy to see by reading the prices they have been compelled to pay for cement. I have here the tabulated statement furnished by the Tariff Information Survey, and from it it appears that the value per unit, which is a barrel of cement, during the periods named was as follows:

In 1915 the price was $1.47 a barrel; in 1917 it was $1.74 a barrel; in 1918, when the trust was formed, according to the charge, it was $2.65 a barrel; in 1918, for that fiscal year, the price was $2.75 a barrel; in 1919, for the fiscal year, the price was $3.92 a barrel.

I see that those figures vary according to the quality of cement; but, beginning with 1918, the price runs $2.71, $3.92, $6.04, and in 1920 the price was $3.39 per barrel.

Mr. SMOOT. I will say to the Senator from Nebraska that the price went even higher than that in that year. The price on October 4, 1920, went to $4 a barrel.

Mr. HITCHCOCK. So much the worse. I have not the complete figures for 1920.

The result of the war was to shut off foreign competition in cement. Thereupon in 1918 this Cement Trust was formed. What has been the result of the formation of that trust? The result of the formation of the trust was to put up the prices to over $4 per barrel. What has been the result of that increase in the cost of construction? Mr. Untermyer, counsel for the joint legislative committee on housing in the State of New York, sent a memorial to the Senate and House of Representatives recently, and in that memorial here is one of the allegations which he makes:

In brief, this investigation (which is still under way) has disclosed an alarming and increasing shortage of housing accommodations throughout the State, and more particularly in the city of New York, due in large measure to the operations of illegal combinations among manufacturers of and dealers in well-nigh all the various lines of building materials and supplies that are necessary in construction, and in no small measure to corruption among labor leaders and to illegal rules, regulations, and practices of labor unions.

Later in the same memorial he uses this language:

The exactions of manufacturers and dealers in building materials due to this scarcity of supply have resulted in abnormal price increases and in some instances in the inability to meet the demand on any terms. Manufacturers and dealers are either unable or unwilling to satisfy these demands upon a basis of reasonable prices over and above the actual cost. This situation prevails not only in the city of New York but in many of the cities throughout the country and for the same reason. Unless corrected it threatens to paralyze the efforts to correct the present crisis.

Mr. President, Mr. Untermyer intimates that in the one city of New York something like 400,000 people are suffering for lack of housing accommodations. Everybody who has investigated the situation in New York knows that for poor people or people of moderate means it is almost impossible to rent quarters, either houses or apartments, at any time. This condition is aggravated by the high cost of building, and the high cost of building is largely due, as Mr. Untermyer says, to a combination among the building interests that have put up the price of building material. According to the charges made by the Department of Justice in the criminal case now on trial in New York, one of the combinations, one of the criminal conspiracies that have put up the price on necessary building material, is what we popularly refer to as the Eastern Cement Trust, which has a monopoly in that district. It has entered into contracts with the cement manufacturers of other districts not to enter the district in the Eastern States, and thus secured a monopoly because, during the war, the importation of cement from other countries was practically impossible. Now at the time cement is beginning to be imported and giving prospect of affording relief to the people in the Eastern States, insuring the possibility that they are going to have competitive conditions in the charges for cement, the Republican majority in Congress steps in and proposes to impose a tariff duty upon the importation of cement from other countries, thus acting as a direct servant of the trust in endeavoring to protect it from any competition from abroad.

Mr. President, that is not the only case that is pending in New York. That is the one on trial now, but there is a larger case there which the Department of Justice is prosecuting against the cement interests of the United States. It is brought against all of the associations in the United States that have divided up the country into districts, one of the districts being the New York district, to which I have referred.

After that case has been completed, I assume that the case against the national or larger trust will be taken up. I will now quote from a copy of the indictment in the larger case. This indictment has been brought in the southern district of New York against a large number of corporate defendants, cement manufacturers in all parts of the United States, some 74 in number. They do business in Alabama, Arizona, Arkansas, California, Colorado, Georgia, Illinois, Indiana, Iowa, Washington, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, New Jersey, West Virginia, New York, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Utah, and Virginia.

In this indictment the grand jury declares:

That substantially all, to wit, 85 per cent, of the Portland cement moving in interstate commerce as herein described has been manufactured and produced, shipped and delivered by the defendants herein named—

That is to say, the 74 corporations that manufacture and sell substantially all the cement manufactured in the United States and consumed by the American people, 85 per cent being specified as that which moves in interstate commerce—

That substantially all, to wit, 85 per cent, of such cement consumed in the United States during the 15 years aforesaid has been manufactured and produced by the said defendants; and said defendants during said 15 years have, respectively, sold large portions of the cement manufactured by them to consumers of and dealers in such cement whose several places of consumption and business have been situate

in the Territories of the United States, in the District of Columbia, or in other of said States than the one wherein said cement was so manufactured by said defendants, respectively, and consigned other large portions thereof to such dealers and to their own agents in said Territories and districts and such other States for sale there by such dealers and agents. * * *

In furtherance of said conspiracy—

Which has been in operation, as the Department of Justice claims, for 15 years—

In furtherance of said conspiracy and with the purpose and intent of restraining said trade and commerce, eliminating competition therein, and enhancing the price of said cement to the consuming public, the defendants combined, conspired, and agreed together—

(a) To create and maintain uniform selling prices for their cement throughout the United States.

(b) To divide and allot to mills of the defendants within certain territorial subdivisions of the United States certain portions of said trade and commerce, and to eliminate competition among the defendants and others with mills in said respective territorial divisions of the United States.

(c) To withhold the cement from the market and prevent it from becoming a commodity of free and unrestricted barter and sale.

In other words, this combination has not only monopolized the business but has conspired to withhold cement from the market for the purpose of starving the market and compelling the consumers to pay a higher price for it.

(d) And to curtail and restrict the production and manufacture of cement.

A. Also, in furtherance of said conspiracy, and with the purpose and intent aforesaid, in order to create and maintain uniformity in price and to eliminate competition, the defendants conspired, combined, and agreed to—

(1) Adopt uniform prices for cement at all points of delivery with certain territorial subdivisions of the United States and to adopt arbitrary freight basing points with the purpose, intent, and effect of insuring the establishment and maintenance by all the defendants and others of uniform quotations and delivered prices for cement to purchasers at any given point in the United States, irrespective of the location of the respective mills manufacturing and producing said cement and irrespective of the actual difference in freight from said mills to any given point of delivery.

That is to say, a consumer could not get the benefit of lower freight if he was near an operating mill, but he was required to buy the cement and pay for it upon the freight basis of a town farther removed from his place for using the cement. He was compelled to pay the freight rate from the basing point to which all of the manufacturers in the district had agreed upon, even if they shipped it from a nearer point.

(2) To adopt and maintain the uniform practice of refusing to quote prices of cement, except f. o. b. the point of delivery for consumption, and to adopt the uniform practice of charging contractors and consumers using cement for construction work, irrespective of the quantity purchased, a uniformly higher price than would be charged to dealers.

(3) To adopt and maintain uniform charges for bags in which said cement was to be placed for shipment and of uniform allowances for such bags as might thereafter be returned by the consumers of said cement.

(4) To adopt and maintain uniform terms of credit and rates of discount for cash payment for said cement.

B. Also in furtherance of said conspiracy and with the purpose and intent aforesaid and in order to divide and allot trade to the respective defendants by territorial subdivisions and to eliminate competition, the defendants combined and conspired:

(1) To refuse to sell cement to be delivered by mills in a given territorial subdivision outside of said subdivision and to suggest to dealers and consumers outside of said given subdivision that they could best be served by mills located outside such given territorial subdivision, and within the territorial subdivision where such consumers and dealers were located.

In other words, Mr. President, they divided up the country, and they dictated to the consumers where they should buy their cement. They refused to quote prices on cement or to sell cement to any consumer in the territory of another mill or association.

(2) To adopt for each of certain territorial subdivisions of the United States arbitrary freight basing points from which, to the points of delivery of cement, freight rates were to be calculated and uniformly added to the price of said cement at the point of delivery, regardless of the freight rate actually paid or charged, resulting not only in a uniform price quoted to purchasers and consumers, by all of the manufacturers within any such given territorial subdivision, but in excluding manufacturers outside of such territorial subdivision from the market therein.

(3) To advocate before the Interstate Commerce Commission a readjustment of freight rates which would assist in such territorial subdivision of the United States and facilitate an allotment and division of trade in cement to mills of the defendants located within respective territorial subdivisions.

In other words, Mr. President, just as this criminal trade conspiracy, this Cement Trust, has sent its agents here to Washington to appear before the House Committee on Ways and Means and before the Senate Committee on Finance, so it has conspired to send its agents to the Interstate Commerce Commission for the purpose of trying to induce that commission to fix freight rates so as to discriminate in favor of its basing points and make it easier for the Cement Trust to compel all cement buyers to buy upon the freight basing point that the Cement Trust selects.

(4) To procure the adoption and adopt in large cities a zone system regulating and making uniform the drayage and cartage charges of all the respective defendants engaged in shipping or delivering cement in such cities.

They were afraid somebody might make a cut, somebody might make a reduction, so they are going to compel the railroads to charge a higher price from other points.

C. Also, in furtherance of said conspiracy and with the purpose and intent aforesaid, in order to withhold cement from the market and thus prevent it from becoming a commodity of free barter and sale, the defendants combined, conspired, and agreed:

(1) To restrict the acceptance of orders for future delivery of cement to dealers to orders for deliveries to be made within 15 days or less after the receipt of the respective orders.

In other words, they would not sell to a dealer in cement except to supply his demands for 15 days. They wanted to keep the cement market starved at all times, so that the consumers would be easily induced to pay these excessive and these increasing prices under the compulsion of the trust.

(2) To prevent and restrict sales of cement except in quantities and only sufficient for consumption in specific works, buildings, or other structures or articles which had been planned and arranged for at or before the date of sale, and in instances where more cement would be delivered to a contractor or consumer than required for a particular job to prevent such contractor or consumer from using it on other jobs.

Think of that, Mr. President! Not only restricting the dealers in cement to the purchase of cement for the following 15 days, but compelling a contractor to limit his purchases to jobs he had in hand, and not to permit him to use upon one job any cement which he had purchased for another job. The same men, or their representatives, come to the Congress of the United States and now ask in the pending bill to have cement taken off the free list, so that they may be freed from the possibility of competition from abroad!

(3) To refuse to sell to such dealers as were not "recognized" dealers, such recognized dealers to be made known by the defendants to each other by the compilation and publication of an arbitrary list containing their names and to prevent sales of cement to dealers not listed upon such publication.

D. In furtherance of said conspiracy and with the purpose and intent aforesaid, and in order to curtail the production of cement and enhance the price thereof, the defendants combined and conspired—

(1) To close down for fixed periods of time their respective mills and to advise their competitors of the time and extent of such periods, and to procure similar curtailment of production by such competitors.

I have been told this morning that there is a cement mill out here at Hancock, Md., which had been in operation for many years—now doubtless controlled by this trust—which has now been closed down and stands idle, not because the people have no desire for cement but in order to assist the trust in starving the market—a mill closed down here within 150 miles of the seat of government.

(2) To prevent the organization of new cement concerns and the construction of new mills for the production and manufacturing of cement by such concerns.

(a) To circulate false rumors as to the character of the persons that might form such new concerns.

Mr. President, that is not the charge of a partisan. That is not the charge of anyone who is seeking to prevent the imposition of a tariff. That is not the charge of some one who is trying to prevent cement from being taken off the free list. That is the charge of the sworn officers of the United States, ratified and indorsed by a grand jury in New York City. That is an indictment brought in the name of the Government of the United States against this combination, which controls 85 per cent of all of the cement manufactured in the United States, just as it is the charge in the other indictment against the concerns which constitute one of the subsidiary associations of this trust and which control the cement in all of the Eastern States. Those very associations which are indicted here under criminal charge, and one of which is now on trial in New York, send their representatives here to Washington to appear before the committees of the Congress and induce those committees to erect a tariff against the possible importation of cement from abroad.

Mr. SMOOT. Mr. President, I will say to the Senator that no one appeared before the Finance Committee on behalf of this industry. I do not know whether they appeared before the House committee or not.

Mr. HITCHCOCK. They appeared before the committee in the House.

Mr. SMOOT. I say I have not looked that up.

Mr. HITCHCOCK. It was not necessary to appear before the Finance Committee. I am, nevertheless, surprised that they did not. Almost every other concern in the United States that wanted a subsidy from the Government, that wanted a tariff from it, did appear before the Finance Committee. The corridors of the Senate Office Building, adjoining the Senate Finance Committee, have been crowded for months during the secret sessions of the Finance Committee, and persons representing various manufacturing institutions that are favored in this bill have access to the committee room and met in secret with the Republican members of the committee. If the Cement Trust did not appear there, it is very remarkable. They certainly could not have been excluded. Apparently, the committee

has not been aware that there was a Cement Trust. Apparently, the committee which brings in this recommendation to the Senate to take this great article off the free list was not aware that the Government of the United States was prosecuting this trust. The committee did not know that it was prosecuting the corporations which constitute the Cement Manufacturers' Association and prosecuting individually the corporations and their officers which constitute the trust.

Mr. SMOOT. Mr. President, I want to make a correction there. A Mr. O'Brien did appear before the Finance Committee and ask for an increase of the House rate from 5 to 8 cents, but the committee did not grant it.

Mr. HITCHCOCK. I thought it was inconceivable that although so many selfish manufacturers came to the committee for the purpose of getting the committee to approve a plan of exploiting the American public this criminal conspiracy had not sent some one for the purpose of urging the committee to raise the House rate, after they had been to the House and induced the House committee to take the article off the free list.

Mr. SMOOT. In answer to that I may say that the committee also listened to the criminal importers, I think, if the word could be used, as to the manufacturers. We listened to everybody who wanted to come before the committee; and, in fact, I will say to the Senator frankly that I think we spend too much time in hearings. There was no importer, no one desiring to be heard, but that the Finance Committee gave a chance to be heard; and I say frankly that I think the privilege was abused and extended far beyond any reason. The committee, however, started to hold open hearings and let anybody come, and gave notice in the press that there would be hearings upon the bill, and they came, both for a duty and for no duty.

Mr. HITCHCOCK. Mr. President, there were some open hearings, and undoubtedly there were some importers heard. I have no doubt that the Senator is entirely justified in making that statement, but it is very evident from an examination of the bill that the pleas made by the importers fell upon deaf ears, because the committees, both of the Senate and of the House, brought in a bill which takes one article after another off the free list and subjects it to a tariff and the Senate committee has taken one article after another and subjects it to a higher tariff than carried in the House proposal.

Mr. SMOOT. I think the Senator is mistaken there. Nearly all the rates which the Senate committee reported are lower than the House rates.

Mr. HITCHCOCK. I have not made a very critical examination, and I do not care about that. I know that the bill as it appears in the Senate, whether we consider the rates proposed by the House or the rates recommended by the Senate committee, represents an enormous increase——

Mr. SMOOT. Over existing law.

Mr. HITCHCOCK. Over the existing rates, and it includes a large number of articles which are necessary for the ordinary consumption of the American people, and it takes a large number of those articles off the free list and subjects them to a tariff.

Mr. SMOOT. Most of the articles which have been taken off the free list are articles which are not produced in this country, and we have taken them off for revenue. There are some which have been taken off the free list and put upon the dutiable list, and one of them is Portland or Roman cement, with 5 cents a hundred pounds imposed on it, which was taken off by the House. I do not want to take any more time of the Senate to speak on that subject. As was said last night, I think the only competition would come from Canada. Canada imposes a duty of 11 cents a hundred upon cement going from America into Canada, and we have imposed a rate of 5 cents. If I had my way, I would put Portland cement on the free list and put a proviso in the law that wherever any country imposed a duty upon the cement made in America entering that country, cement coming from that country into America would carry the same rate. That would meet that difficulty.

Mr. HITCHCOCK. Mr. President, Canada imposes a tariff of 11 cents a hundred because Canada is afraid of the competition from the United States. It is stated here in the report of the Tariff Commission that cement can be manufactured in the United States cheaper than in Canada on account of the cheaper fuel, and the reason Canada imposes that tariff, higher than the tariff the Senate committee proposes, is that she is afraid of United States competition. The Senator knows that America is exporting large quantities of cement.

Mr. SMOOT. There is no doubt about that; a great deal more than we import. The Senator made a statement in relation to the manufacture of cement in Canada. There are sections of Canada where the making of cement would cost more than it would to make it in the United States, and there are locations in Canada, with the water power she has at her command, where they can make it a little cheaper than they can in the United States. But, taken as a whole, I have no doubt at all but what it can be made in the United States, as far as the great bulk of the production in the United States is concerned, so cheaply that cement coming from Canada or anywhere else in the world could not get in and compete. The Senator from Alabama [Mr. UNDERWOOD] made a statement last night that was absolutely correct. It is a freight proposition, without a doubt. The question of protection does not cut any figure to speak of, and I agree with the Senator as to that.

Mr. HITCHCOCK. Mr. President, I have for many years believed that the great vice of the so-called protective tariff was that it encouraged trusts, and here we have a case in point. You have imposed a tariff upon this article, and you have listened to the voice of the representatives of the Cement Trust, in both the committee of the House and the committee of the Senate, and at the very time you were writing that tariff on cement the cement manufacturers were being prosecuted in the criminal courts of the United States for the formation of a trust. Yet, knowing that they were being prosecuted, knowing that they had formed a trust, and that, as the Department of Justice declares, they controlled 85 per cent of all the cement produced in the United States, knowing that they had raised the price from something like 80 cents or a dollar a barrel, as it formerly was, to four or five dollars a barrel, you have sought to give them a protection against foreign competition after they have wiped out local competition.

Mr. SMOOT. Does not the Senator know that all this rise in the price of cement he has spoken of occurred when cement was on the free list, and that cement to-day is on the free list, and all of this alleged conspiracy was under the free-trade conditions?

Mr. HITCHCOCK. If the Senator had been listening last night, he would have heard my figures. He would have heard me state that the importation of cement was temporarily killed by the war, and that it has only now begun again to be a factor.

Mr. SMOOT. Mr. President, I listened to the Senator's figures, and I did not see anything in them, because now the total importations into the United States do not amount to more than one-half of 1 per cent and that was true before the war and after the war.

Mr. HITCHCOCK. Then why are you putting this tariff on it?

Mr. SMOOT. I am not saying anything about that now.

Mr. HITCHCOCK. How do you justify it?

Mr. SMOOT. The justification of it is simply Canada. Some cement is sent around to the Pacific coast for ballast, and it furnishes the Los Angeles and San Francisco markets with cement. It is wholly a freight proposition, as I told the Senator. In Canada there are some cement factories so located that they can pay the 5 cents a hundred and get into the American market.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER (Mr. DIAL in the chair). Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. HITCHCOCK. I yield.

Mr. GOODING. The Senator from Nebraska charges that the protective tariff is responsible for this Cement Trust, and yet cement is on the free list at the present time, and has been for eight years, I understand. Yet, of course, the protective tariff is entirely responsible for it.

Mr. HITCHCOCK. I did not charge that. The Senator is putting words in my mouth.

Mr. GOODING. The Senator said that the tariff was responsible for trusts, and he was talking about the Cement Trust at the time, which he said existed, and I say that cement has been on the free list for eight years, put there by a Democratic administration.

Mr. HITCHCOCK. The answer to that is that while it was on the free list, the war prevented its importation in any considerable quantities, but now that the war is over and the Cement Trust is afraid of foreign competition, this criminal conspiracy comes to Congress and induces your committee, sir, to raise this tariff. You listened to its representatives, though they represented a criminal conspiracy, according to the Department of Justice. The House committee listened to the representatives of the criminal conspiracy, and you have brought in here a recommendation to protect that criminal conspiracy. That is what I am saying. I did not say that the tariff had created this particular trust, but I say that there is a connection between a trust and a tariff, and a trust can not exist in this country when competition is made free and fair. It could only exist for any considerable length of time when a tariff wall is put around the country so as to exclude foreign competition.

Mr. SMOOT. There has not been a tariff wall around it.

Mr. HITCHCOCK. You are proposing to put a tariff wall around the country.

Mr. SMOOT. No; we are not going to put it around. Here is a part of the testimony in relation to Canada, and it is from Canada the importations come here, as I said before. I read from the testimony:

> I am speaking for the Michigan companies, into whose territory the entire 500,000 barrels, roughly speaking, of last year's importations came from Canada. Right across the Canadian border, in plain view from the windows of our offices, they are beginning the erection of a large cement plant and the construction of a steel plant near the town of Windsor, Ontario.

I do not want to take any more time to read that, but that is all there is in the question. I want to say to the Senator that I do not know whether this company is involved in the Huron-Portland Co. or not, but if the Senator had been a member of the committee, and had come from Michigan, and a constituent of his had asked that he be taken over to the committee and permitted to testify, I do not think the Senator would have objected to doing that, particularly as long as the case had not been decided. I do not approve of what the companies have done. I do not think there is a Senator here who would, but that does not mean that the committee shall not listen to a statement of things as they actually exist. Nearly all of the importations, as I said before, have come from Canada. In the West we have a Portland Cement Co., of Portland, Oreg., we will say, but they can not ship any of their cement into Canada unless they pay a duty of 11 cents a hundred. We can not ship to Canada from the cement factories along the border between the United States and Canada without paying a tariff of 11 cents, and besides that they impose a 2-cent sales tax on everything that goes in. It is a little affair, as far as the great business is concerned, but I think we can take care of Canada just as well by allowing this to go on the free list, with the proviso I have suggested.

Mr. HITCHCOCK. There we have it again; it is a little affair. While we were talking about some of these chemicals they did seem little affairs, but in the United States there is a consumption of something over 80,000,000 barrels of cement a year.

Mr. SMOOT. My reference to this being a little affair is entirely different from what the Senator refers to. I say the importations were so little compared with the whole production of the United States that they are negligible.

Mr. HITCHCOCK. That is all the more reason for not putting on a tariff. If there were a great importation, the Senator would be here saying, "We must erect a tariff wall. See the flood of cheap cement coming in"; but now he admits it is a little affair, and yet the committee recommends a tariff because little is coming into the country. Do you not want competition at all?

Mr. SMOOT. If the Senator had waited until I concluded, he would have seen my point. It is a little affair, so far as the whole product of the United States is concerned, but it is not a little affair to the manufacturers of this cement near the border of Canada. It is their life, and that is what I intended to say before the Senator interrupted me.

Mr. HITCHCOCK. There is another side to that. There may be a little manufacturer there who is doing business at a disadvantage, but there are in this country a hundred million people who are suffering for inadequate housing. There are a hundred million people who are paying taxes upon good roads, in which cement is used. There are a hundred million people who are compelled to pay excessive prices for cement for their public buildings. There are a hundred million people paying excessive prices for cement for use in the construction of bridges, hospitals, and for all other purposes, and, as the Senator says, without any proof, so far as I know, just because there are one or two manufacturers near the Canadian line who are operating at a disadvantage, he proposes to make it possible for a cement trust to exist in this country, without any competition, and allow them to maintain the present exorbitant rates on cement.

Mr. SMOOT. Mr. President, the Senator certainly does not mean to say that.

Mr. HITCHCOCK. Exactly that.

Mr. SMOOT. Out of the whole 100,000,000 people, the only people who could possibly be affected by this would be on the border. The Senator from Alabama [Mr. UNDERWOOD] said last night that cement could not be shipped 100 miles into the interior, and if it could come in from a foreign country it could not affect at all the 100,000,000 people.

Mr. HITCHCOCK. Such a statement can not stand the test for a moment. You have millions of people right in the city of New York, to begin with. You have another million or more in Boston. You have millions all along the coast, who will certainly suffer immediately if deprived of any form of competition from abroad. The truth is that the Senate Committee on Finance never seems to think at all of the consumer.

Mr. SMOOT. Even under free trade we have not had anything coming from any foreign country, with the exception of the Pacific coast, to speak of. It comes from Canada, along the border line, under free trade.

Mr. HITCHCOCK. I do not sympathize with the idea of destroying business with Canada.

Mr. SMOOT. No; of course the Senator does not.

Mr. HITCHCOCK. Canada has imposed most of her tariffs against the United States in retaliation for what we have done.

Mr. SMOOT. Oh, no.

Mr. HITCHCOCK. There is no more reason why we should destroy business with Canada than that we should separate the States of the Union from doing business with each other.

Mr. SMOOT. Did Canada impose the 11 cents tariff on cement as a retaliation for free cement?

Mr. HITCHCOCK. I do not happen to know; but I say that most of the tariffs which Canada has imposed against our products have been due to a spirit of retaliation, because we have imposed tariffs and attempted to erect a tariff wall against Canadian products.

Mr. SMOOT. The Senator knows that Canadian tariffs are higher than tariffs in the United States. Did Canada retaliate against the United States when she imposed a duty upon all agricultural implements going into Canada and levied a tax, I think, of either 25 or 30 per cent, while we allow hers to come in free?

Mr. HITCHCOCK. I understand that many of the duties of Canada at the present time have been raised, and that they have been raised in retaliation for what the United States has done against her products.

Mr. SMOOT. But most of them are on items which come from Canada into the United States free. Why should Canada impose 25 per cent on harness and manufactures of leather when those articles come in here free from Canada?

Mr. HITCHCOCK. Because we impose duties on some of the things that she admits free.

Mr. SMOOT. What are they?

Mr. HITCHCOCK. There are a great many things in the line of agricultural products. I do not suppose she has a tariff on corn, nor on wheat particularly.

Mr. SMOOT. Yes; there is a duty on Canadian wheat.

Mr. HITCHCOCK. It has been put on by us within a couple of years, and it was an insane thing to do, a perfectly foolish thing to do. It did not affect the wheat raisers of the United States one bit.

Mr. SMOOT. The Senator can not make them believe it.

Mr. HITCHCOCK. I can easily make them believe it by reading the facts, which show that after the duty was imposed the price of wheat continued to fluctuate just as it had before on the downward scale.

Mr. SMOOT. Like it did every place in the world and on nearly every article, just as cement went from $4 a barrel down to $2, where it is now. That is why wheat went down. It was not the duty that made the wheat go down. If the Senator will take the prices at Minneapolis he will find out whether the farmers did not receive an advantage from it.

Mr. HITCHCOCK. I would not be so insane as to say the duty which we put on it brought the price of wheat down, but Senators were so insane as to stand here and advocate a duty on wheat for the purpose of keeping the price up. I read into the RECORD months after the emergency tariff had been put on the market reports which showed that wheat had continued on its downward course uninterfered with by the tariff.

Mr. SMOOT. And if it had not been for the tariff it would have gone that much lower.

Mr. HITCHCOCK. We do not know anything about that.

Mr. SMOOT. Yes, we do; because we know the price of wheat in Canada and in the United States.

Mr. HITCHCOCK. We are dealing with facts, not imaginings, and vain imaginings at that.

Mr. GOODING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. HITCHCOCK. I yield.

Mr. GOODNG. I want to say to the Senator from Nebraska that the record of the wheat markets at Winnipeg and Minneapolis will show, since the emergency tariff law was enacted, an average of about 24 cents a bushel more in Minneapolis than in Winnipeg. The records will show that before the emergency tariff law was enacted wheat at times was higher in Winnipeg than in Minneapolis. Those are the records, and the chairman of the Finance Committee will submit them day by day for the time since the enactment of the emergency tariff law.

Mr. HITCHCOCK. What does the Senator argue from that?

Mr. GOODING. I argue that the emergency tariff law gave the wheat growers of this country a higher price than they got in Canada or in the world market, so far as that is concerned.

Mr. HITCHCOCK. It did not give them a higher price than they had before.

Mr. GOODING. Yes; it did, in proportion to the others.

Mr. HITCHCOCK. Oh, no; it did not; the Senator is mistaken.

Mr. GOODING. In proportion to what the Canadian wheat grower right alongside of the American wheat grower has received, we have beaten him 24 cents a bushel, on an average, ever since the emergency tariff law was enacted.

Coming back for a moment to harness, I want to say to the Senator that before it was put on the protected list Canada had a duty of 35 per cent on harness, saddlery, and all kinds of leather goods in existence.

Mr. HITCHCOCK. I have not stated anything to the contrary.

Mr. GOODING. Now, let me come back to the cement business a moment. I can accept the argument of the Senator from Alabama [Mr. UNDERWOOD] as being fair and reasonable and intelligent. I will now have to use the words the Senator from Nebraska has used so often, and I regret to use them, too——

Mr. HITCHCOCK. The Senator is welcome. I have no monopoly on them.

Mr. GOODING. It has been said that this is "all bunk." That is what you have thrown across the aisle for a year now, to my knowledge, about anything and everything that has been discussed in connection with the tariff. The Senator knows and every man of intelligence must know that, so far as the cement duty is concerned, there are only a few people along the border who can possibly be affected. Whether cement is 90 cents a barrel or $4 a barrel, it can not get very far into the interior. Of course, there is only a little cement imported. There will never be much cement imported, because it can not get into the interior cities of this country. It can not go around and through the canal and reach the western coast cities at all, but it does come in along the border.

While Canada is putting a tariff of 11 cents a hundred on cement, is it a crime for us to put 5 cents a hundred tariff on Canadian cement coming into this country, remembering, too, that Canada has a 2-cent sales tax, doubling the duty that we are paying? What would the Senator do with our cement plants along the border? Would he not give them at least a fair chance with Canada, and let us play fair?

Mr. HITCHCOCK. In the first place, I will have to repudiate the Senator's statement that I ever used the word "bunk." That is not in my vocabulary. In the second place, I have not any sympathy with this attempt to hurt Canada by legislation in the United States. Canada is our neighbor, and we ought to do business with Canada just as freely as the States of the Union do business with each other.

Mr. GOODING. Make the duty 5 cents and we will do business with each other.

Mr. HITCHCOCK. I would not be afraid to see a little of Canadian cement or a good deal of Canadian cement come into this country and give relief to the American people, who are now paying twice as much for cement as they ought to pay. I would not regret to see some Canadian cement come into this country to create a little competition for the trust, which is robbing the American people in the prices that it puts on cement to-day. I would not be afraid to have a little Canadian cement or a good deal of Canadian cement come in and be sold to the American people while the American trust, as stated by the Department of Justice, is starving the market, refusing to sell dealers more than 15 days' supply of cement at a time, refusing to permit a contractor who buys cement and finishes his job to use any part of that cement upon another job. I would not be afraid to have a little Canadian cement come into this country to supply the American demand for cement when the American trust is trying to starve the market by closing the cement mills and shutting the mills down, as the Department of Justice states it has been doing.

I want to say to my friends on the other side of the aisle who are trying to impose a tariff on this trust-made article in the United States while the Department of Justice is prosecuting that trust as a criminal, that they take a very serious chance before the American people, because the American people have suffered so long from the high cost of living, have grown very impatient, indeed, with the toleration of the party which proposes to shut out foreign competition and prevent prices from coming down to their legitimate basis.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER (Mr. MOSES in the chair). Does the Senator from Nebraska yield to the Senator from Michigan?

Mr. HITCHCOCK. I yield.

Mr. TOWNSEND. I do not know whether the Senator from Nebraska has any cement factories in his State or not. We do have a good many in Michigan. We have them situated along the Canadian border. I do not know what strictures have been made upon the conduct of cement factories. I do know from my own personal knowledge that some of these factories have had a hard struggle. They are not limiting the production of the amount of their cement. They are trying to manufacture cement to meet the demands of the public. They are perfectly willing to go in and meet free and open competition on equal terms. They are not willing, however, situated on the border, to have Canada place a tariff almost amounting to prohibition upon the imports of cement into that country and at the same time allow Canadian cement to come in here free. All that we ask, and all that any of us ask, is that we shall be placed on equal terms with our competitors.

If it were true that Canada admitted American cement free I would have no objection to Canadian cement coming into this country free. But I am an American. I believe in treating our own industries as fairly as other countries treat their industries. I do not believe we should condemn this great industry, which is trying to meet the demands of the country for cement and which during its life has had a most precarious existence, many of the factories having failed, many of them having produced cement at a very low profit.

While there is competition in the United States, I care not what they may say of them, no one will condemn more than I the combination of any concerns for the purpose of creating a trust; but these political statements and arguments weigh nothing with me as against the facts. What I insist upon, and nothing else, is a fair competitive market for American products.

Mr. HITCHCOCK. The Senator denominated my charge of the existence of a cement trust as a political statement.

Mr. TOWNSEND. Not particularly that item, but every time a Senator rises in opposition to the tariff bill he charges that it is all in the interest of the trusts.

Mr. HITCHCOCK. This is in the interest of the trust.

Mr. TOWNSEND. It is in the interest of American production of a product that ought to be produced in the United States.

Mr. HITCHCOCK. If the Senator had been in the Chamber he would have heard me read two indictments brought by the United States against two cement trusts. One is a comparatively small trust in the eastern part of the United States, and the other is the great national trust, of which the eastern trust is a part. They have divided up the country, as the Department of Justice states. In the eastern district are New York, Pennsylvania, the New England States, Delaware, New Jersey, Maryland, Virginia, and West Virginia. That association is now under indictment and is now on trial in the courts of New York.

Mr. TOWNSEND. How will it interfere with the prosecution of the law, if they have violated it, if we put a tariff on cement?

Mr. HITCHCOCK. Will the Senator please wait until I conclude? I gave him an opportunity to make his statement. I am going to nail him right to the indefensible position he has taken.

The other indictment is against the national trust, and your Department of Justice and my Department of Justice has declared, and the grand jury of New York has ratified the declaration, that that Cement Trust, composed of 74 corporations, many of them in your State, sir, controls 85 per cent at least of the cement business of the United States, and the figures show that the prices on cement have been gradually raised from where they used to be. It is not I who charge that there is a trust. The Department of Justice charges that there is a trust. The indictments were brought last summer, and Congress should have known that they were brought; and yet both the committee of the House and the committee of the Senate permitted the representatives of that trust to come before them and ask to have cement taken from the free list and put upon the dutiable list. That is not a political charge. That is a charge sworn to by the officers of the Department of Justice of the United States Government. Moreover, I am tired of hearing of this myth about Canadian competition. Perhaps the Senator does not know what this cement business is as it affects his State.

Mr. TOWNSEND. I think I know quite as much about it as does the Senator from Nebraska.

Mr. HITCHCOCK. I will tell the Senator something about it. The nonpartisan Tariff Commission makes a report upon the cement business in the United States.

Mr. SMOOT. Is that Brother Miles's statement?

Mr. HITCHCOCK. No. This is the official report of the Tariff Information Survey relating to cement. As the Senator from Utah has accepted it on so many other subjects, I hope

he will accept it on this or state why he does not do so. These are the figures.

Mr. SMOOT. I thought the Senator said the nonpartisan Tariff Commission.

Mr. HITCHCOCK. No——

Mr. SMOOT. I will ask the reporter to read exactly what the Senator said.

Mr. HITCHCOCK. I said the nonpartisan Tariff Commission.

Mr. SMOOT. "The nonpartisan Tariff Commission." That has nothing whatever to do with the Tariff Commission. I have quoted from the report of the Tariff Commission which was organized by Congress.

Mr. HITCHCOCK. Yes; organized by Congress; and I am quoting from the same authority. Is it not nonpartisan?

Mr. SMOOT. No; I think it is bipartisan.

Mr. HITCHCOCK. Well, call it bipartisan. I want to meet the Senator's views, and will call it bipartisan; at least, its reports appear to be nonpartisan. They appear to be unanimous and they appear to give the facts.

What are the facts regarding Michigan, as to which the Senator is so disturbed? The manufacture of cement in Michigan in 1914 was 4,200,000 barrels; in 1915 it was 4,700,000; in 1916 it was 4,900,000 barrels; in 1917 it was 4,600,000 barrels; in 1918 it was 3,554,000; in 1919 it was 4,620,000 barrels. That would not look as though the cement industry of Michigan was languishing. I guess, if the Senator from Michigan will make the computation, he will find that Michigan made about a barrel of cement for every head of population in the State, at least.

What were the imports from Canada which were so destructive as against this production of 4,000,000 barrels every year all through the free-trade period on cement? What were the terrible Canadian imports that threatened to ruin those concerns which were making 4,000,000 barrels of cement a year? Let us look at the figures.

I will go back a little. During the period that cement was subjected to a tariff, under the Payne-Aldrich law, of blessed memory, in 1910, the importations of cement from Canada were 16,000,000 barrels; in 1911 they were 543,000 barrels; in 1912 they were 490 barrels.

Mr. SMOOT. Does not the Senator mean 490,000 barrels?

Mr. HITCHCOCK. No; the importations were 490 barrels; that is all; in 1913 the importations of cement were 963 barrels; in 1914, 163 barrels; in 1915 there were 915 barrels imported; in 1916 there were 1,463 barrels imported; in 1917 there were 3,900 barrels; in 1918 there were 3,566 barrels. I am reading the figures for the fiscal years. The figures for calendar years slightly vary.

Mr. UNDERWOOD. Mr. President, if I may, I desire to ask the Senator a question. The Senator is comparing the total imports of the whole United States to the production in merely one State.

Mr. HITCHCOCK. To the production in the State of Michigan alone. Michigan made 4,000,000 barrels a year, and the entire imports of Canada into the United States along a line of 4,000 miles in extent only amounted to a few thousand barrels. The Senator from Michigan is following the committee in imposing a tariff upon what is a mythical danger. The Tariff Commission itself says that cement may be made cheaper in the United States than in Canada, because of the cheaper fuel, the great item of expense, is cheaper in the United States than in Canada. Does the Senator from Michigan not know that the United States makes practically half of all the cement which is manufactured in the world and sends it to other countries and sells it in competition with all the world? Yet he is following a committee here which proposes to take that article off the free list and put it on the dutiable list simply for the protection of a trust, an organization which the Department of Justice has denounced as a trust, which sent its representatives here to the Halls of Congress, who appeared before the committees in public hearings. I do not know whether or not they appeared before them at private hearings, but, whether they did or not, the fact is that this is a trust, controlling 85 or 90 per cent of the product of the United States. It is a trust under prosecution by one of the arms of our Government at this time; it is a trust that has raised the price of cement until it is twice as high as it ought to be, or, at least, much higher than it ought to be. It is a trust which has paid enormous dividends and made men rich; it is a trust which has deliberately, as appears from the indictment which I read to the Senate while the Senator from Michigan was not present, starved the American market in order to extract high prices from the American consumer; which dictates to the consumer on what job he shall use his cement; which dictates to the retailer and prohibits him from buying more than 15 days' supply of cement at a time in order to starve the market; which resorts to all those practices, although cement is one of the most important necessaries of life to the American people. It goes into the construction of homes; it goes into the construction of hospitals; it goes into the construction of bridges; it goes into the construction of highways, for which we are spending hundreds of millions of dollars in the United States at the present time.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Nebraska yield to the Senator from Florida?

Mr. HITCHCOCK. I yield to the Senator from Florida.

Mr. FLETCHER. I have listened with a great deal of interest to the discussion of this subject on both sides of the Chamber, and it seems to me the whole matter resolves itself into this situation: Those who are supporting the provisions of the bill want this duty for one of two reasons. First, the prime reason and the only reason in the minds of some, is that the duty, if imposed, will prevent a reduction of the price of cement in this country. The other reason is that it will protect the American manufacturer to the extent that it will keep out importations, and thereby enable the manufacturers to get together and form a combination or trust, such as the Senator from Nebraska has mentioned. There are two effects, therefore, as a result of the imposition of the duty; first, to prevent the lowering of prices and the next is to keep up the price and to facilitate the combination or conspiracy in restraint of trade.

The other proposition urged by the Senator from Utah is that inasmuch as Canada imposes a duty on cement the United States ought likewise to impose a duty. That is a pure spirit of retaliation; it can not be put upon any other basis. We propose to levy a duty on a product simply because Canada levies a duty on that or some other product. I submit that that is not a sound economic basis upon which we can conduct our affairs. Canada is one of our very best customers; she is our next-door neighbor; we take a great many of the products of Canada and she takes a great many of our products. The spirit of retaliation certainly ought not to be encouraged but ought to be discountenanced. We can not afford to proceed along that line.

Mr. President, I happen to have before me a statement of Canada's trade for 12 months, which shows, if the Senator from Nebraska will allow me to put it in the RECORD at this point, that imports for consumption into Canada for the 12 months ending December, 1919, from the United States were valued at $739,597,697; for the year ending December, 1920, the imports from the United States for consumption in Canada were valued at $921,235,401. They fell off somewhat in the next year, the imports from the United States into Canada for the 12 months ending December 31, 1921, being valued at $559,380,193.

Those figures indicate to some extent the significance of Canada as a customer of the United States, and we ought not to pursue any course or any policy, it seems to me, that would discourage that commerce. The argument that we should levy a duty simply because Canada levies a duty on a product is wholly unjustifiable.

Canada exported to the United States during the similar periods for the 12 months ending December, 1919, to the value of $454,595,204; for the 12 months ending December, 1920, $559,977,503; and for the 12 months ending December, 1921, $326,969,382. That is a tremendous trade, and it seems to me we should make a mistake to pursue a policy of levying duties in the United States simply because Canada has seen fit to levy duties either upon the product named or upon some other product.

Mr. TOWNSEND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Michigan?

Mr. FLETCHER. Let me say to the Senator from Michigan that he has not shown as yet, and I do not suppose he can show, that cement can be produced in Canada any cheaper than it can be produced in Michigan. The Michigan manufacturers can compete with Canada. Irrespective of the Canadian markets, they need not be afraid that the Canadian producer will run them out of the market in the United States, and, so far as we are advised, the cost of production in Canada is just as great as it is in the United States.

Mr. TOWNSEND. Mr. President, I know that this question is out of order now, and ought not to be discussed. I had supposed it would be discussed when we reached it in proper order, and I had intended to reserve anything that I might say until that time. I understand, however, why it is being discussed now. It is simply for delay and obstruction. The whole subject will

come up later when in due course the item is reached for consideration.

However, I merely wish to say a few words in reply to the Senator from Nebraska [Mr. HITCHCOCK]. He has said that there have been indictments brought against the cement industry or cement companies of the United States. It is true that indictments have been secured, as I understand, by the Department of Justice, and I am not complaining about that at all; I am not here to defend any violation of law by cement companies or any others; but it is known that indictments are not convictions. These people are entitled to the same consideration as other people are until convictions are had. Then, if they are guilty, the law will be enforced against them, and I shall not object in the least, but rather ask Godspeed to the efforts of the Government to bring all violators of law to justice. However, this particular matter is here and the question is this: Is the cement industry entitled to protection against foreign competitors? The Senator has read the number of pounds of imports into the United States, all of which should be multiplied by 100, because the table deals in 100-pound packages; 100 pounds is the unit basis, and the figures in question refer to 100-pound units.

I am not particular about that, however. If it is true that Canada is not infringing upon the markets of the United States, if she is not shipping anything of any consequence into the country and is unable to do so, how would a small amount more or less interfere with the American market, or tend to reduce or furnish an embargo against the shipment of this stuff into the United States?

A few years ago, contrary to the majority of my party, I advocated reciprocity with Canada. Early subsequent events showed that I made a mistake. There were certain things as to which I thought we could enter into reciprocal relations with her with profit to both countries. It was believed that Canada would agree to it. She did not. She did, however, accept the provisions which the United States Congress had inserted in that bill. Inserted with our understanding that they would not be binding upon the United States unless reciprocal action was taken by Canada. Now, sir, living across the border from Canada, as I do, where they have great cement factories, I believe that we should treat Canada exactly as she treats us. You can put cement on the free list if you wish, but accompany it with a provision that the country which gets the advantage of our free markets shall give us the same advantage in her markets.

Mr. President, I do not care to discuss this subject now because I know it is brought up for delay, and I do not wish to be a party to such a policy in the consideration of the bill. When the item comes up in due course, as it will come up, I probably will discuss it further.

Mr. HITCHCOCK. Mr. President, before the Senator takes his seat, I understand that he corrects my figures in that where I have reported on the imports from Canada, instead of using the term "barrels" I should have said "hundred-pound lots."

Mr. TOWNSEND. Instead of the term "pounds," which I understood the Senator to use.

Mr. HITCHCOCK. I supposed I was using the term "barrels."

Mr. TOWNSEND. No; the Senator used the term "pounds."

Mr. HITCHCOCK. The production is in barrels.

Mr. TOWNSEND. I realize that it does not make any difference with the Senator's argument or with mine, but I simply wanted it to be correct.

Mr. HITCHCOCK. It makes a great deal of difference. It makes my statement still stronger, because when I read of the production in Michigan I said 4,000,000 barrels, and when I spoke of the small imports from Canada I said "barrels," but I should have said "hundred-pound lots," and that makes the imports only one-third of what I credited to Canada.

Mr. TOWNSEND. The Senator used the term "pounds."

Mr. HITCHCOCK. I thought I was using the term "barrels"; but the fact is that comparing the production in barrels with the import in barrels, the import is only one-third of what I credited to Canada; so that makes all the more exaggerated the monstrosity and the myth of Canadian importations.

Mr. POMERENE. Mr. President, I find that I shall be compelled to leave the Chamber after a little, and out of its order now I want to call attention to the amendment to paragraph 202 in lines 23 and 24 on page 31.

Mr. SMOOT. The Senator requested that those amendments go over last night, and they went over.

Mr. POMERENE. I know; but they went over at my request, in order that I might investigate further. I stated, in substance, last night that this matter had been called to my attention once before, and there seemed to be some discrimination against certain products based upon color. I was informed this morning by a Member of the other House that the matter I had in mind was corrected by these amendments, and I simply wanted to make that statement now.

Mr. SMOOT. The Senator has no objection, then, to our agreeing to those amendments?

Mr. POMERENE. I have no objection to that language. I know nothing about the rates; and whenever the Senate is ready to take up that matter it can do so if I am not here. That is all I care to say about it.

Mr. McCUMBER. Mr. President, the only question that is now before the Senate is the question of whether 20 per cent ad valorem on the foreign valuation is an excessive duty upon these cements that come into this country in barrels, sacks, or other packages. In the two days' argument upon the amendment I have not heard one word said about the real question at issue, except the statement of five minutes which I made yesterday. I took not to exceed five minutes in explaining what the difference was based upon and why we asked for a duty of 20 per cent ad valorem, instead of 17 per cent ad valorem, upon the American valuation.

It does seem to me that we have come now to the time to vote upon some of these items. The Senator from Alabama [Mr. UNDERWOOD] stated yesterday, in substance, that we might have in our minds any idea that we saw fit to retain concerning the attempt to delay in the discussion of this bill. I think I can say in all good faith that we are justified in doing so when for nearly two whole days we have discussed a matter that is not before the Senate at all in the amendment, and can not be before it until the matter comes up for the consideration of general amendments.

I think it proper at this time, however, to put in the RECORD a few figures that I hope the Senator from Nebraska [Mr. HITCHCOCK] will ponder upon a little by the time he gets ready to say and declare, as he has some four hundred times within the last year, that our emergency tariff was a mere gold brick to the farmer. I want to call his attention to some figures that I have just obtained from the department.

I want to compare the difference between Manitoba or Winnipeg and Minneapolis prices before the emergency tariff and the prices after the emergency tariff. We will all admit that Winnipeg prices—which of course means Fort William prices—are based upon the Liverpool prices, because all of that grain that goes to those markets is exported, and therefore the price is entirely dependent upon what they can get for it in the Liverpool market.

I have the Minneapolis price of wheat for every day in the week except Sunday; then I have taken the same month in 1921 when we had the emergency tariff law upon the statute books.

The difference in price between Minneapolis and Winnipeg in 1920 during the month of October was 10 cents a bushel in favor of the United States. In October of 1921 it was 27 cents a bushel. The difference in the grades between Minneapolis and Winnipeg—the Winnipeg grade being much better than the Minneapolis grade—is, to say the very least, 5 cents a bushel. Therefore we can safely add 5 cents a bushel in addition to the difference that is indicated here; and the 27 cents plus the 5 cents is 32 cents to the advantage of the American producer of wheat.

I will take November of 1920, before the passage of the emergency tariff bill, when the difference was 5 cents. In November of 1921, when we had the emergency tariff bill, the difference was 29 cents. Add your 5 cents difference and you have a real difference of 34 cents in favor of the American farmer.

Now I will take December of 1921, and I find that the difference between the American and the Canadian wheat was 26 cents a bushel. Add your 5 cents, and you have 31 cents a bushel to the advantage of the American producer.

In January of 1922 the difference was 27 cents, which, plus the 5 cents, would give 32 cents advantage to the American producer of wheat.

In February of 1922 the difference between the Canadian and the American wheat was 27 cents, the Minneapolis being No. 1 dark northern, and the Winnipeg No. 1 northern, and the Winnipeg being worth at least 5 cents more per bushel, so that adding the 5 cents to the 27 cents the actual difference would be 32 cents a bushel in favor of the American farmer.

Take the month of March, 1922, and the difference was 22 cents, which, plus 5 cents, is 27 cents a bushel in favor of the American farmer.

In April of 1922 the difference was 25 cents, which, plus the 5 cents, is 30 cents a bushel in favor of the American farmer.

That is what the emergency tariff has done for the American producer of wheat; and it seems to me it is getting about time

that the Senator from Nebraska should cease to throw that old chestnut at us.

The PRESIDING OFFICER. Does the Chair understand that the Senator from North Dakota wishes to insert in the RECORD the statement to which he has referred?

Mr. McCUMBER. No; I will just put in the figures that I have read. I will put the entire table in the RECORD at some future time.

Mr. UNDERWOOD. Mr. President, it has been repeatedly stated in debate that the question we have been discussing about Portland and Roman cement is not before the Senate. I do not know how it could be before the Senate more thoroughly than when the paragraph in reference to the matter had been read and is pending before the Senate now. Of course, under the unanimous-consent rule that we courteously allowed the Senator from North Dakota to adopt, we are powerless at this time to offer amendments ourselves and can only consider the amendments offered by him; but in connection with the paragraph, when he has offered an amendment, it is certainly pertinent to the paragraph to discuss the general situation relating to the paragraph.

That, however, is neither here nor there. We must get away from this idea that the Senate now, because a sacred Republican tariff bill is before it, must change the line of procedure that it has followed from time immemorial about talking about something that is not before the Senate. There is no more irrelevant talk to-day on this tariff bill than there is on every other bill that comes before the Senate.

I tried to have a cloture rule passed in the Senate some years ago, to limit debate in this body and try to hold the debate to the question before the Senate. I think I came nearer to having it passed than has ever been accomplished in the Senate. I came within seven votes of having the rule passed; but I think most of my friends on the other side who are now complaining voted against me on that occasion.

Mr. GOODING. Mr. President, I ask the Senator if he will try it again. He will have a lot of help if he will.

Mr. UNDERWOOD. I hope the Senator from Idaho will live up to that. The Senator has not been here very long. I have not changed my view about the matter, but I notice that time weathers a Senator. He becomes enamoured of his own voice and concludes to vote against a cloture rule. I am not referring to the Senator yet, because he has not had time enough.

Mr. GOODING. I assure the Senator he need have no fear about that. My mind is made up. I have been here long enough to know that the Senate can not transact the business of the country with its present rules. When the Senator gets ready to make that fight, or when anyone else gets ready to make it, he will find me alongside of him.

Mr. UNDERWOOD. I have not changed my viewpoint about a reasonable limitation of debate and about discussing the question before the Senate, but in the midst of a tariff fight, for the convenience of the gentlemen who did not vote for a limitation of debate when they had an opportunity, and merely want it limited now for the benefit of their own particular bill, I must say their criticism does not go very far.

The pending amendment relates to cement other than Portland cement, although it is in the same paragraph. I have just one word to say why I think the amendment should not be adopted. The present rate of taxation on that class of cement is 10 per cent ad valorem. It is not building cement; it is cement used for other purposes, for cementing furniture, or a thousand other small purposes.

The present tax is only 10 per cent ad valorem, and under that in 1918 the imports amounted to a little over $10,000, with a revenue of a little over $1,000; in 1919 the imports were $9,980, with a revenue of $998. In 1920 the imports had increased to $49,000, with a revenue of $4,910. In 1921 they had fallen off to $21,064.

I merely read that to show that the imports of that class of cement in an industry of this magnitude are very small now. There is comparatively little income raised, and the tendency of increasing this tax would be to cut off revenue. There are certainly not enough imports to jeopardize American industry or American business, and I see no testimony here and I have heard nothing said on the floor to indicate that it would.

Mr. SMOOT. I will say to the Senator that the consumption of this cement is very small.

Mr. UNDERWOOD. It is vastly more than the importations.

Mr. SMOOT. Yes; it is more than the importations.

Mr. UNDERWOOD. A great deal more.

Mr. SMOOT. Certainly; but I mean to say that the consumption is small. It is pipe cement and cement that comes in little bottles and packages.

Mr. UNDERWOOD. I understand that; but the consumption is not small. I do not happen to have the figures with me now, but it mounts up to a million dollars. I am talking about the American consumption of cement.

Mr. SMOOT. Keene cement is provided for otherwise.

Mr. UNDERWOOD. The amount of cement that is used in this country, outside of Portland cement, is very large, though not large compared with Portland cement. These imports are very small. This cement is not an item of any very great importance, but the Portland cement is of great importance, and we will consider it further at a later time. I see no reason in the world why the House should have increased the rate of duty from 10 to 17 per cent unless it was that they just wanted to increase every rate found in the present law, which seems to have been the case. If they found a rate was so much in the present law and did not have any other reason for increasing it, they just put it up anyhow. I know of no other reason that is given. I have not heard any on the floor and I have not seen any in the hearings, except that they wanted to put up the rates.

The House put the rate up to 17 cents, and on top of that, although the Senate committee has repeatedly stated that its rates are lower than the House rates, raised the rate from 17 to 20 per cent. The difference between 17 and 20 per cent is not a great deal, and I am not going to ask for a roll call, because we will come back to the real questions in this paragraph; but I intend to vote against the increase, even though it is small, because there is no justification for it.

The PRESIDING OFFICER (Mr. MOSES in the chair). The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

Mr. McCUMBER. I ask that the Senate proceed to consider paragraph 74, which we passed over.

Mr. UNDERWOOD. What is covered by that paragraph?

Mr. McCUMBER. It provides for the duty on zinc salts.

The PRESIDING OFFICER. The Secretary will state the amendment.

The PRINCIPAL LEGISLATIVE CLERK. In paragraph 74, page 28, line 2, the committee proposes to strike out "1½" and to insert in lieu thereof "1¾," so as to read:

> Zinc oxide and leaded zinc oxides containing not more than 25 per cent of lead, in any form of dry powder, 1¾ cents per pound.

Mr. JONES of New Mexico. Mr. President, this paragraph involves another very important commodity. It is used chiefly in the manufacture of paints and paint pigments, and the duty is increased considerably in these different items. The present law reads as follows:

> Zinc, oxide of, and pigments containing zinc, but not containing more than 5 per cent of lead ground dry, 10 per cent ad valorem; when ground in or mixed with oil or water, lithopone, and white sulphide of zinc, 15 per cent ad valorem.

The bill as it came from the House made the following provision:

> Zinc oxide and leaded zinc oxides containing not more than 25 per cent of lead, in any form of dry powder, 1½ cents per pound; ground in or mixed with oil or water, 2 cents per pound; lithopone and other combinations or mixtures of zinc sulphide and barium sulphate, 1½ cents per pound.

The Senate committee recommends increases in these duties over the House rates, and both of them quite an increase over the present law. I read the proposal of the Finance Committee:

> Zinc oxide and leaded zinc oxides containing not more than 25 per cent of lead, in any form of dry powder, 1¾ cents per pound; ground in or mixed with oil or water, 2¼ cents per pound; lithopone and other combinations or mixtures of zinc sulphide and barium sulphate, 1¾ cents per pound.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from North Dakota?

Mr. JONES of New Mexico. I yield.

Mr. McCUMBER. The Senator recognizes that we have given 1½ cents a pound upon the zinc itself, and therefore we necessarily have to give a higher compensatory duty upon those products which are made from zinc. As those products take about 80 per cent of zinc itself, we would necessarily have to add the equivalent of 80 per cent of 1½ cents to each one. The Senator from Utah [Mr. SMOOT] has the figures, and I think he can probably present the relation better than I could.

Mr. JONES of New Mexico. I was quite aware of the fact that there had been this raise on the zinc itself, and really that question might very well be considered in connection with this question, because it is important. However, it is one in which I am not taking any special interest, except that on the zinc slabs and the manufactures coming from the zinc ore in its cruder form there is an increased duty over the zinc content of the ore.

Mr. SMOOT. Of one-eighth of a cent a pound.

Mr. JONES of New Mexico. One-eighth of a cent a pound; that is quite true. I have not been able to find in any of the data upon the subject justification for that increase. All the data bearing upon the subject indicates that the smelters of the United States can smelt that ore just as cheaply as any smelters on earth, and any duty which is beyond the compensatory duty, which should be equal to the duty upon the zinc content of the ore itself, is a mere gift to the smelting interests of the country.

Mr. SMOOT. May I ask the Senator a question, so that I can know what position he will take?

Mr. JONES of New Mexico. Certainly.

Mr. SMOOT. I understand, now, the Senator is not objecting to 1½ cents a pound on the zinc content in the ore?

Mr. JONES of New Mexico. I can only reply to that the same as I did as to the 1½ cents a pound on lead. I am going to accept that, so far as my argument is concerned, as the basis for the discussion.

Mr. SMOOT. Then I will know the position of the Senator and I think I can answer him. As soon as he gets through I will state the position of the committee.

Mr. JONES of New Mexico. Very well. It is a big increase over the present rate, but I take it that we are increasing enormously the duties to the manufacturing interests of the country, and when I know that is going to be done I do not see why I should stand here arguing against an increase upon those who produce the raw products of the country. The amount of duty upon the zinc ore is simply arbitrary. There is no basis upon which to found it that I know of. By some concerns I think it is produced as cheaply as it can be produced anywhere. By a great majority of concerns I do not believe it can be produced as cheaply as it is produced in Mexico. Mexico, as regards zinc, is in precisely the same relative situation as regards lead. In the discussion on lead oxide I chose to discuss it solely upon the basis of the manufactured product from the crude ore. I think that is as far as we need to go at this time in the discussion, because I assume that, regardless of the discussion, the majority of the Senate are going to adopt the figures which have been recommended by the majority of the Finance Committee.

While I said that there is some justification—and, for the purpose of the argument, admit that there is full justification—for the duty which is to be put upon zinc ore, I do not believe that anybody can justify any additional duties by reason of the smelting or manufacturing of zinc ore. I shall not at this time go into the question of the converting of the zinc content of the ore into spelter or slabs, but there is not a line of testimony in any of the surveys that I have been able to find which indicates that we can not smelt that ore just as cheaply in this country as anywhere else. There are some advantages which other smelters have, but they are compensated by advantages in this country. The fact that the committee recommends a differential of only one-eighth of a cent per pound would seem to indicate precisely that, but one-eighth of a cent per pound when applied to all of the zinc production of this country makes a very large sum of money.

Mr. SMOOT. Let me at this point read what the Tariff Commission said.

Mr. JONES of New Mexico. I shall be very glad to hear it.

Mr. SMOOT. This is what the Tariff Commission says:

> The crux of the tariff situation on zinc is similar to that in the case of lead except that, unlike lead smelting, the reduction of zinc ore in the United States is at some disadvantage when compared with smelting in European countries. This difference, however, is not great, and the chief problem is the adjustment of the duty that shall be at least compensatory to the duty that may be levied on the zinc content of imported ore, bearing in mind that the recovery in zinc smelting is not greatly in excess of 80 per cent of the zinc content of the ore as delivered at the works.

Mr. JONES of New Mexico. I understand that.

Mr. SMOOT. All the committee has given is one-eighth of a cent differential.

Mr. JONES of New Mexico. I think it is in that same connection that the Tariff Commission proceeds to tell what the advantages are and what the disadvantages are in the smelting of zinc ore in this country and abroad. I have read what the Tariff Commission said upon the subject.

Mr. SMOOT. Just before what I read they give the competitive conditions. I only read the summary of those conditions.

Mr. JONES of New Mexico. If we will read those competitive conditions as stated by the Tariff Commission, it seems to me that anyone would realize that there is no practical difference or practical advantage which any other country has over us.

Mr. SMOOT. In answer to that, I wish to say to the Senator that I, like he, believe there ought to be a 1½-cent duty on the zinc content in the ore. I do not want that rate interfered with or decreased by allowing the importation of the spelter or the sheets or the bars or the oxide. If we allow that and there is any advantage at all, then we might just as well lower the rate upon the ore.

Mr. JONES of New Mexico. I agree with the Senator.

Mr. SMOOT. The Senator will agree with that, will he not?

Mr. JONES of New Mexico. Certainly.

Mr. SMOOT. I think that the one-eighth of a cent is no more than will keep out the spelter to take the place of the ore if the rate is the same. My object in this is just the same as that of the Senator from New Mexico. If spelter is placed at 1½ cents and the ore content at 1½ cents we will not get the ore. We will then get the spelter or else we will not get the protection of 1½ cents on the ore content.

Mr. JONES of New Mexico. Right in that connection the Tariff Commission uses language which is most interesting. It involves a very important economic problem for us to consider in connection with this tariff duty. The Tariff Commission says:

> The indications are that the United States will continue to supply its own vast needs even under the existing tariff—

Now, mark that language.

Mr. SMOOT. I should think that would be true.

Mr. JONES of New Mexico. And then they say—

> and possibly have a small excess for export to near-by countries.

Mr. SMOOT. I think there is a differential to-day, I will say to the Senator. Of course, it all, then, depends upon whether we are going to have the rate on the ore and what it will be. I think that statement is correct.

Mr. JONES of New Mexico. That is under existing rates. The duty upon the oxide is only 10 per cent ad valorem; ground in or mixed with oil or water, lithopone, white sulphide zinc, 15 per cent ad valorem. Under the existing law the Tariff Commission has this to say:

> The indications are that the United States will continue to supply its own vast needs even under the existing tariff and possibly have a small excess for export to near-by countries.

Mr. SMOOT. I want to say that the existing law has a 5 per cent differential and we only give one-eighth cent, so I agree with the Tariff Commission on that. Give us the differential; we are asking a differential of only one-eighth cent, and the Senator will note that under the existing law there is a 5 per cent differential.

Mr. JONES of New Mexico. Let us see how the differential figures out. I do not have before me the existing law showing the rate on zinc slabs. It is paragraph 390, I believe.

Mr. SMOOT. Yes; paragraph 390 is ore and paragraph 391 is spelter and pig and bar. The equivalent to-day would be one-tenth cent and the metal rate itself is three-fourths cent, and the differential would be a little over one-half cent under the existing law and the prices of the metal to-day. We only give one-eighth cent, so the differential we have in the bill is not as great as the differential in the existing law.

Mr. JONES of New Mexico. There is nothing, however, to show that the present differential is justified by the facts. There is nothing in the record to show that even the present differential is justified.

Mr. SMOOT. No; I do not think the differential in the existing law can be justified, because it is very much higher than we have proposed.

Mr. JONES of New Mexico. That depends on the price of the ore.

Mr. SMOOT. Oh, no.

Mr. JONES of New Mexico. The committee is putting it at so much per pound, and the present law is on the ad valorem basis.

Mr. SMOOT. The metal weight is three-fourths of a cent and the equivalent under the ad valorem rate is one-tenth of a cent, so the difference between them would be sixty-five hundredths of a cent. That is the differential.

Mr. JONES of New Mexico. I do not see where the Senator gets three-fourths of a cent. The present law, as I have it before me, carries an ad valorem rate.

Mr. SMOOT. That is 15 per cent on the value of the ore.

Mr. JONES of New Mexico. Fifteen per cent on the bars and 10 per cent on the ore content.

Mr. SMOOT. And this is three-fourths of a cent, with a 15-cent value on the ore.

Mr. JONES of New Mexico. But, as I said, it depends upon the value of the ore as to how much it is, whereas the committee proposes a specific rate.

Mr. SMOOT. It would be 15 per cent on the slabs at 5 cents a pound. The Senator knows that the slabs hardly ever go lower than that, and 15 per cent on 5 cents a pound on the slabs

would be just three-fourths of a cent. The rate under the Underwood law on the ore is equivalent to one-tenth of a cent based on the Mexican ore, and that is where we have to base it. One-tenth of a dollar is 10 cents. Three-fourths of a dollar is 75 cents. Three-fourths of 1 cent is three-fourths of a cent. The difference, therefore, is between one-tenth and three-fourths, which is sixty-five hundredths. We only give twelve hundredths, while the differential in the Underwood law is sixty-five hundredths.

Mr. JONES of New Mexico. I agree that the present differential rate is not large and that there is a differential under the existing law.

Mr. SMOOT. It is five times the amount that is proposed in the bill.

Mr. JONES of New Mexico. But the amount that is necessary does not appear anywhere at the present time or under the existing law or under the conditions as they existed at the time that act was passed.

Mr. SMOOT. But the Tariff Commission does not agree with the Senator.

Mr. JONES of New Mexico. I should like to know in what respect they differ from me.

Mr. SMOOT. I just read it to the Senator. The Tariff Commission agree with the Senator as to lead—that is, if the ore is at the works—and as to zinc they refer specifically to zinc at the works. The only difference between the Senator and myself as to lead is that I claimed if the lead is at the works the American smelters can smelt the ore as cheaply as it may be smelted at any place in the world, just as is stated by the Tariff Commission, but they can not do it and pay transportation on the ore carrying three times the amount of weight as does the bullion. In the case of zinc there is often an even greater difference than that. Now, let me read it again to the Senator, so that he may understand it.

> The crux of the tariff situation on zinc is similar to that in the case of lead, except that, unlike lead smelting, the reduction of zinc ore in the United States is at some disadvantage when compared with smelting in European countries. This difference, however, is not great, and the chief problem is the adjustment of the duty that shall be at least compensatory to the duty that may be levied on the zinc content of imported ore, bearing in mind that the recovery in zinc smelting is not greatly in excess of 80 per cent of the zinc content of the ore as delivered at the works.

And so as to lead they reported that what the Senator says is true, if the ore is at the works, but they admit here that the American smelter is often at a disadvantage as compared with the European smelter as to the ore at the works. They do not, however, admit that as to lead. In this case we have only given one-eighth of a cent; that is all there is to it. It amounts to a differential of twelve and one-half one-hundredth of a cent, whereas the differential under existing law is sixty-five one-hundredths of a cent, or a differential of five times the amount that is proposed to be given under the pending bill.

Mr. JONES of New Mexico. If I am able to follow the Senator, he argues himself out of court. He says that, given the ore at the smelter, the smelter in this country can reduce it as cheap as it may be reduced anywhere.

Mr. SMOOT. I have not said that as to zinc. I said that as to lead, but even the Tariff Commission states that, so far as zinc is concerned, it can not be reduced so cheaply here at the works as it can abroad.

Mr. JONES of New Mexico. I shall read what the Tariff Commission says about it.

Mr. SMOOT. I have just read what they say.

Mr. JONES of New Mexico. I certainly misunderstood the Senator. I had supposed he made his statement with regard to zinc.

Mr. SMOOT. I just read what the Tariff Commission said in reference to zinc.

Mr. JONES of New Mexico. But I thought as to smelting charges and costs the Senator applied his statement to zinc.

Mr. SMOOT. I did.

Mr. JONES of New Mexico. And that the smelting of zinc could be done as cheaply in this country as anywhere.

Mr. SMOOT. No; the Senator is mistaken.

Mr. JONES of New Mexico. Very well. I acquit the Senator from Utah of having intended so to state; but he admits that, so far as lead is concerned, the smelting may be done as cheaply.

Mr. SMOOT. At the works.

Mr. JONES of New Mexico. At the works.

Mr. SMOOT. Yes.

Mr. JONES of New Mexico. Then as to zinc, of course the Senator does not agree that the situation is the same, but I will read what the Tariff Commission states. Assuming that it is the same, then there is no excuse for a differential as between the slabs and the ore if after the ore reaches the smelter it may be smelted just as cheaply as anywhere else. There is no excuse for a differential for this reason:

Unless the duty is high enough to prevent importations of the foreign ore, it will come in and will be smelted just as cheaply as the American ore. So it is solely a question of putting enough duty on the zinc or lead content to prevent the foreign ore from getting to the reduction works in the United States.

Mr. SMOOT. The Senator should take the amount of loss into consideration.

Mr. JONES of New Mexico. The Senator's statement as to loss relates only to the ore, because from wheresoever the ore comes the loss is there, and the Senator from Utah simply states himself out of court when he says that the smelting processes may be conducted just as cheaply in this country as anywhere else. When the Senator says that in effect he says the only question to be considered is the cost of getting the ore to the smelter.

Mr. SMOOT. I am glad the Senator has stated that, because that is the vital question so far as lead is concerned. The question is the same in regard to zinc, only with added difficulties which the Tariff Commission says exist. I have read the statement of the Tariff Commission as to zinc.

Mr. JONES of New Mexico. The Senator has read a part of it, but I will read the remainder of it. I know that the Senator from Utah did not deliberately, for any purpose, omit any part of it.

Mr. SMOOT. I read the conclusion of the commission, but I did not read the statement in reference to the competitive conditions upon which the conclusion was arrived at by the commission. The Senator may read what I omitted if he wishes to do so.

But let the Senator take a piece of paper and figure what the compensatory duty is. If the loss on zinc is 20 per cent; that is, if the yield of zinc in smelting the zinc ore is 80 per cent and we give a duty of 1½ cents on the ore, then we must necessarily give a compensatory duty of 1¾ cents on the slabs.

Mr. JONES of New Mexico. But the foreign smelter has the same loss.

Mr. SMOOT. But if the ore is smelted in a foreign country in slabs, it does not have to pay the freight here to be smelted in this country; only the freight is paid upon the slabs and not upon the ore.

Mr. JONES of New Mexico. I can understand all those factors; I can see those factors; but when it comes to applying the facts it does not make any difference, so far as this argument is concerned, in my judgment. The Senator from Utah differs from me about that.

Mr. SMOOT. I certainly do. Now I wish to read further, and I will begin at the same point:

> The indications are that the United States will continue to supply its own vast needs, even under the existing tariff, and possibly have a small excess for export to near-by countries. The export trade would be supplied largely by the smelting of Mexican and Canadian ores in bond. The European smelteries may be expected to divide the world trade among themselves; but they are not likely to be a large factor in the domestic market, which will be kept down by the pressure of potential importations for consumption of the metal produced from foreign ore in bonded works and by the large domestic capacity—both reserve and smelter output as stimulated by the war.

Mr. JONES of New Mexico. I believe if the Senator will examine the Tariff Commission Survey he will find that there are large exports of the slabs which we have been talking about—spelter and slabs——

Mr. SMOOT. That was during the war.

Mr. JONES of New Mexico. I do not believe that the statistics are confined merely to the war period, according to what I have before me. On page 59 of the Tariff Commission Survey I find the statement that in 1910 of zinc in pigs, bars, plates, and sheets we exported 1,816,289 pounds; in 1911, 12,894,208 pounds; in 1912, practically 19,500,000 pounds; in 1913 nearly 15,000,000 pounds. Then the war came on.

The figures also show that in 1918 we exported 132,000,000 pounds; in 1919, 219,000,000 pounds; in 1920, 148,000,000 pounds; and for nine months of 1921, 2,257,000 pounds.

Of zinc cast in pigs, slabs, and so forth, produced from foreign ore, we exported in 1918, 40,000,000 pounds; in 1919, 24,000,000 pounds; in 1920, 56,000,000 pounds; and in 1921, 1,280,000 pounds.

Of zinc rolled in sheets, strips, and so forth, in 1918 we exported 27,750,000 pounds; in 1919, 39,000,000 pounds; in 1920, 23,000,000 pounds; in 1921, 2,605,000 pounds.

I will state that the first figures given show the exports of the product manufactured from domestic ore and the other figures the exports from the imported ore on which there was a drawback of the duty.

Mr. President, we find this concrete fact that we were smelting these ores and exporting them abroad in large quantities

for the years before the war, and we have kept it up since the war, and that export trade has been carried on in competition with the world. That statement comes from the Tariff Commission. Will any Senator tell me in the face of figures of that kind that a differential is needed for the smelting of the ore, if during all these years we have been smelting our ores and foreign ores in bond and sending the pigs, slabs, and sheets all over the world?

Mr. President, that sheds much light upon the further element of which the Tariff Commission treats.

> Costs of zinc smelting vary between wide limits, depending on unit fuel, freight and labor costs, and plant efficiency; but there are indications that the cost of producing zinc in the United States is slightly higher * * * than in the large European centers. The smelters of the United States have exceptional advantages as regards fuel supply—the domestic coals are much cheaper and are generally of better quality than the European varieties—and are not greatly handicapped in securing the refractory material needed in the process. In addition, the high zinc tenor of middle western ores cheapens the smelting process by conserving fuel and reducing handling charges and refractory costs.
>
> On the other hand, domestic smelters obtain less fuel efficiency than the foreign and are handicapped by wage rates from double to four times the European scale.
>
> There is a large excess of smelting capacity in the United States, and it was demonstrated during the war that American mines can produce ore in quantity more than sufficient to keep all the plants supplied.
>
> However, due in large measure to the length of railroad hauls from the western mines to eastern consuming centers, the cost of American ore is generally greater than the cost of foreign ore.

Those are the factors which have been mentioned here, some on one side and some on the other; but when you come to get results you find that these smelters are actually smelting this ore and sending it abroad in competition with the world, and all this information comes from the tariff survey.

Mr. SMOOT. Mr. President, if the Senator is interested in zinc ore, I will ask him whether he would like to see conditions exist such as existed in the months of March and April of 1921? If the Senator will look at the importation, not of ore but first of zinc in blocks and pigs, he will find that it jumped in three months from 101 pounds for the year 1920 to 13,064,016 pounds. Did not that take the place of twice that amount of ore? Not only that but look at the exportations at the same time. For the full nine months when this report was made, of zinc cast in pigs, slabs, and so forth, produced from domestic ore, the quantity exported was 2,257,468 pounds. Now, suppose they had continued to import as they did in 1921, in three months over 13,000,000 pounds of zinc in blocks or pigs, and then over 13,000,000 pounds of zinc sheets, a total in three months of over 26,000,000 pounds, taking the place of zinc ore during the year 1921. I am not going to be unfair in that statement. I am going to tell the Senator why that occurred.

Mr. President, there was an overproduction of zinc in Belgium and in England and in Spain, and what did they find? They found the American price in 1921 high, and they did not ship the ore. That was not shipped. They shipped zinc in blocks or pigs and zinc sheets to the amount of 26,000,000 pounds in those three months; and if the trade journals are to be taken into consideration, and if they state the truth, they dumped their surplus into the United States and broke the market here until they were compelled to sell their pigs and blocks lower than it cost to produce them in the United States.

I want to say to the Senator that if that thing happens, it simply means the shutting down of the zinc mines of Missouri and the shutting down of the zinc mines of the West, because they produce the ore, and when the slabs and the bars and the spelter are sent into this country that stops the production of the ore. That is what I want to do; and I am only asking for one-eighth of a cent differential, and the Tariff Commission says it is justified.

If the Senator is interested in the ore, I know that he would not want such a condition to exist; and another thing the Senator knows is that in order to produce the pigs and slabs and spelter they have to run continuously. Do we want the market here to be the dumping ground of Belgium and England and Spain and Germany? I do not think the Senator wants that.

Mr. JONES of New Mexico. May I ask the Senator if he agreed to the provisions of this bill by reason of the things he has just been stating?

Mr. SMOOT. Why, certainly.

Mr. JONES of New Mexico. That was the moving factor?

Mr. SMOOT. Absolutely; and not only that but the difference in the freight, too. I want to say to the Senator now that I would not have supported a duty of a single penny on a ton of the conversion of lead if the ore was at the mill, the same as the ore would be at the mill in the foreign country. We can compete with the world; but the Senator knows that we have to get our ore from Mexico. and the freight rate on zinc, we will say—it is about the same as the other—is $9 a ton from the border of the United States to St. Louis and the Mississippi Valley, where it is smelted. If the Senator will get that into his mind, and he is interested in the content of the ore, he must know that if it is not protected with a differential the ore must go down in price.

Mr. JONES of New Mexico. Does not the Senator realize that if the freight rate is so high the way to remedy it is to raise the rate on the ore? Would not that remedy it?

Mr. SMOOT. Why, no, Mr. President. We could put the ore at 5 cents a pound if we wanted to, and then what would they do? They would build a smelter in Mexico, as the American Smelting Co. has already done, smelt the ore there, and ship the bullion here. That is what would happen, and I would not care if you put a dollar a pound on the content and left the bullion at this rate; no ore would come in here, but the bullion would.

Mr. JONES of New Mexico. If the Senator thinks he is right about it, should not the differential be much greater than it is? One-eighth of a cent per pound will not pay that freight bill.

Mr. SMOOT. I am quite sure of that. The present differential of one-eighth of a cent is virtually the differential in the loss. It is not much over that; but take the metal, in paragraph 391, at 1¼ cents a pound, and I was going to tell the Senator that it is too low. The average loss in smelting is 15 per cent, and in certain cases it is more; but when you take into consideration the fact that we have many of the ores produced in Missouri and worked by the same plants as the ores coming from Mexico, I think perhaps in balancing it up they could get along with that differential; but it is very, very close, indeed.

Mr. JONES of New Mexico. Certainly that one-eighth of a cent a pound would not cut any material difference in offsetting the freight rate which the Senator talks about.

Mr. SMOOT. One-eighth of a cent a pound, of course, is considerable on a ton. I will tell the Senator just what it is. The Senator says that the ore is 40 per cent. It will take me a little time to figure it out.

Mr. JONES of New Mexico. Mr. President, this is a small item, and I will not take up time with it. I see that the Senator has his calculation rule there. He can figure that out by and by and say what it is, but it is only a small fraction of the freight rate the Senator has been talking about.

Mr. SMOOT. I am quite sure that the differential on the zinc is very close, as I have already said—very close, indeed.

Mr. JONES of New Mexico. Yes; and it would not overcome the factors to which the Senator has been referring. It would not offset the freight rate; but they would not ship those slabs in here for the purpose of putting them on the American market when they would have to pay a tariff on them equivalent to the cent and a half a pound upon the zinc content, when in this country we are smelting those ores and sending the slabs and sheets and bars to the four corners of the earth. We are doing it now, when the rate upon the zinc content is very much less than is proposed under this bill; but let that one-eighth of a cent go. Assuming that you have your ore here, in my judgment you can compete with the world in making slabs or zinc sheets. The Senator says he wants a differential of one-eighth of a cent per pound, which, of course, is to be applied only to the comparatively pure zinc, the bars and the slabs and the sheets.

What do we find, however? So far as these oxides are concerned, these materials which go into paint pigments, we find here that on the zinc oxide containing not more than 25 per cent of lead in any form of dry powder the duty is 1¼ cents per pound. There we have another differential—1¼ cents per pound. That zinc oxide is produced directly from the ore, and the oxide is not all zinc. The zinc content of the oxide is only 80 per cent. There is a difference of 20 per cent, and here is another one-fourth of 1 cent per pound specifically mentioned.

I should like to know how that can be justified. That process of making those oxides from zinc, the American process, was developed in this country. It is not used, I believe, to any material extent anywhere else in the world.

There is no intimation that any nation can compete with us on a free-trade basis, so far as the manufacture of zinc oxide is concerned, and here they give a differential of one-fourth cent per pound upon the oxide itself, and the oxide contains only 80 per cent of zinc. That is an absolute gift.

Mr. SMOOT. They can get only 80 per cent of the oxide out of the ore, too, I will say to the Senator.

Mr. JONES of New Mexico. Yes; but that is the smelting process.

Mr. SMOOT. It is the same with the oxide. You can not get more out of any product of oxide than you can in making spelter.

Mr. JONES of New Mexico. Mr. President, the duty upon the importations of these ores is based only on what you get out of them. That is what your duty is based on, and that is what we are talking about when we refer to the smelting of any kind of a zinc ore. We are talking about what we get out of it, and what we get out of it is just as much as any other concern on earth would get out of it.

Mr. SMOOT. Whatever rates are imposed are imposed upon the metal content, and when it goes into the spelter or the lead bullion, in either case the duty is imposed upon the metal content, whereas the recovery is only 80 per cent.

Mr. JONES of New Mexico. Does not the Senator know that the proviso to the paragraph imposing a tariff on the zinc ore takes care of that loss, because it is designed specifically to bring that ore into the United States, and then let you export the zinc produced from it and get a drawback? The Senator would not stand here for a minute and permit a law to pass this body which would penalize the smelting of foreign ores in the United States, and this bill does not propose to do it.

Mr. SMOOT. Of course the Senator may speak for himself, but he can not speak for the Senator from Utah. I will support any kind of a bill that will bring the foreign ores into the United States in bond, to be smelted by American labor and with American capital, the content to go, when smelted, not into the commerce of the United States but to a foreign land, and we are just that much ahead in the United States. We give that much work to the laboring man in the United States, and I am in favor of any kind of a law which will allow the manufacturing of any article for exportation in bond.

Mr. JONES of New Mexico. The law provides that on all importations of zinc-bearing ores the duty shall be estimated at the port of entry and a bond given in double the amount of the estimated duty for the transportation of the ores by common carrier, bonded for the transportation of appraised or unappraised merchandise to properly equipped sampling or smelting establishments, whether designated as bonded warehouses or otherwise. On arrival of the ores at such establishment they shall be sampled according to the commercial methods under the supervision of Government officers, who shall be stationed at such establishments, and who shall submit the samples thus obtained to a Government assayer designated by the Secretary of the Treasury, who shall make a proper assay of the sample and report the result to the proper customs officer.

Anybody who is dealing with the sampling of ores which are sold at a smelter knows that those ores are sampled according to the amount of the metal which can be obtained from the ore.

Mr. SMOOT. That is, what can be produced from those ores.

Mr. JONES of New Mexico. At any smelter.

Mr. SMOOT. The Senator is wrong. It is not what can be produced from the ore; it is what it contains when smelted. That is what they collect the duty upon.

Mr. JONES of New Mexico. My information is not to that effect.

Mr. SMOOT. I will say to the Senator that if he will telephone to the Treasury Department and the Treasury Department does not say that that is the fact, he can write the rates in this bill.

Mr. JONES of New Mexico. The other day, when we were discussing lead, the Senator stated that if you would look at any contract which a smelter made for buying lead ore you would find that the contract specifically provided for a reduction on account of the loss in smelting, and that is precisely what this means. If I am wrong about it——

Mr. SMOOT. The Senator is wrong.

Mr. JONES of New Mexico. If I am wrong about it, there is nobody who would be quicker than the Senator from Utah to correct it, because it would be a crime to undertake to say to the smelters of this country, "We are going to give you an opportunity to smelt foreign ores in bond, but we are going to penalize you, not only by the 1 per cent drawback but we are going to penalize you with 15 or 20 per cent more for loss in smelting those ores."

The Senator must know that is absolute folly, and if he actually believed it he would be offering an amendment to this bill providing that in these assays you shall make such deductions as are necessary to account for the loss in smelting.

Mr. SMOOT. Now, the Senator is getting off again. I say now—and I want to put it in the RECORD, so that the Senator will know—that if ores are withdrawn from bond, with the duty paid on all zinc content in the ores, allowances for loss are made on canceling the bond when those ores are shipped to a foreign country. Does the Senator understand that?

Mr. JONES of New Mexico. I was speaking only with reference to the smelting and exporting of the commodity. The Senator misinterprets me if he thinks I was talking about that sort of a situation. We are not discussing that.

Mr. SMOOT. That is what the Senator has been arguing about.

Mr. JONES of New Mexico. Not at all.

Mr. SMOOT. Then I can not understand the Senator.

Mr. JONES of New Mexico. What I have been arguing is just this, when these bars are brought in for the purpose of being smelted and exported, converted into bars, slabs, and so on, for export; and where they are coming in competition with the world the processes employed here are not such as to penalize the industry in this country.

If that be so, I do not see any evidence here that there is any necessity for imposing any duty upon these oxides beyond the duty imposed upon the ore. The oxides are made out of the ore or the zinc content of the ore. It is admitted we can smelt these ores just as cheaply as any country on earth and manufacture the oxide as cheaply as any country on earth, and there is no competition under existing law.

In regard to this oxide, we are now getting down to a practical basis on the thing which we are discussing. After describing zinc oxide the Tariff Commission tells us about the two processes for its manufacture, one the French process and the other the American process. Under the French process it is made from the metal. By the American process it is made from the ore direct, and usually contains a percentage of lead.

This bill refers to the "zinc oxide and leaded zinc oxides containing not more than 25 per cent of lead." The American oxides do not contain more than 25 per cent of lead. In fact, the percentage is very much less. So, under this provision all oxides are included. This is what the Tariff Commission say after describing this process:

> The output of American-process oxide is in excess of the domestic consumption and leaves a small margin for export.

We are making these oxides and sending them abroad in competition with the world. I would like to have some one suggest why we should put a tariff upon importations of such a commodity as that. The zinc oxides which are produced in the United States since 1912 have ranged from 84,000 short tons of the zinc oxide, which is made by the French process, up to as much as 109,000 short tons, and in 1920, after business became depressed, we produced 89,000 tons. Of the leaded zinc oxide we produced 30,000 tons in 1920. Our imports have amounted to practically nothing since the war; in 1921 only 955,000 pounds, as against nearly 100,000 tons in 1920.

Of the zinc oxides in 1919 we exported 24,000,000 pounds, and in 1921 we exported 3,500,000 pounds. We are advised that during all the time we have been making these oxides at all the importations never exceeded 2½ per cent, while the exports have averaged 20 per cent. The average exports of zinc oxide and leaded oxide combined from 1910 to 1917 were about 31,000,000 pounds. I would like to have some one explain why there should be any tariff upon imports of zinc oxide.

Our exports have averaged 20 per cent of the domestic production. Our imports have never at any time exceeded 2½ per cent. Yet it is desired to have a duty upon those oxides. I repeat that from an economic standpoint the only possible result is to enable the few manufacturers to increase the price of paints to the consumers throughout the country and levy further tribute upon the American people and put it in the pockets of the few manufacturers, when if they would be content with the same profits with which the smelters and producers of other sections of the world will be content they would still make a reasonable profit. But this is to be in addition a special levy of tax upon the American people for the specific benefit of the few manufacturing industries.

The Senator from Utah has referred to some supply of slab zinc being dumped on the American market. We have now an antidumping law. It became a law as a part of the so-called emergency tariff law. The same provision is incorporated in the pending bill against dumping, the sporadic happenings of which we hear once in a while. That can not be done any longer; it can not be done under the existing law, and the pending bill proposes to prevent it also.

Mr. SMOOT. But it was done in 1920.

Mr. JONES of New Mexico. No; I do not think that was dumping. The Senator called it that, but what I think occurred then was that the American prices were so high that they could ship it over here, sell it in this market, pay the duty on it, and still make a profit. Doubtless it was something of a supply that was on hand as a result of the cessation of the war, but there is no evidence that that was a regular transaction. It may not have been dumping. I do not think it was. I think that the people of this country had their prices so high that the

foreign commodity could be brought here. The economic result was to prevent the domestic concerns from further profiteering upon the American people as they did during the war.

Moreover, Mr. President, it is more than likely that the closely dominated industry in this country bought it. That is what has happened with regard to wood alcohol, calcium carbide, and other commodities where they are closely controlled in this country. Where there is a limited supply that comes in, the producers here purchase that supply in the controlled market, and themselves sell it at a profit to the American consumer.

By the way, Mr. President, these oxides, when ground in or mixed with oil or water, carry 2¼ cents per pound. That is an increase from 1½ cents per pound on zinc ore to 2¼ cents. I am not going to discuss that, but it largely involves the same discussion as the other items.

Mr. SMOOT. I wish to say for the RECORD, if the Senator is going to leave zinc oxide, under the Underwood law the differential is six-tenths of a cent per pound, and under the bill it is proposed to be one-fourth of a cent per pound.

Mr. JONES of New Mexico. It figures out about that on the basis of the prices. I think the Senator is right. The Senator proposes in the bill to reduce it to one-fourth of a cent per pound.

I think the Senator will understand that I do not believe this is the time to levy a tax upon the American people merely because at some period in the past some other Congress levied some other rate of duty. Quite frequently we find this Congress going back not only to 1913, when the Underwood-Simmons law was enacted, but going back to 1909, when the Payne-Aldrich law was enacted, and imposing duties simply because the Payne-Aldrich law imposed them, or else they now discover no difference between the situation as it existed then and it exists now.

Mr. WALSH of Montana. Mr. President, will the Senator permit me to make a suggestion in that connection?

Mr. JONES of New Mexico. I am glad to yield to the Senator from Montana.

Mr. WALSH of Montana. It has often been argued in favor of the principle of a protective tariff that the effect of it would be to protect a domestic manufacture to such an extent as that after it had passed the period of infantile development it would be able to stand on its feet and compete with the foreign producer, so that the protective tariff would no longer be necessary. In other words, the logical development of that idea would be that the protective tariff would be greatly reduced as the domestic manufacturers established their manufactures and perfected their processes and that kind of thing, so that in the regular development of the system there could be a reduction in the rate of duty and in any differential which existed between the tariff upon the manufactured product and the raw material. So it seems to me it is a very poor answer to the argument the Senator is so persuasively making to say that the differential is no greater than was the differential in the case of the Underwood tariff law or the Payne-Aldrich law.

Mr. JONES of New Mexico. Mr. President, the situation reminds me of the registration laws that I have seen in certain localities in New Mexico. About 1885 the law provided for fixing up the registration list. It also provided that those lists might be combed out and the names of the absentees and deceased citizens eliminated. As a practical operation, however, the only change in the registration list was simply to add to it the newcomers.

That is the way with this tariff proposition. They keep all they have ever had and simply add something new. They continue to increase, and even if the necessity for it has disappeared, if the citizen has moved away, they will keep up the old system, the thing which first started. They are never willing to give up anything or to consider the thought of reducing anything, but they are looking for additions and accretions.

I now come to lithopone. Lithopone is another pigment that goes into the production of paints. The production in the United States has steadily increased from 25,000,000 pounds to about 178,000,000 pounds. The imports have been less than 2 per cent, and those imports have existed for reasons other than tariff conditions. That is what the Tariff Commission has said.

I have been fortunate in ascertaining that the Tariff Commission has made a survey of production costs in the lithopone industry of the United States. It shows that notwithstanding the depressed times production has been very greatly increased; that while overhead charges have been greatly increased, all but one or two concerns in the United States to-day are making this commodity at a profit.

This little pamphlet is one of the most interesting documents which I have seen during the discussion of the pending tariff bill. It is the only document that I have seen which purports to give a survey of the cost of production in the United States. Here is what this document shows in a general way as to the items of cost: It compares the first six months of 1919 with the first six months of 1921, and shows that in 1919 the material cost was 42.6 per cent; that the direct labor cost was 16.9 per cent; that the sales cost was 5 per cent; and that the factory overhead cost was 35.5 per cent. In 1921 the material cost was 42 per cent; the direct labor cost was 13.1 per cent; the factory overhead cost was 41.2 per cent; and the sales cost was 3.7 per cent.

The production of these concerns was reduced to about one-third of their normal capacity. The figures which I have quoted are average figures, what is known as the weighted average cost; but the cost in the individual concerns has varied greatly. There were eight concerns which were examined, and I feel assured from the evidence in this pamphlet that the costs of those eight concerns were carefully estimated. The costs in the case of lithopone averaged from 5.00045 cents to 7½ cents—more than 2 cents a pound, or nearly 50 per cent. The total factory overhead costs varied from 2 cents a pound to about 3¼ cents per pound—more than 50 per cent. The other costs average about in the same proportion.

Six of those eight concerns were making a profit in these depressed times, although we all understand that when a factory cuts down its output the overhead keeps on and must be applied to the small production.

Mr. President, I desire at some later date to comment upon this document, which demonstrates, to my mind, the impossibility of writing a tariff bill at this time upon any scientific theory. The Senator from North Dakota [Mr. MCCUMBER], in the first speech which he made upon the bill, said that that was the purpose—to write a bill based upon the difference in the cost of production in this country and abroad. However, in this one industry eight concerns were examined and we find that their costs, on the average, have varied more than 50 per cent.

I will call attention to some of the percentages which are a little more striking. Column 3 shows that as to the material cost per pound of lithopone—I shall not read the figures—there was a variation of 62 per cent; the direct labor cost varied 125 per cent; the overhead expense varied 160 per cent; the sales expense varied 600 per cent. The factors entering into these computations are all presented and discussed, and they demonstrate that this is no time to write a general tariff bill covering all these commodities. There can not be found a scientific basis upon which to write a bill which may be put into practical effect to do justice to the consumers of the country as well as to the manufacturers of the country.

Mr. President, I think this document is so important that it is worthy of being published in the RECORD, and I ask that it be published as an appendix to my remarks.

The PRESIDING OFFICER (Mr. WILLIS in the chair). The Senator from New Mexico asks unanimous consent that the document to which he refers be published as an appendix to his remarks. Is there objection? The Chair hears none, and that order will be made.

APPENDIX.

[United States Tariff Commission, Washington—Tariff Information Series, No. 24.]

PRODUCTION COSTS IN THE LITHOPONE INDUSTRY FIRST SIX MONTHS OF 1921.

INTRODUCTION.

This pamphlet is a survey and compilation of costs of production in the lithopone industry during the first six months of 1921. The Tariff Commission in a previous report—Barytes, Barium Chemical and Lithopone Industries, Including Costs of Production, 1919—compiled costs of production in this industry for the calendar year 1919.

The present report gives in tabular form the cost of production of lithopone by individual companies, and shows in detail the various items of expense which make up the total cost. In addition, the costs previously reported to the commission for 1919 are shown along with those for the first six months of 1921, for convenience in comparison. The pamphlet contains a discussion of conditions in the lithopone industry during the first half of 1921 and a detailed discussion of the cost tables.

In the preparation of this report the Tariff Commission had the services of C. R. DeLong, of the Chemical Division, and E. M. Whitcomb, of the Accounting Division, of the commission's staff, and of others.

PRODUCTION COSTS OF LITHOPONE.

The Tariff Commission was requested by a committee representing the manufacturers of lithopone in the United States to ascertain the cost of production of lithopone during the first half of 1921 in order that costs, as reported by the commission (Barytes, Barium Chemical, and Lithopone Industries, Including Costs of Production, 1919—Tariff Information Series No. 18. The report gives a description of lithopone, its uses, statistics of production, imports, and prices, and a discussion

of competitive conditions in the industry) for the year 1919, might be brought to date and be available to committees of Congress in connection with the revision of the tariff act of 1913. A detailed schedule was submitted to various manufacturers, with the request that they submit their costs of production in accordance with the schedule. The reports, as received from the various manufacturers, were tabulated and were later verified by comparison with the books of the companies by members of the commission's staff.

Costs were reported on a more uniform basis by the manufacturers and in greater detail than in the previous investigation, which facilitated the comparison of costs between individual firms. There is still, however, a noticeable lack of uniformity among the various manufacturers in methods of treating certain cost items. These outstanding differences occur in the methods of handling raw material charges, determining sales expense, and in the treatment of administrative expenses.

The average cost of lithopone, shown in this report, is in all cases the weighted average; in no case has a simple average been used in presenting the various items of lithopone cost. It is believed that the costs as shown are representative of conditions existing in the lithopone industry during the first six months of 1921.

SUMMARY OF CONDITIONS IN THE INDUSTRY.

Only 8 out of a total of 13 firms previously engaged in lithopone production were in operation during the first half of 1921. One of the five firms not operating reported that its plant was being dismantled.

In order to show what percentage of the productive capacity of the industry in the United States was in actual operation during the period for which costs were taken, manufacturers were requested to submit the productive capacity of their plants and the actual output of lithopone during the first half of 1921. An analysis of this information shows that only about one-third of the entire capacity of the domestic industry was in operation during that period; the eight firms which were in operation manufactured lithopone equal to about 40 per cent of capacity. The production of productive capacity of the various plants in operation ranged from a minimum of 14 per cent to a maximum of 65 per cent.

From the fact that such a small proportion of the domestic industry was in operation during this period the deduction should not be made that this inactivity was due to competition from imported lithopone. A study of production and import statistics shows that imports in 1920 were 3,427,321 pounds, or only 2.5 per cent of the domestic marketed production of 178,746,000 pounds. Imports for the first six months of 1921 were slightly less than 2 per cent of the domestic output. Pre-war imports were fairly constant at between 5,000,000 and 6,000,000 pounds per annum and supplied only a small proportion of domestic consumption. It is therefore evident that inactivity in the lithopone industry must be attributed to causes other than active competition from foreign sources.

In presenting these lithopone costs it should be pointed out that the costs as reported are undoubtedly higher than if all companies reporting had been operating at somewhere near capacity. Therefore, in considering the competitive strength of the domestic industry for tariff purposes allowance must be made for this fact. It is difficult to estimate to what extent costs would have been lowered if the industry had been operating at or near capacity. The effect of this suppressed production of lithopone is most accurately reflected in the increase in factory overhead cost, as compared with the year 1919, when the industry was operating—at least, during the last half of that year—at maximum capacity.

TOTAL COST OF LITHOPONE IN 1921, AS COMPARED WITH 1919.

Table 1 shows the weighted average cost of lithopone for all companies during the first six months of 1921 as compared with the same six months' period in 1919. This table shows also the distribution of total cost to the items—material, direct labor, factory overhead, and selling expense. Column 9 shows the average profit for the industry by deducting the total cost from the average net sales price, as shown in column 8.

TABLE 1.—*Weighted average cost of lithopone for 1919 and first six months of 1921.*

[Per pound.]

1 Period.	2 Production (pounds).	3 Total cost.	4 Material cost.	5 Direct labor cost.	6 Factory overhead.	7 Selling expense.	8 Average net sales price.	9 Apparent average profit.
1921 (first 6 months)	45,150,036	$0.0626	$0.0263	$0.0082	$0.0258	$0.0023	$0.0676	$0.0050
1919 (first 6 months)	53,092,739	.0605	.0258	.0102	.0215	.0030	[1].0671	.0066
1919 (last 6 months)	89,425,437	.0600	.0259	.0111	.0199	.0031	[1].0653	.0053
1919 (12 months)	142,519,176	.0602	.0259	.0108	.0204	.0031	[1].0667	.0065

[1] Sales price for 1919 is gross price.

The total production of lithopone (column 2) for the first six months of 1921 amounted to slightly more than 45,000,000 pounds. As compared with the same period for 1919, this is a decrease of approximately 8,000,000 pounds and is only about one-half the output during the last six months of 1919.

This restricted production during the first half of 1921 is undoubtedly responsible for an increase in the total cost of manufacturing lithopone during 1921, as compared with 1919. The total cost (column 3) for the first six months of 1921 amounted to $0.0626 per pound, which is an increase of $0.0024 per pound over the average cost for 1919. This increase in total cost is accounted for by the increase of factory overhead expense (column 6), which was greater by $0.0054 per pound than for the year 1919. The increase in the factory overhead expense more than compensated for a decrease of $0.0026 per pound in direct labor cost (column 5) and a slight decrease in selling expense. The material cost per pound of lithopone shows only a slight increase over the material cost in 1919. At first glance it seems surprising that material cost should show an increase over the average cost for 1919; but the material cost, as shown, includes freight on material to plant, or, in other words, is the actual cost of barytes delivered at the various plants of the companies reporting costs. It is very likely that the cost of material, disregarding freight charges, was less than in 1919, but that any decrease in price of materials has been offset by a greater increase in freight rates since 1919.

The various items going to make up total cost of lithopone are shown graphically and by percentages in Figure 1 (see p. 7). This shows that the total cost of lithopone—$0.0626—was made up of 42 per cent for material, 13.1 per cent for direct labor, 41.2 per cent for factory overhead, and 3.7 per cent for sales expense. Figure 1 shows also the distribution of these items of expense for the first six months of 1919 and for the whole year 1919. Whereas in 1919 direct labor was 17.9 per cent, in the first six months of 1921 it had decreased to 13.1 per cent of the total cost. On the other hand, the factory overhead increased from 33.9 per cent of total cost for the year 1919 to 41.2 per cent during the first half of 1921. The cost of material during this period remained practically constant between 42 and 43 per cent of total cost. Sales expense showed a slight decrease from 5.2 per cent of the total cost in 1919 to 3.7 per cent during the first six months of 1921.

The average net price (column 8) received for lithopone sold during the first half of 1921 was $0.0676 per pound. This is an increase of $0.0009 per pound over gross sales value as reported in 1919. Column 9 shows that the industry during this period made an apparent average profit of $0.005 per pound of lithopone. Table 2, which is discussed later, shows, however, that three of the eight firms lost money on lithopone sales during the first half of 1921.

VARIATION IN COST OF LITHOPONE BY COMPANIES.

The cost of manufacturing lithopone by individual companies during the first half of 1921 is shown in Table 2, as well as costs by companies for the year 1919. Company numbers have been arranged in the sequence of total cost of production, both in the first six months of 1921 and for 1919. In no case are the costs shown for any one number comparable as being costs of the same company for both periods.

TABLE 2.—*Detailed average cost of lithopone by companies, 1919, and first six months of 1921.*

[Per pound.]

1921—FIRST SIX MONTHS.

1 Company No.	2 Total cost.	3 Material cost.	4 Direct labor.	5 Factory overhead.	6 Sales expense.	7 Net sales price.	8 Profit or loss (−).
1	$0.0558	$0.0263	$0.0079	$0.0203	$0.0013	$0.0668	$0.0110
2	.0575	.0303	.0106	.0143	.0023	.0668	.0093
3	.0576	.0232	.0104	.0205	.0035	.0674	.0098
4	.0580	.0282	.0059	.0228	.0011	.0676	.0096
5	.0676	.0205	.0091	.0371	.0009	.0698	.0022
6	.0697	.0264	.0133	.0288	.0012	.0668	.0029
7	.0728	.0232	.0066	.0370	.0060	.0666	−.0062
8	.0773	.0332	.0098	.0321	.0022	.0699	−.0074
Weighted average	.0626	.0263	.0082	.0258	.0023	.0676	.0050

1919—TWELVE MONTHS.

1	$0.0529	$0.0248	$0.0058	$0.0203	$0.0020	$0.0649	$0.0120
2	.0536	.0258	.0105	.0151	.0122	.0631	.0095
3	.0574	.0221	.0124	.0218	.0011	.0646	.0072
4	.0586	.0230	.0154	.0166	.0036	.0649	.0063
5	.0609	.0232	.0083	.0028	.0066	.0660	.0051
6	.0635	.0283	.0090	.0208	.0054	.0687	.0052
7	.0643	.0288	.0135	.0201	.0019	.0627	−.0016
8	.0653	.0307	.0211	.0121	.0014	.0696	.0043
9	.0697	.0251	.0111	.0324	.0011	.....	.....
10	.0744	.0303	.0095	.0276	.0070	.0714	−.0030
11	.0751	.0329	.0085	.0274	.0063	.....	.....
Weighted average	.0602	.0259	.0108	.0204	.0031	.....	.....

Column 2 shows that the variation in total cost of lithopone by companies ranged from a low of $0.0558 to a high of $0.0773 per pound, or a variation of 38 per cent of the low cost. Four firms reported a cost less than the weighted average cost. On the basis of actual production, approximately two-thirds of the total output during the first half of 1921 was produced at a cost less than the weighted average. Although not shown in the table, it is significant that neither in 1919 nor in the first half of 1921 did the cost of production vary according to the size of output of individual firms. However, it may be said, in general, that the companies reporting lowest costs in 1921 were those operating at a maximum percentage of productive capacity,

Column 3 shows that the material cost per pound of lithopone ranged from $0.0205 to $0.0332, or a variation of 62 per cent of the low cost. Three firms reported a material cost which was lower than the average of all firms.

The direct labor per pound of lithopone (column 4) ranged from $0.0059 to $0.0133, or a variation of 125 per cent of the low cost. Three firms reported a direct labor cost which was less than the average.

Factory overhead expense, shown in column 5, ranged from $0.0143 per pound of lithopone to $0.0371, or a variation of 160 per cent of the low cost. Factory overhead shows a greater variation than any other item of factory cost. This may be readily accounted for by the wide discrepancy in the percentages of the productive capacity of the firms which were in operation.

Sales expense reported for 1921 ranged from $0.0009 per pound of lithopone to $0.006, or a variation of 600 per cent of the low cost. This wide variation in sales expense is due to the fact that some of the companies consumed practically all of their own production, and therefore they had little sales expense, while some of the other firms had to market practically all of their output.

Column 7 shows that the net sales price received for lithopone during the first six months of 1921 was fairly uniform, and varied only 5 per cent from the low, $0.0666 per pound, to the highest net price received, $0.0699. Six firms reported a net sales price equal to or below the weighted average of $0.0676 per pound.

Column 8 shows the actual profit or loss during the first half of 1921. Three firms had a loss on their lithopone sales ranging from $0.0029 per pound to $0.0074, whereas the remaining five firms reported a profit which ranged from $0.0022 to $0.011 per pound. As there was very little difference in the net price received for lithopone during 1921, profits were in inverse ratio to the total cost of production. Interest on capital investment and Federal taxes were not included as items of expense in arriving at total cost, and therefore these factors have had no influence on the average profit or loss shown in column 8.

DETAILS OF MATERIAL COST.

Table 3 shows details of material cost by companies compared with the total factory cost of lithopone. The determination of material costs was somewhat complicated by the fact that the method of treating materials varied between the various companies. Some kept separate accounts for barium sulphide—made from barytes—and for zinc sulphate liquor, and these intermediate materials were charged to the lithopone account at cost of manufacture. In such cases the charges for barium sulphide and zinc sulphate, which were reported in detail, were segregated into details of material, direct labor, and factory overhead, so as to make the details of the total cost of lithopone comparable by companies. This distribution in no case has changed the total cost of lithopone as reported by these companies.

TABLE 3.—*Details of material cost compared with total factory cost of lithopone, by companies, for first six months 1921, and weighted averages compared with 1919.*

[Costs are per pound. Percentages are of total factory costs.]

1921—FIRST SIX MONTHS.

Company No.	Total factory cost.	Total material.		Barytes.		Zinc.		All other materials.	
		Cost.	Per cent.	Cost.	Per cent.	Cost.	Per cent.	Cost.	Per cent.
1	2	3	4	5	6	7	8	9	10
1	$0.0545	$0.0263	48.26	$0.0103	18.90	$0.0101	18.53	$0.0059	10.83
2	.0552	.0303	54.90	.0095	17.21	.0105	19.02	.0103	18.67
3	.0541	.0232	42.90	.0083	15.34	.0089	16.45	.0060	11.11
4	.0569	.0282	49.56	.0099	17.40	.0117	20.56	.0066	11.60
5	.0667	.0205	30.74	.0072	10.80	.0084	12.60	.0049	7.34
6	.0685	.0264	38.54	.0093	13.58	.0104	15.18	.0067	9.78
7	.0668	.0232	34.73	.0077	11.52	.0108	16.17	.0047	7.04
8	.0751	.0332	44.21	.0093	12.38	.0129	17.18	.0110	14.65

WEIGHTED AVERAGES FOR ALL COMPANIES.

Period.	Total factory cost.	Total material.		Barytes.		Zinc.		All other materials.	
		Cost.	Per cent.	Cost.	Per cent.	Cost.	Per cent.	Cost.	Per cent.
1	2	3	4	5	6	7	8	9	10
1921 [1]	$0.0603	$0.0263	43.61	$0.0091	15.09	$0.0107	17.74	$0.0065	10.78
1919 [1]	.0575	.0258	44.87	.0079	13.74	.0123	21.39	.0056	9.74
1919 [2]	.0569	.0259	45.52	.0078	13.71	.0126	22.14	.0055	9.67
1919 [3]	.0571	.0259	45.37	.0079	13.84	.0124	21.72	.0056	9.81

[1] First 6 months. [2] Last 6 months. [3] 12 months.

The total factory cost (column 2) does not include sales expense, but is the sum of material, direct labor, and factory overhead charges. This column shows a range in cost per pound of lithopone from $0.0541 to $0.0751. It is interesting to note that the company which had the third lowest total cost of lithopone had the lowest factory cost. The weighted average factory cost for the first six months of 1921 amounted to $0.0603 per pound of lithopone as compared with $0.0571, the average for the year 1919.

It is seen from table 3 (column 4) that the total material cost during the first half of 1921 was about 44 per cent of the total factory cost. Of the two primary materials—zinc and barytes—entering into the manufacture of lithopone, zinc was slightly more expensive, and amounted to $0.0107 per pound, or nearly 18 per cent of the total factory cost, whereas the barytes amounted to $0.0091 per pound, or 15 per cent of total factory cost.

The average purchase cost of crude barytes as reported by all firms was $14.98 per short ton, as compared with an average of $13.60 in 1919, or an increase of about 10 per cent. This may be largely, if not wholly, attributed to the increase in freight rates from barytes mines to the lithopone plants, as by far the larger part of the barytes consumed during the first half of 1921 was of domestic origin.

An analysis of the reports submitted by the manufacturers shows that on an average 1.22 pounds of barytes ore and 0.207 pounds of zinc (Zn) were consumed for every pound of lithopone produced.

The cost of all other materials, which includes coal used for reduction of barytes, ranged from $0.0047 to $0.0110 per pound of lithopone. The weighted average of all firms was $0.0065, or about 11 per cent of the total factory cost. This was a slight increase over the cost of all other materials in 1919, when the average for the year was $0.0056.

DETAILS OF FACTORY OVERHEAD.

Table 4 shows in detail the factory overhead expense compared in percentages with total factory cost.

Column 4 shows that the total factory overhead amounted to 42.8 per cent of the total factory cost. The actual cost per pound of lithopone is shown in column 3, and amounted to $0.0258 for factory overhead expense. As previously pointed out, factory overhead chiefly accounts for the increase in the total cost of lithopone during the first half of 1921 over 1919. Column 3 shows that the increase was $0.054 per pound of lithopone, or approximately 25 per cent over the average factory expense for 1919.

The average total factory overhead expense (column 3) was $0.0258 per pound of lithopone; this item was made up of $0.0144 per pound for works expense, $0.0020 for bags and barrels, $0.0039 for fixed charges, $0.0007 for laboratory, and $0.0048 for administration expense.

TABLE 4.—*Details of factory overhead compared with total factory cost of lithopone, by companies, for first six months of 1921 and weighted average compared with 1919.*

[Costs are per pound. Percentages are of total factory costs.]

1921—FIRST SIX MONTHS.

Company No.	Total factory cost.	Total factory overhead.		Details of factory overhead.				
		Cost.	Per cent.	Works expense.	Bags and barrels.	Fixed charges.	Laboratory.	Administration.
1	2	3	4	5	6	7	8	9
1	$0.0545	$0.0203	37.25	$0.0136	$0.0012	$0.0023	$0.0002	$0.0030
2	.0552	.0143	25.91	.0038	.0019	.0061	.0008	.0017
3	.0541	.0205	37.90	.0097	.0016	.0053	.0012	.0027
4	.0569	.0228	40.07	.0102	.0026	.0014	.0011	.0075
5	.0667	.0371	55.62	.0226	.0017	.0117	.0003	.0008
6	.0685	.0288	42.05	.0160	.0018	.0037	.0002	.0021
7	.0668	.0370	55.40	.0289	.0017	.0019	(1)	.0045
8	.0751	.0321	42.75	.0175	.0026	.0058	.0007	.0055

[1] Included in works expense.

WEIGHTED AVERAGES FOR ALL COMPANIES.

Period.	Total factory cost.	Total factory overhead.		Details of factory overhead.				
		Cost.	Per cent.	Works expense.	Bags and barrels.	Fixed charges.	Laboratory.	Administration.
1	2	3	4	5	6	7	8	9
1921 (first 6 months)	$0.0603	$0.0258	42.79	$0.0144	$0.0020	$0.0039	$0.0007	$0.0048
1919 (first 6 months)	.0575	.0215	37.39	.0147	.0014	.0025	.0002	.0027
1919 (last 6 months)	.0569	.0199	34.98	.0140	.0018	.0018	.0003	.0020
1919 (12 months)	.0571	.0204	35.73	.0142	.0016	.0021	.0002	.0023

During the speech of Mr. JONES of New Mexico,

Mr. McCUMBER. Will the Senator from New Mexico yield to me to ask unanimous consent that when the Senate closes its business for this calendar day it shall recess until 10 o'clock on Monday? I have stated the reason why this is done, and it was practically agreed last night that on Monday morning the tariff bill might be temporarily laid aside and the bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service be taken up for an hour or two.

Mr. JONES of New Mexico. I expressed the hope yesterday that it might be thought that we could do enough work from 11 o'clock until 10 at night; but if the Senator on mature reflection thinks that we should recess until that hour on Monday, I shall not object. I think he is quite right in wanting to have the bill to which he refers disposed of.

The PRESIDING OFFICER (Mr. MYERS in the chair). Is there objection to the request of the Senator from North Dakota? There being none, it is so ordered by unanimous consent.

After the conclusion of the speech of Mr. JONES of New Mexico,

The PRESIDING OFFICER (Mr. WILLIS in the chair). The question is on agreeing to the committee amendment.

Mr. JONES of New Mexico. Mr. President, I shall ask the Senate to disagree to the committee amendment on page 28, line 2, striking out the numerals "1½" before the word "cents" and inserting the numerals "1¾." First, however, I desire to say that if there is any differential which would be thought by anyone necessary in the conversion of the zinc into oxide it is fully compensated for by the difference between the zinc content and the weight of the oxide. I disclaim any intention of penalizing the smelter itself. I do not believe the rate as it comes from the other House would do so, and I therefore trust that the committee amendment may be disagreed to.

The PRESIDING OFFICER. The question is on agreeing to the Senate committee amendment in paragraph 74, page 28, line 2.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The READING CLERK. On page 28, paragraph 74, line 3, before the word "cents," it is proposed to strike out the numeral "2" and to insert the numerals "2¼," so as to read:

Ground in or mixed with oil or water, 2¼ cents per pound.

Mr. JONES of New Mexico. I move to amend the committee amendment by striking out "2¼" and inserting "1½."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from New Mexico to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next committee amendment.

The next amendment of the Committee on Finance was, on page 28, paragraph 74, line 5, before the word "cents," to strike out the numerals "1½" and to insert the numerals "1¾," so as to read:

Lithopone, and other combinations or mixtures of zinc sulphide and barium sulphate, 1¾ cents per pound.

Mr. JONES of New Mexico. I trust the committee amendment in this case may be rejected, leaving the rate at 1½ cents.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. SMOOT. The amendment just acted on is the last amendment in the paragraph.

Mr. McCUMBER. Mr. President, I think the Senate has put in a pretty strenuous week, and I am now ready for the Senate to take a recess. I am informed, however, that before doing so it is the desire to have a short executive session.

The Senator from North Dakota [Mr. STERLING] also has stated that he desires to ask for the consideration of a joint resolution, which he understands will occasion no debate and which he should like to have acted on. I am not disposed to interfere with his wishes in that regard.

LABOR CONDITIONS IN CUBA.

Mr. STERLING. I ask unanimous consent for the present consideration of the Joint Resolution No. 178.

Mr. SMOOT. I desire that the joint resolution may be first read by title, because if it is going to lead to any debate I shall object to its consideration.

Mr. CURTIS. Let the joint resolution be read by title.

The PRESIDING OFFICER. The joint resolution will be read by title.

The READING CLERK. A joint resolution (S. J. Res. 178) authorizing the Secretary of Labor to investigate and report on labor conditions in Cuba.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which had been reported from the Committee on Education and Labor with an amendment, on page 2, line 8, after the word "hereby," to insert "authorized to be"; so as to make the joint resolution read:

Resolved, etc., That in order to enable the Secretary of Labor to furnish to the State Department for the use of the special representative to the Cuban Government information on the subject of labor conditions in Cuba, the Secretary of Labor be, and he is hereby, authorized to investigate and report, through the Commissioner of Labor Statistics, on this subject, at a cost not to exceed $25,000; and the aforesaid sum of $25,000, or so much thereof as may be necessary, the same to be available until used, is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the carrying out of the provisions of this joint resolution: *Provided*, That the information obtained may be furnished to the special representative accredited to the Cuban Government as soon as available and in advance of publication by the Department of Labor.

The amendment was agreed to.

The joint resolution was reported to the Senate as amended, and the amendment was concurred in.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. STERLING. I ask unanimous consent that that part of the report of the committee on the joint resolution which quotes the letter from the Secretary of the Interior may be read.

Mr. SMOOT. I suggest to the Senator that he ask that the report may be printed in the RECORD without reading.

Mr. STERLING. Very well. I ask that that part of the report may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, the portion of the report referred to by the Senator from South Dakota [Mr. STERLING] will be printed in the RECORD.

The matter referred to is as follows:

The Secretary of Labor, in a letter sent to the several members of the Committee on Education and Labor, after referring to correspondence with Gen. E. H. Crowder relative to a survey of and report upon the labor conditions in Cuba by the Department of Labor as an essential and necessary preliminary to his duties there, adds the following:

"In this connection I desire to say that neither the Department of Labor as such nor the Bureau of Labor Statistics has at this time the funds to make the survey and report upon Cuban conditions which General Crowder so strongly urges. I believe the investigation should be made and made at once. I am therefore writing to you to suggest that a bill authorizing that a labor survey of Cuba shall be made by the Department of Labor through its Bureau of Labor Statistics, and that the information so obtained shall be compiled and placed in the hands of General Crowder as a special representative of this Government to Cuba at the earliest possible moment and without waiting for final publication of the same, such bill to carry with it an appropriation sufficient to cover the expense entailed, entirely apart from the present appropriations for the Department of Labor or the Bureau of Labor Statistics. I may say that if in your judgment the introduction and passage of such bill is advisable, this should be done at the earliest possible moment, as it takes time to prepare for, execute, and compile the results of an investigation of this sort. You are advised that a similar letter to this has been sent to each member of the House Committee on Labor and to the members of the Senate Committee on Education and Labor."

JOHN BURKE.

Mr. WALSH of Montana. Mr. President, on the last call of the calendar I asked unanimous consent for the consideration of Orders of Business 621 and 622, being bills for the relief of John Burke. The measures were rather extensively explained at that time, but objection was made to their consideration. The Senator from Utah [Mr. SMOOT] asked that the bills go over. I sincerely trust that we may have unanimous consent for the consideration of those two measures at this time.

Mr. SMOOT. Mr. President, I have not any objection to the present consideration of the bills referred to by the Senator from Montana, but I wish to say for the record, so that the matter may be cleared up, that on the morning of the day when the bills were reached on the calendar I found in my mail a letter purporting to come from an employee of the Government. I had just started to read the letter, but did not have time to conclude its reading before I was called to a committee meeting. Though I had not entirely read the letter, I noticed in casting my eyes over it that it referred to Mr. Burke, former Treasurer of the United States. When I returned to my office and found time to read my mail I discovered that the letter was anonymous. I wish to say that I have no respect for a person who will write a letter and fail to sign his name to it. I pay no attention to such letters, although in my daily life I receive a great many of them. I wish to assure the Senator from Montana that had I known the letter to which I refer was anonymous I never should have mentioned it upon the floor of the Senate.

The PRESIDING OFFICER. The Senator from Montana asks unanimous consent for the present consideration of a bill, the title of which will be stated.

The READING CLERK. A bill (H. R. 6523) for the relief of John Burke, former Treasurer of the United States, for lost bonds without default or negligence on the part of said former Treasurer.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay the sum of $5,000, or so much thereof as may be necessary, for the purchase, at not more than par and accrued interest, of second Liberty loan converted 4¼ per cent bonds to the face amount of $5,000, and for the payment of an amount of interest equivalent to the interest of $5,000, face amount of such bonds from November 15, 1918, to the interest payment date next preceding the delivery of such bonds, for the purpose of the relief of John Burke, former Treasurer of the United States, on account of the loss of second Liberty loan converted 4¼ per cent coupon bonds Nos. 1141320, 1141321, 1141322, 1141323, and 1141324, in the denominations of $1,000 each, contained in a sealed registered package forwarded to the Treasury Department by the Peoples National Bank, of Hillsboro, Ill., to be held as security for deposits of postal savings funds to be placed with said bank, which registered package containing said bonds was lost without fault on the part of the said John Burke, former Treasurer of the United States.

That the Secretary of the Treasury be, and he is hereby, authorized to pay the sum of $2,950, or so much thereof as may be necessary, for the purchase, at not more than par and accrued interest, of second Liberty loan bonds to the face amount of $2,700 and for the payment of an amount of interest equivalent to the interest on $2,700 face amount of such bonds from May 15, 1920, to the interest payment date next preceding the delivery of such bonds and the sum of $250, or so much thereof as may be necessary, to be used by the Secretary of the Treasury for the purchase, at not more than par and accrued interest, of third Liberty loan bonds to the face amount of $250 and for the payment of an amount of interest equivalent to the interest of $250 face amount of such third Liberty loan bonds from March 15, 1920, to the interest payment date next preceding the date of delivery of such bonds for the purpose of the relief of the Treasurer of the United States on account of the loss of second Liberty loan coupon bonds Nos. 12603, 12604, 12605, and 378701 in denominations of $500 each, 704008, 704024, 830898, 830922, 2087501, and 2087515 in denominations of $100 each, 1230424 and 1230425 in denominations of $50 each, and third Liberty loan coupon bonds Nos. 333481 and 333482 in denominations of $100 each, and 608191 in the denomination of $50, of the contents of a sealed registered package forwarded to the Treasury Department by the First National Bank of Fairmount, N. Dak., to be exchanged for registered bonds of like denominations, which registered package was lost without fault or negligence of John Burke, former Treasurer of the United States.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. WALSH of Montana. I make the same request with regard to House bill 6524, which is for the same purpose.

The PRESIDING OFFICER. The Secretary will state the title of the bill.

The READING CLERK. A bill (H. R. 6524) to permit the correction of the general account of John Burke, former Treasurer of the United States.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the proper accounting officers of the Treasury Department are authorized and directed to examine and state an account of the items of unavailable funds as set forth in House Document No. 756, Sixty-sixth Congress, second session, and letter from the Secretary of the Treasury addressed to the Speaker of the House of Representatives, dated January 5, 1921, and to credit the general account of John Burke, former Treasurer of the United States, with the amount thereof: *Provided*, That the credit herein authorized shall be made in such manner as to debit the individual or depositary chargeable therewith upon the books of the Treasury Department: *Provided further*, That upon the recovery or payment of any part of said unavailable funds, the same shall be deposited in the Treasury in such manner as to debit the Treasurer of the United States in his general account and to credit the individual or depositary charged therewith upon the books of the Treasury Department.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 40 minutes p. m.), under the order previously made, the Senate took a recess until Monday, May 22, 1922, at 10 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate May 20 (legislative day of April 20), 1922.

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY.

Arthur H. Geissler, of Oklahoma, to be envoy extraordinary and minister plenipotentiary of the United States of America to Guatemala.

DIRECTOR OF THE WAR FINANCE CORPORATION.

Dwight Davis, of Missouri, to be a director of the War Finance Corporation for a term of four years. (Reappointment, term expired May 17, 1922.)

COLLECTOR OF CUSTOMS.

Joseph L. Crupper, of Virginia, to be collector of customs for customs collection district No. 14, with headquarters at Norfolk, Va., in place of Norman R. Hamilton.

UNITED STATES MARSHALS.

George L. Mallory, of Arkansas, to be United States marshal for the eastern district of Arkansas, vice Andrew Jackson Walls, resigned.

W. H. King, of South Dakota, to be United States marshal for the district of South Dakota, vice William Hickey, whose term will expire June 10, 1922.

Albert W. Harvey, of Vermont, to be United States marshal for the district of Vermont, vice Arthur P. Carpenter, whose term will expire May 22, 1922.

PROMOTIONS IN THE COAST GUARD.

The following-named cadets to be ensigns in the Coast Guard of the United States, to take effect from date of oath:

To be ensigns.

Albert M. Martinson.
Raymond J. Mauerman.
Edward H. Fritzche.
Robert C. Jewell.
Lee H. Baker.
George E. McCabe.
Harley E. Grogan.

The following-named cadet engineers to be ensigns (engineering), to take effect from date of oath:

Martin J. Bergen.
Howard A. Snyder.

These young men have graduated from the Coast Guard Academy and have passed the examination required by law.

APPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY.

To be brigadier generals.

Henry Lewis Stimson, colonel, Field Artillery, Officers' Reserve Corps, to date from May 16, 1922.

Edward Caswell Shannon, colonel, Infantry, Officers' Reserve Corps, to date from May 16, 1922.

PROMOTIONS IN THE NAVY.

Naval Constructor John D. Beuret to be chief constructor and chief of the Bureau of Construction and Repair in the Department of the Navy with the rank of rear admiral for a term of four years from the 2d day of July, 1922.

The following-named midshipmen to be ensigns in the Navy from the 3d day of June, 1922:

Francis M. Adams.
Bruce B. Adell.
Cecil C. Adell.
Frank Akers.
Thomas Aldred.
Clifford M. Alvord.
Byron S. Anderson.
Edwin P. Archibald.
Henry C. Archibald.
Edward B. Arroyo.
Charles L. Ashley.
Clarence L. C. Atkeson, jr.
Clarence L. Atkinson, jr.
William B. Ault.
Carlos J. Badger.
Harold D. Baker.
James E. Baker.
Bradford Bartlett.
George W. Bauernschmidt.
Thomas T. Beattie.
Ehrwald F. Beck.
Adolph E. Becker, jr.
Alvin L. Becker.
Robert W. Bedillon.
John P. Bennington.
Herbert E. Berger.
Gus R. Berner, jr.
Warren K. Berner.
William H. Beyrer.
Worthington S. Bitler.
James C. Blake.
Robert E. Blick, jr.
Clinton W. Blount.
Robert E. Blue.
George T. Boldizsar.
Eaton A. Boothe.
Ralph F. Bradford, jr.
Anthony R. Brady.
William E. Brice.
Thomas O. Brown, jr.
Alfred C. Bruce.
Arthur W. Bryan.
Ellwood E. Burgess.
Ralph W. Burleigh.
Harry St. J. Butler.
Horace B. Butterfield.
John P. Cady.
William S. Campbell.
Daniel B. Chandler, jr.
Beverly E. Carter.
Bertrand B. Cassels.
Charles J. Cater.
Joyce C. Cawthon.
Hubert W. Chanler.
Albert E. Chapman.
Samuel F. Chase.
Louis M. Childs, 2d.
Thomas F. Christie, jr.
Vernon C. Clapp.
Augustus D. Clark.
Sherman S. Clark.
Arthur A. Clarkson.
James P. Clay.
Wilson P. Cogswell.
Edmonston E. Coil.
Charles O. Comp.
John Connor.
Adelbert F. Converse.
Frank M. Converse.
George D. Cooper.
George R. Cooper.
Delbert S. Cornwell.
Thomas A. Cory.
George W. D. Covell.
Jesse G. Coward.
John M. Cox, jr.
Edward C. Craig.
James E. Craig.
Charles W. Crawford.
William C. Cross.
Edgar A. Cruise.
Andrew W. Cruse.

Edward B. Curtis.
Anthony L. Danis.
John Y. Dannenberg.
Roy R. Darron.
Hallock G. Davis.
William P. Davis.
Harold T. Dawson.
Carlton C. Dickey.
Arthur F. Dineen.
Charles A. Dodge.
Richard W. Dole.
James H. Dorsey.
Nicholas A. Draim.
Streuby L. Drumm.
Herbert S. Duckworth.
Ferdinand C. Dugan, jr.
Thomas B. Dugan.
Joseph B. Dunn.
Thomas S. Dunstan.
Edward R. Durgin.
Ralph Earle, jr.
Frederick J. Eckhoff.
Russell J. Ehle.
Kenneth O. Ekelund.
Donald R. Eldridge.
Rogers Elliott.
Lysle E. Ellis.
Eugene E. Elmore.
William A. Engeman, jr.
Robert A. J. English.
Carl F. Espe.
Donald S. Evans.
John V. Farrington.
Perry M. Fenton.
Beauford W. Fink, jr.
William A. Finn.
Andrew M. R. Fitzsimmons.
Merritt J. Flanders.
Nathaniel M. Floyd.
Lloyd D. Follmer.
Kenneth L. Forster.
Edward W. Foster.
Frederic D. Foster.
Edward C. Forsyth.
Edward R. Frawley.
John E. French.
William L. Freseman.
John J. B. Fulenwider.
Charles M. Furlow, jr.
Donald W. Gardner.
Edward R. Gardner, jr.
Harry C. Garrison.
Charles D. Garvin.
Frank B. Gary, jr.
John F. Geise.
Walter E. Gist.
Hubbard F. Goodwin.
Hugh H. Goodwin.
Malcolm M. Gossett.
Samuel K. Groseclose.
Bradford E. Grow.
John W. Guider.
Ralph R. Gurley.
Hugh W. Hadley.
Peter G. Hale.
Ignatius J. Haley.
Frederick S. Hall.
Fulwar S. Halsell.
Arthur LeR. Hamlin.
Raymond A. Hansen.
David W. Hardin.
John S. Harper.
Daniel W. Harrigan.
Norman Hattemer.
Charles A. Havard.
Harold G. Hazard.
Howard R. Healy.
John S. Hedrick.
Carlyle L. Helber.
John M. Higgins.
Robert B. Higgins, jr.
Tom B. Hill.
Howard Hogan.
William B. Holden.
John A. Hollowell, jr.
William L. Holm.
Wilfred J. Holmes.
Alfred J. Homann.
Charles F. Hooper.
Vernon Huber.
Ralph H. Hudson.
Leon J. Huffman.
John R. Hume.
Charles O. Humphreys.
George P. Hunter.
Robert N. Hunter.
William F. Hurt.
Howard B. Hutchinson.
Emory P. Hylant.
Henry A. Ingram.
Riley R. Jackson.
Harry B. Jarrett.
Howard L. Jennings.
Francis B. Johnson.
John N. Johnson.
James R. Johnson, jr.
Robert L. Johnson.
Rudolf L. Johnson.
Bates H. Johnston.
Donald H. Johnston.
Wilbur G. Jones.
William C. Jordan.
Alexander F. Junker.
David B. Justice.
Leonard Kaplan.
Albert V. Kastner.
Roland P. Kauffman.
Harry Keeler, jr.
Austin S. Keeth.
Thomas H. Kehoe.
Ralph C. Kephart.
Robert A. Knapp.
Omer A. Kneeland.
Leslie A. Kniskern.
Frederick E. Kraemer.
William C. Latta.
Palmer K. Leberman.
Wallace T. Lee.
Harry M. Leighley.
John H. Leppert.
John C. Lester.
Clarke H. Lewis.
Ruthven E. Libby.
Louis D. Libenow.
Irving L. Lind.
Hugh W. Lindsay.
Mellish M. Lindsay, jr.
Marion N. Little.
Aaron R. Lyon.
James A. McBride.
Alan R. McCracken.
William G. McCrea.
Robert P. McDonald.
Frederick K. McElroy.
Howard D. McIntosh.
Kenmore M. McManes.
James B. McVey.
Charles J. McWhinnie.
Henry F. MacComsey.
Michael J. Malanaphy.
Alvin I. Malstrom.
Leon J. Manees.
Bernard E. Manseau.
Alfred R. Mead.
Francis J. Mee.
George L. Menocal.
John G. Mercer.
Edward C. Metcalfe.
Woodson V. Michaux.
Milton E. Miles.
Theodore W. Miller.
James A. Mitchell.
William D. Moorer, jr.
Albert K. Morehouse.
Robert W. Morse.
Gordon Moses.
John E. Murphy.
Marion E. Murphy.
Charles W. Myers.
Harold S. Nager.
Alan R. Nash.
Henry P. Needham.
George L. Neely.
Peter J. Neimo.
Roger E. Nelson.
John L. Nestor.
Milton F. Nicholson.
George E. Nold.
Thomas H. Ochiltree.
John J. O'Donnell, jr.
Edward J. O'Kane.
Isaiah Olch.
Jerauld L. Olmsted.
Howard E. Orem.
George E. Palmer.
William B. Pape.
Harold E. Parker.
John E. Parker.
Henry L. Parry.
William S. Parsons.
Harold C. Patton.
Leo P. Pawlikowski.
Norman A. Pedersen.
Malcolm W. Pemberton.
Charles C. Phleger.
Edward H. Pierce.
Harry W. Pierce.
John J. Pierrepont, 2d.
Arthur L. Pleasants, jr.
Kenneth Porter.
John L. Pratt.
Harold F. Pullen.
Dale Quarton.
Gerald U. Quinn.
Thomas J. Raftery.
Lucien Ragonnet.
Edwin V. Raines.
Harry A. Rawlings.
Owen Rees.
Herbert E. Regan.
Frederick F. Richards.
Hyman G. Rickover.
Frederick L. Riddle.
Augustin K. Ridgway.
Whitaker F. Riggs, jr.
Armand J. Robertson.
Walter W. Rockey.
Albert L. R. Rosenstein.
James M. Ross.
Robert B. Rothwell.
Frank W. Rowe, jr.
Rudolph C. Rupert.
Thomas C. Ryan, jr.
James G. Sampson.
Alden R. Sanborn.
William V. Saunders.
Richard C. Scherrer.
Henry J. Schmidt.
William J. Sebald.
Henry L. Shenier.
Earl V. Sherman.
John H. Shultz.
Samuel Silverman.
Valvin R. Sinclair.
Harry T. Smith.
Herschel A. Smith.
Horatio D. Smith.
John A. Smith.
Robert H. Smith.
Henri H. Smith-Hutton.
Cornelius S. Snodgrass.
Edward A. Solomons.
Gerald A. Stacey.
Charles H. Steele.
John E. Stephens, jr.
Harold R. Stevens.
Douglas P. Stickley.
Kenneth D. Stoddard.
Lyman A. Stohr.
Thomas M. Stokes.
George N. Streetman.
Maurice J. Strong.
Robert C. Strong, jr.
Luther B. Stuart.
David J. Studabaker.
Russell G. Sturges.
Willard J. Suits.
Raymond D. Sullivan.
Orson R. Sutherland.
Frank C. Sutton.
John A. Sweeton.
Preston S. Tambling.
Alfred R. Taylor.
Edwin A. Taylor.
William B. Terrell.
William R. Terrell.
Karl A. Thieme.
Carlisle H. Thompson.
Paul S. Thomson.
Albert L. Toney.
Humphrey W. Toomey.
William B. Tucker.
Raymond H. Tuttle.
John Twachtman.
Archibald E. Uehlinger.
John P. W. Vest.
Clarence E. Voegeli.
Frederic B. Vose.
Richard S. Waggener.
Frank R. Walker.
Jesse R. Wallace.
Adelbert V. Wallis.
Harvey T. Walsh.
Henry C. Walters.
Ferdinand B. Wanselow.
William L. Ware.
Frank T. Watkins.
George F. Watson.
Matthew S. Q. Weiser.
William B. Whaley, jr.
Francis H. Whitaker.
Leland D. Whitgrove.
John P. Whitney.
Paul Wiedorn.
Otto C. Wierum.
Ernest A. Williams.
Milo R. Williams.
Thomas D. Wilson.
Ralph H. Wishard.
Walter E. Zimmerman.
Ralph T. Zinn.

POSTMASTERS.

ALABAMA.

Walter B. Ozley to be postmaster at Calera, Ala., in place of H. T. Brown. Incumbent's commission expired July 21, 1921.

CALIFORNIA.

James E. Power to be postmaster at San Francisco, Calif., in place of C. W. Fay, resigned.

Edward D. Mahood to be postmaster at Corte Madera, Calif. Office became presidential April 1, 1922.

Attilio C. Martinelli to be postmaster at Inverness, Calif. Office became presidential April 1, 1922.

COLORADO.

Anna Bogue to be postmaster at Basalt, Colo. Office became presidential October 1, 1921.

GEORGIA.

Marion W. Hudson to be postmaster at Dallas, Ga., in place of B. E. Croker, resigned.

Julius Peacock to be postmaster at Vidalia, Ga., in place of S. P. Darby. Incumbent's commission expired March 21, 1922.

ILLINOIS.

Menno Vandervliet to be postmaster at Danforth, Ill. Office became presidential January 1, 1921.

IOWA.

Homer G. Games to be postmaster at Calamus, Iowa. Office became presidential January 1, 1921.

Raymond W. Ellis to be postmaster at Norwalk, Iowa. Office became presidential April 1, 1921.

Oswell Z. Wellman to be postmaster at Arlington, Iowa, in place of O. R. Hutchison. Incumbent's commission expired January 24, 1922.

KANSAS.

Benson L. Mickel to be postmaster at Soldier, Kans., in place of M. A. Reed. Incumbent's commission expired April 6, 1922.

KENTUCKY.

Leonard J. Hammel to be postmaster at Bonnyman, Ky. Office became presidential April 1, 1922.

LOUISIANA.

Victor E. Green to be postmaster at De Ridder, La., in place of Cora Sharpless, removed.

Charles DeBlieux to be postmaster at Natchitoches, La., in place of Charles DeBlieux. Incumbent's commission expired January 31, 1922.

Edwin H. Biggs to be postmaster at St. Joseph, La., in place of W. W. Drake, removed.

MAINE.

George W. Hopkins to be postmaster at Howland, Me. Office became presidential January 1, 1921.

MARYLAND.

Hattie B. H. Moore to be postmaster at Marydel, Md. Office became presidential April 1, 1921.

MASSACHUSETTS.

Harry E. Gaylord to be postmaster at Hadley, Mass. Office became presidential January 1, 1922.

MICHIGAN.

Selma O'Neill to be postmaster at Rockford, Mich., in place of R. L. Compton, resigned.

Walter H. Nesbitt to be postmaster at Schoolcraft, Mich., in place of O. C. Gingles. Incumbent's commission expired April 19, 1921.

MINNESOTA.

Ernest W. Nobbs to be postmaster at Bellingham, Minn. Office became presidential October 1, 1919.

Jason Weatherhead to be postmaster at Ada, Minn., in place of Jason Weatherhead. Incumbent's commission expired January 24, 1922.

Hans C. Pedersen to be postmaster at Ruthton, Minn., in place of Jay Jackson, resigned.

MISSISSIPPI.

Ira I. Massey to be postmaster at Ethel, Miss., in place of C. T. Sweatt, resigned.

MONTANA.

Dakota L. Martin to be postmaster at Oswego, Mont. Office became presidential April 1, 1922.

Burr A. Davison to be postmaster at Roundup, Mont., in place of C. E. Davison, resigned.

NEBRASKA.

Carroll C. Colbert to be postmaster at Wauneta, Nebr., in place of Jennie Frazell. Incumbent's commission expires May 25, 1922.

NEW JERSEY.

Selina L. Caruth to be postmaster at East Paterson, N. J. Office became presidential January 1, 1922.

William J. Caswell to be postmaster at Washington, N. J., in place of J. B. Cornish, jr., resigned.

NEW YORK.

M. Elizabeth Corey to be postmaster at Cutchogue, N. Y. Office became presidential October 1, 1920.

Frank D. Gardner to be postmaster at De Ruyter, N. Y., in place of G. B. Burdick, resigned.

John C. Jubin to be postmaster at Lake Placid Club, N. Y., in place of J. C. Jubin. Incumbent's commission expired May 9, 1922.

John F. Joslin to be postmaster at Voorheesville, N. Y., in place of E. D. Joslin. Incumbent's commission expired January 28, 1920.

OHIO.

Clara J. Mitchell to be postmaster at Mount Pleasant, Ohio. Office became presidential July 1, 1921.

Leonidas A. Smith to be postmaster at Ridgeway, Ohio. Office became presidential April 1, 1921.

Edgar L. Taylor to be postmaster at Crooksville, Ohio, in place of J. E. Taylor. Incumbent's commission expired January 31, 1922.

PENNSYLVANIA.

Donald C. Mapel to be postmaster at Greensboro, Pa. Office became presidential April 1, 1922.

Fred W. Patterson to be postmaster at Lattimer Mines, Pa. Office became presidential April 1, 1922.

Enoch A. Raush to be postmaster at Auburn, Pa., in place of J. H. Fahl. Incumbent's commission expired March 27, 1922.

Duff Sawyer to be postmaster at Glen Campbell, Pa., in place of W. H. McQuilken. Incumbent's commission expired February 4, 1922.

SOUTH DAKOTA.

James T. Leahy to be postmaster at Fedora, S. Dak. Office became presidential April 1, 1922.

UTAH.

Clark Allred to be postmaster at Delta, Utah, in place of J. A. Faust, deceased.

A. Morinda Lundberg to be postmaster at Sandy, Utah, in place of A. R. Larson. Incumbent's commission expired January 5, 1920.

WASHINGTON.

Paul E. Wise to be postmaster at Buena, Wash. Office became presidential April 1, 1922.

WEST VIRGINIA.

Mayo M. King to be postmaster at Coalwood, W. Va., in place of G. A. Mason, resigned.

WISCONSIN.

Richard E. Krause to be postmaster at Sobieski, Wis. Office became presidential April 1, 1922.

Charles V. Walker to be postmaster at Bruce, Wis., in place of J. H. Moller. Incumbent's commission expired January 24, 1922.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 20 (legislative day of April 20), 1922.

SUPERINTENDENT OF LIBRARY BUILDING AND GROUNDS.

Mrs. Harriet DeK. Woods to be Superintendent of Library Building and Grounds.

MEMBER OF THE CALIFORNIA DÉBRIS COMMISSION.

Edward D. Ardery to be member of the California Débris Commission.

PROMOTIONS IN THE ARMY.

TO BE COLONELS, ADJUTANT GENERAL'S DEPARTMENT.

Archibald Campbell.
Albert Eugene Saxton.
John Parsons Wade.
Russell Creamer Landgon.
Frederick Worthington Lewis.
Harry Herbert Tebbetts.

TO BE LIEUTENANT COLONELS.

William Albert Kent.
John Overton Steger.
William Gaither Murchison.

TO BE MAJORS.

Clark Lynn.
Irving Joseph Phillipson.
Richard Rembert Pickering.
Sherburne Whipple.
Thomas Hixon Lowe.
Byard Sneed.
Frank Keet Ross.
Dupont Bayard Lyon.

POSTMASTERS.

ILLINOIS.

Anna M. Peters, Sandoval.

INDIANA.

Ira N. Compton, Hamlet.
Percie M. Bridenthrall, Leesburg.
Frank B. Husted, Liberty.
Moody I. Massena, Medora.
Chester M. Davis, St. Paul.
Edith A. Wetzler, Sunman.

KANSAS.

Minnie F. Miller, Barnard.

MAINE.

Willis H. Allen, Columbia Falls.

MICHIGAN.

Grace A. Grinnell, Centerville.
Elmer L. Dalton, Leland.

NEW YORK.

Ella L. Winch, Lakewood.
Edmund E. Bandy, St. Regis Falls.

OHIO.

Karl K. Witte, Elmore.

SOUTH CAROLINA.

Henry N. Folk, Bamberg.
Hugh C. Finklea, Latta.

TEXAS.

Hazel B. Thomas, Gause.
James F. Rodgers, Haringen.

VIRGINIA.

William R. Sparks, Clinchco.
Bertha Thompson, Ferrum.
William R. Moose, Glasgow.
Robert V. Richardson, Hampton.
Jesse R. Skinner, Kenbridge.
Maud Duffy, Stonega.

WITHDRAWAL.

Executive nomination withdrawn from the Senate May 20 (legislative day of April 20), 1922.

MEMBER OF THE FEDERAL TRADE COMMISSION.

George W. Upton, of Ohio, to be a member of the Federal Trade Commission, which was sent to the Senate on December 12, 1921.

REJECTION.

Executive nomination rejected by the Senate May 20 (legislative day of April 20), 1922.

POSTMASTER.

Leon K. Dail to be postmaster at Cherokee, in the State of Oklahoma.

HOUSE OF REPRESENTATIVES.

SATURDAY, *May 20, 1922.*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore, Mr. WALSH.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, our heavenly Father, Thou art unapproachable, yet easy of access. We come to Thee in the name of Him who is the divinest expression of our humanity and the perfect ideal of the races of men. Consider us, O Lord. Make difficulties our opportunities and the lowliest duties our highest privileges. Give us that charity that scatters round the gleanings of forbearance and hides the misery of human weakness. O ballast our understanding with Thy faultless wisdom. Permit us to walk in happiness; make sorrow a stranger to our souls and let Thy love radiate in all our homes. In Thy holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed without amendment the bill (H. R. 11152) to authorize the Bear Mountain Hudson River Bridge Co. to construct and maintain a bridge across the Hudson River near the village of Peekskill, State of New York.

The message also announced that the Senate had passed without amendment the bill (H. R. 9951) to amend section 22 of an act approved February 14, 1920, entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes," for the fiscal year ending June 30, 1921.

ENROLLED BILLS SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 11645. An act making an appropriation to enable the Department of Justice to investigate and prosecute war frauds; and

H. R. 2195. An act to amend the act entitled "An act to prohibit the importation and use of opium for other than medicinal purposes," approved February 9, 1909, as amended.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 1162. An act declaring Lake George, Yazoo County, Miss., to be a nonnavigable stream.

EXTENSION OF REMARKS.

Mr. GOODYKOONTZ. I ask unanimous consent to extend my remarks on House Resolutions 323 and 324.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia? [After a pause.] The Chair hears none.

Mr. ARENTZ. Mr. Speaker, I ask unanimous consent to extend my remarks on the Smith-McNary bill.

The SPEAKER pro tempore. The gentleman from Nevada asks unanimous consent to extend his remarks on the Smith-McNary bill. Is there objection? [After a pause.] The Chair hears none.

The extension of remarks referred to are here printed in full as follows:

Mr. ARENTZ. Mr. Speaker, I desire to speak briefly on the need for a broader reclamation law than now exists on our statute books for the development of the arid lands of the West, with particular reference to my own State of Nevada.

The best possible argument in favor of the continuance and enlargement of the Government plan to make land available for settlement is afforded by the splendid record of the United States Reclamation Service since its organization in 1902. During the 20 years the service has been in operation much has been accomplished in reclamation of arid lands and in increasing food supply and national wealth.

Twenty-six projects have been undertaken in 16 different States, and several of them have been completed. Nearly 2,000,000 acres of land have been placed under permanent water supply, and nearly 1,000,000 additional acres are soon to be supplied with water from storage reservoirs. Forty thousand families have established homes on these lands and are happy and prosperous. Cities and towns have sprung up on these projects and new national wealth created amounts to about $600,000,000, nearly five times the amount expended by the Government in reclamation work. The reclamation fund, which is represented by receipts from sales of public lands, leases, and repayment charges, is far inadequate. Nearly $50,000,000 is required to complete projects now under way, and $100,000,000 to construct new projects which have been approved.

There was much opposition to the irrigation law of 1902, the operation of which has proved the wisdom of its enactment. The opponent in the committee, in a minority report to the House, declared among other things that—

the scheme was unwise and improvident; if workable, it would add millions of acres of productive land to the national possessions, which would diminish the value of farm lands throughout the Union; it would open up new areas in the far West to compete with production on farms in the South, East, and West. No sane man who desires promoting the growth and prosperity of our whole country would consent to the placing of a great sum of money at the disposal of one man. In the mad scramble for the fund corruption would run riot. The Secretary of the Interior has not the time to see to the honest distribution and application of the money, and the whole affair would necessarily be left to the management of irresponsible subordinates. The bill is unconstitutional, as Congress has no power to provide for the irrigation of the public lands. The plan of turning operations of projects over to the water users is impracticable and dangerous.

How manifestly untrue were these predictions is known to all who understand ever so little about the workings of this reclamation law or anyone who has seen the proof in the form of wonderful irrigation tracts placed under water by the assistance of our Federal Government under this law. On the contrary, the prediction of Hon. Thomas B. Reed, the able Speaker of the House of Representatives, in a speech delivered at Pittsburgh in 1894, has been more than fulfilled:

Mighty has been our past; our resources have just been touched upon, and there is wealth beyond the Mississippi which in the not distant future will astonish even the dwellers on the shores of Lake Michigan. From the time my eyes first rested on the great uncultivated plains which lie between the Mississippi and the Pacific Ocean my waking dreams have been filled with visions of incalculable wealth. The touch of living water will bring life to those voiceless deserts. Their wealth can only produce wealth; man, single and alone, might as well try to subdue the Himalayas as cope with these wastes; but the hand of united and associated man is already reaching forth to grasp the great result.

The same power which serves millions on the Mississippi can be utilized to make the desert blossom with the homes of men for whom, and for all of us, the now blighted soil will bring forth fruit of the Garden of Eden.

Mr. Speaker, many people who have not investigated the importance to the whole country of reclaiming the waste lands appear to regard the question as a local one and believe the only people benefited are those who make homes on the land or those living in the section of the country where the land is reclaimed. As a matter of fact, every section of the country is benefited by land reclamation. Every acre of waste land placed under cultivation breeds a market for merchandise, building material, staple food products, clothing, and every other kind of a manufactured article which generally comes from the central and eastern sections of the country.

The adoption of a broad and comprehensive plan to reclaim waste lands of the country would go far toward giving work to those out of employment in constructive work on projects or by reason of the need of labor on account of the increased demand for commodities manufactured in industrial centers.

There has been no disposition in the West to rely wholly upon the Federal Government for funds with which to reclaim land Fifteen million of acres of arid land have been reclaimed in the public land States, of which the amount the Federal Government has reclaimed less than one-fifth. In the last 10 years, according to the official census, the amount of arid land reclaimed by private enterprise is in excess of 3,000,000 acres.

What shall be our national policy from now on? Shall we rely upon the betterment of land now under plow or reclaim virgin sections? Is there not grave danger in departing from a policy which has been so successfully pursued during the past 100 years? In looking over the industrial statistics of our country we find that products of farms have been a wonderful factor in the creation of national wealth. This was well stated by the Secretary of the Department of Agriculture in his report of 1912, wherein he said:

> During the last 16 years the wealth produced, production on farms, according to the census items, reaches the grand total of more than $105,000,000,000. This stream of wealth has poured out from the farmers' horn of plenty and in 16 years has equaled about three-fourths of the present national wealth.

Some farmers seem to be happy in the thought that when farms shall not yield all the food the Nation consumes daily in the nature of things they will receive more for their products. The fallacy of this idea has been demonstrated several times in the history of the world. Through its adoption Grecian husbandry failed and the glory of the State departed. Its perfect absurdity was demonstrated in Italy when Rome became the mistress of the world. The Romans insisted that they must have cheap food. The farmers of Italy did not produce it. Rome went abroad for her supplies, and agriculture fell into decay.

Is it not wise to add to the number of our farms and by degrees increase the productivity of the old ones, to the end that at all times there shall be a surplus of farm products as well as a surplus of manufactured articles to enter into our foreign trade? There is no necessity of changing from the old order of things that there may be a separate or many lines for export.

There are to-day under plow in the United States in the neighborhood of 400,000,000 acres of land. There are yet susceptible of reclamation some 20,000,000 acres of arid and semiarid land, 80,000,000 acres of farm land, and 200,000,000 acres of cut-over land, or a total of 300,000,000 acres. The areas of the arid and semiarid lands are very inviting in character. They have never been leeched of their plant-life element. They readily give up their properties to vegetation. They lack only an ingredient to a perfect agricultural soil—they are deficient in nitrogen. This, however, can be readily supplied by the growing of legumes.

Land which is now waste can not be put into a state of productivity without exciting activity in a multitude of places. Even to build an irrigation or drainage ditch, a dike, or reservoir means the utilization of manufactured articles gathered from a great radius; and every agricultural community under present conditions draws from the manufacturing centers large quantities of products essential to the life and well-being of the farmer.

Former President Roosevelt has said:

> If there is one lesson taught by history, it is that the permanent greatness of any State must ultimately depend more upon the character of its country population than upon anything else. No growth of cities, no growth in wealth, can make up for a loss in either the number or character of the farming population.

The family is the corner stone of civilization, and on the farm the family forms a strong unit, stronger than anywhere else. James J. Hill once said:

> It is as clear as any future event can be that the farm is the only hope of our national salvation.

Abraham Lincoln, in his address to Wisconsin farmers, said:

> Let us hope, brother, that by the best cultivation of the physical world beneath and around us and the intellectual and moral world within us we shall secure an individual, social, and political prosperity and happiness whose courage shall be onward and upward, and which while the earth endures shall not pass away.

Mr. Speaker, we have inherited from the World War many grave problems. At the present hour the number out of employment is between 3,000,000 and 4,000,000, many of whom are ex-service men. There is no economy in unemployment. Four million men out of useful employment means a tremendous national loss. If there is any way of restoring these men to useful pursuits, it should be done. Putting them to work on internal improvements, particularly in reclamation of waste lands, will excite activity to a wonderful degree. It will cost our people as a whole less to furnish employment to these men than to support them in idleness. There is no possible way in which the lands to be reclaimed can be made to immediately produce crops to increase the surplus of the farm products already within our country.

We should not be unduly alarmed over the present surplus of farm products in the United States. As has been well said by Dr. E. B. Ball, director of scientific work of the United States Department of Agriculture:

> If some one possessed a magic wand that would restore the world to normal conditions, we would suddenly be confronted with the fact that there is no overproduction; that what the world is suffering from is underconsumption. There is not enough food in the world at present to provide for normal consumption. If buying power could be restored to-morrow, the surpluses would almost instantly disappear.

AREA OF STATE, INDUSTRIES, AND MINERAL WEALTH.

The State which I have the honor to represent in this body comprises between 110,000 and 111,000 square miles—a territory, if you please, almost two and one-third times the area of the State of New York. Of this tremendous expanse approximately 92 per cent is Government owned or controlled and 8 per cent is privately owned. The principal industries of Nevada are mining, live-stock raising, and agriculture. Nevada is a vast storehouse of mineral resources. Within the confines of our State are to be found almost every metal and mineral used in the arts and sciences. We are proud of the mineral production of our mines. The most valuable of all our undeveloped resources is the vast acreage of now unproductive land. In the development and settlement of our land would be the establishment of tens of thousands of homes, and hand in hand with the cultivation of the soil would proceed the development of our natural mineral resources.

DAMS AND RESERVOIRS.

The question of water storage and water development is uppermost in the thoughts of my people. Water storage contemplates the construction of reservoirs on the rivers within our State to catch the flood waters and the construction of dams in canyons and watercourses which have a heavy spring run-off, but which, for the greater part of the year, are dry. We need reservoirs constructed at the headwaters of the Truckee and the Carson—to mention two of the most important rivers in the western portion of our State—and several dams built along the meandering course of the Humboldt River, which has an estimated length of more than 600 miles. Innumerable places for the construction of dams to catch run-off are to be found also in Lincoln and Clark Counties, at the extreme south end of Nevada, and in northern Elko and Humboldt Counties, near the Idaho line.

DEVELOPMENT OF ARTESIAN FLOW.

In the Interior Department appropriation bill an appropriation of $25,000 was made for prospecting for water over the arid region by means of drills. No more useful expenditure of money could be made by our Federal Government than in drilling test wells in the numerous north and south valleys in the State of Nevada, in which the land is level, deep, and fertile and susceptible to development of tens of thousands of acres of land upon which thousands of families could make permanent homes. Through development of artesian water in Clark County, Nev., adjacent to the town of Las Vegas, an agricultural community of first importance has sprung into being. We trust that the Interior Department will see fit to expend no small proportion of this $25,000 within the State of Nevada for the development and testing out of artesian flow.

AREA OF PUBLIC LAND.

Since the Government of the United States holds title to 92 per cent of all the lands of the State I represent, I voice the sentiment of my people when I say that the Federal Government should lend assistance in no small way in development of water by reservoirs and wells for reclamation of a portion of this land.

LESS GOVERNMENT IN BUSINESS.

We are opposed to the entrance of the Government in private business, and yet we contend that we are consistent in asking for Federal aid in reclamation and development of arid lands owned by the Government and contained within our State. We believe that so long as the Federal Government owns the lands of the West it should proceed with reasonable diligence to improve its property.

THE SMITH-M'NARY BILL.

There is no legislation pending in Congress of quite so great interest to the arid West as the Smith-McNary bill. As a Member of Congress from an arid State and a member of the Committee on Irrigation of Arid Lands I have taken a keen interest in this bill since its introduction during the present Congress, and have listened with great interest to the hearings upon it, and sincerely trust I may see it enacted into law at an early date.

The credit extension provided for in this bill will serve to broaden the base of our national prosperity and hasten the establishment of irrigation districts, large and small, everywhere throughout the West where water storage is possible and which meets the requirements of Government engineers. After completion of engineering and construction, and the project completed as a unit, it is turned over to the local people, the bonds sold through Government agency to the public, and thus the project separated from the Government in minimum time.

As a revolving fund for reclamation work, Congress is asked in this bill to authorize an advance, over a period of years, of $350,000,000, which is to be appropriated from time to time for projects passed on favorably by the Reclamation Service upon estimates made by the Secretary of the Interior.

DISTRICTS FORMED UNDER STATE LAWS.

The bill contemplates that the Secretary of the Interior shall contract with the reclamation district, organized under State laws, having power to contract with the Government and possessing authority to issue bonds with which to pay for reclamation work, the bonds to be a general charge upon all the land within the district.

PROJECT REPORTED ON BY RECLAMATION SERVICE ENGINEERS.

The Secretary is authorized to investigate the project submitted by the duly authorized district, one-half of the cost of the investigation to be advanced by the district or those interested in the lands of the district, and one-half by the Government, which expenditure is to form a part of the cost of the project.

BONDS ISSUED BY DISTRICT.

If a project is found feasible by the Secretary of the Interior he may agree to construct it. Thereupon bonds are issued by the district, said bonds being deposited with the Federal Farm Loan Board in ample amount to cover the estimated cost of the project, the bonds to bear interest at a rate not exceeding 5 per cent per annum and to run for a period not exceeding 40 years. The bonds deposited with the Federal Farm Loan Board are to be held by the board until the property within the district amounts to twice the value of the outstanding bonds. The bonds are then sold at a private or public sale by the board, and the proceeds used to discharge the contract between the district and the Government. The proceeds of the bonds are returned to the national reclamation fund which the Congress may appropriate over and over again for the construction of other reclamation work which may be recommended to Congress.

The lands owned by private parties in excess of the farm unit are classified as excess land; and these lands, as well as all public lands within the district, may be acquired by ex-service men under a preference right of entry. Ex-service men also are to be given a preference right of employment on all project work.

This pending measure, the Smith-McNary bill, does not modify or interfere with the operation of the irrigation law of 1902, although it involves the general principles of that law. The purpose is that the proposed law shall operate in a broader field than the general reclamation law and provide a plan for rapid reclamation of the waste lands of the country.

President Harding, faithful to his preelection declaration, in his annual message to Congress, strongly urged national aid for reclamation, and lately he restated his position before the farmers' conference. Organized labor is back of this late movement. Those in our position seem to be limited to a class of mere competition; and, strangest of all, competition, not foreign but at home.

THE WORLD-WAR VETERAN WANTS LAND NOW.

Mr. Speaker, I do not want to see more than a reasonable length of time elapse before land will be ready for settlement by the ex-service man. If veterans of the late war are to redeem land for homes some provision must be made for reclaiming same, for there is scarcely a tract of land left of the public domain which would justify a soldier's endeavor to make his home upon it without such provision. Already upward of 200,000 ex-service men have signified a desire to acquire land for homes. Should this bill be enacted into law, and I sincerely trust and hope it may be, and should it operate as your committee believes it will, in a reasonable length of time there will be enough land to accommodate all soldiers who may wish to become agriculturists.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. ROGERS, indefinitely, on account of death in his family.

To Mr. HENRY, for two days, on account of illness in family.

To Mr. COOPER of Ohio, for four days, on account of important business.

ORDER OF BUSINESS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to address the House on the matter of procedure.

The SPEAKER pro tempore. The gentleman from Wyoming asks unanimous consent to address the House on the matter of procedure. Is there objection? [After a pause.] The Chair hears none.

Mr. MONDELL. Mr. Speaker, the latter part of the week, yesterday and the day before, a number of gentlemen inquired whether the House would be likely to be in session to-day, and, believing a majority of the Members preferred to have the day to catch up with their correspondence and do departmental work that is necessary to be done, I said that I did not expect we would be in session on Saturday. Last evening, however, it was impossible to obtain unanimous consent to adjourn until Monday. In view of that situation, Mr. Speaker, I feel we can only keep faith with the gentlemen who have been obliged to be away from the session to-day by adjourning, and I therefore make the motion that the House adjourn——

Mr. KINCHELOE. Will the gentleman withhold that a moment?

Mr. MONDELL. I will.

Mr. KINCHELOE. On the notice posted in the cloakroom as to the procedure for next week I find that on Wednesday it provides the Agricultural Committee shall have the day, and it also arranges the program as to what bills shall be considered. I want to say to the gentleman that I do not think the Committee on Agriculture arranged that program and the way in which the bills should come, and I was anxious to know who arranged that program.

Mr. MONDELL. My understanding is that the Agricultural Committee asked for three days and that a rule was granted for three days' consideration of measures from that committee, and on inquiry of the committee I was informed that the committee expected to take up those bills.

Mr. KINCHELOE. Well, I want to say that the Agricultural Committee as a committee has not decided on that at all.

Mr. MONDELL. That rests entirely with the committee. What I have done is to give the House the best information I was able to secure.

Mr. KINCHELOE. The reason I was asking is that there are a good many public bills on the calendar from that committee that it seems to me ought to have precedence over some private bills.

Mr. MONDELL. The gentleman will understand that that is not within my province at all. I simply secured the best information obtainable, as I understood, as to what the committee was likely to bring up and gave the House the benefit of that information.

Mr. KINCHELOE. I was anxious to know, because the committee has not taken any action on it at all.

Mr. McFADDEN. Will the gentleman yield there?

Mr. MONDELL. I will.

Mr. McFADDEN. I notice in the program of procedure that the Banking and Currency Committee is to have up three bills on Tuesday. It is my understanding that yesterday we would have had an opportunity to take up the bill H. R. 9527, which was an amendment to permit the succession of the legal existence of national-bank charters. Do I understand that that bill is to be considered on Tuesday along with the other bills?

Mr. MONDELL. At the time the tentative program was made up it was my belief that we would dispose of the bill the gentleman has referred to yesterday. Otherwise, I am not certain that it would not have been better to give the Committee on Banking and Currency another day. My thought was,

after talking with the chairman of the committee, the gentleman from Pennsylvania, that the committee could dispose of two of these bills on Tuesday.

Mr. GARNER. Will the gentleman yield?

Mr. MONDELL. I will.

Mr. GARNER. Will the Committee on Banking and Currency and the Committee on Agriculture get the harmonious support of the organization that the Rivers and Harbors Committee received on yesterday so that we may be able to dispose of all those bills in one day?

Mr. MONDELL. I think so.

Mr. STAFFORD. That is sarcasm that only the gentleman from Texas is capable of.

Mr. DYER. What becomes of the river and harbor bill? When will that come up?

Mr. MONTAGUE. Does the gentleman expect to vote on the river and harbor bill Monday?

Mr. MONDELL. It will be the first business before the House on Monday under the rules.

Mr. MONTAGUE. Does the gentleman expect that the District business will be called immediately subsequent to the disposition of the river and harbor bill?

Mr. MONDELL. Monday is District day; and if the District Committee desires to use the day, it is my desire to assist them in securing the day for the consideration of their business.

Mr. MONTAGUE. If I do not improperly ask, has the gentleman any information as to whether the so-called Ball rent bill will be taken up on Monday by the District Committee?

Mr. MONDELL. That depends entirely upon the action of the District Committee or members of the District Committee having charge of the legislation.

Mr. KING. Mr. Speaker, I ask for the regular order.

Mr. CHALMERS. Will the gentleman from Wyoming yield for a question?

Mr. MONDELL. Yes; I will.

Mr. CHALMERS. I ask if the program as outlined by the leader will stand for Wednesday? I have wired some of my people who are interested in the agricultural bill that it will be taken up on Wednesday. That stands, does it?

Mr. MONDELL. Well, I think it should. Though, if the Banking and Currency Committee should find its program was not as far along as it hopes to get it on Tuesday, the committee may insist on going on on Wednesday. I hope, however, that we can adhere to the program as it is outlined.

CORRECTION.

Mr. HADLEY. Will the gentleman from Wyoming yield?

Mr. MONDELL. I yield.

Mr. HADLEY. Mr. Speaker, in the RECORD of yesterday, on page 7312, in the first of two amendments offered by me, in the left-hand column, the word "Whatcom" appears in the amendment. It should be "Wahkiakum."

The SPEAKER pro tempore. Without objection, the correction will be made in the RECORD and the Journal.

Mr. STAFFORD. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. STAFFORD. To interrogate the gentleman from Washington [Mr. HADLEY].

The SPEAKER pro tempore. The gentleman from Washington has not the floor.

Mr. STAFFORD. Mr. Speaker, I ask unanimous consent to proceed for half a minute.

The SPEAKER pro tempore. Does the gentleman from Wyoming [Mr. MONDELL] yield the floor?

Mr. MONDELL. The "gentleman from Wyoming" has yielded the floor.

The SPEAKER pro tempore. The gentleman from Wisconsin asks unanimous consent to proceed for one-half minute. Is there objection? [After a pause.] The Chair hears none.

Mr. STAFFORD. I wish to inquire of the gentleman from Washington whether the amendment that he proposed is correct and in proper form as submitted to the House?

Mr. HADLEY. It is. I introduced the amendment on behalf of my colleague [Mr. JOHNSON].

Mr. STAFFORD. So the amendment adopted by the committee does not need any change?

Mr. HADLEY. It does not.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 19 minutes p. m.) the House adjourned until Monday, May 22, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

614. Under clause 2 of Rule XXIV, a letter from Acting Postmaster General transmitting the claim of Emil L. Flaten, postmaster at Moorhead, Minn., for credit on account of Government property to the value of $16,391.99 lost through the burglary of the post office at Moorhead, Minn., was taken from the Speaker's table and referred to the Committee on Claims.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. BANKHEAD: A bill (H. R. 11721) to secure farm homes for disabled veterans of the World War who have received agricultural training through the United States Veterans' Bureau; to the Committee on Irrigation of Arid Lands.

By Mr. COOPER of Ohio: A bill (H. R. 11722) granting the consent of Congress to the city of Warren, Ohio, to construct, maintain, and operate a dam across the Mahoning River, Ohio; to the Committee on Interstate and Foreign Commerce.

By Mr. JEFFERIS of Nebraska: A bill (H. R. 11723) to authorize and provide for payment of amounts expended in construction of hangars and maintenance of flying fields for use of the Air Mail Service of the Post Office Department; to the Committee on the Post Office and Post Roads.

By Mr. MOORE of Virginia: A bill (H. R. 11724) to amend the first paragraph of section 2 of the budget and accounting act, 1921, approved June 10, 1921; to the Select Committee on the Budget.

Also, concurrent resolution (H. Con. Res. 58) creating a joint committee on the District of Columbia composed of Senators and Representatives, respectively, to which shall be referred all proposed legislation relating to the municipal government of the District of Columbia, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DUNBAR: A bill (H. R. 11725) granting a pension to Sallie Laswell; to the Committee on Invalid Pensions.

By Mr. HUTCHINSON: A bill (H. R. 11726) granting a pension to Louis Van Dyke Rousseau; to the Committee on Invalid Pensions.

By Mr. SWANK: A bill (H. R. 11727) granting a pension to Nancy E. Adams; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5694. By Mr. CRAMTON: Telegrams from A. C. Fitz and other residents of Lapeer, Mich.; Utica Cooperative Creamery Association, of Utica, Mich.; James J. Brackenberry, of Bad Axe, Mich.; Otto Hecker and other residents of Mount Clemens, Mich.; and letter signed by Peter McKichan and other residents of Bad Axe, Mich., urging the passage of the Voigt bill (H. R. 8086); to the Committee on Agriculture.

5695. Also, letter from William M. McDonald, Grindstone City, Mich., urging the passage of the Voigt bill (H. R. 8086); to the Committee on Agriculture.

5696. Also, resolution of the Presbytery of Flint-Sandusky, Mich., indorsing House bill 9753; to the Committee on the District of Columbia.

5697. Also, resolution of Presbytery of Flint and Sandusky, Mich., indorsing House Joint Resolution 131, proposing a constitutional amendment prohibiting polygamy and polygamous cohabitation in the United States; to the Committee on the Judiciary.

5698. Also, resolution of the Presbytery of Flint and Sandusky, Mich., indorsing Senate Joint Resolution 31, proposing a constitutional amendment authorizing Congress to enact uniform laws on the subject of marriage and divorce; to the Committee on the Judiciary.

5699. By Mr. FULLER: Petition of the Chicago Chapter of the Disabled Emergency Officers of the World War, favoring the Bursum bill (S. 1565) for the retirement of the disabled emergency officers of the World War; to the Committee on Military Affairs.

5700. Also, petition of the Wisconsin Hemp Order, favoring a tariff duty on hemp fiber; to the Committee on Ways and means.

5701. By Mr. KINKAID: Resolution adopted by the Presbytery of Box Butte, Kimball, Nebr., indorsing House bill 9753; to the Committee on the District of Columbia.

5702. Also, resolutions adopted by the Presbytery of Box Butte, at Kimball, Nebr., indorsing House Joint Resolution 131, relative to polygamy and polygamous marriages in the United States; to the Committee on the Judiciary.

5703. Also, resolutions adopted by the Presbytery of Box Butte, at Kimball, Nebr., indorsing Senate Joint Resolution 31, relaive to regulating the subject of marriage and divorce in the United States; to the Committee on the Judiciary.

5704. By Mr. KISSEL: Petition of National Council of American Importers and Traders (Inc.), New York City, N. Y., relative to the proposed linen rates in the tariff bill; to the Committee on Ways and Means.

5705. Also, petition of the Chamber of Commerce of the City of New York, N. Y., relative to foreign commerce and revenue laws; to the Committee on Ways and Means.

5706. Also, petition of the Laundry Board of Trade, New York City, N. Y., relative to the pending tariff bill; to the Committee on Ways and Means.

5707. By Mr. TOWNER: Petition of Mr. George E. Lang and 14 other citizens of Woodburn, Clark County, Iowa, protesting against the passage of House bill 4388, compulsory Sunday observance for the District of Columbia; to the Committee on the District of Columbia.

SENATE.

MONDAY, *May 22, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	McLean	Sheppard
Ball	Gooding	McNary	Shortridge
Borah	Hale	Moses	Simmons
Brandegee	Harreld	Myers	Smoot
Calder	Harris	Nelson	Stanley
Capper	Harrison	Newberry	Sterling
Colt	Johnson	Nicholson	Underwood
Cummins	Jones, N. Mex.	Norbeck	Wadsworth
Dial	Jones, Wash.	Norris	Walsh, Mass.
Dillingham	Kellogg	Overman	Warren
Edge	Kendrick	Phipps	Watson, Ga.
Ernst	Keyes	Rawson	Williams
Fletcher	Ladd	Robinson	Willis

Mr. JONES of Washington. I wish to announce that the senior Senator from Kansas [Mr. CURTIS] is necessarily absent on official business.

The PRESIDENT pro tempore. Fifty-two Senators have answered to their names. There is a quorum present.

READJUSTMENT OF ARMY AND NAVY PAY.

Mr. SMOOT. Mr. President, I ask unanimous consent that House bill 7456, the tariff bill, be temporarily laid aside for the consideration of the Army and Navy pay bill.

The PRESIDENT pro tempore. Is there objection?

Mr. UNDERWOOD. What is the request?

The PRESIDENT pro tempore. The Senator from Utah asks unanimous consent to temporarily lay aside the tariff bill.

Mr. UNDERWOOD. For the consideration of the Army and Navy pay bill?

Mr. SMOOT. For the consideration of that bill.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the tariff bill is temporarily laid aside. The Chair lays before the Senate the so-called Army and Navy pay bill.

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 10972) to readjust the pay and allowances of commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, which had been reported from the special committee with amendments.

Mr. WADSWORTH. Mr. President, perhaps the Senate will permit me to make a brief preliminary and explanatory statement.

On May 18, 1920, there was approved by the President a bill passed by the Congress providing for certain temporary increases in pay for officers and men of the Army, the Navy, the Marine Corps, the Coast Guard, the Public Health Service, and the Coast and Geodetic Survey. The provisions of that bill, which were temporary in character, expire upon June 30 of this year, about six weeks from date. The bill which provided for that temporary increase also carried a provision directing the formation of a joint committee of the Congress, to be composed of five Members of the Senate and five Members of the House, to be charged with the whole question of investigating the pay and allowances in the six services and to report to the Congress its recommendation in due season. The joint committee was appointed in accordance with the terms of the statute and commenced its work something like six or seven months ago.

The committee commenced with extensive hearings, listening to witnesses from the Army, the Navy, the Marine Corps, the Coast Guard, the Public Health Service, and the Coast and Geodetic Survey. Not only were officers of those services invited to testify, but also enlisted men. A determined effort was made on the part of the committee to acquire thorough knowledge of the problems confronting the services in the matter of pay and allowances.

At the outset the committee, while taking no official action recording its opinion, made up its mind informally that in any bill which it might propose to Congress the aggregate expenditure for pay and allowances should be less than the aggregate expenditure under the terms of the temporary pay bill of May 18, 1920. The hearings had not proceeded to any great extent, Mr. President, before it became entirely clear that the old permanent pay schedules governing the pay and allowances of the officers and men of these services were utterly inadequate, and that it would be utterly impossible for us to revert to those old schedules. This led, of course, to the conclusion that somewhere between the 1908 schedules, as a minimum, and the 1920 temporary schedules, as a maximum, could be found the true and accurate measure of compensation. As a result of our deliberations two bills were reported—one to the House of Representatives and one to the Senate.

The bills reported to the respective Houses were almost identical. The House bill, which is now before the Senate, passed that body several days ago by a very large majority, after a debate extending, I think, nearly a week. It is that bill which is here before us this morning, which has been unanimously reported to the Senate by the Senate special committee. Certain comparatively slight amendments have been suggested; none of them affects the vital principles of the bill.

I think it should be noted at this time that if the pending measure as now reported to the Senate should become law on July 1 next, as is contemplated, the immediate saving to the Government in the matter of pay and allowances for the six services affected will be $15,126,000. I mean by that the saving in the next fiscal year.

There are certain saving clauses in the bill; in fact, there are two of them, which may be explained later, which, as time goes on, and in all probability within five or six years will expire, and when they shall have expired and the whole situation as to pay and allowances then reaches what might be called an even keel and the entire system, without any qualifications or modifications, goes into effect the annual saving thereafter as compared to the present-day costs of these services will be $28,527,000. These savings, Mr. President, it will be seen at a glance are very large, and yet the committee is confident that the pay and allowances provided for under this bill will preserve the morale of the services affected and will provide the personnel, commissioned and enlisted, with a modest competency, and enable them to live, as all Americans expect officers and men of our military services to live, modestly but with self-respect and free from the worry and demoralization which come from debt incurred by an individual in the service of his Government.

I desire to call attention to three or four features of this measure which may be regarded as new; if not new in principle they are new in application. Up to this time the base pay of an officer in the Navy or in the Army or in the Marine Corps has been entirely dependent upon his rank. This bill makes a change in that respect, with the result that the base pay of an officer is determined by a combination of his rank and his length of service. Instead of rank being the only consideration in fixing base pay, we have injected into this proposed law the element of length of service. So instead of setting out rigidly the pay, grade by grade, for the commissioned officers we have set up a pay-period system.

The bill provides for six pay periods. The first pay period is normally the period in which a second lieutenant in the Army, an ensign in the Navy, and the corresponding officers in the other services will find themselves. The second pay period is the normal period for a first lieutenant in the Army, a lieutenant (junior grade) in the Navy, and the corresponding officers in the other services. The third pay period is normal for

a captain in the Army, a lieutenant in the Navy, and the corresponding grades in the other services. The fourth pay period is normal for a major in the Army, a lieutenant commander in the Navy, and the corresponding grades in the other services. The fifth pay period is normal for a lieutenant colonel in the Army, a commander in the Navy, and the corresponding grades in the other services. The sixth and highest pay period is normal for a colonel in the Army, a captain in the Navy, and the corresponding officers in the other services.

General officers—and I mean by that term to include brigadier generals, major generals, the General of the Army, and flag officers of the Navy, including rear admirals (lower half), rear admirals, temporary vice admirals, and admirals—are not included in any of the pay periods. It will be remembered, of course, that promotion to those grades is by selection, while, generally speaking, promotion to all grades up to colonel in the Army and captain in the Navy is, with certain exceptions, by seniority.

The committee as it examined this question became convinced that the Government should be protected financially against the results of abnormally rapid promotion, such as has been going on in the Army during the last few years, and that at the same time the officer should be protected financially against abnormally slow, or what might be called utter stagnation in promotion. We have examined the statistics and records of the Army, the Navy, the Coast Guard, and the other services in the matter of promotion as conditions have existed in the past and the effect upon pay, with the result that we came to the conclusion, as I have already indicated, that we should establish the base pay of officers on a combination of length of service and of rank.

An examination of the bill in its first section will show how the six pay periods are arranged. Let us commence at the bottom, at the first pay period. We find this situation provided for under the terms of the bill: A young man is commissioned as an ensign in the Navy or a second lieutenant in the Army, and under this bill his base pay will be $1,500 a year, as compared with the 1908 schedule of $1,700 a year. It may be, Mr. President, that that young officer may be very rapidly promoted to the grade of first lieutenant in the Army or of lieutenant (junior grade) in the Navy; in fact, it has happened in scores of instances in the last two years that a second lieutenant in the Army spends only two or three weeks in that grade and instantly advances to the grade of first lieutenant and receives accordingly a substantial increase in pay. That rapidity of promotion has extended up through the grades of first lieutenant and captain and has reached even the grade of major. This bill in effect provides that a second lieutenant in the Army or an ensign in the Navy, starting in at the base pay prescribed for the first period, shall not receive an increase in pay until he has served three years. He may even be promoted to the next higher rank, but still his base pay is not to be increased until he has concluded three years of service. On the other hand, if stagnation of promotion should overtake any or all of these services in the future, this bill provides in effect that the young second lieutenant or ensign who serves five years in that grade without promotion shall upon the completion of the five years of service receive the base pay of the next higher grade. That same principle is applied and extends through all six of the pay periods, constituting a balancing of length of service and of rank.

The thing the committee has been searching for as a solution of this problem of pay is a pay schedule and provision for allowances of such a character as that, while it asks the young man entering the service in his very early twenties to be satisfied with a comparatively low pay, nevertheless, the prospects held forth to him for the future are such as to encourage him to remain in the service and to assure him that, as he stays in year after year and his experience ripens and his value to the Government increases, his growing obligations of a financial character, largely due to his domestic relations, will be met by adequate compensation.

I think I am safe in saying, Mr. President, that the pay schedule proposed in this bill represents for the first time a scientific working out of this matter of progressive increase in pay held forth to a young man who comes in the services intent upon making the service which he selects his life career.

Mr. FLETCHER. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Florida?

Mr. WADSWORTH. I yield.

Mr. FLETCHER. May I ask the Senator to state what would be the base pay of the ensign the Senator has named, and the base pay of the second lieutenant in the Army, under the act of 1920? The Senator has given it under the act of 1908, as provided in this bill. The Senator might state what it would be under the act of 1920.

Mr. WADSWORTH. Under the act of 1920 the base pay of a second lieutenant or an ensign was $1,700, and that act gave him a bonus of $420, making a total that he now receives of $2,120.

Now, Mr. President, departing for a moment from the discussion of the pay-period system as provided in this bill, let me refer to another important feature of the bill, the allowances.

It may be recollected by Senators who have taken an interest in this matter that back in 1920, when the Senate passed the temporary pay increase bill, it provided for the payment to officers and to noncommissioned officers in the Army and the Navy of a variable allowance—an allowance which should rise or fall as the cost of living rose or fell in the future. When that bill reached conference the House conferees did not feel like accepting that provision, and so it was dropped out; but this bill contains such a feature. Under the existing law the officers of all these services receive certain allowances under certain circumstances. For example, officers who are not housed in Government quarters but are compelled to rent quarters for themselves and their families are paid by the Government an allowance known as commutation of quarters. In accordance with the officer's rank, he is allowed theoretically a certain number of rooms under existing law. Twelve dollars is the monthly allowance for each room. A second lieutenant or ensign is entitled to two rooms, or $24 a month; a first lieutenant or lieutenant junior grade is entitled to three rooms, or $36 per month; and so on up the list of grades. In addition to that, under present law officers of these services receive allowances for heat and light when they are not housed in Government quarters.

This bill abolishes those three allowances and substitutes one allowance, called the rental allowance; and under the terms of this bill a rental allowance is fixed at $20 per month. The provisions for the rental allowance will be found in section 7, commencing at the bottom of page 9.

Under section 7 officers in the several grades will receive a varying number of these allowances in accordance with their grades, and in accordance also with dependency existing in their families, or the lack of it; but the bill provides that, whereas $20 shall be the allowance for the fiscal year 1923, upon the certificate of the Secretary of Labor showing a general reduction of the cost of rents over the United States the President may thereafter reduce that allowance. He may not increase it. It is fixed as the maximum; so that if rents over the United States decrease in the years to come, and the expense to which an officer is put in the matter of rentals decreases as the result, the Government is protected, and that element of the officer's allowance may be decreased with no injury to him.

Mr. President, I desire now to call attention to another element in this proposal, which is recited in section 6 of the bill. It is called and termed in this bill a subsistence allowance. Personally, I believe that is a misnomer, for this allowance is not intended to be—and in fact could not be—used as an agency for the purchase of subsistence by an officer. It is really a straightout addition to the base pay itself. It is used in this bill as a variable allowance or a variable element in the pay. The value of this allowance is to be 60 cents per day. That 60 cents is merely an addition to the base pay of the officer. All officers in all the services receive one or more of these allowances; and the provision also has this effect—that the 60 cents, while it is the maximum for the year 1920, may likewise be reduced by the President if the Secretary of Labor, by certificate, informs him that the cost of food over the United States has decreased.

Thus we have injected into this bill two elements, each of them variable in character, the effect being that should the cost of living, as reflected in rent costs and food costs, decrease after the fiscal year 1923, the Government will spend less money in the payment of its officers, and the officers themselves will not suffer by reason of that decrease.

One other matter of importance.

Mr. President, this bill very frankly recognizes family life as the normal existence of men. It recognizes that men with dependents are necessarily subjected to greater expense in living than men without dependents. That is not a new principle either in Government or in private employment. Family allowances have been paid before this in the Army and the Navy, and commutation of quarters was paid all through the war to help the families of officers who went into the field, either in the Navy or in the Army. The laws of our Government upon more than one occasion—in fact, upon several occasions—have

recognized this situation. Indeed, the act of May 18, 1920, provided that the members of an officer's family should be transported over the railroads free of charge when the officer himself, the head of the family, was ordered to change station permanently. Family allowances have been paid to enlisted men in the upper grades. So that, as I say, the Government in years gone by, and in fact very recently, has recognized this condition.

This bill, Mr. President, recognizes it. It is estimated that somewhere between 70 and 90 per cent of the officers in these services are married or have a dependent mother, and those officers are taken as the standard upon which compensation is based. They receive the full payment of allowances in their respective pay periods. The officers who have no dependents are in the excepted class, and their allowances—subsistence allowances and rental allowances—are somewhat less. We feel very earnestly that by this arrangement we have actually equalized the comforts and advantages of all the personnel, and that when the thing actually works out a group of men in a post or in a navy yard or on a battleship, most of them having dependents, a few of them having no dependents, will be able to meet the battle of life in the financial sense on an equality. The married man with little children will get a little bit more pay than the bachelor; but when one comes to consider the additional expense to which he is put, and how, after all is said and done, the family is the unit of the State, and that it is the duty of the State and the Government to protect the family, we believe that the family man with dependents should be placed in a position where he need not worry unduly as to how he is going to meet his bills and keep out of debt.

Mr. President, this matter has been submitted to hundreds and hundreds of people in these services. Questionnaires have been sent to thousands of officers, married and single. Thus far not one complaint has reached the committee against this proposal. It must be conceded by all who have studied it, and who are familiar with the peculiar circumstances surrounding life in the military services, that this provision is in the interest of justice and in the interest, therefore, of contentment and high morale in the services.

I desire to call attention to one or two facts which the committee unearthed in its hearings. The general public has a very inaccurate conception of the lives led by Navy officers and Army officers and noncommissioned officers in the Army and chief petty officers and the higher rated men in the Navy, but especially as to commissioned officers. The idea prevails that they live a very comfortable existence. In nearly every instance they appear well dressed. They speak very little about their financial situations and the public think that they must be pretty handsomely paid, and live pretty comfortable lives in their households. The fact is that even under the existing temporary pay these men live, financially speaking, most modestly. In fact, it is astounding how some of them get along at all.

Upon the suggestion of the joint committee, questionnaires were sent out to a large number of officers in the Army, asking them to answer certain questions as to their domestic situations, and while these figures are confined to Army officers, they may be applied with absolute accuracy to naval officers and officers in the Coast Guard and some of these other services.

For instance, questionnaires were sent to all the officers at Camp Dix, Camp Meade, Camp Jackson, Camp Benning, Camp Travis, Camp Lewis, Camp Grant, Fort Sill, the Presidio at San Francisco, and the coast defenses of Chesapeake Bay. Forty-seven colonels answered the questionnaire from those camps, and we find that of the 47 colonels only 22 could afford to employ a servant, with the present base pay, longevity pay, and all the allowances. Fifty-seven lieutenant colonels answered the questionnaire, and of the 57 only 21 could afford to employ a servant. Three hundred and two majors answered the questionnaire, and of that number only 125 could afford to employ a servant. Those are the three highest grades in the Army below that of general officer.

Mr. President, I venture to say that you and I never had any idea that that was the condition until we made this investigation. In other words, we have not realized that the wife of the Army officer, even in the higher grades, in much more than half the cases has been doing all the housework. Of course, if we go down the grades, we find the percentage employing servants less and less.

Six hundred and ninety-two captains reported on that questionnaire, and of them only 147 could employ a servant, and among the lieutenants, gathered in the one group, 390 replied, and of them only 51 could employ servants. In other words, of the colonels reporting 47 per cent employed a servant, 37 per cent of lieutenant colonels employed a servant, and so on down, 41 per cent of the majors, 21 per cent of the captains, and 13 per cent of the lieutenants.

I invite the attention of the Senate to the condition at Camp Lewis, in the State of Washington. One hundred and seventy-one married officers reported on this questionnaire at that camp, and of the 171 married officers only 6 could employ a servant. Over at Camp Dix, in New Jersey, 20 officers out of 130 married officers had servants. At Camp Grant there were 171 married officers, and only 15 had servants in the house.

Some people have suggested that we go back to the 1908 pay schedules. If we should do so, these men could not live on their pay. In the judgment of this committee the Army woman has reached the limit of sacrifice. In the great majority of cases, while she puts up a brave appearance and keeps a stiff upper lip, when she attends the simple functions which obtain at an Army post, or, correspondingly, the Navy woman, when she attends the simple functions at the navy yard or aboard the battleship when it drops into port, she has had to struggle and struggle to make both ends meet; and if I make any plea of a special character, I make it on behalf of the Army and Navy women. They can not bear any heavier burdens than they are bearing to-day.

I could call attention to some of the testimony given to the committee by officers and enlisted men of the service. I think it is well for the public to know about these things, because there is so much misconception. I have before me the testimony of a young married officer stationed at one of the big camps, Camp Meade, which camp is within easy distance of Baltimore and Washington. His wife does all the housework. He has not been able to purchase a dress for her since he came into the service and married.

All the clothing she has is clothing which she owned before she married. It is a touching little story of the devotion of a wife and the genius that many women have of making both ends meet. She has made over her gowns time and again in order to present a creditable appearance when she attends a little reception at the commanding officer's house and meets the other ladies of the post.

The officer himself, in two years' service at Camp Meade, has not been able to leave the camp to visit Washington or Baltimore except upon three occasions. He and his wife are just scraping along; they are cheerful; they are brave about it. He tells us all about it. There are hundreds of others in like position.

Indeed, Mr. President, they do lead very modest lives financially. They work very hard to get along. The bill which we have reported in certain instances makes slight increases in pay, largely to meet the condition of dependency. In other instances, in the lowest grade, for example, in the grade of ensign in the Navy and second lieutenant in the Army, when it is not expected that the young man shall have undertaken heavy domestic obligations, the pay is somewhat reduced. But the whole thing is arranged so that these young men, when they come into the service, may enjoy a reasonable prospect of increase in pay, ability to marry, to raise children, to clothe them, to feed them, and send them out into the world at least with as good prospects as their fathers had when they went into the Navy or the Army.

This subject is one which has been close to the hearts of the five Senators who have investigated it, and one might continue for a considerable period discussing the psychology of pay and allowances, setting forth the situation in greater detail.

I refer for a moment to the enlisted men. We find existing among the upper grades of enlisted men exactly the same conditions which exist among the commissioned officers. The master sergeants, the technical sergeants, and the staff sergeants in the Army, and the chief petty officers in the Navy, are the highest in rank among the enlisted men. Nearly all of them are men of long service. Their services to the Government are invaluable. They are the backbone of the enlisted strength, of course. Large numbers of them are married, as they should be, and have families, as should be the case. They are making the service in which they are engaged their life profession just as truly as the officer makes it his life profession, the only difference being that the noncommissioned officer in the Army or the chief petty officer in the Navy reenlists every so often. But when he gets up the scale in his service he generally makes up his mind that he is going to stay there the rest of his life. We increase their pay in this bill.

We give them assurance that they, too, can support a family in at least decent comfort, and some of the testimony given to the committee by some of these splendid soldiers and sailors is almost pathetic in its character, indicating, as it does, how desperately they strive to get on. Time and time again Senators and Members of the House who served on this joint committee said to these young men, and to these middle-aged men,

too, in the Army or the Navy, "Why do you stay in? If you have such a hard time financially, why do you not get out?" In nearly every instance they simply look you in the eye and say, "We like the Army," "we like the Navy." Some of the jackies who testified to us told us that even at the expense of the hardship and the deprivation they liked their buddies; that when one boy got into some trouble or other, the others all came to his assistance. That is the spirit of the Navy. If a man falls overboard, three or four men dive into the ocean to save him. It is that spirit which holds men year after year in the Army or the Navy. The public does not understand it, and I feel the Congress does not understand it very thoroughly, but that is very largely why they stay. They like it. It is difficult to describe it. It is a state of mind. This bill takes care of them. While it takes care of these men who have dependents, or who are expected to have dependents, it does reduce the pay of the men at the lowest grade when they first come into the service, but provides for a very rapid increase after they have passed through that first or lowest grade. I am speaking now of the enlisted men.

Mr. JONES of Washington. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Washington?

Mr. WADSWORTH. I yield.

Mr. JONES of Washington. I called the Senator's attention to a telegram a day or two ago with reference to the condition of National Guard officers who were in the National Guard and then were taken into the service as emergency officers and served during the war and who have since become members of the Regular Army. I have a letter relating to the same subject, from which I wish to read just a sentence to the Senator, and then I would like his explanation of the situation as disclosed by the bill. I confess I know very little about military matters, but I want to get the Senator's statement with reference to the situation.

Mr. FLETCHER. That refers to section 4 of the bill, which the committee report to strike out.

Mr. WADSWORTH. Yes.

Mr. JONES of Washington. I will just read this sentence:

> This bill as now written allows no constructive service whatever to officers who went in the Army from the National Guard after service as emergency officers during the war.

I think that sentence, as I understand it, states the situation as this correspondent gives it. I notice that section 4 on page 8 of the bill as it passed the House provided for some credit for this service and the committee has striken it out.

Mr. WADSWORTH. When that is reached I am going to make a statement, and an amendment will be offered in the nature of a compromise, and I think it will be entirely satisfactory to the officers affected.

Mr. JONES of Washington. The Senator will take care of that a little later?

Mr. WADSWORTH. Oh, yes.

Mr. NEW. I have an amendment which I shall offer.

Mr. JONES of Washington. Very well.

Mr. WADSWORTH. I ask unanimous consent that the formal reading of the bill may be dispensed with and the bill read for action on the committee amendments.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The Assistant Secretary proceeded to read the bill.

The first amendment of the special committee was, on page 3, in line 25, after the word "service," to insert a comma and the words "except those whose pay is limited by law to this grade," so as to make the paragraph read:

> The pay of the fourth period shall be paid to lieutenant colonels of the Army, commanders of the Navy, and officers of corresponding grade who are not entitled to the pay of the fifth or sixth period; to majors of the Army, lieutenant commanders of the Navy, and officers of corresponding grade who have completed 14 years' service, or whose first appointment in the permanent service was in a grade above that corresponding to second lieutenant in the Army, or who were appointed to the Regular Army under the provisions of the first sentence of said section 24; to captains of the Army, lieutenants of the Navy, and officers of corresponding grade who have completed 17 years' service, except those whose pay is limited by law to this grade; and to lieutenants of the Staff Corps of the Navy, and lieutenants and lieutenants (junior grade) of the line and Engineer Corps of the Coast Guard whose total commissioned service equals that of lieutenant commanders of the line of the Navy drawing the pay of this period.

The amendment was agreed to.

The next amendment was, on page 5, in line 22, after the numerals "5750," to strike out the proviso in the following words:

> *Provided*, That nothing in this section of in any other section of this bill shall authorize the retired pay for a colonel in the Army, captain in the Navy, or corresponding grade, to exceed $3,750 per annum; of a lieutenant colonel in the Army, commander in the Navy, or corresponding grade, to exceed $3,375 per annum; of a major in the Army, lieutenant commander in the Navy, or corresponding grade, or of any officer below the grade of major in the Army, or lieutenant commander in the Navy, or corresponding grade, to exceed $3,000 per annum.

The amendment was agreed to.

The Assistant Secretary continued the reading of the bill to line 14 on page 6, the last paragraph read being as follows:

> For officers hereafter appointed no service shall be counted for purposes of pay except active commissioned service under a Federal appointment and commissioned service in the National Guard when called out by order of the President. For officers now in the service all service which is now counted in computing longevity pay, and service as a contract surgeon serving full time, shall be included in the computation.

Mr. WADSWORTH. Mr. President, allow me to call the attention of the Senator from Washington [Mr. JONES] to this situation: On page 8, line 11, is found section 4 as passed by the House. That is the section which was to give 50 per cent credit to Regular Army officers for that service which they performed as officers of the Organized Militia or the National Guard prior to their coming into the Regular Army. The committee struck out that provision because it believed that it was open to certain serious objections and abuse.

Section 4 as passed by the House would permit 50 per cent credit in the matter of computing longevity pay for service, for example, performed years and years ago as an officer in the State militia before the Federal Government exercised any jurisdiction over the militia. Of course, as everyone knows, in those ancient days the term "Organized Militia" was loose and all-inclusive. It would include and cover the staffs of governors, mostly confined to colonels who wore long white plumes and never performed any military service at all, ancient and honorable organizations of one kind and another which met once a year for a banquet, but were included in the loose phrase "Organized Militia." The committee did not think that we should go that far back and give credit in the matter of longevity pay to people in the Army or Navy who happened years and years ago to have been members of such organizations.

Now, the suggestion has been made since that the proposed credit for service performed as officers in the National Guard or Organized Militia be confined to credit for that service performed since the passage of the so-called Dick law. The passage of the Dick law inaugurated a systematic reorganization of the so-called Organized Militia. It provided for the detail of inspector instructors from the Regular service, Federal recognition of the units and of the officers, examination and investigation of their efficiency, accounting for the Government property loaned to them, and various regulatory measures of that kind.

Dating from the passage of the Dick law, later called the National Guard under provisions of the national defense act of 1916, service in the Organized Militia or the National Guard became a serious military undertaking. After consultation with a great many people who have taken an interest in this amendment, the suggestion has been made that we grant this credit at the rate of 50 per cent in computing longevity pay for the service performed as commissioned officers in the Organized Militia or National Guard since January 21, 1903, and at the same time give similar credit to officers who served in the Naval Militia.

Mr. NEW. Mr. President, I offer the following amendment.

Mr. WADSWORTH. The amendment offered by the Senator from Indiana should be inserted at the end of line 12, on page 6. That is the proper place in the bill for such an amendment.

The PRESIDENT pro tempore. The amendment offered by the Senator from Indiana will be stated.

The READING CLERK. On page 6, line 12, after the word "pay," insert:

> and 50 per cent of all commissioned service as an officer of the Organized Militia between January 21, 1903, and July 1, 1916, and as an officer of the National Guard, Naval Militia, or Naval Volunteers since January 21, 1916.

Mr. SMOOT. Mr. President, I wish to have some explanation of the proposed amendment. What is it going to cost and what does it really mean?

Mr. FLETCHER. It takes the place of the amendment of the committee. If this amendment is agreed to, then the committee proposes to strike out section 4 of the bill.

Mr. WADSWORTH. It takes the place of that provision. It is less than the House provision. It grants credit, for the purpose of computing longevity pay, for that service performed since the National Guard became a serious military undertaking; in other words, since the passage of the Dick Act; otherwise there would be no limit to the longevity proposition.

Mr. JONES of Washington. As I understand, if that provision goes in then an officer who served as an officer in the

Organized Militia since 1903 and then entered the National Guard in 1916 and is now in the Regular Army would be allowed 50 per cent credit for his service in the militia or National Guard in computing longevity pay.

Mr. WADSWORTH. Yes. It has nothing to do with promotion or base pay or allowances, but just the longevity pay.

Mr. JONES of Washington. Does the House provision affect promotions?

Mr. WADSWORTH. It does not.

Mr. JONES of Washington. So there will be no provision in the bill under which these officers would get any credit in connection with their promotion?

Mr. WADSWORTH. No.

Mr. JONES of Washington. For instance, Colonel Inglis was in our National Guard and in the militia, I think, probably prior to 1903; at any rate, I am sure since 1903. He served all through the World War, going over as one of the first officers of the National Guard from the State of Washington, and is now, I think, a major in the Regular Army. He would get credit in longevity pay, at any rate, for 50 per cent of that service in the National Guard and in the militia, but what would be his status in the way of promotion? His case is typical of several other officers from the State of Washington. What would be their status in the matter of promotion under this bill?

Mr. WADSWORTH. That is an entirely different problem. It is taken care of in the national defense act. This bill does not seek to legislate in any way as to promotions. The special committee had no authority over that subject.

Mr. JONES of Washington. This proposed legislation simply has reference to pay?

Mr. WADSWORTH. It relates to pay only.

Mr. JONES of Washington. Then I think I understand the situation.

Mr. SMOOT. I wish to ask the Senator from New York, when a member of the militia served during the years mentioned in the amendment, was there any understanding that he should receive longevity pay?

Mr. WADSWORTH. No. When he started in years ago, of course, there was no intimate relation between the National Guard and the Regular service as there is to-day.

Mr. SMOOT. It is now proposed to go back and give him that credit?

Mr. WADSWORTH. It gives him 50 per cent credit.

Mr. SMOOT. Why should he have that?

Mr. WADSWORTH. Just one moment. It gives him 50 per cent credit for the years which he spent as a commissioned officer in the National Guard training under Federal supervision of the strictest kind and making himself potentially a Federal soldier subject to call from the President on a moment's notice.

Mr. SMOOT. But when he rendered that service there was no law to give him longevity pay?

Mr. WADSWORTH. There was not when he came into the Regular Army.

Mr. SMOOT. Why go back now and pick that up?

Mr. WADSWORTH. Because we think it is just.

Mr. SMOOT. Mr. President, I fear there will be no end to this. I can not see where it is going to lead us. It is now proposed to give 50 per cent credit, and we shall have a bill here in a little while providing for the granting of the other 50 per cent credit.

Mr. WADSWORTH. There is nothing new in this principle. Let me recite some facts to the Senator. I am sure he has not studied it. Congress itself passed an act just prior to the World War or at the beginning of the World War providing, in effect, that when the National Guard was taken into the Federal service and sent to France officers thereof became officers of the Army in every sense of the word.

Mr. SMOOT. Nobody objected to that.

Mr. WADSWORTH. Wait a moment. The Senator from Utah is objecting to the very same thing right now.

Mr. SMOOT. No——

Mr. WADSWORTH. Just a moment. When those officers were taken into the Federal service automatically and put upon the Federal pay roll they received credit in the matter of longevity pay for all the time they had served as National Guard officers prior to the war. This proposes to do that same thing, except it cuts it in half and gives 50 per cent credit instead of 100 per cent.

Mr. SMOOT. If it were right then, and they are in exactly the same condition, why should they not receive 100 per cent now? Why should they not all be treated alike?

Mr. WADSWORTH. They are treated all alike. That 100 per cent credit in computing longevity pay was only during their active service during the war; it was based on their entire commissioned service in the National Guard prior to the war. Now, this bill provides that a regular officer who was formerly a National Guard officer shall in the matter of longevity pay get full credit for all the time he served as a National Guard officer in the field under a call by the President. That has always been provided. We now propose to allow him 50 per cent credit for the remainder of the time he served as a National Guard officer when not under the call of the President. That is the difference. Now, the Senator appears to want it raised to 100 per cent and the expenditure on that account doubled.

Mr. SMOOT. No; I do not. The question I raise is, Should they be given any credit for the time they served in the National Guard before any action was taken by Congress to give them the status of officers of the Regular Army? Some officers seem to be sitting up at night planning some way to get other credits to increase their longevity pay and to increase their commutation of quarters. I do not know how far it is going. Since the officers are being taken care of, will we go so far as to include every member of the National Guard who served in the forces of the United States? Under this bill I am wondering whether that will not be the next move which will be made.

Mr. WADSWORTH. Does the Senator refer to officers?

Mr. SMOOT. Not merely to officers, but every enlisted man who has served in the National Guard.

Mr. BURSUM. Mr. President, will the Senator yield?

Mr. SMOOT. We can not tell where it will lead. We seem to be going ahead piling up credits for longevity pay and commutation of quarters. I can not see any limit.

Mr. BURSUM. Mr. President, I submit that the amendment in behalf of former National Guard or Organized Militia officers is simply a partial equalization of those officers who have been commissioned in the Regular service with other officers of the Regular Establishment.

Mr. SMOOT. Certainly; it is to give them an increase in salary; we know that; that is all it is for.

Mr. BURSUM. Stripping the matter of all surplus argument, the whole proposition gives a slight increase to the officers of the Army. That is necessary and essential, and, while that is being done, we ought to try to equalize all elements, so as to include 300 or 400 officers who have gone into the Regular Army from the National Guard.

Mr. SMOOT. The bill would not be here unless it was for the purpose of providing an increase in salary.

Mr. STANLEY. Mr. President——

The PRESIDENT pro tempore. The Senator from Kentucky.

Mr. STANLEY. To discriminate in this manner against the officers of the National Guard would, in my opinion, be a rank injustice. As the chairman of the committee has clearly pointed out, the officers who came into the Regular service and became officers of the Regular Army from the National Guard took their places with the West Pointers, and without exception have attained their present rank by efficiency and distinguished service of the highest character to their country in time of national peril. Were I called upon to select a small body of men more deserving, either in civil or military walks of life, they could not be found.

In addition to that, Mr. President, as the chairman of the committee has vividly pictured, the officers of the Army and Navy, lieutenants, captains, and colonels, are to-day living upon a lower plane; their pay is less; they are able to enjoy less, not of the luxuries, but of the comforts of life, than ever before in the history of the service. The pay is not exorbitant to any of them; and to discriminate between them by giving to the man who has attained distinction by virtue of appointment to West Point one pay, and to the man who attained it by virtue of his love of the service and his devotion to it, and the slow hard road he had to travel from subaltern to an officer, another pay, would be absolutely indefensible. I can not too heartily commend the amendment offered by the Senator from Indiana.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Indiana.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will proceed with the reading of the bill.

Mr. WADSWORTH. Mr. President, as we proceed with the reading of the bill I desire to offer a few corrective amendments which in no sense change the meaning of the act, but merely clarify the intention of the bill itself. On page 6, line 7, I move to strike out the word "hereafter" and to insert after the word "appointed" the words "on and after July 1, 1922," so that it will read:

For officers appointed on and after July 1, 1922—

And so forth.

That, Mr. President, is merely to make it entirely clear when this act shall take effect. If we leave in the word "hereafter" it will take effect immediately upon its passage and complicate the administrative problem.

The PRESIDENT pro tempore. The amendment proposed by the Senator from New York will be stated.

The READING CLERK. On page 6, line 7, after the word "officers," it is proposed to strike out the word "hereafter" and after the word "appointed" in the same line to insert the words "on and after July 1, 1922."

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. WADSWORTH. On line 11, of the same page, I move to strike out the word "now," and after the word "service" to insert the words "on July 1, 1922," so that it will read:

For officers in the service on July 1, 1922.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. WADSWORTH. Mr. President, there is a misprint in the committee amendment on the bottom of page 3. I presume it will be necessary to reconsider the vote whereby that amendment was agreed to in order to make the correction.

The PRESIDENT pro tempore. Without objection, the vote whereby the committee amendment at the bottom of page 3 was agreed to will be reconsidered. The Chair hears no objection.

Mr. WADSWORTH. In the committee amendment on page 3, line 25, as it is printed, the word "pay" should have been the word "promotion." It should have read "except those whose promotion is limited by law to this grade." I move that the word "pay" be stricken out and the word "promotion" substituted therefor.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed. The next amendment was, in section 3, on page 8, line 2, after the word "act," to strike out "or in the National Guard"; and, in line 3, after the numerals "1916," to insert a comma and the words "or in the National Guard," so as to make the section read:

SEC. 3. That when officers of the National Guard or of the reserve forces of any of the services mentioned in the title of this act are authorized by law to receive Federal pay, those serving in grades corresponding to those of colonel, lieutenant colonel, major, captain, first lieutenant, and second lieutenant of the Army shall receive the pay of the sixth, fifth, fourth, third, second, and first periods, respectively. In computing the increase of pay for each period of three years' service, such officers shall be credited with full time for all periods during which they have held commissions as officers of any of the services mentioned in the title of this act or in the Organized Militia prior to July 1, 1916, or in the National Guard, or in the Naval Militia, or in the National Naval Volunteers, or in the Naval Reserve Force or Marine Corps Reserve Force, when confirmed in grade and qualified for all general service, with full time for all periods during which they have performed active duty under reserve commissions, and with one-half time for all other periods during which they have held reserve commissions.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

The next amendment of the Committee on Military Affairs was, on page 8, after line 10, to strike out the following:

SEC. 4. That all persons who have entered the Regular Army as commissioned officers shall be entitled to compute 50 per cent of their commissioned service in the National Guard and Organized Militia, whether in State or Federal service, or both, for longevity pay.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. WADSWORTH. Mr. President, on page 15 it is necessary to offer an amendment in order to straighten out an administrative difficulty. It has no effect on the amounts.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 15, line 1, after the numerals "$99," it is proposed to insert the following:

That the Secretary of the Navy is authorized to fix the pay grade for the various ratings of enlisted men of the Navy, and the Secretary of the Treasury is authorized to fix the pay grade for the various ratings of enlisted men of the Coast Guard.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WADSWORTH. On line 7, the word "hereafter" should come out.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 15, line 7, it is proposed to strike out the word "hereafter."

Mr. FLETCHER. Mr. President, before proceeding to that, I do not know that I quite understand the amendment in line 1. Does it give the Secretary of the Navy and the Secretary of the Treasury the authority to fix the pay?

Mr. WADSWORTH. No, Mr. President; it does not directly. Under a decision of the Comptroller General, which was made only on April 27 last, a curious situation has arisen. The practice has been for many, many years to permit the Secretary of the Navy to classify the ratings in the Navy, which is a rather complicated task. There are scores and scores and scores of ratings. In this bill we do not pay by rating at all; we pay by grade; and under a decision of the Comptroller General in which he says that the act of June 4, 1920, vests in the Secretary of the Navy authority to establish new ratings or change old ones within such classes of ratings, but does not confer authority to establish new classes of ratings, it is necessary to allow the Secretary of the Navy to take firemen, first class, and firemen, second class, and put them in the sixth or fifth or fourth pay grade, as has been the custom for some time past. If that is not done, first-class firemen, second-class firemen, and many, many other ratings in the Navy of the most skilled mechanics will all have to drop down, and you will smash your whole pay schedule. It makes no difference from the present situation.

Mr. FLETCHER. It does not really affect the amount of pay at all, as I understand, but it simply enables the executive officer, the Secretary of the Navy in this instance, to specify the ratings of the different officers?

Mr. WADSWORTH. To specify where a rating goes in the matter of grade.

Mr. FLETCHER. I think that is all right.

Mr. BORAH. Mr. President, the Senator from New York made a statement this morning in regard to the objects and purposes and effects of this bill. I was compelled to be in the Judiciary Committee, and heard only the opening sentence. I want to ask a question or two, so that I may vote intelligently.

What is the effect of the bill as to increasing the pay over, I believe, the act of 1908? I think that is the basis.

Mr. WADSWORTH. It increases it over the act of 1908, and decreases it under the act of 1920.

Mr. BORAH. To what extent will the sum total be increased over that of 1908?

Mr. WADSWORTH. The bill contains two saving clauses which I shall have to explain in order to make myself clear. Those saving clauses protect the enlisted man from any reduction in pay during the period of his present enlistment. In other words, we have a contract with him when he enlists. He is to get so much. We protect him against any reduction. It is the same way with officers; we protect the officer by another saving clause from being reduced in his pay below the pay which he would receive under the schedule of 1908. If those two saving clauses were eliminated, and the bill passed without them, according to my recollection of the figures there would be only about a million dollars difference in the aggregate between the 1908 pay and this.

Mr. SMOOT. But you have not eliminated those two clauses.

Mr. WADSWORTH. Of course, we have not eliminated those two clauses, and it would be a dishonest thing if we did.

Mr. SMOOT. But suppose you did not?

Mr. WADSWORTH. The Senator from Idaho was asking me to compare the 1908 schedule with this proposed one. I am making the closest comparison I can. In the aggregate, this bill will save in the fiscal year 1923 $15,000,000, as compared to the present pay schedules. After those saving clauses are absorbed, which will take a few years, the annual saving thereafter will be $28,000,000.

Mr. BORAH. That sounds good to the Senator from Idaho. When does the present pay contract end?

Mr. WADSWORTH. On June 30.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from New York, which will be stated.

The READING CLERK. On page 15, line 7, it is proposed to strike out the word "hereafter."

The amendment was agreed to.

The READING CLERK. On line 20, page 15, the same amendment is proposed.

The amendment was agreed to.

The READING CLERK. On page 17, line 5——

Mr. WADSWORTH. I ask that the word "hereafter" be stricken out there.

The READING CLERK. In line 5, page 17, it is proposed to strike out the word "hereafter."

The amendment was agreed to.

The READING CLERK. On page 19, line 6, it is proposed to strike out "second" and insert "first," so as to read:

Nurses shall be entitled to the same allowance for subsistence as is authorized in section 5 of this act for officers receiving the pay of the first period—

And so forth.

Mr. FLETCHER. Mr. President, regarding that amendment, I believe I am correct in stating that the joint committee reported the bill as it would be with the Senate amendment adopted.

Mr. WADSWORTH. It did.

Mr. FLETCHER. In other words, the House bill as reported by the joint committee there provided for the nurses receiving the pay of the first period in line 6 and the pay of the first period in line 9; but an amendment was offered in the House which changed the word "first" to "second" in each of those instances, and it was adopted there. The committee now proposes to go back to the joint committee bill; and, if these amendments are adopted, there is where the pay would be fixed.

I believe I am right—the chairman will correct me if I am wrong—in saying that the joint committee made very liberal provision for nurses. They increased their pay so as to put them somewhat on an equality with the nurses of the Public Health Service and with the nurses engaged in civil life. The increase of pay of nurses was quite liberal, we thought; and if this provision as changed by the House should be agreed to, and the committee amendment here should be rejected, that pay would be considerably further increased. We hardly thought that would be quite the thing to do. I think, therefore, that this amendment ought to be agreed to.

Mr. SMOOT. Do I understand the Senator to say that the nurses of the Public Health Service are allowed——

Mr. FLETCHER. They are not included in this bill at all, but in fixing this pay we have had in mind what was being paid in other services.

Mr. WADSWORTH. The nurses of the Public Health Service are not in this bill.

Mr. FLETCHER. They are not in this bill at all.

Mr. SMOOT. The Senator from Florida spoke of the nurses in the Public Health Service.

Mr. WADSWORTH. No; he spoke of the nurses in the Army and the Navy.

Mr. SMOOT. The Public Health Service gave their nurses longevity pay, and gave them commutation of quarters; and the head nurse there—not under the law; there is no law for it, but it was done until Congress's attention was called to it—was paid as high as thirty-four hundred and eighty-odd dollars a year. If this bill has anything in it putting nurses upon the retired list, and giving them longevity pay and commutation of quarters, I want to object now to its further consideration.

Mr. WADSWORTH. I invite the Senator from Utah to examine the bill. There is nothing of the kind in it.

Mr. SMOOT. I will say to the Senator from New York that I have not had any time to do that. I wish I had. I have only had about five hours' sleep a night, and I have not been able to examine it.

Mr. WADSWORTH. I can assure the Senator that he can examine the bill from now until doomsday, and he can not find anything like that in it.

Mr. SMOOT. The Senator from Florida referred to the nurses in the Public Health Service.

Mr. WADSWORTH. The nurses in the Army and the Navy; not the Public Health Service.

Mr. SMOOT. No; the Senator referred to the nurses in the Public Health Service.

Mr. FLETCHER. I said that in fixing this pay the committee had examined the pay that was being given in the Public Health Service and in private life by way of trying to arrive at a just basis of pay for the Army and Navy nurses—not that they were included here at all, but that we investigated the whole question of pay of nurses, both in civil life and in the Public Health Service and everywhere else so as to endeavor to deal fairly with the Army and Navy nurses. That is what I intended to say.

Mr. SMOOT. The nurses in all of the other departments always come to the Appropriations Committee and say, "We want the same rate that the Army and the Navy nurses have," because they have the highest pay that there is.

Mr. WADSWORTH. The Senator is greatly mistaken. They get the lowest pay that exists.

Mr. SMOOT. That is exactly what has been reported in the past.

Mr. WADSWORTH. The Army and Navy nurses are the lowest-paid nurses in America, even under this bill.

Mr. FLETCHER. Under this bill they have to serve for three years at $840 a year.

Mr. SMOOT. I am not objecting to what they are paid here without commutation of quarters or longevity pay or retirement privileges, but I am objecting to those things being applied to nurses as was for a time practiced in the Public Health Service and would have been to-day if objection had not been raised to it. Not only nurses but ordinary clerks down at the Public Health Service were granted longevity pay, commutation of quarters, and retirement privileges. There was not any law for it. They just did it, that is all.

Mr. FLETCHER. The Senator will agree to the committee amendment here, I take it, because it goes back to the bill as it was originally agreed on by the joint committee and which we thought amply provided for the nurses. If the House provision remained, in case of dependents they would get additional allowances. We will change that, if we agree to the committee amendment.

The amendment was agreed to.

The reading of the bill was continued.

The next amendment of the committee was, on page 19, line 9, before the word "period," to strike out the word "second" and to insert in lieu thereof the word "first," so as to read:

And to the same allowance for rental of quarters as is authorized in section 6 of this act for officers receiving the pay of the first period.

The amendment was agreed to.

The next amendment of the committee was, in section 16, page 20, line 12, after the word "repealed," to insert a comma and the words "effective June 30, 1922," so as to make the section read:

SEC. 16. That existing laws authorizing increase of pay for foreign service and commutation of quarters, heat, and light are hereby repealed, effective June 30, 1922.

Mr. WADSWORTH. That committee amendment should be perfected by changing "June 30" to read "July 1."

The PRESIDENT pro tempore. The Secretary will state the amendment to the amendment.

The READING CLERK. In lieu of the committee amendment the Senator from New York moves that the words "June 30" be stricken out and in lieu thereof "July 1" inserted, so as to read "effective July 1, 1922."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 21, line 15, after the word "promotion," to insert a colon and the following proviso:

Provided, That officers and former officers of the Philippine Scouts who were placed on the retired list prior to June 4, 1920, shall, upon the passage of this act, be entitled to promotion on the retired list for active duty heretofore performed subsequent to retirement, in accordance with the provisions of section 127a of the act of June 3, 1916, as amended by the act of June 4, 1920, and to the same pay and benefits received by other officers of the Army of like grade and length of service on the retired list.

Mr. WADSWORTH. In order to make it perfectly clear just when this proviso, if adopted, shall take effect, I move that, on line 17, the words "upon the passage of this act" shall be stricken out. At the end of the bill an amendment will be offered to the effect that all the provisions of the bill shall take effect on July 1.

Mr. SMOOT. The effect of that would be, of course, to allow them to draw the increased pay they are drawing now until the expiration of the present law.

Mr. WADSWORTH. No; nothing of the sort.

Mr. SMOOT. If we pass this bill and it becomes an act, then the pay would take effect on the passage of the act.

Mr. WADSWORTH. I thought the Senator referred to the Philippine Scouts.

Mr. SMOOT. No; I understood the Senator to move to strike out the words "upon the passage of this act." and to state that he would move an amendment at the end of the bill to make all the provisions of the bill take effect on July 1.

Mr. WADSWORTH. I said that.

Mr. SMOOT. The object of that is, of course, to allow them to draw their increased pay up until June 30, according to the present law.

Mr. WADSWORTH. The first sentence in the bill, page 1, reads as follows: "That beginning July 1, 1922, for the purpose of computing the annual pay of the commissioned officers," and so forth, the following things shall be done in the matter of base pay. From time to time in drafting the bill we struck these side pockets, as it were, and we wanted to get rid of them, but inadvertently, instead of saying "commencing July 1, 1922, these things shall cease to exist," we made it provide that "hereafter" they shall cease to exist. The word "hereafter," of course, would make it mean that they should cease to exist the day the President signs this act. The result would be that portions of this act would go into effect before July 1, and the rest of them on July 1, and the administrative difficulties in the Navy Department and the War Department would be immense.

Mr. SMOOT. I see that what the Senator says is correct, but I do not see why it should be added at the end when the bill starts out in the way it does.

Mr. WADSWORTH. Because some of these things are administrative in character, whereas the first section is legislative in character, as to only one element, the pay.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. WADSWORTH. In line with the amendment I proposed before, I move to amend on page 21, line 23, at the end of the line, by striking out the word "hereafter," and on line 24 beginning the word "retired" with a capital letter.

The amendment was agreed to.

The next amendment of the committee was, on page 21, line 25, before the words "Geodetic Survey," to insert the words "Coast and."

The amendment was agreed to.

The reading of the bill was continued to line 13 on page 22.

Mr. WADSWORTH. On page 22, lines 12 and 13, I move to strike out the words "June 20" and to insert in lieu thereof the words "July 1," so as to read:

All laws and parts of laws authorizing extra pay for qualification in the use of arms or instruments, or for holding rated positions, except as otherwise specifically provided herein, are hereby repealed, to take effect July 1, 1922.

The amendment was agreed to.

Mr. WADSWORTH. On page 22, line 15, after the word "shall," I move to strike out the word "hereafter," so as to make the section read:

SEC. 20. That cadets at the Military Academy and cadets and cadet engineers of the Coast Guard shall receive the same pay and allowances as are now or may hereafter be provided by law for midshipmen in the Navy.

The next amendment was, on page 23, line 11, after the word "Armies" and the comma, to insert the words "the enlisted men of," so as to make the section read:

SEC. 22. That nothing in this act shall operate to change in any way existing laws, or regulations made in pursuance of law, governing pay and allowances of the General of the Armies, the enlisted men of the Philippine Scouts, Marine Band, Naval Academy Band, Indian scouts, or flying cadets; nor the allowances in kind for rations, quarters, heat, and light for enlisted men; nor allowances in kind for quarters, heat, and light for officers and warrant officers; nor allowances for private mounts for officers; nor transportation in kind for officers and warrant officers and enlisted men and their dependents; nor transportation and packing allowances for baggage or household effects of officers and warrant officers and enlisted men; nor additional pay for aides; nor extra pay to enlisted men serving as stenographic reporters, or employed as cooks or messmen, or mail clerks, or assistant mail clerks, or engaged in submarine diving or service on submarines; nor money allowances granted to enlisted men on account of awards of medals or decorations expressly authorized by Congress.

The amendment was agreed to.

Mr. WADSWORTH. I desire to offer a substitute for section 23, merely a clarifying substitute.

The PRESIDENT pro tempore. The Secretary will state the substitute.

The READING CLERK. On page 24, strike out lines 1, 2, and 3, and insert in lieu thereof:

That the provisions of this act shall be effective beginning July 1, 1922, and all laws or parts of laws which are inconsistent herewith, or in conflict with the provisions hereof, are hereby repealed as of that date.

The amendment was agreed to.

Mr. WADSWORTH. Now I make the usual motion, that the Secretary be authorized to renumber the sections so that they shall be numbered consecutively, the renumbering to commence after section 3.

The PRESIDENT pro tempore. Without objection, that will be the order of the Senate. The bill is in Committee of the Whole and open to further amendment.

Mr. BORAH. Mr. President, I regret I was not present this morning when the bill was taken up; otherwise I would not delay its consideration by asking questions.

As I understand the effect of the bill, it is fo increase the pay of the persons covered by the bill to the extent of about a million and some odd dollars in excess of what the pay would be upon the basis of 1908.

Mr. WADSWORTH. The net increase would be in the neighborhood of a million dollars as compared with the present permanent schedules. Not all the permanent schedules date back to 1908. There were some permanent schedules enacted in 1917, and some I think in 1916.

Mr. BORAH. But the Senator estimates a saving of some $15,000,000 upon the basis of the present pay?

Mr. WADSWORTH. As compared with the present pay, and with these services maintained at their present strength.

Mr. BORAH. That pay ends on June 30?

Mr. WADSWORTH. It does.

Mr. BORAH. Then the real effect of the bill is to increase the obligations of the Government about a million dollars in excess of what they would be after the 30th of June?

Mr. WADSWORTH. Yes. The reason, in turn, for that is that these men can not live on the pay of 1908. It simply can not be done.

Mr. FLETCHER. If the Senator from Idaho had heard the witnesses, or would take the trouble to read the hearings, he would agree that the testimony was overwhelming to the effect that the officers and men can not live under the pay of 1908, at the present cost of living. The pay of 1908 was wholly inadequate.

Mr. BORAH. I can demonstrate to an absolute certainty that a Senator can not live on his salary. There is no doubt about that.

Mr. OVERMAN. We will all agree to that.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed a bill (H. R. 10766) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS.

The PRESIDENT pro tempore laid before the Senate a resolution of the National Association of Builders' Exchanges, favoring an amendment to the Constitution giving Congress authority to tax incomes derived from State, county, and municipal bonds upon exactly the same basis as incomes derived from other sources so as to encourage investment in private construction, which was referred to the Committee on the Judiciary.

Mr. CAPPER presented a resolution adopted by the American Legion posts and auxiliary units of the sixth congressional district, at Hays, Kans., favoring the prompt passage of the so-called soldiers' bonus bill, which was referred to the Committee on Finance.

Mr. WILLIS. I present resolutions relative to the situation in Russia adopted at a regular meeting of the Cuyahoga County Council, American Legion, Department of Ohio, at its headquarters in Cleveland, May 17, 1922. I ask that the resolutions be referred to the Committee on Foreign Relations and printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Whereas it appears that the Government of the United States of America has been asked to participate in a conference of nations at Genoa, Italy, to which conference representatives of the Soviet Government of Russia were invited; and

Whereas Charles E. Hughes, Secretary of State for the United States of America, has declined on behalf of the United States of America to participate in such conference, and has based such refusal in part upon the unwillingness of the United States of America to enter into a conference to which the soviets of Russia are a party; and

Whereas the Government of France has participated in such conference, but has refused to consider questions with the soviets of Russia, unless such soviets recognize to some degree at least the principles upon which democracy and civilization are founded; and

Whereas it appears from such conference and a treaty concluded thereat between the soviets of Russia and the German Government that the principles for which the Allies fought in the World War, of freedom, democracy, and civilization are threatened; and

Whereas the American Legion is primarily interested in the maintenance of free institutions of government, in rights of property, and in the principles upon which civilization is founded: Now, therefore, be it

Resolved, That the council of the American Legion of Cleveland and Cuyahoga County, Ohio, hereby approves and commends the stand taken by Secretary Hughes in declining to enter into a conference with the soviets of Russia until such soviets can approach such conference with clean hands; and be it further

Resolved, That the attitude of France, our late ally in the World War, in standing steadfastly for the principles of freedom, democracy, and civilization against the despotism established and enforced by the soviets of Russia is approved and commended, and that we deplore the evident propaganda now being circulated tending to isolate France; and be it further

Resolved, That the action of the French Government in maintaining an army to defend the principles of freedom and civilization, for which the members of the American Legion fought, be commended and approved; and be it further

Resolved, That the council of the American Legion for Cleveland and Cuyahoga County, Ohio, respectfully represents to the Government of the United States of America that any recognition of the soviets of Russia, or any attempt to establish trade relations as a Government with such soviets, would be a direct blow at the principles of freedom, democracy, and civilization, upon which the Government of the United States of America is founded, and that the attitude of France in maintaining a force to defend against a threatened combination of the German Government and such soviets of Russia and in endeavoring to

make secure the victory won by the allied Governments should be sustained by the Government of the United States of America; and be it further

Resolved, That the American Legion, Department of Ohio, and the national executive committee of the American Legion be requested to take such steps as may be advisable to place the attitude of the American Legion, as indicated by these resolutions, before the people of the United States and the world; and be it further

Resolved, That copies of this resolution be directed to the President of the United States; the Secretary of State; the Senators from Ohio; the Representatives in Congress from the districts comprised in Cuyahoga County; the national commander the American Legion; the commander American Legion, Department of Ohio; the ambassador from France to the United States; and to Paris Post, No. 1, American Legion.

Official:

L. P. WOLFFORD,
Secretary Cuyahoga County Council,
American Legion, Department of Ohio.

Mr. WILLIS presented the petition of Miss Minna Dorn and sundry other citizens of Cincinnati, Ohio, praying that only a moderate duty on kid gloves be imposed in the pending tariff bill, which was referred to the Committee on Finance.

Mr. NEWBERRY presented petitions of sundry citizens of Owosso, Corunna, Oakley, Chapin, Flushing, Flint, North Star, Ashley, Chesaning, Burton, Carland, Bennington, Laingsburg, Fairgrove, Caro, Vassar, Sebewaing, Owendale, Vernon, and Durand, all in the State of Michigan, praying for the imposition in the pending tariff bill of a duty of $2 per 100 pounds on Cuban sugar, which were referred to the Committee on Finance.

Mr. CALDER presented resolutions adopted by the Presbyteries of Delaware, Presbyterian Church, at Bovina Center, New York, favoring amendments to the Constitution prohibiting polygamy and providing for uniform marriage and divorce laws, which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Presbytery of Delaware, at Bovina Center, New York, favoring the enactment of legislation providing for Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. TOWNSEND presented resolutions adopted by the Presbyteries of Flint, Presbyterian Church, at Sandusky, Mich., favoring amendments to the Constitution prohibiting polygamy and providing for uniform marriage and divorce laws, which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Presbytery of Flint, at Sandusky, Mich., favoring the enactment of legislation providing for Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented the petition of William Withers and sundry other citizens of Charlevoix, Mich., praying for the imposition in the pending tariff bill of a duty of $2 per 100 pounds on Cuban sugar, which was referred to the Committee on Finance.

He also presented resolutions adopted by the Army and Navy Association of Saginaw, Mich., protesting against proposed reductions in the military and naval forces of the United States, which were referred to the Committee on Military Affairs.

REPORT OF THE COMMITTEE ON THE JUDICIARY.

Mr. NELSON, from the Committee on the Judiciary, to which was referred the bill (S. 3614) relating to the official bond of the United States marshal for the southern judicial district of the State of New York, reported it without amendment and submitted a report (No. 721) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HALE:

A bill (S. 3631) for the relief of Thomas F. Donnelly (with an accompanying paper); to the Committee on Military Affairs.

By Mr. CALDER:

A bill (S. 3632) to amend section 128 of the Judicial Code relating to appeals in admiralty cases; to the Committee on the Judiciary.

By Mr. WILLIS:

A bill (S. 3633) to authorize the coinage of a 50-cent piece in commemoration of the one hundredth anniversary of the birth of the late President Rutherford Birchard Hayes at Delaware, in the State of Ohio; to the Committee on Banking and Currency.

TARIFF BILL AMENDMENT.

Mr. HARRELD submitted an amendment intended to be proposed by him to House bill 7456, the tariff bill, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED.

The bill (H. R. 10766) authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

THE TARIFF.

Mr. SMOOT. Mr. President, I ask that the Senate resume the consideration of House bill 7456, the tariff bill.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. FLETCHER. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Elkins	Ladd	Rawson
Ball	Ernst	Lodge	Robinson
Borah	Fletcher	McLean	Sheppard
Brandegee	France	McNary	Simmons
Broussard	Frelinghuysen	Moses	Smoot
Bursum	Glass	Nelson	Stanley
Calder	Gooding	New	Sterling
Capper	Hale	Newberry	Sutherland
Caraway	Harreld	Nicholson	Townsend
Colt	Harris	Oddie	Underwood
Culberson	Harrison	Overman	Wadsworth
Cummins	Hitchcock	Page	Walsh, Mass.
Curtis	Jones, Wash.	Phipps	Warren
Dial	Kellogg	Pittman	Watson, Ga.
Edge	Kendrick	Ransdell	Willis

Mr. LADD. I was requested to announce that the Senator from Nebraska [Mr. NORRIS], the Senator from South Dakota [Mr. NORBECK], and the Senator from Alabama [Mr. HEFLIN] are engaged in a hearing before the Committee on Agriculture and Forestry.

The PRESIDENT pro tempore. Sixty Senators having answered to their names, there is a quorum present.

Mr. SMOOT. Mr. President, there have been about 22 items passed over in Schedule 1. I ask that we now return to the consideration of those items.

The first is paragraph 8, antimony salt. It was understood that at any time we took up paragraph 8, affecting antimony salt, we should consider paragraph 376, which relates to antimony metal. Therefore, I ask that in connection with paragraph 8 we first consider paragraph 376.

The PRESIDENT pro tempore. Is there objection to the request proposed by the Senator from Utah? The Chair hears none, and it is so ordered. The Secretary will state the amendment of the committee in paragraph 376.

The ASSISTANT SECRETARY. Paragraph 376 is found on page 85 of the bill, line 3, where the committee proposes to strike out "1½" and insert "2," so as to read:

PAR. 376. Antimony, as regulus or metal, 2 cents per pound.

Mr. SMOOT. There was a great deal of time taken up in the discussion of these items when paragraph 8 was first read. I do not know whether it is desired to have all of that discussion repeated at this time or not.

Mr. SIMMONS. I wish to say that the junior Senator from Utah [Mr. KING], who has prepared himself to discuss this paragraph and also the paragraph relating to dyestuffs, returned to the city this morning, and came to the Senate, but had to go home because he is very ill. I ask the Senator from Utah if he will not, on account of the absence of the junior Senator from Utah [Mr. KING] because of illness, allow these two matters to go over?

Mr. SMOOT. The Senator from New Mexico [Mr. JONES] is interested in this paragraph and discussed the question when the matter was up before. That Senator is now present, and I suppose he will have no objection to taking up the items.

Mr. JONES of New Mexico. I did not understand the Senator's request.

Mr. SMOOT. I am not sure whether the Senator from New Mexico was in the Chamber or not when I brought the matter up, but when we discussed paragraph 8, oxide of antimony, it was then agreed to pass it over, and that when called up again we would first consider paragraph 376, which is the metal antimony. I now ask that we shall take up paragraph 376 for consideration and decision, and then recur to paragraph 8. Paragraph 376 is metal and liquated antimony.

Mr. SIMMONS. I did not know the Senator from New Mexico was assisting in the presentation of that paragraph. I would like right now, if the Senator from Utah has no objection, to have it understood that the dyestuffs matter shall be passed over until the junior Senator from Utah returns.

Mr. SMOOT. I will take that up with the Senator later.

The PRESIDENT pro tempore. The Secretary will report the pending amendment.

The ASSISTANT SECRETARY. On page 85, line 3, the committee proposes to strike out "1½" and insert in lieu thereof "2," so that that part of the paragraph will read:

Antimony, as regulus or metal, 2 cents per pound.

Mr. JONES of New Mexico. Mr. President, I do not like to assume the burden of trying to present the situation regarding these various items. Will not the Senator from Utah explain the situation regarding the antimony metal, so the Senate may understand just what it is doing?

Mr. SMOOT. I will say to the Senator from New Mexico that he discussed this question very fully when the item was before the Senate for consideration at a previous time. Antimony ore, as the Senator no doubt knows, is on the free list. The House gave 1½ cents per pound as compensatory duty from the ore to the metal. The liquated antimony was also on the free list in the bill as passed by the House, but was transferred by the Senate committee from the free list to the dutiable list at three-fourths cent per pound.

The liquated antimony, of course, is the ore itself treated simply by melting and obtaining by heat the content of the ore in a concentrated form. The committee decided that it was hardly fair to the manufacturer of liquated antimony in this country to allow the product of liquated antimony to come in free of duty when the ore had to pay the same rate from China to this country as the liquated antimony itself. I think the liquate is about 70 to 80 per cent of the pure product. That is about the situation and that is the action taken by the committee.

Mr. JONES of New Mexico. Mr. President, the antimony industry, including the oxide, is one which deserves a great deal more attention than it has been receiving. The ore is not found in this country in any commercial or dependable quantity.

Mr. SMOOT. I will say to the Senator that China produces about all the antimony ore.

Mr. JONES of New Mexico. The Senator is correct about that. China is also engaged in producing the ore and smelting the metal. We never attempted anything of that sort in this country until during the war. The other manufactures were built up to a large extent during the war, and, to my mind, it is just a case of trying to impose high duties here to keep up an industry which can not be kept up in peace times. We have to import the ore anyway. It is true there is antimony lead that is saved by the smelters of the country in the smelting of lead, but this is an industry which, it seems to me, ought not to be put up on stilts, where the bill undertakes to put it.

The information is that it is a precarious industry and the prices must be held up very much higher than they are now if the industry of smelting the ores or producing the oxides is to be maintained in this country. In China they have the ore. There are about 700,000 acres of land which are filled with the ore. Mining is a cheap process in China and the smelting of the ore is also a cheap process there. Antimony is a metal that is used in a great many of the industries, in the making of type, and various other commodities such as electrotype and stereotype. The domestic production is a precarious business.

I think the committee ought to consider seriously just what has been done under the item. It is not going to result in keeping up an industry in this country, but it will have the effect of putting up the prices enormously. In all seriousness, it seems to me that the committee itself ought to consider the matter. I do not want to take up time in discussing a matter of this kind.

I feel as to other items in the bill of a similar nature that I have taken up a great deal more time than I should have; but the committee proposes an enormous increase in these duties, and I do not think that it is justified.

Mr. SMOOT. I simply wish to say to the Senator at this point that antimony metal is selling at the lowest price that has ever been known.

Mr. JONES of New Mexico. Yes; the Senator is right about that. That is why I say that this country can not build up an industry of smelting the ores, and there is no use of trying to do so. So why have that duty on the antimony as regulus or metal?

Mr. SMOOT. The industry has been built up, I will say to the Senator.

Mr. JONES of New Mexico. But it is only a war industry.

Mr. SMOOT. Of course the war greatly stimulated the industry in the United States, but it has now grown until we have sufficient facilities to smelt all of the ore which is shipped into this country. That is why the ore itself is on the free list, and it is proposed to place on the liquidated antimony a duty of three-fourths of 1 per cent and on the regulus or metal a duty of 2 cents a pound.

Mr. HITCHCOCK. I should like to ask the Senator from Utah whether the increase in the rate in paragraph 376 on the antimony metal is what makes necessary the increase in antimony oxide in paragraph 8, which occurs early in the bill?

Mr. SMOOT. Yes, I will say to the Senator. The compensatory duty would have to be added to the antimony oxide.

Mr. HITCHCOCK. That is, the increase in the rate on raw material makes necessary the increase in the duty on the oxide?

Mr. SMOOT. Not the increase in the duty on the raw material.

Mr. HITCHCOCK. What does the Senator call it if it is not raw material?

Mr. SMOOT. The raw material is the ore, and that comes in free. Paragraph 376 deals with the regulus or metal itself. I have explained what liquated antimony is. That is the material resulting after ore is dug from the ground in China and subjected to heat. It is not pure metal, but, as I have said, is called liquated antimony, and upon that we put three-fourths of a cent a pound, and then the differential between that and the smelted product is 1½ cents. It is all based, of course, upon free ore. Then whatever differences there are between that and the oxide are taken care of in the duty on the oxide.

Mr. HITCHCOCK. Antimony is under the present law subjected to a duty of 10 per cent.

Mr. SMOOT. That is the regulus.

Mr. HITCHCOCK. And that is increased to 2 cents a pound, which is an increase of about three times.

Mr. SMOOT. Yes; but when the present law passed Congress, I will say to the Senator, there was hardly an industry in the United States manufacturing this product. This is a new industry in the United States which was built up because of the World War.

Mr. HITCHCOCK. But I am asking the Senator as to what increase there is? We have nothing to show us how much the increase is when the change is made from an ad valorem duty to a specific duty; but, as I figure it out here in a hurry, it seems to me as though the committee have taken a 10 per cent ad valorem duty and by making it a specific duty have increased the rate three times, so that the duty will be about 30 per cent on the present value.

Mr. SMOOT. The pre-war price was 8 cents.

Mr. HITCHCOCK. The committee has trebled the tariff upon an article which is in the first stage of manufacture, and that makes it necessary to increase the tariff under paragraph 8, which covers the commodity in a higher degree of production. Now, how much does the committee increase the duty on antimony oxide?

Mr. SMOOT. The Senator will see that the proposed duty on antimony oxide is 1½ cents a pound and 25 per cent ad valorem.

Mr. HITCHCOCK. How much is that? What is the ad valorem equivalent? We are not able to find from anything which is presented here what the increase amounts to without difficult figuring.

Mr. SMOOT. The present price of the oxide runs from 7 cents to 8 cents a pound, and the rate is increased from what the House provided, about 10 per cent.

Mr. HITCHCOCK. I am asking about what the present law is. The committee has increased the House rate—and how much has the House rate increased the existing law?

Mr. SMOOT. The duty under the present law is 25 per cent.

Mr. HITCHCOCK. The House increased that, and the bill as reported by the Senate committee has increased the rate over the House rate.

Mr. SMOOT. The House provided a duty of 2 cents a pound. The Senate committee reduced that to 1½ cents a pound and allowed the same ad valorem afforded by present law of 25 per cent. So that the increase of the duty on antimony amounts to 1½ cents a pound. We have increased the antimony, or regulus metal, from 10 per cent to 2 cents, or just about the same as the 1½ cents differential.

Mr. HITCHCOCK. Then the committee has retained the rate of the present law of 25 per cent ad valorem, and in addition has put on a tariff of 1½ cents per pound?

Mr. SMOOT. We have added 1½ cents per pound.

Mr. HITCHCOCK. How much does that increase the ad valorem?

Mr. SMOOT. A little less than 20 per cent.

Mr. HITCHCOCK. That makes the duty, then, 45 per cent?

Mr. SMOOT. Yes; in round numbers.

Mr. HITCHCOCK. As against the present 25 per cent ad valorem?

Mr. SMOOT. As against the present 25 per cent ad valorem; but we have also added, I will say to the Senator, 1½ cents upon antimony regulus, and that makes the difference.

Mr. HITCHCOCK. I understand that; but, in my opinion, that makes it worse. In other words, the committee have given one pair of stilts in one paragraph; then they add another pair of stilts because of the increase in the first paragraph.

Mr. SMOOT. I think they are on the same ladder.

Mr. HITCHCOCK. The result is that the ultimate consumer has to pay a 45 per cent tax instead of a 25 per cent tax.

Mr. SMOOT. That is about the way it will be, I will say to the Senator.

Mr. JONES of New Mexico. The information is that there is no use in trying to protect the development of the ore in this country, and that there is an economic waste in bringing the ore here for the purpose of smelting it when it is being smelted in China and the cost of smelting it there is so very much less than it is in this country. It is a new industry just being built up, and there is no particular investment in it which it is hoped to retain in it. The proposed duty will enormously increase the price of the commodity, and I do not believe it is going to do any good except possibly enable a few concerns now to continue precarious existence for a while. Unless the price is kept up enormously they will not be able to survive. All the information is to that effect. The proposed duty will increase the cost of this commodity to the users of oxides of antimony in various lines. I should like to have the record show that, in my judgment, this whole scheme of handling the metal and the oxides is not justified by the situation. I do not want to take up time any further objecting to it or discussing it.

The PRESIDING OFFICER (Mr. Moses in the chair). The question is on the amendment proposed by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment.

The ASSISTANT SECRETARY. In paragraph 376, on page 85, line 4, after the word "per," it is proposed to strike out "pound" and insert "pound; needle or liquated antimony, three-fourths of 1 cent per pound."

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the amendment passed over, being the amendment on page 4, paragraph 8.

Mr. FRELINGHUYSEN. Mr. President, that amendment was passed over, at the request of the Senator from New Mexico, until paragraph 376 was reached. Paragraph 376 having been acted upon, we return to paragraph 8.

The ASSISTANT SECRETARY. On page 4, line 23, paragraph 8, after the word "tartrate," it is proposed to strike out "5" and insert "6," so as to read:

Tartar emetic or potassium-antimony tartrate, 6 cents per pound.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

The ASSISTANT SECRETARY. The next amendment is, in the same paragraph, on page 4, line 24, after the word "antimony," to insert the words "salts and."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. JONES of New Mexico. Mr. President, I do not want it to appear that the amendment is agreed to without objection in the case of any of these rates.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

The ASSISTANT SECRETARY. In the same paragraph, on page 5, line 1, after the words "provided for," it is proposed to insert a comma and the words "1 cent per pound and."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the committee.

Mr. SIMMONS. Mr. President, I understood the Senator from New Mexico to say that he did not desire to agree to the changes in these rates.

Mr. JONES of New Mexico. I do not want it to appear that the amendments are agreed to without objection. I want a vote on them.

Mr. SIMMONS. The Senator from New Mexico has no amendment to propose?

Mr. JONES of New Mexico. I have no amendment to offer.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment passed over.

The ASSISTANT SECRETARY. The next paragraph passed over is paragraph 16, on page 6.

Mr. SMOOT. Mr. President, in connection with that paragraph, I ask that the Senate first consider paragraph 383, having reference to the duty on quicksilver.

The PRESIDING OFFICER. Without objection, paragraph 383 will be considered.

The ASSISTANT SECRETARY. On page 87, paragraph 383, in line 1, after the word "quicksilver," it is proposed to strike out "35" and to insert "25," so as to read:

PAR. 383. Quicksilver, 25 cents per pound.

Mr. JONES of New Mexico. Mr. President, I understand the Senator from Nevada [Mr. PITTMAN] is interested in paragraph 383.

Mr. SMOOT. Does the Senator from Nevada desire to offer an amendment to increase the rate?

Mr. JONES of New Mexico. I do not know. I simply understand he is interested in it. I do not know what he desires to do.

The PRESIDING OFFICER. Is it desired that paragraph 383, as well as paragraph 16, shall be passed over?

Mr. JONES of New Mexico. I have sent for the Senator from Nevada. I do not know what he wants to do in connection with the paragraph.

The PRESIDING OFFICER. The Chair is also of the opinion that the two Senators from California are interested in this paragraph.

Mr. SMOOT. They are interested in the paragraph.

Mr. JONES of New Mexico. I suggest the absence of a quorum.

Mr. SMOOT. If the Senator will withhold his suggestion, I will ask that the paragraph be passed over temporarily and take up the next paragraph, so that the Senator from Nevada and the Senators from California may be notified.

Mr. JONES of New Mexico. Very well, I withdraw the suggestion.

The PRESIDING OFFICER. Paragraph 16 and paragraph 383 will be passed over in accordance with that understanding. The Secretary will state the next amendment passed over.

The ASSISTANT SECRETARY. The next paragraph passed over is paragraph 24, on page 8, where the committee proposes, on line 9, to strike out "25" and insert "35," so as to make the paragraph read:

Chloral hydrate, terpin hydrate, thymol, urea, and glycerophosphoric acid, and salts and compounds of glycerophosphoric acid, 35 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the committee.

Mr. JONES of New Mexico. Mr. President, I am advised that the articles in this paragraph are under the embargo. Would it not be advisable, therefore, to let the paragraph go over until the embargo provisions are dealt with?

Mr. SMOOT. I will say to the Senator that the rate really would be the same whether the embargo goes into effect or not.

Mr. JONES of New Mexico. The situation of the items in this paragraph is no different from the situation of the items in the next paragraph.

Mr. SMOOT. In my opinion it is; but if the embargo provisions were stricken from the bill the committee would not want to change these rates. I think, if the Senator has looked up the item, he will find that the 35 per cent rate is a very moderate rate on these items. In fact, I am afraid that if we pass it over to-day two or three Senators who are interested in the matter will ask to have it reconsidered and have the rate raised to about 60 per cent.

Mr. JONES of New Mexico. I have no special interest in it myself, but I had understood that it would go along with paragraph 25.

Mr. SMOOT. No; that is entirely a different thing. This is a product that has nothing whatever to do with the intermediates or with the dyestuff itself. I mean they have always been treated by themselves, and the present law provides a rate of 25 per cent.

Mr. JONES of New Mexico. Yes. I know; but will the Senator tell us why the committee raised the duty from 25 to 35 per cent?

Mr. SMOOT. I will say to the Senator that this is not a coal-tar product.

Mr. JONES of New Mexico. It seems to me there should be some explanation as to why that duty was raised.

Mr. SMOOT. The Senator knows that we have tried to have all of the salts and compounds made dutiable at a uniform rate of 25 per cent ad valorem; but glycerophosphoric acid and the other acids falling under paragraph 24 are very much more difficult to manufacture, and it is considerably more costly to do it, and the 10 per cent was added for that reason, as one other of the salts or compounds carried a duty of 35 per cent,

and I think the same differential that we have here is also in the present law. If the Senator will remember, in the present law most of the salts and compounds are dutiable at 15 per cent, but in the case of this particular item the Senator will find that the existing law provides for a rate of duty of 25 per cent, or a differential of 10 per cent.

The reason of that I have already stated, and it applies here just the same as it did at the time that the Underwood law was passed. What I am fearful of is that there will be a request that the 35 per cent be increased, and therefore I hope the amendment of the committee will be agreed to now.

Mr. JONES of New Mexico. I am advised that the pre-war price of chloral hydrate was 22 cents a pound, and that the present price is from 75 to 78 cents a pound.

Mr. SIMMONS. Ninety-two cents.

Mr. SMOOT. That is true, Mr. President, and that is exactly when they put the American manufacturer out of business entirely. There was not a single pound of it manufactured in the United States, and when that happened a very large industry was closed down in the United States.

Mr. SIMMONS. Mr. President, I do not understand the statement of the Senator from Utah, in view of the statement made in the survey furnished the committee by the Tariff Commission.

Mr. SMOOT. I am speaking now of chloral hydrate.

Mr. SIMMONS. So am I. This survey says that during nine months of 1921 there was imported only $1,758 worth of this material, and that the unit value of the foreign product was 92 cents; that is, the foreign value of it.

Mr. SMOOT. That was in 1920?

Mr. SIMMONS. No; this was in 1921.

Mr. SMOOT. After the emergency tariff bill was passed this item fell under the embargo provision, as I have already stated. I said that when the price was 22 cents, as the Senator said—under the embargo, as has just been stated, it was 92 cents—but when chloral hydrate in the United States was 22 cents, as the Senator said, all the concerns manufacturing chloral hydrate in the United States were closed.

Mr. SIMMONS. There seems to have been imported during the fiscal year 1918 only 1,032 pounds, valued at $746, and the price of the foreign article then was 72 cents. In 1921 the imports slightly increased, and the price also increased.

Mr. SMOOT. If the Senator will yield, I will simply call attention to the report that was made by the Tariff Commission in the survey.

Mr. SIMMONS. I was reading from that report.

Mr. SMOOT. But I do not think the Senator has before him the report to which I have reference. The Tariff Commission says:

> The chloral hydrate industry originated and was developed in Germany. The needs of the United States were supplied by German manufacturers up to about 1892, when Herf & Frerichs Chemical Co., of St. Louis, undertook the manufacture of this product from tax-paid alcohol. The manufacture was discontinued several years later, owing to the impossibility of competing with the foreign product manufactured from tax-free alcohol. For several years thereafter the United States again depended entirely on Germany for supplies of this product. In 1908 the Monsanto Chemical Works, of St. Louis, undertook to manufacture chloral hydrate, since denatured alcohol had at that time become available in this country for technical purposes.
>
> In 1908 the price of chloral hydrate in this country was 90 cents per pound duty paid (import duty of 55 cents per pound, as a chemical in the preparation of which alcohol was used).
>
> As the above American manufacturer increased his production of chloral hydrate, the price dropped, and finally reached about 50 cents per pound in 1913, at which price it was, of course, impossible to import chloral hydrate under the prevailing duty. Merck & Co. established a plant in this country and started operations in 1912 and, owing to this competition, the price dropped to about 45 cents per pound, which was then considered below the cost price in this country.
>
> After the passage of the Simmons bill, reducing the tariff rate on chloral hydrate to 25 per cent ad valorem, a price fight ensued with European manufacturers, who were importing the product at between 20 and 30 cents, so that one of the American plants stopped operations and subsequently dismantled the plant.

That was the Monsanto Chemical Works, of St. Louis. Now they are asking here for a rate that will allow them to open their plant. This 35 per cent ad valorem will not do it, I am quite sure, if their statements are correct.

Mr. SIMMONS. But the point I am making is that, with the practical embargo upon this product, it still comes in. It came in in 1921.

Mr. SMOOT. That was before May, 1921, when the embargo went into effect.

Mr. SIMMONS. I do not know whether it was or not. It says "nine months of 1921."

Mr. SMOOT. There was an embargo. The embargo was enacted into law in May, 1921.

Mr. SIMMONS. It was coming in under the present law, then, before May, 1921. Is that the point the Senator is making?

Mr. SMOOT. That is, the imports of 1921 came into this country before the passage of the embargo, before May.

Mr. SIMMONS. Exactly. Now then, in 1921, before the embargo was passed, according to the Senator, 1,905 pounds of this stuff came in, valued at $1,758.

Mr. SMOOT. That is right.

Mr. SIMMONS. And sold for 92 cents a pound, under the present law.

Mr. SMOOT. That is right.

Mr. SIMMONS. I understood the Senator to say a little while ago that the domestic article was selling for 65 cents; so that before the embargo, and while the present law was in effect in 1921—that is, before May, 1921—it was coming in and paying the duty and selling in this market for 92 cents a pound, while the domestic product was selling under those circumstances at only 65 cents a pound.

Mr. SMOOT. No; the Senator is mistaken there.

Mr. SIMMONS. I understood the Senator to say that. I was accepting the Senator's statement as to that.

Mr. SMOOT. No; the Senator said that the price to-day was 75 cents a pound. That is quite different from a year ago.

Mr. SIMMONS. Yes; but when it was coming in under the present law, before you had the embargo, it sold for 92 cents. The Senator has just said that the importations to which I referred as coming in during the last nine months of the fiscal year 1921 came in before the embargo. The embargo was in May, and the Senator is right; nine months of that fiscal year had expired before the embargo; but while that was happening, before the embargo, this material brought in here and paying the duty of the present law sold for 92 cents, and it is now selling in the domestic market for only 75 cents.

Mr. SMOOT. Mr. President, I can point out to the Senator item after item in this schedule that is not selling for one-half what it sold for in the beginning of 1921 or 1920. The demand for it has ceased; the price has declined; the cost of producing it has declined; and a reduction in price is the natural result.

Mr. FRELINGHUYSEN. Mr. President, prior to the war the chloral hydrate industry was absolutely controlled by Germany, and all imports were from Germany. There was an ad valorem duty of 25 per cent. The product sold as high as $2.10 a pound during the war. To-day Germany can manufacture chloral hydrate at 19 cents a pound. It costs from 45 to 55 cents per pound to manufacture it in the United States. Those concerns which were manufacturing chloral hydrate asked the committee for 35 cents a pound—not 35 per cent ad valorem, but 35 cents a pound—to protect the industry. We increased the Underwood rate 10 per cent and gave them a 35 per cent ad valorem duty. That is not, in my opinion, high enough, but it was that which the committee fixed. Germany has an advantage of 103 per cent over the American manufacturer, making no allowance for freight. Now, the question is whether we want to protect the industry here or whether we want to make the tariff so low that this product will come in from Germany. There was an effort made, prior to the war, to produce it in this country under the 25 per cent ad valorem provided in the Underwood law, and it was not successful. That is not high enough to protect the American industry.

Mr. JONES of New Mexico. If what the Senator from New Jersey has said is true, that rate is not anywhere near high enough.

Mr. FRELINGHUYSEN. The Senator is quite right, it is not high enough, but the presidential power authorized under this bill undoubtedly will help them.

Mr. JONES of New Mexico. I do not know whether that is going to be adopted or not, but it seems to me it is inadvisable to bring in a rate deliberately, knowing that it is not high enough to protect the industry, and depend upon the President to fix a rate which will be high enough.

Mr. FRELINGHUYSEN. I will accept an amendment, if the Senator wishes to increase it to 45 per cent.

Mr. JONES of New Mexico. I understand that, but I wanted to try to discover the logic of the reasoning of the Senator from New Jersey. If this duty is fixed without any rhyme or reason for it, I shall have nothing further to say.

Mr. FRELINGHUYSEN. Mr. President, the information I gave the Senator was furnished by the Senator from Missouri [Mr. SPENCER] on Saturday, and it showed that Germany can land it here at 19 cents per pound.

Mr. JONES of New Mexico. The only point is that if you are aiming to build up the industry in this country, the thing to do is to find out whether the facts as reported are true or not, and if you are going to do it, do it right. I think the Senator will realize that there is no use going ahead with a thing of this sort.

Mr. SMOOT. The committee fixed a rate under which they thought the manufacturers could get along.

Mr. JONES of New Mexico. But the evidence seems to be to the contrary. The Senator from New Jersey has just told us that it costs twice as much to produce it in this country as in Germany.

Mr. SMOOT. The committee thought 35 per cent was sufficient.

Mr. JONES of New Mexico. But I have been trying to discover the logic of the Senate committee's thinking on the subject. I know this is only one case of many.

Mr. SMOOT. I have no doubt that this is as low a rate, comparatively, as there is in the bill. As I said to the Senator before, all the salts and compounds of these metals we have tried to keep at 25 per cent, but with this, as with one of the other paragraphs, it was impossible to do it and still allow the industry to live. Your own law makes the differential between the salts of this metal and the salts of the other metals.

Mr. JONES of New Mexico. I do not want to take any personal offense at the reference to what the Senator calls "your own law," as applied to me.

Mr. SMOOT. I will modify it by saying "the existing law."

Mr. JONES of New Mexico. I think that is very much the more appropriate term. I did not have the honor of participating in the making of the existing law. But I have heretofore suggested that, regardless of what the existing law is, or what the Payne-Aldrich law was, these duties should be levied now according to the existing conditions, and I do not think what appears in any other law is any standard or measurement for existing conditions. It may have been all right when that law was passed, but the situation may be entirely changed now.

Mr. SIMMONS. When the Senator from New Jersey told us a little while ago that before the war it was selling at something over $2 a pound, he was mistaken.

Mr. FRELINGHUYSEN. I said that at the start of the war the price increased to $2 a pound.

Mr. SIMMONS. During the war?

Mr. FRELINGHUYSEN. No; at the start of the war.

Mr. JONES of New Mexico. That was after the German supply had been cut off.

Mr. SIMMONS. I understood the Senator to say a little while ago that before the war, when Germany had control of this market absolutely, we were not producing any, and it was selling at something over $2 a pound.

Mr. FRELINGHUYSEN. No; I said at the start of the war. I was reading from the testimony.

Mr. SIMMONS. I have here the statistics of the imports and the duties from 1908 to 1918. In 1908 the foreign product was selling, unit value of quantity, at 90 cents a pound, and in 1914 it was selling at 37 cents a pound. In 1915 it was selling at 22 cents at pound; in 1916 it went up to $2 a pound, and in 1918 it went back to 72 cents a pound. During nine months of 1921 it went up to 92 cents a pound. That was the embargo period.

Mr. FRELINGHUYSEN. This is the history. Prior to the act of 1913, there was a duty of 55 cents per pound, and in the Underwood law it was lowered to 25 per cent advalorem, "under which rate the Germans shipped in immense quantities at prices considerably below our cost of manufacture." Prior to that time we had an industry in this country which was manufacturing chloral hydrate. I am reading from the brief of the Monsanto Chemical Works, St. Louis, in relation to this product:

> We, not being able to compete, were compelled to discontinue its manufacture and dismantled our plant.
>
> The American market was then again supplied by the Germans, who very materially advanced their price soon after our plant had been dismantled.
>
> When the war shut off the German supplies we erected a new plant and recommenced the manufacture of chloral hydrate, and will continue if given the rate we are requesting.

That is the situation in regard to this product. They have asked for a higher duty, but the committee raised the ad valorem duty under the Underwood law 10 per cent, under which duty the American industry, previous to the war, was not able to compete.

Mr. JONES of New Mexico. Mr. President, I may state that one reason for the failure of that concern back in 1908 was the fact that it was trying to make this product out of tax-paid alcohol.

Mr. SMOOT. Not when they were driven out of business.

Mr. JONES of New Mexico. They did not make it out of denatured alcohol, as they could do now, without having to pay a revenue tax on it.

Mr. SMOOT. That was in 1892.

Mr. JONES of New Mexico. I think we have developed the foundation for the committee's guess here, and it may go to a vote.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. SMOOT. Mr. President, the next paragraph to be taken up would be paragraph 16, relating to calomel. I ask the Senator from California if he would like at this time to take up paragraph 383, relating to quicksilver, and dispose of it. That ought to be disposed of before we pass upon calomel, in paragraph 16, as it is the basic raw product from which calomel is made.

Mr. SHORTRIDGE. I suggest to the Senator having the bill in charge that I would like very much to take this matter up considerably later in the day, or to-morrow morning. I would like very much to have such an arrangement made.

Mr. SMOOT. I understand the Senator from California has a very important appointment to keep within about 30 minutes, and for that reason I will ask that it go over. But I wish the Senator would be here later this afternoon, and let us take up the item and dispose of it.

Mr. SHORTRIDGE. If it is possible, I will do so. I wish to make some observations in regard to this important item, and perhaps in respect of others, and I shall endeavor to call up the matter later this afternoon.

Mr. SMOOT. Mr. President, I understand that the junior Senator from Utah [Mr. KING], who was compelled to go to his home on account of illness, is interested in paragraphs 25 and 26; and, as I am informed, he has had those paragraphs in his charge for consideration on the floor of the Senate. I hope we will be able to take those paragraphs up to-morrow; but, on account of the illness of the junior Senator from Utah, I shall have to ask that they may go over at this time.

Mr. FRELINGHUYSEN. Mr. President, my State is deeply interested in paragraphs 25 and 26, relating to coal-tar products. There are at the present time 55 independent dye industries in New Jersey, who are anxiously awaiting the action of Congress on this question of their tariff policy. I should like very much to know when it is to be taken up, and I should like to have a definite date fixed, so that I can be here.

Mr. SMOOT. I hope to have the paragraphs taken up to-morrow morning.

The PRESIDENT pro tempore. The Senator from Utah asks unanimous consent that paragraph 25 be taken up to-morrow morning.

Mr. HITCHCOCCK. I suggest that if any attention is to be paid to the desire of the junior Senator from Utah to be here, it is a little previous to fix to-morrow morning.

Mr. SMOOT. Then fix day after to-morrow.

Mr. HITCHCOCK. He ought to be allowed a day or two to recover, if he is on the sick list.

Mr. FRELINGHUYSEN. I should like to have a definite date fixed.

Mr. SMOOT. Set it for Wednesday, then.

The PRESIDENT pro tempore. The Senator from Utah requests that this paragraph be taken up Wednesday morning. Is there objection? The Chair hears no objection, and it is so ordered. The Secretary will state the next amendment passed over.

Mr. SMOOT. Paragraph 29a is the next, relating to vulcanized fiber.

The PRESIDENT pro tempore. It will be read.

The READING CLERK. On page 16, after line 8, the committee propose to insert:

> PAR. 29a. Compounds of cellulose, known as vulcanized or hard fiber, made wholly or in chief value of cellulose, 35 per cent ad valorem.

Mr. JONES of New Mexico. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	McLean	Rawson
Ball	Glass	McNary	Sheppard
Borah	Harris	Moses	Shields
Brandegee	Harrison	Nelson	Shortridge
Broussard	Heflin	New	Simmons
Bursum	Hitchcock	Newberry	Smoot
Capper	Jones, N. Mex.	Nicholson	Townsend
Colt	Jones, Wash.	Norbeck	Underwood
Cummins	Kellogg	Oddie	Walsh, Mass.
Curtis	Kendrick	Overman	Walsh, Mont.
Dial	Keyes	Page	Warren
Elkins	Lenroot	Phipps	Watson, Ga.
Ernst	Lodge	Pittman	Willis

The PRESIDENT pro tempore. Fifty-two Senators have answered to their names. There is a quorum present. The question is upon the amendment of the committee, which the Secretary will report.

The READING CLERK. On page 16, after line 8, insert the following:

PAR. 29a. Compounds of cellulose, known as vulcanized or hard fiber, made wholly or in chief value of cellulose, 35 per cent ad valorem.

Mr. WALSH of Massachusetts. In paragraph 29a for the first time a special duty is levied on vulcanized or hard fiber. The rate fixed is 35 per cent ad valorem. Little is known in a statistical way of this product. It has never before been referred to in any tariff bill. I have not been able to obtain any disinterested statistics. The Tariff Commission have little information, and I have not been able to obtain any figures as to the extent to which the product is being imported into this country. I do know from the brief which has been filed by the petitioners requesting a duty that there is expressed much fear of serious competition from Germany and other European countries. In their brief, which is the only evidence we have—the brief of those manufacturers who have petitioned for the tariff—they allege a great discrepancy of price between the German-made product of vulcanized fiber and the American-made product. I assume that is the reason why the Finance Committee has levied such an exceedingly high rate upon this particular product. It seems to me that we can not form any fair judgment without some evidence being presented indicating the extent to which this product is being imported. Under the circumstances it is a mere guess as to what duty to levy.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. WALSH of Massachusetts. I yield to the Senator from Utah.

Mr. SMOOT. That is impossible, because there are no statistics kept of this product, which fell in the basket clause as a manufactured article and carries a rate of 25 per cent under the existing law. I will say that we wanted to take this out of the paragraph in which it had been included, because under the wording of the paragraph above as it passed the House it would have fallen within the basket clause. There are two reasons why this item was separated and made into paragraph 29a. House paragraph 29 would have included compounds of celluloid and would have carried the rate of the compound, which is an exceedingly high rate, namely, 60 per cent. The other reason why we put this item in a separate paragraph was for statistical purposes. Hereafter we will know just the amount of the product imported into this country.

There is exceedingly sharp competition to-day between Germany and the manufacturers in this country, not perhaps upon slabs and upon the large articles, but if the Senator will look at the brief which he is now holding in his hand he will find a great number of articles manufactured to-day which are little parts used in small cogs and all forms of necessary articles for smaller machinery. The greater part of the cost of producing these small articles is the labor, as the Senator can well see from the brief which he now has in his hand. The parties manufacturing this material in the United States are fearful that we have fixed the rate—35 per cent—altogether too low. That is what they are fearful of to-day. The Finance Committee reduced the rate from 60 per cent on the American valuation to 35 per cent on the foreign valuation.

Mr. WALSH of Massachusetts. I must admit that the brief filed by the petitioners makes out a strong case for protection. It is unfortunate that we have absolutely no information from any other source—from either the importers or the European manufacturers—as to the extent or cost of production abroad of this manufactured article.

Mr. SMOOT. It will never happen again, I will say to the Senator. If we make a separate paragraph of it, then we will know hereafter just what imports fall under the paragraph.

Mr. WALSH of Massachusetts. It occurs to me that the rate is too high. I am inclined to think in view of the policy of the committee that a protective rate ought to be given to this product, but it seems to me that 35 per cent on a commodity about which we know so little is too high. We have not a single figure of any kind to show whether there has been any volume of importations of this vulcanized fiber.

Mr. BALL. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Delaware.

Mr. BALL. The manufacture of hard fiber has been limited to a few States. All of the hard fiber was made within the United States up to a few years ago, about three years ago, except a small amount which was made in England. Germany was the principal recipient of the exports from this country. The largest fiber plants were located in Delaware. In fact, up until two years ago we made 80 per cent of the fiber of the world. Now I think there are five or six States which have plants. Germany imported the plates of fiber from this country, manufactured in her plants the small products which are made from that fiber and shipped them back to this country and undersold our people here. They have been doing it right along. Germany has now converted four of her largest war plants into fiber plants. She is now only making fiber of a certain thickness, one-quarter of an inch thick and less, but she is making that fiber and quoting prices on it here which are less than the actual cost in this country of making the paper which goes into the fiber. Germany is quoting a price here of 8 cents per pound. It has always cost 17 cents a pound to make the fiber in this country. Of course that difference results largely from the difference in the wage scale and the exchange value of money in the two countries. The principal element of cost in fiber making is labor. There has been very little German fiber imported into this country up to this time because her plants are of recent construction, and it takes two years or more to complete the process for making the thicker fiber.

Mr. WALSH of Massachusetts. I suppose that is the reason why we have no statistics as to foreign importation.

Mr. BALL. That is the reason why we have no statistics. There is no question as to the result if ample protection is not given to this material. Germany will not only crowd us out of the foreign market but will capture our own domestic market. We can not compete with Germany at present without some protection.

This is an industry that is comparatively in its infancy. They make almost everything, especially in the line of insulating materials, and its products are generally of a very fine nature, requiring a great deal of labor. Germany to-day has placed an embargo on all fiber made in the United States. We can not now ship into Germany a pound of fiber under one-fourth inch thickness. Above that thickness we can do so, because Germany has not yet equipped her plants to make the thicker grades of fiber. England has placed an embargo against all German fiber. England to-day has a number of fiber plants. Japan has two large fiber plants. But unless reasonable protection is given to the industry in our country it will simply be crowded out of existence by foreign competition.

Mr. WALSH of Massachusetts. I can add nothing further. We are absolutely devoid of any disinterested information in regard to importations and in regard to the extent to which the domestic producer is embarrassed or handicapped by the importation of foreign products. I wish to repeat, however, that the brief of the American manufacturers does make out a case for the need of some form of protection, assuming that we adopt the policy of giving protection to industries of this kind.

It seems to me, until we have more information, that the rate of 35 per cent is high. I will again ask the Senator from Utah if he does not think that rate is too high under all the circumstances and in view of the fact that we must accept the statements of the very much-biased petitioners. Why should we fix such a high rate, when the evidence even of those petitioning shows that the foreign production is of very recent development?

Mr. SMOOT. No; I will say frankly to the Senator from Massachusetts that on this and similar items I think it is a little too low. On the larger items in sheets I think it is ample, although there are others who think it is not.

Mr. WALSH of Massachusetts. I notice the largest part of the business is in sheets, rather than in the small parts or tubes.

Mr. SMOOT. In my opinion there is not an industry provided for in the bill that needs 35 per cent protection any worse than does this industry. That is my firm belief, I will say to the Senator, though there are some items on which I myself think the rates of duty are too high.

Mr. WALSH of Massachusetts. As I recall, there was no testimony given and no information was furnished other than that contained in the brief which was filed with the committee.

Mr. SMOOT. I will say to the Senator that the reason for that is because this commodity was expected to fall in paragraph 29 and to bear a duty of 40 cents a pound and 60 per cent ad valorem. Of course, no one would then appear and ask that that be changed, but as soon as the bill was made public and it was seen that the item had been taken out of paragraph 29 and inserted in a new paragraph, paragraph 29a, and a duty of only 35 per cent given, then those interested stated they could not live under that rate, but I rather think they can live

under the rate of 35 per cent, I will say to the Senator, although it will be very close, indeed.

Mr. WALSH of Massachusetts. I have nothing further to add. The rate fixed is based on no definite information. It is a mere guess.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee inserting paragraph 29a on page 16.

The amendment was agreed to.

Mr. SMOOT. The next amendment passed over is paragraph 33a.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 18, after line 2, it is proposed to insert:

PAR. 33a. Cyanide: Potassium cyanide, sodium cyanide, all cyanide salts and cyanide mixtures, combinations, and compounds containing cyanide, not specially provided for, 10 per cent ad valorem.

Mr. ODDIE. Mr. President, I ask that that paragraph may go over for a short time, for the reason that there are a number of Senators, who are absent just now, who desire to be heard on the questions which it involves.

Mr. SMOOT. When will the Senator from Nevada say that the paragraph may be taken up?

Mr. ODDIE. In the course of a few days.

Mr. SMOOT. A few days is rather an indefinite length of time. This paragraph has been passed over time and time again, and we should like to get through with the chemical schedule.

Mr. ODDIE. I do not like to delay matters, but I feel that this paragraph is of much importance, and a number of Senators have asked me to request that it go over for a short time. Therefore, I should be very much pleased if the Senator from Utah would consent to the merely temporary delay.

Mr. SMOOT. I presume we shall have to let the paragraph go over.

The PRESIDING OFFICER. The Senator from Nevada [Mr. ODDIE] asks unanimous consent that paragraph 33a may be passed over. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMOOT. The next paragraph passed over was paragraph 36.

The PRESIDING OFFICER. The paragraph passed over will be stated.

The READING CLERK. On page 18, paragraph 36, relative to extracts, dyeing, and tanning, was passed over at the request of the senior Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. SMOOT. Mr. President, my attention has been called to the fact that the Senator from Wisconsin [Mr. LA FOLLETTE] before leaving the city stated that he was interested in this paragraph and that he wished it to go over until his return. I had for the moment forgotten his request. The Senator from Wisconsin has not yet returned to the city, so I ask that the paragraph may go over.

The PRESIDING OFFICER. Without objection, paragraph 36 will be passed over.

The next amendment passed over will be stated.

The READING CLERK. The next amendment passed over, at the request of the Senator from Massachusetts [Mr. LODGE], is on page 19, after line 9, to strike out paragraph 39, as follows:

PAR. 39. Gelatin, glue, and glue size, 20 per cent ad valorem and 1½ cents per pound; manufactures, wholly or in chief value of gelatin; casein glue; isinglass, and other fish sounds, cleaned, split, or otherwise prepared, and agar agar, 25 per cent ad valorem.

And in lieu thereof to insert:

PAR. 39. Edible gelatin, valued at less than 40 cents per pound, 20 per cent ad valorem and 7 cents per pound; valued at 40 cents or more per pound, 20 per cent ad valorem and 15 cents per pound; gelatin, glue, glue size, and fish glue not specially provided for, valued at less than 40 cents per pound, 25 per cent ad valorem and 1½ cents per pound; valued at 40 cents or more per pound, 20 per cent ad valorem and 15 cents per pound; casein glue, agar agar, isinglass and other fish sounds, cleaned, split, or otherwise prepared; and manufactures, wholly or in chief value of gelatin, glue, or glue size, 25 per cent ad valorem; and ossein, 10 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. JONES of New Mexico. Mr. President, I understood that that paragraph went over at the request of the Senator from Massachusetts [Mr. LODGE].

Mr. SMOOT. Yes; I understood the Senator from Massachusetts desired to say something with relation to one provision of the paragraph, but I now learn that he is willing to allow the paragraph to be passed as proposed to be amended by the committee.

Mr. JONES of New Mexico. I have received a number of protests against the items in this paragraph, and I think we had better to get into the RECORD just what this proposed legislation means. It involves a very large industry. It includes edible gelatin, which, I suppose, goes into practically all of the households of the country. The industry for some reason is not all one-sided by any means. We import considerable of these commodities, and we export a great deal of them. I have some briefs on the subject which are very informing. There has been a most earnest protest made against the increase in these duties. To begin with, I believe we ought to have read some very important data upon this subject. I have before me a brief on the different items which are contained in the paragraph. I have also an article here really written in the nature of a brief, which was published as an editorial in the Journal of Commerce. I do not know, however, that anything which may be offered here is going to change the action of the committee at all.

Mr. SMOOT. Has the Senator from New Mexico the date of the editorial of which he speaks?

Mr. JONES of New Mexico. Yes. It is dated September 30, 1921.

Mr. SMOOT. I thought that was the editorial, and if the Senator will read the editorial and compare it with the bill he will see that whoever wrote the editorial did not have the bill before him and was not advised as to the rates fixed in the bill. Whoever wrote the editorial, in the parlance of the street, got it "all balled up." I am quite sure the Senator from New Mexico will so admit if he will read the editorial and compare it with the paragraph now under consideration. However, I have no objection, of course, to the editorial going into the RECORD.

Mr. JONES of New Mexico. It covers the paragraph item by item, and I think Senators who are to vote upon the matter really ought to have before them just what has been said in the brief, which is not long, although it will take a little while to read it. The editorial is simply included in the brief prepared by gentlemen who understand the subject. I will ask that the Secretary may read the brief, and I trust he will read it with a view of having those of us who are present listen to it and understand what is being read.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The reading clerk read as follows:

NEW YORK, *January 21, 1922.*

DEAR SIR: When discussion of the permanent tariff comes up shortly I beg you to bear in mind the following regarding glue and gelatin, embraced in schedule No. 1.

These facts and statements are based upon sound economic principles and worthy of your earnest consideration.

I. The two big factors entering into the cost of manufacturing both glue and gelatin are coal and labor. Coal is much higher in cost in Europe than here, while labor is quite as high at the present time, excluding Germany, which country—statements to the contrary notwithstanding—is not and can not export to the United States 3 per cent of the consumption.

II. As to raw material, which is the third factor in cost—this country produces enormous quantities and at no higher cost than Europe. Incidentally, foreign raw material enters this country free of all duty.

III. By far the greatest proportion of raw material comes to the United States from South and Central America, India, and Australia, and this is also taken by Europe at the same prices we pay. A moderate amount of the cheapest hide fleshings are exported here by Europe and a similar amount of bone stock, which the foreigner is far more skillful in preparing for use than our makers.

IV. Selling prices of glue and gelatin in the United States are greater than in any other producing country, and these higher prices are driving consumers to the use of substitutes.

V. All importations consist largely of goods of special and desirable types, which are not made in this country.

VI. Glue and gelatin are of many different kinds and meet many special requirements of the consumer. When the European makers of them are more skillful than American makers, they contribute to the efficiency and economy of our domestic industries which use glue and gelatin as their raw material.

VII. It is very significant that the confectionery, ice cream, and jelly powder trades, that consume 90 per cent of all food gelatin, prefer imported goods and are on record at Washington as opposed to high-tariff rates. Raw glue stock produced in the United States is in enormous quantities, as is the production of both glue and gelatin, in comparison with raw material and finished product imported.

VIII. Actually the effect of a lower tariff would be to lead to a much-needed improvement in methods of American manufacture and in all ways contribute to the industrial prosperity of the Nation.

IX. Thus, from any angle, there is no truthful argument that the glue manufacturers of this country can set forth as a reason why tariff rates should be increased. On the contrary, the enormous profits they have made leaves the question open as to whether the tariff could not actually be reduced and in the interest of the ultimate consumer.

X. In addition to the above, please to bear in mind that the total imports of both glue and gelatin are not over 5 per cent of the total consumption in the United States, and any serious effort made by glue manufacturers of this country to raise the tariff could only be prompted by selfish and unfair motives.

XI. In the case of my goods, which are imported from Holland, it should be borne in mind that the balance of trade is tremendously against Holland, since their exports to this country are very small, while their imports of cotton, agricultural machinery, tobacco, etc., are enormous. It would thus be the very height of folly to shut out

the small importations from Holland, if, indeed, we desire to eventually more stabilize the balance of trade between the two countries.

XII. It is highly important for you to note that the cost of coal in Holland was exactly 2.53 times higher June 21, 1921, as against pre-war cost; and, by the same token, the cost of Dutch labor June 21, 1921, was exactly 3.3 times higher than pre-war cost. This is highly significant, and actually, so far as Dutch gelatin is concerned, the rates could be lowered without menacing American production of similar material.

XIII. The writer has been engaged in manufacturing, jobbing, and importing for many years, and considers the facts in his possession indisputable. Fortunately, we now have a Tariff Commission functioning, and I assume if the schedule embracing this material comes under discussion the facts will be secured from the commission and thus be brought to light; but if the following editorial in the Journal of Commerce of September 30, 1921, be true, there are no facts to be had through that agency. The editorial in question is quoted below:

[Editorial from the Journal of Commerce, New York City, September 30, 1921.]

AN AMAZING TARIFF SITUATION.

Quite as a matter of course and without the slightest comment or indication of anything unusual the Associated Press sends out a dispatch printed in the newspapers of September 29, under date of September 28, as follows:

"Steps were taken by the Treasury to-day toward gathering production costs and other data from American manufacturers for use of the Senate Finance Committee in framing ad valorem duties in the tariff law. Secretary Mellon and James B. Reynolds, former secretary of the Republican National Committee, who has been named director of the investigation, met with more than 40 manufacturers and trade representatives to discuss methods of obtaining the information required."

Publications of the evening before carried the announcement that President Harding had accepted the resignation of the chairman of the Tariff Commission.

James B. Reynolds, who is referred to in the dispatch above quoted, was some years ago an Assistant Secretary of the Treasury in charge of customs under the Taft administration. Later he became a member of the old Tariff Board and eventually was one of the officers of the Republican National Committee. Now he becomes the "director" of an "investigation" designed to ascertain "costs of manufacture." This is precisely the work that has been supposed by an unobservant public to have been intrusted by law to the Tariff Commission, which has been maintained at large expense for years past. The Tariff Commission has included representatives of both parties, but there has been a strong impression that practically all of its members were sound protectionists.

While the measure was in the House of Representatives there was constant reference to the work of the tariff organization and representatives of that board were in constant communication with the Ways and Means Committee. Still later members of the board went before the Senate Finance Committee and there gave expression to very conflicting views, or so they were reported. Now it is stated that some $100,000 is to be spent in putting into the field a force of about 50 men, who in the next two months are to prepare a report for the committee. It is "whispered" by some that the report "may" yet come in sufficiently soon to permit some action before the end of the present session of Congress.

Clearly the Tariff Commission is practially "out of business" so far as real influence is concerned. Either the material it has gathered is not satisfactory, or, what is more likely, the politicians want some material of their own sort to support ex parte conclusions. Otherwise why should they engage a member of the Republican National Committee to do the job of collecting it?

Why does not this "director" work under the direction of the Tariff Commission? Or why does he not become a member of that body itself? There is something here that needs pretty careful explanation prior to the completion of the proposed work. Has the new director the power to administer oaths to witnesses, and does he intend to do so, or is the work of the corps of 50 men to be merely that of accepting such data as are voluntarily furnished by manufacturers? Chairman Underwood seems to have been the only head of the Ways and Means Committee who insisted on testimony under oath, and that plan of interrogation has seldom or never been pursued in administrative inquiries.

The period of Tariff Commission agitation and of "scientific tariff" discussion seems to have clearly ended. The subject is practically never referred to to-day in Congress or among national politicians. "Progressives" who used to spend much of their time in wordy speeches about "comparative costs of production" rarely refer to the topic at present. It is a worn-out political issue. Instead, the mask has been dropped and it is now plainly avowed that tariff duties are wanted that will shut out the goods of other countries; especially "German" goods or any others that are likely to be imported in considerable quantities. An impossible plan of "valuation" designed to aid price-fixing combinations of domestic producers and to shut out the goods of any nation that may have special advantages for producing merchandise, is proposed. Hasty "investigations," under the direction of a political figure, are planned. All this is strongly reminiscent of the latter days of the Aldrich régime—indeed, closely corresponds to the modes of action then followed. Will the business community accept this way of repeating history? Will the politicians take the risk of the repetition of some subsequent history?

XIV. Incidentally, in passing, the testimony of the National Association of Glue and Gelatine Manufacturers, given before the Finance Committee January 7 and August 15, 1921, is contrary to the facts and deliberately misleading.

First. In comparison with wages, "Fifty cents an hour on this side, as against 6 to 8 cents an hour in Europe," is a sheer misstatement. My works in Delft, Holland, pay 1 guilder, or 40 cents, per hour, while labor on this side since November, 1920, for corresponding work runs at the same rate, and all signs point to American labor in glue and gelatin factories declining rapidly.

Secondly. The statement that "Germans are now making agreements in all the producing countries to control prices" is pure imagination. The fact is Germany is not making enough glue and gelatin to take care of her own domestic requirements, and it will doubtless be years before they can export to other countries of Europe, let alone to this side.

Thirdly. The statement that "Germany's production at the present time is 37 per cent" is absolutely false, if by that is meant that they produce 37 per cent of the glue manufactured in Europe. They are not producing 10 per cent.

XV. Taken from any angle, my dear sir, the alleged statements set forth by Messrs. George Upton and Albert G. Jacobs, representing the National Association of Glue and Gelatine Manufacturers, will not bear the light of facts that any committee or commission can ascertain from official sources. You may be interested to know in this connection that Mr. Jacobs is president of the Keystone Glue Co., Williamsport, Pa., a concern controlled by the Central Leather Co., which concern in turn is alleged to be controlled by Armour & Co., Chicago, and that this is a fact susceptible of proof, I think there is no question.

XVI. Thus it is evident that the interests demanding revision upward are the packers and their allies, who, directly or indirectly, control the glue and gelatin business of this country.

XVII. Importations of glue and gelatin are and for many years will be a mere drop in the bucket as against domestic production, and if there be danger from a protective standpoint it is a future hazard of a very remote type. If there was a time when America had anything to fear from foreign competition, that time has passed. I can not believe that American producers, who in most respects are the most effective in the world, can have any dread of competition when they view the fact that their country has come through the great struggle of the last few years, relatively speaking, untouched, while their principal competitors are, in varying degree, sadly stricken and laboring under adverse conditions, from which they will not recover for many years.

XVIII. Revaluation: It is utterly impossible to assess duty fairly upon American valuation of the product, since practically all imported gelatin and most imported glues have no prototypes in goods of domestic production; thus there can be no fair source of information or basis to work from. Surely importers of gelatin should not be forced to have their goods valued by American packers and their allies. One might as well have the packers set the compensation for one's office force; it would be equally reasonable and just.

Again, careful research just completed by the New York University bureau of business research shows that the American valuation clause of the Fordney tariff bill is condemned by virtually all American economists. They believe that this clause is based on an unsound conception of foreign trade, and that the United States, now being a creditor Nation, will be seriously injured if it becomes law. The bureau has sent out a questionnaire to economists. The questions were all directed to the effects of the "American-valuation" provision of the bill. They were framed to avoid bias. Over 300 questionnaires were sent out. Of this number, 71 brought replies—a little over 20 per cent. These replies represent 23 States, 8 of which are in the Central West. No difference is apparent in the judgment of economists in the various sections. The poll on the several questions submitted is as follows:

Decrease imports: Yes, 69; no, 1.
Decrease exports: Yes, 68; no, 1.
Decrease revenue: Yes, 46; no, 5.
Increase depression: Yes, 58; no, 1.
Increase unemployment: Yes, 54; no, 2.
Increase cost of living: Yes, 67; no, 4.
Increase uncertainty: Yes, 56; no, 4.

XIX. There are only three ways in which Europe can meet her part of her indebtedness, namely, by the establishment of private credits, by the shipment of gold or commodities. It is difficult for Europe to discover the requisite securities as a basis for the necessary credits. Europe is not in a position at the present time to send us the amount of gold which would be needed, and we could not view further large imports of gold into this country without concern. The result, to say the least, would be a larger disarrangement of international exchange and disturbance of international trade.

If we wish to have Europe settle her debts, governmental or commercial, we must be prepared to buy from her, and if we wish to assist Europe and ourselves by the export either of food or raw materials or finished products, we must be prepared to welcome commodities which we need, and which Europe will be prepared, with no little pain, to send us.

Clearly, this is no time for the erection here of high trade barriers. It would strike a blow at the large and successful efforts which have been made by many of our great industries to place themselves on an export basis. It would stand in the way of the normal readjustment of business conditions throughout the world, which is as vital to the welfare of this country as to that of all other nations.

On December 9, 1921, the Dominion of New Zealand, which had not made a general revision of her tariff for 13 years, put through a reprisal bill aimed at the United States. That this bill is designed to prevent the use of American-made goods in New Zealand is obvious by the fact that it provides special inducements for the importation of goods from all the British dominions, including Canada, while putting obstacles in the way of American products.

New Zealand has spoken. Other nations will speak in their turn. Chairman Lasker wants the taxpayer to turn over a subsidy of hundreds of millions of dollars of American money to American shipowners and operators in order to guarantee them a profit on their operation of American vessels sailing without cargoes. The American tariff wall, which tells the American worker that it is protecting him, is actually destroying him by destroying foreign markets for the product of his labor. How can he go on making things for people who refuse to buy them and who pass laws designed for the purpose of making it impossible for them to be sold or shipped in empty vessels carrying the subsidized American flag?

The United States has a duty to itself as well as to the world, and it can discharge this duty by widening, not by contracting, its world markets.

XX. The advanced rates suggested by the packers and their allies at Washington, January 7 and again August 15, 1921, have a peculiar interest. In practically every case they exceed those established under the Payne-Aldrich Act, in which the principle of protection reached its high water mark, and the enactment of which was followed by an effective exhibition of protest on the part of the majority of the American people. I do not believe the sober judgment of the masses of the people of the Nation, or even the special class whose interests are immediately affected by this measure, will sanction a return, especially in view of conditions which lend even less justification for such action, to a policy of legislation for selfish interests which will foster monopoly and increase the disposition to look upon the Government as an instrument for private gain instead of an instrument for the promotion of the general wellbeing.

Such a policy is antagonistic to the fundamental principle of equal and exact justice to all, and can only serve to revive the feeling of irri-

tation on the part of the great masses of people and cause lack of confidence in the motives of rulers and the results of government.

I believe the above information to be absolutely true and in line with the most modern interpretation of economic principles in light of conditions prevailing, and I place these pertinent facts before you in the hope that they will prove helpful and receive due consideration.

Very truly yours,

HAROLD A. SINCLAIR.

THE RUSSIAN SITUATION.

Mr. BORAH. Mr. President, I want to put an article in the RECORD. I take a very few moments to call attention to its purport. This is an article by Frank A. Vanderlip, a gentleman whom we all know as an experienced banker and distinguished financier. He went to Genoa prior to the convening of the Genoa conference, with a view of studying the economic and financial conditions of Europe, and observing the work of the conference. Since the adjournment of the conference he has written this article as a review. It is well worth the study and consideration of all who are interested in the affairs of Europe, and particularly those who are interested as to what should be the course of this Government with reference to Russia. I call attention to a paragraph or two in the article which read:

The London experts' report laid down a fantastically impossible program of demands on Russia. Those demands included liquidation of the past Russian obligations and recognition of all financial engagements heretofore entered into by all the authorities of Russia—local, provincial, or on account of public-utility undertakings.

It proposed to impose on Russia the liability of all actual direct losses arising from breach of contract or otherwise suffered by nationals of other powers due to negligence of the soviet government or its predecessors.

It proposed to set up a mixed arbitral tribunal to determine questions relating to debts, contracts, and losses. It proposed to establish a Russian debt commission, nominated by the powers, which would have authority to issue new Russian bonds to holders of the existing State and other bonds and allocate to the service of this commission new specific taxes and royalties.

It proposed to control collection of such revenues, deal with the proceeds, and arrange the return of property formerly owned by nationals of the powers.

The London experts further proposed to reorganize the Russian judicial system on a system of judicial protection for foreigners as complete as that established in China.

It will be observed, Mr. President, that this statement, if it be correct, and I have no doubt it is, would have reduced Russia to a condition not dissimilar to that of Haiti at the present time, under the military rule of the United States. It proposed to establish a commission for the purpose of taking charge of its debts, of collecting its revenue, of reestablishing its judicial system, and practically administering the affairs of Russia. Of course, for Russia to have considered that seriously would have been to surrender the sovereignty of Russia wholly and completely. It would have amounted to a dismemberment of Russia. It would have turned the national wealth of Russia over to those so anxious to seize it.

Mr. Vanderlip further says:

The Russian delegates had to reckon with the domestic political situation. Politically, it was impossible for them to return to Moscow burdened with the acknowledgment of a 20,000,000,000 gold ruble debt, committed in a still semicommunistic order of society to return and protect the holdings of foreign investors, and committed to such abdication of national sovereignty in respect to their courts as the London conference proposed.

Logically, the Russians had a valid claim to offset the debts it was proposed to force them to recognize. If the soviet government was declared to be the continuous legitimate successor of the czarist government, and therefore bound to acknowledge the czarist debts, it was also the legitimate, continuous successor of that government in the fullest political sense and had the right to claim damages from the powers which had never declared war against it, but had furnished a vast amount of aid in credits, war munitions, and food to the enemies of the soviet government on every border.

The logic of this attitude was waved aside by the powers. The Russian's financial necessities were so extreme and pressing that Russia's representatives were prepared to forego their logic, acknowledge the old debts, and compensate for, if not restore, property to foreign nationals, provided in return they were granted credits.

To return loaded, not only with obligations, but with their hands empty of credits, was politically impossible.

I am going to have the entire article put in the RECORD, Mr. President, but I hope the terms which were submitted to Russia, and the propositions which were made to her, will be studied and considered by those who care to know why the Genoa conference has failed, and why they were unable to do business with Russia. These plans were indefensible. Either those who proposed them did not want them accepted, or if they hoped for acceptance, then it was in the further hope of destroying Russia. She would have been exploited unto death. It would have overthrown the Russian Government as it now exists, and would have left none in its place, except such suzerainty or government as the allied powers might have been fit to set up.

I ask to have the entire article printed in the RECORD in 8-point type.

There being no objection, the article was ordered to be printed in the RECORD, in 8-point type, as follows:

VANDERLIP REVIEWS GENOA; SEES UNITED STATES STAND ON RUSSIA AS PUSHING LOGIC TOO FAR—SAYS CONFERENCE IGNORED THE FIRST ESSENTIALS TO EUROPE'S ECONOMIC REHABILITATION, NOTABLY THE ADJUSTMENT OF WAR INDEMNITIES, YET MEETING WAS NOT A COMPLETE FAILURE—"BEST BRAINS OF EUROPE" MET MATCH IN BOLSHEVISTS—LIKENS OUR ATTITUDE TOWARD SOVIET TO THAT OF SURGEON WHO, DETERMINED TO CURE A TUMOR, LETS PATIENT DIE OF TYPHOID—LLOYD-GEORGE "PATRONIZING" TO SMALL NATIONS.

[By Frank A. Vanderlip.]

[Copyright (New York World) by Press Publishing Co., 1922. Special cable dispatch to the World.]

GENOA, May 20.—The time has come for a review of what has happened at Genoa and, what is more important still, to make a survey of the present position of Europe and attempt some forecast of the possible methods of coping with the situation as Genoa left it.

The verdict upon the Genoa conference will vary according to one's temperament, explanations, and outlook.

Whoever expected that out of Genoa would come a fundamental step toward economic reconstruction of Europe will be disappointed. It would be wrong, however, to declare Genoa has been altogether a failure.

As a matter of fact, it has been a preliminary coming to real grips with the problem of Europe, and in that sense shows results of great importance.

UNITED STATES STAND ON RUSSIA LOGICAL, BUT IS IT PUSHING LOGIC TOO FAR?

Genoa was foredoomed to failure so far as fundamental actual accomplishment is concerned.

The Cannes basis for the Genoa agenda prohibited discussion of reparations, disarmament, or intergovernmental debts. Discussion of those subjects is an absolute prerequisite to the real adjustment of the present European problems.

Premier Lloyd-George knew that perfectly well, but the attitude of France was implacable—opposed to a thoroughgoing discussion of Europe's problems. Premier Briand fell because, under Mr. Lloyd-George's charm, he agreed to anything approaching a thoroughgoing discussion.

Premier Poincare represented a more reactionary attitude than Monsieur Briand. Monsieur Poincare opposed the Genoa conference and placed France in an attitude of obstruction to the true policy of economic reconstruction. He refused to attend the Genoa conference, and, thus left, the French delegation was obliged to rely on telegraphic instructions.

NOT WELL THOUGHT OUT.

They received as many as 60 telegrams daily from Paris, and at no time have been free agents such as must compose a true conference.

The conference convened at Genoa without a well-thought-out program. An attempt at such a program was made at the London conference of experts, and the report of the London experts was the basis of action for Genoa.

That report occupied itself with four fields: The reestablishment of political relations between the European powers and Russia; the working out of financial, economic, and transportation provisions, all looking toward the general economic rehabilitation.

The London experts' report laid down a fantastically impossible program of demands on Russia. Those demands included liquidation of the past Russian obligations, recognition of all financial engagements heretofore entered into by all the authorities of Russia, local, provincial, or on account of public-utility undertakings.

SOME OF ITS PROPOSALS.

It proposed to impose on Russia the liability of all actual direct losses arising from breach of contract or otherwise suffered by nationals of other powers due to negligence of the soviet government or its predecessors.

It proposed to set up a mixed arbitral tribunal to determine questions relating to debts, contracts, and losses. It proposed to establish a Russian debt commission, nominated by the powers, which would have authority to issue new Russian bonds to holders of the existing state and other bonds, and allocate to the service of this commission new specific taxes and royalties.

It is proposed to control collection of such revenues, deal with the proceeds, and arrange the return of property formerly owned by nationals of the powers.

The London experts further proposed to reorganize the Russian judicial system on a system of judicial protection for foreigners as complete as that established in China.

RUSSIAN QUESTION THE HUB.

Thus the Russian question became the center of the Genoa conference. The "best brains of Europe" devised a scheme to be imposed on Russia.

The "best brains of Europe" fully met their match politically in the Russian delegates.

Russia was mad, but proved sincere in her madness. The powers were disunited, insincere, uncertain. The Russians proved to be preeminent logicians but bad diplomats. Logically, they had the best of the argument at every turn. Diplomatically, they were helplessly gripped by realities.

Russia is in a state of extreme economic disorganization. Its economic life can be saved and its health restored within a reasonable period only if the capitalistic world grants huge credits, temporarily feeds the famished people, rehabilitates the broken-down transportation system, supplies a huge nation with tools and manufactured articles, and gives the beginning to a stabilized currency system in place of the present bottomless morass of paper money.

HAD A LOGICAL CLAIM.

The Russian delegates had to reckon with the domestic political situation. Politically it was impossible for them to return to Moscow burdened with the acknowledgment of a 20,000,000,000 gold ruble debt, committed in a still semicommunistic order of society to return and protect the holdings of foreign investors, and committed to such abdication of national sovereignty in respect to their courts as the London conference proposed.

Logically the Russians had a valid claim to offset the debts it was proposed to force them to recognize. If the soviet government was declared to be the continuous legitimate successor of the czarist government, and therefore bound to acknowledge the czarist debts, it was also the legitimate, continuous successor of that government in the fullest political sense and had the right to claim damages from the powers which had never declared war against it but had furnished a vast amount of aid in credits, war munitions, and food to the enemies of the soviet government on every border.

ALLIED FRONT NOT UNITED.

The logic of this attitude was waived aside by the powers. The Russian's financial necessities were so extreme and pressing that Russia's representatives were prepared to forego their logic, acknowledge the old debts, and compensate for, if not restore, property to foreign nationals, provided in return they were granted credits.

To return loaded, not only with obligations but with their hands empty of credits, was politically impossible. The powers saw this, but found great difficulty in uncovering conceivable sources of credits in anything like the huge amounts that the broken-down economic situation of Russia demanded.

All through the negotiations the powers failed to present a united front.

England was working for the economic reconstruction of Russia at almost any sacrifice of political aloofness. Belgium stood for literal return of property formerly belonging to her nationals and refused to discuss compensation in lieu of actual return.

CRISES WERE PRECIPITATED.

France wanted acknowledgment of the old debts, but was prepared to give nothing in return, and finally cast in her lot with Belgium against England, demanding literal restoration of property to foreign nationals.

The conference became a continuous series of crises—crises not only between Russia and the powers but between the powers themselves. The Franco-British entente was endangered and left sadly strained. The conference was almost wrecked by the wholly unexpected conclusion of a treaty between Russia and Germany, secretly consummated in the very heart of the conference.

Mr. Lloyd-George met these crises with consummate tact and grim determination to hold the conference together. French determination to sacrifice none of her logical and abstract rights to contribute to the solution, either of the Russian question or any of the problems of reconstruction, made the task of the British Premier one of the greatest of his life.

SURPRISES ALMOST HOURLY.

There were surprise explosions of political bombs almost hourly. By a miracle of management on the part of Mr. Lloyd-George, aided at every turn by the policy of conciliation and good sense on the part of Italy, the succession of crises was passed.

The settlement of the Russian question has been no settlement at all, but merely a reference to them. The direct successors of the Genoa conference are the two Hague commissions, one composed of representatives of the powers, with the exception of Germany, appointed not at the conference but by the individual governments; the other, including representatives of the soviet republics. They are to meet at The Hague to attempt to find some common basis of action.

At the opening of the conference, Mr. Lloyd-George denominated the gathering not as an economic conference but as a peace conference. He had drawn in alarming terms a picture of peaceless Europe with unfixed frontiers from the Baltic to the Black Sea, every mile fraught with possible danger.

BENES SAW DIFFICULTIES.

He came to Genoa with the belief that the conference would be a failure unless something was done, even of a temporary character, giving insurance against the breaking out of hostilities.

He had in mind a simple 10-year pact of nonaggression in which every nation of Europe would unite in agreeing to recognize existing frontiers and not to invade its neighbors during the life of the pact.

This would have been a little less effective than article 10 of the League of Nations covenant but more practical, as it would embrace Germany and Russia.

The clear-sighted youthful Premier of Czechoslovakia, Dr. Edouard Benes, looking beneath the surface to the realities, saw that such a pact was impracticable. He declared frontiers that were only battle fronts could not be guaranteed, that the prerequisite of a nonaggression pact must be a British-French alliance, guaranteeing France against aggression by Germany.

KILLED NONAGGRESSION PACT.

He pointed out that a pact merely guaranteeing against military aggression would leave the door open for diplomatic aggression, that there would be a sabotage of treaties, and he believed, therefore, that Mr. Lloyd-George's simple proposition must be extended to guarantee observance of existing treaties.

He further believed such a pact, to be effective, must contain sanctions permitting defensive military activity.

Dr. Benes's logic killed the 10-year nonaggression pact and incurred the deep displeasure of Mr. Lloyd-George. Dr. Benes's usefulness, which up to that date had been great, thereafter became circumscribed.

The British Premier's attitude toward the smaller powers has at all times been patronizing. They have never been permitted actual full membership in the conference, but had to scurry about, only putting in a shy, momentary appearance here and there as conditions permitted.

PUT OVER TEMPORARY PACT.

Mr. Lloyd-George had himself compared them to a group of chameleons, venturing into the sunlight occasionally but disappearing instantly when a finger was pointed to them, although, as he said, they occasionally get momentary courage to stick out their tongues. The fact that he could conceive such a simile shows his attitude and illustrates the difficulties in full measure at the conference.

Some means for keeping the peace while European statesmen got their breath and prepared to take hold of reconstruction problems earnestly had to be found. With his incomparable adroitness, Mr. Lloyd-George found it.

He put into the agreement for The Hague commissions a temporary pact of peace under which, for a few months, all nations are binding themselves to respect de facto borders and promise to refrain from invasion. This is a scrap of paper, although a very large scrap of paper.

It undoubtedly has moral value and is an achievement for the British premier.

TWO POSITIVE MEASURES.

The foregoing outlines the political accomplishments of the conference. The remainder of its work was done by the financial, economic, and transportation sections. The reports presented are admirable statements of sound principles.

Going back of those reports to the procès verbal of many of the meetings of the various sections, held before they evolved them, one finds an atmosphere of insincerity, a disposition to accept general statements of principle, but at the same time holding reservations as to actually adopting them, which makes the codes formulated hardly worthy of the panegyric of Sir Lamar Worthington-Evans when he compared the financial resolutions to the Justinian Code.

There are two positive measures worked out. One is for holding a conference of central banks in London, and the other for the creation of an international corporation, participated in by seven nations, having an initial capital of £20,000,000 and designed to undertake constructive work in the backward eastern European countries.

SEES BID TO INFLATION IN UNITED STATES.

Both these enterprises have some sound reasons to recommend them. Neither is particularly promising of early results.

The essential part of the central bank program is to induce the United States to cooperate in its discount and gold policy to help Europe regain currency stability.

I have heretofore pointed out the danger of involving the Federal reserve bank, created to hold the reserves of 10,000 banks, in too close relation with European central banks. The European central banks present varying degrees of insolvency and will find great difficulty reaching an effective working entente.

I am convinced our huge gold stock presents a dangerous invitation to inflation in the United States; and diversion of a portion of that gold into a sound plan for helping stabilize European currencies would be not only extremely useful to all parties but tend to avoid the danger of a period of wild inflation in America.

ESSENTIALS NOT TAKEN UP.

The method of cooperation should not be such as to involve in alien entanglements the reserves of the American banking system. There should be considered a plan for creating an institution with a great gold capital, formed for the special purpose of cooperating with European central banks in their effort to stabilize currency.

There is no need of actual exportation of gold to Europe. The gold itself may much better remain in America. All that is necessary is that European central banks be put in a position to clear obligations between themselves through American gold funds, just as the Federal reserve banks clear mutual obligations through the gold fund deposited at Washington.

So much for what happened at Genoa. What is now likely to happen in Europe?

The great problem of economic reconstruction has not been grappled with at Genoa. The conference was prohibited from taking up essentials, through which alone the solution of Europe's difficulties can be reached.

NAMES "ESSENTIALS."

These essentials are, first, readjustment of the German indemnity in a form possible for the German nation to bear.

Second. Reduction of armaments so that by lessening military expenditures there will be some hope of balancing budgets in certain countries, while at the same time by such reduction of military forces the extreme danger of aggressive military policies and ambitious desires of European hegemony will become less dangerous.

Third. Readjustment and definite fixing of boundaries so that the future may promise some practical security. There are now boundaries ethnically, economically, or geographically unsound. It is impossible to draw a map of Europe so as to make true ethnic boundaries. One might as well try to draw a line across a checkerboard which would range all the white squares on one side and all the black squares on the other.

MUST FIND DEBT FORMULA.

Ethnic boundaries being impossible of attainment, there will have to be found some way to reach a measure of economic federation superimposed upon antagonistic ethnic divisions.

Fourth. There is at present in the world a total indebtedness by various Governments to various other Governments aggregating roughly $25,000,000,000. A formula for adjusting these intergovernmental debts into practical, feasible burdens must be found.

Fifth. Having reached the political and economic readjustment mentioned under the preceding heads it will then be necessary to find credits to reconstruct the transportation system of Europe. This will aid in stabilizing currencies and temporarily assist countries short of food supplies to feed themselves until the international exchange of goods has been so resumed as to make it possible for them to balance their foreign trade.

WHAT SHOULD AMERICA DO?

With this summary of aims made clear, the question arises as to what should now be America's rôle. All these aims can not be attained at once.

The most pressing matter is so to adjust the German indemnity as to free Europe from the constant fear of an upset which would be occasioned by a breakdown in German finance or by military invasion by France made in order to compel observance of the impossible terms of the treaty of Versailles.

America is brought into direct conference at the Paris meeting on May 28 of the reparations commission's committee to study the possibilities of an international loan.

There are two proposals in regard to the indemnity. Sir Robert Horne proposed to reduce the indemnity from 132,000,000,000 to 110,000,000,000 gold marks. He would place in a postponed, indefinite category 65,000,000,000, and have Germany fully acknowledge and attempt payment of interest upon 45,000,000,000 gold marks.

THE GERMAN LOAN PROPOSAL.

The Germans believe that is an impossible financial burden to assume immediately. Their counterproposal is to create a bond issue having a lien prior to all other reparations claims, specially secured by the customs, and to pledge the State to run undertakings and taxes on all large-scale industry and landed property.

They propose a loan of 4,000,000,000 gold marks, amortized at 1 per cent per annum, and devoted to the following purposes: 2,500,000,000 handed to the Allies as anticipatory of indemnity and fully covering indemnity payments for four years; 500,000,000 to stabilize exchange; 500,000,000 to meet claims arising out of impounded property of foreign nationals; 500,000,000 to meet earlier demands for service of the loan.

The 2,500,000,000 for anticipated indemnity payments would go to the Allies in the same proportion that the indemnity is now distributed—52 per cent to France. It is a portion of this loan that it is hoped will be placed in America.

AMERICANS TO BE WARY.

American investors will undoubtedly be slow to risk money in this investment unless Germany is placed in a position which makes her financial outlook reasonably promising. This means a more reasonable agreement must be reached regarding future indemnity payments and probably that the enormous domestic debt of Germany must be adjusted, certainly subordinated, to this new loan.

Germany had a pre-war debt of 5,000,000,000 gold marks. The State made subsequent loans of 66,000,000,000 paper marks, incurred a debt of 26,000,000,000 by purchase of the railroads, has 14,000,000,000 in obligations to Federal States and municipalities, and has outstanding 246,000,000,000 discounted treasury notes.

Vast as this sum appears, on the basis of 250 marks to the dollar it amounts to only $1,500,000,000.

If a sensible adjustment of future indemnity claims could be made, a prior lien and special security given the service of the proposed loan, it should be a proper investment in which Americans may participate.

URGES INDEMNITY ADJUSTMENT.

The first "if" is the most significant conjunction in the whole array of European languages. Will France agree to sensible adjustment of indemnities? Furthermore, will she agree in time to prevent financial catastrophe in Germany?

The first act in America's rôle ought to be to throw all the moral force she can on the side of a sane adjustment of indemnity burdens. By that I do not mean abatement of one jot of what it is possible to obtain, but I do mean that blind greediness should not be permitted to wreck Europe.

There are not impressive reasons for hoping France will act sensibly and promptly. Her logical mind, remembering the terrible injuries resting on the lever of the Versailles treaty, demands her pound of flesh.

A settlement must be made quickly to avoid the possibilities of invasion by France and the catastrophic danger of financial collapse of Germany, a collapse involving inability to feed her overindustrialized population.

COOPERATION NEXT NEED.

Slow starvation does not lead to radicalism but merely to physical deterioration. Sudden cessation of food supplied in Germany might lead to any sort of social or political upheaval, and Europe is in a condition quickly to breed contagious microbes.

Adjustment of German reparations, then, may be set down as first in importance in the things involved in America's rôle.

Next in importance is to get Europe into a reasonable spirit of cooperation and mutual adjustment. Personally, I believe this could best be accomplished at Washington by an international conference, which should undertake fundamental discussion of matter embraced in the five points laid down.

Europe desperately needs America's moral help. Left to itself, it is sterile of ideas, impatient of suggested sacrifices, suspicious, antagonistic, selfish. It needs regeneration of spirit.

CAN LOGIC BE PUSHED TOO FAR?

If the good sense and altruism of America could be centered in the direction of an international conference not prohibited from discussing anything that ought to be discussed—a conference that faced realities and forgot in some measure the claims of abstract justice and the deductions of a too severe logic—something worth while might be accomplished. It might be the beginning of the regeneration of Europe.

We now come to the subject of Russia. The American Government, rightfully I think, regards political contact with the communistic soviet government unfeasible until evidence is offered that it has fundamentally improved its character.

America has logically declined to participate in The Hague commission, that commission being a successor of the Genoa conference. Perhaps there is such a thing as pushing logic too far. There occurs to me an illustration parallel to the Russian situation.

F. A. VANDERLIP'S SIMILE.

Suppose an eminent surgeon, called by a sick patient, pronounced the patient suffering from tumor of the brain and decided the proper surgical course was to operate. The family doctor called attention to the patient's temperature of 103 and said the patient was also suffering from typhoid fever, so that the operation on the brain should be delayed until the fever was reduced. The logical surgeon insisted the tumor be operated upon, did so, and cured the patient of the tumor, although he died of typhoid.

Is not the American surgeon logically demanding removal of the brain tumor of the Bolshevist regardless of the danger of the fever of famine?

If we continue to isolate Russia, the famine area, which embraced 15,000,000 persons this year, may encompass 30,000,000 next fall.

Transportation is utterly demoralized. It will be difficult to distribute seed. Farm animals have disappeared. Russia is in the lap of the weather of the gods.

MAY NEED SANITARY CORDON.

Unless the season is miraculously good there will be more famine in Russia next winter than there was this. If we insist on the removal of Bolshevism from the brain of Russia, a logically correct insistence, Russia may die of the famine fever, although it dies cured of Bolshevism.

It may do something worse than die of starvation—it may overflow and contaminate Europe. As things stand, there is likely to be need of a sanitary cordon from the Baltic to the Black Sea. Can such a cordon be drawn tightly enough to keep out the microbe of typhus? Can the frontiers be guarded against a horde of migrating Slavs?

We must think of that when insisting on the complete removal of Bolshevism from the Russian brain before they infringe on our logical policy of nonintercourse.

We are right in demanding a government that merits our confidence before we recognize it. Too logical and complete insistence, however, may mean the death of Russia and the contagious contamination of western Europe.

URGES END TO SMALL LOANS.

The American surgeon will listen to the family physician who would have a little patience with Russia while she is nursed back to sufficient health to stand for the operation on Bolshevism.

There is one thing I am clearly convinced we could stop doing—stop abruptly and completely. That is the making of small loans to European States, cities, railways, and corporations. We should conserve our resources for a really effective effort.

If we will do that we can use those resources to force rearrangement of indemnities, help stabilize currencies, attack comprehensively the problem of demoralized transit facilities and give credit temporarily to feed countries which can not balance their foreign trade until international markets are restored.

Every small loan we make not only invades resources we can more effectively apply later but postpones realization by Europe of the true nature of its situation.

SEES FRANCE AS BOLSHEVIST.

I believe it possible for America to help eastern Europe comprehend the vital need for those countries sinking their prejudices and recognizing their economic unity. Something approximating economic federation is attainable, but attainable only through American help and direction. Europe's problem is economic, it is true, but underneath it is political, and underneath the political, spiritual.

France's effort to get indemnity out of Germany and the cost to get it out at the expense of a wrecked Germany is as foolish as Bolshevism. It is Bolshevism.

Bolshevism seeks to take the existing wealth, neglecting all care and reproductive energy. The reproductive energies of Germany should be saved. Only if they are saved can Germany ever pay a great indemnity. A great indemnity can not be secured by invading the Ruhr or insisting on the letter of the Versailles award. Only by adjusting the indemnity so it will be bearable can any considerable indemnity be secured.

UNITED STATES CAN LEAD MORALLY.

The question remains how Germany can be "bound over to keep the peace." There are those who fear industrial revival will mean war strength, and that it is better to ruin Germany economically than permit her the means of rehabilitation if rehabilitation means eventually military domination.

Such fear is, I believe, exaggerated. Germany lost much of her iron and coal. She is importing coal from England and iron from Newfoundland. The future industrial supremacy of Germany is impossible, except through cooperation with France. The danger of industrial rehabilitation leading to her becoming a military power is not great. The danger of the alternative—of a wrecked Germany—is portentous.

There will be less danger of Germany's living for revenge if she is treated with some fairness than there will be if there is an attempt to dismember and ruin her. Alsace-Lorraine no longer exists as a national ambition. Germany is satisfied to recognize those provinces as lost.

She will never be satisfied with her eastern boundaries as they are laid down. They are breeders of war. They map out the arrears of political instability.

Blind nationalism is the curse fallen on Europe. America can furnish moral leadership that will modify that nationalism. If we will furnish the right sort of moral leadership, we can do much to turn nationalism into rationalism. That is what Europe needs. Helping to attain it is America's rôle.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. LODGE. Mr. President, in regard to the paragraph which is now before the Senate, paragraph 39, page 19, I desire to offer a slight modification to the amendment proposed by the committee. On page 19, line 24, I move to strike out the semicolon and the word "and" and all of line 25 down to the period; that is, to strike out the words "and ossein, 10 per centum ad valorem."

I hope the committee will not object to that modification. It leaves the bill in this particular as it passed the House.

Mr. SMOOT. I hope the amendment to the amendment will be agreed to.

The PRESIDING OFFICER. Without objection, the amendment to the committee amendment will be agreed to.

Mr. JONES of New Mexico. Mr. President, I do not believe this is just the proper way to pass a tariff bill—for one Senator to come in and make a request and no explanation be made to it.

Mr. LODGE. It is in order to amend an amendment.

Mr. JONES of New Mexico. The amendment of the Senator is in order, of course.

Mr. LODGE. If it is in order, why should I not offer it?

Mr. JONES of New Mexico. There is no objection to the Senator offering it.

Mr. LODGE. I have not occupied the floor a great deal.

Mr. JONES of New Mexico. This is a very agreeable way of not only offering an amendment but having it adopted, when nothing has been said as to why the committee should have put it in or why it is being stricken out now.

Mr. LODGE. Is the Senator opposed to leaving this article as it was provided by the House, on the free list?

Mr. JONES of New Mexico. No, Mr. President; but——

Mr. LODGE. If the Senator is not opposed to it, why should he object?

Mr. JONES of New Mexico. I simply wanted to call attention to this very agreeable way of fixing up the tariff bill between Senators.

Mr. SMOOT. If the Senator from New Mexico had offered the amendment the committee would have been glad to accept it, because they agreed to it before. So there is nothing mysterious about it.

Mr. JONES of New Mexico. Nothing has been suggested, in the first place, as to why the committee offered any such amendment, and nothing has been suggested as to why it should now be stricken out.

Mr. LODGE. It seems to me that if the Senator does not object to its being stricken out, but thinks it well that it should be restored to its place on the free list, where it was in the bill as it passed the House, there is no necessity of wasting time to find out what reasons influenced the committee in doing it. We are all agreed that it should go there.

Mr. JONES of New Mexico. I am sure I do not know what induced the committee to put this amendment in to begin with.

Mr. LODGE. It may have been my amiable manner and the fact that I do not talk much on the bill.

Mr. JONES of New Mexico. I just wanted to emphasize the fact that such things are going on here for reasons which are not disclosed. I do not mean to insinuate that it is not a perfectly proper thing to do. On the other hand, I think myself, from all I know of the subject, that it should be on the free list.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

Mr. JONES of New Mexico. Mr. President, bearing upon the other items of the paragraph, we have just listened to the reading of a short brief prepared upon this subject by Harold A. Sinclair, and I desire to call attention at this point to a letter which was written by S. Isaac & Co., of New York City, to the Senator from North Dakota [Mr. McCUMBER], the chairman of the committee, bearing upon the same subject. It is dated April 13, 1922, and reads:

OFFICES OF S. ISAACS & CO.,
New York, N. Y., April 13, 1922.

Hon. PORTER J. McCUMBER,
Chairman Senate Finance Committee,
United States Senate, Washington, D. C.

DEAR SIR: The signer has just read the rates proposed by your committee on gelatin and glue, Schedule 1, paragraph 39, and is utterly astounded at the rates which you propose levying. Should these rates be levied they will undoubtedly defeat the purpose of your bill, at least in the glue and gelatin line, by absolutely prohibiting all importations of both of these articles.

As an instance we would refer you to two of our former customers, Messrs. Parke, Davis & Co., of Detroit, Mich., the largest manufacturers of pharmaceutical preparations in the world, and Messrs. Eli Lilly & Co., Indianapolis, Ind. Prior to 1915 we sold to these concerns large quantities of edible gelatins for the manufacture of capsules, coated pills, etc., at prices ranging from 36 cents to 38 cents per pound.

During the war, owing to the fact that practically all of the factories which supplied us in France or Belgium were either destroyed or unable to manufacture, the price of similar domestic gelatins was raised by the domestic manufacturer to from $1 to $1.50 per pound to these concerns, and they were compelled to pay these prices up to the present year.

We are inclosing you herewith copy of a letter written by the signer about a year ago, and every statement in this letter can be substantiated beyond question.

During the latter part of last year and the present year the prices of domestic glues and some of the lower grades of gelatins have fallen considerably, owing both to poor business and possibly a desire to influence your committee. It seems unbelievable that your committee should permit themselves to be influenced by the domestic manufacturers to impose such absolutely prohibitive rates, and if you will refer to your schedule you will find that never in the history of the United States have such rates, even under the highest protective tariff, been imposed on glues and gelatins.

The signer, who has been in business during the past 30 years, visits Europe every year and is well posted on foreign prices for these articles. Owing to the high prices existing abroad for all raw materials entering into the manufacture of glues and gelatins it is practically impossible for the foreign manufacturer to secure his raw materials certainly not lower and in many instances not as low as the American manufacturer of these articles.

As you probably are aware, the present rate on gelatins and glues costing over 25 cents per pound is 25 per cent, costing under 25 cents per pound the rate is 15 per cent, and on glues costing under 10 cents per pound the rate is 1 cent per pound.

While there is a possibility that owing to unsettled conditions abroad it may be necessary that we shall have a somewhat higher protection, the writer is firmly convinced that if you put a rate of over 25 per cent on glues and gelatins costing, say, over 15 cents per pound, you will, beyond question, prohibit the importation, and on glues costing, say, under 15 cents per pound, a duty of 15 per cent would certainly prove adequate to supply all the protection necessary and at the same time permit importation of this article.

As per my letter of January 15, 1921, to the chairman of the Ways and Means Committee, the glue and gelatin business of the United States is to-day practically in the hands of the packers and their affiliated concerns, the United States Leather Co., the Central Leather Co., the American Agricultural Chemical Co., and the American Glue Co.

You also are probably unaware that practically every one of the concerns enumerated above are in a position to secure the raw materials entering into the manufacture of glues and gelatins from their affiliated companies.

While I firmly believe that the rates existing under the present Underwood tariff bill are more than sufficient, in practically every instance, to give adequate protection to American industry, I am also convinced that if the other rates in your bill are proportionately the same as the proposed glue and gelatin rates, in the coming election—although I am a "lifelong Republican"—the Republican Party will unquestionably be swept out of office.

Assuring you of my sincere appreciation of your consideration, I am,
Yours truly,

S. ISAACS, Esq.,
By ALFRED F. ISLAN,
Member of Firm.

The same concern has written some other letters regarding this matter, inclosing another short brief upon the subject, and commenting upon the testimony of one Mr. George Upton, who appeared before the committee at the hearings. Before referring to that testimony, which I shall do at no great length, I desire to read the comments of this party regarding that testimony and his discussion in a very short way of the facts in the case. This communication is dated May, 1922, a very recent communication, and reads:

In spite of contrary comments and heated criticism, I firmly believe that the gentlemen who formulated the proposed tariff schedules were, as their chairman, Senator McCUMBER, said, animated by a desire "to lay the foundation for an era of nation-wide prosperity, to restore the buying power of the consumer, to protect the American producer, and carefully guard the interests of the great consuming public."

The molding of a nation's progress and prosperity is a great privilege, and one which I am sure no true servant of our Government would wittingly abuse; but I fear that in many instances the proposed rates are based on exaggerated and adroitly selected statements by commercial interests whose sole purpose is to create monopoly and exploit the "great consuming public."

Paragraph 39, schedule 1, of the proposed tariff act is a glaring instance of arbitrary rates which are the direct result of suggestions and misinformation presented before the Senate Finance Committee by Mr. George Upton, representing the National Association of Glue and Gelatine Manufacturers.

The following incontrovertible facts will not only refute Mr. Upton's statements before the Senate Finance Committee last August but will, I hope, prove conclusively that the rates on edible gelatin, as set forth in paragraph 39 of Schedule 1, are absolutely unreasonable and contrary to our Government's principle of equal and exact justice to all:

1. The Republican Party is pledged to write the tariff upon a basis of costs here and abroad, and not otherwise.

An attempt has been made, through the discussion of the bill thus far, to leave the impression that that was the principle which actuated the proponents of the bill in the Senate. I think we have discovered on many occasions that there were no facts or circumstances which would enable them to write duties upon any such basis, that they had to resort to many substitutes and to many subterfuges and unconvincing circumstances, in many cases resulting in mere guesses as to what the rate should be. At any rate, they have tried to do that in regard to some of the items. One would think that when facts are presented which would enable them to take those factors into consideration, the committee would at least give some heed to them when they are presented in such a very strong manner.

This writer proceeds:

The actual factors of cost in manufacturing edible gelatin are labor, coal, chemicals, and raw materials.

The writer then takes up these items. He says that the cost of labor is not over 20 per cent of the total cost. There is no evidence in the record that I have been able to find which states anything to the contrary that 20 per cent is the total labor cost. If there is any evidence to the contrary I have been unable to find it and would be very glad to be advised of it.

Coal: Cost of coal lower in the United States than in Europe.

That is a fact, as I am advised other than through this communication. Coal is one of the very essential costs of the production of this commodity and is cheaper in the United States than in Europe.

As to chemicals, he says:

Cost of sulphuric, muriatic acid, and peroxide of hydrogen lower in the United States than in Europe. Sulphuric acid, which is the chief ingredient from which muriatic acid is made, is available in the United States to-day at $10 per ton, as against a price in Holland of $12.64 per ton; thus it is infinitely cheaper in the United States than in Europe.

As to the raw material, he says:

Raw material for manufacturing edible gelatin costs the same the world over, and there is no duty upon such raw material entering the United States.

There are the four factors which enter into the cost of this commodity. As to labor there is an admitted advantage which amounts to 20 per cent of the total cost of the product in the foreign country. Of course, the labor over there costs something; just how much we are not advised, but it costs something. The whole item of labor here is only 20 per cent of the cost of the commodity itself. The item of coal enters into the cost of production, and we find that coal is cheaper in the United States than abroad. The chemicals which enter into the production are cheaper here than over there. As to the raw materials, there is no duty on the importation of the raw materials into the United States, and they come to the American market in competition with the world.

So, if a bill is to be framed upon the basis of the cost of production here and abroad, it seems to me that no one is able to justify the rates which are fixed in this paragraph. There is only one item as to which there is an advantage to the foreign producer, and that is the item of labor. That item constitutes only 20 per cent of the cost of the commodity. If it is admitted that the labor cost there is one-half what it is here, or one-fourth what it is here, these rates can not be justified, because the rates which have been fixed are 40 per cent not only upon the labor but the raw materials of all kinds, the coal, the chemicals, the raw products which are used. The rate is 40 per cent on the profits which the foreign producer might make. If these statements are at all true, if they approach the real situation, the duties can not be justified.

Mr. President, we have had some light thrown upon the methods of preparing the bill. This amendment which is prepared by the committee is substantially in accord with the suggestion and the request of the witness Upton, who has been so severely criticized in the communications which I have read and by the brief which was read from the desk.

Now, let us look at some of the other things which are furnished to us by the Tariff Commission. I have other communications regarding the matter, all to the same effect, but I shall not take the time to read them. I have here a statement of the imports prior to the war in 1914. The imports are a mere fraction of the production in this country—that is, under existing law and prior to the war. Since the war the imports have amounted to a mere nominal sum. They have not approached the imports which were coming in during 1914. Since the war we have been exporting these commodities to the rest of the world, and, of course, in competition with the world. I do not believe I will encumber the RECORD by reading all of the figures. The amount of imports prior to the war as compared with the production is a mere nominal matter. If the information which I have given is correct, I do not believe these duties can be justified.

I do not see why they should not remain just where they are under existing law. I do not care to discuss the matter any further.

The PRESIDING OFFICER. The question is on the adoption of the committee amendment on page 19 as amended on the motion of the Senator from Massachusetts [Mr. LODGE].

The amendment as amended was agreed to.

Mr. JONES of New Mexico. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from New Mexico suggests the absence of a quorum. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Glass	McCumber	Robinson
Brandegee	Gooding	McLean	Sheppard
Broussard	Hale	McNary	Shortridge
Calder	Harreld	Moses	Simmons
Capper	Harris	Myers	Smoot
Caraway	Harrison	Nelson	Sutherland
Colt	Heflin	New	Townsend
Culberson	Hitchcock	Newberry	Underwood
Cummins	Johnson	Nicholson	Walsh, Mont.
Curtis	Jones, N. Mex.	Norris	Warren
Dial	Jones, Wash.	Oddie	Watson, Ga.
Edge	Keyes	Overman	Williams
Ernst	Ladd	Page	Willis
Fletcher	Lenroot	Phipps	
Frelinghuysen	Lodge	Pittman	

Mr. HARRISON. I desire to state that the Senator from Wyoming [Mr. KENDRICK] is detained from the Senate on official business.

The PRESIDENT pro tempore. Fifty-eight Senators have answered to their names. A quorum is present.

Mr. SMOOT. Mr. President, on account of the illness of a number of Senators, and in pursuance of an agreement which was made between the Senator from North Carolina [Mr. SIMMONS] and the chairman of the Committee on Finance, the Senator from North Dakota [Mr. MCCUMBER], relative to the paragraphs covering extracted and expressed oils and vegetable oils, I shall have to ask unanimous consent that the remainder of Schedule 1 be passed over until to-morrow morning.

I now ask, Mr. President, that the Senate take up paragraph 202, the tile schedule, and agree to the two amendments which were not agreed to at the time that the senior Senator from Ohio [Mr. POMERENE] asked that those amendments be passed over.

The Senator from Ohio asked that the amendments referring to red or brown tile be passed over, thinking that the amendment of the committee inserting the words "red or brown" had some effect upon the industry to which his attention had been called. On the following day the senior Senator from Ohio informed the Senate that the committee amendment was exactly what he desired, that he had no further objection to its consideration, and expressed the hope that it would be adopted.

The PRESIDENT pro tempore. Is there objection to the request of the senior Senator from Utah? The Chair hears none and the amendment of the committee referred to will be stated.

The READING CLERK. On page 31, paragraph 202, in line 23, following the word "tiles," it is proposed to insert "red or brown, measuring seven-eighths of an inch or over in thickness."

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The Secretary will state the next amendment in paragraph 202.

The READING CLERK. On page 32, lines 9 and 10, the Committee on Finance proposes to strike out the words "brown in color, 3 cents per square foot, but not less than 20" and to insert "brown and measuring seven-eighths of an inch or over in thickness, 5 cents per square foot, but not less than 30."

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. JONES of New Mexico. Mr. President, I merely wish to call attention to the fact that in that case the committee have made the duty even higher than anyone has asked for. The testimony shows that even interested parties did not ask for so large a duty.

Mr. SHEPPARD. In the Senate committee amendment I move to strike out the words "5 cents per square foot."

The PRESIDENT pro tempore. The amendment proposed by the Senator from Texas will be stated.

The READING CLERK. On page 32, line 11, in the amendment of the committee, it is proposed to strike out the words "5 cents per square foot."

Mr. SHEPPARD. I move to insert in lieu thereof "20 per cent ad valorem." I do not know whether or not that amendment may be offered at this time, because a part of the amendment is the text of the bill as it came from the other House.

Mr. SMOOT. The first amendment offered by the Senator from Texas is in order.

Mr. SHEPPARD. I wish to say that I shall at the proper time offer an amendment reducing the rate from 30 per cent to 20 per cent. In the meantime, however, I move that the words "5 cents per square foot" be stricken out.

Mr. ROBINSON. If the Senator from Texas desires to do so, he may offer his amendment now because of the peculiar language of the committee amendment. The committee have proposed an amendment inserting the words "brown, and measuring seven-eighths of an inch or over in thickness, 5 cents per square foot, but not less than 30." The Senator may move to insert in lieu thereof any language which he desires.

Mr. UNDERWOOD. Mr. President, it seems to me that the Senator from Arkansas is clearly right; that although the wording of the Senate committee amendment does not propose to strike out the numeral "30" it changes the entire sentence, and the sentence is here before us.

Mr. ROBINSON. Yes.

Mr. UNDERWOOD. And undoubtedly the Senator from Texas is entitled to offer his amendment now if he desires to do so.

Mr. ROBINSON. I think there is no doubt about it.

Mr. SMOOT. I think the Senators from Alabama and Arkansas are wrong. The 30 per cent ad valorem rate was put in in the other House. The only change that has been made by the Senate committee is to increase the limitation of 3 cents per square foot to 5 cents per square foot.

Mr. UNDERWOOD. Yes; the committee change the specifications and bring in the subject matter. Of course, if the Senator from Utah wants to delay this bill, that is another matter.

If you want to expedite the passage of this bill, I have not understood and do not understand to-day why the committee in charge of it ever asked unanimous consent to dispose of the Senate committee amendments first and then have the Senate go back and take up all the amendments and consider the bill all over again. If we were expediting this bill we would read it paragraph by paragraph and dispose of the paragraph in all its features when we got to it, as the Senate rules require; but, of course, if you insist on passing on the mere language of the Senate committee amendments and then at a later date force the Senate to go back and consider the paragraph again and debate the whole paragraph over again you are just doing double work.

Mr. ROBINSON. Mr. President——

Mr. SMOOT. I want to say to the Senator from Texas [Mr. SHEPPARD] that I was wrong in saying that the 30 per cent was put in by the House. That is an amendment of the 20 per cent, and the Senator can offer any amendment to it that he desires.

Mr. ROBINSON. That was my proposal. That was what I stated in the beginning.

Mr. SMOOT. I will say to the Senator that when I first looked at it I thought that was the provision put in by the House, but it was not. It was an amendment to the House text, and, of course, the Senator can offer any amendment to it that he desires.

Mr. ROBINSON. That is what I stated.

The PRESIDENT pro tempore. The Chair is of the opinion that the amendment proposed by the Senator from Texas is in order.

Mr. SHEPPARD. It was very easy to be misled, because all the language was not in italics, and that caused the misunderstanding.

The PRESIDENT pro tempore. If agreed to, the amendment of the Senator from Texas would leave the duty upon the article mentioned at 20 per cent ad valorem.

Mr. SHEPPARD. I ask for the yeas and nays upon my amendment. I want to say that this phase of the industry has made decided progress under the present Democratic rate of 20 per cent, and I can see no reason for the increase. I therefore ask for the yeas and nays.

The yeas and nays were ordered.

Mr. FRELINGHUYSEN. Mr. President, may the amendment of the Senator from Texas be stated?

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The READING CLERK. The Senator from Texas [Mr. SHEPPARD] proposes, on page 32, lines 11 and 12, to strike out "5 cents per square foot, but not less than 30," and to insert in lieu thereof "20," so as to read "20 per cent ad valorem."

Mr. HITCHCOCK. Mr. President, before the vote is taken I should like to have somebody who proposes this increase in rate explain why it is proposed. Like every one of the other schedules here, we have existing law, and no effort whatever is made to show why the increase is asked. Is there not any reason? This is an effort to increase the cost of building. Now, why is it made?

Mr. SUTHERLAND. Mr. President, the fact is that until the war we were not manufacturing quarry tiles in this country to any appreciable extent—in fact, practically not at all. During the war seven factories started up to supply the demand of our builders for this class of material. Heretofore it had practically all been imported from Wales and other parts of Great Britain. About 75 per cent of the cost of this material is labor. Since the war closed, and since trading is becoming more and more normal, they are beginning now to ship over to this country these quarry tiles. If that is continued, all of these plants which were started up during the war will have to be closed down. The question is with reference to this item, just as it is with reference to a great many other items, whether you are going to have that class of material manufactured in this country by American workingmen, or whether you are going to have it manufactured in Wales or other countries by foreign workingmen. In order to have it done by American workingmen paid a fair wage and under American standards of living, we must have a reasonable per cent of protection; and the rate proposed in the bill is thought to be very reasonable, though it is less than was wanted by those who are engaged in the industry. They asked for 6 cents per square foot and not less than 40 per cent ad valorem.

Mr. HITCHCOCK. Can the Senator state what the production in this country is?

Mr. SUTHERLAND. It amounts to several hundred thousand dollars per annum, and several millions of dollars have been invested in the industry since the war began.

Mr. HITCHCOCK. This duty is figured on square feet. Can the Senator state what number of square feet are made in this country?

Mr. SUTHERLAND. I have not those figures, Mr. President.

Mr. HITCHCOCK. On what basis does the Senator state that the importation is threatening the destruction of the existing industries?

Mr. SUTHERLAND. The figures of the importations in this book show that the importations from the other side are increasing, and those who are in the business and are watching the importations closely state that they are largely increasing; and they come in competition with this class of material, particularly on the eastern seaboard.

Mr. HITCHCOCK. Will the Senator give the figures? I know that the manufacturers claim that, but I should like to have him give the figures of importations.

Mr. SUTHERLAND. If the Senator has the figures there——

Mr. HITCHCOCK. It is up to the Senator. Here you are asking for an increase in the price of a necessary building article, and I say the importations are negligible.

Mr. SHEPPARD. I will say to the Senator that the whole importations under this paragraph of all kinds of tile and tiling are only about $85,000. The exports are about a million dollars during the last year for which we have the figures.

Mr. SUTHERLAND. The imports in 1914 were valued at $111,000. These goods were not manufactured at all in this country, as I understand, prior to about 1908, and the industry started up in a very limited way in factories in which this was a side issue. There are now one or two factories which are engaged entirely in this industry. Their entire output is limited to these quarry tiles. The figures given in the Summary of Tariff Information, on page 259, at the top of the page, show in 1918 importations of $28,220; in 1919, $22,290; in 1920, $46,994; and for nine months of 1921, $30,879. So you can see that the importations are increasing. They were more than twice as much in 1920 as they were in 1919.

Mr. NORRIS. Mr. President, I should like to ask the Senator if he can give the figures as to the amount of consumption, how much of this article is used here?

Mr. SUTHERLAND. Apparently those figures are not available.

Mr. NORRIS. I should think that $30,000 in the case of an article of this kind would be very small. If that is all the importation there is, it does not seem to indicate very serious competition.

Mr. SUTHERLAND. There is not any very large amount invested. I think altogether about a million and a half dollars has been invested in this industry since the war. There is not a tremendous sum of money invested; the consumption does not run into the millions of dollars; but it is just as vital to their business to be protected from foreign competition to this extent as it is for any other industry which was started up and which can only be continued if a reasonable degree of protection can be given. It is very vital to these people and to the people of this country.

Mr. NORRIS. Naturally they want to have a protective duty on their product; but to my mind the evidence is lacking to show what the Senator asserts to be a fact; that is, that these men will have to shut down. What I fear is that they are asking for protection upon a war basis. That is one of the dangers, it seems to me, that is in this bill in so many places. They probably base their calculations on a war basis, which I think we all ought to concede is not a fair basis upon which to base our calculations.

Mr. SUTHERLAND. The Senator knows that it was impossible to base this bill upon anything but the conditions that now exist as the result of the war. We expect that we will have to remodel this bill some day or other to agree with conditions that exist later.

Mr. UNDERWOOD. Mr. President, will the Senator allow me to ask him a question? What is the amount of ocean freight on these tiles per square foot? The basis of the tariff is fixed on square feet, and I should like to know what the ocean freights amount to.

Mr. FRELINGHUYSEN. I have that estimate. I think it is 3 cents per square foot. I understand that that is the freight, insurance, and customs expenses.

Mr. UNDERWOOD. Mr. President, it seems to me that the duty carried in this paragraph is entirely too high. Of course I am not one of those who respond to the proposition, advanced here all the time, that because of war conditions and the advancement of industry during the war we must meet it by putting up higher tariffs.

The first really high tariff that was levied in this country was after the War of 1812, largely relating to the iron and steel business. During the embargo that existed during the War of 1812, due to the fact that the merchant vessels were run off of the seas and there was no carriage, the iron and steel industry developed in America, and then those who had been making enormous profits during the war wanted those profits guaranteed against competition and insisted on the tariff that was written a year or two later. That lifted the industry on stilts, put it in an artificial position, and it took years and years for it to get out of that artificial position and come to a point where it could face the entire world, as it does to-day.

I do not object to some tariff being levied at the customhouse. I believe in a revenue tariff, and it may be that some tariff should be levied on these articles, but in this case it must be remembered that there is practically an embargo against foreign importation. I did not know what the rate was myself, and therefore I asked the question. The Senator from New Jersey [Mr. FRELINGHUYSEN], a member of the committee, informs us that the ocean freight and charges amount to 3 cents a square foot. I had the idea that it was pretty high, because I know that this is a heavy material, difficult of handling, and takes up a great deal of space.

I recall when the present tariff law was written and chicken fencing wire was put on the free list a great cry came up that

that was going to destroy this industry, but an investigation had been made in which it was shown that this chicken wire when rolled up has great bulk. It occupies a very large space in the vessel, takes up a great deal of cargo space, although it weighs but little, and therefore there was a heavy rate of freight on it, very much greater than there was on ordinary iron and steel products, and the freight rate itself was an embargo which prevented importations. When this commodity lands at the port it has to pay the domestic railroad freight to get back into the interior, to all competitive markets except those at the seaport, and the ocean freight rates alone, according to the statement of the Senator from New Jersey, amount to 3 cents a square foot.

I am satisfied that that in itself is a very great embargo if the Senator is correct in his figures, and I assume he is. I knew it must be a heavy rate.

Mr. FRELINGHUYSEN. I have in my hand some information from the association of tile manufacturers in the United States. It gives the foreign value, the freight, insurance, customs duty, and expenses for all tile, and it is uniform on every item. If I have the Senate's permission, I will put that in the RECORD at this point.

Mr. UNDERWOOD. I do not care to have it inserted in the RECORD in my speech, but the Senator can put it in when I am through.

Mr. FRELINGHUYSEN. Very well; I withhold it for the present.

Mr. UNDERWOOD. I have no doubt that the Senator is correct in reference to the freight rates. Three cents a square foot is a very large charge on any commodity, and unless there are extraordinary charges on a common commodity like tile it seems to me 3 cents a square foot would equalize all differences in charges; but the motion of the Senator from Texas is merely to reduce the rate suggested by the committee by about a third. They say not to exceed 30 per cent ad valorem, and he proposes to reduce it to 20 per cent ad valorem.

Mr. SHEPPARD. I say to the Senator that that was the rate allowed by the House. After careful hearing the House committee decided that 20 per cent ad valorem would be a proper minimum.

Mr. UNDERWOOD. I think the proposal of the Senator from Texas in reference to this item is certainly very reasonable.

The PRESIDENT pro tempore. The Senator from Texas has asked for the yeas and nays.

Mr. SHEPPARD. Mr. President, a question was asked a few moments ago as to what the total production under this paragraph was. The value of the total production for all tiles and tiling in 1920 was over $10,000,000. The exports were valued at a million dollars; the total imports at only about $85,000. Those figures speak for themselves. As to the particular kind of tiling under consideration, it may be said that the total production is about $1,000,000 per annum and that imports have a yearly value of about $30,000.

Mr. SUTHERLAND. My impression is that the figures quoted by the Senator from Texas relate to all tiles, and not to the so-called quarry tiles which are under immediate consideration.

Mr. SHEPPARD. The figures quoted by the Senator from West Virginia relate to all kinds of quarry tiles, so called, and do not refer specifically to this red or brown article, which is, in fact, an exceptional article, produced practically exclusively abroad, and not made to any great extent in America at all.

Mr. ROBINSON. Will the Senator from West Virginia yield for a question?

Mr. SUTHERLAND. Certainly.

Mr. ROBINSON. The Senator has challenged the accuracy of the figures quoted by the Senator from Texas respecting exports and imports. What is the amount of importation of this class of tile?

Mr. SUTHERLAND. I read the figures relating only to quarry tile. I have not the figures of production. It has been very difficult to get those figures, because all kinds of tile are lumped together in one set of figures, as a rule, not separating the so-called quarry tiles which are now under discussion. That is the reason why I suggested to the Senator that these figures probably included all the different kinds of tiling, and did not refer merely to quarry tiles.

Mr. ROBINSON. The correct figures as to the quarry tiles alone, of course, would be less than for all classes of tiles.

Mr. SUTHERLAND. Yes; they would be very much less. I think the Senator's figures were too high.

Mr. ROBINSON. What is the total value of all importations of tile of all classes?

Mr. SUTHERLAND. I placed in the RECORD awhile ago the figures showing the importations of quarry tile for the years 1918 to 1921, inclusive.

Mr. ROBINSON. What is the average value of the importations?

Mr. SUTHERLAND. In 1918 there were $28,220 worth imported; in 1919 there were $22,290 worth imported.

Mr. ROBINSON. That is a very small amount, is it not?

Mr. SUTHERLAND. In 1920 there were $46,994 worth imported.

Mr. ROBINSON. How do the importations of quarry tile compare with the exportations of the same commodity?

Mr. SUTHERLAND. There are practically none exported from this country.

Mr. ROBINSON. The importations are small?

Mr. SUTHERLAND. The importations are not large, but growing.

Mr. FRELINGHUYSEN. Mr. President, you can not take the whole tile production in this country and base your opposition upon that. As I understand this situation, the quarry tiles are special tiles, which are utilized for building purposes in mantle facings, wainscoting, bathrooms, and for floors. That, in comparison with the general tile industry of the country, is a very small portion of the entire industry. I think in my State there are several of these tile factories. There are a number in West Virginia, in Pennsylvania, and in Ohio, which have, as a part of their industry, the manufacture of this special class of goods. The question is not what the extent of the production is; the question is, How shall we properly and fairly protect it against foreign competition? That is the question, and upon that question we ask, What is the differential between the prices of the imported article and the American manufacturing costs?

The information I have is that the foreign values of these tiles average about 15.2 cents. That is the foreign invoice selling price. Added to that is the 3 cents for the freight, insurance, and customs, making the cost at the dock in this country 18.2 cents, which, plus 5 cents duty, makes the actual foreign selling price in the United States 23.2 cents. The comparable tiles of domestic manufacture costs 40 cents per square foot. Therefore you have the difference between 23.2 cents, under the Underwood tariff law, and 40 cents, the domestic price.

On another similar article you have the foreign value of 18.2 cents; with the Underwood rate added, 26.2 cents. The comparable domestic cost is 40 cents.

Then you have the cheaper tile, 11.4 cents. The foreign selling price in the United States is 19.4 cents. These are all based on invoices. The comparable American article is 25 cents.

On another item the foreign selling price in the United States is 31 cents, as against 57.5 cents for the comparable tile of domestic manufacture.

I know nothing about the production or the imports beyond the fact that this is for 1921, and in 1921 I think the importations were $30,000 for nine months. But the question which the committee and the Senate have to decide is the difference between the American selling price and the landing price of the imported article, and upon that the tariff is fixed.

Mr. SHEPPARD. Mr. President, did the Senator give the American selling price of the red or brown quarry tile?

Mr. FRELINGHUYSEN. It is 11.4 cents.

Mr. SHEPPARD. That is the foreign price?

Mr. FRELINGHUYSEN. Nineteen and four-tenths cents, plus the present tariff.

Mr. SHEPPARD. That is the American price?

Mr. FRELINGHUYSEN. That is the landing price of the foreign article in the United States, and comparable tile of domestic manufacture costs 25 cents.

Mr. HITCHCOCK. The Senator is not able to state the figures as to the production in this country?

Mr. FRELINGHUYSEN. Of these tiles?

Mr. HITCHCOCK. Yes.

Mr. FRELINGHUYSEN. No; but I am informed it is between one and two million dollars in value.

Mr. HITCHCOCK. So we are being ruined by the importation of about $30,000 worth?

Mr. FRELINGHUYSEN. Mr. President, I do not think that is the question. Everyone knows that this is a tremendous industry in Wales and in England, and in framing a tariff we have to frame it under differentials between the production cost here and abroad.

Mr. HITCHCOCK. If the present tariff were not high enough there would be a large import, would there not?

Mr. FRELINGHUYSEN. I take it that that is the menace.

Mr. HITCHCOCK. But there is not any importation?

Mr. FRELINGHUYSEN. There has been. The Senator is taking the war years. I do not know what the figures were for the period prior to the war.

Mr. HITCHCOCK. We got over the war three or four years ago.

Mr. FRELINGHUYSEN. That theory has been advanced. We are not over the war yet, as far as the industrial situation is concerned. The war still exists, as far as the difference in exchange values, credits, and things of that character are concerned, and we still have competition. The war is on between low foreign labor and standards of living in this country, which we want to protect for the American workingman.

Mr. HITCHCOCK. Yes; the war is on, and under that war we have imported only $30,000 worth, although we manufacture a million dollars' worth a year. Did the Senator say one million or several million?

Mr. FRELINGHUYSEN. I said one million.

Mr. HITCHCOCK. How many institutions are there?

Mr. FRELINGHUYSEN. I can not give the number which are manufacturing this product. I know in my State at the present time there are some 19 tile manufactories. I have the information here:

Quarry tiles are defined as "unglazed, vitrified flooring tiles made from natural clays." There are seven small plants now in the United States making this product. These plants are located all over the United States.

Mr. HITCHCOCK. This is the red or brown quarry tile?

Mr. FRELINGHUYSEN. Yes.

Mr. HITCHCOCK. It is what goes into cheap mantels in moderate-priced houses, and the Senator does not want the American rent payers to have moderate-priced tiles. Is that it?

Mr. FRELINGHUYSEN. Mr. President, I want them to have moderate-priced tiles, but I want them to be furnished by American manufacturers, not Welsh manufacturers or German manufacturers.

Mr. HITCHCOCK. The Senator says that of over a million dollars' worth which we are consuming a year, only $30,000 worth come in from the outside. Does he not want any competition at all?

Mr. FRELINGHUYSEN. Does the Senator want them put on the free list?

Mr. HITCHCOCK. Yes; I would like to have them on the free list. I think it is evident that the tariff is too high already, if only $30,000 worth comes in, but over a million dollars' worth is consumed. I ask the Senator the question, Does he not want any competition from abroad? Does he want an absolute monopoly? Does he want to throttle trade from abroad, and make it impossible for Europe to buy anything from us, as it will be if she is not able to sell anything to us?

Mr. FRELINGHUYSEN. Mr. President, I am perfectly willing to answer that question. I am in favor of the policy of a protective tariff for American industry and American labor. The Senator is a free trader. He wants to purchase all building material abroad, according to the theory advanced in his speeches. He does not want to protect American industry or American labor. I do. I want the American consumer to buy on the American market the products of American industry.

Mr. HITCHCOCK. I want to protect American industry, and I want to protect the man who has to rent a house, and whose rents now are exorbitant. I want to protect the man who is suffering now from the high cost of building as well as the high cost of living.

The Senator says he wants the American industry to have this protection, and yet he admits that the competition from abroad amounts to only 3 per cent. Out of $1,000,000 only $30,000 worth is imported. What degree of competition is the Senator willing to have? I ask him if he wants a monopoly and entirely to shut out foreign trade? He wanted that in cement, he wanted it in wood alcohol, and he wanted it in ink. Does he expect any foreign competition or does he want no competition from abroad?

Mr. FRELINGHUYSEN. I know that unless the American laboring man is protected and has employment he will not have any money to buy houses or building materials. I want the American laborer protected, so that his employment will be insured and assured. The Senator does not seem to care anything about the laboring man. He does not seem to care anything about promoting American industry. He is caring more about the importer and the middleman.

Mr. HITCHCOCK. I notice that the very same industries which are coming to Congress and asking for protection are to-day squeezing down their labor and trying to force them to accept lower wages. I notice that they have not any tender feelings toward their labor when it comes to the payment of wages, and they seem to forget that a very large proportion of the laborers' wages goes for rent. It has been developed here that there is a deliberate conspiracy on the part of those who produce the building materials of the country to keep up the high cost of living. That has been revealed by the investigation in New York, and Mr. Untermyer, in charge of it, has appealed to Congress to permit foreign competition to come in and help to regulate the monopoly, which is now making the cost of building a very serious problem in the United States.

This is not an enormous item, but it amounts to a few million dollars; the Senator from New Jersey says $1,000,000, but he objects even to a 3 per cent competition from abroad. Where would he put it? I ask him if he wants monopoly for the American manufacturer, and if he does not provide for monopoly what percentage is he willing to concede for the purpose of regulating these charges? Can the Senator answer that? Can he say with what degree of competition he will be satisfied if 3 per cent is too large?

Mr. FRELINGHUYSEN. I have stated time and again that my theory of a protective tariff is the difference in the conversion cost here and abroad, and that I would be perfectly willing to have the settled tariff policy, the fundamental policy, of this country based upon that theory. I think all our tariffs are practically estimates. The average life of all the tariffs that have ever been written has not been more than four years. I should like to see a scientific tariff if we could arrive at it. But at the present time in writing a tariff bill, as was done when the Underwood law was framed, the principal estimates that were made were built upon the theory of the difference in the selling price here and abroad. Upon that differential the tariff was fixed upon this item, and the figures before the committee proved conclusively that upon that basis it is a fair and reasonable duty. It will not bar entirely foreign importations. If there is any special article that people would like to utilize in building they can import it. Therefore, on the difference in the figures which I have put in the RECORD, this duty is justified and warranted.

I am told that the profits of the importers of tiling amount to 50 per cent, or 15 cents or more per square foot. Much of the costly imported tiles used by architects, because of the pleasing color, are very much sought after in building, and the importers add 50 per cent. I know in the china and earthenware items the importers figure 50, 60, and 75 per cent profit.

As I said before, and some of the Senators on the other side seemed very hilarious when I made the statement, their theory is to relieve the importer of this duty and protect the importer rather than American industry and the American laborer. That is where the whole tariff policy advocated by the Senator from Nebraska fails. It does not relieve the American laborer, the American working man, the American housebuilder. It simply helps the importer to charge high profits for the importations of building materials and china and pottery where we have to meet so much competition from Europe, particularly from England and Germany.

Mr. HITCHCOCK. Then the importers, by charging exorbitant profits upon their imports, impose a sort of tariff against the imports In other words, the Senator's argument is that the importers are able to compete with local concerns because the local concerns are charging the high prices. He is indicting the American manufacturer himself. He is charging that the American manufacturer of tile is keeping the price so high that the importer can pay the tariff and compete with him and charge an equally high price.

It is quite impossible for the importer to charge any greater price than the market will stand. If he is making an exorbitant profit, it is because the manufacturer is setting the level for him. The way to bring that down is to reduce the tariff. Even the present tariff duty must be excessive if we only import 3 per cent of a certain product into the United States.

As I have said, the importation is almost negligible. The Senator still has not answered my question. What degree of competition from abroad is he willing to permit? Does he insist upon a monopoly? If he will not tolerate 3 per cent of competition, what degree of competition will he permit? He does not answer whether he insists upon a monopoly, and yet he objects to 3 per cent of imports—$30,000 worth of imports to compete with over a million dollars of American products.

I wish to refer to the Senator's statement that this tariff is put on for the purpose of compensating the American manufacturer for the difference in the cost of labor in the United States and abroad. I do not see how a Senator can make a statement of that sort with a straight face. Going through the tariff schedules, one can find hundreds—and I have no doubt thousands—of cases in which the tariff is higher than the whole cost of manufacture or the whole cost of labor in this country. The Senator says it is only to compensate for the difference in

the cost of labor in Europe and in the United States. Yet there are many cases, as has been shown heretofore, in which the total cost of labor in the United States in producing a given article is not as much as the tariff which the Senator and his colleagues propose to impose on the American people.

Taking the schedules on an average, it is easy to see what the labor cost is in a given schedule or in a given article, or in all the articles in the schedule. In many cases the tariff imposed is actually greater than the whole cost of the labor; yet the Senator stands here and says it is to compensate the American manufacturer for the difference in the cost of labor. As a matter of fact, what it is for is to enable the favored American manufacturer to maintain his present prices. It is to enable him in some cases to increase his prices. It is for the purpose of freeing him entirely from foreign competition. He even begrudges 3 per cent of competition on certain articles.

On Saturday some Senators denounced the foreign banking interests and the importers, as the Senator from New Jersey has done to-day, for desiring to reduce the cost of the tariff for the purpose of their own profits. Senators have denounced the importers because they have appeared before the committee and sought to reduce tariffs or to keep them down. I wonder if Senators have looked at the other side of the picture. Do they know that there are millions of people in this country who are complaining to-day of the high cost of living, complaining of the prices which the retail merchants charge them at the stores in the United States? If the Senator will go out among the people he will find that the general popular complaint is that the retail stores are charging too much already for the things they are compelled to buy, and the fear in the minds of the American people is that by putting up these tariffs we are going to increase the prices of goods sold in the stores to the people.

Last Saturday the retail trade subdivision of the Lincoln Chamber of Commerce of Lincoln, Nebr., had a meeting. They considered the so-called Fordney tariff bill, and after a general discussion the following resolutions were adopted, and I ask the Senator from New Jersey to listen to them. Besides having a good many manufacturers in his State, he has some retail merchants. He had better think of them once in a while. Besides that, he has in his State millions of people who are buying goods of the retail merchants there. Here is what the Retail Merchants' Association of Lincoln, Nebr., resolved, and I have no doubt that merchants and retailers in other cities of the United States would adopt similar resolutions if they considered the subject:

Whereas the retail dealers of the city of Lincoln are unalterably opposed to unnecessary advances in the prices of commodities; and

Whereas higher prices will react unfavorably against the retailer; and

Whereas the proposed tariff bill under consideration in the United States Senate will inevitably cause an unnecessary increase in prices, due to the large increase in the tariff rates on nearly all classes of commodities: Therefore be it

Resolved, That the retail trade promotion subdivision of the Lincoln Chamber of Commerce, at a special meeting called for the purpose of considering the effects of a high tariff, request the board of directors of the Lincoln Chamber of Commerce to convey to the Representatives and Senators from Nebraska this resolution opposing the enactment of the proposed tariff bill now under consideration.

I tell the Senator from New Jersey that that resolution expresses the public opinion of the big Republican city of Lincoln, Nebr. It expresses the opinion of the retail merchants all over the United States, regardless of party. They are afraid of any act of Congress which is going to compel them to increase to their customers the price of goods which they are selling. They know that the inevitable consequence is going to be an uproar of complaint. I warn the Senator from New Jersey that in his efforts to promote the profits of the manufacturers in his State he is going to bring down upon his head the wrath of the people who will be compelled to pay these prices and the wrath of those who are going to be compelled to pay the rents due to the combination of a high tariff and a conspiracy of those who control the building materials.

The people of the United States who have now been under the stress of a depression for nearly two years are tired of having their pockets picked by excessive prices. They want to see those prices come down. They are coming down somewhat. They will come down more if let alone, but when the Congress of the United States deliberately goes to work to increase the cost of almost every article of consumption in the United States, the people who are burdened with the high cost of living at the present time are going to pay the penalty. I think if the Senator investigates among his people he will find that this expressed discontent of the merchants in Lincoln, Nebr., will be the expressed discontent of merchants all over the country, because it will antagonize their customers and injure their business.

Mr. SHEPPARD. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. UNDERWOOD. Mr. President, before the vote is taken I wish to recapitulate for a moment. This is one of the important commodities which, as the Senator from Nebraska [Mr. HITCHCOCK] has stated, which go into the cheaper homes of the American people to beautify them and to make them comfortable. We have the line very clearly drawn in this item as to where we stand. I have no hope of convincing the Senator from New Jersey [Mr. FRELINGHUYSEN], because he construes a protective tariff bill—though he has not said so in so many words—as being a tariff that excludes competition from abroad and gives a monopoly to the American producer; but his figures as to this item clearly show the Senate what is being done in this case.

There is no use in calling Democrats free traders so far as this item is concerned, for the proposal of the Senator from Texas [Mr. SHEPPARD] to reduce this 30 per cent rate to a 20 per cent rate is a very modest and moderate reduction.

Now, let us analyze this proposition just for a moment before we vote. The Senator from New Jersey is a member of the Finance Committee and helped write this bill. A large portion of this commodity is produced in his State; tiles are manufactured in his State; he is supposed to know what he is talking about; and I have no doubt that his advice and suggestions carried the greater weight in the Committee on Finance in increasing the House rate to the extent proposed. It is admitted in this case by those in charge of the bill that the domestic production is $1,000,000 a year—I think it is greater than that; but, at any rate, we will accept that statement—while imports are only $30,000. As has been said before, 3 per cent competition from abroad can not ruin any industry.

The Senator from New Jersey has stated—and he has read the figures; he has been very candid, very kind to us in giving us a clear expression of the situation—that the American price is something like 25 cents per square foot. Mark you, that is the American wholesale price, which, of course, includes the profit of the manufacturers, and it may be an intermediate profit, before it gets to the wholesale dealer. Then he gives us what the import price is, including cost of freight and other charges. He then says that the tariff rate of 5 cents a square foot was levied to equalize the condition between the wholesale selling price and the cost of importation at the customhouse. He has not included on the import side any profit, although he says the importers get a large profit; but in making his comparison of the wholesale selling price he has of necessity included the manufacturer's profit; and he wants an average rate that will not only equal the cost of laying the goods down in this country without any profit but he wants it to be high enough to equal the cost of production here, together with the wholesale profit of the American manufacturer.

What does that mean? It can mean but one thing: That if we adopt his suggestion—and he has written this rate, of course—we are adopting a policy that we are going to exclude importations of this article from coming into the country. That is the issue in this case. The Senator and his colleagues can not hide behind the wall and say that we are proposing to do something radical by the amendment of the Senator from Texas; that we are rushing to free trade; but the Senator from New Jersey is insisting on writing a tariff rate whereby the imported article will be charged a sufficient rate of duty to equalize the cost of production here and the profits before we will allow the importer to get a cent of profit; which means a prohibitive tariff wall; it means exclusion. We are going to have a record vote; here is the issue, and I wish to see how the parties in this Chamber divide on the question.

Mr. SUTHERLAND. Mr. President, I will say in reply to the Senator from Alabama that he is certainly mistaken in saying that these tiles go exclusively into the poorer class of houses. The imported article sells in this country at from about 36 to 38 cents per square foot. This class of tiling goes into the expensive class of houses, and into the buildings, business and otherwise, which are finished up in a more or less pretentious and decorative manner. They do not, I repeat, go into the poorer class of houses.

In order to show that the result of the imposition of this duty, considered from the standpoint of a revenue measure, need not shut off importations, if that is what the Senator from Alabama is frightened about, I will quote some official figures.

Mr. UNDERWOOD. Mr. President, the Senator from West Virginia [Mr. SUTHERLAND] and the Senator from New Jersey do not agree in their figures. The Senator from New Jersey, who is temporarily in charge of the bill, gave an itemized account of the price of these tiles—it was read from the desk and will be in the RECORD in the morning—in which it was stated that the cost of materials amounted to 19 or 20 cents.

The Senator from West Virginia is now bolstering up his figures by showing that the cost of these tiles is 38 cents.

Mr. SUTHERLAND. That is the selling price.

Mr. UNDERWOOD. The Senator from New Jersey gave an itemized statement.

Mr. SUTHERLAND. The Senator from Alabama is mistaken. I referred to the selling price in this country.

Mr. UNDERWOOD. The Senator from New Jersey also stated that the American selling price was 25 cents. Now, if there are any tiles coming in at the price which the Senator from West Virginia names, and if we are making them and selling them at 25 cents at a profit, there certainly can not be any danger to the American manufacturer.

I think the Senator from West Virginia has merely selected some instance where tiling has sold extraordinarily high. Of course, I know that in certain instances tiling is quite expensive, but I think the Senator from New Jersey made the issue on the average kind of tile. I do not mean for the cabin, for there is no tile used in the cabin; but I mean for that class of American citizens who are fairly well to do and who want some decoration about their homes.

Mr. SUTHERLAND. The class of tiling that is particularly under consideration is one particular kind called quarry tiles. The so-called Reynolds report gives reliable figures of comparatively recent date as to the value of importations in United States currency, the landing charges, insurance, and so forth, and the selling price of the foreign article in the United States, together with the selling price of the domestic article reported to be comparable. There are five different invoices listed. The first is of Welsh quarries or quarry tiles, 6 by 6 by 1 inch, best red. The foreign value of the imported article in that case is 17.6 cents; the landing charges, including freight, insurance, and so forth, amount to 6¼ cents; the rate of duty under the present law is 20 per cent, amounting to 3½ cents; the overhead and profit on landed cost, including duty, is 10.37 cents; and the selling price of the foreign article in the United States is 37½ cents per square foot. The selling price of the domestic article reported comparable is 22 cents a square foot.

Mr. UNDERWOOD. Now, will the Senator tell me how thick that tile is? Does the document show how thick it is?

Mr. SUTHERLAND. The document from which I am reading indicates they are 1 inch thick.

Mr. UNDERWOOD. Then those tiles are not embraced in this paragraph. I fear the Senator has not read the bill carefully. The paragraph refers to tiles measuring seven-eighths of an inch thick, while the tiles the Senator has been discussing are 1 inch thick. That is just what I thought. The Senator was referring to a tile that is not included in the clause about which we are talking.

Mr. SUTHERLAND. If the Senator will read the clause, he will see that it says, "measuring seven-eighths of an inch or over in thickness." That includes, of course, tiles that are an inch thick, or one-eighth of an inch over seven-eighths of an inch.

Mr. UNDERWOOD. I think the Senator is correct about that; I was mistaken.

Mr. NEW. Mr. President——

Mr. SUTHERLAND. I beg the Senator's pardon, but I have not finished. There are five other invoices listed, taken from actual imports. The next item covers red tiles 6 by 6 by 1 inch, the foreign value of which in United States currency is 12.6 cents: landing charges, 4.4 cents; duty at 20 per cent ad valorem, 2½ cents; overhead profit on landed costs, including duty, 16½ cents; and selling price of the foreign article in the United States, 36 cents. It will be noted that the foreign value in United States currency is 12.6 cents, while the selling price in this country was 36 cents per square foot. In other words, the article sold in this country for three times what it cost on the other side to obtain the article.

In the case of the next invoice listed the foreign value is 13 cents, while the foreign selling price in this market of the article, plus the additional charges for freight, duty, overhead expenses, and so forth, is 36 cents, while the comparable American article sells for 22 cents. The other invoices listed show a range of foreign value of 13 cents to 17.6 cents and selling prices of 36 cents to 37½ cents.

I will call the Senator's attention to the fact that there is an article included in this list which costs 5 cents more on the other side than for the other items, and yet it sells on this side at an addition of only 1¾ cents; that is, the increase to the consumer on this side is 1¾ cents. So the 5 cents may be added to all of these articles without a cent's worth of increase in price to the consumer, and the Government will get the additional revenue.

Mr. UNDERWOOD. If I understand the Senator, he has been quoting figures to prove that the foreign article compared with the American article is selling for a higher price than the American article. Did I understand the Senator correctly?

Mr. SUTHERLAND. That is largely true, because the articles go into the more expensive type of dwellings and are purchased because of considerations of taste regarding color, and so forth. Many people prefer to buy a foreign article for their homes rather than buy an American article even of the same or better value.

Mr. UNDERWOOD. Mr. President, of course we can not prohibit the American people from buying what they please unless they buy whisky or opium; but certainly for the tiling or decoration of their houses we are not going to send them to jail for buying an article which they want. To say that the American manufacturer is in danger and that we must levy this tariff rate because the comparable foreign article sells in this market at a considerably higher price than the American article is certainly a new argument to me as to why we should establish this prohibitive tariff.

Mr. NEW. Mr. President, I am compelled to leave the Chamber in about 30 minutes. For two or three days I have been seeking an opportunity to present an emergency matter for the consideration of the Senate. It is a matter which, I hope, will not encounter much opposition or prolonged debate. It refers to the increase of the taxes in the Philippines, with a view, of course, to increasing Philippine revenues. It is intended to meet a very real and pressing emergency there; and I have asked the chairman of the Finance Committee, in charge of the bill, if he would consent to the temporary laying aside of this bill in order that the measure to which I refer may be presented, at least to the point where we may see if it is apt to encounter much debate.

Mr. NORRIS. Mr. President, I should like to ask the Senator if he will not permit us to vote. I think we are ready. A roll call has been ordered, and if we lay aside this item and take it up again we shall have another debate on it. Everybody is ready to vote on it.

Mr. NEW. If we are ready for a vote, I shall, of course, defer my request.

Mr. UNDERWOOD. Mr. President, I concur with what the Senator from Nebraska has said. I suggest to the Senator from Indiana that we have about finished the debate on this item, and I think we had better vote on it, and not after an hour of debate on something else come back here and debate it over again.

Mr. NEW. If we are to vote on it, I withhold the request.

Mr. NORRIS. Let us vote.

The PRESIDENT pro tempore. The question is on the amendment of the Senator from Texas [Mr. SHEPPARD] to the amendment of the committee, on which the yeas and nays have been requested and ordered. The Secretary will call the roll.

Mr. WALSH of Massachusetts. May we have the amendment stated?

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 32, lines 11 and 12, it is proposed to strike out "5 cents per square foot, but not less than 30," and to insert in lieu thereof "20."

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). I am paired with the Senator from Missouri [Mr. SPENCER]. Being unable to secure a transfer, I shall have to withhold my vote. If at liberty to vote, I should vote "yea."

Mr. GLASS (when his name was called). I transfer my general pair with the senior Senator from Vermont [Mr. DILLINGHAM] to the junior Senator from Rhode Island [Mr. GERRY], and will vote. I vote "yea."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Missouri [Mr. REED], and will vote. I vote "yea."

Mr. NEW (when his name was called). Transferring my pair with the junior Senator from Tennessee. [Mr. MCKELLAR] to the junior Senator from Pennsylvania [Mr. PEPPER], I vote "nay."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the junior Senator from Arizona [Mr. CAMERON], which I transfer to the senior Senator from Tennessee [Mr. SHIELDS], and will vote. I vote "yea."

Mr. WILLIAMS (when his name was called). I have a pair with the Senator from Indiana [Mr. WATSON]. Being ignorant of how he would vote, I must withhold my vote. If the Senator from Indiana were present, I should vote "yea."

Mr. WILLIS (when his name was called). I am paired for the week with my colleague, the senior Senator from Ohio [Mr. POMERENE]. I transfer that pair to the junior Senator from Delaware [Mr. DU PONT] and will vote. I vote "nay."

The roll call was concluded.

Mr. EDGE. I transfer my pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from Oregon [Mr. STANFIELD] and will vote. I vote "nay."

Mr. STERLING. I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Maryland [Mr. WELLER] and will vote. I vote "nay."

Mr. COLT. Transferring my pair with the junior Senator from Florida [Mr. TRAMMELL] to the senior Senator from Pennsylvania [Mr. CROW], I vote "nay."

Mr. McCUMBER (after having voted in the negative). I transfer my general pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Washington [Mr. POINDEXTER] and will allow my vote to stand.

Mr. JONES of Washington. The senior Senator from Virginia [Mr. SWANSON] is necessarily away, and I have agreed to pair with him for the day. Therefore I withhold my vote.

Mr. DIAL. I transfer my pair with the Senator from Missouri [Mr. SPENCER] to the Senator from Texas [Mr. CULBERSON] and will vote. I vote "yea."

Mr. HARRIS (after having voted in the affirmative). I transfer my pair with the Senator from New York [Mr. CALDER] to the Senator from Arizona [Mr. ASHURST] and will let my vote stand.

The result was announced—yeas 24, nays 36, as follows:

YEAS—24.

Borah	Harris	Newberry	Simmons
Caraway	Harrison	Norris	Stanley
Cummins	Heflin	Overman	Underwood
Dial	Hitchcock	Pittman	Walsh, Mass.
Fletcher	Jones, N. Mex.	Robinson	Walsh, Mont.
Glass	Myers	Sheppard	Watson, Ga.

NAYS—36.

Brandegee	Frelinghuysen	McCumber	Phipps
Bursum	Gooding	McLean	Rawson
Capper	Hale	McNary	Shortridge
Colt	Johnson	Moses	Smoot
Curtis	Kendrick	Nelson	Sterling
Edge	Keyes	New	Sutherland
Elkins	Ladd	Norbeck	Townsend
Ernst	Lenroot	Oddie	Warren
France	Lodge	Page	Willis

NOT VOTING—36.

Ashurst	Fernald	McKinley	Smith
Ball	Gerry	Nicholson	Spencer
Broussard	Harreld	Owen	Stanfield
Calder	Jones, Wash.	Pepper	Swanson
Cameron	Kellogg	Poindexter	Trammell
Crow	King	Pomerene	Wadsworth
Culberson	La Follette	Ransdell	Watson, Ind.
Dillingham	McCormick	Reed	Weller
du Pont	McKellar	Shields	Williams

So Mr. SHEPPARD'S amendment to the amendment of the committee was rejected.

The PRESIDENT pro tempore. The question now is upon agreeing to the committee amendment.

The amendment of the committee was agreed to.

ISSUE OF BONDS BY THE PHILIPPINE GOVERNMENT.

Mr. NEW. Mr. President, I now renew my request for the present consideration of House bill 10442, with the understanding reached with the chairman of the Finance Committee that I shall have to withdraw it if it gives rise to any very prolonged discussion.

Mr. ROBINSON. Mr. President, I have no objection to proceeding to the consideration of the bill. Being a member of the committee which considered and reported it, I have some familiarity with its provisions and purposes, and I will say to the Senator from Indiana that it will require a little time to discuss it. In my opinion, no great period will be consumed in the discussion of the bill, but it will be necessary to state the changes which the bill makes in existing law and the reasons for them.

Mr. NEW. I take it for granted, of course, Mr. President, that it will require at least a statement of the purposes of the bill, and, possibly, some questions may be asked; but I assume it will not take any considerable length of time. The facts are that by the provisions of this bill the Philippine Government is authorized to levy a tax up to 10 per cent of the total assessable value of the Philippine Islands, which are estimated at $740,000,000.

Mr. ROBINSON. Will the Senator permit an interruption?

Mr. NEW. Certainly.

Mr. ROBINSON. I do not think the Senator states the provisions of the bill correctly. I noticed in his statement, made prior to the last vote, that he said the same thing which he now repeats, namely, that it authorizes the tax up to 10 per cent. The Senator may have in his mind what the bill actually does, but the bill makes two changes in existing law, if the Senator will permit me to express my understanding of it.

Mr. NEW. I will be very glad to have the Senator do so.

Mr. ROBINSON. First, under the provisions of the law passed by Congress and approved July 21, 1921, there is a limitation of $30,000,000 on the amount of bonds which may be issued by the Philippine government, not taking into consideration friar-land bonds and certain other bonds of that government. There is a limitation in the existing law of 7 per cent of the taxable value of the property of the Provinces and municipalities on the amount of bonds which may be issued by them.

This bill expands the maximum authorization for the Philippine government to 10 per cent of the taxable value of the property of the government and expands the amount of bonds which may be issued by the city of Manila from 7 per cent to 10 per cent of the taxable property in the city of Manila.

The act of 1921, to which I have already referred, was intended to do what this bill does—afford financial relief from an emergent condition there as represented by both the American and the Philippine authorities. But it seems that General Wood and others who have studied the subject have concluded that that act did not go far enough. It extended the limitation on the amount of bonds which might be issued by the Philippine government from approximately $15,000,000 to $30,000,000, not taking into account the classes of bonds which are excepted and which I have mentioned heretofore, and this provision more than doubles the limitation now prescribed by law on the amount of bonds which the Philippine government may issue.

The legislation is urged by the Philippine government. The Philippine Legislature passed a concurrent resolution requesting Congress to expand these limitations, particularly those relating to the Philippine government, and the purpose of that, as set forth by General Wood, was to reimburse the United States for certain sums loaned, to reimburse certain funds for irrigation and other public works of a permanent character, and provide a currency reserve and a gold reserve.

The actual amount of bonds which may be issued by the Philippine government if this bill becomes a law, not excluding the Friar-land bonds and $10,000,000 in other bonds which are excepted from the limitations of the act, will be about $70,000,000. Is not that correct?

Mr. NEW. About $72,000,000.

Mr. ROBINSON. And the limitation now on the city of Manila is about $6,750,000. So that the maximum amount of bonds which Manila may issue if this bill passes will be about $12,000,000.

The relationship which this will bear to taxable values will still be comparatively small, and my investigation of the subject, in so far as I have been able to go into it, convinces me that the legislation is necessary.

Mr. NEW. Mr. President, I thank the Senator from Arkansas for the very admirable and accurate statement he has made of the purposes of the bill. As far as I had an opportunity to go, I think I stated the matter about as he did, up to the point where I left off.

Mr. ROBINSON. If the Senator will pardon me, the only statement he made which I think is not accurate is that the bill authorizes taxation up to 10 per cent of the value of the property, which I think is misleading. It authorizes a bonded indebtedness not to exceed 10 per cent of the taxable value.

Mr. NEW. If I was inaccurate or unfortunate in the manner in which I stated it I am sorry. Anyway, any doubt as to just what is meant is cleared up by what the Senator from Arkansas has said. In the consideration of the bill before the committee the committee offered an amendment which it thought was advisable at the time.

The PRESIDENT pro tempore. The Chair desires to remind the Senator from Indiana that the bill is not now before the Senate. The Senator from Indiana asks unanimous consent that the tariff bill be temporarily laid aside, and that House bill 10442 be taken up, with the understanding that upon the request of the chairman of the Finance Committee the consideration of the tariff bill may be resumed.

Mr. UNDERWOOD. Mr. President, just one moment. I am not willing to have bills taken up with any such understanding. There will be no difficulty about this bill, or other bills, as there was none this morning, but when the Senate takes up a bill and lays it aside temporarily, I do not propose to agree to unanimous consent that one Senator can withdraw the pending bill at his own pleasure and inject something else. We can either attend to business according to the rules or not. I do not think the consideration of this bill will take five minutes. If the Senator from Indiana will ask unanimous consent to lay aside the tariff bill and to take up his bill, I shall have no objection.

The PRESIDENT pro tempore. The Chair stated the request of the Senator from Indiana as he understood it.

Mr. UNDERWOOD. I ask the Senator from Indiana to modify his request so as to ask unanimous consent that the tariff bill be laid aside for the immediate consideration of House bill 10442; and if he does that, there will be no objection.

Mr. NEW. That is all right.

Mr. McCUMBER. I stated to the Senator from Alabama the other day that he would be given due notice if the Senator in charge of the tariff bill should agree to take up any other bill. That notice has not been given in this case, because the Senator from Indiana spoke to me just a moment ago and I stated to him that I would have no objection, provided we could get an immediate vote. Of course, that will give an opportunity to the Senator from Alabama or to anyone else to object on the ground that the notice which they were entitled to receive had not been given.

I appreciate the fact that with a bill like the tariff bill, which will require months to pass through the Senate, it will be necessary from time to time to waive the right of holding that bill constantly before the Senate and to yield for other bills which are important and which will not require extended debate. I shall try to accommodate Senators and try to give the notice requisite of the desire to take up those important bills. But I want to have it understood that if I ask that the tariff bill may be temporarily laid aside I can call it up again if what seems to me to be an unreasonable debate follows.

Mr. UNDERWOOD. Of course I know, and the Senator from North Dakota knows, that there are bills which must come up, but a single objection on this side will force any such bill to go to the calendar. When that is done, the Senator presenting the bill can move to take it off the calendar.

I am not going to agree to any understanding that when we let bills come up by unanimous consent one Senator can regulate the time of their consideration. There is no objection in this case. We have no desire to filibuster. If the Senator is willing to trust the Senate to take the bill up in the ordinary way, very well, we will take it up in that way. If he is not the bill can not be considered because I shall object.

Mr. McCUMBER. I will agree to that, with the assurance of the Senator from Indiana that extended debate will in all probability not follow. Of course, if it did, I would have to move to lay it aside and resume the consideration of the tariff bill.

Mr. UNDERWOOD. My remarks are not made specially in reference to this bill, but I do not want to have a precedent established. If we are going to lay the tariff bill aside, let us lay it aside temporarily in the usual way, and then, if the Senator from Indiana wants to take up his bill, I have no objection. I am satisfied it will be passed in five minutes. The Senator from Arkansas, who represents our side in the matter, has already said there is no objection to it. If the Senator from Indiana wants to take it up in that way, it is all right; but I do not want a precedent set that you can take up other legislation on terms. It is your legislation. You are responsible for it, and if you take it up, you take it up by our consent. You can not put terms on us as to how you are going to take it up. You must take it up in the usual way. I am not going to permit any precedent to be laid down here for terms in the taking up of bills you want to pass. You may ask unanimous consent to lay the tariff bill aside. My objection is not as to this bill, because it could have been passed in the time we have been discussing it.

The PRESIDENT pro tempore. Does the Senator from Indiana modify his request for unanimous consent?

Mr. NEW. I do. Is House bill 10442 now before the Senate?

The PRESIDENT pro tempore. It is not before the Senate. The Senator from Indiana asks unanimous consent that the tariff bill be temporarily laid aside and that the Senate proceed immediately to the consideration of House bill 10442. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 10442) to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916, as amended by an act to amend said act approved July 21, 1921, which had been reported from the Committee on Territories and Insular Possessions with an amendment, to add a paragraph at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916, as amended by an act entitled "An act to amend an act entitled 'An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands,'" approved July 21, 1921, be further amended as follows:

That the proviso of section 11 of said act as amended be, and the same is hereby, further amended to read as follows:

"*Provided, however*, That the entire indebtedness of the Philippine government created by the authority conferred herein, exclusive of those obligations known as friar land bonds, shall not exceed at any one time 10 per cent of the aggregate tax valuation of its property, nor that of the city of Manila 10 per cent of the aggregate tax valuation of its property, nor that of any Province or municipality, a sum in excess of 7 per cent of the aggregate tax valuation of its property at any one time. In computing the indebtedness of the Philippine government, bonds not to exceed $10,000,000 in amount, issued by that government, secured by an equivalent amount of bonds issued by the Provinces or municipalities thereof, shall not be counted."

That for the purpose set forth in section 6 of the act approved March 2, 1903, entitled "An act to establish a standard of value and to provide for a coinage system in the Philippine Islands," the government of the Philippine Islands may issue temporary certificates of indebtedness under the conditions therein provided, but the amount of such certificates outstanding at one time shall not, after January 1, 1923, exceed $5,000,000.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

Mr. NEW. Mr. President, with reference to the amendment, at the time the bill was considered the committee inserted that amendment. Since that step was taken I have received the following cablegram from General Wood. It is addressed to the Secretary of War and by him transmitted to me as chairman of the committee. It is dated Manila, May 19, 1922:

Power to issue $20,000,000 certificates of indebtedness—

Which is the provision of the present law—

is a vital essential to our revised currency system. Permanent gold standard fund was fixed at an otherwise too low minimum, in view of this privilege. It is also a powerful potential force, strengthening the system. Proceeds can be used for no other purpose than to meet a temporary large adverse balance of trade, and are invariably repaid in gold in New York by normal trade movements.

Request you to use every effort to defeat proposed amendment. Herrick can give valuable assistance.

WOOD.

In view of that request of the Governor General and after full consultation with the members of the committee I ask that the Senate disagree to the committee amendment.

Mr. UNDERWOOD. May I ask the Senator from Indiana if the Senator from Arkansas [Mr. ROBINSON] understands the situation?

Mr. NEW. Yes, fully. I have had full conference with the Senator from Arkansas with reference to the matter, and he agrees absolutely with the course I am pursuing.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendment was rejected.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THE TARIFF.

The Senate as in Committee of the Whole resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. I ask that we may return to paragraph 204 on page 32. In lines 21 and 22, after the word "including," I move to strike out the words "weight of barrel or package" and to insert in lieu thereof the words "the weight of the container." That should have been changed in the original to correspond with the last clause of the paragraph.

The PRESIDENT pro tempore. The amendment will be stated.

The READING CLERK. On page 32, line 21, after the words "including," strike out the words "weight of barrel or package" and insert in lieu thereof the words "the weight of the container," so as to read:

Lime, not specially provided for, 10 cents per 100 pounds, including the weight of the container.

The amendment was agreed to.

LETTERS TO AND FROM THOMAS B. FELDER.

Mr. CARAWAY. Mr. President, I ask unanimous consent to have printed in the RECORD two letters that appear in to-day's News, one written by Seely to Thomas B. Felder, care Towne, Bailey, Felder & Thompson, Woodward Building, Washington, D. C., and bearing date October 18, 1917, and the other letter written by Thomas B. Felder to Leon O. Bailey, Hanover National Bank Building, New York City. These letters deal with the procuring of the commutation of sentence of Charles W. Morse. One is a letter written by Seely to Mr. Felder, commiserating with him because Morse had not paid his fee according to contract.

The other is a letter written by Thomas B. Felder to the gentleman whose name I mentioned, explaining the entire transaction of the procuring of the commutation of sentence. It

goes further than that. It tells that he understood that after the commutation had been granted, the then Attorney General, Mr. Wickersham, learned that fraud had been practiced upon the Government in procuring the commutation, and that it was the understanding of Felder that the Government had evidence that each time before Morse should be examined by the board of doctors to determine whether he was afflicted with Bright's disease, some kind of chemical was given Morse to make his kidneys bleed, and thereby deceive the doctors.

The letter goes further than that and says the reason Daugherty and Felder did not sue Morse when he failed to pay them the fee he had promised was because they, Daugherty and Felder, were afraid the then Attorney General, Mr. Wickersham, through President Taft, would set aside the commutation. He further says it would be very hurtful and embarrassing to him and to Mr. Daugherty, and that they had had all the notoriety in connection with this Morse case that they could stand. Further, also, they feared the President would revoke the commutation of Morse for the fraud practiced in forcing it.

Felder says more than that, and the significance of one article in the contract with Morse becomes apparent. In the contract with Morse, which was put in the RECORD Saturday and which Felder said on Sunday was genuine, they made Morse contract that he would submit absolutely to their suggestions; that he would acquiesce in whatever suggestion they might make.

I presume, in anticipation of the fact that they were to have him apparently almost die of Bright's disease, they thus made him agree that if they wanted him to be sick he would be sick.

That is apparently the significant reason for putting in that clause. This view is strengthened by the further fact that Felder said in the letter, which I may have unanimous consent to include in the RECORD—as it contains 6,000 words, I do not want to take the time of the Senate to read it—that when they agreed to get Morse a pardon or commutation for $25,000, they failed at first. He and Daugherty then went to the penitentiary and told Morse that they had failed. However, they said the President had stated or the Attorney General—I do not recall which, but the letter will show—that just before his term expired they might come back again and there might be a different result.

When they told Morse that he was very much disturbed. He said:

> If you will get me out of here, I will give you $100,000.

He made that promise, as Felder said, in the presence of a witness. In addition to that, he added a rather vague expression, "And I will make you both rich." Felder says:

> As we talked I thought I noticed that Morse was not looking as strong as he did the first time I had seen him.

So they went to the office of Dr. Fowler, who had been the physician at the penitentiary when Morse came, and asked him what Morse's condition was when he came. Fowler looked at his record and said:

> My examination when he was first admitted convinced me that he had incipient Bright's disease, and that it was a progressive kind, and with mental anxiety his condition would be aggravated.

With this "cue"—and the language is Felder's—Daugherty and Felder came immediately to Washington and saw Taft and Wickersham, the Attorney General. They got from them a promise that if an examination should show that the life of Morse was endangered by confinement he would be released. They returned to Atlanta and got a board of doctors, who examined Morse but did not find anything wrong with him or anything serious. Then they got a board of Army doctors and had Morse examined. Those doctors "found" he had Bright's disease and was in a very "precarious condition."

Just after that occurs the rather significant statement that Felder made in 1917, when he wrote this letter, that—

> We understood the department has since got hold of evidence that each time before Morse was examined by this board of experts that he took either soapsuds or some kind of chemicals that made his kidneys bleed, and therefore fooled the experts.

Here is another significant circumstance: Felder here says that as soon as he heard that the department had gathered this evidence after Morse had been released he communicated with Mr. Daugherty, and Mr. Daugherty and he met the sons of Morse at the Willard Hotel in Washington. The sons agreed to pay an additional fee if they—Daugherty and Felder—would keep the department from setting aside the commutation; that he and Daugherty went to the Attorney General, that they also went to the President, to persuade them, and I think possibly did finally; that since the commutation had been made the President had no power to revoke it or modify it; that it was a final transaction. He said the Attorney General wanted him to furnish a brief, and he—Felder—went to Atlanta and worked a week and prepared a brief. He then came back and submitted it to the Attorney General, Mr. Wickersham, and Mr. Wickersham said:

> Well, if I decide to do anything in this matter, I will let you know.

Felder says:

> We were not unmindful of the damaging evidence the department had gathered showing that the commutation was granted by a fraudulent showing of Morse's condition.

Now, there is something else interesting about that. Felder in his letter to me said they hired Daugherty because he was such a fine lawyer. Here is what, in 1917, he said was the reason he got Daugherty:

> I read the record, studied the case thoroughly, got in touch with Mr. H. M. Daugherty, of Columbus, Ohio, who stood as close to the President as any other lawyer or citizen of the United States.

That is the reason why Daugherty got into the Morse case, not because he was a lawyer of such great ability, but because he possessed the confidence of the President of the United States. Now, Mr. President, Daugherty came into that case——

Mr. STANLEY. Mr. President, will the Senator yield?

Mr. CARAWAY. I yield.

Mr. STANLEY. Did this man Felder make the statement that Daugherty was one of the greatest lawyers in the United States and then encumber the record with statements as to his truth and veracity?

Mr. CARAWAY. Well, I do not think he ever testified to his veracity.

Mr. President, here is something else to which I call attention: Taft in 1914 told the truth when he said that this case was one that shook his confidence in expert opinion. Taft knew that he had been imposed upon. The Attorney General knew he had been imposed upon. The Attorney General was preparing to have the commutation of sentence revoked, but Felder and Daugherty came here and persuaded him not to do it. Here is the thing I complain of, Mr. President. Daugherty came into this case not because it needed a lawyer—it needed a doctor, Doctor Fowler. Daugherty came into the case because he had the confidence of the President of the United States. He abused that confidence; he and Felder got this man's sentence commuted. After the fraud was discovered they came back and engaged in argument, and submitted briefs to keep the President from righting a wrong. If Mr. Daugherty was a friend to the President as the President was a friend to Mr. Daugherty, if Mr. Daugherty had not had anything to do with this fraud, if he had only learned of it after it had been perpetrated, he would have been the first man to go to Mr. Taft and say, "Mr. President, I induced you to pardon Morse under the belief that he was afflicted with a fatal malady. I have discovered that he practiced a fraud on you and me. If there is any way for you to right this wrong, do it. I wash my hands of it right here." But instead of doing that they—Felder and Daugherty—engaged for an additional fee to prevent the Attorney General from asking that the President set aside the commutation of sentence.

If they were not parties to this fraud in its original perpetration, they made themselves parties to it by coming immediately to Washington and persuading the Attorney General not to ask the President to set aside the commutation and to right a wrong that had been committed; they were accomplices after the fact. But the cruel part about that whole thing is that Wickersham wrote a letter in 1915—and Mr. Taft did, too—both with mental reservations, pretending that no fraud had been practiced. Mr. Wickersham was quoted yesterday as giving out another interview in which he said it is all right; that the commutation was granted because of the state of Morse's health. He does not tell the country that he discovered while he was yet Attorney General that the commutation had been procured by fraud, although here is Felder's letter written in 1917 saying that it was and that the Attorney General had evidence of that fact. The cruel part about this last interview of Wickersham's is this, Mr. President; Mr. Wickersham says he never heard of Felder. Yet Mr. Felder says he is the one who did so much, and he wrote me that it was he, and not Daugherty, who got results, and whatever was wrong he did it, or if any credit should be given for it he is the man to whom it should be given. In his letter published to-day he says that he wrote the brief and made the oral argument; and yet Mr. Wickersham was so unkind yesterday as to say:

> I don't recall that I ever heard that Col. Thomas B. Felder was interested in the case. I never heard his name mentioned in it until recently.

Oh, the ingratitude of that statement, stripping from Colonel Felder the halo that has surrounded Felder all these days, that he was the man who did it!

Now, I want to show by Felder what an absolutely untruthful statement that is; of course, granting that Felder can tell the truth. Here is what Felder says in a modest way.

Explaining that he got mad at last, and he did not care if they sued Morse, that they had all the notoriety they felt they were likely to get, he says:

In addition to this I have heard whisperings and rumors to the effect that Morse had said things which reflect upon Mr. Daugherty and myself, such as that we "butted into the case," and that we rendered him no beneficial service; that we were "trying to blackmail him." I can not believe that he could have given utterance to any such expressions, because he knows, as do every member of his family—

I am not responsible for the grammar, Mr. President—

that these statements are false. He knows that we were approached by Hon. Fred L. Seely, who represented him, and that our contract was made as a result of negotiations with Mr. Seely. He knows, his family know, Mr. Bennett, who was then and is now the editor in chief of the Washington Post, knows that his release was secured by and through the efforts of Hon. H. M. Daugherty and myself and by no other individual, corporation, or group of individuals, living or dead, on the earth or beneath it, standing on their heads or on their heels, sitting up or lying down.

No other kind of lying is barred.

We have richly earned all that Morse agreed to pay, viz, the expenses, the $25,000, and whatever else is involved in his assurance, "I will make you both rich"—

Whatever he might have meant by that vague, uncertain term.

If I had time to go into it—and I do not want to delay the tariff bill—I could show you that after they had failed they came here to Washington and got in touch with Col. John R. McLean. That he called up his editor, Mr. Bennett; Mr. Bennett then went to the Attorney General's office and got Wickersham. From there the two went to see Mr. Taft. Then Mr. McLean got in touch with Mr. Taft on the telephone, and, after a prolonged conversation, Bennett came back with the commutation and handed it to them. He wanted it to be so plain that posterity would know how he was wrapped up in this case and how intertwined were his and Mr. Daugherty's activities, so for that purpose he set down here in a 6,000-word letter the whole history of the case—fraud and all.

He does say that neither he nor Mr. Daugherty were ever suspected of having any knowledge of this fraud at the time it was perpetrated, but he brags about the fact and demands the fee, that after it was ascertained that a fraud had been perpetrated they immediately got in touch with the Attorney General and through him kept the President from righting the wrong. Thus they made themselves a party to it by condoning and helping to carry out the aims of the conspiracy and protected the man who had gotten his commutation by fraud. They persuaded the Attorney General that the President had no legal right to revoke the commutation of sentence. They helped thus finally to consummate the fraud.

Mr. Felder said in his interview yesterday—and I am always amused by what he says, because it is picturesque—that I did not have any sense. He said no criminal would be big enough fool to hire me to get him out of the penitentiary. I will say, Mr. President, that no criminal ever did hire me to get him out of the penitentiary. My activities were on the other side; I put a good many better men than Mr. Felder in the penitentiary, but got none of them out. I am not criticizing; I am just talking about him.

Mr. President, this is an interesting letter, and rather than take the time of the Senate I will ask unanimous consent that it may be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection?

Mr. MOSES. Mr. President, I have no intention of objecting to the request for unanimous consent for which the Senator has asked, for I know the Senator from Arkansas can proceed to read the 6,000 words into the RECORD.

Mr. CARAWAY. And he will.

Mr. MOSES. And, as the Senator says, he will do so. I think, however, the Senator has yielded the floor.

Mr. CARAWAY. Sir?

Mr. MOSES. In view, however, if the Senator has yielded the floor——

Mr. CARAWAY. I have not; and I am not going to yield it until my request is either granted or objected to.

Mr. MOSES. As I said before, Mr. President, I do not intend to object to the request for unanimous consent.

Mr. CARAWAY. Then let the unanimous consent be granted, and I will yield the floor.

Mr. MOSES. But will the Senator permit me to offer a few opinions?

Mr. CARAWAY. Certainly; I beg the Senator's pardon.

Mr. MOSES. I will say to the Senator that I shall not object, but, reserving the right to object, I merely wish to state, Mr. President, that my opinion is that the searching of ancient files and the use of bad grammar either in criticism or by quotation have nothing whatever to do with the real merits of this case. It is my opinion that the whole performance on the other side of the Chamber in this matter has not proceeded because the participants in it cared a rap about Morse or about Scaife or about Felder or much about Daugherty; but they are interested, as I believe, Mr. President, in another Attorney General of the United States, who served under the previous administration.

Mr. CARAWAY. Just a moment, Mr. President.

Mr. MOSES. The Senator yielded to me.

Mr. CARAWAY. No; I have the floor.

Mr. MOSES. Very well; if the Senator wants to proceed, I shall wait.

Mr. CARAWAY. I want to say that if that is an intimation that I have an interest in any other Attorney General, the Senator is absolutely not correct.

Mr. MOSES. So far as the Senator from Arkansas is concerned, I accept his statement, but there are those connected with the subject, Mr. President, who are furnishing the documents, who are searching the files, who, in my opinion, do have that interest and who know perfectly well that what the present Attorney General of the United States is now doing in connection with the Morse case and in connection with the other case which has been cited here—namely, the Bosch Magneto case—will seriously embarrass the former Attorney General of the United States in one case and a former Secretary of the Treasury in another, and that they are likely to find their records seriously impugned if the present Attorney General and the Department of Justice are permitted to go forward with their contemplated proceedings. In my judgment, Mr. President, this whole performance is gotten up in order to furnish a smoke screen to hide the misdemeanors of Democratic Cabinet officers who served under the last administration.

Mr. CARAWAY. Mr. President, I wish the Senator before he takes his seat would say who he thinks furnishes this information and where it comes from.

Mr. MOSES. I have no idea who furnishes it or where it comes from, but I know it must come out of somebody's private letter files, to which access can be had only by the men to whom the letters were written or somebody who was privy to the matter in the first instance.

Mr. CARAWAY. It is very courageous, Mr. President, to charge some one with wrongdoing and say you do not know who it is acting and have not even the remotest idea. It takes a lot of courage to do that.

I want to say that I do not care what the Attorney General of the United States intends to do. If the former Attorney General was as bad as this Attorney General, he ought to be prosecuted, and I am perfectly willing that it should happen. If the former Secretary of the Treasury is guilty of any wrongdoing, I want him prosecuted. I do not care who it is; I am not like the Senator from New Hampshire and the present Attorney General. I am not after Republicans as they say they are after Democrats. I have not any interest at all in who is going to be prosecuted or who is not, but I should like to say that if I did have any interest in it, instead of abusing the Attorney General I would go to see him, because I rather imagine we would get on better.

The Senator from New Hampshire knows how this matter arose. I have heard the statement over and over again that Attorney General Daugherty had received $25,000 for getting Morse out of the penitentiary, and I happened incidentally to mention that in discussing another matter. The Senator from Indiana [Mr. WATSON] immediately rose and told me that he knew, from personal conversation with the Attorney General, that the Attorney General had nothing to do with it. That left me embarrassed, and it became necessary, then, so far as I could, to find out if I had wrongfully accused the Attorney General and had charged him with an offense of which he was not guilty. I felt thus embarrassed because I know the Attorney General had told the Senator from Indiana that he did not have anything to do with it, or Mr. WATSON would not have so stated it. I know also he told another Republican Senator on this floor that he had nothing to do with the Morse case, or else that other Republican Senator joked with me when he told me that the Attorney General had told him he did not have a thing to do with this case. So I was curious to find the facts, and I find that he did have. Why did Mr. Daugherty deny it? I know now why he denied it, because I know that this evidence of Felder's, if believed by a jury, would convict both of them of a conspiracy to practice a fraud upon the Government. That little aside remark, that neither of them did know anything about the fraud at the time it was practiced, does not convince anybody. Felder it was who conceived the idea that Morse had something wrong with him, and Fowler was the doctor. They sought to confirm that impression.

In this connection, while I am talking about it, the same man Fowler was driven out, as I understand, from the depart-

ment because of some connection with the matter, but one of the first official acts of the present Attorney General was to make him, Fowler, the man who helped them to show that Morse had Bright's disease very bad when he did not, was to put Fowler back in his position as physician at the penitentiary at Atlanta, and he occupies that place to-day.

Whether Fowler said, "You know I helped you to put up a fraud on the Government, and you have to reward me or I will talk," or whether it was thought he would be a useful man at some other time, I do not know; but I do know that immediately after the Attorney General got into office he put Fowler back, and I know, if Felder is to be believed when he is talking against interest, that they knew Morse was released under a fraudulent representation of his condition, and everybody else now knows it. Taft knew it in 1914 when he wrote his little jeremiad. In bitterness he said that this Morse case—he did not use the name, but everybody knows the case he meant—shook his confidence in expert opinion. He knew that he had been wronged and imposed upon by his friend. We know it. Let me repeat that after they found out, if they did not know in advance, after the Attorney General had told them of the evidence, Felder says that "Daugherty and he were not unmindful of the evidence they had showing this fraud. We persuaded him not to act," and that afterwards they were afraid to sue Morse for their fee, for fear this fraud might come again to public notice.

It is a long letter, and it is an interesting letter.

The PRESIDENT pro tempore. Without objection, the communication will be printed in the RECORD.

The matter referred to is as follows:

WASHINGTON, D. C., *October 12, 1917.*

Hon. LEON O. BAILEY,
Hanover National Bank Building, New York, N. Y.

MY DEAR SIR: I am in receipt of your favor of recent date advising me that Mr. Grafton Johnson had turned over to you for collection or adjustment $25,000 of common and preferred stock in the Morse Securities Co., which I gave to him a year ago as collateral security for a loan which I obtained. You ask me to acquaint you with the facts of this transaction before you take the matter up with Mr. Morse and to tell you why interest upon these stocks has not been paid and why they were transferred to him.

To "begin at the beginning," permit me to say that after Charles W. Morse was sent to the penitentiary in Atlanta, Ga., under a 15-year sentence, and after his attorneys and family had exhausted every resource that they possessed or ingenuity could suggest, Hon. Fred L. Seely, the then editor and proprietor of the Atlanta Georgian, who had, as I understand it, a benevolent and charitable interest in the fate of Mr. Morse, and who had been for some years theretofore a client of mine, came to my office and stated to me that I had convinced him of my resourcefulness and my capacity to "do things," and while the Morse situation seemed hopeless, because the President had refused on the best showing that could be made either commutation or pardon, yet he desired me to examine thoroughly the record, and if, in my judgment, anything could be done, he would cause me to be employed in the case and would see that I was substantially compensated for services rendered in proportion to their value to Mr. Morse.

I read the record, studied the case thoroughly, got in touch with Mr. H. M. Daugherty, of Columbus, Ohio, who stood as close to the President as any other lawyer or citizen of the United States, interested him in the case, agreeing to divide with him any compensation that I might receive. We took the matter up with the Attorney General and with the President stating to them that the record disclosed that in refusing to extend Executive clemency reasons were given which were not borne out by the record and we requested that the case be reopened. We were informed by the President and the Attorney General that the act of the President rendered the matter a "closed incident" for the present; but if we would bring the matter to their attention again just before the term of office of the President expired in March, 1913, the matter would be reopened and perhaps a different action taken in respect thereto.

This decision was communicated by Mr. H. M. Daugherty and myself to Mr. Morse, who had agreed to pay $6,000 cash to cover expenses (this sum was paid), and $25,000, conditional upon our obtaining his release from the penitentiary. When this result was reported to Mr. Morse, he stated to us in the presence of the penitentiary guard that if we would renew our efforts to obtain his release he would pay us, in addition to the amount agreed upon, the sum of $100,000, and exclaimed, "Gentlemen, I will make you both rich if you will get me out of here."

At this consultative conference with Morse, I thought that I had discovered in him a very marked physical deterioration since the last conference I had with him, so after leaving the penitentiary I called upon Dr. A. L. Fowler at his office in the Candler Building (this doctor having been the prison physician at the date of the inception of Morse in the penitentiary) and asked him to inform me as to the state of Morse's health at the date of his inception in the penitentiary and thereafter during his incumbency as prison physician. Dr. Fowler referred to his reports and advised me that his initial examination disclosed casts in his urine which denoted incipient Bright's disease; that this disease was progressive; that the mental condition exercised a powerful influence over the physical and accelerated its ravages; and that he entertained no doubt that if Morse was left in the penitentiary for any considerable length of time that this disease would progress rapidly and result in his death.

With this cue, Mr. Daugherty and myself took up the matter de novo, We returned to Washington, discussed this phase of the case with the Attorney General and with the President. We received an intimation that if a physical examination of Morse by experts verified our suspicions that his continued incarceration would prove fatal, he would be released. A board of medical examiners was appointed at our request, an examination was made, and the three physicians reported that Morse's condition was not serious. Thereafter a board of military doctors was appointed who conducted an examination and thereafter reported that his condition was serious. The application for pardon or clemency "hung fire" several weeks. Pending developments, Morse was removed from the penitentiary to the hospital at Fort McPherson. During all of those weeks Mr. Daugherty and myself spent practically all of our time in New York, Cincinnati, and Washington working upon the case.

The day before the pardon was granted and as we were hourly expecting it some very unfavorable developments occurred resulting from undesirable newspaper publicity, and we requested those responsible for it to desist until things "quieted down." We had been expecting for a week or 10 days to get the order for Morse's release. It did not come; so on the day the release was granted we called at the office of Hon. John R. McLean, a warm personal friend of Mr. Daugherty's and an acquaintance of mine; also a friend of both the President and the Attorney General. Mr. McLean took the matter up actively. He called the editor in chief of the Washington Post, Mr. Bennett, over the phone, sent his automobile for him and had him brought to his office, where we had a long conference, going thoroughly over the situation. As a result thereof Mr. Bennett was dispatched to the office of the Attorney General, where he was joined by Attorney General Wickersham, and the twain called at the White House, and after a protracted conversation between the President and Mr. McLean over telephone, Mr. Bennett returned to the office of Mr. John R. McLean and delivered to us the order discharging Charles W. Morse, and the same was by us transmitted to the head official of the Atlanta Penitentiary.

A few days thereafter I called upon Mr. Morse for a settlement of his obligation. He seemed to be profoundly grateful and expressed his deep appreciation for what he was pleased to characterize our "splendid efforts in his behalf," stating that as soon as he returned to New York he would send us a check for $25,000, and would very shortly thereafter pay the $100,000; and acknowledged that he had said he "would make us rich," and this he proposed to do.

A few days thereafter he went to New York and instead of sending check for $25,000, or any other amount, he sailed for Europe for an indefinite leave of absence. As soon as I read in the press that Morse had gone to Europe without making any reference to his obligation to us, I immediately communicated with his son, Harry Morse, who had apparently directed his father's affairs, requesting an explanation. I received a very prompt reply to my letter stating that the condition of his father's health was such as to require his immediate departure for some mineral spring in Europe; that his condition was such as to preclude his transacting any business before his departure, but he knew his father would effect a settlement with us upon his return to the States. Immediately after Morse's departure for Europe there appeared in the press of the country numerous sensational articles to the effect that there was nothing the matter with Morse's health; that his release from the Federal penitentiary had been secured by fraud, and officials were urged to take immediate steps to have him remanded to the penitentiary.

An investigation was instituted, and Mr. Daughtery and myself, as Morse's counsel, were advised that steps would likely be taken to have Morse remanded to the penitentiary to serve the balance of his sentence. His son, Harry Morse, requested Mr. Daughtery and myself to meet him and his brothers in Washington for a conference. We met him and his brother, who then resided in Baltimore, at the Willard Hotel. We conferred at length in relation to the matter, and a decision was reached that we should get in touch immediately with the Department of Justice and forestall, if possible, any efforts to carry out the threat. We made an appointment with the Attorney General; discussed the matter with him at length. We took the position in this conference that an Executive order having been signed and promulgated commuting the sentence of the said Morse, that it was not within the power of the Executive to either change, modify, or revoke the same. That if said order had been obtained by fraudulent means and artful practices and the department desired to test this question, that it would be necessary to take Morse into custody and submit the question to a jury whose exclusive province it was to pass upon the issue of fact.

We were requested to submit a brief upon this subject. I returned to Atlanta and devoted several days to the preparation of an exhaustive brief upon the subject; returned to Washington and submitted the same to the Attorney General. In addition to this, while in Atlanta, I obtained additional evidence going to show that Morse was, in fact, suffering with Bright's disease.

In this last-mentioned conference with the Attorney General he indicated that no immediate steps would be taken, and that if later any action looking to Morse's return to the penitentiary was taken that we would be duly advised. We have never been reimbursed for the expenses incurred in connection with the services rendered as above set forth, and no effort of any kind or character has been made to compensate us for these, although we were assured by the Morse brothers at the Willard Hotel that these expenses and a reasonable fee would be promptly forthcoming.

Some weeks or months elapsed before Mr. Morse returned to America. When we received information through the columns of the press, and not from him, that he had returned I made several efforts to arrange a conference with him in New York. I finally arranged for a meeting, advised Hon. H. M. Daugherty, and we met pursuant to the appointment at his office in the city of New York. He stated on this occasion that he had no money or property that he could convert into money with which he could compensate us; that he deeply appreciated our tireless but successful efforts in his behalf, and that it was his desire to do something then for us which would enable us to obtain some funds immediately, and that as soon as he could "get on his feet" he could be depended upon to do the right thing.

He exhibited to us certain stocks in the Morse Securities Co., stating that they were owned by his sister, Miss Jennie Morse, who, upon his representation that he was very anxious to pay or secure us, had consented to allow him to use these stocks. I told him that we could not utilize the stocks unless they were valuable, and if valuable it seemed to us that he could raise the money on them as well or better than we could. He stated that the stocks had no market value but an actual value of par; that they would undoubtedly pay 6 per cent dividend, as I now remember, and perhaps more; that the stocks were undoubtedly worth par and it would only be a short space of time before par could be realized for the stocks, and as soon as it could be he would redeem the stocks. Indeed, he thought he would be able to redeem them within a very short time with the proceeds of the sale of some livery stable property that he either owned or was interested in and which was then in the hands of some real estate agent who was negotiating the sale of the property.

On this occasion Mr. Daugherty complained very bitterly of our treatment by Morse, became very angry and left the office before the negotiations were conducted. After he left Mr. Morse requested me to take the

stocks up to the McAlpin Hotel, where we were stopping, and to urge Mr. Daugherty to take a different view of the matter; to either accept the stocks in payment of our $25,000 demand or as collateral security to be redeemed by him at a very early date, stating that he would come by the McAlpin during the afternoon on his way home. I left his office about noon, went to the McAlpin, lunched with Mr. Daugherty and explained the circumstances to him. He positively and emphatically declined to take the stocks, either in payment or as collateral security, although I urged him to do so, stating that I had confidence in Morse's integrity and faith in his purpose to make good his numerous promises.

About 4 o'clock that afternoon Mr. Morse and his son, Harry, appeared and came to my room; Mr. Daugherty came in. An animated discussion followed in which Mr. Daugherty denounced Morse in unmeasured terms, declining emphatically to accept the stocks tendered either as collateral or payment. In this humor he left the room, and after some further discussion with Mr. Morse he asked me to hold the stocks until he could make some other arrangement in respect to them. I told him that I could not use the stocks, but he left the room and left them on my dresser; and when I left the city that night for my home, in Atlanta, Ga., I took the stocks along in my valise.

During the years that have intervened I have had some correspondence with Mr. Morse about these stocks. I have had two or three conferences with him about his obligation to us. He has never in writing or orally claimed or asserted that these stocks were given to us as payment of his obligation. He has always reaffirmed his promises to pay us and renewed his assurances to satisfy us in every particular when he got able to do it.

In the year 1914, just after war was declared in Europe, I called upon Mr. Morse in New York and urged him to do something for us, stating that I had bought a good deal of property, owed a good many notes that were maturing, and that I needed the money. In this conference he stated to me that he was "getting on his feet" and didn't think it would be very long before he could take care of his obligation to us. A little later on I found it necessary to raise a little money, so I hypothecated these securities with Mr. Grafton Johnson, the present holder, for this purpose.

In conclusion permit me to state that I have not been more aggressive in my efforts to force Morse to pay his obligations to us for the sole and simple reason that I have always felt apprehensive that if we brought suit or agitated the matter that immediate steps would be taken by the Department of Justice to secure an annulment of the Executive order and the reutrn of Morse to the penitentiary. I have not been unmindful of the damaging evidence secured by the Department of Justice in the prosecution of its investigations to ascertain whether or not a fraud had been perpetrated upon the Government by Morse in his efforts to obtain his freedom; and while I knew that if a fraud had been perpetrated that Hon. H. M. Daugherty and myself were not only not connected therewith but were not even suspected of being connected therewith, but that the disclosure and publicity would be disagreeable if not embarrassing to everybody concerned.

We were informed that the department was in possession of evidence going to show that after physicians were appointed to examine Morse and before they appeared on the scene that soap suds or chemicals or something would be taken by him to produce hemorrhage of the kidneys, and that as soon as the examination was over that the patient would recuperate rapidly. As I have stated, we have not brought suit or instituted any proceedings in the matter because both Mr. Daugherty and myself felt that we had had all the notoriety and newspaper publicity that we should in reason have in connection with this transaction. As a matter of fact, during the years that have intervened I have had frequent intimations that this matter would be reopened and I have always promptly taken steps to stop it. I have recently heard a well-authenticated rumor that steps are likely to be taken at any moment to have the matter investigated; that certain interests in New York were demanding that this be done.

I have made up my mind to use no further efforts to prevent it, having reached the conclusion that the investigation will not hurt but will help Mr. Daugherty and myself. So if the bringing of a suit by you to collect these securities will have the effect of precipitating matters, why, so far as I am concerned, they will just have to come. In a recent conference with Mr. Daugherty and myself we agreed that the fullest investigation will conclusively demonstrate that if fraud was committed we had no connection with it.

When we were employed by Hon. Fred L. Seely to represent Morse in this case, his situation was utterly hopeless. His family, friends, and lawyers had exhausted every effort to secure a favorable consideration of his case. If Hon H. M. Daugherty and myself had not been employed he would have been to-day in his grave or in the penitentiary serving his sentence. Through our efforts he was released. We were promised substantial compensation. We have never received it.

In addition to this I have heard whisperings and rumors to the effect that Morse had said things which reflect upon Mr. Daugherty and myself, such as that we "butted into the case" and that we rendered him no beneficial service; that we were "trying to blackmail him." I can not believe that he could have given utterance to any such expressions because he knows, as does every member of his family, that these statements are false. He knows that we were approached by Hon. Fred L. Seely, who represented him, and that our contract was made as a result of negotiations with Mr. Seely. He knows, his family know, Mr. Bennett, who was then and is now the editor in chief of the Washington Post, knows that his release was secured by and through the efforts of Hon. H. M. Daugherty and myself, and by no other individual, corporation, or group of individuals, living or dead, on the earth or beneath it, standing on their heads or on their heels, sitting up, or lying down. We have richly earned all that Morse agreed to pay, viz, the expenses, the $25,000, the $100,000, and whatever is involved in his assurance, "I will make you both rich." I don't want him to "make us both rich." I don't want the $100,000 he agreed to pay, but I do want the $25,000 that he contracted in writing to pay for securing his release from the penitentiary, and I do want compensation for services rendered him by engagement of his son, Harry Morse, for coming to Washington and presenting to the Department of Justice, through a brief filed and by oral argument, reasons why he should not be remanded to the penitentiary, and I propose to have this and have it at a very early date.

I have written at length so that you as attorney for Mr. Grafton Johnson, who holds these "soap wrapper" securities, which were represented to us as being worth par, may know all the facts.

I am mailing a copy of this letter to Charles W. Morse, at Pier 32, New York, and to Mr. Harry Morse, whose address I do not know but at the same address, copy to Hon. H. M. Daugherty, and a copy to Hon. F. L. Seely. I am not mailing a copy to Mr. Bennett, of the Washington Post, because I have recently gone over the matter with him and he confirms my statements in respect to what happened within his knowledge both in letter and in spirit.

If I can be of further service to you, command me. I beg to remain,

Yours very truly,

T. B. FELDER.

—

OCTOBER 18, 1917.

Mr. THOMAS B. FELDER,
Towne, Bailey, Felder-Thompson,
Woodward Building, Washington, D. C.

DEAR MR. FELDER: I have just received your letter of the 18th and carefully read the copy of the one to Mr. Bailey, and can only say that every statement in your letter with which I am familiar is substantially correct.

You know, of course, that I had no connection with, or knowledge of, what transpired after Mr. Morse left the prison.

To be specific: After Mr. Morse had tried every possible avenue of relief, I suggested to him that he employ you, explaining to him that your firm had been my attorneys for a number of years and that I believed you had unusual ability to assist him. Upon his request I took you to the United States Penitentiary and was present at your conference with him.

You are aware, of course, that I visited Mr. Morse for a long period at least once a week, and when his health broke down, I was there sometimes as often as every day. So I was familiar with his condition and there is no question but that he was not far from the end of his rope, nor has there ever been any question in my mind but that he would have died in a few more weeks. I did not know Mr. Morse previous to his going to prison, and was asked to visit him by a New York World correspondent who came down with him on the train. I made no effort to secure his release until I saw that his health was nearly gone. I made no appeal to the President nor to anyone with any political connections. It was my belief that if Mr. Morse deserved release, it should come through legal channels, and my activity in securing you was perfectly natural and businesslike, because you had been my attorney, and I believed he needed additional legal assistance.

I have never given expression to my feelings over Mr. Morse's failure to pay this debt, and I would dislike extremely to have to be brought into any controversy. As you know, I have seen very little of you since Mr. Morse's release—in fact, I have seen much more of Mr. Morse than I have of you, but if necessary I am prepared to testify at any moment that it is my belief Mr. Morse owes his liberation and his life to your's and Mr. Daugherty's efforts, and it is very unjust that you gentlemen should have been kept out of your remuneration.

You are well aware that my interest in Mr. Morse was purely a philanthropic one. I spent a lot of time and not a little expense in my endeavors to help him while his term lasted, but I have never permitted any remuneration of any kind.

I trust Mr. Morse will pay you, but after so long a time am frank to say that if he doesn't you should compel it, if possible.

Very sincerely yours,

F. L. SEELY.

Notations on left-hand margin: "Mailed the original to Leon O. Bailey, attorney at law, New York—T. B. FELDER."

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. The Secretary will state the next amendment of the committee.

The next amendment was, on page 32, line 23, after the word "including," to strike out "weight of barrel or package," and to insert "the weight of the container," so as to make the paragraph read:

PAR. 204. Limestone (not suitable for use as monumental or building stone), crude or crushed but not pulverized, 5 cents per 100 pounds; lime, not specially provided for, 10 cents per 100 pounds, including weight of barrel or package; hydrated lime, 12 cents per 100 pounds, including the weight of the container.

The amendment was agreed to.

The next amendment was, at the top of page 33, to insert:

PAR. 204a. Crude magnesite, five-sixteenths of 1 cent per pound; caustic calcined magnesite, five-eights of 1 cent per pound; dead burned and grain magnesite, not suitable for manufacture into oxychloride cements, four-tenths of 1 cent per pound.

Mr. MCCUMBER. I ask that the amendment go over on account of the sickness of one of the Senators who desires to be present when it is discussed.

The PRESIDENT pro tempore. Without objection, the amendment will be passed over.

The next amendment was, on page 33, line 7, before the word "ground," to strike out "if"; in line 9, after the word "including," to insert "the"; in the same line, after the words "weight of," to strike out "barrel or package" and to insert "the container"; in line 10, before the word "other," to strike out "or" and insert "and"; in line 11, before the word "valued," to strike out "if"; in line 12, before the word "valued," to strike out "if"; in line 13, before the word "valued," to strike out "if"; and in line 14, before the word "valued," to strike out "if," so as to make the paragraph read:

PAR. 205. Plaster rock or gypsum, crude, 25 cents per ton; ground or calcined, $1.40 per ton; white nonstaining Portland cement, 8 cents per 100 pounds, including the weight of the container; Keene's cement and other cement of which gypsum is the component material of chief value, valued at $14 per ton or less, $3.50 per ton; valued above $14 and not above $20 per ton, $5 per ton; valued above $20 and not above $40 per ton, $10 per ton; valued above $40 per ton, $14 per ton.

The amendment was agreed to.

The next amendment was, on page 33, line 16, before the word "of," to strike out "two-tenths" and to insert "one-tenth," so as to read:

Pumice stone, unmanufactured, valued at $15 or less per ton, one-tenth of 1 cent per pound.

Mr. HITCHCOCK. Mr. President, I should like to ask the Senator how that affects the present law? I understand that the present law is 5 per cent.

Mr. McCUMBER. Five per cent ad valorem.

Mr. HITCHCOCK. What does one-tenth of 1 cent per pound figure ad valorem?

Mr. McCUMBER. The present valuation, I think, is about $14 per ton. I am not certain of that. I shall have to look it up.

Mr. HITCHCOCK. As I have computed it roughly, it appears to be 20 per cent. The present law is 5 per cent, and the proposed specific duty would be 20 per cent.

Mr. McCUMBER. The imports in 1920 amounted to 10,379 tons, valued at $143,788, or $13.80 per ton. I gave it as about $14 per ton. That is very close to it, and that would be equivalent to about 15 per cent ad valorem.

Mr. HITCHCOCK. This is on pumice stone valued at $15 per ton or less. It is the cheapest sort, is it not? And we do not import any of the cheap sort, as I understand.

Mr. McCUMBER. On the contrary, I understand that the bulk of that which came in was of the cheaper character—that is, under the Payne tariff law, when we had an ad valorem duty.

Mr. HITCHCOCK. My abstract from the Tariff Report is that the imported material comes from the Lipari Islands, Sicily, and is a massive, finely grained, high-priced article, used for special work, while the domestic is much coarser, and is used in making cleansers, like the Dutch Cleanser; and the record of imports shows, as I have it here, that the imported article costs $15 a ton and over, whereas the domestic article is worth only $2 or $3 a ton.

Mr. McCUMBER. Take 1910: The importations of pumice stone, unmanufactured, valued at $15 per ton or less, were 3,967 tons, while that which was valued at over $15 per ton for the same year amounted to only 311 tons. The next year the amount imported valued at less than $15 per ton was 5,351 tons, while that valued at more than $15 per ton was 432 tons; and so all the way through, down to 1914, you will find that the cheaper material—that is, that valued at less than $15 per ton—constituted the bulk of the importations.

Mr. HITCHCOCK. How has it been since that time?

Mr. McCUMBER. Since the Payne law I am informed that they are not separated.

Mr. HITCHCOCK. Am I correct in the figures that the importations were 14,000 tons in 1920, 7,000 tons in 1919, 5,500 tons in 1918, 11,000 tons in 1917, and 11,000 tons in 1916?

Mr. McCUMBER. I will give it to the Senator. In 1918—that is, taking all of them—we imported 1,086 tons; in 1919, 5,234 tons; in 1920, 10,379 tons; and the first nine months of 1921, 1,906 tons. That is the last information that I have from the Tariff Commission's report.

Mr. HITCHCOCK. The Senator's figures show an even smaller importation than I had supposed. The production in this country—the domestic production—seems to run 30,000 or 40,000 tons a year.

Mr. McCUMBER. Yes; and in 1920, for instance, about one-fourth were imported, or about 25 per cent.

Mr. HITCHCOCK. The most of the figures the Senator read indicated quite a good deal below 20 per cent of those figures. I am asking why there is any need to multiply the present tariff three or four times, in view of the comparatively small imports?

Mr. McCUMBER. There is certainly a very heavy increase in the importations, and as they constitute about 20 per cent of the entire product it seemed to me that what is equivalent to about 15 per cent ad valorem was rather a light duty for the purposes of revenue.

Mr. HITCHCOCK. The present duty is only 5 per cent, and yet, under the 5 per cent duty, the imports have amounted only to a fraction of the consumption.

Mr. McCUMBER. But the American price, as compared with the foreign price, evidences such a spread that even the amount we have reported will not nearly make up the difference; but with the hope that there will be at some time in the future considerable reduction in freight rates, we hope that we shall be able to maintain the output in the United States.

Mr. HITCHCOCK. Is it not a fact that we export something like $2,000,000 worth of this article a year?

Mr. McCUMBER. I should have to look that up.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from New Jersey?

Mr. HITCHCOCK. I yield.

Mr. FRELINGHUYSEN. There are two types of articles under this item. One is the volcanic ash, which is not comparable with the imported pumice stone. The imported pumice stone is a very fine product, all of which is imported. We do not export any of it, and none of it is produced here. That is used for silver polishing and for similar purposes. The volcanic ash sells for from $2 to $4 a ton, while the imported pumice stone sells for from $12 to $18 a ton.

I think this is principally a revenue measure, but the protection is sought by some of the grinders of pumice stone who need a slight protection for that process.

Mr. HITCHCOCK. Now, the Senator has revealed exactly the condition that I realized existed. That is, the American production of this article is worth only from $2 to $4 a ton. The foreign article is the high-priced article, which sells for from $12 to $18 a ton; and yet, under the name of protection, you are increasing the tariff on an article which has not any manufacture in the United States.

Mr. FRELINGHUYSEN. No, Mr. President; that is not true at all.

Mr. HITCHCOCK. I repeat now exactly the condition: Of the cheap article, none is imported, and our producers need no protection for it. Of the high-priced article, none is produced in this country.

Mr. FRELINGHUYSEN. Mr. President, they are asking protection. If you were going to put in a duty representing the difference between the grinding of the pumice and the pumice stone, you would have to have more than one-tenth of a cent per pound. In fact, the House had two-tenths of a cent, which was reduced to one-tenth of a cent by the Senate committee.

Mr. HITCHCOCK. Did I understand the Senator to say that nobody is asking for protection on this article?

Mr. FRELINGHUYSEN. The western miners, in California, I understand, ask for it.

Mr. HITCHCOCK. I understood the Senator to say that none were asking for it; that it was purely a revenue measure.

Mr. FRELINGHUYSEN. I did not say that. The Senator probably knows as much about the Nebraska volcanic ash as we do. It is produced in his State.

Mr. CURTIS. Mr. President, I will state to the Senator that a large quantity of the cheaper article is produced in Kansas and Nebraska.

Mr. HITCHCOCK. Yes; I am aware of that.

Mr. CURTIS. As one member of the committee, I thought that on the finer article coming in we ought to get some revenue; and I, as a member of the committee, voted to put a duty upon this imported article because of the fact that I thought we could derive some duty from it. The Senator will remember that back in 1909 the people of his State and my State asked for a very high duty upon all of this material, because they could not compete with the imported article.

Now, the freight rates are so great that they do not try to compete with the foreign article. Our cheap material, produced in Nebraska and Kansas, is all sold to the manufacturers of Dutch Cleanser, and people like that, and I think on that higher grade article we ought to have a reasonable duty for revenue purposes.

Mr. HITCHCOCK. I think I understand this item. It is represented as a protection for a Nebraska and Kansas product, but the Senator now admits that the Nebraska and Kansas product needs no protection.

Mr. CURTIS. It was not contended before the committee that we needed it. As a matter of fact, I told the committee that, so far as the higher grade is concerned, we do not compete with the foreign article, and we do not ask protection for the product of Kansas and Nebraska.

Mr. HITCHCOCK. They do not need it——

Mr. CURTIS. They do not need it.

Mr. HITCHCOCK. Any more than our wheat or our corn needs it, but it is put on so that they can say to the Nebraska producers that the Republican Congress has given them some protection.

Mr. CURTIS. There will be nothing of the kind told; but I can not agree with the Senator that the farmers do not need a duty upon wheat and corn. We can argue that at some other time. We will tell the Kansas farmers that they are protected in those products.

Mr. HITCHCOCK. This is just a repetition of the duty on wheat and corn. We raise wheat and corn, and we export it in competition with all the world. We manufacture this pumice-stone product in Nebraska and we export two or three million dollars' worth of it in a year. We do not need protection on

pumice stone any more than a cart needs a fifth wheel, but it is put on with the idea of creating out in Nebraska and Kansas the impression that this Congress, which is imposing duties on manufactured articles which actually do increase the price, is also caring for Nebraska interests. We do not want that duty. We do not need that duty. The production of pumice stone in Kansas and Nebraska is able to stand on its own feet and compete with the world. We are able to manufacture this pumice stone, and we are not afraid of competition. We can export it to other countries, and we do not need any protection.

Under the guise of protecting a western industry, a tariff of 5 per cent is increased to something like 20 per cent, and I object to it. We can not be given a gold brick like that for the purpose of developing in the West the support of these protective tariff rates on other articles which we consume, and the price of which is increased by the tariff.

Mr. McCUMBER. Mr. President, when we come to the agricultural schedule I will invite the Senator from Nebraska, who has been throwing gold bricks across the aisle for months, to explain to the Senate or to the North Dakota farmer why it is that since the emergency tariff law was enacted we have been receiving on an average about 31 cents a bushel more than the Winnipeg prices for a like quality of wheat. We have been receiving it day after day and month after month, the Winnipeg being upon the world level of prices, and our average in Minneapolis being about 31 cents above the Winnipeg, when we take into account the difference in the quality of the Winnipeg, as their requirement for No. 1 Manitoba is a little higher than the requirement for No. 1 northern in Minneapolis. We range from 25 to 29 cents a bushel in our favor right along. But that is on another subject. I would rather stick to this subject, and we will take up the duty on agricultural products when we reach those items.

The value of all of the imports of this product in 1920 was $144,000 in round numbers. The value of the American product was $114,000 in round numbers. So we see that we are importing about $30,000 worth more than we are producing in the United States, and, as has been suggested, I think the foreign product will stand a heavier duty than that which was imposed under the Underwood law.

Mr. JONES of Washington. I would like to ask the Senator why it is that the rate fixed by the House on the unmanufactured pumice stone is decreased, while the rate fixed by the House on the manufactured pumice stone is increased?

Mr. McCUMBER. We have tried to consider carefully the difference in the cost of converting the unmanufactured into the manufactured product.

Mr. JONES of Washington. I assumed that the House took that into account, too, but the Senate Finance Committee reduced the House rate on the unmanufactured, and I just wanted to know the reason for increasing the rate on the other.

Mr. McCUMBER. I think the Senator will find there is a decrease in both instances.

Mr. JONES of Washington. You raise the House rate of 26 per cent to 35 per cent ad valorem.

Mr. McCUMBER. But it should be remembered that the House rate is based upon the American valuation.

Mr. JONES of Washington. That is what I wanted to bring out. There is nothing said in the bill about American valuation. I wanted to get the reason.

Mr. McCUMBER. I will look at that when I come to it. My mind is on the other now, and I will have to refresh my memory when I come to the next provision.

Mr. JONES of Washington. It is all in one paragraph, and I did not know about it. I just wanted an explanation of it.

Mr. McCUMBER. I think it is a decrease, nevertheless; but I will take that up when I come to it.

In addition to what I have said, I want to say that on account of the heavy freight rates the California product will be cut out entirely from the eastern market. In other words, we have not given a duty high enough to protect the California product.

Mr. HITCHCOCK. You should not.

Mr. McCUMBER. That may be. We have not.

Mr. HITCHCOCK. This business of doubling freight rates in the United States for the consumers to pay, and then increasing your tariff because of the freight rates, simply results in piling one burden after another on the consumers. Because freight rates have been increased 100 per cent is no excuse for increasing tariff rates.

I understand—and I would like to ask the chairman of the committee if I am right—that the amendment we now have before us proposes to change the present duty of 5 per cent ad valorem on the unmanufactured pumice stone to a specific duty of one-tenth of a cent per pound. Does that apply to the cheap pumice stone?

Mr. McCUMBER. Yes; where the value is $15 and less.

Mr. HITCHCOCK. Does it not follow, then, that the specific duty now amounts to 20 per cent?

Mr. McCUMBER. Taking the American price of the cheaper, I think it would amount to about 15 per cent. I have not computed it accurately.

Mr. HITCHCOCK. The American price is now approximately $2.73.

Mr. McCUMBER. That is the volcanic.

Mr. HITCHCOCK. Yes; that is the American product, and that is the only American product.

Mr. McCUMBER. What was the question?

Mr. HITCHCOCK. I am asking the Senator if the change from the 5 per cent ad valorem to the one-tenth cent specific on this cheap article, unmanufactured pumice stone, is not an increase from 5 per cent to 20 per cent?

Mr. McCUMBER. I said it was an increase, as I have it, of from 5 per cent ad valorem to about 15 per cent ad valorem.

Mr. HITCHCOCK. My arithmetic makes it 20; but even at 15, it is three times as large.

Mr. McCUMBER. Yes; it would be.

Mr. HITCHCOCK. And there are no imports of it. Am I right? There is no foreign competition?

Mr. McCUMBER. Not in the same kind that we produce. There are heavy imports, of course, of a quality under $15 per ton. As I have stated, the imports amounted in one year to about 25 per cent of the entire consumption. There is quite a heavy import of that which is less than $15 per ton; very much heavier than that which is over $15 per ton.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 33, line 17, to strike out "three-tenths" and insert "one-fourth," so as to read, "valued at more than $15 per ton, one-fourth of 1 cent per pound."

The amendment was agreed to.

The next amendment of the committee was, on page 33, line 20, after the word "pumice" to strike out the word "stone" and insert the word "stone" and a comma.

The amendment was agreed to.

The next amendment of the committee was, on page 33, line 21, to strike out "26" and insert in lieu thereof "35," so as to read:

Manufactures of pumice stone, or of which pumice stone is the component material of chief value, not specially provided for, 35 per cent ad valorem.

The amendment was agreed to.

The next amendment of the committee was, on page 34, line 3, to strike out "bauxite or beauxite" and insert in lieu thereof "bauxite," so as to read:

Bauxite, crude, not refined or otherwise advanced in condition in any manner, $1 per ton.

The amendment was agreed to.

The next amendment of the committee was, on page 34, line 7, to strike out "$3 per ton of 2,000 pounds" and to insert in lieu thereof "$3.25 per ton," so as to read:

Fuller's earth * * * wrought or manufactured, $3.25 per ton.

Mr. JONES of New Mexico. Mr. President, this item of fuller's earth is one which I think may well challenge our attention for a few minutes.

Under the present law the duty is $1.50 per ton, equivalent to 16 per cent ad valorem. Under the old Payne-Aldrich law the duty was $3 per ton, equivalent to 33⅓ per cent, and the committee now proposes to make the duty $3.25 per ton, equivalent to 35 per cent ad valorem on the 1908 to 1917 prices and to 27 per cent on the later imports.

I desire to call attention to the fact that prior to the European war—in fact, prior to 1916, reaching back to 1910—the yearly production in the United States was something over 40,000 tons, and the average value during that series of years was $9.71.

I may say that that has continued down to about the present time. During the year 1921 the importations fell off considerably, but from 1908 down the importations have averaged about 15,000 tons a year at a price, prior to the war, on foreign valuation, of $9 per ton, and to that $9 foreign valuation must, of course, be added the cost of transportation, the duty, and the importer's profit on the commodity, and there seems to have been a well-fixed relation between the domestic production and the importations.

The price of the commodity now has gone very high. In March, 1922, the New York price was from $22 to $25 per ton, considerably more than twice the price of that commodity prior to the war; that is, the New York price now is about two and a half times the pre-war price. It does seem to me that this is a

fair illustration of the attempt made by the bill to keep up present prices on all of the commodities regardless of the cost of production either in the United States or abroad.

This commodity is produced in two sections of the country principally, in come of the Southern States and in California. The California production supplies the demand of the Pacific coast and, so far as I am advised, there is no competition there. The production in the Southern States supplies the whole market as far north as New Jersey, but the market in the New England States has been constantly supplied by importations. That is the destination of the imported commodity, just that one section of the United States. The reason why that market is supplied from abroad is doubtless because of the cost of transportation from the mills in the United States to the northeastern section of the United States.

The effect of the tariff will be to keep the prices of the material considerably higher than normally. We have heard much about wanting to get back to normalcy, but this is an attempt to prevent it. It is true the freight rates are high. Is it to be said that we should now levy a tariff which would enable the producers of this material in rather remote sections to pay a high freight bill? This probably could be justified upon that theory, but I submit that we should not undertake any such disarrangement of natural economic conditions at this time, especially when the price is so high as it appears from the market quotations in New York.

The importation has been practically constant during all these years. The Tariff Commission tells us that Great Britain and Germany are normally large producers, but the English product is the only one entering the domestic market to any extent. We have not the ghost of Germany confronting us at this time, and we must consider the situation only as it is in England. We all know that prices there have reached a point higher than they were prior to the war even considering the difference in exchange and the price of labor and other costs which have gotten back to a point higher than the pre-war basis.

The domestic industry occupies a strong position in all the home markets except along the Atlantic seaboard from New Jersey to New England. The domestic material sent here must absorb a heavy rail and water freight, while foreign material can in many cases be shipped direct from England to the consuming plant at a lower cost of transportation.

The statistics are given as to the cost of production in the United States and the average price per ton. From 1911 to 1915 the average price per ton was $9.71, and that kept going up. Since the war is over, it has gone higher than it was during the war. In fact, in 1920, the last date given, it was higher than at any time during the war. In 1920 it reached the point of $19.51, as against the pre-war average for a number of years of $9.71. I would like to know whether the Finance Committee is willing to stand for that sort of thing. Is it willing to levy a duty with the avowed purpose of keeping up such abnormal prices as that, and in view of the fact that the greater section of the United States is supplied by the home production with no danger of competition, no danger of destroying home production so far as it can reasonably extend itself? But we are now asked to increase this duty more than 100 per cent above the present rate and even higher than the Payne-Aldrich rate. That is the situation.

The domestic production in this country is around 40,000 tons per annum, used in all the sections of the country except the New England States. There the market has been supplied with importations. The present price is more than twice what it was prior to the war, and we are putting on the highest duty ever known in order to increase the price of the commodity to the consumers up in the New England States. I am a little surprised that Senators here representing the industries up there do not make some complaint about it. However, that is the situation. Who is asking for this measure I do not know.

But here is what the Tariff Commission says about the importation. I think I have given the percentage of importation higher than it really is, because I observe in the next paragraph the Tariff Commission says:

> Imports amount to about 15 per cent of the domestic production and the material comes through New York and New England ports and is consumed at the refining plants located in that section.

I do not feel that any such duty is justified with prices where they are to-day. The matter is discussed somewhat in detail in the Tariff Commission Survey. I simply want to make it appear what the Finance Committee is recommending and what the Senate will deliberately do if it shall adhere to the rate proposed by the committee.

Mr. President, I move that on line 7, page 34, the numerals $3.25 be stricken out and the numerals $1.50 be inserted in lieu thereof.

The PRESIDING OFFICER (Mr. LADD in the chair). The amendment to the amendment will be stated.

The READING CLERK. On page 34, line 7, strike out of the committee amendment the numerals $3.25 and insert in lieu thereof $1.50.

Mr. McCUMBER. Mr. President, I think I ought to make some little explanation, a very short one, as to the reasons for modifying the House rate and other reasons justifying the rate proposed by the committee.

Under the House bill the duty was levied upon the short ton of 2,000 pounds. As a matter of fact, practically all the foreign countries use the long ton of 2,250 pounds in their importations. It was thought by the experts that it would be better to continue the long-ton valuation rather than the short-ton valuation, as the invoices would all be on the long-ton basis. We merely changed the duty to the equivalent long-ton duty by adding 25 cents per ton.

The rate under the Payne-Aldrich law was $3 per ton, and under the Underwood law $1.50 per ton. The rate now proposed is $3.25 per ton. The Senator from New Mexico called attention to the fact of the enormous increase in the market price after the war and after 1917. The Senator will recall that in 1918 miners' wages were enormously increased, and as the main cost of fuller's earth is the labor cost, that was immediately reflected in the very much higher price of the product in the United States.

I think it will go down undoubtedly to a point very much more near the pre-war point, but at present the importing price, taking the first nine months of 1921, is about $13 per ton, and $3.25 per ton is exactly the equivalent of 25 per cent ad valorem upon the foreign price. The pre-war foreign importation price was about $10 per ton, so the present price increases it only about $3 per ton.

I think, considering the country from which it is imported, where the labor wages more nearly measure up to the labor wages in the United States, the probability is that it will not go below that foreign valuation, and therefore the ad valorem percentage will in all probability be not increased beyond the 25 per cent. I think it will stand the 25 per cent, and that we can get a considerable revenue when we recall the enormous increase in the cost in the United States owing to the increase in miners' wages.

Mr. JONES of New Mexico. Mr. President, I desire to call attention to something that it seems to me is rather significant. The Senator from North Dakota has said that the price in 1921 was $13 per ton.

Mr. McCUMBER. The importing price.

Mr. JONES of New Mexico. Yes. My information on the subject is that in 1920 we imported 15,622 tons and the foreign price was $13 per ton. But for the nine months of 1921 we imported only 5,761 tons and the foreign price was $14 a ton. That does not indicate that there is going to be any great flood of this material into this country. After 1920 the foreign price went up and the importations decreased more than 50 per cent. That is the situation. The $14 foreign price of 1921 is to be compared with the average price of about $9.10 prior to the war. The importations decreased for nine months of 1921, only 5,761 tons coming in, and the foreign price had increased $1.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll and the following Senators answered to their names:

Ashurst	Frelinghuysen	Lenroot	Page
Ball	Glass	Lodge	Pittman
Borah	Gooding	McCumber	Ransdell
Brandegee	Hale	McLean	Rawson
Bursum	Harreld	McNary	Sheppard
Capper	Harris	Moses	Shortridge
Caraway	Harrison	Myers	Simmons
Colt	Heflin	Nelson	Smoot
Curtis	Jones, N. Mex.	Newberry	Townsend
Dial	Jones, Wash.	Nicholson	Walsh, Mass.
Edge	Kellogg	Norbeck	Warren
Ernst	Kendrick	Norris	Williams
Fletcher	Keyes	Oddie	Willis
France	Ladd	Overman	

The PRESIDING OFFICER. Fifty-five Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from New Mexico [Mr. JONES] to the amendment reported by the committee.

Mr. WALSH of Massachusetts. I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The READING CLERK. On page 34, line 7, it is proposed to strike out "$3.25" and to insert "$1.50."

The PRESIDING OFFICER. The question is on the amendment.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment of the Committee on Finance was, on page 34, at the end of line 9, to insert "glass sand, $1.50 per ton."

Mr. JONES of New Mexico. Mr. President, that is a new item, and, so far as I can ascertain, we have been furnished no information regarding it. The item merely says "glass sand." We do not know what quality of the commodity is covered by this duty or anything about it, and I believe that the Senate is entitled to some information on the subject.

Mr. FRELINGHUYSEN. Mr. President, glass sand or silica sand is a product of New Jersey and is also produced elsewhere throughout the country. It has to go through the process of mining and washing and drying, which involves a great deal of labor. This sand is produced for the purpose of the manufacture of glassware, and also for the making of soda silicon. I think there are four or five plants in my State and there are one or two in Pennsylvania which have asked for this duty.

The competition at the present time comes from Belgium. This sand is shipped as ballast at a cost of about 80 cents per ton plus 30 per cent landing charges. On February 22 last a cargo of 2,000 tons of such sand was discharged at Chester, Pa., for $1.10 per ton. The manufacturer who writes me regarding this matter states that his freight alone for silica sand which he supplies at that point is $1.68; that the production costs f. o. b. at the mines or the sand pits where the sand is mined, washed, and cleaned is $1.25 per ton; and that on the eastern seaboard this sand is now being shipped in as ballast from Belgium, which is one of our principal competitors from the standpoint of the glass industry.

The producers have requested a rate of $2 per ton to cover the difference between the domestic production cost and the freight and the landed cost of the foreign article at near-by eastern points on the seaboard—New York and Philadelphia. The statement that I have here is that this sand, cleaned and refined to the glass factory, costs from $4.35 to $5.50 per ton. There was quite a demand for a duty of $2 per ton from the sand miners of my State. There are a great many persons employed in the north and south Jersey sand pits; and with this competition of ballast glass sand coming in from Belgium the committee felt that $1.50 a ton was a fair duty. Heretofore this article has been on the free list and has not been protected, but this competition has never before appeared.

The question of protection, as to whether or not we shall be dependent for sand upon Belgium, which is our largest competitor in the manufacture of glass, is one that is exercising not only the producers of sand in my State and in Pennsylvania, but also the glass manufacturers as well, who do not object to the proposed rate.

Mr. JONES of New Mexico. Mr. President, do I understand from the Senator that this is the first time any such competition has occurred? Will the Senator from New Jersey just give me his attention for a moment?

Mr. FRELINGHUYSEN. Mr. President, I have heard every word the Senator has said, and I paid him as much attention as he paid me when I was explaining the item.

Mr. JONES of New Mexico. I regret very much if I have offended the very agreeable Senator with my most innocent remark. I understood the Senator to make that statement, and I wanted to have it confirmed before I made any comments on it. It is some little distance across the Chamber from where the Senator is sitting over to where I am now standing. I was listening with a good deal of interest to what the Senator had said, and if perchance I have so far departed from the proprieties of the situation as to offend the Senator by asking him an innocent question, I apologize in the most gracious manner.

Mr. FRELINGHUYSEN. Mr. President, possibly we are both a little confused at the noise in the Chamber, and the fact that it is almost impossible to hear the debate. I stated that heretofore the glass sand had been upon the free list and was upon the free list, and that this competition of ballast sand from Belgium was really becoming a very important factor, and within the last few months over 20,000 tons of this sand had been shipped in in this manner, and that the sand cleaners—I think they call themselves clay and sand manufacturing companies—have asked that they be protected against this glass sand that comes in as ballast. I stated that it costs from $2.25 to $2.50 to buy and prepare that sand and put it on the cars—that is quite uniform in every one of these pits located in Pennsylvania and New Jersey—and that the freight to the near-by points from the Pennsylvania factories to New York is about $1.68, or from New York, where a good deal of this Belgian sand has been landed, to the Pennsylvania distributing points, about the same—$1.50 to $1.75. That makes the total cost of the landing of the sand to the consumer $4.50 to $5.50 a ton.

Mr. JONES of New Mexico. What was the price that those concerns near the coast were paying for such sand prior to the war, if the Senator knows?

Mr. FRELINGHUYSEN. I have not that information.

Mr. JONES of New Mexico. May I also ask the Senator at what point the sand is produced which the Senator has been referring to as laboring under this terrible handicap?

Mr. FRELINGHUYSEN. The South River sand is loaded at $2.25 per ton f. o. b. the cars. It is landed in New York at $4.35 per ton. That is the cost of delivering, loading the cars, and shipment to New York. According to the figures that I have for the Bridgeton Sand Co. and the Bristol Sand Co., supplying Chester with this grade of sand, the freight rate alone to Chester, Pa., is $1.68 per net ton, while the ballast sand from Belgium was landed at Chester at $1.10 per net ton.

Mr. JONES of New Mexico. Does that include the profit of the importer?

Mr. FRELINGHUYSEN. I presume the profit is in the ballast. I suppose they carry it for nothing. They probably pay a small price for the sand in Belgium and carry it for nothing, because it forms the ballast of the ship.

Mr. JONES of New Mexico. Mr. President, it does seem to me that we ought to hesitate before putting that article on the dutiable list with the very meager information we have. Here is a commodity that has been on the free list all the time. We have had the Dingley bill, we have had the McKinley bill, we have had the Payne-Aldrich bill, and other bills, and nobody ever suspected that it would be necessary to impose a duty upon glass sand. The glass industry of this country has prospered. It has grown enormously. It has gotten its sand from the United States. There never has been any duty on it; but now some concern away from New York City such a distance that it must pay $1.68 a ton freight on glass sand to get it into New York City is asking a tariff of $1.50 per ton.

I do not know what the Senator's figures mean. Apparently he has not digested them. We do not know just what that 80 or 90 cents a ton or $1.10 a ton, or whatever it is, represents. We do not know whether that is all of the cost which the foreign producer has to pay to enter into this market. We do not know whether it includes the necessary expense or overhead of the importer.

It is evidently a sporadic transaction. In all probability it will not occur again. When we ask as to the cost of the domestic product, we are told that there is no information except as to what their price is upon the New York market.

The idea of digging sand away over in Belgium, getting it to the seashore, getting it loaded on the ship, transporting it across the ocean, paying the landing charge, the transfer charge, the profit of the importer, the profit of the producer back in Belgium—that all that can be done and produce sand and unload it and sell it in the New York market for $1.50 a ton less than it can be produced near by!

Mr. DIAL. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from South Carolina?

Mr. JONES of New Mexico. I do.

Mr. DIAL. All you have to do to load it is just to run your box car up to the sand pit, throw it in, take it to the sidetrack, and unload it.

Mr. JONES of New Mexico. I imagine if it is done on a large scale they would have a steam shovel to do that.

Mr. SMOOT. No; the Senator is mistaken there. I am not much interested in white sand one way or the other, whether it is on the free list or where it ought to be, but the Senator is mistaken there. White sand has to be washed and has to be dried before ever it can be used, and they can not run a box car up like they can the regular silica sand in my part of the country.

Mr. DIAL. I beg the Senator's pardon, he has different sand from what we have down South.

Mr. SMOOT. Yes; we have the same kind of sand that the Senator has in his State.

Mr. DIAL. We do not wash it.

Mr. SMOOT. Oh, they have to wash it before they can use it.

Mr. DIAL. No; I beg the Senator's pardon.

Mr. SMOOT. They do wash it, however. Then, of course, they had better learn how to use it without washing and drying it. The Senator may know how it is done, but no manufacturer does, yet.

Mr. DIAL. Yes; I know how it is done. I know how it is loaded, and I know how it is manufactured. It was my glass. It was my fortune or misfortune to be interested in a glass factory. I had one built, and I operated it; I was president of it for several years. We had the sand shipped in from the lower part of my State, from Blackville, S. C. All we had to do was to run the freight cars up to the bed, pile it in, bring it up, and unload it in our sandhouse. We did not wash it. I believe perhaps we sieved it, and then we would mix up some other little ingredients with it and throw it into the receptacle.

Mr. SMOOT. The Senator makes common window glass, then, in that factory, does he not, or just common glassware?

Mr. DIAL. We did not make window glass; we made bottles—Coca-Cola bottles, and so on, and prescription bottles—but we made a magnificent product. We had a reputation all over the South, and we had more orders than we could supply, and we did not wash that sand.

Mr. SMOOT. We make glass bottles in our State from just the kind of sand the Senator says, and we have mountains of it. All you have to do is to take a steam shovel and put it into the car, as the Senator says; but that is not this white sand.

Mr. DIAL. It takes a little purer silica to make window glass or plate glass than it would to make bottles.

Mr. SMOOT. I am just simply saying that this sand that is mentioned here is washed and dried—the white sand.

Mr. DIAL. I am not taking issue with the Senator on that question; I mean generally. Now, peculiar as it might seem, the sand that goes into the manufacture of this ordinary glass, such as we made bottles of—and they were very beautiful, clear bottles, used not only in the soft-drink business but also for prescription purposes—as I say, curious as it might seem, the sand only amounted to 1 per cent of the cost of the finished bottles; and they have these beds all over the country. They have them in Tennessee, in Georgia, in South Carolina, and I presume in plenty of other parts of the United States. So it does seem to me that we are going a very long way when we want to put a tariff on dirt and on sand over this country. We are certainly becoming a very enfeebled Nation if we can not use a little elbow grease and throw a little sand in a box car without a tariff on it. I do not know to what extent we are going if we do this.

Mr. SMOOT. For the information of the Senator I will state that the kind of sand he is talking about will be found in paragraph 1661, and that is on the free list. It says "stone and sand."

Mr. DIAL. It all ought to be on the free list.

Mr. SMOOT. I am not discussing that. I am discussing the subject the Senator is talking about, and what the Senator is talking about is on the free list under this bill.

Mr. DIAL. I am glad something is on the free list. That is about the first thing I have found yet that is on the free list.

Mr. SMOOT. The Senator has not read the bill, then.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Montana?

Mr. JONES of New Mexico. I yield.

Mr. WALSH of Montana. How does the Senator from Utah reach the conclusion that the sand to which the Senator from South Carolina refers is the sand that is on the free list and not the sand that is referred to in this paragraph? It apparently is adapted to the manufacture of glass. What is glass sand except sand which is adapted to the manufacture of glass, such as the Senator from South Carolina tells about?

Mr. SMOOT. It is sand that is made into glass for the manufacture of bottles and plain window glass. Any kind of sand will do for that. All that is necessary is that it shall contain silica.

Mr. WALSH of Montana. Is not glass sand a sand that is adapted to the manufacture of glass?

Mr. SMOOT. No; this is white sand.

Mr. WALSH of Montana. But it does not say so. It says "glass sand." It does not say "white glass sand."

Mr. SMOOT. I do not say it does say "white glass sand."

Mr. WALSH of Montana. So, how does the Senator reach the conclusion that the sand to which the Senator from South Carolina refers—which might be used for the making of mortar or might be used for many other purposes—is not the sand referred to in this paragraph?

Mr. SMOOT. The commercial designation always counts in tariff bills. Everybody knows what "sand" means.

Mr. WALSH of Montana. That is what I want to know from the Senator. When it says "glass sand," what are we to understand is meant except that it is sand which is adapted to the manufacture of glass, as the Senator from South Carolina said?

Mr. SMOOT. I will say to the Senator that ordinary common sand could not be shipped in from Europe or anywhere else, because it would not pay, even though it came as ballast.

Mr. WALSH of Montana. That is not the question.

Mr. SMOOT. Just a moment. Even though it came as ballast, it could not be shipped, it could not be brought into this country; and it is on the free list. Nobody would bring any other sand in than the white glass sand.

Mr. WALSH of Montana. But suppose somebody does bring in sand such as that to which the Senator from South Carolina refers, such sand as is used in South Carolina for making glass, and it comes here for the making of glass, will not that be subject to this duty?

Mr. SMOOT. It will not come in. It does not come in. The supposition the Senator makes is something which can not happen.

Mr. WALSH of Montana. Why can it not happen?

Mr. SMOOT. Because of the fact that no manufacturer is foolish enough to pay more for sand because it comes from a foreign country, unless it is better than the sand he can get for almost nothing here.

Mr. WALSH of Montana. That is neither here nor there. If it is glass sand, it is subject to this duty.

Mr. SMOOT. Without any duty it will not come in, and therefore with a duty it will not come in.

Mr. WALSH of Montana. All I am seeking is to get a definition of glass sand, so that we shall know to what this refers. I would define glass sand to be sand which is adapted to the manufacture of glass, and apparently they have that in South Carolina.

Mr. SMOOT. They have not any of the white sand in South Carolina.

Mr. WALSH of Montana. I do not undertake to say they have.

Mr. SMOOT. Nobody can afford to import the sand they have in Utah or in South Carolina, even with it on the free list. We could furnish enough of that kind of sand to supply the world.

Mr. DIAL. All kinds of sand can not be used in making glass.

Mr. SMOOT. Certainly not. It takes the very best sand there is to make glassware used for chemical purposes, and that is the only kind that ever will be shipped into this country.

Mr. WALSH of Montana. The Senator knows that it all depends on the constituents in the sand. Much sand contains a very large percentage of iron, the Senator well knows, and that is not adapted to the making of glass. There are other constituents in sand. Glass sand must be very high in silica, and contain relatively small quantities of impurities, or it is not adapted to the making of glass.

Mr. SMOOT. The Senator knows that the sand found in Montana contains iron, and the sand in Utah I know contains traces of iron. You could not afford to buy sand that contains iron for the purpose of making certain kinds of glass, and ship it into this country.

Mr. WALSH of Montana. If the matter before us were perfectly white sand, or sand containing 99 or 99½ per cent silica, then there would be something you could go on, but that is not the kind of sand that is here mentioned. It is "glass sand."

Mr. SMOOT. Glass sand, which is used in the manufacture of the very finest kinds of glass for surgical instruments of the very best kind, has to be perfectly pure.

Mr. DIAL. How about plate glass?

Mr. SMOOT. I think it would be used for finer glass than that. You can buy any amount of sand here for 75 cents a ton, of the kind the Senator from South Carolina has in his State and we have in our State, but you can not get the white sand for less than $2.75 a ton.

Mr. WALSH of Montana. Then the Senator ought to amend this, and instead of saying "glass sand" say "white sand."

Mr. SMOOT. As long as it is "glass sand," the cost of it would prohibit anything from coming in but the best white sand. Nobody could afford to bring it in otherwise.

Mr. JONES of New Mexico. I am very glad the Senator from Utah expresses a lack of interest in this item. So far as he is concerned, it might be on the free list. But it seems to me that instead of justifying it and passing this discussion off, it should arouse interest, because we are doing a rather serious thing here in putting a duty of $1.50 a ton upon glass sand. The Senator from Utah may explain as much as he will about this kind of sand; the language used in the bill applies to all sand which is converted into glass.

Mr. SMOOT. The Senator will find that in paragraph 1661 stone and sand are put on the free list.

Mr. JONES of New Mexico. Yes; I know that.

Mr. SMOOT. Then what will determine the question? The plain designation of it will determine it, and that means that the ordinary kind of sand can not come in. Even with it on the free list you would not get it. Of course, only one kind of sand will fall under this item; that is the white sand.

Mr. JONES of New Mexico. The glass sand has technical names, but one of them is not "glass sand."

Mr. FRELINGHUYSEN. Mr. President, if it is agreeable to the Senator from Utah, in charge of the bill, I am perfectly willing to insert after "glass sand" the words "containing 99 per cent or more of silica." The only desire I have is to protect the glass sand which is prepared and utilized for the purpose of making glass, and if those words will help the situation and specify the sand, I am perfectly willing to insert them.

Mr. JONES of New Mexico. I certainly believe that if we are going to put a duty on glass sand at all, some such limitation should be inserted as that now proposed by the Senator from New Jersey.

Mr. SMOOT. The Senator knows that if it did contain 99 per cent of silica it would have to be prepared and washed.

Mr. FRELINGHUYSEN. Will the Senator accept that amendment?

Mr. SMOOT. I will be glad to accept the amendment.

Mr. HEFLIN. Mr. President, I want to ask the Senator from New Mexico how much of this sand is being imported into the United States now?

Mr. JONES of New Mexico. I understand from the Senator from New Jersey that some came over in ballast recently.

Mr. HEFLIN. How much is being exported? Have we any figures on that?

Mr. JONES of New Mexico. We have no figures on it at all; we have no information about it. We know nothing about the price of it before the war, and we have no intimation as to the amount we used before the war, or that we are using now.

Mr. WALSH of Montana. I want to ask the Senator if there is a compensatory duty on the manufactured glass into which this sand goes?

Mr. SMOOT. There is not.

Mr. JONES of New Mexico. I believe if the Senator from New Jersey will ponder a little, he will conclude to eliminate this item, and let sand remain on the free list.

Mr. FRELINGHUYSEN. Did I understand the Senator from Montana to ask me a question?

Mr WALSH of Montana. I addressed a question to the Senator from New Mexico, but I should be glad to have an answer from the Senator from New Jersey as to whether he has made provision for a compensatory duty upon the manufactured glass.

Mr. FRELINGHUYSEN. I have not.

Mr. WALSH of Montana. So it would be a burden to that extent upon that industry.

Mr. FRELINGHUYSEN. I do not think so. It would not raise the price any. The Senator knows the reason for this amendment, and I venture to say that if Belgium can continue to ship in this sand at this price it practically means that she can supply the glass factories along the Atlantic seaboard at a price about half the price charged by the American sand pits to supply the factories. Of course, some of these factories have their own sand pits, and the only cost they have is the cost of washing and cleaning this sand, but where there are certain sand pits furnishing glass factories in Philadelphia, Chester, Brooklyn, and Jersey City, the price of the sand, added to the labor, practically amounts to $4.50 a ton. The freight at the present time is $1.50. If this glass sand, prepared and washed, is to be shipped in as ballast from Belgium, it is clearly a competitive product.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the designation of Hon. JOSEPH WALSH, a Representative from the State of Massachusetts, as Speaker pro tempore was approved by the House.

The message also announced that the House had passed the bill (S. 2919) to extend for the period of two years the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, as amended, with an amendment, in which it requested the concurrence of the Senate.

EXTENSION OF DISTRICT RENTS ACT.

The PRESIDING OFFICER (Mr. LADD) laid before the Senate the amendment of the House of Representatives to the bill (S. 2919) to extend for the period of two years the provisions of Title II of the food control and District of Columbia rents act, approved October 22, 1919, as amended, which was to strike out all after the enacting clause and to insert:

That it is hereby declared that the emergency described in Title II of the food control and the District of Columbia rents act still exists and continues in the District of Columbia, and that the present housing and rental conditions therein require the further extension of the provisions of such title.

SEC. 2. That Title II of the food control and the District of Columbia rents act, as amended, as reenacted, extended, and continued, as hereinafter amended, until the 22d day of May, 1924, notwithstanding the provisions of section 1 of the act entitled "An act to extend for the period of seven months the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, and for other purposes," approved August 24, 1921.

SEC. 3. That section 101 of the food control and the District of Columbia rents act, as amended, is amended to read as follows:

"SEC. 101. When used in this title, unless the context indicates otherwise—

"(a) The term 'rental property' means any building or part thereof or land appurtenant thereto in the District of Columbia rented or hired, and the service agreed or required by law or by determination of the commission to be furnished in connection therewith; but does not include (1) a garage or warehouse, (2) any other building or part thereof or land appurtenant thereto used by the tenant exclusively for a business purpose other than the subleasing or otherwise subcontracting for use for living accommodations, or (3) any apartment or hotel.

"(b) The term 'person' includes an individual, partnership, association, or corporation.

"(c) The term 'apartment' means any apartment or apartment hotel, or part thereof, in the District of Columbia rented or hired and the land and outbuildings appurtenant thereto, and the service agreed or required by law or by determination of the commission to be furnished in connection therewith.

"(d) The term 'owner' includes a lessor or sublessor, or other person entitled to receive rent or charges for the use or occupancy of any rental property or apartment, or any interest therein, or his agent.

"(e) The term 'tenant' includes a subtenant, lessee, sublessee, or other person not the owner, entitled to the use or occupancy of any rental property or apartment.

"(f) The term 'service' includes the furnishing of light, heat, water, telephone or elevator service, furniture, furnishings, window shades, screens, awnings, storage, kitchen, bath, and laundry facilities and privileges, maid service, janitor service, removal of refuse, making all repairs suited to the type of building or necessitated by ordinary wear and tear, and any other privilege or service connected with the use or occupancy of any rental property or apartment.

"(g) The term 'commission' means the Rent Commission of the District of Columbia."

SEC. 4. That section 102 of the food control and the District of Columbia rents act is amended to read as follows:

"SEC. 102. (a) A commission is hereby created and established to be known as the Rent Commission of the District of Columbia. After this section, as amended, takes effect, the commission shall be composed of five commissioners, to be appointed by the President, by and with the advice and consent of the Senate; except that the present commissioners in office at the time this section, as amended, takes effect shall continue in office and shall have and exercise all the rights, powers, and duties vested in the commissioners by law until such time as a majority of the five commissioners whose appointment is provided for by this subdivision take office. The term of the five commissioners shall be for the period beginning at the time of taking office and ending May 22, 1924. Any vacancy in the office of any such commissioner shall be filled in the same manner as the original appointment, except that the appointment of the commissioner shall be made only for the unexpired term of the commissioner whom he succeeds.

"(b) In case of a vacancy in the office of one of the present commissioners prior to the time that a majority of the commissioners whose appointment is provided for by subdivision (a) take office a successor to such commissioner may be appointed by the President, by and with the advice and consent of the Senate. The term of such successor shall be for the period beginning at the time of taking office and ending at the time that a majority of the commissioners whose appointment is provided for by subdivision (a) take office.

"(c) No commissioner shall be appointed who is directly or indirectly engaged in, or in any manner interested in or connected with, the real estate or renting business in the District of Columbia.

"(d) All appointments of commissioners made before January 1, 1922, whether or not made in accordance with the law in effect at the time such appointments were made, are hereby validated and confirmed. All acts by or under the authority of the commission made in the administration of this act and all proceedings instituted by or before the commission prior to the time this section, as amended, takes effect shall, for all purposes, be regarded as having the same status as if such appointments had been valid at the time when made.

"(e) The commission shall at the time of its organization and annually thereafter elect a chairman from its membership. The commission may make such rules and regulations as may be necessary to carry this title into effect. All powers and duties of the commission may be exercised by a majority of its members. A vacancy in the commission shall not impair the right of the remaining commissioners to exercise all the powers of the commission. The commission shall have an official seal, which shall be judicially noticed."

SEC. 5. That the last sentence of the first paragraph of section 105 of the food control and the District of Columbia rents act is amended to read as follows:

"Each member of the commission may sign subpœnas, administer oaths and affirmations, summon and examine witnesses, conduct hearings, and receive evidence touching any matter which the commission is authorized to consider or investigate, and the substance of such evidence, when certified to the commission by the member of the commission who heard and received the same and when filed by the commission with the papers pertaining to such matter, may be made the basis of the commission's determination respecting the matter under consideration or investigation."

SEC. 6. That the last paragraph of section 105 of the food control and the District of Columbia rents act is amended to read as follows:

"Such attendance of witnesses and the production of such books, accounts, records, papers, and correspondence may be required from any place in the United States at any designated place of hearing. In case of disobedience to a subpœna or of the contumacy of any witness appearing before the commission, or in case of the failure to file with the commission any plans or other data required by the commission under section 117 of this title, the commission may invoke the aid of the Supreme Court of the District of Columbia or of any district court of the United

States. Such court may thereupon issue an order requiring the person subpœnaed to obey the subpœna or to give evidence touching the matter in question or to file the plans or other data. Any failure to obey such order of the court may be punished by such court as a contempt thereof. No officer or employee of the commission shall, unless authorized by the commission or by a court of competent jurisdiction, make public any information obtained by the commission."

SEC. 7. That section 106 of the food control and the District of Columbia rents act is amended to read as follows:

"SEC. 106. (a) For the purposes of this title it is declared that all rental property and apartments are affected with a public interest, and that all rents and charges therefor, all service in connection therewith, and all other terms and conditions of the use or occupancy thereof, shall be fair and reasonable; and any unreasonable or unfair provision of a lease or other contract for the use or occupancy of such rental property or apartment, with respect to such rents, charges, service, terms, or conditions is hereby declared to be contrary to public policy. The commission upon its own initiative may, or upon complaint shall, determine whether the rent, charges, service, and other terms or conditions of a lease or other contract for the use or occupancy of any such rental property or apartment are fair and reasonable. Such complaints may be made and filed by or on behalf of any tenant, and by or on behalf of the owner of any rental property or apartment, notwithstanding the existence of a lease or other contract between the tenant and the owner. In fixing and determining the fair and reasonable rents, or charges for any rental property or apartment, the commission shall, in all cases, take into consideration the character and condition of the property and the character of the service, if any, furnished in connection therewith.

"(b) In all such cases the commission shall give notice personally or by registered mail and afford an opportunity to be heard to all parties in interest: *Provided*, That notice given by the commission to an agent for the collection of rents due his principal shall be deemed and held to be good and sufficient notice to the principal. The commission shall promptly hear and determine the issues involved in all complaints submitted to it. All hearings before the commission, or any member of the commission, shall be open to the public. If the commission finds that the existing rents, charges, service, or other terms or conditions of the use or occupancy of any rental property or apartment are unfair and unreasonable, it shall fix and determine the fair and reasonable rents or charges for the rental property or apartment under consideration, and may fix and determine the fair and reasonable service, terms, and conditions of the use or occupancy of the rental property or apartment, and may also order and require the furnishing of such service by the owner as it shall lawfully determine to be fair and reasonable.

"(c) In any suit in any court of the United States or the District of Columbia involving any question arising out of the relation of landlord and tenant with respect to any rental property or apartment, except on appeal from the commission's determination as provided in this title, such court shall determine the rights and duties of the parties in accordance with the determination and regulations of the commission relevant thereto.

"(d) The commission shall file with its determination a finding of the facts on the evidence presented, and upon which its determination is based. Such finding of facts shall set out the following: (1) The fair and reasonable value of the whole property, (2) the allowance for maintenance, repairs, taxes, service, and all other expenses, (3) the separate rentals of the whole property as fixed by the commission, or if not fixed by the commission, then as paid by the tenants, (4) the commission's estimated net return to the owner upon the value as fixed by it, and (5) such other findings of fact as the commission deems proper to submit. Such findings of fact shall constitute a part of the record of the case."

SEC. 8. That section 108 of the food control and the District of Columbia rents act is amended to read as follows:

"SEC. 108. (a) Unless within 10 days after the filing of the commission's determination any party to the complaint appeals therefrom to the Supreme Court of the District of Columbia in general term, the determination of the commission shall be final and conclusive. The Supreme Court of the District of Columbia in general term is hereby given jurisdiction to hear and determine appeals taken from determinations of the commission, and such appeals shall be given precedence over the other business of the court. At the hearing of such appeals the chief justice of the court shall preside, with at least two of the associate justices thereof, to be designated by the chief justice. In the absence of the chief justice the senior associate justice of the court shall preside, have the powers, and perform the duties of the chief justice.

"(b) If such an appeal is taken from the determination of the commission, the record before the commission or such part thereof as the court may order shall be certified by it to the court and shall constitute the record before the court, and the commission's determination shall not be modified or set aside by the court, except for error of law.

"(c) If any party applies to the court for leave to adduce additional evidence and shows to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceedings before the commission, the court may order such additional evidence to be taken before the commission and to be adduced upon the hearing in such manner and upon such terms and conditions as the court may deem proper. The commission may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, which shall be conclusive, and its recommendations, if any, for the modification or setting aside of its original determination, with the return of such additional evidence.

"(d) In the proceedings before such court on appeal from a determination of the commission, the commission shall appear by its attorney or other representative and submit oral or written arguments to support the findings and the determination of the commission.

"(e) No determination of the commission shall be affirmed, set aside, modified, or otherwise reviewed, or its enforcement in any manner stayed, except upon appeal from such determination as provided by this title."

SEC. 9. That section 109 of the food control and the District of Columbia rents act is amended to read as follows:

"SEC. 109. (a) The right of a tenant to the use or occupancy of any rental property or apartment, existing at the time this act takes effect, or thereafter acquired, under any lease or other contract for such use or occupancy or under any extension thereof by operation of law, shall, notwithstanding the expiration of the term fixed by such lease or contract, continue at the option of the tenant, subject, however, to any determination or regulation of the commission relevant thereto; and such tenant shall not be evicted or dispossessed so long as he pays the rent and performs the other terms and conditions of the tenancy as fixed by such lease or contract, or, in case such lease or contract is modified by any determination or regulation of the commission, then as fixed by such modified lease or contract.

"(b) All remedies of the owner at law or equity, based on any provision of any such lease or contract to the effect that such lease or contract shall be determined or forfeited if the premises are sold, are hereby suspended so long as this title is in force. Every purchaser shall take conveyance of any rental property or apartment subject to the rights of tenants as provided in this title.

"(c) The rights of the tenant under this title shall be subject to the limitation that the bona fide owner of any rental property or apartment shall, upon giving 30 days' notice in writing, served in the manner provided by section 1223 of the act entitled 'An act to establish a code of laws for the District of Columbia,' approved March 3, 1901, as amended (which notice shall contain a full and correct statement of the facts and circumstances upon which the same is based), have the right to possession thereof, (1) if necessary immediately for actual and bona fide occupancy by himself, or his wife, children, or dependents, or for the making of material repairs or alterations, or for the remodeling or erection of a new building, whether or not to be used for rental purposes by the owner, or for any other purpose inconsistent with the continued use or occupancy of the existing tenant, if such purpose does not involve unfair discrimination against such tenant and in favor of any subsequent tenant, or (2) if the tenant commits waste, nuisance, breach of peace, or is otherwise disorderly upon the premises; but in no case shall possession be demanded or obtained by such owner in contravention of the terms of any such lease or contract. After the expiration of the 30 days' period specified in such notice the owner of the rental property or apartment may recover possession thereof in accordance with such act of March 3, 1901, as amended. If there is a dispute between the owner and the tenant as to the accuracy or sufficiency of the statement set forth in such notice, as to the good faith of such demand, or as to the service of notice, the matters in dispute shall be determined by the court in the proceedings for the recovery of possession. Any such dispute pending before the commission upon complaint at the time this section as amended takes effect shall be determined by the court in accordance with the provisions of this section.

"(d) During the period between the service of the notice and the final decision in the proceedings for the recovery of possession the tenant shall pay to the owner rent in accordance with the terms of the lease or other contract for the use or occupancy of the rented property or apartment, or, in case such lease or contract is modified by any determination of the commission, then in accordance with such modified lease or contract. Acceptance of such rent by the owner shall not be held a waiver by him of any right under the provisions of this section or under the terms of the lease or contract. If any tenant fails so to pay rent to the owner during such period, the rights of the tenant under this section shall cease."

SEC. 10. That section 110 of Title II of the food control and the District of Columbia rents act is amended by inserting "(a)" after the section number and by amending the last sentence thereof to read as follows:

"(b) In case of the increase of the rent for the use or occupancy of any rental property or apartment, made by a determination of the commission from which an appeal is taken by the tenant under the provisions of this title, the tenant shall, from time to time during the period between the filing of the determination and the time when the determination becomes final, and in accordance with the terms of the lease or other contract, pay to the commission the amount of the increase and to the owner the remainder of the amount of rent fixed by the determination. In lieu of such payments the tenant may, in the discretion of the commission and at the time of taking the appeal, give bond, approved by the commission, for the payment of the amount of the increase. The disposition of moneys so paid to the commission and the payments under the terms of the bond shall be made in accordance with the determination of the commission as modified by the final decision on appeal. The court shall dismiss the appeal of any tenant who fails to comply with this subdivision.

"(c) In case of a decrease of the rent by any such determination, the tenant shall, from time to time during such period and in accordance with the terms of the lease or other contract, pay to the owner the amount of rent fixed by the determination. The difference, if any, between the amount of rent paid during such period and the amount that would have been payable for such period, under the determination as modified in accordance with the final decision on appeal, may be added in future rent payments or sued for and recovered in an action in the municipal court of the District of Columbia.

"(d) The amendment of this section shall not be held to terminate any right for the recovery of rent in an action in the municipal court of the District of Columbia if such right arose prior to the time that this section as amended takes effect.

"(e) The decision of the Supreme Court of the District of Columbia upon appeal from any determination of the commission shall be final, except that it shall be subject to review by the Supreme Court of the United States upon certiorari to the same extent as cases subject to such review under section 240 of the Judicial Code, if such writ is duly applied for within 30 days after the decision is rendered. The issue of the writ shall not operate as a supersedeas or in any manner stay or postpone the decision of the Supreme Court of the District of Columbia if such decision affirms or modifies the determination of the commission."

SEC. 11. That section 111 of the food control and the District of Columbia rents act is amended to read as follows:

"SEC. 111. The determination of the commission in a proceeding begun by complaint or upon its own initiative fixing fair and reasonable rents, charges, service, and other terms and conditions of use or occupancy of any rental property or apartment shall constitute the commission's determination of the fairness and reasonableness of such rents, charges, service, terms, or condition for the rental property or apartment affected, and shall remain in full force and effect notwithstanding any change in ownership or tenancy thereof, unless and until the commission modifies or sets aside such determination upon complaint either of the owner or of the tenant."

SEC. 12. That section 112 of the food control and the District of Columbia rents act is amended to read as follows:

"SEC. 112. (a) If the owner of any rental property or apartment collects any rent or charge therefor in excess of the amount fixed in a determination of the commission made in full force and effect in accordance with the provisions of this title, he shall be liable for and the commission is hereby authorized and directed to commence an action in the municipal court of the District of Columbia to recover double the amount of such excess, together with the costs of the proceeding, which shall include an attorney's fee of $50, to be taxed as part of the costs.

Such actions shall be brought in the municipal court, regardless of the amount to be recovered, and the municipal court is hereby given special jurisdiction to hear and determine all such cases.

"(b) The commission is hereby authorized to bring such actions without the payment of costs, and no bond shall be required in the case of any appeal taken by the commission from any judgment of the municipal court in any such case. Out of any sums received on account of such recovery the commission shall pay over to the tenant the amount of the excess so paid by him and the balance shall be paid into the Treasury of the United States to the credit of the District of Columbia: *Provided*, That if the commission finds that such excess was paid by the tenant voluntarily and with knowledge of the commission's determination, the whole amount of such recovery shall be paid into the Treasury of the United States to the credit of the District of Columbia.

"(c) The commission may compromise any case arising under the section instead of commencing an action in respect thereto, or may compromise such case after an action in respect thereto has been commenced. Whenever any such case is compromised there shall be placed on file in the office of the commission a written opinion of the commission or its attorney stating the reasons for such compromise, the amount of the excess rent or charge for which the owner is liable, and the amount thereof actually paid in accordance with the terms of the compromise."

SEC. 13. That section 113 of the food control and the District of Columbia rents act is amended to read as follows:

"SEC. 113. (a) If any proceeding before the commission, begun by complaint or on the commission's own initiative, and involving any lease or other contract for the use or occupancy of any rental property or apartment, the commission finds that at any time after the passage of this act, but during the tenancy, the owner has, directly or indirectly, willfully withdrawn from the tenant any service agreed or required by a determination of the commission to be furnished, or has by act, neglect, or omission contrary to such lease or contract or to the law or any ordinance or regulation made in pursuance of law, or of a determination of the commission exposed the tenant, directly or indirectly, to any unsafe or insanitary condition, or imposed upon him any burden, loss, or unusual inconvenience in connection with his use or occupancy of such rental property or apartment, the commission shall determine the sum which in its judgment will fairly and reasonably compensate or reimburse the tenant therefor. In any such proceeding involving a lease or other contract, in which the term specified had not expired at the time the proceeding was begun, the commission shall likewise determine the amount or value of any bonus or other consideration in excess of the rental named in such lease or contract received at any time directly or indirectly by the owner in connection with such lease or contract. The tenant may recover any amount so determined by the commission in an action in the municipal court of the District of Columbia.

"(b) Any person who, after the passage of this amendatory act, willfully fails to furnish the tenants of any rental property or apartment such service (1) as has ordinarily been furnished the tenant of such rental property or apartment prior to such failure, or (2) as is required either expressly or impliedly to be furnished by the lease or other contract for the use or occupancy of the rental property or apartment, or any extension thereof by operation of law, shall, upon conviction, be punished by a fine not exceeding $1,000 or by imprisonment for not more than one year, or by both."

SEC. 14. That section 116 of the food control and the District of Columbia rents act is amended to read as follows:

"SEC. 116. Any person who with intent to avoid the provisions of this title enters into any agreement or arrangement for the payment of any bonus or other consideration in connection with any lease or other contract for the use or occupancy of any rental property or apartment, or who participates in any fictitious sale or other device or arrangement the purpose of which is to grant or obtain the use or occupancy of any rental property or apartment without subjecting such use or occupancy to the provisions of this title or to the jurisdiction of the commission, shall upon conviction be punished by a fine not exceeding $1,000, or by imprisonment for not exceeding one year, or by both."

SEC. 15. That section 117 of the food control and the District of Columbia rents act is amended to read as follows:

"SEC. 117. (a) The commission shall prescribe standard forms of leases and other contracts for the use or occupancy of any rental property or apartment and shall require their use by the owner thereof. Every such lease or contract entered into after the commission has prescribed and promulgated a form for the tenancy provided by such lease or contract shall be deemed to accord with such standard forms; and any such lease or contract in any proceeding before the commission or in any court of the United States or of the District of Columbia shall be interpreted, applied, and enforced in the same manner as if it were in the form and contained the stipulations of such standard form.

"(b) The owner of an apartment shall file with the commission, but only in such cases as the commission deems necessary, plans and other data in such detail as the commission requires, descriptive of the rooms, accommodations, and service in connection with such apartment, and a schedule of rates and charges therefor. The commission shall, after consideration of such plans, schedules, data, or other information, determine and fix a schedule of fair and reasonable rates and charges for such apartments; and the rates and charges stated in such schedule shall thereafter constitute the fair and reasonable rates and charges for such apartment. The commission's determination in such case shall be made after such notice and hearing and shall have the same force and effect and be subject to appeal in the same manner as a determination of the commission under section 106 of this title."

SEC. 16. That section 118 of the food control and the District of Columbia rents act is amended by adding at the end thereof a new sentence to read as follows: "This section shall not be construed as in any way authorizing the assignment of any lease or the subletting of any rental property or apartment in violation of the terms of the lease or other contract for the use or occupancy of the rental property or apartment, or of such lease or contract as extended by operation of law."

SEC. 17. That subdivision (b) of section 124 of the food control and the District of Columbia rents act, as amended, is amended to read as follows:

"(b) In the case of (1) any proceeding begun under the provisions of section 114 before the termination of this title, or (2) any proceeding on appeal from a determination of the commission begun before the termination of this title, such proceeding may, after such termination, be continued in the same manner with the same effect as if this title had not been terminated, and all powers and duties in respect to such proceedings (including the custody and disposition of moneys paid under section 110) vested in the commission by this title shall for the purposes of such proceedings be vested in the Attorney General."

SEC. 18. The food control and the District of Columbia rents act is amended by adding at the end thereof a new section to read as follows:

"SEC. 125. The commission shall, as soon as practicable after this section takes effect and at least semiannually thereafter, publish its determinations, opinions, rulings, and regulations, all important court and administrative decisions in respect to this act, and such provisions of the law relating to landlords and tenants as the commission deems advisable, together with a cumulative index-digest thereof."

SEC. 19. This act shall take effect upon its passage; except that if its passage occurs after May 21, 1922, it shall be held to have taken effect as of such date.

SEC. 20. That all acts or parts or acts in conflict herewith are, to the extent that they are in such conflict, suspended so long as Title II of the food control and the District of Columbia rents act is in force.

Mr. BALL. Mr. President, will the Senator from Utah yield just a moment?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. BALL. I move——

Mr. SMOOT. I did not yield for that purpose.

Mr. BALL. I ask unanimous consent that the tariff bill be temporarily laid aside to take up the amendment of the House to the District of Columbia rent bill.

Mr. OVERMAN. I think I shall have to object. I find that the amendment which the House has made to the bill is 24 pages long. It is one amendment, but it contains 24 pages. It does not seem to me that we ought to hurry through the 24 pages of amendment without due consideration.

I do not think anybody will be injured by it, because of the retroactive clause in the amendment, which says:

This act shall take effect upon its passage, except that if its passage occurs after the 21st of May, 1922, it shall be held to have taken effect as of such date.

So if it is passed a week from now or two weeks from now, according to this amendment, and if it is constitutional, it will have the same effect, because it has the retroactive feature. It looks to me like this great amendment of 24 pages ought to have consideration by the Senate before we pass it. The House has had the bill for weeks and weeks and then passes it to-day and rushes it over here, and we ought to consider the House substitute before we pass it. I shall object to unanimous consent for that reason.

The PRESIDING OFFICER. Objection is made.

Mr. BALL. Of course, if we fail to concur, the Rent Commission dies at 12 o'clock to-night and the rental control dies with the expiration of the former rent law.

Mr. OVERMAN. Nobody will be hurt, according to the retroactive clause contained in the House amendment.

Mr. BALL. I am very sure that they would be hurt. The tenants are in very great trouble now for fear we will fail to pass the bill. In many apartments notices were sent out Saturday. In one apartment six different tenants received notices that unless they would sign a contract for an advance of from $50 to $90 per month, beginning to-day, their furniture would be put out of their apartments. That is six in one apartment. I could cite any number of them.

The reason why I am so anxious to have the House amendment concurred in to-night is that the amendment as approved by the House does not change the bill as passed by the Senate, with three exceptions, which I will explain briefly.

The first is that the Senate bill provided for two inspectors to be sent out. The House cut that provision out. However, under the original provision of the bill, which is not amended by this amendment, the Rent Commission was authorized to appoint assistants under the civil-service rules. So they are authorized to appoint the inspectors if necessary, but it must be done under the civil-service rules, which is all very proper.

The other important amendment is with reference to hotels, which are eliminated by the House amendment. As passed by the Senate, the Rent Commission was given control over hotels. That provision is eliminated by the House amendment.

The third provision of importance and the only other one of importance—the others being merely changes of minor importance in the wording of the bill—is that it gives the property owner greater rights in getting control of his property. He can get control of his property now for any member of his family to live in or to tear down or to change for any purpose. He can convert his property into business property. He can change it for any reason and get possession. Under the bill as it passed the Senate he could only get control to change for residence purposes or for the purpose of giving it to some member of his family for occupancy.

Those are the only changes made by the House, except in the wording of the bill, and, by those minor changes, the wording is made very much more clear. I am sure that all who read the two bills will agree with me that the bill as it passed the House is more simple and more easily understood.

Unless it is passed to-night we will have no Rent Commission, and we will then have no Rent Commission until the Presi-

dent has a chance to select a new one and the Senate has opportunity to confirm the appointments. If we pass the bill to-night the present commission continues to function until the President can select the commission, and it gives him an opportunity to select its members with care. Certainly the result of the activities of such a commission depends much upon the personnel of the commission. Any Senator who has any interest in or any feeling for the welfare of the tenants of Washington I trust will not object to immediate concurrence in the amendment of the House.

Mr. OVERMAN. I have consideration for the welfare of the tenants of the District. I am not fighting the bill, except that I do not think we should act hurriedly. We ought to pass a constitutional bill, and with this retroactive clause in it, I do not know whether it is constitutional or not until I have had an opportunity to examine it: Why did they incorporate that clause if they did not mean it to take effect?

Mr. BALL. That clause says it shall take effect the day of its passage.

Mr. OVERMAN. It says it shall take effect upon its passage "except"——

Mr. BALL. I will read the section to the Senator.

Mr. OVERMAN. I can read it myself.

Mr. BALL. It says it shall take effect upon its passage——

Mr. OVERMAN. It shall "take effect upon its passage, except that if its passage occurs after May 21, 1922, it shall be held to have taken effect as of such date."

Mr. BALL. But there will be no Rent Commission unless we pass the bill to-day.

Mr. EDGE. That would not prevent, however, the confusion and all the difficulties and trouble involved in the dispossessing of tenants in the meantime. True, it is retroactive and if finally passed they would be established in their rights, but they would have to go through all that serious inconvenience.

Mr. OVERMAN. I do not think, with this provision in it, any landlord would attempt to dispossess any tenant.

Mr. BALL. Does the Senator object to the present consideration of the matter?

Mr. OVERMAN. Yes; I object.

Mr. BALL. Then, Mr. President, I move that the Senate proceed to the consideration of the amendment of the House.

Mr. SMOOT. Mr. President, will the Senator withhold that for the time being? I do not want to disturb the consideration of the tariff bill if it can be helped.

Mr. BALL. It will only take a moment to pass it. There will be no discussion.

Mr. SMOOT. Let us take a little time and see if we can not reach an agreement about it.

Mr. BALL. The Senator from North Carolina has promised that he would not discuss it, but he said he would object to its present consideration.

Mr. SMOOT. I know there will be a quorum call, and I know there are several Senators who want to discuss it.

Mr. BALL. Can the Senator suggest some parliamentary means by which we can accomplish what we desire?

Mr. SMOOT. I suggest that the Senator withhold his motion for the time being and see if we can not come to an agreement without making the motion, because I must vote against it if he makes it, no matter how much I am in favor of his bill.

Mr. OVERMAN. I do not desire to be understood as fighting the rent bill. I am not fighting for any landlord, but it looks to me as though the provision to which I have called attention ought not to be in the bill. I know what the Supreme Court has said about this matter. I do not care for that, but here is a provision which says that if I rent my property to John Smith for three years, at the expiration of the lease I can not get possession of it unless he chooses, but he can hold on indefinitely, although the contract says he shall surrender the property at the end of the three years. That is clearly to me, notwithstanding the decision of the Supreme Court, an unconstitutional provision. There is another provision the Senator did not speak of, section 109, which reads:

> The right of a tenant to the use or occupancy of any rental property or apartment, existing at the time this act takes effect, or thereafter acquired, under any lease or other contract for such use or occupancy or under any extension thereof by operation of law, shall, notwithstanding the expiration of the term fixed by such lease or contract, continue at the option of the tenant.

Mr. BALL. That was a provision in the original bill.

Mr. OVERMAN. Why was it put in here, then?

Mr. BALL. It is merely a change in the wording. It is in the original bill as it passed the Senate.

Mr. OVERMAN. What I want is to consider this amendment of the House in connection with the decision of the Supreme Court and the original act. Then the Senate can do as it pleases, but that is my desire.

Mr. BRANDEGEE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Gooding	McLean	Shortridge
Ball	Hale	McNary	Smoot
Borah	Harris	Moses	Stanley
Brandegee	Harrison	Myers	Sterling
Bursum	Heflin	Newberry	Townsend
Capper	Jones, N. Mex.	Nicholson	Underwood
Curtis	Jones, Wash.	Norbeck	Walsh, Mass.
Dial	Kellogg	Oddie	Walsh, Mont.
Edge	Kendrick	Overman	Warren
Ernst	Keyes	Page	Willis
France	Ladd	Phipps	
Frelinghuysen	Lenroot	Rawson	
Glass	Lodge	Sheppard	

The PRESIDING OFFICER. Forty-nine Senators have answered to their names. A quorum is present. The question is on the——

Mr. BALL. I move that the Senate concur in the House amendment to Senate bill 2919.

Mr. SMOOT. Mr. President, I have no objection to the motion.

Mr. UNDERWOOD. Mr. President, I have no objection to the motion, but has the unfinished business been laid aside?

Mr. SMOOT. No; That request was made and there was objection to it. The motion of the Senator from Delaware if agreed to, will displace the unfinished business; but the only method is to agree to the motion of the Senator from Delaware if we desire to consider the House amendment.

Mr. UNDERWOOD. I presume a motion should be made to proceed to the consideration of the bill.

Mr. SMOOT. The question of taking up a conference report is a privileged motion.

Mr. UNDERWOOD. Does the matter come here as a conference report or as a House amendment to the Senate bill?

Mr. SMOOT. The pending motion is to concur in the amendment of the House of Representatives.

Mr. UNDERWOOD. I think that motion is not privileged. We may as well keep the record straight. I intend, however, to vote with the Senator.

Mr. LODGE. It is not privileged, but it is the first motion in order.

Mr. UNDERWOOD. The motion should be to proceed to the consideration of the bill.

Mr. MYERS. Has the unfinished business been temporarily laid aside?

Mr. SMOOT. I will repeat to the Senator from Montana that I asked that that be done and the request was refused. The only way we may now consider the bill is to agree to the motion to proceed to its consideration.

Mr. OVERMAN. Mr. President, I wish to say that I do not propose to practice any dilatory tactics or to filibuster at all. I have said all that I intend to say about the matter, and I shall leave it to the Senate. I am done with it.

Mr. MYERS. The motion of the Senator from Delaware is to concur in the amendment of the House of Representatives to the bill. He first should move to proceed to the consideration of the bill.

Mr. BALL. I move to proceed to the consideration of the amendment of the House of Representatives to Senate bill 2919.

Mr. MOSES. Mr. President, it is perfectly well known that the Senator from Washington [Mr. POINDEXTER], who displayed a great deal of interest in this measure when it was before the Senate at the time of the passage of the bill here, is in the hospital, but expects to be upon the floor of the Senate to-morrow. It is equally well known that that Senator has confided to some Senators, to me certainly, his desire that the bill may not be pressed until he is present, as he will be here to-morrow, because he wishes to examine the amendment made by the House of Representatives to the bill, and he wishes to discuss the measure in its new form. In view of what the Senator from North Carolina [Mr. OVERMAN] has stated about the measure, I can not see why haste should be resorted to, especially with one Senator away who is expected to be here to-morrow. What special harm will be done if this bill does not pass to-night?

Mr. HARRISON. May I ask the Senator from Delaware a question?

Mr. BALL. The harm is that probably for three or four weeks we shall go without a Rent Commission, and during that time many of the present tenants will be turned out of their apartments.

Mr. HARRISON. I desire to ask the Senator from Delaware when the present law will expire?

Mr. BALL. The bill must either pass to-night or we shall not have any Rent Commission at all. It is not worth while for the tenants to have three or four weeks of anxiety looking for a new place in which to live.

Mr. MOSES. Does the Senator from Delaware mean to say that the tenants to whom he refers may be dispossessed between midnight to-night and sunrise to-morrow morning?

Mr. BALL. There are hundreds, and, indeed, I think, thousands of tenants who received a notice to vacate their apartments on Friday last. The real estate people of Washington made up their minds that this bill could not pass by to-night, and they have given the tenants notice that unless they will sign contracts advancing the rent, in many cases one-half, and in some cases 100 per cent, that they would be put out to-night.

Mr. MOSES. Have the dispossession papers been issued? Have the courts lent themselves to this procedure? Have the courts issued process in blank or anything of that sort in order to bring about this wholesale dispossession process between midnight and sunrise?

Mr. BALL. It requires seven days' notice before tenants may be put out, but they had notice to move on Friday last, so that they really have but four more days before their furniture would be put on the street.

Mr. MOSES. I suppose the President could appoint a Rent Commission in three or four days. I do not see any particular harm that could come from the fact that the Rent Commissioners will lose their salaries for a brief period.

Mr. BALL. If the Senator will permit me, it is very important for the future functioning of this bill that we shall have a good commission, and it is particularly important that the President should have time in which to select that commission. In view of the conditions, the President would probably be compelled to appoint a commission almost immediately after the passage of the bill and its signing, but the bill provides that the present commissioners shall continue to function until their successors are appointed. There is every reason why the bill should pass.

I should like very much to accommodate the Senator from Washington, but he told me that he did not intend further to object to the bill. He discussed it thoroughly on the floor of the Senate before its passage.

Mr. MOSES. Oh, yes; he discussed the bill, but he discussed it as it was then before us.

Mr. BALL. There are no amendments that change the character of the bill; I think there have been no changes that the Senator from Washington would not approve, because the bill in its amended form gives the owner of the property greater control over it and it gives him the right to tear down and improve for any purpose. The bill has been made to conform in large part to the very objections of the Senator from Washington when the bill was before the Senate. That is the main change, together with the elimination of hotels from the provisions of the bill. Those are the only two changes.

Mr. MOSES. But here is an amendment to a Senate bill consisting of 24 pages which has not even been read in the Senate, as I understand. Not that I am not wholly willing to take the opinion of the Senator from Delaware with reference to it, and not that I am unwilling to take the opinion of the Senator from Delaware as to the opinion of the Senator from Washington, but, having heard directly from the Senator from Washington as to his desire about the bill, I think, in view of the manner in which his absence occurs, that we ought not to be urging this legislation in the face of a request of that sort from a Senator who has been in the hospital and can not possibly be here to-day, but who may come here to-morrow, though with some disadvantage to himself. Even if the Rent Commission should lose 24 hours' salary I do not think that would be a very regrettable happening.

Mr. BALL. I ask for a vote on my motion.

Mr. MYERS. What is the motion?

The PRESIDING OFFICER. The question is on the motion of the Senator from Delaware that the Senate proceed to the consideration of the amendment of the House of Representatives to Senate bill 2919.

Mr. MYERS. I think that Senators, both those present and those who are absent, should have at least one day in which to study this entirely new bill or substitute; and on that motion I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). Making the same announcement as to the transfer of my pair as heretofore, I vote "yea."

Mr. GLASS (when his name was called). Making the same announcement as on previous votes to-day concerning my pair and its transfer, I vote "yea."

Mr. HALE (when his named was called). I have a general pair with the senior Senator from Tennessee [Mr. SHIELDS]. I am unable to secure a transfer of that pair, and, therefore, can not vote. If permitted to vote, I should vote "yea."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as to my pair as on the previous vote, I vote "yea."

Mr. JONES of Washington (when his name was called). The senior Senator from Virginia [Mr. SWANSON] is necessarily absent. I have agreed to pair with him for the day. Therefore I must withhold my vote. If at liberty to vote I should vote "yea."

Mr. KELLOGG (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. SIMMONS]. That Senator being absent, I withhold my vote.

Mr. KENDRICK (when his name was called). I have a general pair with the senior Senator from Illinois [Mr. MCCORMICK], which I transfer to the Senator from Nebraska [Mr. HITCHCOCK], and will vote. I vote "yea."

Mr. McCUMBER (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING]. Not knowing how he would vote upon this question, I withhold my vote.

Mr. STERLING (when his name was called). Transferring my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Maryland [Mr. WELLER], I vote "yea."

Mr. WILLIAMS (when his name was called). I have a pair with the Senator from Indiana [Mr. WATSON]. I transfer that pair to the Senator from Tennessee [Mr. SHIELDS] and will vote. I vote "yea."

Mr. WILLIS (when his name was called). I have a pair for the week with my colleague, the senior Senator from Ohio [Mr. POMERENE]. I transfer that pair to the junior Senator from Delaware [Mr. DU PONT] and will vote. I vote "yea."

The roll call was concluded.

Mr. BALL (after having voted in the affirmative). I understand that my pair, the senior Senator from Florida [Mr. FLETCHER], has not voted. I transfer that pair to the senior Senator from Minnesota [Mr. NELSON] and will let my vote stand.

Mr. STANLEY. Has the junior Senator from Kentucky [Mr. ERNST] voted?

The PRESIDING OFFICER. He has not.

Mr. STANLEY. I have a pair with that Senator and withhold my vote.

Mr. HARRIS. I transfer my pair with the Senator from New York [Mr. CALDER] to the Senator from Louisiana [Mr. RANSDELL] and will vote. I vote "yea."

Mr. DIAL. I transfer my pair with the Senator from Missouri [Mr. SPENCER] to the Senator from Texas [Mr. CULBERSON] and will vote. I vote "yea."

Mr. CARAWAY. I have a general pair with the junior Senator from Illinois [Mr. MCKINLEY]. I transfer that pair to the senior Senator from Arizona [Mr. ASHURST] and will vote. I vote "yea."

Mr. CURTIS. I have been requested to announce that the Senator from Indiana [Mr. NEW] is paired with the Senator from Tennessee [Mr. MCKELLAR], and that the Senator from Arizona [Mr. CAMERON] is paired with the Senator from Georgia [Mr. WATSON].

The roll call resulted—yeas 41, nays 7, as follows:

YEAS—41.

Ball	Gooding	Lodge	Sterling
Bursum	Hale	McNary	Townsend
Capper	Harreld	Nicholson	Underwood
Caraway	Harris	Norbeck	Walsh, Mass.
Curtis	Harrison	Oddie	Walsh, Mont.
Dial	Heflin	Page	Warren
Edge	Jones, N. Mex.	Phipps	Williams
Elkins	Kendrick	Pittman	Willis
France	Keyes	Rawson	
Frelinghuysen	Ladd	Shortridge	
Glass	Lenroot	Smoot	

NAYS—7.

Brandegee	Moses	Newberry	Sheppard
Broussard	Myers	Overman	

NOT VOTING—48.

Ashurst	Fletcher	McLean	Simmons
Borah	Gerry	Nelson	Smith
Calder	Hitchcock	New	Spencer
Cameron	Johnson	Norris	Stanfield
Colt	Jones, Wash.	Owen	Stanley
Crow	Kellogg	Pepper	Sutherland
Culberson	King	Poindexter	Swanson
Cummins	La Follette	Pomerene	Trammell
Dillingham	McCormick	Ransdell	Wadsworth
du Pont	McCumber	Reed	Watson, Ga.
Ernst	McKellar	Robinson	Watson, Ind.
Fernald	McKinley	Shields	Weller

The PRESIDING OFFICER. On the motion of the Senator from Delaware, the yeas are 41, the nays are 7. The Senator from Washington [Mr. JONES], the Senator from Minnesota [Mr. KELLOGG], the Senator from North Dakota [Mr. MCCUMBER], and the Senator from Kentucky [Mr. STANLEY] having announced their pairs, a quorum is present, and the motion is agreed to. The amendment of the House is before the Senate.

Mr. BALL. I move that the Senate concur in the House amendment.

Mr. BRANDEGEE. Mr. President, I have no intention of occupying more than a minute, because I have no hope of defeating this measure.

I simply want to reiterate what I said upon the passage of the original bill—that it seems to me that four years after the war, when we could regulate matters of this kind as a war measure, for the Congress of the United States to impose this legislation upon the Capital of the Nation is exceedingly unwise.

I did not think, and I can not think now, in spite of the decision of the Supreme Court, that it is constitutional, although of course I obey their decision and respect it as their opinion; but I can not believe that where two parties make a contract it is constitutional or proper, even under the police power, for one of those who have made the contract to repudiate his contract and to have a commission of the Government make a new contract for the two parties and enforce it.

This legislation is enacted with the intention of ameliorating the conditions here in the Capital by which rents are high and rental property is scarce. I think this legislation will do more to defeat that good intention than anything else that could be done. I can not believe that people who have money to invest will permanently continue to put their money into building houses to rent to people to be managed by third parties.

Being firmly of those opinions, and for those reasons, so very briefly stated, upon which I might enlarge if I had any desire to use up time, I shall be compelled to vote against the motion of the Senator from Delaware.

Mr. MYERS. Mr. President, I shall not engage in an extended argument against this substitute bill, because I do not know in detail what is in it. I only know in a general way. I have had no opportunity to examine it or study it; but, accepting the statement of the Senator from Delaware [Mr. BALL] that it is no worse than the bill that the Senate passed, I shall vote against the pending motion.

I am opposed to this entire class of legislation and all of its kind. I think this measure is vicious, reprehensible, in derogation of the constitutional right of private contract, extremely socialistic, and well-nigh bolshevistic. I think the operations of the Rent Commission and the administration of this law in the last two years have defeated the professed objects of the law. I think this law itself has worked a great hardship on renters, and has made their lot worse in the end than ever before. It has been a great deterrent to building in the city of Washington. As long as such a law as this is on the statute books, I think it will have an extremely deterrent effect on the erection of new buildings, and will make homes and living quarters scarce and dear. The people it professes to benefit will be the worst sufferers.

There may have been some semblance of excuse for such unusual legislation in time of war, when the Nation's life was at stake. While the World War was on I was for anything to win the war; but now that peace has been officially declared and the war has been ended for over three years I think there is no manner of excuse for this legislation. If this legislation is enacted—as I am sure it will be—I do not believe that the District of Columbia will ever see the end of it. I think it will be permanent and on the statute books for all time to come. At the end of two years from now there will be an equal hue and cry for another extension of the law, and I think it will then be reenacted, and the next time it is reenacted it will doubtless be enacted permanently, without any time limit. I think the reenactment of the pending measure means that it will last for all time to come in the District of Columbia. There will be an end of the right of private contract in the District of Columbia. I think this example will be followed in other cities of the United States and by the legislatures of many of the States, and the legislation will doubtless be upheld and declared constitutional by the courts, because, as much as I respect the courts, I believe it is a fact that even courts in rendering decisions on the constitutionality of acts often give some consideration to public sentiment.

I have heard a former judge, in a speech in this body, say that it is a part of the duty of courts, in passing upon the constitutionality of legislation, to take into consideration public sentiment; and whether it be their duty or not, I believe, to a greater or less extent, it is often done. I think the enactment of this piece of legislation will be the first step in fastening upon our entire country a species of Russian soviet legislation. It is utterly un-American, unfair, inexcusable, indefensible. I deplore it.

I have a statement, issued some time ago by Mr. William E. Shannon, formerly a director of the United States Housing Corporation, and one time connected with the United States Bureau of Housing in the Department of Labor, once an official of the Department of Labor, who is interested in labor and in the rights and welfare of laboring men; a statement in which he points out some of the vicious qualities and some of the bad effects of the law it is now sought to reenact. I shall not take the time of the Senate to read it; I do not want to detain the Senate unnecessarily, because I know the motion of the Senator from Delaware [Mr. BALL] is going to be adopted; but I ask that this statement may be printed in the RECORD as a part of my remarks. It is good material and well worth preserving.

The PRESIDING OFFICER. Is there any objection? If not, it will be inserted in the RECORD. No objection is heard.

The matter referred to is as follows:

THE EFFECT OF TWO AND ONE-HALF YEARS OF RENT-CONTROL LEGISLATION AT WASHINGTON.

(By William E. Shannon, past director in United States Housing Corporation and Manager Real Estate and Commandeering Division, United States Bureau of Housing, Department of Labor.)

By act of Congress the Ball Rent Control Act went into effect at the Nation's Capital October 22, 1919; it expired October 22, 1921, and was extended to May 22, 1922. It is now proposed by Congress to extend same for two more years, and in addition to places of abode to include office buildings and business properties.

The National Association of Real Estate Boards and the realtors of Washington, representing to a large degree the tenant, the home owner, and the landlord, at public hearing before committees of the Senate and the House, protested this legislation, and, as experts, explained to the respective committees of Congress what would happen under rent-control law. Their prediction has come true, although at the time some persons scoffed at the possibility of the law reacting to the injury of the public.

Looking back two and one-half years, we find that there have been more marble halls, mirrored bathrooms, and gilded elevators erected in Washington than ever before in the history of the city, but there has not been one single apartment house erected for the man of moderate means. There has not been one single home erected for the purpose of being rented to the man of small income.

The rent-control law was enacted under the guise of helping the Government employee and keeping the man of moderate means from being "gouged by the grasping landlord." This sounds fine, but as a matter of fact the law has done the Government employees, the private clerical forces, and the laboring classes of the city of Washington a tremendous injury. Literally hundreds of small homes that were renting at from $25 to $45 per month have been taken out of the renting market and sold. In addition to this, the rent law has about eliminated the old-fashioned landlord who took a pride in his property and knew his tenant personally, because this old gentleman, being a self-respecting citizen, objects to being referred to by the members of the legislative body as a "rent profiteer," "rent hog," and "thieving landlord," and in his stead there has arrived the type of landlord who cares little as to what he is called and less for his tenant.

We have witnessed the sight of the Washington Rent Commission soliciting the tenants of a million-dollar apartment house with a view to reducing their rent, but who is soliciting the laborer, the $1,200, $1,500, or $1,800 clerk? Who has helped, or attempted to help, this body of men? Certainly the Ball Act has not helped them, because the results show that for two and one-half years there has been nothing produced for their shelter. And shelter is what houses people, not laws.

Due to the fact that the law did not interfere with their production, we have in Washington to-day numbers of moderately priced houses being built to be sold as homes, but who can point to one house being built for the purpose of being rented? It was only a short time ago when hundreds of such homes were being built and sold to investors for rental purposes. The tenant was happy under these conditions and the investor was satisfied. But what investor to-day is coming to the rescue of the man of small means?

The Congress seems now to be very much concerned about the alley dwellers of the Capital City and it is seriously suggested that bonds be issued for the erection of homes for these persons. If it were not for unwise legislation the alley situation of Washington would have been solved long ago; but if the rent law continues the taxpayers of the country will not only have to look after the alley dwellers of Washington but after their employers as well. If the Ball Act was designed to reduce the American tenant to the level of the European tenant, it is fast accomplishing its purpose.

To-day in Washington, figuratively speaking, to every 1,000 rentable small places of abode there are 1,100 families who want to rent small homes or small apartments. What is going to be the final answer? Do not the powers that be see that so long as the rent law is on the statute books there is going to be no production by private capital of moderate-priced homes for renting purposes? Do I not read between the lines that there may be a group of persons who know the Government will have to produce the homes if this condition keeps up? Do the powers that be want the same conditions in this country as exist in London to-day? The housing condition there has cost the English taxpayers $60,000,000, and is costing the taxpayers $300 per house annually, and the Government collector is often stoned when he attempts to perform his duties.

This picture is not overpainted. There is in this country a strong group of men who believe in "Government control of the home." Is this not a step in that direction—toward Government control of homes and business properties throughout the country? Can it be possible that this dangerously paternalistic legislation may be designed to spread nationally? Study has shown that every city in the United States which enacted rent-control legislation is in just as deplorable condition as to moderate-priced housing as is the National Capital, and many

cities which refused to enact rent-control legislation are well out of the woods as to housing their families.

To be sure, some of our legislators at Washington in case the rent law is discontinued may have to pay, in some apartments, a few dollars more, but what is that compared with the way in which the "man who can not afford" is being crucified because of lack of production of small rentable properties for investment purposes?

The Ball Act has made some realtors who handle gilded mansions wealthy, but this result was discounted when predicted and in the opinion of the "man who knows" would not be the case if the suggestions and recommendations of the realtors had been carried out by the Congress, nor would Washington have the deplorable small-home housing condition under which it is laboring to-day.

If the Ball Act is extended for two years, as is approved by a committee of the United States Senate, which would be its third extension, I predict that strong influence will attempt to have it extended to other cities, and rent control in other cities will be as detrimental to the man on the street and the people of moderate means in those places as it is in Washington, and conditions in Washington will grow worse.

The President of the United States in one of his notable addresses stated "More business in government and less government in business." Certainly the thinking man of the country when he heard this was of the opinion that at last American initiative and productive power would be encouraged. Yet it is the Congress of the United States which says to the man of Washington who owns two houses that he may live in one but can not control the other; to the man who owns a building housing one or more tenants, and wishes to remodel or tear that building down for the purpose of erecting a store or office building, that he can not do so unless he provides an equal number of places of abode, permitting one tenant in such a building to postpone indefinitely the proposed improvements and depriving labor of profitable employment. This is now the law at the Nation's Capital. Is it not time that the home owner and the property owner of the Republic "watch the things that creep in the night"?

The law has never overcome one economic fact: Washington, as well as other rent-controlled cities, has 1,000 places in which to live and 1,100 families to occupy them. This condition will grow worse, all the laws of the land to the contrary notwithstanding, until production has furnished 1,001 places of abode for 1,000 families. Who is to produce these places of abode? The taxpayers of the country or private capital?

Mr. WILLIAMS. Mr. President, I am sorry to differ with two Senators. I appreciate sufficiently the magnitude of the Republican Party and the augustness of being a member of it, and I hesitate very much when I differ with a member of it; but I must take issue with the Senator from Connecticut [Mr. BRANDEGEE] because, strange as it may seem, although we live under a written Constitution, the only legislative body in all America which may legislate upon a given subject matter for a limited territory without any constitutional limitations at all, except the Bill of Rights, is the Congress of the United States when legislating with regard to the District of Columbia.

With regard to the District of Columbia, Congress has all the delegated rights of the Federal Government. It also has all the reserved rights of the States. There is no limitation upon it except the general principles of Magna Charta, embodied in the Bill of Rights, or in the first 10 amendments to the Constitution.

But I am opposed to this legislation for another reason. I do not believe that in the present state of unrest and revolt against civilization, which is going on almost all over the world, led chiefly by the proletariat of Russia, this is a time to forget the obligations of private rights and of private property.

During the war, when this was a war emergency measure, I voted for it upon the ground that it was absolutely necessary to house Federal war and Navy employees and to see to it that they were housed within the appropriations for their payment. I regarded it as a war measure. But the war is over, and whatever may be the constitutional right, this body has no ethical right to interfere with the rights of private property. Either a man has a right to own real estate and to deal with it in ownership or he has not. If he has the right to own it and to deal with it in ownership, then Congress in ordinary peace times has no right to put a limit upon the demand and supply, determining its sale and its rental value, even within the District of Columbia.

As to its constitutional right, meaning by that constitutional prohibition upon its right, there is no constitutional prohibition upon its right at all. It has full State rights, it has full Federal rights, and it has every right that is vested in the Federal Government or could be vested in any government, subject only to the first 10 amendments to the Constitution, which limit all governmental power.

Mr. BRANDEGEE. Mr. President, does the Senator think the Congress of the United States has power to pass a law impairing the obligation of contracts?

Mr. WILLIAMS. No; I do not. Does the Senator mean all over the Union?

Mr. BRANDEGEE. Of course, the Constitution, as the Senator well knows, prevents the States from passing such a law.

Mr. WILLIAMS. Yes; of course it does.

Mr. BRANDEGEE. I did not know but what the Senator thought that might not bind the Congress of the United States.

Mr. WILLIAMS. I misunderstood the Senator, and answered him incorrectly. If the Senator asked me whether the Congress of the United States has a right to have the Federal Government violate the obligations of a contract, I respond yes.

Mr. BRANDEGEE. I am glad to get the opinion of the Senator, but I do not think they have.

Mr. WILLIAMS. I do; because the only prohibition in the Constitution is against a State violating the obligation of a contract.

Mr. BRANDEGEE. I agree with the Senator that that is the only prohibition, but it does seem to me inconceivable that the framers of the Constitution——

Mr. WILLIAMS. Mr. President, there is nothing inherent, there is nothing conceivable, there is nothing inconceivable, there is nothing to be taken for granted about the Constitution of the United States. It grants certain rights to the Federal Government, and it reserved all other rights to the States and to the people.

Mr. BRANDEGEE. It did not grant any power to impair the obligation of contracts.

Mr. WILLIAMS. It did by being a government and by denying that right to the States, the only other government in this land. Of course, the people must be consulted in doing anything, and there is no danger of the people not being consulted, not even in this august body. If there is any question about it, they are consulted too often and not too little. The galleries, even, are listened to too much; but as far as the power of the Federal Government, legally stated, to violate the obligation of a contract is concerned, it has the power as fully as the Government of Great Britain or the Republic of France has it.

The only bodies of a legislative character in America that have it not are the State governments, and the only reason they have it not is because they are prohibited by the Constitution. All sovereignty expressly prohibited to the States must rest somewhere, and it therefore must rest in the States or the people of the States.

Leaving the constitutional question aside, I say that it is a bad thing. It is especially a bad thing at this particular hour and day of the world's history to set the example in the United States of America of saying to owners of private property, "You shall not manage your own property your own way, provided only in managing it that you shall not trespass upon the constitutional and chartered and inherent rights of other citizens of the United States."

I own no property in the District of Columbia. I had better sense than to continue to own it. I foresaw this bill and various other things and sold out. I had sense enough to do it. But to say to a man who owns 60 acres of land in Mississippi, "You shall not under any circumstances at the termination of your lease raise your rent upon the tenant" is a thing which the State of Mississippi might do, but it is not the thing which the Federal Government could do. The Federal Government can say it, constitutionally and legally, in the District of Columbia, but I say it ought not to say it, because it is bad ethics and it is bad morals; moreover, it is bad policy.

The eternal law of supply and demand controls prices, and it controls prices of homes and houses and rentals as much as it controls the price of a dancer's dancing or an opera singer's singing. It all depends on how many dances there are, and how many people want to see the dance; how many singers there are, and how many people want to hear the song; how many homes there are, and how many people want to rent them or buy them.

It may result in hard lines for a little while. The law of supply and demand always does result in hard lines for a little while, but if you undertake to set it aside, then you set aside the very law of economics which operates for the cure of the evil, because if you hold out to a man who is going to build, and who is going to build for the purpose of renting and for the purpose of leasing, a high reward, he will build, and little by little the selfishness of human nature by furnishing a full supply of house room will overcome the hardships of the law of demand and supply; but if you undertake to defy the law of demand and supply, then the selfishness of human nature never comes into operation to cure the scarcity. If you are going to run society upon that basis, you had better go to the plan and ideas of bolshevist Russia. You had better confiscate private property and say to everybody, "You have no right, because you are in the District of Columbia, and in the District of Columbia we have full power—State rights and Federal rights, both."

There is no doubt you have the power to do it, but I doubt not that the Government of Russia has the legal power to confiscate there all the private property in Russia. Our forefathers thought so much of vested rights that they said that the State should never violate the obligations of a contract.

I think the Senator from Connecticut is wrong in thinking that we have no constitutional right to do what is proposed in

this bill. I think Senators who vote upon the theory that we have no ethical or moral right to do it, are right. In the great cause of self-defense in a great war you have a right to do almost anything. You have a right then to take all I have for the public defense. You have a right to take more than that, to take me, and to put me in as cannon fodder and make a willing or an unwilling sacrifice of me. You have the right to do that; but the right a people have under the Constitution in war times is one thing but a different one from the right that people have under the Constitution in peace times. Public defense is a distinct war power—aye, a necessity.

I hate these Washington profiteers—apartment-house owners, boarding-house keepers, all the balance of them; "realtors," as they call themselves, real-estate men. By the way, I wonder where and how they got that word "realtor"? I never saw it in the dictionary. I hate the whole game of profiteering. I hate it with all my heart; but even a profiteer has his property rights, and one of his property rights is to hold his property at his own price, whether for sale or for rent, unless you go to the root of the dispute and deny property rights. If so you balk civilization and progress, for civilization is but the accumulated fruit of man's labor in accomplishing progress.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the House.

Mr. MYERS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement of my pair as I did on the former vote, I vote "yea."

Mr. HALE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. HARRIS (when his name was called). Making the same announcement as before, I vote "yea."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as on the previous vote as to the transfer of my pair, I vote "yea."

Mr. KELLOGG (when his name was called). I have a general pair with the Senator from North Carolina [Mr. SIMMONS]. In his absence, not knowing how he would vote on this question, I withhold my vote.

Mr. KENDRICK (when his name was called). I have a general pair with the Senator from Maine [Mr. FERNALD]. I transfer that pair to the senior Senator from Missouri [Mr. REED] and vote "yea."

Mr. McCUMBER (when his name was called). I again announce my general pair with the junior Senator from Utah [Mr. KING]. Not knowing how he would vote on this question, I withhold my vote.

Mr. OVERMAN (when Mr. SIMMONS's name was called). I wish to announce that my colleague is unavoidably absent. He is paired with the junior Senator from Minnesota [Mr. KELLOGG].

Mr. STERLING (when his name was called). Making the same announcement of my pair and its transfer as on the previous vote, I vote "yea."

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Indiana [Mr. WATSON]. I transfer that pair to the senior Senator from Tennessee [Mr. SHIELDS] and vote "nay."

Mr. WILLIS (when his name was called). I am paired for the week with my colleague, the senior Senator from Ohio [Mr. POMERENE]. I am advised, however, that upon this question he would vote as I intend to vote, and therefore I feel at liberty to vote. I vote "yea."

Mr. BALL (after having voted in the affirmative). Making the same announcement with reference to my pair and its transfer as on the previous vote, I allow my vote to stand.

Mr. DIAL. I have a pair with the Senator from Missouri [Mr. SPENCER], which I transfer to the Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. EDGE. I am paired with the senior Senator from Oklahoma [Mr. OWEN]. Not being informed how he would vote on this question, I withhold my vote.

Mr. JONES of Washington. As I have previously announced, I am paired for the day with the Senator from Virginia [Mr. SWANSON]. I find, however, that I can transfer that pair to the senior Senator from Pennsylvania [Mr. CROW], which I do, and vote "yea."

Mr. GLASS (after having voted in the affirmative). I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM], which I transfer to the Senator from Rhode Island [Mr. GERRY], and will allow my vote to stand.

Mr. SUTHERLAND (after having voted in the affirmative). I have a general pair with the senior Senator from Arkansas [Mr. ROBINSON], which I transfer to the junior Senator from Delaware [Mr. DU PONT], and allow my vote to stand.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL]; and

The Senator from Illinois [Mr. McKINLEY] with the Senator from Arkansas [Mr. CARAWAY].

The result was announced—yeas 35, nays 16, as follows:

YEAS—35.

Ball	Harris	Lodge	Sterling
Bursum	Harrison	McNary	Sutherland
Capper	Heflin	Nicholson	Townsend
Curtis	Jones, N. Mex.	Norbeck	Underwood
Dial	Jones, Wash.	Page	Walsh, Mass.
Elkins	Kendrick	Phipps	Walsh, Mont.
Glass	Keyes	Pittman	Warren
Gooding	Ladd	Rawson	Willis
Hale	Lenroot	Smoot	

NAYS—16.

Borah	France	Myers	Sheppard
Brandegee	Frelinghuysen	Newberry	Shortridge
Broussard	Harreld	Oddie	Wadsworth
Ernst	Moses	Overman	Williams

NOT VOTING—45.

Ashurst	Fletcher	Nelson	Smith
Calder	Gerry	New	Spencer
Cameron	Hitchcock	Norris	Stanfield
Caraway	Johnson	Owen	Stanley
Colt	Kellogg	Pepper	Swanson
Crow	King	Poindexter	Trammell
Culberson	La Follette	Pomerene	Watson, Ga.
Cummins	McCormick	Ransdell	Watson, Ind.
Dillingham	McCumber	Reed	Weller
du Pont	McKellar	Robinson	
Edge	McKinley	Shields	
Fernald	McLean	Simmons	

So the amendment of the House was concurred in.

LETTER FROM H. L. SCAIFE.

Mr. CARAWAY. I ask unanimous consent to have printed in the RECORD a letter written to me by H. L. Scaife, simply calling attention to the fact that I was mistaken about his being discharged from the service.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

5419 FORTY-FIRST STREET NW.,
Washington, D. C., May 22, 1922.

Hon. THADDEUS H. CARAWAY,
United States Senator, Washington, D. C.

MY DEAR SENATOR: In your speech in the Senate on Saturday the statement was made that I was discharged from the Department of Justice by the Attorney General. This is a mistake, and as I know you are far from doing the Attorney General the slightest injustice I am sure you will take pleasure in having the record corrected.

The facts are that I was appointed to continue the investigation which was begun by Judge Hughes, and voluntarily resigned as a protest against obstructions placed in the way of investigations which involved powerful interests and influential politicians who were being caught in the meshes of the law. On April 11 Representative WOODRUFF inserted in the CONGRESSIONAL RECORD the letter with which I transmitted certain memoranda for the information of Congress, from which the following is quoted:

"The conditions under which the Department of Justice is handicapped are of long standing. On April 6, 1922, as a protest against these conditions I voluntarily tendered my resignation. After tendering my resignation I was asked if I would accept other employment in the department, which I refused. The only alternatives are to tolerate these conditions or expose them. The American Government shall function, and the matter is of sufficient importance to call it to the attention of Congress."

In order to keep the record straight, attention is called to the following letter, dated April 10, which I received from the Attorney General:

"I have your letter of the 6th instant, in which you tender your resignation as special agent, Bureau of Investigation, Department of Justice, to take effect at the close of business April 6, 1922, and same is hereby accepted as tendered."

The statement that I was discharged by the Attorney General has been widely published. The error is easily accounted for by the fact that several men in the department who stood for clean government and an honest investigation were suspended or discharged both before and after I handed in my resignation. The suspension or discharge of these men can only be construed as attempts to obstruct justice by officials sworn to uphold the law and who now desire to proceed as they have heretofore done unless the Woodruff-Johnson resolution is passed by the House.

If there is no congressional investigation, there is no hope that the Department of Justice, as now constituted, will function. Before a congressional investigation empowered to compel the production of existing evidence the truth will be made known, and the men who are obstructing an honest investigation in the Department of Justice and in Congress will be driven to their proper niches in history.

Very truly yours,

H. L. SCAIFE.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the Speaker pro tempore of the House had signed the following enrolled bills, and they were thereupon signed by the President pro tempore:

S. 2919. An act to extend for the period of two years the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, as amended;

H. R. 9951. An act to amend section 22 of an act approved February 14, 1920, entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes," for the fiscal year ending June 30, 1921;

H. R. 10329. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1923, and for other purposes; and

H. R. 11152. An act to authorize the Bear Mountain Hudson River Bridge Co. to construct and maintain a bridge across the Hudson River near the village of Peekskill, State of New York.

THE TARIFF.

Mr. McCUMBER. Mr. President, I move that the Senate proceed to the consideration of House bill 7456, the tariff bill.

The motion was agreed to, and the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The PRESIDING OFFICER (Mr. LADD in the chair). The next amendment will be stated.

The ASSISTANT SECRETARY. On page 34, line 9, after the words "per ton" and after the semicolon insert "glass sand, $1.50 per ton" and a semicolon.

Mr. FRELINGHUYSEN. I offer the following amendment to the committee amendment.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 34, line 10, after the word "sand" insert the words "containing 99 per cent or more of silica."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Jersey to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

Mr. JONES of New Mexico. Mr. President, this is an important amendment. It is the first time that the Congress has attempted to tax sand. Nature has blessed this country with an abundance of this material. It goes into the manufacture of many of the essentials of life. It goes into the manufacture of over $100,000,000 worth of glass.

Mr. DIAL. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from South Carolina.

Mr. DIAL. I would suggest to the Senator the impracticability of the amendment. I do not see how it is practical to tell whether sand contains 99 per cent of silica or not.

Mr. SMOOT. That is very easy to ascertain.

Mr. DIAL. It will be more expense than the revenue would amount to.

Mr. SMOOT. Oh, no. We ascertain the amount of silver or the amount of lead or the amount of gold in every ton of ore mined. I will say to the Senator that in doing that we pay the sampling works for unloading the ore and crushing it, running it through the sampler, assaying it, and putting it back in the car, 50 cents per ton. But with this product we would not have to do that. This is merely a matter of obtaining a sample, which could be done in a very few moments.

Mr. DIAL. Possibly each ton would vary in the content of silica. It is not grown; it is not manufactured; it is just picked up.

Mr. SMOOT. I am quite sure the Senator has never seen a sampling mill and how we arrive at the assay of a whole carload of ore.

Mr. DIAL. No; I am not familiar with ore.

Mr. SMOOT. This product is washed and dried and handled in that way. If it were not 99 per cent pure silica, then, of course, it would never in the world pay to do it. With the amendment, it applies only to that kind of sand.

Mr. DIAL. It seems to me it would be very expensive. The amount of silica might not be the same in each ton of sand.

Mr. JONES of New Mexico. Mr. President, I have been trying to discover the reason for the proposed duty on sand. We have had many theories advanced as to why the duty on other commodities has been fixed. I have been trying to square this situation with some of the other reasons which have been given for provisions in the bill. We can not reconcile the fixing of this duty on the ground that it represents the difference in the cost of production at home and abroad, because we do not know the cost of production at home and abroad.

We have had other instances where the committee have taken the price of the commodity in the United States and abroad during normal times prior to the war and used that as the basis for fixing the duty, but in this case we have not even that information to aid us in fixing the duty on sand. We have at other times discovered that before the war a certain percentage of the commodity was being imported, and that since the war the imports have increased.

Therefore it was thought that an additional duty should be placed upon the commodity; but that will not apply in this instance, because such has not been the case. We never heard of sand coming into the United States prior to the war. We can not say that there has been an increase, because importations never occurred before, and we do not know what is going to happen in the future. They may never occur again. There is no assurance that there has been built up any general traffic in the importation of sand. So I have been wondering why this duty was put upon sand.

I have not been able to discover any similarity between conditions surrounding this article and any other in the bill, except that there is a mere statement that some of this commodity has reached the shores of America. No one, however, has pretended that is a justification for the levy of the duties under this bill. So I have been racking my brain to try to discover what the real reason for the imposition of the duty is. I am inclined to think that I have finally discovered it.

I am regretful that the genial and active Senator from New Jersey [Mr. FRELINGHUYSEN] is not now present in the Chamber. He is a member of the Finance Committee—a very aggressive, wide-awake, active member of that committee. He hails from the State of New Jersey. There will be an election next November in that State in which the distinguished Senator will be very much interested. He has a constituent up there who has been digging sand. That constituent has doubtless been pondering as to just what this great tariff bill means to him. He has looked over his business project. If he hauls his sand in a wagon, he realizes, first, that the wagon itself is highly taxed. Not only the wagon, as a finished vehicle, is taxed, but practically every separate part of it is taxed. The tires on the wheels, the bolts in the wagon, the nails in the wagon, the hoop steel that covers the side boards, are taxed. The rivets are taxed; the grease, that makes it easy for the wheels to turn, is taxed. Every piece of metal, iron, or wood in that wagon is taxed. He looks at the harness on his team, and he discovers that this bill imposes a tax on the leather in harness. Every rivet that is used in the manufacture of the harness is taxed; the twine is taxed; the wax that is used upon the thread which sews it together is taxed.

The machine which does the sewing is taxed. Even the oil which lubricates that sewing machine is taxed. All the metal, the nickel, the iron or steel in the sewing machine is taxed. The shoes upon his horses' feet are taxed. The spade with which he digs the sand is taxed. The gloves which he wears upon his hands in shoveling the sand are taxed. The clothing which he wears in the humble occupation of digging that sand is taxed. It is proposed by this bill to tax the shoes and socks upon his feet and the suspenders which hold up his overalls. The buttons upon his overalls, the knife which he has in his pocket, the pencil with which he makes out his bill, the paper upon which the bills are written are taxed. If he uses a pen, the pen point is taxed; the little penholder is separately taxed, whether it is metal or rubber. The ink which he uses is taxed. If he transports his sand with an automotive transfer vehicle, everything about that is taxed. If he has his horses in the barn, the barn is taxed. If it is made of brick, it is proposed to tax the brick which go into it. The lime and the mortar are taxed. The shingles upon the roof are taxed. If the barn is of tile or concrete, those materials are taxed. If, perchance, it is built of concrete, the cement which goes into the building is taxed.

This poor fellow, digging the sand, looks into his home and finds that practically everything there is taxed.

The bottle which his infant uses to obtain its nourishment is taxed; the cradle is taxed; every garment which goes to keep the infant warm is taxed. He looks at his wife and children and finds that everything they wear is taxed; nearly everything they eat is taxed. He looks at the little toys that he brings home to his children; they are all taxed. No wonder that this humble constituent of the Senator from New Jersey, digging sand, is wondering where he is going to come out.

It is true that nature has provided him with his material; it is a simple process to eliminate the impurities. He has never had any competition before; but because a foreign ship can not find some sort of merchantable commodity to bring over to the United States as ballast, that ship has brought over some sand; and this constituent of the distinguished Senator from New Jersey has thought that perhaps here he might have an opportunity to recoup in some manner this great number of taxes which he is paying through this bill.

He looked at all those taxes going out from him, and doubtless his purse was meager; doubtless he counted the cost of the humble home; he counted the cost of the garments which his wife and his children must wear, the food which they must eat, and he wanted in some manner to recoup. Doubtless he is a good Republican and felt that he was entitled to it, in that if anything could be had, all that was necessary was to apply to the genial Senator from New Jersey here in Washington. So he lays his case before the genial Senator. The genial Senator says, "Yes; it is true we have never had a tax upon sand heretofore; it is true that this tax if it is levied upon glass sand will increase the cost of the glassware upon the table; it will increase the cost of glass in windows; it will increase the cost of the glass in the door knobs; but everything else is taxed." The Senator's constituent looks into his kitchen and he finds that kitchen ware, regardless of its nature, is all taxed; whether it be of iron or aluminum, of zinc or lead, or whether it be of this very sand, that earthenware is all taxed.

So now I can understand why the distinguished Senator from New Jersey proposes to impose a duty upon sand. He probably says, "It has never been done before; but there is that constituent back there who is taxed whichever way he turns and has nothing for himself, so, whether he will ever benefit from it in the future or not, I will give him some encouragement and I will give a tax upon sand."

So, Mr. President, we can only consider this as an act of generosity arising entirely in the conscience, the good fellowship, the good will, the whole-heartedness of the Senator from New Jersey, who wants to please a constituent. That constituent, in my humble judgment, will never benefit by it. No more sand will come over here. He will still be plodding the old pathway. He will still be digging his sand as of yore. His price will not be increased by reason of this tax; but the distinguished Senator from New Jersey doubtless will gleefully advise him that now there is a tax upon sand. But he will continue in the old plodding way. He will continue to pay the tax upon the shovel that he puts into mother earth; he will pay the tax upon his wagon; he will pay the tax upon his harness; he will pay the tax upon the shoes upon his horses; he will pay the tax upon any machine which he uses; he will pay the tax upon the pen, paper, or pencil which he uses in making out his bill; he will still continue to pay the tax upon the clothing of his family and his children; he will pay the tax upon the toys with which his little children play; and he will look forward to paying a tax upon the shroud which will cover him when he goes to meet the Great Creator. And for such reasons we put a tax upon sand!

I wonder if the distinguished Senators who have been voting for this bill are going to lend their support to the deception of that humble citizen of New Jersey who is digging sand? Are they going to lead him to believe that there has come now some recompense for the enormous taxes which he has been paying and will pay upon the necessities of life? Will they thus deceive him when all the facts, reason, and logic tell us that putting this tax upon sand will have no other effect than to deceive?

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FRANCE in the chair). The absence of a quorum is suggested. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ball	Frelinghuysen	Lodge	Sheppard
Borah	Gooding	McCumber	Shortridge
Brandegee	Hale	McLean	Smoot
Broussard	Harris	McNary	Sterling
Capper	Heflin	Myers	Sutherland
Cummins	Jones, N. Mex.	Newberry	Townsend
Curtis	Jones, Wash.	Oddie	Walsh, Mont.
Dial	Kellogg	Overman	Warren
Edge	Kendrick	Page	Willis
Elkins	Keyes	Phipps	
Ernst	Ladd	Pittman	
France	Lenroot	Rawson	

The PRESIDENT pro tempore. Forty-five Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absent Senators.

The Assistant Secretary called the names of the absent Senators, and Mr. BURSUM, Mr. COLT, Mr. FLETCHER, and Mr. NORBECK answered to their names when called.

The PRESIDENT pro tempore. Forty-nine Senators have answered to their names. There is a quorum present.

Mr. JONES of New Mexico. On the amendment offered by the committee, putting a duty upon sand, I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement I made before in regard to my pair and its transfer, I vote "yea."

Mr. DIAL (when his name was called). I have a pair with the junior Senator from Missouri [Mr. SPENCER], which I transfer to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. EDGE (when his name was called). Making the same announcement as to my pair and its transfer, I vote "yea."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as I did on the previous vote, I vote "nay."

Mr. JONES of Washington (when his name was called). As I have heretofore announced, I have a pair with the senior Senator from Virginia [Mr. SWANSON] for the day, and in his absence I withhold my vote.

Mr. KELLOGG (when his name was called). I have a pair with the senior Senator from North Carolina [Mr. SIMMONS]. As he is not present I withhold by vote.

Mr. MCCUMBER (when his name was called). I transfer my pair with the junior Senator from Utah [Mr. KING] to the junior Senator from Washington [Mr. POINDEXTER] and vote "yea."

Mr. STERLING (when his name was called). Making the same announcement as on the previous vote as to my pair and its transfer, I vote "yea."

Mr. SUTHERLAND (when his name was called). I transfer my general pair with the senior Senator from Arkansas [Mr. ROBINSON] to the senior Senator from New York [Mr. WADSWORTH] and vote "yea."

Mr. WILLIS (when his name was called). I have a pair with my colleague, the senior Senator from Ohio [Mr. POMERENE]. Not knowing how he would vote on this question, I withhold my vote.

Mr. BALL. Making the same announcement as before as to the transfer of my pair, I vote "yea."

Mr. LODGE. I transfer my pair with the senior Senator from Alabama [Mr. UNDERWOOD] to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "yea."

Mr. OVERMAN. I desire to announce that my colleague [Mr. SIMMONS] is unavoidably detained. He has a general pair with the junior Senator from Minnesota [Mr. KELLOGG]. I ask that this announcement may stand for the evening.

Mr. HARRIS. I transfer my pair with the junior Senator from New York [Mr. CALDER] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. ERNST. I transfer my pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Oklahome [Mr. HARRELD] and vote "yea."

Mr. HARRISON. I transfer my pair with the Senator from West Virginia [Mr. ELKINS] to the Senator from Tennessee [Mr. SHIELDS] and vote "nay."

The roll call resulted—yeas 32, nays 14, as follows:

YEAS—32.

Ball	Edge	Ladd	Page
Brandegee	Elkins	Lenroot	Phipps
Broussard	Ernst	Lodge	Rawson
Bursum	France	McCumber	Shortridge
Capper	Frelinghuysen	McLean	Smoot
Colt	Hale	McNary	Sterling
Cummins	Kendrick	Norbeck	Sutherland
Curtis	Keyes	Oddie	Warren

NAYS—14.

Borah	Harrison	Newberry	Townsend
Dial	Heflin	Overman	Walsh, Mont.
Fletcher	Jones, N. Mex.	Pittman	
Harris	Myers	Sheppard	

NOT VOTING—50.

Ashurst	Gerry	La Follette	Owen
Calder	Glass	McCormick	Pepper
Cameron	Gooding	McKellar	Poindexter
Caraway	Harreld	McKinley	Pomerene
Crow	Hitchcock	Moses	Ransdell
Culberson	Johnson	Nelson	Reed
Dillingham	Jones, Wash.	New	Robinson
du Pont	Kellogg	Nicholson	Shields
Fernald	King	Norris	Simmons

Smith	Swanson	Walsh, Mass.	Williams
Spencer	Trammell	Watson, Ga.	Willis
Stanfield	Underwood	Watson, Ind.	
Stanley	Wadsworth	Weller	

The PRESIDENT pro tempore. Upon this question the yeas are 32, the nays are 14; present and not voting, having announced pairs, the senior Senator from Washington [Mr. JONES], the junior Senator from Minnesota [Mr. KELLOGG], and the junior Senator from Ohio [Mr. WILLIS]. So the amendment of the committee is agreed to.

The next amendment was, on page 34, in line 10, after the word "fluorspar," to strike out "$5 per ton of 2,000 pounds: *Provided*, That after the expiration of one year, beginning on the day following the passage of this act, the duty on fluorspar shall be $4 per ton of 2,000 pounds," and to insert "$5.60 per ton," so as to read:

Fluorspar, $5.60 per ton.

Mr. WALSH of Montana. The Senator from New Mexico [Mr. JONES] desires to discuss this amendment. He is now engaged in eating his dinner. I ask that that item be passed over until he returns to the Chamber, and that in the meanwhile we proceed to the consideration of the next paragraph.

Mr. McCUMBER. That course is satisfactory.

The PRESIDENT pro tempore. By unanimous consent, the proposed amendment will be passed over.

The next amendment was, on page 34, after line 13, to strike out:

PAR. 208. Mica, unmanufactured, or rough trimmed only, 4 cents per pound and 17 per cent ad valorem; mica, cut or trimmed, mica splittings, mica plates, and built-up mica, and all manufactures of mica or of which mica is the component material of chief value, 10 cents per pound and 17 per cent ad valorem; ground mica, 4 cents per pound and 20 per cent ad valorem.

And in lieu thereof to insert:

PAR. 208. Mica, unmanufactured, valued at not above 15 cents per pound, 4 cents per pound; valued above 15 cents per pound, 25 per cent ad valorem; mica, cut or trimmed, and mica splittings, 30 per cent ad valorem; mica plates, and built-up mica, and all manufactures of mica or of which mica is the component material of chief value, 40 per cent ad valorem; ground mica, 20 per cent ad valorem.

Mr. WALSH of Montana. I suppose, really, we might properly have from some member of the committee first some explanation as to why the amendment proposed is offered in lieu of or in substitution for the paragraph adopted by the House.

Mr. McCUMBER. If I remember rightly, there was a difference between the classification of the House and the classification of the Underwood law, and we adopted the classification of the Underwood law, and with it we adopted, as I remember, the same rates of duty.

Mr. WALSH of Montana. I think it will be found that the committee conceived that the rates fixed by the House were wholly unjustifiable, and made a very important and very sensible reduction. The amendment as it is presented to us by the Senate committee is in many respects commendable. It does not present for serious consideration any rates except the last two mentioned in the paragraph. It leaves the rates on mica, unmanufactured, valued at not above 15 cents per pound, 4 cents per pound, identical with the rate prescribed in the existing law. It also leaves the rate prescribed in the existing law as to that valued above 15 cents a pound; that is, 25 per cent ad valorem.

So likewise with respect to "mica, cut or trimmed, and mica splittings, 30 per cent ad valorem." That is the rate prescribed in the existing law. The next, however, "mica plates, and built-up mica, and all manufactures of mica, or of which mica is a component material of chief value, 40 per cent ad valorem," is a duty over the existing law, which prescribes 30 per cent. So likewise with the next, "ground mica, 20 per cent ad valorem," the existing law providing a duty of 15 per cent ad valorem.

It will be noticed, therefore, that the rates on unmanufactured mica are left exactly as they are in the present law, but the rates on manufactured mica are increased. In the case of manufactures other than ground mica the increase is 10 per cent, and in the case of ground mica 15 per cent, the rates of increase, however, being identical in both cases, 33⅓ per cent, a very substantial increase.

Mr. President, I can find no justification in the facts at my command for this increase or for any increase in manufactured mica. This is a case in which the peril of an inundation of imports from Germany does not exist. There are no importations of this particular commodity from Germany and none whatever are anticipated. The imports come from other countries, England, Canada, the British Isles, and Brazil.

Mica is very extensively used in the arts. The consumption of it for the manufacture of diaphragms for telephones is very large. It is used for windows in stoves and for lanterns, by reason of its resistance to heat, while it permits the transmission of light.

There are some very considerable importations of this commodity, and particularly during the war the demand increased by reason of its necessity. But notwithstanding that, we export a very considerable quantity of the manufactures of mica. The crude material is found in greatest abundance in North Carolina and in New Hampshire. I do not learn that there is any great demand from either of those States for an increase in the duty on the crude article, nor am I able to discover that any very urgent or persistent demand for an increase in duty was made upon the part of the manufacturers of articles of which mica is a constituent part.

Not only do we export this commodity in its manufactured state in very considerable amounts in value but our exports are continually increasing under the existing law. In that state of affairs I should like to understand if we can be favored with the information upon just exactly what theory the increase in the rate on the manufactured article is asked. Our exports of the manufactures of mica during the year 1916 were $53,524; in 1917, $84,755; in 1918, $71,285; in 1919, $79,581; in 1920, $155,918; that is, we were exporting three times as much of this commodity in 1920 as we were in 1916.

We are exporting it in competition with the manufactures of mica coming from countries in which it is most largely produced. We export to Belgium, France, England, Canada, Mexico, Cuba, Japan, and other countries. When we can manufacture these articles and sell them in the markets of the world in competition with like articles manufactured in the countries which, like ourselves, have an abundant supply of the raw material, how can we justify ourselves in imposing on the manufactures of mica a duty 33⅓ per cent above that which is exacted under the existing law, and which permits of the development of the industry not only for home consumption but for sale in the markets of the world? I can not understand how this can be justified.

I have no information concerning the relative cost of producing the manufactures of mica in this country as compared with the cost of producing them in England, for instance, or in Canada, both of which are engaged in this industry with ourselves. But whatever it may be, there is no such difference as will permit them either to monopolize our own market or to compete with our producers in the foreign market, and accordingly it must, it seems to me, of necessity follow that the cost of production in this country can not be in excess of the cost of production abroad.

I imagine the fact is that these other countries have particular grades of the raw materials and particular styles of the manufactured articles which enable them to get into markets, and we have particular grades and particular styles in the manufactured articles which permit us to get into their markets. That is a healthy condition of things, and I can not understand why the Congress of the United States should be asked under these circumstances to increase the rate.

Mr. McCUMBER. Mr. President, the Senator from Montana, I understand, is satisfied that the rates are equitable so far as the raw materials are concerned, but he objects to the increased rates on the manufactured products. I agree with him in that. I think, so far as the raw product is concerned, that we can fairly well compete with importers; but since the Underwood law was enacted there has been a great change in labor cost, and as the value of the finished product in its many forms has been greatly increased over the labor cost at the time the present law was enacted, we have thought that we ought to give a little heavier duty upon the finished product to partially meet the added cost of the labor, which becomes a more material factor in the finished product. Therefore we slightly increased the duty upon the finished product.

Mr. WALSH of Montana. Mr. President, it seems to me that it is a pretty lame excuse for the committee to offer that the cost of production generally has increased since the Underwood tariff law was enacted, and therefore we give an increased tariff. Is the Senator prepared to say there has not been a proportionate increase in the cost of production abroad? Canada supplies us with the greater portion of our imports, next to Great Britain. Is the Senator prepared to say that the cost of production has not increased in Canada equally with the cost of production in the United States? But whatever the increase may be, we are able to compete. That, it seems to me, is a sufficient answer. It can not be that the difference in the cost of production is likely to impair our ability to manufacture here in competition with foreign countries, when our exports continue to increase and increase in respect to Canada. Let me call attention particularly to that feature.

Mica, manufactured in Canada, was imported into the United States to the amount, in 1916, of $79,834; in 1917, $82,408; in

1918, $45,298; in 1919, $34,057; and in 1920, $55,000. It will be seen that the importations from Canada to this country do not keep up, while, on the other hand, our exports to Canada bear this relation: In 1916, $154 only; in 1917, $2,987; in 1918, $3,395; in 1920, $8,852. So that while the imports from Canada to this country are decreasing the exports from this country to Canada are increasing.

Of course it is a mere request to increase the duty by 33⅓ per cent without any explanation being made whatever except that the cost of production has increased since the time the Underwood law was enacted. The cost of producing the raw material has increased since that time, but the Senator does not find that a good reason for increasing the rate of duty at all on the raw material. This, it seems to me, is a plain gift at the expense of the American people to the manufacturers of this particular commodity without, so far as I can discern, any reason for it.

I have endeavored to be fair about this matter. I have disclosed my view that the rates with respect to the raw product are unexceptional. A demand was made by the producers of mica in North Carolina for an increase of rate in accordance with the recommendation made by the House, but it was rejected by the Finance Committee. That being the case, I think that we ought to have some better explanation and some better reason than has been given for the increase on the manufactured mica.

Mr. McCUMBER. Mr. President, I regret that my explanation has not satisfied the Senator from Montana. I stated that while wages have gone up in the United States, the wage element in proportion to the raw material elements in the manufactured product is considerably in excess of the wage element in proportion to the price of the raw product. Inasmuch as there is a higher wage element in the manufactured product, it was thought necessary by the committee to slightly increase the rate upon the manufactured product. I think we were fully justified in that for the reason which I have given.

I disagree with the Senator that the cost of labor in Canada is the same that it is in the United States. It is somewhat lower, but India furnishes the lowest point, at least as much as Canada, up to about four times as much as the Canadian imports into the United States. Therefore, if I remember the figures correctly, there has not been the same increase in wages in India, from which we receive a great proportion of our imports, as there has been in Canada or the United States.

Mr. WALSH of Montana. I think an erroneous impression may be gathered from the statement of the Senator from North Dakota. We do not import any manufactured mica whatever from India. India furnishes us raw mica, but it furnishes no manufactured articles of that character whatever; at least none that is sufficient to be recorded. If the Senator is correct about it, the logic of his argument is that a higher rate of duty ought to be imposed upon the raw material, and he impeaches the action taken by the Senate committee with respect to that commodity by that kind of an argument. Our real competitors are England and Canada. In 1916 Canada furnished 709,614 pounds of mica as against only 48,251 pounds coming from India. India is a competitor in the production not only of the manufactured article but of the raw material as well. The argument based upon India does not have any application whatever to the manufactured product.

Mr. McCUMBER. I was speaking of the labor cost upon the raw product, because that is what the Senator from Montana had referred to. He suggested, as I understood him, that the production cost of the raw product in the other countries had increased the same as in the United States, and I called attention to the fact that I did not think it had increased so much in India as it had in Canada and the United States. When we came to the manufactured product, in 1919 Canada stood first in importations into the United States—the figures for that year are the last I have here—India came second and England third. We imported from England $268,000 worth, from Canada $516,000 worth, and from British India $373,000 worth, so British India has become quite a competitor even in the manufactured product.

Mr. WALSH of Montana. I was not able to follow accurately the figures given by the Senator from North Dakota, but inquire of him where he gets the information that we have large importations of mica from India?

Mr. McCUMBER. I get it from page 19 of Tariff Information Surveys B–5, relating to mica.

Mr. WALSH of Montana. There is nothing of that kind in the copy which I have before me of Tariff Information Surveys B–5.

Mr. McCUMBER. If the Senator will turn to page 19——

Mr. WALSH of Montana. I have it before me.

Mr. McCUMBER. He will find in the second table, Imports of mica, cut, split, and manufactures of, by countries; the value of the imports from France, India, Canada, Brazil, British India, and all other countries. I read the importations from three countries.

Mr. WALSH of Montana. Does the Senator read from Survey B–5, page 19?

Mr. McCUMBER. I read from Survey B–5.

Mr. WALSH of Montana. There is nothing of that kind on page 19. Page 19 does not give any imports at all.

Mr. McCUMBER. It must be that the Senator from Montana has not the same document which I have.

Mr. WALSH of Montana. On page 21 of the document that I have before me, Mr. President, which is the Tariff Information Survey B–5, is found a table entitled "Mica, cut, split, and manufactures of, imports into the United States." That gives British India as furnishing to the United States during the year 1920, $16,656 worth of mica and manufactures of mica; that is all.

Mr. McCUMBER. From British India for 1920 it shows importations into the United States of $377,413 worth.

Mr. WALSH of Montana. No. The Senator is reading the importations from Canada instead of from British India.

Mr. McCUMBER. No.

Mr. WALSH of Montana. Those are the figures for Canada and not for British India.

Mr. McCUMBER. No. The importations from Canada were $516,234 worth.

Mr. WALSH of Montana. No; those importations were from England.

Mr. McCUMBER. No; the importations from England were $268,685; from France, $2,447; and from all other countries, $8,929.

Mr. WALSH of Montana. Even assuming that to be the case, that is practically nothing.

Mr. McCUMBER. I certainly am not mistaken according to this report.

Mr. WALSH of Montana. The figures before me seem to be different. Anyway, that is the situation, Mr. President. We are able to compete with the world in the manufacture of mica, and our exportations are constantly increasing.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. WALSH of Montana. I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. WALSH of Montana. If the roll call has not commenced, I wish to say that I intended to offer an amendment instead of asking for a roll call on the committee amendment. I, therefore, ask unanimous consent that the call may be dispensed with.

Mr. SHEPPARD. There has been no answer to the roll call.

Mr. McCUMBER. Has there been any answer to the roll call, Mr. President?

The PRESIDENT pro tempore. There has been no response.

Mr. McCUMBER. Then I think the Senator can still offer his amendment.

Mr. WALSH of Montana. On page 35, line 2, I move to strike out "40" and to insert "30."

The PRESIDENT pro tempore. The amendment will be stated.

The ASSISTANT SECRETARY. In the committee amendment on page 35, line 2, it is proposed to strike out "40" and insert "30", so as to read:

mica plates and built-up mica, and all manufactures of mica or of which mica is the component material of chief value, 30 per cent ad valorem.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Montana to the amendment reported by the committee.

The amendment to the amendment was rejected.

Mr. WALSH of Montana. In line 3, on the same page, I move to strike out "20" and to insert in lieu thereof "15."

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. In the committee amendment, on page 35, line 3, it is proposed to strike out "20" and in lieu thereof to insert "15," so as to read:

ground mica, 15 per cent ad valorem.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Montana to the amendment reported by the committee.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question recurs on the amendment proposed by the committee.

The amendment was agreed to.

The next amendment of the Committee on Finance was in paragraph 209, page 35, line 6, after the word "pulverized," to strike out the words "except toilet preparations" and to insert the same words within parentheses, with a comma following the last parenthesis.

Mr. McCUMBER. I ask that that amendment may be passed over, and that since the Senator from New Mexico [Mr. JONES] has returned, we recur to the fluorspar paragraph, which is the one we reached a short time ago.

Mr. MYERS. Mr. President, may we not take up paragraph 209 now and dispose of that? I think it will not take long.

Mr. McCUMBER. I have no objection, if any Senator desires to have that paragraph considered first.

The PRESIDENT pro tempore. The question is on agreeing to the amendment which has been stated in lines 6 and 7, page 35, paragraph 209. Without objection, the amendment is agreed to.

The next amendment of the Committee on Finance was, on page 35, line 13, after the word "decorated," to strike out "25" and insert "35," so as to read:

PAR. 209. Talc, steatite or soapstone, and French chalk, crude and unground, one-fourth of 1 cent per pound; ground, washed, powdered, or pulverized (except toilet preparations), one-half of 1 cent per pound; cut or sawed, or in blanks, crayons, cubes, disks, or other forms, 1 cent per pound; manufactures (except toilet preparations), of which talc, steatite or soapstone, or French chalk is the component material of chief value, wholly or partly finished, and not specially provided for, if not decorated, 35 per cent ad valorem.

Mr. MYERS. Mr. President, I have given this paragraph some attention, and I desire to make a few remarks upon it.

Talc is a mineral of creamy white, grayish, or greenish color and is recognized by its useful properties, which are its softness, soapy or greasy feel, and its resistance to the action of heat and acids. Chemically, it is an acid metasilicate of magnesium composed of 63.5 per cent of silica, 31.7 per cent of magnesia, and 4.8 per cent of water. Ground talc, or talcum, is the most familiar form in which this mineral is marketed.

Steatite is a massive rock which is commonly known as soapstone. It is composed chiefly but not wholly of talc; and since talc is a soft mineral and easily broken, soapstone is a weak rock and not well suited for structural uses. It is quarried in large blocks, which are sawn into slabs of varying dimensions according to the use for which it is intended.

"French chalk" is a misnomer, because it is a species of talc (magnesium metasilicate) and not of chalk which is calcium carbonate. French chalk is commonly used synonymously with steatite or soapstone and in general refers to the pieces cut into sticks, cubes, or disks to be used by tailors for marking cloth.

Talc and soapstone are used for a wide variety of purposes, which, with the exception of the relatively small use in toilet powders, are not generally well known. By far the largest quantity of ground talc is consumed in the manufacture of paper. It serves as a filler in all grades of paper and is an important ingredient in various coating and glazing mixtures for finished paper. Talc is also used as a filler in textile, rubber, soap, linoleum, roofing paper, and rope and twine. The rubber industry uses ground talc for dusting and packing rubber goods and as a protective coating for crude rubber.

Talc is known to the paint trade as asbestine, talcose, ground soapstone, and talc. It is used as a pigment to absorb various complex coloring matters and also, especially in mixed paints, it is used as a filler or extender. Asbestine, which usually refers to a fibrous form of talc from New York, has been recommended for the manufacture of the so-called fireproof or fire-resistant paints.

Other uses for talc are as a covering for steam pipes and in wire insulating compounds, in toilet preparations, in leather manufacture, as a filtering medium for refining oil, for polishing plate glass, and for dimming and clouding opaque glass, as an ingredient of certain special cements, and as a dusting agent to prevent sticking in foundry molds. The large number of less important uses can not be tabulated here.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Montana yield to the Senator from Utah?

Mr. MYERS. With pleasure.

Mr. SMOOT. The Senator is speaking now of the 35 per cent and the 45 per cent duty on manufactures of talc?

Mr. MYERS. Yes, sir; I am speaking upon that amendment.

Mr. SMOOT. The only reason why this is put in is because the amendment that the Senator is speaking to now is a basket clause. I know of nothing to-day that is manufactured from talcum or chalk.

Mr. MYERS. What does the Senator say is the reason for increasing the duty from 25 to 35 per cent?

Mr. SMOOT. The only reason is that this is carrying out the policy of having the same rates here upon the manufactured products falling in a basket clause. In years gone by they used to have washtubs made of talc, and sometimes they were decorated; but, to tell the Senator the honest truth, I do not know to-day of a dollar's worth of goods of manufactured talc. There is ground talc, and there is cut talc, and talc in cubes, and pulverized talc; but the old provision of the basket clause of manufactured talc is still carried in the bill by the House, and in the law of 1909, and in the law of 1913. It will make no special difference, however, because I have been unable to find anything of a manufactured nature of those items to-day. Since we are manufacturing bathtubs now of porcelain, or of iron covered with porcelain, the old style has gone out entirely. I just wanted to state that to the Senator because that is the condition that exists to-day.

Mr. MYERS. Does the Senator state that there are no importations of manufactures of which talc, steatite, or soapstone, or French chalk is the component material of chief value? Are there none at all?

Mr. SMOOT. I know of none at all to-day.

Mr. MYERS. Then what is the use of having a tariff duty on these things?

Mr. SMOOT. Because we do not know but that there will be some such importations at some time in the future. We can not tell, and such a provision has always been carried in tariff bills; but there are some importations of the articles mentioned in the other two brackets in the paragraph. There are a great many.

Mr. MYERS. What are they?

Mr. SMOOT. They are, first, French chalk, crude and unground, one-quarter of a cent a pound; then ground, washed, powdered, or pulverized, except toilet preparations, one-half of 1 cent per pound; then cut or sawed, or in blanks, crayons, cubes, disks, and other forms, on which we impose a duty of 1 cent a pound. There are no changes in those rates, and, of course, we can not offer amendments to them now, so if the Senator desires to offer an amendment upon those items he will have to wait until the committee amendments are first disposed of.

Mr. MYERS. Yes; I see.

Mr. SMOOT. But the two items that the Senator is speaking of now are virtually in the basket clause, we may say, of this particular manufactured product; and I will say to the Senator now that I know of no articles manufactured from talc which are used in the United States that would fall in this basket clause, and the Senator will note, if he has looked it up, that there is not a dollar's worth reported either of local manufacture or of importations.

Mr. MYERS. I see, of course, that the pending amendment applies only to manufactures of which these articles are the component materials of chief value. If the Senator says that there are no importations whatever of any manufactures, then I think the imposition of a tariff duty on manufactures is wholly useless. I believe in imposing tariff duties on what is imported now, so that we can figure on some reliable basis and know what revenue the tariff will bring in, if any at all, and what effect it will have on the market.

Mr. SMOOT. This tariff will not bring in any revenue.

Mr. MYERS. I can hardly see the object of going into the realm of speculation and legislating as to a tariff duty on something that does not come into the country at all. It appears to me to be useless and frivolous—a waste of time and effort.

Mr. SMOOT. The Senator can remember when there were bathtubs and that sort of articles manufactured from these products, but they are not manufactured to-day. It may be that at some time in the future they would be manufactured in a foreign country and shipped into this country. I do not know whether that will happen or not.

Mr. MYERS. If there are no importations at all, what is the object of raising the duty from 25 to 35 per cent? The House put it at 25 per cent.

Mr. SMOOT. I have already stated that to the Senator very frankly. The manufactures of these articles have always carried a rate of about 35 per cent where they are not decorated, and 45 per cent where they are decorated. If they never again are made for importation into this country, it will do no harm; but if they are, then the rates are there, conforming to the basket clauses of manufactured articles of a similar nature.

Mr. MYERS. Have those been the rates, 35 and 45 per cent, in the tariff laws heretofore enacted?

Mr. SMOOT. No; I think the tariff law to-day is 20 per cent, as I remember it.

Mr. MYERS. In the Underwood-Simmons law it is 20 per cent?

Mr. SMOOT. Twenty per cent.

Mr. MYERS. If not decorated, and the same as to decorated articles?

Mr. SMOOT. If decorated, 25 per cent.

Mr. MYERS. If we do not import any of these things, Mr. President, I think that 20 per cent or 25 per cent is as good as 35 per cent or 45 per cent. This tax does not bring in any revenue whatever?

Mr. SMOOT. Not a dollar.

Mr. MYERS. If it does not bring in revenue, the articles ought to be on the free list. If we do not have any importations, we ought to encourage some by putting the articles on the free list.

Mr. SMOOT. Tariff bills are not made ostensibly to last one year, and I do not know what more I can say than that at some time in the future these things may be made for importation the same as they have been in the past. It may never occur, but if it never occurs, there is not a dollar of revenue lost by the Government of the United States, and no one is hurt, either in this country or in a foreign country.

Mr. MYERS. The Senator has been very explicit in his explanation. I find no fault with that. It is the useless and absurd proceeding of levying a tax on importations that do not come into the country that I dissent from.

Mr. SMOOT. I do not care anything about it, one way or the other.

Mr. MYERS. I say that if we have no importations under the existing tariff law, which imposes a tariff duty of 20 per cent upon undecorated articles and 25 per cent on decorated articles, then I think they ought to be put on the free list so as to encourage some importations and give us the benefit of competition. If they will not come in under a 20 and 25 per cent rate, then we ought to make it lower than that or take it off altogether.

Mr. SMOOT. I will say to the Senator that if there should be any that would come in, they would come in under the 35 and 45 per cent, the same as they would under the 25 per cent. The only thing I can possibly think of that would ever come in would be a carved statue of some kind, made from talc and decorated in some way. I do not understand how that can happen. It has not happened in the past, and yet at some time in the future it may happen. If so we will have statistics of it. Having this provision in here will do no harm if they do not import it, and if the American people do not import a dollar of it now the Treasury Department will not receive a cent of revenue from a change. Why not keep it in conformity with the rates of other manufactured articles that are provided in this schedule?

Mr. SHEPPARD. Mr. President——

Mr. MYERS. I yield with pleasure to the Senator from Texas.

Mr. SHEPPARD. May I suggest to the Senator from Montana that if we are going to base our tariff rates purely on anticipation, perhaps we had better consult a spiritualistic medium as to what rates we shall charge—10 raps, 10 per cent; 20 raps, 20 per cent; and so on?

Mr. SMOOT. I know that the Senator has not given thought to it, or he would not have said that. The Senator himself would not vote for a duty upon the raw materials, and then turn around and say that there was not any need whatever of a duty upon the manufactured article, if there was a manufactured article.

Mr. MYERS. The Senator from Utah has gone to the root of my views on the subject, because I do not believe there ought to be any tariff on the raw product, and, therefore, none on the manufactured article.

Mr. SMOOT. That is a different proposition.

Mr. MYERS. I was giving some definitions of these articles, and relating the uses to which they are put, to show that they are necessities of life. They are articles of daily use and of necessity. Of course, I see that the pending amendment applies only to manufactured articles, and under that I can not get at the tariff duty which is levied on the raw material. I will simply say as to the manufactured articles that I do not believe in putting on a useless tariff duty when it serves no purpose one way or another. It seems to me it is just an encumbrance, and it might as well not be levied at all. I will say, however, before I close my remarks: I believe that these raw materials should be on the free list, or have a very low tariff duty imposed upon them. Of course, I can not get that just now. I may later, before the bill is disposed of. My views of tariff legislation briefly are these:

I believe that taxes ought to be raised altogether, or as far as possible on luxuries, and not at all on necessities of life.

Necessities are articles which have to be used by everybody, whether they can afford to pay a tax or not. The rich, the poor, those of moderate circumstances, all have to use articles of necessity, and I think as a rule the necessities of life ought to be put on the free list, or have a very low tariff duty, if any at all, levied on them. Once in a while, in the case of an infant industry, or where an undeveloped resource of the country may be developed by a moderate tariff duty, where an industry may be built up and developed, and our raw natural resources may be used, and a large pay roll may be built up, I believe that there is some justification for imposing a moderate tariff duty on some of the necessities of life; but in the cases of 99 per cent of the necessities of life I think there ought to be no tariff duty or tax of any kind. Ninety-nine per cent of our necessities of life should be on the free list, and those that are taxed at all should have a very low tariff duty put upon them.

I believe that practically all taxes should be raised on luxuries. People do not have to use luxuries unless they want to. The poor can not afford them, and do not get them. The rich do not have to buy them unless they want to, and if they do buy them at all, they can gauge their purchases by their desires and their ability to pay, and those who buy the most pay the most.

Mr. McCUMBER. If the Senator will allow me, it is sometimes very difficult to determine what is a necessity and what is a luxury. What is a luxury one year becomes, after a few years of use, a necessity. I know but a very short time ago when people considered an automobile a great luxury. I do not know whether it would be considered a luxury or a necessity to-day. Would the Senator call it a luxury?

Mr. MYERS. I would, without hesitation.

Mr. McCUMBER. We use probably about as much of this soapstone and talcum powder to line the inside of a tire and keep the inner tube from wearing out as for almost any purpose, and therefore it would be a luxury, and ought to be taxed, according to the theory of the Senator.

Mr. MYERS. Those articles are used for a great many other purposes; used in the making of paint, rubber, paper, newsprint, wrapping paper, wall paper, soap, linoleum, roofing, rope, twine, and many other things which go into the daily use of the people, as necessities of life.

Mr. SMOOT. The Senator must not forget its use for face powder, for powdering the ladies' noses.

Mr. MYERS. Since woman suffrage was enacted, I think face powder has become a necessity, but in the making of toilet articles, there is very little of it used, the authorities say. These substances are used in the making of a great variety of articles which go into the daily use of the people as necessities of life. That is what I was undertaking to say; that these substances are necessities of life, and I think even the raw material should be on the free list, as well as the manufactured articles.

As to automobiles, I regard them as luxuries. I understand there are 70,000 automobiles in the District of Columbia. An average tax of $10 on each automobile would yield the District of Columbia $700,000 a year. In 1919 there were about 7,500,000 automobiles in the United States, and I understand, according to latest reliable statistics, that at the present there are about 11,000,000 in the country. An average tax on them of $10 each would yield $110,000,000 per year, and an average tax of $20 per year would yield $220,000,000 a year, and so on—the greater the tax the greater the revenue. I think people who indulge in such luxuries should pay for them and that taxes should not be put on the common, ordinary necessities of life, which are used every day by everybody in the country, more or less. If I had my way, I would put an average tax of at least $10 a year on every automobile in the United States. People who use them could well afford to pay that tax, and if the people want to use automobiles they ought to be willing to pay that amount of tax. Let those who ride pay. Let those who roll in luxury pay for their luxuries. I use the automobile illustration as an explanation of my views about taxation. Taxation of automobiles—a good stiff tax—well illustrates my views as to how the bulk of our taxes should be raised.

I have digressed to explain in a general way, to some extent, my views of tariff legislation. My point is that both the raw materials mentioned in the paragraph under consideration and their manufactures, being largely necessities, should be on the free list or should bear a very low tariff duty.

However, I will not pursue my observations further in that direction, because I am not able to formulate my ideas in that direction into any motion or amendment which would now be in order under the rules of the Senate. I shall have to give that attention later.

As to the particular amendment before the Senate, I can see no good motive in increasing the 25 per cent tax on the manufactured article not decorated, or 30 per cent, if decorated, as fixed in the bill as it passed the House. Even under the lucid explanation of the Senator from Utah, who has referred to the usual practice in taxing manufactured articles, as bearing a relation to the raw material, I can see no practical use in increasing the tariff duty imposed by the House. In fact, I see no use of any duty at all, even as fixed by the House.

I move that the rate proposed by the committee—35 per cent, in line 13, paragraph 209—be reduced to 20, and that 45 be reduced to 30 if that may be made in one motion, and if that be voted down I shall vote against the committee amendment.

The PRESIDENT pro tempore. The Chair suggests to the Senator from Montana that the Chair thinks that those two amendments can hardly be offered in one motion.

Mr. MYERS. Then I move first to strike out "35" and to insert "20," on line 13, page 35.

The amendment to the amendment was rejected.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 35, line 13.

The amendment was agreed to.

Mr. MYERS. I renew my motion to amend on line 14.

The PRESIDENT pro tempore. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 35, line 14, the Senator from Montana moves to strike out "45" and to insert "30."

The PRESIDENT pro tempore. The Senator's amendment is the same as the House provision. Hence it will be covered by the vote on the committee amendment.

Mr. MYERS. Then I move to reduce it from "45" to "25," and I ask for the yeas and nays on that amendment to the amendment.

The PRESIDENT pro tempore. The Secretary will state the amendment to the amendment.

The ASSISTANT SECRETARY. On page 35, line 14, the Senator from Montana moves to strike out "45" and to insert in lieu thereof "25," so as to read:

If decorated, 25 per cent ad valorem.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement I did before, I vote "nay."

Mr. CARAWAY (when his name was called). Transferring my pair with the junior Senator from Illinois [Mr. MCKINLEY] to the senior Senator from Tennessee [Mr. SHIELDS], I vote "nay."

Mr. HARRIS (when his name was called). Transferring my pair from the junior Senator from New York [Mr. CALDER] to the senior Senator from Nebraska [Mr. HITCHCOCK], I vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement as before, I withhold my vote.

Mr. KELLOGG (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. SIMMONS]. I transfer that pair to the senior Senator from Minnesota [Mr. NELSON] and vote "nay."

Mr. LODGE (when his name was called). Transferring my pair with the senior Senator from Alabama [Mr. UNDERWOOD] to the junior Senator from Pennsylvania [Mr. PEPPER]; I vote "nay."

Mr. MCCUMBER (when his name was called). Announcing the transfer of my pair as on the previous vote, I vote "nay." I wish to state at this time that this announcement of the transfer will stand for the evening.

Mr. STERLING (when his name was called). Making the same announcement as to my pair and transfer that I made on the last vote, I vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. WILLIS (when his name was called). I have a pair with my colleague, the senior Senator from Ohio [Mr. POMERENE] which I transfer to the junior Senator from Delaware [Mr. DU PONT], and vote "nay."

Mr. FRELINGHUYSEN (after having voted in the negative). I transfer my general pair with the Senator from Montana [Mr. WALSH] to the Senator from Colorado [Mr. NICHOLSON] and allow my vote to stand.

Mr. ERNST (after having voted in the negative). I transfer my pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Oklahoma [Mr. HARREILD] and allow my vote to stand.

Mr. ELKINS (after having voted in the negative). I transfer my pair with the Senator from Mississippi [Mr. HARRISON] to the junior Senator from Oregon [Mr. STANFIELD] and allow my vote to stand.

Mr. DIAL (after having voted in the affirmative). Making the same announcement as on the former vote with reference to the transfer of my pair, I vote "yea."

Mr. FLETCHER (after having voted in the affirmative). I again announce my general pair with the Senator from Delaware [Mr. BALL]. In his absence I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and allow my vote to stand.

The roll call resulted—yeas 11, nays 35, as follows:

YEAS—11.

Ashurst	Fletcher	Jones, N. Mex.	Sheppard
Caraway	Harris	Myers	Underwood
Dial	Heflin	Overman	

NAYS—35.

Brandegee	Colt	Ernst	Hale
Broussard	Cummins	France	Kellogg
Bursum	Curtis	Frelinghuysen	Kendrick
Capper	Elkins	Gooding	Keyes
Ladd	McNary	Ransdell	Sutherland
Lenroot	Norbeck	Rawson	Townsend
Lodge	Oddie	Shortridge	Warren
McCumber	Page	Smoot	Willis
McLean	Phipps	Sterling	

NOT VOTING—50.

Ball	Harrison	Nicholson	Stanfield
Borah	Hitchcock	Norris	Stanley
Calder	Johnson	Owen	Swanson
Cameron	Jones, Wash.	Pepper	Trammell
Crow	King	Pittman	Wadsworth
Culberson	La Follette	Poindexter	Walsh, Mass.
Dillingham	McCormick	Pomerene	Walsh, Mont.
du Pont	McKellar	Reed	Watson, Ga.
Edge	McKinley	Robinson	Watson, Ind.
Fernald	Moses	Shields	Weller
Gerry	Nelson	Simmons	Williams
Glass	New	Smith	
Harreld	Newberry	Spencer	

The PRESIDENT pro tempore. On this question the yeas are 11 and the nays are 35. A quorum not having voted, the Secretary will call the roll.

The principal legislative clerk called the roll and the following Senators answered to their names:

Ashurst	France	Lodge	Sheppard
Ball	Frelinghuysen	McCumber	Shortridge
Brandegee	Gooding	McLean	Smoot
Broussard	Hale	McNary	Stanley
Bursum	Harris	Myers	Sterling
Capper	Heflin	Oddie	Sutherland
Colt	Jones, N. Mex.	Overman	Townsend
Cummins	Jones, Wash.	Page	Underwood
Curtis	Kellogg	Phipps	Warren
Dial	Kendrick	Pittman	Willis
Elkins	Keyes	Ransdell	
Ernst	Ladd	Rawson	
Fletcher	Lenroot	Robinson	

The PRESIDENT pro tempore. Forty-nine Senators have answered to their names. There is a quorum present. The question is upon agreeing to the amendment proposed by the Senator from Montana to the amendment of the committee. The Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as before, I vote "nay."

Mr. DIAL (when his name was called). Making the same announcement as to my pair and transfer as on the former vote, I vote "yea."

Mr. ELKINS (when his name was called). I transfer my pair with the Senator from Mississippi [Mr. HARRISON] to the Senator from Oregon [Mr. STANFIELD], and vote "nay."

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as on the last vote, I vote "nay."

Mr. HARRIS (when his name was called). Making the same announcement with regard to my pair and its transfer, I vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement as before, I withhold my vote.

Mr. KELLOGG (when his name was called). Making the same announcement as before, I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as on the last vote, I vote "nay."

Mr. WILLIS (when his name was called). I transfer my pair with the senior Senator from Ohio [Mr. POMERENE] to the junior Senator from Delaware [Mr. DU PONT] and vote "nay."

Mr. JONES of New Mexico. Making the same announcement as to the transfer of my pair, I vote "nay."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY].

The roll call resulted—yeas 12, nays 36, as follows:

YEAS—12.

Ashurst	Harris	Myers	Sheppard
Dial	Heflin	Overman	Stanley
Fletcher	Jones, N. Mex.	Robinson	Underwood

NAYS—36.

Ball	Ernst	Lenroot	Ransdell
Brandegee	France	Lodge	Rawson
Broussard	Frelinghuysen	McCumber	Shortridge
Bursum	Gooding	McLean	Smoot
Capper	Hale	McNary	Sterling
Colt	Kellogg	Norbeck	Sutherland
Cummins	Kendrick	Oddie	Townsend
Curtis	Keyes	Page	Warren
Elkins	Ladd	Phipps	Willis

NOT VOTING—48.

Borah	Harreld	New	Smith
Calder	Harrison	Newberry	Spencer
Cameron	Hitchcock	Nicholson	Stanfield
Caraway	Johnson	Norris	Swanson
Crow	Jones, Wash.	Owen	Trammell
Culberson	King	Pepper	Wadsworth
Dillingham	La Follette	Pittman	Walsh, Mass.
du Pont	McCormick	Poindexter	Walsh, Mont.
Edge	McKellar	Pomerene	Watson, Ga.
Fernald	McKinley	Reed	Watson, Ind.
Gerry	Moses	Shields	Weller
Glass	Nelson	Simmons	Williams.

The PRESIDENT pro tempore. Upon this question the yeas are 12, the nays are 36. The Senator from Washington [Mr. JONES] having announced his pair, there is a quorum present. So the amendment of the Senator from Montana [Mr. MYERS] to the committee amendment is rejected. The question now recurs upon the amendment proposed by the committee.

Mr. McCUMBER. I ask unanimous consent that when the Senate concludes its session on this calendar day it recess until to-morrow at 11 o'clock a. m.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered. The question is on agreeing to the amendment proposed by the committee.

Mr. HEFLIN. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as to my pair and its transfer as before, I vote "yea."

Mr. DIAL (when his name was called). Making the same announcement as on the former ballots concerning my pair and its transfer, I vote "nay."

Mr. FLETCHER (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "nay."

Mr. HARRIS (when his name was called). Making the same announcement as heretofore as to the transfer of my pair, I vote "nay."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as heretofore regarding the transfer of my pair, I vote "nay."

Mr. JONES of Washington (when his name was called). Making the same announcement as before concerning my pair, I withhold my vote.

Mr. KELLOGG (when his name was called). Making the same announcement as heretofore as to the transfer of my pair, I vote "yea."

Mr. STERLING (when his name was called). Making the same announcement as on the last vote regarding my pair and its transfer, I vote "yea."

Mr. WILLIS (when his name was called). Making the same announcement as to the transfer of my pair as previously, I vote "yea."

The roll call was concluded.

Mr. ELKINS. Repeating the same announcement as to my pair and its transfer, I vote "yea."

Mr. FRELINGHUYSEN. Making the same announcement as heretofore respecting my pair and its transfer, I vote "yea."

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from Arkansas [Mr. CARAWAY] with the Senator from Illinois [Mr. McKINLEY];

The Senator from Virginia [Mr. GLASS] with the Senator from Vermont [Mr. DILLINGHAM];

The Senator from Tennessee [Mr. McKELLAR] with the Senator from Indiana [Mr. NEW];

The Senator from Oklahoma [Mr. OWEN] with the Senator from New Jersey [Mr. EDGE];

The Senator from Georgia [Mr. WATSON] with the Senator from Arizona [Mr. CAMERON]; and

The Senator from Mississippi [Mr. WILLIAMS] with the Senator from Indiana [Mr. WATSON].

The result was announced—yeas 38, nays 13, not voting 45, as follows:

YEAS—38.

Ball	France	Lodge	Shortridge
Brandegee	Frelinghuysen	McCumber	Smoot
Broussard	Gooding	McLean	Sterling
Bursum	Hale	McNary	Sutherland
Capper	Harreld	Norbeck	Townsend
Colt	Kellogg	Oddie	Wadsworth
Cummins	Kendrick	Page	Warren
Curtis	Keyes	Phipps	Willis
Elkins	Ladd	Ransdell	
Ernst	Lenroot	Rawson	

NAYS—13.

Ashurst	Heflin	Pittman	Underwood
Dial	Jones, N. Mex.	Robinson	
Fletcher	Myers	Sheppard	
Harris	Overman	Stanley	

NOT VOTING—45.

Borah	Harrison	Newberry	Stanfield
Calder	Hitchcock	Nicholson	Swanson
Cameron	Johnson	Norris	Trammell
Caraway	Jones, Wash.	Owen	Walsh, Mass.
Crow	King	Pepper	Walsh, Mont.
Culberson	La Follette	Poindexter	Watson, Ga.
Dillingham	McCormick	Pomerene	Watson, Ind.
du Pont	McKellar	Reed	Weller
Edge	McKinley	Shields	Williams
Fernald	Moses	Simmons	
Gerry	Nelson	Smith	
Glass	New	Spencer	

So the committee amendment was agreed to.

Mr. McCUMBER. Mr. President, I ask that the Senate now return to the amendment in paragraph 207 in relation to fluorspar.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from North Dakota? The Chair hears none, and the Senate returns to paragraph 207.

Mr. GOODING. I ask unanimous consent to have read and printed in the RECORD resolutions passed by the Texas Bankers' Association at Fort Worth, Tex., indorsing the pending tariff bill.

The PRESIDENT pro tempore. Without objection, the Secretary will read as requested.

The Assistant Secretary read as follows:

FORT WORTH, TEX., *May 20, 1922.*

Hon. F. R. GOODING,
United States Senate, Washington, D. C.

The following resolution was unanimously passed by the Texas Bankers' Association in convention here to-day:

"Whereas the value of all securities of Texas banks, the price of every farm product, and the prosperity of the entire South are affected by the tariff measure now pending before Congress; and

"Whereas the tariff policy of the present Congress was settled at the polls November, 1920, and we are going to have a protective tariff on the products of all other sections of the country regardless of our political convictions on the subject: Therefore be it

"*Resolved*, That so long as the articles of manufacture are protected from foreign competition, that we insist on a protective tariff on vegetable oils, peanuts, live stock, meats, hides, wool, grain, poultry, and dairy products, and all agricultural, pastoral, and mineral products that will equalize the difference in cost of production between this and foreign countries, and urge our Senators and Representatives to support the schedules demanded by various organizations authorized to represent southern industries as submitted through the Southern Tariff Association."

WARREN P. ANDREWS,
President Texas Bankers' Association.

Mr. HEFLIN. Mr. President, when the junior Senator from Idaho [Mr. GOODING] presented the telegram which has been read at the desk, I understood from his statement that it was a general indorsement of the pending tariff bill, but it appears to lack a great deal of being an indorsement of the measure which is now pending here. It is merely urged that if the pending measure is to be put over, if this "hog combine" is to go through, then they would like to have a few commodities in which Texas is interested attached to the program. When the Senator from Idaho stated that the resolution of the bankers of Texas indorsed this measure I thought there was something radically wrong. I knew that if the bankers of the State of Texas knew what was in the bill they would not indorse it.

Mr. President, in discussing the other night the suggestion by Senators on the other side that the bill sought to protect the farmers of the country I referred to two or three items affecting the farmers very vitally, every one of which is taxed. The tax on arsenic has been increased 2 cents a pound. The farmers use arsenic for spraying and other purposes. There is a tax imposed in the bill on potash. I mentioned that the other night. This is a tax on fertilizer, which will result in increasing the price of that product to the farmer from five to ten dollars a ton. Then I was utterly astounded to find that it was proposed to impose a tax upon salt. I do not know, Mr. President, whether you were here or not, but you yourself look astounded at the suggestion that anybody would have the gall to place a tax upon salt. [Laughter.] They took salt off the free list and put it on the tax list through this hog combine and taxed it 40 cents a 200-pound sack. Think of that, Senators. I do not know whether or not some of you realized what you were doing in that particular. Forty cents a sack! A 200-pound sack will now bear a tax of 40 cents, and the price of all the salt used by all the farmers of the United States is increased 40 cents a sack. Everybody who uses salt will pay this increased price.

Mr. President, I was surprised to see my good friend, the Senator from Maine [Mr. HALE], vote to place a tax upon salt.

His honored father led the fight in the House 30 years ago to put salt on the free list and made an able speech in favor of having salt free of taxes. The martyred President, James A. Garfield, then a Member of the House, made a strong argument against putting salt on the tax list. But in these subsequent days of the Republican Party the great salt combine has succeeded in getting you to tax the salt users of America 40 cents a sack. So, for the benefit of this great salt combine, you are imposing an additional tax burden upon the millions of American consumers.

Mr. STANLEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. HEFLIN. I am always glad to yield to the brilliant Senator from Kentucky [Mr. STANLEY].

Mr. STANLEY. The Senator from Alabama should remember that circumstances alter cases. Conditions are different. I doubt very much if there is salt enough in all the multitudinous seas to sweeten the malodorous memory of the Attorney General alone, besides other putrefying officials on the other side; and they are bound to put a tax on salt.

Mr. HEFLIN. Mr. President, I want to read what Mr. Garfield said in his speech in favor of placing salt on the free list:

I know, moreover, that for nearly two years the wholesale price of American salt in Toronto, Canada, was a dollar lower per barrel than the same salt was selling for on the New York side of the lake. That is, we produced it, shipped it across, paying whatever portage, freights, and transportation were required, and then sold it to our Canadian neighbors at a dollar per barrel less than it was sold to people on our shores. Certainly gentlemen will not want a duty or tax continued that enables that thing to be done.

They had a tax on salt then, and Mr. Garfield pointed out that this salt was sold on the other side of the lake, in Canada, to foreign people at $1 a barrel cheaper than to our own people here in the United States.

Mr. President, on the same occasion, in 1889, the brilliant and able Senator from Missouri, Mr. Vest, said:

It is notorious that two years ago this same Michigan Salt Association—

He had mentioned the efforts of the Michigan Salt Association to control the price of salt and increase its profits—

went into the State of West Virginia, bought up the salt springs in the valley of the Kanawha, and closed all except two, and by that means controlled also the production of salt in another State of this Union; and they were enabled to do it by reason of this tariff duty which shut out foreign competition, handicapped the foreign importer to such an extent that it left them in absolute control of the home market.

Mr. President, that is just what you did when you placed a tax of 40 cents a sack on salt. You leave the whole American people absolutely helpless in the hands of the Salt Trust of the United States. The forces that control the Salt Trust will control the output and price of salt in a way to make the greatest profit possible, and you have enabled them to do that by the use, or, rather, the misuse and abuse, of the taxing power.

You have taxed the salt that goes into the bread and saves and seasons the meat of every human being in the United States.

Thomas H. Benton, speaking about a tax on salt, said it was—

a tax which no economy could avoid, no poverty could shun, no privation escape, no cunning elude, no force resist, no dexterity avert, no curses repress, no prayers could depreciate.

There is no escape from that tax. Salt is a daily necessity. Everybody must have salt to season food, to save meat, for many wholesome purposes; and yet the Republican Party in this Senate, while talking about protecting the American farmer and trying to benefit the American people, are adding to the burden of the American farmer and increasing the price of everything he has to buy and taxing the mass of American consumers for the benefit of big concerns that contribute to the campaign fund of the Republican Party.

Mr. President, I saw the Republican Party this afternoon, under the leadership of the able Senator from New Jersey [Mr. FRELINGHUYSEN], lay a tariff tax upon sand. The President pro tempore looks as surprised and disturbed as he did when I talked about the tax that you placed upon salt. Sand! Yes, Mr. President, this Republican Senate has just voted to place a tax upon sand. The Bible speaks of the inexhaustible supply of the sands of the sea, and nobody but an avaricious Republican in power would ever dream of taxing sand. Here we are located between two great oceans, with sand enough to supply the world for a million years, and yet this Republican Senate has actually levied a tax upon sand. One or two American ships that carried American products to a foreign market coming back empty needed something to hold the ship, to make it steady—they needed ballast—and they put sand in there to hold down the vessel to give it something to steady it. The protective-tariff barons of the East saw them unloading that sand, and they said:

We sift and sell sand and here is an opportunity to get a Republican Congress to increase our profits by raising the price to everybody who uses sand in America.

Light-colored or white sand is used for many purposes. A great deal of it is used to make glass bottles, fruit jars, and windowpanes. It is used in making every kind of glassware imaginable—yes, and milk bottles for the baby, as suggested by my good friend from South Carolina [Mr. DIAL]. I am glad he mentioned that. It shows that nobody, not even the infant in his cradle, can escape the tax gatherers of the Republican Party, and you have just voted to place a tax on sand.

Mr. President, a woeful situation confronts us here. Special pets and favorites, who want to have the whole people taxed in order to put money in their pockets, invoke the taxing power of the American Congress, and Republicans in power, who have been aided by contributions to their campaign funds, respond, and we see taxes imposed that enrich one class at the expense of another. Under this miserable scheme the consumers of America are forced to pay money into the pockets of tariff barons who buy the privilege to tax the American people.

Those who have to bear these unjust burdens and pay these unjust taxes were not allowed to appear at the secret sessions of the Finance Committee of the Senate. No opportunity to file their protests against the wrong done them in this monstrous bill. But the man who wanted to tax the American people in order to increase his profits and his fortune, he was there and he got what he wanted.

And, Mr. President, some Republican Senators are trying to make the farmer believe that they are increasing the tariff tax on all the things that he has to buy because they dearly love him. They love him for the purpose of robbing him.

Well do I recall that, when day after day I was pleading for relief for the farmer from your deadly deflation policy, and reminded you that farm products were selling below the cost of production, I never heard a single Republican Senator, not one who now champions this tariff measure, lift his voice to compel a change in the conduct of the Federal Reserve Board so that the farmer could hold his produce for a fair price and stay the hand of those who were taking it from him for nothing. But when some of these fellows who have manufacturing concerns want more profits than they are now getting, demand an increase, you stand here and grow eloquent in demanding that the people be taxed for that purpose, and you tax them.

Talk about protecting us against the foreigner! I saw the foreigner buy 6,000,000 bales of American cotton below the cost of production, and not one word of sympathy or aid was uttered by any champion of this high protective tariff bill—not one. Some of us arose and begged that something be done, that money be made more easy, that these people be helped; but no help came. The cotton was sold below the cost of production, and the farmer was left penniless and in debt; and now you are taxing the salt that goes in his bread.

Mr. STANLEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. HEFLIN. I am glad to yield to my friend from Kentucky.

Mr. STANLEY. I do not wish to interject remarks into the splendid and eloquent argument made by the Senator from Alabama, but I am tempted at this time to suggest to the eloquent Senator another instance in his own State.

The fields of France that were golden with grain at the time of Charlemagne—the fields of France that have been garnered continuously for a thousand years—will now produce an average of 40 bushels of grain to the acre.

The grain fields of old England and of Germany produce 30 bushels of grain to the acre. The grain fields of the great West, new, but yesterday the home of the Indian and the buffalo, are approaching exhaustion, and they are not now producing a third of the harvest of grain produced by fields a thousand years old. The reason of it is perfectly simple. It is known to every tyro in the culture of the soil. It is a lack of nitrogen, a lack of an essential fertilizer. With the proper mixture of nitrogen and phosphorus and potash, the illimitable plains of the great West, the fields of Alabama and Kentucky and the Carolinas, will produce as richly as the fields of France and of Germany.

God, in His infinite goodness, in the prodigality of nature, has placed in the State of the distinguished Senator from Alabama all the essentials necessary for the production of this essential fertilizer—the great rapids of Muscle Shoals, with their 300,000 horsepower undeveloped. Adjacent are fields of phosphorus and

potash. There, with small expenditure, we can produce more nitrogen than was ever brought from all the dry wastes of Chile.

The work was almost completed, but it interfered with the sale of a by-product from the coke ovens of the Steel Trust. It interfered with great chemical corporations. It interfered with the products of the most gigantic aggregations of wealth ever created since a share of stock in a corporation was printed, and after an almost unanimous report by the Committee on Agriculture and Forestry, after it seemed that the bill would pass to provide the necessary power to put that great plant in operation, the Chemical Trust, the Steel Trust, and the Coal Trust issued their ukase, cracked their whip from these galleries, and where was Roderick then? Where was this vociferous Republican agricultural tariff bloc that is going to save the farmer? It crouched and cowered under the command of the Steel Trust and voted to destroy that plant or leave it as junk; voted to abandon it. So plain and so palpable was the outrage, the scandalous waste of a great treasure, that a man with no more knowledge of scientific affairs than Henry Ford—a man who never heard of Benedict Arnold—knew it was valuable. Henry Ford stumbled onto that thing and now offers a handsome sum for the privilege of doing that which you denied this Government the privilege of doing for the farmer. You destroyed the greatest opportunity you ever had to furnish the farmer with fertilizer in time of peace and to sell it in time of war. Let the agricultural bloc remember the Fertilizer Trust when it goes with smirking, patronizing air to some poor deluded farmer in Alabama or Texas and talks about saving the profits on a sack of peanuts.

Mr. HEFLIN. Mr. President, the able and distinguished Senator from Kentucky has pointed out another piece of testimony showing just how the Republican bosses show their friendship for the American farmer. He has drawn a splendid picture of the possibilities of Muscle Shoals. I will discuss that at the proper time.

When interrupted by my good friend from Kentucky, I was saying that I saw this deflation policy, like some mighty besom of destruction, moving about in the South and West, leaving bankruptcy, financial failure, and business disaster in its trail. I stood here and pleaded for aid for the outraged and oppressed people of the South and West. I knew how that aid could be granted, and it would not tax a single individual in the United States one cent; not one. I said if the President would compel the Federal Reserve Board, sitting within a hundred yards of him, to loosen up and put money out which we had stored away, serving no good purpose, these people could get it and use it to carry on their business, so that they could be relieved from the awful distress and stringency that was upon them.

But no Senator on the other side who now seeks to protect, by high tariff, the tariff barons of the United States, opened his mouth upon that occasion. They were as silent as the tomb; and now they rush to the rescue and loudly proclaim their friendship for these same farmers.

The Senator from New Jersey demands a protection for the glass monopoly. He wants even to keep out white sand, which the ships that carry our goods abroad need to hold them down coming home. He wants to stop that, Mr. President. If they carry out their plans they will probably shut out all competition, and leave the foreigners with nothing with which to buy our goods. Then the other countries will retaliate and say: "You shut us out; we will shut you out," and they can do that on a good many things.

Now and then we hear these so-called friends of the farmer say: "You ought to get out of the way and let us pass this bill." Mr. President, I have not the slightest doubt that if every voter in the United States—Democrats, Republicans, Progressives, and independents—really knew what was in this bill, and had a chance to vote on it, they would repudiate it. And I believe that if we polled in that election 30,000,000 votes, that 29,500,000 of them would be against the bill. I do not believe the trusts and combines of America could muster half a million votes for this monstrosity that you have here.

We have not gone far, and yet I have named a number of things in this bill which are of vital importance to the farmer—things that he must buy—and you have increased the price. Last Saturday I saw you take cement, which the farmers now use, many of them, in making pig troughs, horse troughs, and cattle troughs; which he uses in making durable posts about his home and farm; which he uses to make bridges over the branches and creeks; and which he uses to build roads over which he must haul his produce to the market place; I saw you by your hog combine take that off the free list and put it on the tax list.

Then you stand here and tell me you are voting day by day to protect the farmers of the country. It is not true. Let them know the truth, and the sooner they know it the better it will be for them and those they love and try to provide for.

Mr. President, the junior Senator from Ohio [Mr. WILLIS] took a new cue on yesterday, something which no one on the other side had the temerity to take, and he did it on the Sabbath Day. He gave a statement out on Sunday that this bill was being fought by big interests, international bankers and the great importing companies. Nobody ever fights for a tariff bill, such as you have, except the tariff barons, who want a monopoly. They are the only ones. My good friend the able junior Senator from Ohio conjured that up on Sunday. I am very fond of him, but I never thought he would do such a thing as that on the Sabbath Day. [Laughter.] The idea of anybody sponsoring this thing here, alleging opposition to it by big interests and big business. God knows, nobody is pleading here for the common man except Senators who are fighting for right and justice as they oppose this bill. Those who financed your 1920 campaign are calling you. You are doing the bidding of special interests. You are carrying out the orders of the tariff barons upon the theory, I presume, that the "ox knoweth his owner and the ass his master's crib."

Mr. McCUMBER. Mr. President, if I believed as ardently as the Senator from Alabama [Mr. HEFLIN] that the passage of the bill would finally result in the millennium, in which we can appropriate $5,000,000,000 without levying any tax to meet it, I would try to get along as rapidly as possible to meet that beautiful condition. But inasmuch as I doubt very seriously that we will ever reach that condition, I would like to get the bill through and spend less time in talking about something that happened two or three days ago. We passed the salt paragraph some two or three days ago. We passed several days ago some of the other items which have been discussed here to-night. Some of our friends in debating the tariff bill are like a man riding backward on a train; he never sees a thing distinctly until he has passed it. I wish we could look at these rates and pass upon them and then go to the next rate and dispose of that.

Mr. President, we have spent a long time since the Secretary announced that the pending amendment is an item relating to fluorspar. It is so late that I do not want to go on with the matter further this evening, and therefore——

Mr. HEFLIN. Mr. President——

Mr. McCUMBER. I move that the Senate take a recess until to-morrow morning at 11 o'clock.

Mr. HEFLIN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Alabama?

Mr. McCUMBER. No; I decline to yield.

Mr. HEFLIN. Mr. President, I make the point of no quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

Mr. HEFLIN. As the Senator would not give me a chance to reply and make a statement, I have made the point of no quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ball	Dial	Lodge	Robinson
Brandegee	Fletcher	McCumber	Sheppard
Broussard	Harris	McNary	Wadsworth
Bursum	Heflin	Myers	Warren
Capper	Jones, N. Mex.	Oddie	
Cummins	Jones, Wash.	Page	
Curtis	Lenroot	Rawson	

The PRESIDENT pro tempore. Twenty-five Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absent Senators.

The principal legislative clerk called the names of the absent Senators, and Mr. PITTMAN, Mr. RANSDELL, and Mr. WILLIS answered to their names when called.

Mr. SUTHERLAND entered the Chamber and answered to his name.

The PRESIDENT pro tempore. Twenty-nine Senators have answered to their names. There is not a quorum present.

RECESS.

Mr. McCUMBER. I move that in accordance with the unanimous-consent agreement the Senate take a recess until 11 o'clock a. m. to-morrow.

The motion was agreed to; and (at 10 o'clock and 20 minutes p. m.) the Senate, under the order heretofore entered, took a recess until to-morrow, Tuesday, May 23, 1922, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

MONDAY, *May 22, 1922.*

The House met at 12 o'clock noon and was called to order by Mr. WALSH as Speaker pro tempore.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father, who art on earth, Thy mercy is touching our thoughts and moving our hearts. Blessings undeserved are marking our pathways. Shadowing all, Thy spirit puts immortal hope into our lives and makes cheerfulness a daily habit. Lead us in the ways of meditations and give balance and poise to our judgments. Thy seal is set on all Thy works. We bless Thee for heaven's blue, for the jeweled light of the open sky, for the harmonies of field and woodland, for the whispering divinity that nestles in the open flower, and for the glowing smile of the landscape near and far. O what Thou hast made and meant to bless let not man despise. In the name of Jesus, our Savior. Amen.

The Journal of the proceedings of Saturday, May 20, 1922, was read and approved.

DISTRICT OF COLUMBIA RENT BILL.

Mr. MILLSPAUGH rose.

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. MILLSPAUGH. I desire to ask unanimous consent to file a minority report on Senate bill 2919.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent to file a minority report on Senate bill 2919. Is there objection?

Mr. MONDELL. Mr. Speaker, reserving the right to object, what is that bill?

Mr. MILLSPAUGH. That is the Ball Rent Act.

Mr. MONDELL. I suppose there is no objection so long as the gentleman's request does not interfere with the consideration of the measure.

Mr. MILLSPAUGH. Absolutely it will not interfere with the consideration of the bill.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent to file a minority report on Senate bill 2919, not to interfere with the consideration of the measure. Is there objection?

There was no objection.

EXTENSION OF REMARKS.

Mr. LAYTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD in 8-point type by printing a speech that I prepared on the value of synthetical chemistry in the United States.

The SPEAKER pro tempore. The gentleman from Delaware asks unanimous consent to revise and extend his remarks in the RECORD in 8-point type by printing a speech prepared by him on the value of synthetical chemistry in the United States. Is there objection?

There was no objection.

Following is the address referred to:

Mr. LAYTON. Mr. Speaker, I desire again to address the House upon the subject of synthetical chemistry, and to emphasize afresh the paramount importance of that part of Schedule A of the tariff bill relating to coal-tar chemistry, now in process of construction by the Congress. Whether we realize it now or not, though we be indeed blind and without vision, synthetical chemistry is the greatest potential factor of our present civilization. The age in which we live is characterized by two new forces which invade and affect every form of our national life. They are synthetical chemistry and electricity. Together, however, they are the twin giants of modern power and usefulness. By reason of its association with our actual daily existence in the way of telephones, telegraphs, the wireless, the cinema, and in numerous other ways, we give freely due recognition to the importance of electricity, and in a measure comprehend its power and utility, and value its usefulness. But the mysteries of chemistry are hid in the laboratory, and the result of the things done there—that are found there—are given to the public, without the public in any adequate measure comprehending the means employed or the magnitude of actual or possible achievement that lies in the future. There is no need for defense of electricity or for the enlightenment of the public upon the subject. It speaks for itself every hour in every home and workshop, in every church and playhouse in the land. Notwithstanding, however, the wonder of it and of all its varied usefulnesses, together with its power to afford pleasure and amusement to all people, regardless of age, it is not paramount to that of synthetical chemistry.

A curious and inexplicable fact is that while electricity enjoys the approbation of the people, synthetical chemistry is being surrounded by ignorant prejudice which retards its progress, and may even extinguish development as far as this country is concerned, which was actually done by the tariff act of 1883 when the specific duty of 50 cents per pound was taken off the dyes obtained from coal tar. It is the fashion of the hour to cry out against those who are engaged in the national development of synthetical chemistry. This cry comes from demagogues, German influences, and the selfishness of the textile industries. There are psychological fashions just as there are fashions in spring hats.

The time was when the country raged over a Steel Trust, and gnashed its teeth over the Standard Oil, and frothed over the Copper Trust. People of intelligence to-day have accepted these vast enterprises with complacency, and view their vast importance even with pride as being a part of our national strength and greatness, so that no longer is an echo heard from the reverberations of the clamor which once was raised against these great national enterprises. No one thinks much nowadays upon the fact that great combinations of capital control the telegraphs and telephones, or the moving pictures, or steel production, or copper, or oil, or cotton and woolen establishments. But now when the new question of dyes comes up involving the most wonderful potentiality of our age a howl of protest is raised against those who engage in manufacturing these and other cognate products of coal tar as if some enormity were being perfected or perpetrated against the welfare of the Nation, notwithstanding the fact—which ignorant people will sometime be forced to recognize—that synthetical chemistry and the results obtained in the synthetical laboratory are paramount to any other scientific pursuit that characterizes our times, being of fundamental necessity both in peace and in war. This is the age of chemistry. The dreams of the ancient alchemists have come true. Crude coal tar by the magic processes of the laboratory is transformed in a thousand useful and marvelous products that affect every form of our national life. The chemical laboratory passes a greater productive power for health, for agriculture, for national defense, for use in textiles, for bodily ailments, and for pleasure, not to mention a multitude of other things, than is found in all the electrical, steel, cotton, or woolen establishments in the land. It is enchanting by reason of its vast variations of wonderful utility. It is a matter of general agreement on the part of intelligent minds the world over that the next war will be one in which explosives and gases will be the terrible agents for attack and defense. The recent horrible conflict revealed merely the possibilities of the destructive power that could be generated in the chemical laboratory and those engaged in that conflict unhesitatingly and unanimously declare that the power thus revealed is as yet in its infancy compared to the certain attainments which lie in future discoveries in this illimitable field. No matter how deep or fervent the wish—even the prayer of multitudes—the recent Armageddon has not changed essentially the desires, the ambitions, even the greeds and hates of men, war has not been abandoned by mankind, no matter how horrible it is, nor how infinitely desirable it is that it should be so.

I shall not go into a minute history of the coal-tar chemical industry. I shall give only the briefest description compatible with the purposes of this speech.

In 1856 Perkins, of England, a young assistant in the Royal College of Chemistry of London, of which A. W. Hoffman, a German, was director, made the first discovery of any industrial importance in aniline purple, called mauvein. Perkins patented this discovery and started its manufacture in conjunction with his family and made a great success financially. Two years after the Perkins discovery of aniline purple in England, Verguin, of France, discovered aniline red, called in trade fuchsin. Following the example of Perkins in England, fuchsin was patented by the Renaud Freres, silk dye manufacturers in Lyon. This new dye also had a great financial success. These two products, obtained from coal tar, marked the beginning of the wonderful developments which have since taken place in synthetical chemistry, whereby an illimitable number of hues of every shade have been brought into daily use. Abandoned in England apparently by lack of recognition of the great field that was presented for scientific discovery and the vast utility that could be found therein, it was taken up later by German chemists, who seem to have received their inspiration from the London Universal Exposition in 1863, in which coal-tar products were made a conspicuous part of the display. From that time there was a quiet but indefatigable research instituted by German chemists, operating always in conjunction with German

manufacturers, until, hand in hand, the chemist and the manufacturer, aided by the Prussian Government, practically commanded the markets of the world through their wonderful and valuable discoveries. It should not be forgotten that these discoveries did not stop at the mere matter of dyes, but resulted in the most wonderful discoveries affecting the medicines used by the medical profession the world over. Nor did these discoveries stop there. These investigations by the synthetical chemist brought about the discovery of numerous explosives and gases which came near enabling Germany to conquer the whole powerful and civilized world. Moreover, and not the least in importance, this field of investigation opened the way for the making of certain necessary ingredients in fertilizers and, through such wonderful discoveries as that of the Haber process, revealed a great resource for that supreme industry which feeds the world—agriculture. What I desire to emphasize, and which I think hard-headed Americans should appreciate, is the fact that the German monopoly which resulted from these discoveries of synthetical coal-tar products—a world-wide monopoly, including our own markets—was due to the intimate union of science and industry. With characteristic thoroughness, their great dye works were either united in a few corporations or were brought together under a syndical union called the I. G., or Interessan Gemeinschaft.

This was done for the purpose not only of preventing loss by senseless competition, which had come near destroying the German industries in their early stages, but for the purpose of coordination in their traveling agents, in the study of markets, in the study of the habits and necessities of various peoples, in the differentiation of demand by reason of varying climates and customs, as well as for the purpose of concentrating scientific effort in the laboratory. These industrial establishments employed large numbers of chemists at high salaries, and the various fields of synthetical investigation were divided among them so that there was no loss of time or effort by duplication of work. The history of the wonderful success the Germans made in this potential field of human knowledge reveals the most systematic research. Laboratories were constructed and chemists employed at high salaries for the profoundest and most patient investigation, and a spirit of devotion was evolved seldom found among any people. The purpose was individual enrichment and German governmental power. Not only was the German manufacturer of coal-tar products eager to obtain all the scientific advantage that he could acquire through the employment of chemists by the establishment of the chemical laboratory, and the great financial benefits therefrom, but very early the German Government became intensely interested in chemical research, and gave practical aid not only by appropriations of money but by protection to patents, clearly foreseeing the inestimable advantage that this industry promised in aggressive warfare upon which it had long resolved to embark. "When the clouds of chlorine gas suddenly enveloped the British and French at Ypres salient, early in 1915, a new and fearful weapon was found by men for mutual destruction." The result of this is now an old story. The dreadful fact is that from 20 to 30 per cent of all our casualties during the year 1918 were due to gas. In 1874, 10 years after the real beginning of coal-tar synthetical industries, the production in Germany amounted only to $6,000,000; in 1912 this had increased to $60,000,000, $50,000,000 of which was in exports. This fact is one to be seriously considered. A new science in a space of less than 40 years had made practical a new industry, employing large capital and extensive labor—from the crudest to the most highly scientific—resulting in huge profits which enriched the whole German nation and incidentally placed the American people under tribute, not only for their dyestuffs but for medicines, for certain essential substances used in agriculture, together with a multitude of other products which the chemical laboratory had discovered as being capable of a multitude of uses.

The purpose of my address is to emphasize the absolute importance of this country fostering, protecting, and establishing upon a sure and impregnable basis an industry founded upon science, and that science having within its scope illimitable possibilities that may affect even our existence as a free people. I desire to make the declaration that in the light of discoveries, and in the light of actual experiences, such as we had during the war, it would be stupidly criminal for Congress to be influenced by the forces that seek to destroy this industry in the United States. Do not be deceived. These forces that are now at work are not hidden. On the contrary, they loom up before the gaze of those who have eyes to see in all the ugliness of their selfishness. They are an unholy trinity—the demagogue, the selfish textile manufacturer, and the German agent. The demagogue who is without conscience, and lacks generally both courage and brains, finds it often of temporary advantage politically to cry out against capital and trusts and monopolies, because of his belief that the majority of his own electorate are ignorant, and that he can easily prey upon them through their prejudices. Second, the selfish textile manufacturer. Here has been revealed a bit of consummate selfishness which causes one to almost lose faith in human nature. The textile manufacturer has been protected in this country for a hundred years against the looms of Manchester and those of all other foreign rivals. He has enjoyed all the beneficent care of the protective principle, whether his mill was in New Hampshire or in South Carolina. Apparently now, because he fears a higher price temporarily for his dyes, or some difficulty in obtaining some particular dye that he needs in his business, he would place the whole country in the same position it occupied before 1914. He has no regard for human life, or for human happiness coming through an increased conservation of human health, which is dependent upon the medicaments now found, and that will be found, in coal tar. He is selfishly oblivious to the matter of national defense, now no longer debatable as to how it must be secured. He is unmindful, in a cold calculating way, of an industry greater than his own—the man who raises the food for the people, and, for that matter, the very raw materials, such as cotton, wool, flax, and other materials, which is used in his own, the textile industry. The man who consults the interests of a foreign Government rather than his own is not worthy of American citizenship. No pleas of individual benefit can prove a justification.

If the textile manufacturer would be consistent, as well as patriotic, willing to accord the benefits of protection to the dye industry, which he has claimed and still demands for himself, it would be a comparatively short time before he would be obtaining his dye materials as cheaply, if not more cheaply, than he ever has before. I desire to repeat what I have already once expressed, that there is no schedule in the tariff bill of such real and commanding importance to this country, and especially to the future, as is found in that part of Schedule A as it passed the House, relating to the protection of the synthetical chemistry of coal tar. What has already been accomplished in the various fields of pharmacy, agriculture, and war defense, not counting those wonderful and varied products which have affected personal everyday happiness through the interior decoration of homes, the costumes of the people, and the lives of everyone in numerous ways, is only a small part, I believe, that will eventually be accomplished. We made this country independent and powerful by adequate protection to iron and steel, to cotton and wool, to glass and tin, in fact, to all of our industrial enterprises, until no nation is more independent—more fully self-dependent—than the people of the United States. This was the thought and the purpose more than a hundred years ago when we sought to be independent, politically and industrially as well, of England as of all other nations generally. There is no reason why a policy whose results speak for themselves should not be zealously, gratefully, even worshipfully, continued. If it is contended that the present greatness of the United States would have been attained just as well under a free-trade policy as under a protective-tariff policy, it would be equivalent to saying that diametrically opposite economic principles would have the same result—that if the protective tariff principle is vicious, then through vicious economic legislation we have the spectacle of a nation becoming rich, powerful, and prosperous! This is an obvious absurdity.

The third enemy to the establishment and the conservation of the synthetical coal-tar industry in the United States comes from German propaganda. This is wholly natural, for the German manufacturer of dyes, of medicines, and of fertilizers desires to retain a monopoly in the American market, which once he so profitably enjoyed. During the war, while engaged in the manufacture of explosives and gases, they necessarily manufactured millions of tons of by-products, including dyes, medicines, and other products, which they stored up until at the end of the war they had accumulated millions of tons for the purpose of flooding the American market and breaking down our American establishments.

Fortunately, this disastrous result was avoided by the emergency tariff legislation. But the danger has not been wholly avoided, because we are about to establish a permanent tariff, which in a comparatively short time will either be beneficent and protective or will result in the downfall of the industry which grew up, developed, and prospered under a protection given by war which in effect was a practical embargo against all foreign importation and competition. It is certain that if this industry is destroyed in the United States, that we shall be again at the mercy of Germany, who will take advantage of the situation and take the last penny of profit

consistent with retaining her monopoly. Let us not forget that the American business man will not be led to invest his money in an enterprise which the shortsightedness of a Congress may destroy. He has had an experience once before, as I have already mentioned, when an adequate protection was taken away from his business, resulting in its destruction, and if his enterprise is again destroyed he will fight shy of future experiments which, judging by the past, leads only to certain loss.

The argument is advanced that to give adequate protection to the chemical coal-tar industry will be to create a monopoly; that the American manufacturer of these products will control the American market and fix the price. Admit, for the sake of argument, that this result will happen, though I deny that it can happen in this industry to any extent equal to the control of the prices of cotton and woolen fabrics, of iron and steel products, of tin, or of any other largely manufactured product in the United States. But if it should be so, let me ask seriously would not any sensible, patriotic American prefer an American monopoly to a German monopoly of coal-tar products in the markets of the United States? Would he not prefer to be independent of any country for his medicines, for his agricultural elements, and for all the indispensable things now coming from this source? If Germany monopolizes the American market, German capital will enjoy the profits; German labor will secure the wages; and most important of all, the German industry will maintain an increasingly large body of German scientists delving patiently day by day into the mysterious processes of synthetical chemistry, making newer and newer discoveries in this illimitable field, the borders of which have only been dimly viewed, progressing slowly but surely farther and farther into unknown spaces filled with unknown utilities and unknown powers for good and for evil, which in war might prove our annihilation as a people.

If, however, we are wise and throw the protecting arm of law over this industry, sheltering and fostering it, we will develop synthetical chemistry equally, if not to a higher degree, than any other nation, in spite of the German prediction that we are incapable of the necessary application and painstaking devotion that synthetical chemistry demands. We will thus become independent and self-sufficient, not only in dye making but in medicine making, as well as in the making of the things that the farmer needs in developing the fertility of his soil. Not only will American capital reap the profits of the industry rather than German capital but American labor will be employed and not German labor. Further still, if great profits are made, if American manufacturers develop their enterprises until the total of manufactured products grows into huge proportions, and every decade greater and greater gains are obtained from this industry, the Treasury of the United States through a tax upon incomes and the profits of manufacturers will become enriched in an equal degree. The profits will be American profits, and the wealth thus attained American wealth for American purposes. Every consideration of prudence, of patriotism, as well as of profit, would induce the affording of this protection by Congress without a dissenting vote. But this will not be. The contrarity of human minds and of human purposes will prevent. But even though men differ in their conclusions, no man who represents the people in either the Senate or the House should resort to subterfuge and even rank misstatement in order to sustain his argument upon the question.

To show, as a mere example, to what lengths some of the opponents of the synthetical coal-tar industry will go let me quote from a recent speech of Senator KING, of Utah, who seems to have constituted himself the chief champion of the interests of the German dye manufacturer.

Under date of May 8, on page 6122 of the CONGRESSIONAL RECORD, the distinguished Senator from Utah remarks as follows:

> For the fiscal year ending June 30, 1914, which is a full month before the outbreak of the World War, the exports and imports of the chemical and allied products covered by this schedule under the Underwood Tariff Act were: Imports, $267,408,785; and exports for the same period, $265,019,278, showing on this schedule a practical balancing of imports and exports.

If the distinguished Senator from Utah in putting this statement in his speech was simply endeavoring to fill the RECORD with information for a credulous public, he perhaps contributed to this end. It had evidently no other earthly relevancy to the purpose of his speech. If, on the other hand, he made the declaration to show that the products of the chemical coal-tar industry were nearly balanced in exports and imports, he was far from having an intelligent comprehension of Document No. 82, Bureau of Foreign and Domestic Commerce, from which he quotes, or was deliberately endeavoring to deceive the public.

An analysis of the exports from this country will show that the two hundred and odd millions in value exported contained coal-tar products to the value of $35,359 of exports only, as against $8,818,944 of imports, chiefly from Germany, and that the great proportion, almost the whole in the value of the two hundred and sixty and odd millions of exports, was made up of rock used in fertilizers, in sulphur, in turpentine, in oils, and in other products which the country possesses in natural abundance, and which while listed as chemicals are not coal-tar products, and therefore have no relevancy to the discussion. I am loath to accept the fact that the distinguished Senator tried to make the public believe that in the chemical coal-tar industry we exported about as much as we imported. As a matter of fact, I supposed it was a part of common knowledge that as for dyes and medicines obtained through chemical coal-tar processes, as well as ammonium sulphate manufactured by the Haber process, together with chlorine for bleaching purposes, the Germans had a practical monopoly not only in the markets of the United States but of other nations.

Elsewhere in his long diatribe against the chemical schedule he remarks "that the E. I. du Pont de Nemours Co. manufacture various kinds of drugs and chemicals" and "has $353,000,000 invested in its chemical, dye, and allied corporations." Would the distinguished Senator be better pleased if this great company had only $353 invested in these enterprises, or still better pleased if neither this corporation nor any other American corporation had a penny so invested, so that the German manufacturer could regain his monopoly of American markets and again put the American citizen under tribute for the medicines he depends upon in the hour of illness? The distinguished gentleman should go back to 1914 and refresh his memory with the facts as to the price of those medicines which had come to be of especial use, such as salvarsan, aspirin, and others of incomparable value and usefulness. But why argue about a matter which has for its warp the same old argumentative threads of misstatement? Take the distinguished Senator's long and voluminous speech and, striking out coal-tar products, dyes, and medicines, and insert wool, cotton, iron, steel, and tin, it would be a perfect pattern of all the free-trade speeches delivered by free traders for the last hundred years. The question involved in a protective tariff adequate for the conservation and the establishment of this industry is one that must be regarded from a national standpoint of absolute need and necessity. It would be criminal folly to view the matter in any other light. It concerns too radically the preservation of our country in the event of a war.

It is of inestimable benefit to our industrialism, to our agriculture, and to the refinements and needs of our social life. Those engaged in this business do not ask for largesses out of a federal treasury such as the German Government afforded their own people. Our manufacturers are both able and willing to put their money in this industry and make the United States of America the first in synthetical coal-tar production, as it made it the greatest country in the civilized world in the production of iron and steel. They ask only the same fostering care, the same benefit of a protective tariff which has built up all our industries to the high and commanding position which made this country the determining factor in power and resources in a war in which the whole world was in conflict.

This country needs to be wholly and absolutely independent of any and all countries in a matter which so intimately concerns its textile industries, in a matter so profoundly related to its public health, and in a manner which is so intimately connected with agriculture and horticulture. But, above all, it must be supreme in its chemical knowledge for its own safety. This can only be attained by the industry itself. Patient investigation leading to discovery can only go to the highest point of development through intimate association with the industry itself. The industry needs the chemical knowledge. The chemical knowledge can only be properly attained through the support of the industry. They are mutually dependent, possessing reciprocal needs and demanding reciprocal assistance.

In view of the fierce competition which would undoubtedly ensue if an inadequate tariff was imposed upon the products of the synthetical laboratory, not only would the laboratories go down but the industry itself would be extinguished. The country can not afford this, whether the question be viewed from the standpoint of national benefit or of national gratitude. Those who invested their money in these enterprises—and there are hundreds of them—did it in response to a demand upon their patriotism. These dye industries grew up under the protection of war, which amounted to an embargo. They stand ready not only to survive but to go on increasing in scientific and industrial attainment, provided the Congress has vision enough to

comprehend the magnitude of the benefit and the national necessity involved in their maintenance. Let me close by imploring the Congress to shut its ears to all demagoguery, all selfish and special pleas, all foreign propaganda, and give to this most vital industry its fullest protection for the sake of the American people.

SWEARING IN A MEMBER.

Mr. GARNER. Mr. Speaker, I ask unanimous consent that the Representative-elect from the thirteenth Texas district, Hon. GUINN WILLIAMS, be permitted to be sworn in at this time, although his credentials have not reached the Clerk of the House of Representatives.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent that the oath of office may be administered to the Representative-elect from the thirteenth district of Texas, his credentials not having arrived. Is there objection?

There was no objection.

The SPEAKER pro tempore. Is there objection to the Speaker pro tempore administering the oath?

There was no objection.

Thereupon Mr. WILLIAMS, accompanied by his colleague [Mr. GARNER], appeared at the bar of the House, and the oath of office was administered by the Speaker pro tempore.

EXTENSION OF REMARKS.

Mr. BURROUGHS. Mr. Speaker, I wish to ask unanimous consent to revise and extend my remarks in the RECORD by printing in 8-point type the very remarkable experience of a young ex-service man while in the service in France.

The SPEAKER pro tempore. The gentleman from New Hampshire asks unanimous consent to extend his remarks in the RECORD by printing in 8-point type the experience of a young ex-service man while in the service in France. Is there objection?

There was no objection.

Mr. BURROUGHS. Mr. Speaker, under leave granted me by the House to extend my remarks, I am inserting in the RECORD an account of what I believe to be a very remarkable experience of a young ex-service man in the war. The story was written by Mr. Will M. Cressy, of New Hampshire, the well-known and distinguished actor and playwright, who vouches for the accuracy of the facts narrated. It comes to me by courtesy of my long-time friend and friend of Mr. Cressy, Hon. George C. Hazelton, native of New Hampshire, a former Member of this House from the State of Wisconsin, and now a resident of Washington, D. C. The story is as follows:

THE GRIN THAT WOULDN'T COME OFF.

A TRUE STORY OF THE WAR.

(By Will M. Cressy.)

This is a true story of the war. Just one of the thousands that transpired every day. Just one of the hundreds that I knew personally. And the reason I tell this one is because I happened to know more of it than I did of any of the others.

Mrs. Cressy and I had the great joy and honor of heading the first unit of "America's Over-There Theater League," an organization of American actors and actresses, which, under the direction of and through the assistance of the Y. M. C. A., sent 1,084 of the best and noblest of our American actors and actresses over to France to try and bring hours of happiness and forgetfulness to "Our Boys," who were there fighting, suffering, and dying for us.

Among one of our first audiences was Corpl. Le Roy Dawson, of the One hundred and seventeenth United States Engineers, Forty-second (Rainbow) Division, who called himself a "dry nurse to the tanks," and I suppose all that the Engineers had to do was to take a "manicure set," consisting of an ax, a shovel, a crowbar, and an assorted set of wire cutters, and saunter ahead, smoothing out the landscape for the tanks to travel over; filling in trenches and shell holes, digging away hills and earthworks, and building bridges—all under fire—and just having a nice, quiet time generally.

Our first meeting with this boy took place under rather startling circumstances, especially when you consider we had only been in France for a very few days and were a good deal nearer the fighting lines than we had ever dreamed we would be.

Along about 4 o'clock in the afternoon we were giving a show to a lot of wounded and convalescent boys in a hospital; we were getting along all nice and peaceful when an officer, accompanied by an orderly, marched into the room, drew a very imposing looking paper from his pocket and demanded: "Where is Will M. Cressy?"

Immediately I seemed to feel the proverbial lump rise in my throat. I came to attention, saluted, and responded "Here."

"I have a requisition for you and your associates," the officer said.

As we had only been soldiers for a very short time, and were not familiar with the terms, regulations, and military rules, you can imagine our great consternation at this moment—anyone could have told from the faces of our "noble five" that each and every one was hastily reviewing the events of the past three weeks, trying to recall any sins of military commission or omission that would call for a "firing squad at sunrise."

I finally managed to get the lump in my throat down far enough to inquire, "What the h— is a 'requisition?'"

And he informed us that over some 45 kilometers away there was a body of American troops who were to go into action the next morning, and the commanding officer had "requisitioned" the Cressy unit to come over there and give the boys a show.

It was not a very flattering proposition. It would seem as if he thought that after witnessing one of our shows the boys would be more willing to go out and be killed.

Well, anyhow, we went. In the first place we wanted to go; that was what we were over there for. And in the second place, what else could we do in the face of a "requisition" from a general?

We got near the town about 5 o'clock; but they held us out in some woods until it got dark.

"Ours not to question why!
Ours but to do"—and act.

After it got good and dark we felt our way down the hill through the darkness and into the town. At the edge of the village and on every corner was an American M. P. (military police), each of whom gave the stern order, "No smoking! Do not strike any matches!" And as we could hear the drone of countless planes up overhead and knew them to be German, and knew that they were just looking for a light of any kind as a mark to drop several tons of T. N. T. and assorted hardware, we did not feel the slightest desire to smoke or strike any matches. We felt and stumbled our way along until finally we were ushered into what had been an old market place. It was simply a lot of posts with an iron roof overhead. Running around from post to post had been stretched an iron rope; this rope was guarded by more military police, regularly voicing the command of "No smoking; strike no matches."

Jammed inside of these ropes under the tin roof were 2,800 lonesome, homesick, heart-hungry American soldier boys. No; they were not soldiers, either. They were just our own dear American boys in soldier clothes. Somehow our boys never did seem like real soldiers to us. They were too young. All the other armies consisted of so much older men. Their youngsters had all been killed off or else their three years of warfare had made them look like older men. And so, compared to them, our boys seemed like schoolboys. Not that they could not and did not fight like men. Their record shows their valor; but in spite of all that they were always to us just the boys that we had known back home, the chap who lived just around the corner from us, the boy next door.

Our stage that night consisted of two tables placed side by side, making a surface of perhaps 6 by 8 feet. Our stage furniture consisted of our own little collapsible organ, and two camp chairs. And in all that great auditorium and for our "stage" we were allowed one kerosene lantern. We had to take turns in holding it up to each other's faces as we talked or sang, so the boys could see us.

Down in front, right up close to our "stage," five young scamps of American soldier boys had dragged a log that must have weighed half a ton. This was their "private box." And it also constituted all the seats there were in the house.

It is unnecessary to state the show was a riot. As we were the first lot of players to get over and the first entertainment the boys had seen since they left the United States of America, and what was a still bigger joy to the boys, Mrs. Cressy and Miss Davis were the first American women they had seen in France, it can easily be understood that we were a hit.

The minute the entertainment was over one of these five boys down in that "private box" made a flying leap for the "stage," threw one arm around Mrs. Cressy and the other around Miss Davis and tried to waltz them around—and they all fell off the table and were helped back up again—and we all laughed and cried and made darn fools of ourselves generally.

And then the boy told us who he was, that he was Le Roy Dawson, of Los Angeles, Calif., and how he had been going to the Orpheum Theater every year since he could remember and seeing us, and all about his dad and two sisters and how he had lost his mother when he was just a little chap, and how he had longed for the sight of a girl from the United States of America, and how doubly gratifying it was to see not only an American woman, but one whom he had known, by sight at least, for so many years back home.

This was about 9 o'clock at night. At daybreak the next morning these boys went into action. And by 9 o'clock the next night 800 of those splendid boys we had played to that night were scattered over the fields of France, their blood dyeing the crimson poppies a still more crimson hue. And one of our most precious thoughts is that they went to their death wearing the smile on their faces that we put there.

And somewhere out on that battle field poor Roy Dawson lay with a leg torn off and half of his face shot away. O God, when I think of him and hundreds, yes thousands, of others of our young American boys, to say nothing of the hundreds of thousands of the youth of other lands and other countries, ripped and torn, burned and blinded, and sent back to us mere wrecks of humanity, my very soul cries out "Why?"

What possible gain can ever come from war to pay the price of the sacrifice and sufferings such as these?

When a soldier falls in battle, of course, his comrades can not stay behind to care for him. They must press on and on until either death or victory comes to them. And so all that Roy's "buddies" could do was to hurriedly place him in as comfortable a position as they could, say "Good-by, Buddie," and go on.

"But wait a minute," said Roy, "take my 'gat' and get one German to pay up for the mess they have made of me."

And Buddie took the gun and plunged on into the inferno of shot and shell and smoke. And that was the last time Roy ever saw him. But months afterwards the gun came back to him through other hands, and carved on it was the one notch. "Buddie" had kept the faith and got his German before he "went West."

With the darkness came the stretcher bearers picking up the wounded. They came to Roy. They drew the blood-soaked rags down from his face, took one look, placed the cloths back, and started away.

"Hey, what's the idea?" demanded Roy. "Ain't you going to take me back?"

"You don't want to go back, Buddie; your face is all shot away."

"Hell, my mouth ain't gone, is it? I can talk."

"But your eyes are gone. Your leg is gone. You just go to sleep, and it will be all over in a little while."

And for 48 hours poor Roy lay there, waiting for—what? By this time infection had gotten into the leg. According to what the stretcher bearer said, his face was an awful mess. The Germans were likely to come along any time bayoneting the wounded. He was having plenty of time, while left there alone to die, to think of that little home under the orange trees far away in California, "where Dad, big sister Helen, and little sister Polly," who loved and needed him, were awaiting his return; somehow that memory kept the spark of life in his bosom all through those awful hours.

Some time along during the hours of that second night he regained consciousness, and off to one side he heard what he says "was the sweetest music he ever expects to hear this side of the Pearly Gates. A rough, hoarse, American voice cursing everything on, under, and above this terrestrial globe in awful French and worse—or better—English.

"Hey, you Yank; come over here!" shouted Roy, demonstrating conclusively that, as he had previously claimed, his mouth was still in working order.

And "Yank" came over. He proved to be a wounded American doughboy, who was taking three German prisoners back; one of the prisoners was on a stretcher and the other two were carrying him. He also took one look at Roy and said, "Stay right where you are, Buddie, and die comfortably"; but Roy disagreed with him, and stated that he was not half dead yet; that he did not want to die, in fact, he could not afford to die, as he had left too many things unfinished back home.

He told him about his dad and his two sisters, who would be so disappointed if he did not come back.

By this time the tide of battle had turned, and the shells and machine-gun bullets were whanging and whizzing around again.

"All right," said the other wounded boy, "I guess there won't any of us get back. But I had a d——d sight rather get "bumped off" trying to get an American boy back than a German. So out you come, Heinie," and the chap on the stretcher was gently lifted out, and Roy laid in his place, and the journey toward the rear was resumed. It took just six hours to reach the first-aid hospital.

My next meeting with Roy was in a hospital in Paris months afterwards. I should never have known him. But he knew us. His nose was gone completely. One eye was gone. (Four days after he was hurt, the doctors in prowling around amid the wreckage of his face found one of the eyes, and in some marvelous way saved it and the sight of it.) In the right side of his face, where his cheek bone should have been, was a hole that you could have dropped a hen's egg into. They were still amputating the leg, and before they got through trimming and pruning it, it took five different amputations to get above the infection.

But with all the suffering that he had gone through, maimed and disfigured as he was, that same saucy boyish grin was on his face. I have in my possession now the photographs taken by the surgeons of all the difficult and painful operations that were performed before he was "finished," and in every one of them, no matter what condition he was in, that grin was always there.

And then came the night before Christmas and into the big hospital came an officer with the announcement that a hospital ship was sailing the next day for back home and that 27 patients from this ward would be taken. He also announced that they would have to draw lots to decide which ones should go. And Roy drew a lucky number.

The minute the officer was out of the room, Roy and another boy with a leg off hopped out of bed and tried to waltz and fell. Roy burst the stub of his leg open; but do you suppose that that boy was going to lose a chance to go home just because of a slight accident like that? Not much. His buddies helped twist a handkerchief around the stub, and at midnight he was carried on board the ship.

The next day he was found nearly dead from loss of blood. "Why, what are you doing here?" demanded the doctor. "You should never have left the hospital."

Roy grinned and said, "Let's see you get the captain to turn this ship around and take me back again," and fainted.

This is not the whole story by any means, for there were a thousand things that took place in all these weary months which, of course, I do not know, and I am only telling you of incidents regarding this boy that I picked up here and there at various times and places.

At the same time all over France, Belgium, Germany, England, and Canada thousands of other boys were undergoing these same hardships and tortures. It is only because I knew this boy, knew a part of what he went through, that induces me to relate these incidents.

Months afterwards—it was now some 14 months after that first meeting in France—we were playing at Keith's Theater in Washington, and went out to the Walter Reed Hospital to entertain the wounded soldier boys there; we were sitting in our dressing room, waiting for the show to start, and were talking to the head nurse, who was telling us about "my boys," and how brave and uncomplaining they were.

"But," she said, "there is one boy here that I love above all others. No mother ever loved a son more than I love that boy; he is the life of the whole hospital. They are cutting, carving, and torturing him all the time; but the minute he can crawl out of that bed he is over in the recreation hall, playing the piano, singing, joking, and cheering up the other boys."

She said how sorry she was that he could not be here today, but that four days previous he had had a very serious operation and would not be out for two weeks yet.

A few minutes later she came hurrying back again, saying, "What do you think? My boy is here. He says he knows you folks. And he has gotten out of his bed and has crawled over here just to see you."

And the next minute, clump, clump, clump, and in marched Roy Dawson. The leg was a foot or two shorter than when we had last seen him in France and the entire upper part of his face was in bandages, leaving only one eye peeping out, but the same old grin was there.

The nurse said the leg was coming on fine and the the new artificial one would be ready in a few days, and the hospital folks were about ready to discharge him. But—

"No, sir," interrupted Roy, "You are not going to turn me loose like this. I am not 20 years old yet. I have got to go back to school. I have got to see my folks—my dad and my sisters. And I am not going through life as a freak. I want a face. Now, you face carpenters, get busy and build a face on me. And I want a 1919 model, too. I never did like that nose of mine very much, anyhow."

And so for weeks now they had been at work "building him a face."

The first thing to do was to fill in that awful hole in his face. This was done by clipping out bits of flesh from his arms and legs, a bit at a time, and stitching them into the opening. Some of them took root and grew and others sloughed off. But by keeping at it day after day and week after week at last the hole was filled up.

Then came the trimming down and smoothing up that side of his face to match the other side. Then came the skin grafting—again robbing the arms and legs to get the material for the face.

All this was slow, tedious, painful work. But my photographs, taken all through these weeks, show the grin working right through it all.

Next came the hollowing out and forming an eye socket and training it to fit the new artificial eye.

"And don't forget I want eyebrows and eyelashes, either," said Roy, and he got them, too.

And then came the sticking point, the nose.

It was finally decided that the best nose-building material available was a rib. So back onto the operating table again, and the lower rib on the right side was taken out. Now, you know if you or I were to go onto the table and have a rib removed we would think we had done something, and so long as we lived we would talk about "my operation." But with Roy it was by this time an everyday occurrence. I asked him once if the ether made him sick. "Not after the first five or six times," he replied.

This rib was whittled into the proper place to constitute a nose after the plans submitted by Roy and then set into his left arm just above the elbow to gather unto itself a proper covering of flesh and skin. Roy then unfortunately caught pneumonia, and the bone rotted.

"Back to the mines," said Roy, and back on the table he went again, and the lower rib on the left side was taken out and whittled into shape. But this time a different system was evolved. A slit was formed in his forehead and the bone nose fitted in, bottom side up and wrong side out and the skin trained over it, and while this was going on every once in a while the leg was being reamputated.

Later, when all this bone and flesh had taken root on the forehead, the whole thing was slit down away from the forehead, leaving the lower edge for a flap or hinge, and fitted down into the place where the nose should be. It was just four days after this had been done that he walked into our dressing room at the hospital.

Things looked pretty hopeful now. But, just to illustrate the uncertainty of this nose-transplanting business, after all this trouble, after all the pain and suffering, the bone refused to knit and had to be taken out again.

"Well," said Roy, with a very, very faint grin, when he came out from the ether after this operation, "where do we go from here? What are you going to use next for a nose?"

The doctors decided to take off a finger and use the bone of that for a nose.

Roy decided, emphatically and profanely (his hospital training had added greatly to his proficiency in this line), that they would not take off a finger. "Why," he said, "I play the piano for the fellers. Have another rib."

And that is just exactly what they did do. They opened him up again and took out a third rib.

"And say," said Roy, just previous to their adjusting the ether cone, "supposing you just put in a set of hooks and eyes up and down that opening this time so you can get in and out without cutting a new hole every time."

This time the operation was a success. And to-day Roy has got as perfect a nose and face as you or I. There is not a cut nor a stitch mark showing. Unless somebody called your attention to the fact, you would never think that half his face was, as he puts it "store goods."

The only thing that seemed to worry him all through this was thinking of what happened to Adam when they removed his rib. Every time when he came out from under the ether he would look over in the bed to see if he had a wife. And along about the third time he began to worry for fear he would have to give up his residence in California and move to Utah.

Our next meeting with Roy was in Los Angeles a year or so later. As we stepped down from the train a stout, bronzed young chap, with amber glasses, stepped up to us and without a word picked up our suitcases and started off with them.

"Hey," I called after him, "what's the idea?"

"The idea is that you are coming right straight out to our house and meet my dad and my sisters and see the new house I have bought for them."

"Why, it's Roy!" exclaimed my wife.

And for a fourth time I had to stand and watch a hugging match between my wife and another man.

He led the way over to one of those Detroit inventions that has made walking a pleasure, and away we were whirled out Hollywood way to a cozy, flower-covered bungalow, where we found dad and the girls waiting to welcome us.

That evening we had the pleasure of reading over the greatest collection of human documents that it has ever been my lot to see—the letters written to Dad and the girls by officers, doctors, and nurses, all telling them what a splendid, brave, cheerful son and brother they had.

And dad told us about the little home. By the time Roy got out of the hospitals he had quite a little nest egg of back pay coming to him. And with it he had bought the little home, deeded it to Dad, and made over his insurance money, $57.50 a month, to pay the balance.

Meanwhile, he has gone back to school, and the following week he was graduated with a mark of 96.

The following Monday he took his examination for Yale and passed.

The next fall he went to Yale.

Four months later the doctors told him that if he did not stop studying he would lose the sight of his only eye.

So he went back to Los Angeles and started reading law, and the eye gave out again.

About this time we had opened up our New Hampshire summer home. So we wrote him to come up there and put in the summer forgetting his troubles.

And he did. And he not only forgot his own troubles but he made everybody else forget theirs.

The first dance of the casino was to be held Saturday night. That afternoon he came into my little workshop where I was at work, bent the store leg at the knee, "flipped" the ankle, and declared, "She's a little bit stiff for dancing." So he crawled up on the bench, and we took off the leg, took it apart, greased all the joints, put it back on, and that night he never missed a dance. And nobody in the world could tell the "store leg" from the original production.

When the bathing hour would come he would go down to the bathhouse, take off his clothes and the leg, put on the bathing suit, put the leg back on again, walk down to the wharf, take off the leg, lean it against a post, and in he would go.

When there was a ball game, he was one of our most enthusiastic players. He would catch, throw, bat, and run bases, and woe unto the baseman who got in the way of that wood and iron leg of his.

By fall he was sunburned and tanned, and the bothersome eye was to all appearances efficient, but last week I received a letter from him stating that "big sister Helen is reading law to me five hours a day."

Just to show that you can never foretell good luck from bad luck, every time that he takes an examination "big sister Helen" takes one too, so that this bothersome eye may serve to admit two members of this family to the bar of the courts of California instead of one.

As I said in the beginning, I do not know that Roy was any better or braver than many others; but we came into close touch with him at so many times and places along that terrible trail that he had traveled that we learned to know him better, love and admire him more, than any of the others, and this is why I have told you his story.

NO QUORUM—CALL OF THE HOUSE.

Mr. CAMPBELL of Kansas. Mr. Speaker, I make the point of no quorum.

Mr. MONDELL. I move a call of the House.

The SPEAKER pro tempore. Will the gentleman withhold that to receive a message from the Senate?

Mr. CAMPBELL of Kansas. I withhold it.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed without amendment bill of the following title:

H. R. 6523. An act for the relief of John Burke, former Treasurer of the United States, for lost bonds without default or negligence on the part of said former Treasurer.

The message also announced that the Senate had passed joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

S. J. Res. 178. Joint resolution authorizing the Secretary of Labor to investigate and report on labor conditions in Cuba.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 6524. An act to permit the correction of the general account of John Burke, former Treasurer of the United States.

NO QUORUM—CALL OF THE HOUSE.

The SPEAKER pro tempore. The gentleman from Kansas [Mr. CAMPBELL] makes the point of order that there is no quorum present. It is clear that there is no quorum present.

Mr. MONDELL. Mr. Speaker, I move a call of the House.

The SPEAKER pro tempore. The gentleman from Wyoming moves a call of the House.

A call of the House was ordered.

The SPEAKER pro tempore. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Ellis	Knight	Reavis
Ansorge	Evans	Kopp	Reber
Atkeson	Fenn	Kreider	Reed, N. Y.
Bankhead	Fess	Kunz	Rhodes
Barkley	Fields	Langley	Riordan
Beck	Focht	Larson, Minn.	Robertson
Bland, Va.	Fordney	Lineberger	Rogers
Boies	Free	Logan	Rosenbloom
Bowers	French	Lubring	Rossdale
Brand	Fulmer	McArthur	Rouse
Brennan	Gallivan	McFadden	Sanders, Ind.
Britten	Garrett, Tenn.	McLaughlin, Pa.	Scott, Tenn.
Brooks, Pa.	Goodykoontz	McPherson	Sears
Bulwinkle	Gorman	McSwain	Siegel
Burke	Gould	MacGregor	Slemp
Butler	Graham, Pa.	Madden	Smithwick
Cannon	Griffin	Maloney	Snyder
Cantrill	Hawes	Mann	Speaks
Carew	Henry	Mansfield	Stafford
Chandler, Okla.	Himes	Mead	Stiness
Clark, Fla.	Hudspeth	Mills	Stoll
Classon	Hukriede	Moore, Ill.	Strong, Pa.
Cockran	Husted	Moore, Va.	Sullivan
Cole, Iowa	Hutchinson	Morin	Sweet
Cole, Ohio	Ireland	Mudd	Tague
Collins	Jacoway	Nelson, A. P.	Taylor, Ark.
Cooper, Ohio	Jefferis, Nebr.	O'Brien	Taylor, Colo.
Copley	Johnson, S. Dak.	Oliver	Taylor, Tenn.
Cullen	Jones, Pa.	Olpp	Tilson
Dale	Kearns	Paige	Tinkham
Davis, Minn.	Kelley, Mich.	Patterson, Mo.	Treadway
Deal	Kendall	Perkins	Tucker
Dickinson	Kennedy	Perlman	Upshaw
Dominick	Kiess	Petersen	Vaile
Drane	Kindred	Pou	Vare
Drewry	Kitchin	Pringey	Ward, N. Y.
Driver	Kleczka	Rainey, Ala.	Wason
Dunbar	Kline, N. Y.	Rainey, Ill.	Wyant
Edmonds	Kline, Pa.	Ransley	

The SPEAKER pro tempore. On this roll call 276 Members have answered to their names. A quorum is present.

Mr. MONDELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The SPEAKER pro tempore. The gentleman from Wyoming moves to dispense with further proceedings under the call.

The motion was agreed to.

RIVER AND HARBOR APPROPRIATIONS.

The SPEAKER pro tempore. The unfinished business is H. R. 10766, the river and harbor bill. A separate vote has been demanded en bloc on all amendments to section 9 of the bill. Is a separate vote demanded on any other amendment? If not, the Chair will put the other amendments in gross.

The other amendments were agreed to.

The SPEAKER pro tempore. The question now is on the amendments to section 9.

Mr. LONGWORTH. Mr. Speaker, a parliamentary inquiry. Was unanimous consent, in fact, given for a vote on those amendments en bloc?

The SPEAKER pro tempore. The Chair understands that unanimous consent was given.

Mr. LONGWORTH. The RECORD does not show it.

The SPEAKER pro tempore. The RECORD was corrected on Saturday to show that unanimous consent was given for a vote en bloc on all the amendments to section 9.

Mr. LONGWORTH. Mr. Speaker, I ask unanimous consent to proceed for three minutes.

The SPEAKER pro tempore. Is there objection?

Mr. DEMPSEY. Reserving the right to object, I should like unanimous consent to address the House for three minutes, simply to reply to the gentleman from Ohio if I deem it necessary.

The SPEAKER pro tempore. The gentleman from Ohio asks unanimous consent to address the House for three minutes, and the gentleman from New York asks unanimous consent to address the House for three minutes if he finds it necessary. Is there objection?

Mr. BLANTON. A parliamentary inquiry, Mr. Speaker. The previous question having been ordered, is that request in order?

The SPEAKER pro tempore. The Chair can submit a request for unanimous consent, notwithstanding the previous question. Is there objection to the gentleman from Ohio proceeding for three minutes and to the gentleman from New York proceeding for three minutes if he deems it necessary?

There was no objection.

The SPEAKER pro tempore. The gentleman from Ohio is recognized for three minutes.

Mr. LONGWORTH. Mr. Speaker, I have asked for a separate vote on these amendments, not as an opponent but as a friend of this measure. I have voted for every river and harbor bill presented to this House during my term in Congress, and I want to see these bills subject to as little legitimate criticism as possible. It was perfectly evident during the debate the other day that many of the items for surveys carried in this bill had not been given consideration by the committee, and the committee could not give the House the information to which it is entitled. If that is true of the items contained in the bill, it is very much more true of amendments offered in Committee of the Whole and adopted there, on which we have had no possible information. I hope that in the interest of making this a better bill and of being able to go to the country and say, "These bills are legitimate public propositions," these amendments will be voted down. I think it would be very wise for this House to vote down the amendments to section 9 which were adopted in the committee.

Mr. McDUFFIE. Will the gentleman yield? Does the gentleman realize that there are fewer surveys ordered in this bill than in prior river and harbor bills?

Mr. LONGWORTH. I understand that there are fewer surveys. Of course these surveys do not amount to much in money, but they are the foundation of projects which may cost millions of dollars.

Mr. CURRY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman is not recognized for a parliamentary inquiry unless the gentleman from Ohio yields.

Mr. LONGWORTH. I have said all I care to.

Mr. CURRY. I would like to know if the previous question has not been ordered on this bill.

The SPEAKER pro tempore. The previous question has been ordered, but unanimous consent has been given that the gentleman from Ohio and the gentleman from New York may each address the House for three minutes. The gentleman from New York [Mr. DEMPSEY] is recognized for three minutes.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman from New York permit me to ask the gentleman from Ohio a question?

Mr. DEMPSEY. I do not want it taken out of my time.

The SPEAKER pro tempore. The gentleman from New York declines to yield.

Mr. DEMPSEY. Mr. Speaker and gentlemen of the House, in addition to what was said the other day I desire to say simply this: When requests are presented for surveys, they have to be dealt with in one of two ways—either by the committee or by sending them to the Chief of Engineers. If they are dealt with by the committee, it means the summoning of witnesses from the vicinity; it means the attendance of a shorthand reporter; it means a very large expense. In many instances the expense would run up into hundreds of dollars. On the other hand, if you send the request to the Chief of Engineers in a case where you yourselves have no knowledge and can not get any except by such an investigation as I have outlined—as I was informed by General Taylor after the hearing on Friday—in most of the cases the expense is absolutely negligible, and will involve nothing more than the writing of two or three letters. In other words, in the interest of economy and in order that you may save money and that the bill may be economical and above question, it is best for the House and for the country to have these surveys investigated by the department rather than investigated by the committee in the manner I have indicated. [Applause.]

Mr. NEWTON of Missouri. Will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. NEWTON of Missouri. As a matter of fact, it would not be necessary to put these items in the bill at all if it were not for the fact that Congress has passed a law providing that the Chief of Engineers can not make a report, even if he has all the facts in his office, unless the authorization is put into the bill.

Mr. DEMPSEY. I understand that to be the case.

Mr. GARNER. Mr. Speaker, as I understand, the object of surveys is to obtain information.

Mr. DEMPSEY. Yes; and you can not get it except in one of two ways, and inserting the items in a bill such as that under consideration is by far the less expensive of the two ways.

Mr. GARNER. Perhaps the gentleman from Ohio does not want information. He usually acts without a great deal of information anyway. [Laughter.]

Mr. LONGWORTH. I was unable to get any information from any gentleman over on that side of the House. [Laughter.]

The SPEAKER pro tempore. The time of the gentleman from New York has expired and the Clerk will report the amendments to section 9.

The Clerk read the amendments adopted by the Committee of the Whole House on the state of the Union to section 9.

The SPEAKER pro tempore. The question is on agreeing to the amendments.

The question was taken; and on a division (demanded by Mr. CAMPBELL of Kansas) there were 160 ayes and 44 noes.

Mr. CAMPBELL of Kansas. Mr. Speaker, I make the point of order that a quorum is not present and voting.

The SPEAKER pro tempore. The gentleman from Kansas makes the point of order that no quorum is present, and the Chair will count. [After counting.] Two hundred and thirty-one Members present, a quorum.

Mr. BLANTON. Mr. Speaker, I demand the yeas and nays.

Mr. GARNER. Mr. Speaker, the gentleman's demand comes too late. Since the division there has been a point of no quorum and the Chair has counted a quorum.

The SPEAKER pro tempore. The Chair thinks the gentleman's demand is timely. All those in favor of taking the vote by yeas and nays will rise and stand until counted. [After counting.] Two gentlemen have arisen, not a sufficient number, and the yeas and nays are refused. The amendments to section 9 are agreed to. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. ROACH rose.

The SPEAKER pro tempore. For what purpose does the gentleman from Missouri rise?

Mr. ROACH. To offer an amendment to recommit the bill with an amendment.

Mr. LONGWORTH. Mr. Speaker, I would like to ask the gentleman if he is opposed to the bill.

Mr. ROACH. I am opposed to the bill in its present form.

The SPEAKER pro tempore. Is any member of the committee opposed to the bill? If not, the Chair will recognize the gentleman from Missouri.

The Clerk read the motion to recommit, as follows:

Mr. ROACH moves to recommit the bill with directions to the committee to immediately report it back with the following amendment: Amend section 5 of the bill as follows: Page 10, line 5, after the word "construct," strike out the word "six" and insert in lieu thereof the word "four."

Mr. ROACH. Mr. Speaker, upon that I demand the yeas and nays.

The SPEAKER pro tempore. The gentleman from Missouri demands the yeas and nays. All those in favor of taking the vote by yeas and nays will rise and stand until counted. Eighteen gentlemen have arisen, not a sufficient number, and the yeas and nays are refused.

The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. ROACH) there were 23 ayes and 171 noes.

Mr. ROACH. Mr. Speaker, I object to the vote because no quorum is present, and I make the point that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Missouri makes the point that no quorum is present, and the Chair will count. [After counting.] Two hundred and forty-six Members present, a quorum, and the motion to recommit is not agreed to. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 209 ayes and 18 noes.

Mr. BLANTON. Mr. Speaker, I ask for the yeas and nays.

The question of taking the vote by yeas and nays was taken, and four Members arose.

The SPEAKER pro tempore. Not a sufficient number, and the bill is passed.

On motion of Mr. DEMPSEY, a motion to reconsider the vote whereby the bill was passed was laid on the table.

EXTENSION OF DISTRICT OF COLUMBIA RENTS ACT.

The SPEAKER pro tempore. Under the rule, business relating to the District of Columbia is in order to-day.

Mr. WHEELER. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill S. 2919.

The SPEAKER pro tempore. The Clerk will report the title.

The Clerk read as follows:

S. 2919. An act to extend for the period of two years the provisions of Title II of the food control and District of Columbia rents act, approved October 22, 1919, as amended.

Mr. MILLSPAUGH. Mr. Speaker, I make a point of order.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. MILLSPAUGH. I make the point of order that the business before the District Committee to-day, under rule 24, is the unfinished business, the pawnbrokers' bill.

The SPEAKER pro tempore. Is the gentleman from Illinois authorized by the committee to call this measure up to-day?

Mr. WHEELER. I am, Mr. Speaker.

The SPEAKER pro tempore. The Chair overrules the point of order.

Mr. WHEELER. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. REED] may control one half of the time and the gentleman from Kentucky [Mr. GILBERT] may control the other half.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent that the gentleman from West Virginia [Mr. REED] may control one half of the time for general debate and the gentleman from Kentucky [Mr. GILBERT] control the other half. Is there objection?

Mr. BLANTON. Reserving the right to object, I raise this question, that under the rules of the House, being opposed to the bill and the ranking member of the Committee on the District of Columbia, I am entitled to control one-half the time.

Mr. MILLSPAUGH. I object.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Illinois [Mr. WHEELER] that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill S. 2919.

Mr. DYER. Mr. Speaker, I want to suggest to the gentleman that if he will make a request to limit debate we will get through this business sooner.

Mr. CARTER. The gentleman is proceeding in the very best way now to get through with the business.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Illinois that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2919.

The question was taken.

Mr. MILLSPAUGH. Mr Speaker, I object to the vote because of the absence of a quorum, and I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Missouri makes the point of order that there is no quorum present. The Chair will count. [After counting.] Two hundred and twelve Members present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll. The question is on the motion of the gentleman from Illinois that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2919.

The question was taken; and there were—yeas 261, nays 12, answered "present" 1, not voting 156, as follows:

YEAS—261.

Ackerman	Curry	Hogan	Miller
Anderson	Dallinger	Hooker	Mondell
Andrews, Nebr.	Darrow	Huddleston	Montague
Appleby	Davis, Tenn.	Humphreys	Montoya
Aswell	Dempsey	James	Moore, Ohio
Bankhead	Doughton	Jeffers, Ala.	Moores, Ind.
Barbour	Dowell	Johnson, Ky.	Mott
Beedy	Dunn	Johnson, Miss.	Mudd
Begg	Dupré	Jones, Pa.	Murphy
Bell	Dyer	Jones, Tex.	Nelson, Me.
Benham	Echols	Kahn	Newton, Minn.
Bird	Fairchild	Keller	Nolan
Bixler	Fairfield	Kelly, Pa.	Norton
Black	Faust	Ketcham	O'Connor
Blakeney	Favrot	Kincheloe	Ogden
Bland, Ind.	Fish	King	Oldfield
Blanton	Fisher	Kirkpatrick	Oliver
Bond	Foster	Kissel	Osborne
Bowling	Frear	Kleczka	Overstreet
Box	Free	Knutson	Padgett
Briggs	Freeman	Kopp	Park, Ga.
Brooks, Ill.	Frothingham	Kraus	Parks, Ark.
Brown, Tenn.	Fuller	Lampert	Patterson, Mo.
Browne, Wis.	Funk	Lanham	Patterson, N. J.
Buchanan	Gahn	Lankford	Pringey
Burroughs	Garner	Larsen, Ga.	Purnell
Burtness	Garrett, Tex.	Lawrence	Quin
Burton	Gensman	Layton	Radcliffe
Butler	Gernerd	Lazaro	Raker
Byrnes, S. C.	Gilbert	Lea, Calif.	Ramseyer
Byrns, Tenn.	Glynn	Lee, Ga.	Rankin
Cable	Goldsborough	Lee, N. Y.	Rayburn
Campbell, Pa.	Gorman	Lehlbach	Reece
Cannon	Graham, Ill.	Linthicum	Reed, W. Va.
Carter	Green, Iowa	Little	Rhodes
Chalmers	Greene, Mass.	London	Ricketts
Chindblom	Greene, Vt.	Longworth	Riddick
Christopherson	Griest	Lowrey	Roach
Clague	Hadley	Luce	Rose
Clarke, N. Y.	Hammer	Luhring	Rosenbloom
Clouse	Hardy, Colo.	Lyon	Rucker
Codd	Hardy, Tex.	McClintic	Ryan
Collier	Harrison	McCormick	Sabath
Colton	Haugen	McDuffie	Sanders, N. Y.
Connally, Tex.	Hawley	McFadden	Sanders, Tex.
Connell	Hayden	McLaughlin, Mich.	Sandlin
Connolly, Pa.	Hays	MacGregor	Schall
Cooper, Wis.	Herrick	Magee	Scott, Mich.
Coughlin	Hersey	Mapes	Shaw
Crago	Hickey	Martin	Shelton
Cramton	Hicks	Mead	Shreve
Crisp	Hill	Merritt	Sinclair
Crowther	Hoch	Michener	Sinnott

Sisson	Swing	Volk	Wingo
Slemp	Taylor, N. J.	Volstead	Winslow
Smith, Idaho	Temple	Ward, N. C.	Wise
Smith, Mich.	Ten Eyck	Watson	Woodruff
Steagall	Thomas	Weaver	Woods, Va.
Stedman	Thompson	Webster	Wright
Steenerson	Tillman	Wheeler	Wurzbach
Stephens	Timberlake	White, Kans.	Yates
Stevenson	Tyson	White, Me.	Young
Strong, Kans.	Underhill	Williams, Ill.	Zihlman
Summers, Wash.	Vestal	Williams, Tex.	
Sumners, Tex.	Vinson	Williamson	
Swank	Voigt	Wilson	

NAYS—12.

Anthony	Campbell, Kans.	McLaughlin, Nebr.	Sproul
Arentz	Elliott	Madden	Tincher
Burdick	Johnson, Wash.	Millspaugh	Tucker

ANSWERED "PRESENT"—1.

Parker, N. J.

NOT VOTING—156.

Almon	Edmonds	Knight	Riordan
Andrew, Mass.	Ellis	Kreider	Reed, N. Y.
Ansorge	Evans	Kunz	Robertson
Atkeson	Fenn	Langley	Robsion
Bacharach	Fess	Larson, Minn.	Rodenberg
Barkley	Fields	Leatherwood	Rogers
Beck	Fitzgerald	Lineberger	Rossdale
Bland, Va.	Focht	Logan	Rouse
Boies	Fordney	McArthur	Sanders, Ind.
Bowers	French	McKenzie	Scott, Tenn.
Brand	Fulmer	McLaughlin, Pa.	Sears
Brennan	Gallivan	McPherson	Siegel
Britten	Garrett, Tenn.	McSwain	Smithwick
Brooks, Pa.	Goodykoontz	Maloney	Snell
Bulwinkle	Gould	Mann	Snyder
Burke	Graham, Pa.	Mansfield	Speaks
Cantrill	Griffin	Michaelson	Stafford
Carew	Hawes	Mills	Stiness
Chandler, N. Y.	Henry	Moore, Ill.	Stoll
Chandler, Okla.	Himes	Moore, Va.	Strong, Pa.
Clark, Fla.	Hudspeth	Morgan	Sullivan
Classon	Hukriede	Morin	Sweet
Cockran	Hull	Nelson, A. P.	Tague
Cole, Iowa	Husted	Nelson, J. M.	Taylor, Ark.
Cole, Ohio	Hutchinson	Newton, Mo.	Taylor, Colo.
Collins	Ireland	O'Brien	Taylor, Tenn.
Cooper, Ohio	Jacoway	Olpp	Tilson
Copley	Jefferis, Nebr.	Paige	Tinkham
Cullen	Johnson, S. Dak.	Parker, N. Y.	Towner
Dale	Kearns	Perkins	Treadway
Davis, Minn.	Kelley, Mich.	Perlman	Upshaw
Deal	Kendall	Petersen	Vaile
Denison	Kennedy	Porter	Vare
Dickinson	Kiess	Pou	Walters
Dominick	Kindred	Rainey, Ala.	Ward, N. Y.
Drane	Kinkaid	Rainey, Ill.	Wason
Drewry	Kitchin	Ransley	Wood, Ind.
Driver	Kline, N. Y.	Reavis	Woodyard
Dunbar	Kline, Pa.	Reber	Wyant

So the motion was agreed to.

The Clerk announced the following additional pairs:

Until further notice:

Mr. A. P. Nelson with Mr. Garrett of Tennessee.
Mr. Treadway with Mr. Cockran.
Mr. Paige with Mr. Sullivan.
Mr. Langley with Mr. Clark of Florida.
Mr. Stiness with Mr. Drane.
Mr. Newton of Missouri with Mr. Gallivan.
Mr. Strong of Pennsylvania with Mr. Hawes.
Mr. Olpp with Mr. Brand.
Mr. Kearns with Mr. Mansfield.
Mr. Cooper of Ohio with Mr. Kitchin.
Mr. Kennedy with Mr. Bulwinkle.
Mr. Perkins with Mr. McSwain.
Mr. Dickinson with Mr. O'Brien.
Mr. Knight with Mr. Upshaw.
Mr. Ransley with Mr. Pou.
Mr. Evans with Mr. Deal.
Mr. Reed of New York with Mr. Sears.
Mr. Fenn with Mr. Taylor of Colorado.
Miss Robertson with Mr. Driver.
Mr. Davis of Minnesota with Mr. Cantrill.
Mr. Larson of Minnesota with Mr. Almon.
Mr. Fordney with Mr. Kunz.
Mr. McKenzie with Mr. Hudspeth.
Mr. Snyder with Mr. Moore of Virginia.
Mr. Scott of Tennessee with Mr. Barkley.
Mr. Hutchinson with Mr. Smithwick.
Mr. Ansorge with Mr. Bland of Virginia.
Mr. McArthur with Mr. Logan.
Mr. Wyant with Mr. Tague.
Mr. Atkeson with Mr. Griffin.
Mr. Rossdale with Mr. Jacoway.
Mr. Goodykoontz with Mr. Drewry.
Mr. McPherson with Mr. Kindred.
Mr. Sanders of Indiana with Mr. Riordan.
Mr. Bowers with Mr. Rainey of Illinois.
Mr. Graham of Pennsylvania with Mr. Carew.
Mr. Siegel with Mr. Briggs.
Mr. Henry with Mr. Dominick.
Mr. Snell with Mr. Fulmer.
Mr. Hukriede with Mr. Collins.
Mr. Chandler of New York with Mr. Fields.
Mr. Morin with Mr. Taylor of Arkansas.
Mr. Chandler of Oklahoma with Mr. Rainey of Alabama.

The result of the vote was announced as above recorded.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2919, with Mr. LONGWORTH in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill S. 2919, which the Clerk will report.

The Clerk read the bill, as follows:

Be it enacted, etc., That the emergency described in title 2 of the food control and the District of Columbia rents act, approved October 22, 1919, still exists and continues in the District of Columbia, and that the present housing and rental conditions therein require the further extension of said act.

SEC. 2. That said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, as amended by an act entitled "An act to extend for the period of seven months the provisions of title 2 of the food control and the District of Columbia rents act, approved October 22, 1919, and for other purposes," approved August 24, 1921, be, and the same is hereby, reenacted, extended, and continued, as hereinafter amended, from the date of the approval of this act until the 22d day of May, 1924, notwithstanding the provisions of the first section of the act entitled "An act to extend for the period of seven months the provisions of title 2 of the food control and the District of Columbia rents act, approved October 22, 1919, and for other purposes," approved August 24, 1921.

SEC. 3. That section 101 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 101. When used in this title, unless the context indicates otherwise—

"(a) The term 'rental property' means any building or part thereof or land appurtenant thereto in the District of Columbia rented or hired, and the service agreed or required by law or by determination of the commission to be furnished in connection therewith, but does not include (a) any portion of an apartment building, (b) a garage or warehouse, or (c) any other building or part thereof or land appurtenant thereto used by the tenant exclusively for a business purpose other than the subleasing or otherwise subcontracting for use for living accommodations.

"(b) The term 'person' includes an individual, partnership, association, or corporation.

"(c) The term 'apartment' means any apartment, or part thereof, in the District of Columbia rented or hired and the land and outbuildings appurtenant thereto, and the service agreed or required by law or by determination of the commission to be furnished in connection therewith.

"(d) The term 'owner' includes a lessor or sublessor, or other person entitled to receive rent or charges for the use or occupancy of any rental property or apartment, or any interest therein, or his agent.

"(e) The term 'tenant' includes a subtenant, lessee, sublessee, or other person, not the owner, entitled to the use or occupancy of any rental property or apartment.

"(f) The term 'service' includes the furnishing of light, heat, water, telephone or elevator service, furniture, furnishings, window shades, screens, awnings, storage, kitchen, bath and laundry facilities and privileges, maid service, janitor service, removal of refuse, making all repairs suited to the type of building or necessitated by ordinary wear and tear, and any other privileges or service connected with the use or occupancy of any rental property or apartment.

"(g) The term 'commission' means the Rent Commission of the District of Columbia."

SEC. 4. That section 102 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 102. A commission is hereby created and established to be known as the Rent Commission of the District of Columbia, which shall be composed of five commissioners, none of whom shall be directly or indirectly engaged or in any manner interested in or connected with the real estate or renting business in the District of Columbia. The commissioners shall be appointed by the President, by and with the advice and consent of the Senate. The term of each commissioner shall be for the period covered by this act, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he succeeds. The commission, as at present constituted, shall continue in office and shall have and exercise all the powers and duties now vested in them pending the appointment and confirmation of the five commissioners provided for herein.

"The commission shall at the time of its organization and annually thereafter elect a chairman from its membership. The commission may make such rules and regulations as may be necessary to carry this title into effect. All powers and duties of the commission may be exercised by a majority of its members. A vacancy in the commission shall not impair the right of the remaining commissioners to exercise all the powers of the commission. The commission shall have an official seal, which shall be judicially noticed."

SEC. 5. That section 103 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, as amended by said act approved August 24, 1921, be, and the same is hereby, amended by adding thereto the following:

"The commission shall also have the power to appoint two inspectors, outside of the civil service, who shall receive a salary not exceeding $2,000 a year each, payable monthly."

SEC. 6. That the last sentence of the first paragraph of section 105 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"Any member of the commission may sign subpœnas, administer oaths and affirmations, summon witnesses, conduct hearings, and receive evidence touching any matter which the commission is authorized to consider or investigate, and the substance of such evidence, when certified to the commission by the member of the commission who

heard and received the same may be made the basis of the commission's determination respecting the matter under consideration or investigation."

SEC. 7. That the last paragraph of said section 105 of said Title II of the food control and the District of Columbia rents act approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"Such attendance of witnesses and the production of such books, accounts, records, papers, and correspondence may be required from any place in the United States at any designated place of hearing. Any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce such books, accounts, records, papers, or correspondence, or who shall fail or refuse to file with the commission plans and other data in such detail as the commission may require, descriptive of the rooms, accommodations, and service in connection with any apartment, required by the commission, if in his power to do so, in obedience to the subpœna, order, or lawful requirement of the commission, or who shall neglect or refuse to comply with any lawful determination or order of the commission, requiring him to furnish heat, electric current, or other service in any rental property or apartment shall be guilty of an offense, and upon conviction thereof by a court of competent jurisdiction shall be punished by a fine not exceeding $1,000 or by imprisonment for not more than one year, or by both such fine and imprisonment. No officer or employee of the commission shall, unless authorized by the commission or by a court of competent jurisdiction, make public any information obtained by the commission."

SEC. 8. That section 106 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 106. For the purposes of this title it is declared that all (a) rental property and (b) apartments are affected with a public interest, and that all rents and charges therefor, all service in connection therewith, and all other terms and conditions of the use or occupancy thereof, shall be fair and reasonable; and any unreasonable or unfair provision of a lease or other contract for the use or occupancy of such rental property or apartment, with respect to such rents, charges, service, terms, or conditions is hereby declared to be contrary to public policy. The commission upon its own initiative may, or upon complaint shall, determine whether the rent, charges, service, and other terms or conditions of a lease or other contract for the use or occupancy of any such rental property or apartment are fair and reasonable. Such complaints may be made and filed by or on behalf of any tenant, and by or on behalf of the owner of any rental property or apartment, notwithstanding the existence of a lease or other contract between the tenant and the owner and in fixing and determining the fair and reasonable rents, rates, or charges for any rental property or apartment, the commission shall, in all cases, take into consideration the character and condition of the property and the character of the service, if any, furnished in connection therewith.

"In all such cases the commission shall give notice personally or by registered mail and afford an opportunity to be heard to all parties in interest: *Provided*, That notice given by the commission to the agent of the legal owner of any rental property or apartment, for the collection of rents, shall be deemed and held to be good and sufficient notice to said legal owner. The commission shall promptly hear and determine the issues involved in all complaints submitted to it. All hearings before the commission, or any member of the commission, shall be open to the public. If the commission finds that the existing rents, charges, service, or other terms or conditions of the use or occupancy of any rental property or apartment are unfair and unreasonable, it shall fix and determine the fair and reasonable rents, rates, or charges for the rental property, or apartment under consideration, and may fix and determine the fair and reasonable service, terms, and conditions of the use or occupancy of the property, and may also order and require the furnishing of such service by the owner as it shall lawfully determine to be fair and reasonable.

"In any suit in any court of the United States or the District of Columbia involving any question arising out of the relation of landlord and tenant with respect to any rental property or apartment, except on appeal from the commission's determination as provided in this title, such court shall determine the rights and duties of the parties in accordance with the determination and regulations of the commission relevant thereto."

SEC. 9. That section 108 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 108. Unless within 10 days after the filing of the commission's determination any party to the complaint appeals therefrom to the Supreme Court of the District of Columbia in general term, the determination of the commission shall be final and conclusive. The said Supreme Court of the District of Columbia, in general term, is hereby given jurisdiction to hear and determine appeals taken from determinations of the commission, and said appeals shall be given precedence over the other business of said court. At the hearing of said appeals the chief justice of said court shall preside, with at least two of the associate justices of said court, to be designated by said chief justice, and in the absence of said chief justice, the senior associate justice of said court shall preside, have the powers, and perform the duties of said chief justice.

"If such an appeal is taken from the determination of the commission, the record before the commission or such part thereof as the court may order shall be certified by it to the court and shall constitute the record before the court, and the commission's determination shall not be modified or set aside by the court, except for error of law.

"If any party applies to the court for leave to adduce additional evidence and shows to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceedings before the commission, the court may order such additional evidence to be taken before the commission and to be adduced upon the hearing in such manner and upon such terms and conditions as the court may deem proper. The commission may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, which shall be conclusive, and its recommendations, if any, for the modification or setting aside of its original determination, with the return of such additional evidence.

"In the proceedings before such court on appeal from a determination of the commission the commission shall appear by its attorney or other representative and submit oral or written arguments to support the findings and the determination of the commission. No owner or tenant shall apply to the said Supreme Court of the District of Columbia to review any determination of the commission fixing the fair and reasonable rents, rates, or charges for any rental property or apartment, except by appeal, as hereinbefore provided, and said court shall not issue any injunction, permanent or temporary, restraining or enjoining the commission from fixing the rents, rates, or charges for any rental property or apartment, and said court is hereby divested of any and all power and jurisdiction to issue any such injunction."

SEC. 10. That section 109 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 109. The right of a tenant to the use or occupancy of any rental property or apartment, existing at the time this act takes effect, or thereafter acquired, under any lease or other contract for such use or occupancy or under any extension thereof by operation of law, shall, notwithstanding the expiration of the term fixed by such lease or contract, continue at the option of the tenant subject, however, to any determination or regulation of the commission relevant thereto; and such tenant shall not be evicted or dispossessed so long as he pays the rent and performs the other terms and conditions of the tenancy as fixed by such lease or contract, or in case such lease or contract is modified by any determination or regulation of the commission, then as fixed by such modified lease or contract.

"All remedies of the owner at law or equity, based on any provision of any such lease or contract to the effect that such lease or contract shall be determined or forfeited if the premises are sold, are hereby suspended so long as this title is in force. Every purchaser shall take conveyance of any rental property or apartment subject to the rights of tenants as provided in this title.

"The rights of the tenant under this title shall be subject to the limitation that the bona fide owner of any rental property or apartment shall have the right to possession thereof for actual and bona fide occupancy by himself, or his wife, children, or dependents, or for the purpose of tearing down or razing the same in order immediately to construct new rental property or apartment, if approved by the commission, upon giving 30 days' notice in writing, served in the manner provided by section 1223 of the act entitled 'An act to establish a code of laws for the District of Columbia,' approved May 2, 1901, as amended, which notice shall contain a full and correct statement of the facts and circumstances upon which the same is based; but in no case shall possession be demanded or obtained by such owner in contravention of the terms of any such lease or contract. If there is a dispute between the owner and the tenant as to the accuracy or sufficiency of the statement set forth in such notice, as to the good faith of such demand, or as to the service of notice, the matters in dispute shall be determined by the commission upon complaint as provided in section 106 of this title.

"Any dispute made before the commission under the provisions of this section shall be filed with the commission before the notice complained of has expired."

SEC. 11. That section 111 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 111. The determination of the commission in a proceeding begun by complaint or upon its own initiative fixing fair and reasonable rents, charges, service, and other terms and conditions of use or occupancy of any rental property or apartment shall constitute the commission's determination of the fairness and reasonableness of such rents, charges, service, terms, or condition for the rental property or apartment affected, and shall remain in full force and effect notwithstanding any change in ownership or tenancy thereof, unless and until the commission modifies or sets aside such determination upon complaint either of the owner or of the tenant."

SEC. 12. That section 112 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 112. If the owner of any rental property or apartment collects any rent or charge therefor in excess of the amount fixed in a determination of the commission made and in full force and effect in accordance with the provisions of this title, he shall be liable for and the commission is hereby authorized and directed to commence an action in the municipal court of the District of Columbia to recover double the amount of such excess, together with the costs of the proceeding, which shall include an attorney's fee of $50, to be taxed as part of the costs. Such actions shall be brought in said municipal court, regardless of the amount to be recovered, and the said municipal court is hereby given special jurisdiction to hear and determine all such cases.

"The commission is hereby authorized to bring such actions without the payment of costs, and no bond shall be required in the case of any appeal taken by the commission from any judgment of the said municipal court in any such case. Out of any sums received on account of such recovery the commission shall pay over to the tenant the amount of the excess so paid by him and the balance shall be paid into the Treasury of the United States to the credit of the District of Columbia: *Provided*, That if the commission finds that such excess was paid by the tenant voluntarily and with knowledge of the commission's determination, the whole amount of such recovery shall be paid into the Treasury of the United States to the credit of the District of Columbia."

SEC. 13. That section 113 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 113. If in any proceeding before the commission, begun by complaint or on the commission's own initiative, and involving any lease or other contract for the use or occupancy of any rental property or apartment, the commission finds that at any time after the passage of this act, but during the tenancy, the owner has, directly or indirectly, willfully withdrawn from the tenant any service agreed or required by a determination of the commission to be furnished, or has by act, neglect, or omission contrary to such lease or contract or to the law or any ordinance or regulation made in pursuance of law, or of a determination of the commission exposed the tenant, directly or indirectly, to any unsafe or insanitary condition or imposed upon him any burden, loss, or unusual inconvenience in connection with his use or occupancy of such rental property or apartment, the commission shall determine the sum which in its judgment will fairly and reasonably compensate or reimburse the tenant therefor. In any such proceeding involving a lease or other contract, the terms specified in which had not expired at the time the proceeding was begun, the commission shall likewise determine the amount or value of any bonus or other consideration in excess of the rental named in such lease or contract received at any time, directly or indirectly, by the owner in connection with such lease or contract. The tenant may recover any amount so determined by the commission in an action in the municipal court of the District of Columbia."

SEC. 14. That section 116 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 116. Any person who with intent to avoid the provisions of this title enters into any agreement or arrangement for the payment of any bonus or other consideration in connection with any lease or other contract for the use or occupancy of any rental property or apartment, or who participates in any fictitious sale or other device or arrangement the purpose of which is to grant or obtain the use or occupancy of any rental property or apartment without subjecting such use or occupancy to the provisions of this title or to the jurisdiction of the commission, shall upon conviction be punished by a fine not exceeding $1,000, or by imprisonment for not exceeding one year, or by both."

SEC. 15. That section 117 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 117. The commission shall prescribe standard forms of leases and other contracts for the use or occupancy of any rental property or apartment and shall require their use by the owner thereof. Every such lease or contract entered into after the commission has prescribed and promulgated a form for the tenancy provided by such lease or contract shall be deemed to accord with such standard forms; and any such lease or contract in any proceeding before the commission or in any court of the United States or of the District of Columbia shall be interpreted, applied, and enforced in the same manner as if it were in the form and contained the stipulations of such standard form.

"The owner of an apartment shall file with the commission plans and other data in such detail as the commission requires, descriptive of the rooms, accommodations, and service in connection with such apartment, and a schedule of rates and charges therefor. The commission shall, after consideration of such plans, schedules, data, or other information, determine and fix a schedule of fair and reasonable rates and charges for such apartments; and the rates and charges stated in such schedule shall thereafter constitute the fair and reasonable rates and charges for such apartment. The commission's determination in such case shall be made after such notice and hearing and shall have the same force and effect and be subject to appeal in the same manner as a determination of the commission under section 106 of this title."

SEC. 16. That said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be and the same is hereby, amended by adding thereto the following:

"SEC. 124. (a) Any violation of this act or of any order of the commission, committed before the termination of this act may, after such termination, be prosecuted by and in the name of the Attorney General in lieu of the commission in the same manner and with the same effect as if this act had not been terminated.

"(b) In the case of (1) any proceeding begun under the provisions of section 114 before the termination of this act, or (2) any proceeding on appeal from a determination of the commission begun before the termination of this act, such proceeding may, after such termination, be continued in the same manner with the same effect as if this act had not been terminated, and all powers and duties in respect to such proceedings vested in the commission by this act shall for the purposes of such proceedings be vested in the Attorney General.

"(c) Any right or obligation based upon any provision of this act or upon any order of the commission, accrued prior to the termination of this act may, after the termination of this act, be enforced in the same manner and with the same effect as if this act had not been terminated.

"(d) The Attorney General may, after the termination of this act, appoint the attorney last appointed by the commission under the provision of section 103 to assist in the enforcement of this act. Such attorney shall continue to receive compensation for such services at the rate of $5,000 per annum, payable monthly."

SEC. 17. That the proprietor, manager, owner, or other person in charge of and conducting any hotel in the District of Columbia shall post in a conspicuous place in each room thereof a card or sign plainly stating the price per day of such room, and a copy of such rates for each room shall be filed with the Rent Commission of the District of Columbia. In case the hotel is conducted on the American plan, the rates for meals shall be posted in a conspicuous place in each room of the hotel. Such cards or signs, both with reference to rooms and meals, shall be dated as of the day on which they are posted. The rates charged for rooms shall not be advanced in less than thirty days from the date of the approval of the said commissioners of the written application therefor, and in the event an advance in rates is granted the same requirements with reference to posting of notices and filing copies thereof with the Rent Commission of the District of Columbia, as above provided, shall apply.

Any person, firm, or corporation who shall violate any of the provisions of this act relating to hotel charges or who shall charge any guest a rate in excess of said posted rates shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not less than $10 nor more than $100 for each offense.

The Commissioners of the District of Columbia are hereby charged with the enforcement of this act.

SEC. 18. That section 2 of the said act, entitled "An act to extend for the period of seven months the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, and for other purposes," approved August 24, 1921, be, and the same is hereby, repealed.

SEC. 19. That all orders and determinations heretofore or hereafter made by the commission shall be and remain in full force and effect until the termination of this act.

SEC. 20. That all acts or parts of acts in conflict herewith are hereby repealed.

During the reading of the bill the following occurred:

Page 15, line 11—

Mr. MILLSPAUGH. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN (Mr. BEGG). The gentleman from Missouri makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and six Members are present, a quorum.

Page 14, section 10—

Mr. MILLSPAUGH. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN (Mr. LONGWORTH). The gentleman from Missouri makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and ten gentlemen are present, a quorum.

Mr. GILBERT. Mr. Chairman and gentlemen of the committee, it seems that a good deal of feeling has been aroused over this bill, which has led a good many of us to wander away from its real merits as a matter of legislation. Whether or not you are on the landlord's or tenant's side seems to be the question. I hold no brief whatever for the landlords. In fact, I think it quite probable that by their arbitrary methods they have brought on the situation which now confronts us. I have always been in sympathy with the other side. In fact, had I been here when this matter was originally presented as a war measure, I would have supported it. I was here when it was extended and voted for that extension. I eased my conscience by the argument that was then made, that the emergency spoken of by the Supreme Court had not passed; that there was then contemplated——

Mr. MILLSPAUGH. Mr. Chairman, I make the point of order there is no quorum present. The gentleman is addressing this committee on a very important question, and has a very good argument, and I want the Members to hear it.

The CHAIRMAN. The gentleman from Missouri makes the point of order there is no quorum present. The Chair will count. [After counting.] One hundred and twenty-seven gentlemen are present, a quorum. The gentleman from Kentucky will proceed.

Mr. GILBERT. At the time that extension was granted we were told, and it was true, that one of the great events of the world was pending; that there was to be held within this city in a few months a conference to discuss disarmament, and so, with that to ease my conscience, I supported that extension. If there is any emergency now, it is not that character of emergency intended by the Supreme Court but simply that emergency created by a greater demand than a supply, which was not contemplated to be remedied by legislation, and so I must decline to go further in pursuit of this, in my opinion, unwise legislation.

Most of the Members of this body are lawyers, and they recognize how unwise it is to set a false precedent, although it may work splendidly for that particular opportunity. In my native State of Kentucky one of the best and ablest men we ever had was a supreme court judge—a chief justice. He was so kindhearted that he applied every law to meet the purposes of a particular case, and the result was that after he had served some 10 years no man in Kentucky knew what the law on any proposition was.

So far as I am informed, this is a departure in legislation almost without parallel. It is true that the Supreme Court affirmed the decision, holding this bill constitutional, but it nowhere said that it was wise and it nowhere said that the facts were true upon which it based that decision. But it based it upon this phraseology:

> Great weight must be given to the legislative declaration that an emergency exists.

I understand by an emergency an unusual situation created by abnormal causes, such as the war, not simply the condition that exists here in Washington. For instance, a moment ago I bought an apple. You all have had experience with the prices of apples here. They are ridiculously high. Yet I believe it is as unwise to attempt to fix the price of rents in the city of Washington as it is unwise to attempt to fix the price of apples by legislation.

Mr. BEGG. Mr. Chairman, will the gentleman yield for a question?

Mr. GILBERT. Yes.

Mr. BEGG. On the question of the emergency, does the gentleman believe that it naturally follows that when an emergency is ended the results created by the emergency end with the ending of the unusual act causing it, like a war?

Mr. GILBERT. It will sooner readjust itself under natural conditions than it will by artificial causes, such as legislation.

Mr. BEGG. That is only a statement; that is not necessarily a conclusive statement. The gentleman makes the statement that that would be so, yet how does the gentleman know that it would be so?

Mr. GILBERT. I stated that as my opinion, just as the gentleman's opinion may be to the contrary. The whole matter is a matter of opinion, and not a matter of fact.

Mr. LONDON. Mr. Chairman, will the gentleman yield for a short question?

Mr. GILBERT. Yes.

Mr. LONDON. Has there been any evidence before your committee as to the increase or diminution of the population of Washington?

Mr. GILBERT. I was not fortunate enough to be present at all the hearings of the committee. I will say this to the gentleman, that at the hearings that I did attend both sides made out a perfect case, and both sides will continue to make out a perfect case. There is in the city of Washington more or less of a housing emergency in my humble opinion. But that emergency in the city of Washington will continue to exist for many years, perhaps for 20 years, and the reason for it is that there is no other country in the world with one-third of the resources or population or territory like that of the United States but that has a capital at least three times as large as ours. The capital of the British Empire—London—has 7,000,000 people. The capital of France has over 2,000,000 people. The capital of Germany has over 2,000,000; Austria's capital has approaching 2,000,000 people. Nowhere on the globe is there a country like the United States, with a capital with less than a population of a half a million people. There is an abnormal situation here, and it will continue to be an abnormal situation until this city catches up with the demands of this great Government.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. GILBERT. Yes.

Mr. BLANTON. In the gentleman's wisdom, does he think that any wise man with money would attempt to build property in the city of Washington under such a measure as this?

Mr. GILBERT. I will answer the gentleman's question in this way: He would give preference to such a place where the conditions did not exist. There is building going on here, of course, but the demand here is so great by reason of the smallness of the city in comparison with its requirements that that condition will continue to exist. For instance, suppose there is a capitalist at Louisville who wants to invest in property somewhere. Conditions being equal, he would rather invest his money in Baltimore, where he can put the price on his apartments, rather than in Washington, where somebody else puts the price on his apartments.

Mr. HAMMER. Mr. Chairman, will the gentleman yield?

Mr. GILBERT. Yes.

Mr. HAMMER. Is it not a fact that in the first three months of this year the amount of building was greater in the city of Washington than in any other city in the country, and 62 per cent of the permits granted were for apartment houses?

Mr. GILBERT. I could not answer, but if I should answer in accordance with the gentleman's belief it would prove that I was wrong.

Mr. HAMMER. The statistics show that greater activity has been going on in building in this city than in any other city in the country thus far this year. Is it not a further fact that with the wide difference prevailing between the opinions of the tenants and those of the landlords, as the hearings show, there is a condition existing in the District which requires an arbitration board to settle and adjust those differences?

Mr. GILBERT. I will say to the gentleman that the situation may be more acute in the city of Washington than elsewhere by reason of the cause that I have just stated; but that condition exists in every city in the United States to-day. In the city of Louisville—the only one I have personal information about—they can not supply housing facilities. It may be a little more acute in Washington than elsewhere.

Mr. ROSE. Mr. Chairman, will the gentleman yield?

Mr. GILBERT. Yes.

Mr. ROSE. I listened to the remarks of the gentleman from West Virginia [Mr. REED] and to the questions of the gentleman from North Carolina [Mr. HAMMER]. Taking that to be the true explanation of this situation in the city of Washington, that the building operations here have exceeded those of almost every other city in the Union, is it not true that after the buildings are erected the owners refuse to rent them, and put them up only at public or private sale?

Mr. GILBERT. The testimony is to the effect that the great amount of building that has been going on here is for sale and not for rental purposes.

Mr. WOODS of Virginia. Mr. Chairman, will the gentleman yield?

Mr. GILBERT. Yes.

Mr. WOODS of Virginia. Has the gentleman's committee considered the advisability of legislating not along this line but along this line of taking the analogy of the usury statute like the principle of this bill? It seems to me that some gentlemen who oppose this bill that we will probably suffer from rent extortion here unless you have some measure, yet I do not like the principle of this bill. It seems to me that some general bill along the other line would not be of such a socialistic tendency.

Mr. GILBERT. I was not a member of the subcommittee that discussed this bill, but I know that they considered it pretty thoroughly in all its phases.

Mr. MILLSPAUGH. Mr. Chairman, will the gentleman yield?

Mr. GILBERT. Yes.

Mr. MILLSPAUGH. The gentleman from North Carolina [Mr. HAMMER] has just asked the gentleman a question as to the amount of building that has been done in the city of Washington as compared with other cities, stating that about 61 or 62 per cent of it was for apartment houses for rent. Is it not a fact that almost all the apartment houses being built here are of the luxurious type of apartment houses, that bear a high rental? And is it not also a fact that there is a dearth of the smaller apartment houses, and that there is a great amount of capital at present ready to go into this class of houses if the Ball rent act expires, and further, the fact that no banking concern, whether in Washington, New York, Boston, Philadelphia, or any of the other financial centers, will invest money for the building of an apartment house here at this time because of the Ball rent act, but did do it before because of the fact that they were given to understand that this rent act would expire on the 22d of May, it being stated last August, when this bill was up before, that there would not be another extension of the act? Even the distinguished author of the bill at the other end of the Capitol made that statement.

Mr. GILBERT. There was much evidence to that effect. However, as you gentlemen observe, I am not basing my argument upon any of those local conditions.

Mr. HAMMER. The gentleman does not mean to say that that was the evidence before our committee?

Mr. GILBERT. I say there was much evidence to that effect.

Mr. HAMMER. Before our committee?

Mr. GILBERT. Yes. And there was much evidence to the contrary.

Mr. LINTHICUM. The gentleman has mentioned Baltimore. How does the gentleman account for the fact that rentals in Baltimore are cheaper than they are in Washington, while the people in Baltimore pay a $3 city tax rate, and in addition States taxes, and here they pay only about $1.70 on a two-thirds valuation and have the other part of the taxes paid by the National Government?

Mr. GILBERT. I am not familiar with the facts in that case. I am simply saying to you that as far as the principle applies, it will be detrimental to Washington and it will also be detrimental to the class it is intended to help. If this law is continued in effect much longer, in my opinion, the sufferers will be the tenants.

Mr. LINTHICUM. Let me ask the gentleman another question.

Mr. GILBERT. I decline to yield any further just now until I have finished this thought. It will result necessarily in great detriment to the tenants. Let me tell you why. Here is a man who, perhaps, by some bad fortune or mismanagement has built an apartment house that is entirely too expensive. He goes to the commission. He tells them the amount of capital he has invested. The commission fixes the rental on that apartment in proportion to the investment in order to yield a fair return. Now, here is another man who by good fortune and by greater experience has built a similar apartment much more cheaply. Under natural circumstances he would be permitted to rent it at a much cheaper rate, but when his neighbor for the same service is getting a higher rental based upon inexperience, of course he is going to get the same rental for the same service.

Furthermore, the landlords and the realtors will always be better organized and better able to control the situation than the tenants will. We all know that every State in the Union attempted to harness the railroads by a State railroad commission. The first railroad commission that the State would appoint would attempt to control the railroads, but within a few years the railroads would control the commission. Now, if the tenants of the city of Washington think they are going to control this commission when the other fellows have all these investments in their hands and are organized as they can be organized, the tenants are mistaken. So, not by reason of any local situation, my sympathies are on the other side. I voted for the bill before, but it is contrary to my sense of sound legislation.

Mr. LINTHICUM. Will the gentleman yield for a question?

Mr. GILBERT. Yes.

Mr. LINTHICUM. I have this in mind: My State of Maryland has an interest law fixing the interest rate on loans at 6 per cent. Above that is usury. The State of Missouri, and, if I am not mistaken, the District of Columbia, have a rate of 8 per cent. Now, we regulate the rate of interest in excess of which they are not permitted to charge. It seems to me that if we can regulate the interest rate we ought to be legally able to regulate the rent on real estate providing for a fair and just

return. But my question is, Why does not the money leave Maryland and go to Missouri or some other State where the interest rate is higher? Does not the gentleman think it is a matter of local pride that the people have in their particular location? Is it not a question of home?

Mr. GILBERT. There is some analogy in the gentleman's illustration, and perhaps in my opinion he has selected the hardest to answer. The only way I can answer that is this, that money is a universal commodity. It is coined and regulated by the Government. Everybody must use it. That is not true of rental property. In fact, the Government should attempt to increase the interest in home holdings. There ought to be, for sound governmental purposes, as few renters as possible. Now, so far as the monopoly is concerned, I do not believe that that could exist very long. In the committee I was asked, "Do not you believe in controlling the railroads? Did you not vote for controlling the packers?" "Yes." "Well, why did you do that?" The answer is that they are national in their scope. Their powers and resources are practically unlimited. That is not true in a city of 500,000 people. I do not care if every real estate man in Washington were to sign an iron-bound agreement to control the price of rents, in my opinion it would not regulate them very long, because there would come in from Pittsburgh, from Baltimore, from Richmond, Va., from everywhere men with capital who would compete with them. That is true of everything else that Congress has ever attempted to control.

Mr. BARBOUR. Will the gentleman yield?

Mr. GILBERT. Yes.

Mr. BARBOUR. Did the investigation of the committee show that rents in Washington are higher than conditions here warrant?

Mr. GILBERT. I would not feel competent to answer the gentleman's question. There was evidence that there was no difference between Washington and other cities beyond the causes I have attempted to name.

Mr. BARBOUR. The gentleman referred to buying an apple, and stated that he believed the price was abnormally high. I agree with him on that, and I agree with him with reference to the same proposition on a great many other things here in Washington. I think Washington is one of the most expensive cities to live in and buy things in that there is in the United States, and I wondered if that same condition existed as to rents.

Mr. GILBERT. In no greater proportion than in other things, and in my humble judgment it would be an unwise thing to attempt to control their charges. I have used apples as an illustration. Of course we can do without apples, but I will take flour. Supposing the merchants in Washington should put a price on flour which was too high. Would that justify our attempting to regulate it by Congress?

Mr. BARBOUR. That is what I had in mind when I asked the gentleman the question. Are we going to submit to being charged these exorbitant prices, not only for rents but other things, or shall we make some effort to try to protect ourselves and the other people who are defenseless? Call it socialism or whatever you will. Does not the gentleman think we should do something?

Mr. GILBERT. No, sir; I think it would be absolutely hopeless to regulate by law the price of everything we have to use in the city of Washington.

Now, just one thing further—there are more visitors in Washington in proportion than in any other city in the world. The increased facilities of transportation make it possible. Our streets are thronged every day with visitors from all parts of the United States. They did not come in so large numbers a few years ago, but automobiles and other methods of transportation were not then in such common use. They are pouring in here every day; we want them, it is a sign of patriotism, but when they come they are going to have to pay a little more, not only for rent, but for everything they get, than they do in any other city in the United States; but that is not going to be cut off by a two years' extension provision because, if I understand it, this emergency will be upon us when these two years are up. It is going to exist until Washington rises to the dignity it will ultimately obtain by being the great and beautiful Capital of the greatest country the sun ever shone upon. [Applause.]

Mr. LINTHICUM. Will the gentleman yield?

Mr. GILBERT. I will.

Mr. LINTHICUM. The gentleman has stated that we ought to encourage home owning. I want to say that statistics show that Baltimore has a larger per cent of home owners than any other city in the country—60 per cent. So far as visitors are concerned, during the past week I have had from my district more than a thousand school children come over to visit the Capital. I have been encouraging that because I think it is very beneficial to them.

Mr. BARBOUR. Will the gentleman yield?

Mr. GILBERT. Certainly.

Mr. BARBOUR. Before Washington becomes the ideal city which the gentleman states, does not he think it will be necessary for some of the present residents of Washington to change their characteristics?

Mr. GILBERT. They will never be made to change them by any act of Congress.

The CHAIRMAN. The gentleman has six minutes remaining.

Mr. BLANTON. Mr. Chairman, I ask for recognition in opposition to the bill as a member of the committee.

Mr. MILLSPAUGH. Mr. Chairman, I rise in opposition to the bill.

Mr. GILBERT. Mr. Chairman, I will yield the balance of my time to the gentleman——

Mr. CAMPBELL of Kansas. Mr. Chairman, the time can not be taken by any one man to control absolutely. The gentleman from Kentucky has yielded the floor. He can not shut off another man from getting the floor.

The CHAIRMAN. The gentleman from West Virginia can use his hour in any way he sees fit. He still has 22 minutes.

Mr. CAMPBELL of Kansas. May not another member of the committee get the floor?

The CHAIRMAN. The Chair has recognized the gentleman from West Virginia for one hour.

Mr. LONDON. Mr. Chairman, a parliamentary inquiry. May not the gentleman from West Virginia move that the committee do now rise?

The CHAIRMAN. He may if he desires.

Mr. REED of West Virginia. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. WALSH having taken the chair as Speaker pro tempore, Mr. LONGWORTH, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill S. 2919 and had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent the following leave of absence was granted:

To Mr. GOODYKOONTZ, for one week, on account of public business.

To Mr. BLAND of Virginia, for an indefinite period, on account of sickness.

CALL OF THE HOUSE.

Mr. MILLSPAUGH. Mr. Speaker, I make the point of order that no quorum is present.

The SPEAKER pro tempore. Evidently there is no quorum present.

Mr. MONDELL. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

Andrew, Mass.	Deal	Husted	McSwain
Ansorge	Denison	Hutchinson	Madden
Anthony	Dickinson	Ireland	Maloney
Atkeson	Dominick	Jacoway	Mann
Bacharach	Drane	Jefferis, Nebr.	Mansfield
Barkley	Drewry	Johnson, Wash.	Michaelson
Beck	Driver	Kahn	Mills
Bixler	Dunbar	Kearns	Moore, Ill.
Blakeney	Dunn	Kelley, Mich.	Morin
Bland, Ind.	Edmonds	Kelly, Pa.	Mudd
Bland, Va.	Ellis	Kendall	Nelson, A. P.
Boies	Evans	Kennedy	Nelson, J. M.
Bowers	Fairchild	Kiess	O'Brien
Brand	Fairfield	Kindred	Ogden
Brennan	Fenn	Kinkaid	Paige
Britten	Fess	Kirkpatrick	Parker, N. J.
Brooks, Pa.	Fields	Kissel	Perkins
Brown, Tenn.	Fish	Kitchin	Perlman
Bulwinkle	Focht	Kleczka	Petersen
Burke	Fordney	Kline, N. Y.	Pou
Cannon	Frear	Kline, Pa.	Pringey
Cantrill	French	Knight	Purnell
Chandler, N. Y.	Fulmer	Kopp	Rainey, Ala.
Chandler, Okla.	Gallivan	Kreider	Rainey, Ill.
Clark, Fla.	Garrett, Tenn.	Kunz	Rayburn
Clarke, N. Y.	Gensman	Langley	Reavis
Classon	Goldsborough	Larson, Minn.	Reber
Cockran	Goodykoontz	Layton	Reed, N. Y.
Cole, Iowa	Gould	Lea, Calif.	Rhodes
Cole, Ohio	Graham, Pa.	Little	Riddick
Collins	Griffin	Logan	Riordan
Cooper, Ohio	Hawes	Lyon	Robertson
Copley	Henry	McArthur	Robsion
Cramton	Hicks	McCormick	Rodenberg
Cullen	Himes	McKenzie	Rogers
Curry	Hogan	McLaughlin, Nebr.	Rosenbloom
Dale	Hudspeth	McLaughlin, Pa.	Rossdale
Davis, Minn.	Hukriede	McPherson	Rouse

Sanders, Ind.	Stiness	Tilson	Wason
Sears	Stoll	Tinkham	White, Me.
Shreve	Strong, Pa.	Towner	Winslow
Siegel	Sullivan	Treadway	Wise
Slemp	Sweet	Upshaw	Wurzbach
Smithwick	Tague	Vaile	Wyant
Snyder	Taylor, Ark.	Vare	
Stafford	Taylor, Colo.	Volk	
Steenerson	Taylor, Tenn.	Ward, N. Y.	

The SPEAKER pro tempore. Upon this call 245 Members have answered to their names, a quorum.

Mr. BEGG. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

EXTENSION OF DISTRICT OF COLUMBIA RENTS ACT.

Mr. REED of West Virginia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 2919) to extend for a period of two years the provisions of Title II of the food control and District of Columbia rents act, and pending that, I move that general debate upon the bill be now closed. On that I demand the previous question.

The SPEAKER pro tempore. The gentleman from West Virginia moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2919, and pending that, moves that general debate on the measure be now closed, and upon that he moves the previous question.

Mr. BLANTON. Mr. Speaker. I make the point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BLANTON. I make the point of order that this bill is on the Union Calendar, that the House resolved itself into the Committee of the Whole House on the state of the Union for general debate upon the bill, that the gentleman from West Virginia, in charge of the bill, was recognized by the Chairman of the Committee of the Whole House for one hour, that he used a small portion of that hour himself, a few minutes, and then yielded to another gentleman who used 20 minutes of that time, that the opposition to the bill has not been recognized, nor has the opposition been heard, and I make the point of order that the motion to close debate is out of order until the opposition is heard.

The SPEAKER pro tempore. The Chair overrules the point of order. The House after debate has been had in Committee of the Whole House on the state of the Union can at any time decide to close debate by vote. The question is on ordering the previous question.

The question was taken.

Mr. MILLSPAUGH. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER pro tempore. The gentleman from Missouri demands the yeas and nays. Those in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Six Members have risen, not a sufficient number, and the yeas and nays are refused.

So the previous question was ordered.

The SPEAKER pro tempore. The question now recurs upon the motion that general debate on the bill now close.

The question was taken.

Mr. BLANTON. Mr. Speaker, I object to the vote because there is no quorum present, and I make the point that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count. [After counting.] Two hundred and two Members present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll. The question is on closing general debate upon the bill S. 2919.

The question was taken; and there were—yeas 233, nays 17, answered "present" 3, not voting 177, as follows:

YEAS—233.

Almon	Burtness	Crisp	Gahn
Anderson	Butler	Crowther	Garner
Andrews, Nebr.	Byrnes, S. C.	Curry	Garrett, Tex.
Appleby	Byrns, Tenn.	Dallinger	Gernerd
Arentz	Cable	Darrow	Glynn
Aswell	Cannon	Davis, Tenn.	Goldsborough
Bankhead	Carew	Dempsey	Gorman
Barbour	Carter	Doughton	Graham, Ill.
Beedy	Chalmers	Dowell	Green, Iowa
Begg	Chindblom	Dupré	Greene, Mass.
Bell	Christopherson	Dyer	Greene, Vt.
Benham	Clague	Echols	Griest
Bird	Clouse	Favrot	Hadley
Bixler	Codd	Fisher	Hammer
Bond	Collier	Fitzgerald	Hardy, Colo.
Bowling	Colton	Foster	Hardy, Tex.
Box	Connally, Tex.	Frear	Harrison
Briggs	Connell	Free	Haugen
Brooks, Ill.	Connolly, Pa.	Freeman	Hawley
Browne, Wis.	Cooper, Wis.	Frothingham	Hayden
Burdick	Coughlin	Fuller	Hays
Burroughs	Crago	Funk	Herrick
Hersey	Luce	Purnell	Swank
Hickey	Luhring	Quin	Swing
Hill	Lyon	Radcliffe	Taylor, N. J.
Hoch	McClintic	Raker	Temple
Hooker	McCormick	Ramseyer	Ten Eyck
Huddleston	McLaughlin, Mich.	Rankin	Thomas
Hull	MacGregor	Ransley	Thompson
James	Magee	Reece	Tillman
Jeffers, Ala.	Mapes	Reed, W. Va.	Timberlake
Johnson, Ky.	Martin	Ricketts	Tyson
Johnson, Miss.	Mead	Roach	Vestal
Johnson, S. Dak.	Michener	Rosenbloom	Vinson
Jones, Pa.	Miller	Rucker	Volgt
Keller	Mondell	Ryan	Volstead
Ketcham	Montague	Sabath	Walters
Kincheloe	Montoya	Sanders, N. Y.	Ward, N. C.
King	Moore, Ohio	Sanders, Tex.	Watson
Kissel	Moores, Ind.	Sandlin	Weaver
Knutson	Morgan	Schall	Webster
Kopp	Mott	Scott, Mich.	White, Kans.
Kraus	Murphy	Scott, Tenn.	White, Me.
Lampert	Nelson, Me.	Shaw	Williams, Tex.
Lanham	Newton, Minn.	Shelton	Williamson
Lankford	Newton, Mo.	Sinclair	Wilson
Larsen, Ga.	Nolan	Sisson	Wingo
Lawrence	O'Connor	Slemp	Wise
Lazaro	Oldfield	Smith, Idaho	Woodruff
Lea, Calif.	Oliver	Smith, Mich.	Woods, Va.
Leatherwood	Osborne	Smithwick	Woodyard
Lee, Ga.	Overstreet	Speaks	Wright
Lehlbach	Padgett	Steagall	Wurzbach
Lineberger	Park, Ga.	Stedman	Yates
Linthicum	Parks, Ark.	Stephens	Young
Little	Patterson, Mo.	Stevenson	Zihlman
London	Patterson, N. J.	Strong, Kans.	
Longworth	Porter	Summers, Wash.	
Lowrey	Pringey	Sumners, Tex.	

NAYS—17.

Ackerman	Elliott	Millspaugh	Tincher
Blanton	Faust	Norton	Tucker
Burton	Gilbert	Parker, N. J.	
Campbell, Kans.	Lee, N. Y.	Rose	
Cramton	Merritt	Sproul	

ANSWERED "PRESENT"—3.

Clarke, N. Y.	Underhill	Wheeler

NOT VOTING—177.

Andrew, Mass.	Edmonds	Kitchin	Reed, N. Y.
Ansorge	Ellis	Kleczka	Rhodes
Anthony	Evans	Kline, N. Y.	Riddick
Atkeson	Fairchild	Kline, Pa.	Riordan
Bacharach	Fairfield	Knight	Robertson
Barkley	Fenn	Kreider	Robsion
Beck	Fess	Kunz	Rodenberg
Black	Fields	Langley	Rogers
Blakeney	Fish	Larson, Minn.	Rossdale
Bland, Ind.	Focht	Layton	Rouse
Bland, Va.	Fordney	Logan	Sanders, Ind.
Boies	French	McArthur	Sears
Bowers	Fulmer	McDuffie	Shreve
Brand	Gallivan	McFadden	Siegel
Brennan	Garrett, Tenn.	McKenzie	Sinnott
Britten	Gensman	McLaughlin, Nebr.	Snell
Brooks, Pa.	Goodykoontz	McLaughlin, Pa.	Snyder
Brown, Tenn.	Gould	McPherson	Stafford
Buchanan	Graham, Pa.	McSwain	Steenerson
Bulwinkle	Griffin	Madden	Stiness
Burke	Hawes	Maloney	Stoll
Campbell, Pa.	Henry	Mann	Strong, Pa.
Cantrill	Hicks	Mansfield	Sullivan
Chandler, N. Y.	Himes	Michaelson	Sweet
Chandler, Okla.	Hogan	Mills	Tague
Clark, Fla.	Hudspeth	Moore, Ill.	Taylor, Ark.
Classon	Hukriede	Moore, Va.	Taylor, Colo.
Cockran	Humphreys	Morin	Taylor, Tenn.
Cole, Iowa	Husted	Mudd	Tilson
Cole, Ohio	Hutchinson	Nelson, A. P.	Tinkham
Collins	Ireland	Nelson, J. M.	Towner
Cooper, Ohio	Jacoway	O'Brien	Treadway
Copley	Jefferis, Nebr.	Ogden	Upshaw
Cullen	Johnson, Wash.	Olpp	Vaile
Dale	Jones, Tex.	Paige	Vare
Davis, Minn.	Kahn	Parker, N. Y.	Volk
Deal	Kearns	Perkins	Ward, N. Y.
Denison	Kelley, Mich.	Perlman	Wason
Dickinson	Kelly, Pa.	Petersen	Williams, Ill.
Dominick	Kendall	Pou	Winslow
Drane	Kennedy	Rainey, Ala.	Wood, Ind.
Drewry	Kiess	Rainey, Ill.	Wyant
Driver	Kindred	Rayburn	
Dunbar	Kinkaid	Reavis	
Dunn	Kirkpatrick	Reber	

So the motion to close debate was agreed to.

The Clerk announced the following additional pairs:

Until further notice:

Mr. Hutchinson with Mr. Rayburn.

Mr. Johnson of Washington with Mr. Cullen.

Mr. Layton with Mr. Buchanan.

Mr. Mudd with Mr. Pou.

Mr. Fairfield with Mr. Campbell of Pennsylvania.

Mr. Rhodes with Mr. Barkley.

Mr. Maloney with Mr. Jones of Texas.

Mr. Michaelson with Mr. Gallivan.

Mr. Kreider with Mr. Black.

Mr. Gensman with Mr. McDuffie.

Mr. Madden with Mr. Humphreys.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. A quorum is present. The Doorkeeper will open the doors.

The question is on the motion of the gentleman from West Virginia that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2919.

The question was taken, and the Speaker pro tempore announced the ayes appeared to have it.

On a division (demanded by Mr. BLANTON) there were—ayes 208, noes 10.

So the motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2919, with Mr. LONGWORTH in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2919. The Clerk will read the bill.

The Clerk read as follows:

Be it enacted, etc., That the emergency described in Title II of the food control and the District of Columbia rents act, approved October 22, 1919, still exists and continues in the District of Columbia, and that the present housing and rental conditions therein require the further extension of said act.

Mr. REED of West Virginia. Mr. Chairman——

Mr. BLANTON. A preferential motion, Mr. Chairman.

The CHAIRMAN. The gentleman from West Virginia.

Mr. BLANTON. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. I have a preferential motion, preferential under the rules of the House.

The CHAIRMAN. The Chair has recognized the gentleman from West Virginia.

Mr. REED of West Virginia. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Mr. REED of West Virginia moves to amend by striking out all of section 1, beginning with line 3 down to and including line 8, page 1, and insert in lieu thereof the following——

Mr. REED of West Virginia. With notice that if that is adopted I shall move to strike out subsequent sections of the bill when read.

The Clerk read as follows:

With notice that if adopted he will move to strike out subsequent sections of the bill when read, namely: "Strike out all of section 1 and in lieu thereof insert the following:"

"That it is hereby declared that the emergency described in Title II of the food control and the District of Columbia rents act still exists and continues in the District of Columbia, and that the present housing and rental conditions therein require the further extension of the provisions of such title."

Mr. BLANTON. Mr. Chairman, I make the point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. That the amendment is not in order. It is in order to strike out one paragraph, the first paragraph, under the notice given, but the Clerk is reading the amendment as a substitute for every paragraph in the bill at this time, which is not in order.

The CHAIRMAN. The Chair thinks the motion is in order.

The Clerk read as follows:

SEC. 2. That Title II of the food control and the District of Columbia rents act, as amended, is reenacted, extended, and continued, as hereinafter amended, until the 22d day of May, 1924, notwithstanding the provisions of section 1 of the act entitled "An act to extend for the period of seven months the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, and for other purposes," approved August 24, 1921.

SEC. 3. That section 101 of the food control and the District of Columbia rents act, as amended, is amended to read as follows:

"SEC. 101. When used in this title, unless the context indicates otherwise—

"(a) The term 'rental property' means any building or part thereof or land appurtenant thereto in the District of Columbia rented or hired, and the service agreed or required by law or by determination of the commission to be furnished in connection therewith; but does not include (1) a garage or warehouse, (2) any other building or part thereof or land appurtenant thereto used by the tenant exclusively for a business purpose other than the subleasing or otherwise subcontracting for use for living accommodations, or (3) any apartment or hotel.

"(b) The term 'person' includes an individual, partnership, association, or corporation.

"(c) The term 'apartment' means any apartment or apartment hotel, or part thereof, in the District of Columbia rented or hired and the land and outbuildings appurtenant thereto, and the service agreed or required by law or by determination of the commission to be furnished in connection therewith.

"(d) The term 'owner' includes a lessor or sublessor, or other person entitled to receive rent or charges for the use or occupancy of any rental property or apartment, or any interest therein, or his agent.

"(e) The term 'tenant' includes a subtenant, lessee, sublessee, or other person, not the owner, entitled to the use or occupancy of any rental property or apartment.

"(f) The term 'service' includes the furnishing of light, heat, water, telephone or elevator service, furniture, furnishings, window shades, screens, awnings, storage, kitchen, bath and laundry facilities and privileges, maid service, janitor service, removal of refuse, making all repairs suited to the type of building or necessitated by ordinary wear and tear, and any other privilege or service connected with the use or occupancy of any rental property or apartment.

"(g) The term 'commission' means the Rent Commission of the District of Columbia."

SEC. 4. That section 102 of the food control and the District of Columbia rents act is amended to read as follows:

"SEC. 102. (a) A commission is hereby created and established to be known as the Rent Commission of the District of Columbia. After this section, as amended, takes effect, the commission shall be composed of five commissioners, to be appointed by the President, by and with the advice and consent of the Senate; except that the present commissioners in office at the time this section, as amended, takes effect shall continue in office and shall have and exercise all the rights, powers, and duties vested in the commissioners by law until such time as a majority of the five commissioners whose appointment is provided for by this subdivision take office. The term of the five commissioners shall be for the period beginning at the time of taking office and ending May 22, 1924. Any vacancy in the office of any such commissioner shall be filled in the same manner as the original appointment, except that the appointment of the commissioner shall be made only for the unexpired term of the commissioner whom he succeeds.

"(b) In case of a vacancy in the office of one of the present commissioners prior to the time that a majority of the commissioners whose appointment is provided for by subdivision (a) take office a successor to such commissioner may be appointed by the President, by and with the advice and consent of the Senate. The term of such successor shall be for the period beginning at the time of taking office and ending at the time that a majority of the commissioners whose appointment is provided for by subdivision (a) take office.

"(c) No commissioner shall be appointed who is directly or indirectly engaged in, or in any manner interested in or connected with, the real estate or renting business in the District of Columbia.

"(d) All appointments of commissioners made before January 1, 1922, whether or not made in accordance with the law in effect at the time such appointments were made, are hereby validated and confirmed. All acts by or under the authority of the commission made in the administration of this act and all proceedings instituted by or before the commission prior to the time this section, as amended, takes effect shall, for all purposes, be regarded as having the same status as if such appointments had been valid at the time when made.

"(e) The commission shall at the time of its organization and annually thereafter elect a chairman from its membership. The commission may make such rules and regulations as may be necessary to carry this title into effect. All powers and duties of the commission may be exercised by a majority of its members. A vacancy in the commission shall not impair the right of the remaining commissioners to exercise all the powers of the commission. The commission shall have an official seal, which shall be judicially noticed."

SEC. 5. That the last sentence of the first paragraph of section 105 of the food control and the District of Columbia rents act is amended to read as follows:

"Each member of the commission may sign subpœnas, administer oaths and affirmations, summon and examine witnesses, conduct hearings, and receive evidence touching any matter which the commission is authorized to consider or investigate, and the substance of such evidence, when certified to the commission by the member of the commission who heard and received the same and when filed by the commission with the papers pertaining to such matter, may be made the basis of the commission's determination respecting the matter under consideration or investigation."

SEC. 6. That the last paragraph of section 105 of the food control and the District of Columbia rents act is amended to read as follows:

"Such attendance of witnesses and the production of such books, accounts, records, papers, and correspondence may be required from any place in the United States at any designated place of hearing. In case of disobedience to a subpœna or of the contumacy of any witness appearing before the commission, or in case of the failure to file with the commission any plans or other data required by the commission under section 117 of this title, the commission may invoke the aid of the Supreme Court of the District of Columbia or of any district court of the United States. Such court may thereupon issue an order requiring the person subpœnaed to obey the subpœna or to give evidence touching the matter in question or to file the plans or other data. Any failure to obey such order of the court may be punished by such court as a contempt thereof. No officer or employee of the commission shall, unless authorized by the commission or by a court of competent jurisdiction, make public any information obtained by the commission."

SEC. 7. That section 106 of the food control and the District of Columbia rents act is amended to read as follows:

"SEC. 106. (a) For the purposes of this title it is declared that all rental property and apartments are affected with a public interest, and that all rents and charges therefor, all service in connection therewith, and all other terms and conditions of the use or occupancy thereof, shall be fair and reasonable; and any unreasonable or unfair provision of a lease or other contract for the use or occupancy of such rental property or apartment, with respect to such rents, charges, service, terms, or conditions is hereby declared to be contrary to public policy. The commission upon its own initiative may, or upon complaint shall, determine whether the rent, charges, service, and other terms or conditions of a lease or other contract for the use or occupancy of any such rental property or apartment are fair and reasonable. Such complaints may be made and filed by or on behalf of any tenant, and by or on behalf of the owner of any rental property or apartment, notwithstanding the existence of a lease or other contract between the tenant and the owner. In fixing and determining the fair and reasonable rents, or charges for any rental property or apartment, the commission shall, in all cases, take into consideration the character and condition of the property and the character of the service, if any, furnished in connection therewith.

"(b) In all such cases the commission shall give notice personally or by registered mail and afford an opportunity to be heard to all parties in interest: *Provided*, That notice given by the commission to an agent for the collection of rents due his principal shall be deemed and held to be good and sufficient notice to the principal. The commission shall promptly hear and determine the issues involved in all complaints submitted to it. All hearings before the commission, or any member of

the commission, shall be open to the public. If the commission finds that the existing rents, charges, service, or other terms or conditions of the use or occupancy of any rental property or apartment are unfair and unreasonable, it shall fix and determine the fair and reasonable rents or charges for the rental property or apartment under consideration, and may fix and determine the fair and reasonable service, terms, and conditions of the use or occupancy of the rental property or apartment, and may also order and require the furnishing of such service by the owner as it shall lawfully determine to be fair and reasonable.

"(c) In any suit in any court of the United States or the District of Columbia involving any question arising out of the relation of landlord and tenant with respect to any rental property or apartment, except on appeal from the commission's determination as provided in this title, such court shall determine the rights and duties of the parties in accordance with the determination and regulations of the commission relevant thereto.

"(d) The commission shall file with its determination a finding of the facts on the evidence presented, and upon which its determination is based. Such finding of facts shall set out the following: (1) The fair and reasonable value of the whole property; (2) the allowance for maintenance, repairs, taxes, service, and all other expenses; (3) the separate rentals of the whole property as fixed by the commission, or if not fixed by the commission, then as paid by the tenants; (4) the commission's estimated net return to the owner upon the value as fixed by it; and (5) such other findings of fact as the commission deems proper to submit. Such findings of fact shall constitute a part of the record of the case."

SEC. 8. That section 108 of the food control and the District of Columbia rents act is amended to read as follows:

"SEC. 108. (a) Unless within 10 days after the filing of the commission's determination any party to the complaint appeals therefrom to the Supreme Court of the District of Columbia in general term, the determination of the commission shall be final and conclusive. The Supreme Court of the District of Columbia, in general term, is hereby given jurisdiction to hear and determine appeals taken from determinations of the commission, and such appeals shall be given precedence over the other business of the court. At the hearing of such appeals the chief justice of the court shall preside, with at least two of the associate justices thereof, to be designated by the chief justice. In the absence of the chief justice, the senior associate justice of the court shall preside, have the powers, and perform the duties of the chief justice.

"(b) If such an appeal is taken from the determination of the commission, the record before the commission, or such part thereof as the court may order, shall be certified by it to the court and shall constitute the record before the court, and the commission's determination shall not be modified or set aside by the court, except for error of law.

"(c) If any party applies to the court for leave to adduce additional evidence and shows to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceedings before the commission, the court may order such additional evidence to be taken before the commission and to be adduced upon the hearing in such manner and upon such terms and conditions as the court may deem proper. The commission may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, which shall be conclusive, and its recommendations, if any, for the modification or setting aside of its original determination, with the return of such additional evidence.

"(d) In the proceedings before such court on appeal from a determination of the commission, the commission shall appear by its attorney or other representative and submit oral or written arguments to support the findings and the determination of the commission.

"(e) No determination of the commission shall be affirmed, set aside, modified, or otherwise reviewed, or its enforcement in any manner stayed, except upon appeal from such determination as provided by this title."

SEC. 9. That section 109 of the food control and the District of Columbia rents act is amended to read as follows:

"SEC. 109. (a) The right of a tenant to the use or occupancy of any rental property or apartment, existing at the time this act takes effect, or thereafter acquired, under any lease or other contract for such use or occupancy or under any extension thereof by operation of law, shall, notwithstanding the expiration of the term fixed by such lease or contract, continue at the option of the tenant, subject, however, to any determination or regulation of the commission relevant thereto; and such tenant shall not be evicted or dispossessed so long as he pays the rent and performs the other terms and conditions of the tenancy as fixed by such lease or contract, or, in case such lease or contract is modified by any determination or regulation of the commission, then as fixed by such modified lease or contract.

"(b) All remedies of the owner at law or equity, based on any provision of any such lease or contract to the effect that such lease or contract shall be determined or forfeited if the premises are sold, are hereby suspended so long as this title is in force. Every purchaser shall take conveyance of any rental property or apartment subject to the rights of tenants as provided in this title.

"(c) The rights of the tenant under this title shall be subject to the limitation that the bona fide owner of any rental property or apartment shall, upon giving 30 days' notice in writing, served in the manner provided by section 1223 of the act entitled 'An act to establish a code of laws for the District of Columbia,' approved March 3, 1901, as amended (which notice shall contain a full and correct statement of the facts and circumstances upon which the same is based), have the right to possession thereof, (1) if necessary immediately for actual and bona fide occupancy by himself, or his wife, children, or dependents, or for the making of material repairs or alterations, or for the remodeling or erection of a new building, whether or not to be used for rental purposes by the owner, or for any other purpose inconsistent with the continued use or occupancy of the existing tenant, if such purpose does not involve unfair discrimination against such tenant and in favor of any subsequent tenant, or (2) if the tenant commits waste, nuisance, breach of peace, or is otherwise disorderly upon the premises; but in no case shall possession be demanded or obtained by such owner in contravention of the terms of any such lease or contract. After the expiration of the 30 days' period specified in such notice, the owner of the rental property or apartment may recover possession thereof in accordance with such act of March 3, 1901, as amended. If there is a dispute between the owner and the tenant as to the accuracy or sufficiency of the statement set forth in such notice, as to the good faith of such demand, or as to the service of notice, the matters in dispute shall be determined by the court in the proceedings for the recovery of possession. Any such dispute pending before the commission upon complaint at the time this section as amended takes effect shall be determined by the court in accordance with the provisions of this section.

"(d) During the period between the service of the notice and the final decision in the proceedings for the recovery of possession the tenant shall pay to the owner rent in accordance with the terms of the lease or other contract for the use or occupancy of the rental property or apartment, or, in case such lease or contract is modified by any determination of the commission, then in accordance with such modified lease or contract. Acceptance of such rent by the owner shall not be held a waiver by him of any right under the provisions of this section or under the terms of the lease or contract. If any tenant fails so to pay rent to the owner during such period, the rights of the tenant under this section shall cease."

SEC. 10. That section 110 of Title II of the food control and the District of Columbia rents act is amended by inserting "(a)" after the section number and by amending the last sentence thereof to read as follows:

"(b) In case of the increase of the rent for the use or occupancy of any rental property or apartment, made by a determination of the commission from which an appeal is taken by the tenant under the provisions of this title, the tenant shall, from time to time during the period between the filing of the determination and the time when the determination becomes final, and in accordance with the terms of the lease or other contract, pay to the commission the amount of the increase and to the owner the remainder of the amount of rent fixed by the determination. In lieu of such payments the tenant may, in the discretion of the commission and at the time of taking the appeal, give bond, approved by the commission, for the payment of the amount of the increase. The disposition of moneys so paid to the commission and the payments under the terms of the bond shall be made in accordance with the determination of the commission as modified by the final decision on appeal. The court shall dismiss the appeal of any tenant who fails to comply with this subdivision.

"(c) In case of a decrease of the rent by any such determination, the tenant shall, from time to time during such period and in accordance with the terms of the lease or other contract, pay to the owner the amount of rent fixed by the determination. The difference, if any, between the amount of rent paid during such period and the amount that would have been payable for such period, under the determination as modified in accordance with the final decision on appeal, may be added to future rent payments or sued for and recovered in an action in the municipal court of the District of Columbia.

"(d) The amendment of this section shall not be held to terminate any right for the recovery of rent in an action in the municipal court of the District of Columbia if such right arose prior to the time that this section as amended takes effect.

"(e) The decision of the Supreme Court of the District of Columbia upon appeal from any determination of the commission shall be final, except that it shall be subject to review by the Supreme Court of the United States upon certiorari to the same extent as cases subject to such review under section 240 of the Judicial Code, if such writ is duly applied for within 30 days after the decision is rendered. The issue of the writ shall not operate as a supersedeas or in any manner stay or postpone the decision of the Supreme Court of the District of Columbia if such decision affirms or modifies the determination of the commission."

SEC. 11. That section 111 of the food control and the District of Colubia rents act is amended to read as follows:

"SEC. 111. The determination of the commission in a proceeding begun by complaint or upon its own initiative fixing fair and reasonable rents, charges, service, and other terms and conditions of use or occupancy of any rental property or apartment shall constitute the commission's determination of the fairness and reasonableness of such rents, charges, service, terms, or condition for the rental property or apartment affected, and shall remain in full force and effect notwithstanding any change in ownership or tenancy thereof, unless and until the commission modifies or sets aside such determination upon complaint either of the owner or of the tenant."

SEC. 12. That section 112 of the food control and the District of Columbia rents act is amended to read as follows:

"SEC. 112. (a) If the owner of any rental property or apartment collects any rent or charge therefor in excess of the amount fixed in a determination of the commission made and in full force and effect in accordance with the provisions of this title, he shall be liable for and the commission is hereby authorized and directed to commence an action in the municipal court of the District of Columbia to recover double the amount of such excess, together with the costs of the proceeding, which shall include an attorney's fee of $50, to be taxed as part of the costs. Such actions shall be brought in the municipal court, regardless of the amount to be recovered, and the municipal court is hereby given special jurisdiction to hear and determine all such cases.

"(b) The commission is hereby authorized to bring such actions without the payment of costs, and no bond shall be required in the case of any appeal taken by the commission from any judgment of the municipal court in any such case. Out of any sums received on account of such recovery the commission shall pay over to the tenant the amount of the excess so paid by him and the balance shall be paid into the Treasury of the United States to the credit of the District of Columbia: *Provided*, That if the commission finds that such excess was paid by the tenant voluntarily and with knowledge of the commission's determination, the whole amount of such recovery shall be paid into the Treasury of the United States to the credit of the District of Columbia.

"(c) The commission may compromise any case arising under this section instead of commencing an action in respect thereto, or may compromise such case after an action in respect thereto has been commenced. Whenever any such case is compromised there shall be placed on file in the office of the commission a written opinion of the commission or its attorney stating the reasons for such compromise, the amount of the excess rent or charge for which the owner is liable, and the amount thereof actually paid in accordance with the terms of the compromise."

SEC. 13. That section 113 of the food control and the District of Columbia rents act is amended to read as follows:

"SEC. 113. (a) If in any proceeding before the commission, begun by complaint or on the commission's own initiative, and involving any lease or other contract for the use or occupancy of any rental property or apartment, the commission finds that at any time after the passage of this act, but during the tenancy, the owner has, directly or indirectly, willfully withdrawn from the tenant any service agreed or required by a determination of the commission to be furnished, or has by act, neglect,

or omission contrary to such lease or contract or to the law or any ordinance or regulation made in pursuance of law, or of a determination of the commission exposed the tenant, directly or indirectly, to any unsafe or insanitary condition, or imposed upon him any burden, loss, or unusual inconvenience in connection with his use or occupancy of such rental property or apartment, the commission shall determine the sum which in its judgment will fairly and reasonably compensate or reimburse the tenant therefor. In any such proceeding involving a lease or other contract, in which the term specified had not expired at the time the proceeding was begun, the commission shall likewise determine the amount or value of any bonus or other consideration in excess of the rental named in such lease or contract received at any time directly or indirectly by the owner in connection with such lease or contract. The tenant may recover any amount so determined by the commission in an action in the municipal court of the District of Columbia.

"(b) Any person who, after the passage of this amendatory act, willfully fails to furnish the tenants of any rental property or apartment such service (1) as has ordinarily been furnished the tenant of such rental property or apartment prior to such failure, or (2) as is required either expressly or impliedly to be furnished by the lease or other contract for the use or occupancy of the rental property or apartment, or any extension thereof by operation of law, shall, upon conviction, be punished by a fine not exceeding $1,000 or by imprisonment for not more than one year, or by both."

SEC. 14. That section 116 of the food control and the District of Columbia rents act is amended to read as follows:

"SEC. 116. Any person who with intent to avoid the provisions of this title enters into any agreement or arrangement for the payment of any bonus or other consideration in connection with any lease or other contract for the use or occupancy of any rental property or apartment, or who participates in any fictitious sale or other device or arrangement the purpose of which is to grant or obtain the use or occupancy of any rental property or apartment without subjecting such use or occupancy to the provisions of this title or to the jurisdiction of the commission, shall upon conviction be punished by a fine not exceeding $1,000, or by imprisonment for not exceeding one year, or by both."

SEC. 15. That section 117 of the food control and the District of Columbia rents act is amended to read as follows:

"SEC. 117. (a) The commission shall prescribe standard forms of leases and other contracts for the use or occupancy of any rental property or apartment and shall require their use by the owner thereof. Every such lease or contract entered into after the commission has prescribed and promulgated a form for the tenancy provided by such lease or contract shall be deemed to accord with such standard forms; and any such lease or contract in any proceeding before the commission or in any court of the United States or of the District of Columbia shall be interpreted, applied, and enforced in the same manner as if it were in the form and contained the stipulations of such standard form.

"(b) The owner of an apartment shall file with the commission, but only in such cases as the commission deems necessary, plans and other data in such detail as the commission requires, descriptive of the rooms, accommodations, and service in connection with such apartment, and a schedule of rates and charges therefor. The commission shall, after consideration of such plans, schedules, data, or other information, determine and fix a schedule of fair and reasonable rates and charges for such apartments; and the rates and charges stated in such schedule shall thereafter constitute the fair and reasonable rates and charges for such apartment. The commission's determination in such case shall be made after such notice and hearing and shall have the same force and effect and be subject to appeal in the same manner as a determination of the commission under section 106 of this title."

SEC. 16. That section 118 of the food control and the District of Columbia rents act is amended by adding at the end thereof a new sentence to read as follows: "This section shall not be construed as in any way authorizing the assignment of any lease or the subletting of any rental property or apartment in violation of the terms of the lease or other contract for the use or occupancy of the rental property or apartment, or of such lease or contract as extended by operation of law."

SEC. 17. That subdivision (b) of section 124 of the food control and the District of Columbia rents act, as amended, is amended to read as follows:

"(b) In the case of (1) any proceeding begun under the provisions of section 114 before the termination of this title, or (2) any proceeding on appeal from a determination of the commission begun before the termination of this title, such proceeding may, after such termination, be continued in the same manner with the same effect as if this title had not been terminated, and all powers and duties in respect to such proceedings (including the custody and disposition of moneys paid under section 110) vested in the commission by this title shall for the purposes of such proceedings be vested in the Attorney General."

SEC. 18. The food control and the District of Columbia rents act is amended by adding at the end thereof a new section to read as follows:

"SEC. 125. The commission shall, as soon as practicable after this section takes effect and at least semiannually thereafter, publish its determinations, opinions, rulings, and regulations, all important court and administrative decisions in respect to this act, and such provisions of the law relating to landlords and tenants as the commission deems advisable, together with a cumulative index-digest thereof."

SEC. 19. This act shall take effect upon its passage; except that if its passage occurs after May 21, 1922, it shall be held to have taken effect as of such date.

SEC. 20. That all acts or parts of acts in conflict herewith are, to the extent that they are in such conflict, suspended so long as Title II of the food control and the District of Columbia rents act is in force.

During the reading, page 18, line 6,

Mr. MILLSPAUGH. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Missouri rise?

Mr. MILLSPAUGH. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. The gentleman from Missouri moves that the committee do now rise.

The question was taken and the Chair announced that the noes appeared to have it.

On a division (demanded by Mr. MILLSPAUGH) there were—ayes 3, noes 162.

Mr. MILLSPAUGH. Mr. Chairman, I make the point of order there is no quorum present.

Mr. BEGG. Mr. Chairman, I make the point of order that the tactics of the gentleman from Missouri——

The CHAIRMAN. The Clerk will read.

The Clerk resumed and concluded the reading of the amendment.

Mr. REED of West Virginia. Mr. Chairman, the amendment which has just been read is one tending to simplify the action of the House; it embraces the amendments to the Senate bill, agreed to after mature consideration for several days, by the House Committee on the District of Columbia. The amendment presents the complete bill as it would appear after these several amendments are approved. If the House adopts it in this form I have the assurance that it will be approved by another body; it is understood they are ready to accept it in this form.

Mr. BLANTON. I offer a substitute, Mr. Chairman. [Cries of "Vote!"]

The CHAIRMAN. The gentleman from Texas offers a substitute, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON as a substitute to the amendment offered by the gentleman from West Virginia [Mr. REED].
Page 1, lines 1 and 2, strike out the enacting clause.

Mr. BLANTON. Mr. Chairman——

Mr. BANKHEAD. Mr. Chairman, I make the point of order that the motion to strike out the enacting clause is not a substitute.

The CHAIRMAN. The Chair thinks the motion to strike out the enacting clause is a preferential motion.

Mr. BANKHEAD. But it is not a substitute for the amendment offered by the gentleman from West Virginia.

Mr. BLANTON. I first offered it as a preferential motion.

The CHAIRMAN. The Chair thinks even offered as a substitute it is in order.

Mr. BLANTON. Mr. Chairman, I feel when the House is in a mood, as the distinguished ex-Speaker Clark used to say, it is futile for anybody to go against that mood; but I am sure that when we pass a measure that contains 24 pages of legislation that can take away from every property owner in this District the management and control of his own property for two whole years more, such as this bill does, it ought not to pass without at least five minutes' discussion in opposition, and those five minutes are the only five minutes that have been given to the opposition to discuss the measure. It is also futile to try to discuss 24 pages of legislation in five minutes; but I want to say this, that there is not a single reason in the world for continuing this class of legislation two years longer. No one will deny that property here is rented outrageously high——

Mr. BEGG. Will the gentleman yield?

Mr. BLANTON. Excuse me, please. The city is full of such profiteers, and if you will make an investigation such as I have made you will find in large measure that in many instances where property is renting for $100 a month to-day the owner of that property is not receiving more than $25.

The other $75 is being drawn into the pockets of some middle profiteer, not the owner of the property, and is protected by this law. That is what is keeping up the rental of property in Washington; that is why it is higher than in Baltimore, though the tax rate there is much greater than here. And I want to say that there has not been a single residence in Washington that has been built for private family use for rental purposes in three years.

Mr. BEGG. Will the gentleman yield for a question?

Mr. BLANTON. Excuse me for a minute.

There are apartment houses that have been built, but you will not find a single private residence that has been built in Washington for rental purposes for three years, since this act has been in force.

You will find lots of residences that have been built for sale, but I am speaking of residences for rental purposes. And there is not a man of means in Washington or elsewhere in the United States who would be foolish enough to build residences in Washington for rental purposes with such an act in force as this, that takes the control of his property away from him and places it in the hands of a private rent commission. I want to say that one of the most sacred rights under the Constitution of this Government is the sacred right of property ownership. When you destroy the right of the individual to the protection of his private property, which he is supposed to enjoy under the Constitution of this land, you are destroying a most sacred right, indeed. I can not find it in my heart to take that right away from all the property owners of the District of Columbia simply because there are rent profiteers among them.

I voted for this bill both the last time and before, but the last time we were facing a winter, where, if parties had been turned out, they would have suffered. Should there not be five minutes of discussion of legislation like this, in an orderly body such as the House of Representatives, the direct representatives of the people of this Nation, sitting here supposedly to take care of their interests. I appeal to you gentlemen that we have proper debate of the bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. REED of West Virginia. Mr. Speaker, I believe that I understand the temper of the committee at this time. It has before it a splendid report on this bill, which explains all its provisions. I feel well assured that the committee is ready to vote on the merits of the bill. Therefore, I move you, Mr. Chairman, that all debate on the sections of the amendment and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from West Virginia moves that all debate on the amendment and amendments thereto do now close.

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. BLANTON and Mr. MILLSPAUGH demanded a division.

The committee divided; and there were—ayes 160, noes 4.

So the motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BLANTON].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. BLANTON. I ask for a division, Mr. Chairman.

The committee divided, and there were—ayes 4, noes 158.

So the amendment was rejected.

The CHAIRMAN. The question is now on the amendment offered by the gentleman from West Virginia [Mr. REED].

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. BLANTON. Mr. Chairman, I ask for a division.

The committee divided, and there were—ayes 162, noes 3.

So the amendment was agreed to.

Mr. REED of West Virginia. Mr. Chairman, following the notice I gave when I made my original amendment, that in case it was adopted I would move to strike out the remaining sections of the bill, I ask unanimous consent that the remaining sections of the bill be stricken out.

Mr. BLANTON. Mr. Chairman, I object.

The CHAIRMAN. The Clerk will read.

The Clerk proceeded to read.

Mr. BEGG. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BEGG. Would an amendment be in order to move to strike out all after section 1?

The CHAIRMAN. The Chair thinks not. The Clerk will read.

The Clerk read as follows:

SEC. 2. That said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, as amended by an act entitled "An act to extend for the period of seven months the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, and for other purposes," approved August 24, 1921, be, and the same is hereby, reenacted, extended, and continued, as hereinafter amended, from the date of the approval of this act until the 22d day of May, 1924, notwithstanding the provisions of the first section of the act entitled "An act to extend for the period of seven months the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, and for other purposes," approved August 24, 1921.

Mr. REED of West Virginia. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from West Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. REED of West Virginia moves to strike out section 2 of the bill, beginning on page 2, line 1, and ending on page 2, line 15, inclusive.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. BEGG. Mr. Chairman, I make the point of order that debate has been closed.

Mr. BLANTON. That was only on the amendment of the gentleman and all amendments thereto. This is a new amendment.

The CHAIRMAN. The Chair is inclined to think that the gentleman from Texas [Mr. BLANTON] has the right to recognition on section 2 of the bill.

Mr. BEGG. Mr. Chairman, the motion made by the gentleman from West Virginia was to close debate on the pending amendment and all amendments offered to the bill.

Mr. BLANTON. Oh, no.

The CHAIRMAN. The motion was to close debate on his amendment and all amendments thereto. This is section 2 of the bill, and the gentleman from Texas is entitled to recognition on section 2 of the bill in opposition to the motion of the gentleman from West Virginia.

Mr. BLANTON. Mr. Chairman, I would not inflict the House with any remarks if we had had debate on the bill. But we have not had any. Why, there are some clauses in here, I am sure, that few of the Members understand. While you speak of the property owner having the right to take possession of his property, I want to call your attention to the conditions under which he can not get possession of his property even within the two years. Even if the claim is that he needed it for himself and his family, the tenant can come in and deny it, and it creates an issuable fact to be tried by a jury in the court, and that places the property owner at a disadvantage of having to establish by a preponderance of testimony that he does want it for his own private interest. Suppose he and his wife only know all the facts. He testifies that he wants the property for his own private interests; he testifies that he needs it; his wife testifies to those facts; the tenants then come in and deny it and attempt to show that the owner does not need it.

Mr. SPROUL. Mr. Chairman, can we have order?

The CHAIRMAN. The committee will be in order.

Mr. BLANTON. I want to assure my friend from Illinois that I am not disturbed. I am sure there are only a few who would forget themselves and create disorder. I am sure that when they think of the proposition that we have not had any debate on this bill they will not create disorder, but will let us be heard at least for five minutes.

When the owner and his wife testify to a certain fact, and the tenant and his wife deny and testify to other facts, there are few juries and few courts that would hold that the owner had proven his case by a preponderance of testimony. Here you are, an American citizen, with property owned in this country under constitutional right, denied your right because, forsooth, only you and your wife know the facts upon which your rights can be based.

Take the second case, where a man wants to improve his property or rebuild it. The tenant and his wife can deny what he only and his wife assert, and the owner is unable to prove his case by a preponderance of testimony, and he is absolutely prevented from enjoying the use of his own property, notwithstanding his constitutional right.

The CHAIRMAN. The time of the gentleman from Texas has expired. The question is on agreeing to the motion of the gentleman from West Virginia [Mr. REED] to strike out section 2.

The question was taken, and the Chairman announced that the ayes appeared to have it.

Mr. BLANTON. I call for a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 140, noes 1.

So the motion was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3. That section 101 of said Title II of the food control and the District of Columbia rents acts, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 101. When used in this title, unless the context indicates otherwise—

"The term 'rental property' means any building or part thereof or land appurtenant thereto in the District of Columbia rented or hired, and the service agreed or required by law or by determination of the commission to be furnished in connection therewith; but does not include (a) any portion of an apartmepnt building, (b) a garage or warehouse, or (c) any other building or part thereof or land appurtenant thereto used by the tenant exclusively for a business purpose other than the subleasing or otherwise subcontracting for use for living accommodations.

"The term 'person' includes an individual, partnership, association, or corporation.

"The term 'apartment' means any apartment or part thereof in the District of Columbia rented or hired and the land and outbuildings appurtenant thereto, and the service agreed or required by law or by determination of the commission to be furnished in connection therewith.

"The term 'owner' includes a lessor or sublessor, or other person entitled to receive rent or charges for the use or occupancy of any rental property or apartment, or any interest therein, or his agent.

"The term 'tenant' includes a subtenant, lessee, sublessee, or other person, not the owner, entitled to the use or occupancy of any rental property or apartment.

"The term 'service' includes the furnishing of light, heat, water, telephone or elevator service, furniture, furnishings, window shades, screens, awnings, storage, kitchen, bath and laundry facilities and privileges, maid service, janitor service, removal of refuse, making all repairs suited to the type of building or necessitated by ordinary wear and tear, and any other privileges or service connected with the use or occupancy of any rental property or apartment.

"The term 'commission' means the Rent Commission of the District of Columbia."

Mr. REED of West Virginia. Mr. Chairman, I move to amend by striking out the section.

The CHAIRMAN. The gentleman from West Virginia moves to amend by striking out the section. The Clerk will report the amendment offered by the gentleman from West Virginia.

The Clerk read as follows:

Mr. REED of West Virginia moves to strike out section 3, beginning on line 16 of page 2 and ending on line 7 of page 4, inclusive.

Mr. BEGG. Mr. Chairman, I do not think there is any argument or reason why this section should not be striken out. Therefore I move that the debate on this section close.

The CHAIRMAN. The gentleman from Ohio moves that the debate on this section be now closed. The question is on agreeing to that motion.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. BLANTON. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 151, noes 3.

So the motion was agreed to.

The CHAIRMAN. The question is on agreeing to the motion of the gentleman from West Virginia to strike out all of section 3.

The motion was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 4. That section 102 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 102. A commission is hereby created and established to be known as the Rent Commission of the District of Columbia, which shall be composed of five commissioners, none of whom shall be directly or indirectly engaged or in any manner interested in or connected with the real estate or renting business in the District of Columbia. The commissioners shall be appointed by the President, by and with the advice and consent of the Senate. The term of each commissioner shall be for the period covered by this act, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he succeeds. The commission, as at present constituted, shall continue in office and shall have and exercise all the powers and duties now vested in them pending the appointment and confirmation of the five commissioners provided for herein.

"The commission shall at the time of its organization and annually thereafter elect a chairman from its membership. The commission may make such rules and regulations as may be necessary to carry this title into effect. All powers and duties of the commission may be exercised by a majority of its members. A vacancy in the commission shall not impair the right of the remaining commissioners to exercise all the powers of the commission. The commission shall have an official seal, which shall be judicially noticed."

Mr. BEGG. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BEGG. Did the Chair put the motion of the gentleman from West Virginia [Mr. REED] to strike out the section, or did the Chair just put the motion of the gentleman from Ohio to close debate? Is it not required that the Chair put the motion to strike out?

The CHAIRMAN. The Clerk informs the Chair that the motion to strike out the section was agreed to.

Mr. REED of West Virginia. Mr. Chairman, I move that the section just read be stricken out.

The CHAIRMAN. The gentleman from West Virginia moves that the section just read be stricken out. The Clerk will report the gentleman's motion.

The Clerk read as follows:

Mr. REED of West Virginia moves to strike out all of section 4, beginning with line 8 of page 4 and ending with line 25 of page 6, inclusive.

Mr. BEGG. Mr. Chairman, the amendment to this bill having been adopted, there is not any use in having this paragraph in. I therefore move to close debate on the gentleman's amendment and all amendments thereto.

The CHAIRMAN. The gentleman from Ohio moves that all debate on the amendment to the amendment be closed.

Mr. BLANTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. Where a section is read under the five-minute rule and a Member is recognized under the five-minute rule, I submit that where he makes no argument debate can not be closed by a motion until there has been an argument of at least five minutes. I make the point of order that the gentleman from Ohio made no argument whatever.

The CHAIRMAN. It is always in the power of the committee after debate is had to close debate. The question is on agreeing to the motion of the gentleman from Ohio.

The question was taken, and the Chairman announced that the ayes appeared to have it.

Mr. BLANTON. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is asked for.

The committee divided; and there were—ayes 152, noes 2.

So the motion of Mr. BEGG was agreed to.

The CHAIRMAN. The question is on agreeing to the motion of the gentleman from West Virginia to strike out the section.

The question was taken, and the chairman announced that the ayes appeared to have it.

Mr. BLANTON. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is asked for.

Mr. BEGG. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BEGG. I want to know if there is any provision whereby one Member can continue to make a burlesque of the unanimous will of the House by continually calling for a division.

Mr. BLANTON. I make the point of order, Mr. Chairman, that the gentleman is violating the rules of the House.

Mr. BEGG. The gentleman was on the other side of the question a few weeks ago, and we are forced to sit here and do the same thing over and over uselessly. I make the point of order that the gentleman's calls for a division are dilatory.

Mr. KNUTSON. He has that right under the Constitution.

The CHAIRMAN. The question is on agreeing to the motion of the gentleman from West Virginia to strike out the section.

The committee divided, and there were—ayes 153, noes 3.

So the motion was agreed to.

The CHAIRMAN. The clerk will read.

The Clerk read as follows:

SEC. 5. That section 103 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, as amended by said act approved August 24, 1921, be, and the same is hereby, amended by adding thereto the following:

"The commission shall also have the power to appoint two inspectors outside of the civil service, who shall receive a salary not exceeding $2,000 a year each, payable monthly."

Mr. BEGG. Mr. Chairman, I move that the section be stricken out.

The CHAIRMAN. The gentleman from Ohio moves to strike out section 5. The question is on agreeing to that motion.

The question was taken and the Chairman announced that the ayes appeared to have it.

Mr. BLANTON. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is asked for.

The committee divided; and there were—ayes 148, noes 2.

So the motion was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 6. That the last sentence of the first paragraph of section 105 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"Any member of the commission may sign subpœnas, administer oaths and affirmations, summon witnesses, conduct hearings, and receive evidence touching any matter which the commission is authorized to consider or investigate, and the substance of such evidence, when certified to the commission by the member of the commission who heard and received the same, may be made the basis of the commission's determination respecting the matter under consideration or investigation."

Mr. REED of West Virginia. Mr. Chairman, I move to amend section 6 by striking it out.

Mr. BEGG. Mr. Chairman——

Mr. BLANTON. Mr. Chairman, I ask recognition.

The CHAIRMAN. For what purpose does the gentleman from Ohio rise?

Mr. BEGG. To debate the motion.

The CHAIRMAN. The gentleman from Ohio is recognized.

Mr. BEGG. This section, like all the others, is useless in this bill after the amendment that we have adopted. I therefore move that all debate on this section and all amendments thereto do now close.

The CHAIRMAN. The gentleman from Ohio moves that all debate on this section and all amendments thereto do now close.

The question was taken, and on a division, demanded by Mr. BLANTON, there were—ayes 139, noes 2.

Accordingly the motion was agreed to.

The CHAIRMAN. The question is on the amendment of the gentleman from West Virginia, to strike out the section.

The question being taken, on a division (demanded by Mr. BLANTON) there were—ayes 130, noes 2.

Accordingly, the motion was agreed to.

The Clerk read as follows:

SEC. 7. That the last paragraph of said section 105 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"Such attendance of witnesses and the production of such books, accounts, records, papers, and correspondence may be required from any place in the United States at any designated place of hearing. Any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce such books, accounts, records, papers, or correspondence, or who shall fail or refuse to file with the commission plans and other data in such detail as the commission may require, descriptive of the rooms, accommodations, and service in connection with any apartment, required by the commission, if in his power to do so, in obedience to the subpœna, order, or lawful requirement of the commission, or who shall neglect or refuse to comply with any lawful determination or order of the commission, requiring him to furnish heat,

electric current, or other service in any rental property or apartment shall be guilty of an offense, and upon conviction thereof by a court of competent jurisdiction shall be punished by a fine of not exceeding $1,000 or by imprisonment for not more than one year, or by both such fine and imprisonment.

"(e) The commission shall at the time of its organization and annually thereafter elect a chairman from its membership. The commission may make such rules and regulations as may be necessary to carry this title into effect. All powers and duties of the commission may be exercised by a majority of its members. A vacancy in the commission shall not impair the right of the remaining commissioners to exercise all the powers of the commission. The commission shall have an official seal, which shall be judicially noticed."

Mr. BEGG. Mr. Chairman, I move to strike out the paragraph just read.

Mr. BLANTON. A point of order, Mr Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. Under the rules of the House, a member of the committee up to this time has been recognized in preference to somebody who is not a member of the committee. The gentleman from Ohio [Mr. BEGG] is not a member of the committee. I am a member of it, and I ask the Chair whether or not the rules will permit me to be recognized by the Chair?

The CHAIRMAN. The gentleman from Ohio rose before the gentleman from Texas did.

Mr. BLANTON. I have risen before the gentleman several times.

Mr. BEGG. I was on my feet asking recognition.

The CHAIRMAN. The gentleman from Ohio [Mr. BEGG] moves to strike out the section just read.

The question being taken, on a division (demanded by Mr. BLANTON) there were—ayes 108, noes 2.

Accordingly the motion was agreed to.

The Clerk read as follows:

SEC. 8. That section 106 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 106. (a) For the purposes of this title it is declared that all (a) rental property and (b) apartments are affected with a public interest, and that all rents and charges therefor, all service in connection therewith, and all other terms and conditions of the use or occupancy thereof, shall be fair and reasonable; and any unreasonable or unfair provision of a lease or other contract for the use or occupancy of such rental property or apartment, with respect to such rents, charges, service, terms, or conditions is hereby declared to be contrary to public policy. The commission upon its own initiative may, or upon complaint shall, determine whether the rent, charges, service, and other terms or conditions of a lease or other contract for the use or occupancy of any such rental property or apartment are fair and reasonable. Such complaints may be made and filed by or on behalf of any tenant, and by or on behalf of the owner of any rental property or apartment, notwithstanding the existence of a lease or other contract between the tenant and the owner, and in fixing and determining the fair and reasonable rents, rates, or charges for any rental property or apartment, the commission shall, in all cases, take into consideration the character and condition of the property and the character of the service, if any, furnished in connection therewith.

"(b) In all such cases the commission shall give notice personally or by registered mail and afford an opportunity to be heard to all parties in interest: *Provided*, That notice given by the commission to the agent of the legal owner of any rental property or apartment, for the collection of rents, shall be deemed and held to be good and sufficient notice to said legal owner. The commission shall promptly hear and determine the issues involved in all complaints submitted to it. All hearings before the commission, or any member of the commission, shall be open to the public. If the commission finds that the existing rents, charges, service, or other terms or conditions of the use or occupancy of any rental property or apartment are unfair and unreasonable, it shall fix and determine the fair and reasonable rents, rates, or charges for the rental property, or apartment under consideration, and may fix and determine the fair and reasonable service, terms, and conditions of the use or occupancy of the property, and may also order and require the furnishing of such service by the owner as it shall lawfully determine to be fair and reasonable.

"(c) In any suit in any court of the United States or the District of Columbia involving any question arising out of the relation of landlord and tenant with respect to any rental property or apartment, except on appeal from the commission's determination as provided in this title, such court shall determine the rights and duties of the parties in accordance with the determination and regulations of the commission relevant thereto."

Mr. REED of West Virginia. Mr. Chairman, I move to amend by striking out all of the section just read.

Mr. BEGG. Mr. Chairman——

Mr. BLANTON. I desire to be heard on the amendment.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. BLANTON. Mr. Chairman, it is just as well that we should understand what onerous provisions we are placing upon the property owners of the country. A provision in this bill, read just a moment ago, provides that a party who happens to own property here in the District of Columbia, who may be in Los Angeles, Calif., or San Francisco, or who may be on a visit to Seattle, Wash., may be summoned by this Rent Commission, and under the process which we provide by which it can follow that party across the United States, if that party fails to appear and testify, he can be fined $1,000 by the court or can be placed in the attitude of being a lawbreaker of the country. Now, you may want to place your constituents in that kind of a position with that kind of a liability following them. You may want to do that where it involves merely a rental contract here in Washington. You may want to place those onerous provisions upon them. You may want to take away the rights of the private owner who has been dispossessed of his property by act of Congress for three years already. You may see fit by this act to take it away from him for another two years. I can not see the justice of the legislation that way. I am in favor of an act to stop all profiteering, but you are merely attempting to stop profiteering in one regard, and that is the rental of property. Take the taxicab service in Washington. Right now a Member of the House, yea, a Member of the Senate, yea, a Cabinet officer, can not drive down to the Union Station right now, the Washington Terminal, and enter on the inside driveway where he will be next to the entrance to the station. Under the rules laid down by the monopoly known as the Terminal Taxicab Co. a private-car owner must drive in on an outside driveway and cross the driveway of the Terminal Taxicab Co. in order to get to the depot. If the facts were investigated, it would be shown that the Terminal Taxicab Co. has bought out the Yellow Cab Service and is in absolute control of the taxicab business of this city.

Instead of there being some competition in it, there is absolutely none; you pay the same charge now in the yellow cab that you do to any of the other terminal taxicabs. If you are going to break up one class of profiteering, break it all up. Break up that with respect to shoes, break up that with respect to the food you eat, break up that with respect to other matters that are disregarded, in the interest of the people.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia.

The question was taken, and on a division (demanded by Mr. BLANTON) there were 99 ayes and 2 noes.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 9. That section 108 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 108. Unless within 10 days after the filing of the commission's determination any party to the complaint appeals therefrom to the Supreme Court of the District of Columbia, in general term, the determination of the commission shall be final and conclusive. The said Supreme Court of the District of Columbia, in general term, is hereby given jurisdiction to hear and determine appeals taken from determinations of the commission, and said appeals shall be given precedence over the other business of said court. At the hearing of said appeals the chief justice of said court shall preside, with at least two of the associate justices of said court, to be designated by said chief justice, and in the absence of said chief justice the senior associate justice of said court shall preside, have the powers and perform the duties of said chief justice.

"If such an appeal is taken from the determination of the commission, the record before the commission, or such part thereof as the court may order, shall be certified by it to the court and shall constitute the record before the court, and the commission's determination shall not be modified or set aside by the court except for error of law.

"If any party applies to the court for leave to adduce additional evidence and shows to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceedings before the commission, the court may order such additional evidence to be taken before the commission and to be adduced upon the hearing in such manner and upon such terms and conditions as the court may deem proper. The commission may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, which shall be conclusive, and its recommendations, if any, for the modification or setting aside of its original determination, with the return of such additional evidence.

"In the proceedings before such court on appeal from a determination of the commission, the commission shall appear by its attorney or other representative and submit oral or written arguments to support the findings and the determination of the commission. No owner or tenant shall apply to the said Supreme Court of the District of Columbia to review any determination of the commission fixing the fair and reasonable rents, rates, or charges for any rental property or apartment, except by appeal, as hereinbefore provided, and said court shall not issue any injunction, permanent or temporary, restraining or enjoining the commission from fixing the rents, rates, or charges for any rental property or apartment, and said court is hereby divested of any and all power and jurisdiction to issue any such injunction.

Mr. BEGG. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from Ohio moves to strike out the section.

Mr. BEGG. Mr. Chairman, I demand recognition on my amendment. There is no reason why this section should not be stricken out because an amendment has been adopted which takes the place of it, and I therefore move to close debate on the section and all amendments thereto.

The CHAIRMAN. The gentleman from Ohio moves to close debate on this amendment and all amendments thereto.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 110 ayes and 3 noes.

So the motion was agreed to.

The CHAIRMAN. The question now is on the amendment to strike out the section.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 108 ayes and 3 noes.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 10. That section 109 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 109. The right of a tenant to the use or occupancy of any rental property or apartment, existing at the time this act takes effect, or thereafter acquired, under any lease or other contract for such use or occupancy or under any extension thereof by operation of law, shall, notwithstanding the expiration of the term fixed by such lease or contract, continue at the option of the tenant, subject, however, to any determination or regulation of the commission relevant thereto; and such tenant shall not be evicted or dispossessed so long as he pays the rent and performs the other terms and conditions of the tenancy as fixed by such lease or contract, or in case such lease or contract is modified by any determination or regulation of the commission, then as fixed by such modified lease or contract.

"All remedies of the owner at law or equity, based on any provision of any such lease or contract to the effect that such lease or contract shall be determined or forfeited if the premises are sold, are hereby suspended so long as this title is in force. Every purchaser shall take conveyance of any rental property or apartment subject to the rights of tenants as provided in this title.

"The rights of the tenant under this title shall be subject to the limitation that the bona fide owner of any rental property or apartment shall have the right to possession thereof for actual and bona fide occupancy by himself, or his wife, children, or dependents, or for the purpose of tearing down or razing the same in order immediately to construct new rental property or apartment if approved by the commission, upon giving 30 days' notice in writing, served in the manner provided by section 1223 of the act entitled 'An act to establish a code of laws for the District of Columbia,' approved May 3, 1901, as amended (which notice shall contain a full and correct statement of the facts and circumstances upon which the same is based); but in no case shall possession be demanded or obtained by such owner in contravention of the terms of any such lease or contract. If there is a dispute between the owner and the tenant as to the accuracy or sufficiency of the statement set forth in such notice, as to the good faith of such demand, or as to the service of notice, the matters in dispute shall be determined by the commission upon complaint as provided in section 106 of this title.

"Any dispute made before the commission under the provisions of this section shall be filed with the commission before the notice complained of has expired."

Mr. REED of West Virginia. Mr. Chairman, I move to amend by striking out the section.

The CHAIRMAN. The gentleman from West Virginia moves to amend by striking out the section.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 112 ayes and 3 noes.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 11. That section 111 of the food control and the District of Columbia rents act is amended to read as follows:

"SEC. 111. The determination of the commission in a proceeding begun by complaint or upon its own initiative fixing fair and reasonable rents, charges, service, and other terms and conditions of use or occupancy of any rental property or apartment shall constitute the commission's determination of the fairness and reasonableness of such rents, charges, service, terms, or condition for the rental property or apartment affected, and shall remain in full force and effect notwithstanding any change in ownership or tenancy thereof, unless and until the commission modifies or sets aside such determination upon complaint either of the owner or of the tenant."

Mr. REED of West Virginia. Mr. Chairman, I move to amend by striking out the section.

The CHAIRMAN. The gentleman from West Virginia moves to amend by striking out the section.

Mr. REED of West Virginia. Mr. Chairman, this section ought to be stricken out, because it is taken care of by another amendment. I therefore move that all debate on the section and amendments thereto now close.

The CHAIRMAN. The question is on the motion of the gentleman from West Virginia.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 110 ayes and 3 noes.

So the motion was agreed to.

The CHAIRMAN. The question now is on the amendment striking out the section.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 105 ayes and 3 noes.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 12. That section 112 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 112. If the owner of any rental property or apartment collects any rent or charge therefor in excess of the amount fixed in a determination of the commission made and in full force and effect in accordance with the provisions of this title, he shall be liable for and the commission is hereby authorized and directed to commence an action in the municipal court of the District of Columbia to recover double the amount of such excess, together with the costs of the proceeding, which shall include an attorney's fee of $50, to be taxed as part of the costs. Such actions shall be brought in said municipal court, regardless of the amount to be recovered, and the said municipal court is hereby given special jurisdiction to hear and determine all such cases.

"The commission is hereby authorized to bring such actions without the payment of costs, and no bond shall be required in the case of any appeal taken by the commission from any judgment of the said municipal court in any such case. Out of any sums received on account of such recovery the commission shall pay over to the tenant the amount of the excess so paid by him and the balance shall be paid into the Treasury of the United States to the credit of the District of Columbia: *Provided*, That if the commission finds that such excess was paid by the tenant voluntarily and with knowledge of the commission's determination, the whole amount of such recovery shall be paid into the Treasury of the United States to the credit of the District of Columbia."

Mr. REED of West Virginia. Mr. Chairman, I move to strike out the section.

Mr. BLANTON. Mr. Chairman, a point of order——

Mr. KNUTSON. Mr. Chairman, I make the point of order that the gentleman from West Virginia has the floor.

Mr. BLANTON. Mr. Chairman, the Clerk had not reported the gentleman's amendment.

The CHAIRMAN. It is not necessary in a motion to strike out the section, the Chair may state it of his own motion. The question is on the motion of the gentleman from West Virginia.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 114 ayes and 3 noes.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 13. That section 113 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 113. If in any proceeding before the commission, begun by complainant or on the commission's own initiative, and involving any lease or other contract for the use or occupancy of any rental property or apartment, the commission finds that at any time after the passage of this act, but during the tenancy, the owner has, directly or indirectly, willfully withdrawn from the tenant any service agreed or required by a determination of the commission to be furnished, or has by act, neglect, or omission contrary to such lease or contract or to the law or any ordinance or regulation made in pursuance of law, or of a determination of the commission, exposed the tenant, directly or indirectly, to any unsafe or insanitary condition or imposed upon him any burden, loss, or unusual inconvenience in connection with his use or occupancy of such rental property or apartment, the commission shall determine the sum which in its judgment will fairly and reasonably compensate or reimburse the tenant therefor. In any such proceeding involving a lease or other contract, the terms specified in which had not expired at the time the proceeding was begun, the commission shall likewise determine the amount or value of any bonus or other consideration in excess of the rental named in such lease or contract received at any time directly or indirectly by the owner in connection with such lease or contract. The tenant may recover any amount so determined by the commission in an action in the municipal court of the District of Columbia."

Mr. REED of West Virginia. Mr. Chairman, I move to amend by striking out all of the section just read.

The CHAIRMAN. The question is on the motion of the gentleman from West Virginia to strike out the section.

Mr. BLANTON. Mr. Chairman, I demand recognition.

Mr. REED of West Virginia. Mr. Chairman, I have not yet yielded the floor.

The CHAIRMAN. The gentleman from West Virginia is recognized for five minutes, as he has not yielded the floor.

Mr. REED of West Virginia. Mr. Chairman, the reason for making the motion to strike out is easily understood; it has been taken care of already, as the Members may see by reading the corresponding section of the amendment already adopted. Therefore, I move that all debate upon this amendment and all amendments thereto be now closed.

The CHAIRMAN. The question is on the motion of the gentleman from West Virginia that all debate upon the amendment and all amendments thereto be now closed.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 102, noes 2.

So the motion was agreed to.

The CHAIRMAN. The question now is on the amendment to strike out the section.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 115, noes 1.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 14. That section 116 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 116. Any person who with intent to avoid the provisions of this title enters into any agreement or arrangement for the payment of any bonus or other consideration in connection with any lease or other contract for the use or occupancy of any rental property or apartment, or who participates in any fictitious sale or other device or arrangement the purpose of which is to grant or obtain the use or occupancy of any rental property or apartment without subjecting such use or occupancy to the provisions of this title or to the jurisdiction of the commission, shall upon conviction be punished by a fine not exceeding $1,000, or by imprisonment for not exceeding one year, or by both."

Mr. REED of West Virginia. Mr. Chairman, I move to amend the section by striking it out.

The CHAIRMAN. The gentleman from West Virginia moves to amend by striking out the section.

Mr. REED of West Virginia. Mr. Chairman, I demand recognition upon my amendment.

Mr. BLANTON. Mr. Chairman, I ask for recognition.

The CHAIRMAN. The Chair will recognize the gentleman from West Virginia.

Mr. REED of West Virginia. Mr. Chairman, it was thought by some members of the District Committee that the fine provided in this section was excessive; therefore the committee took the several sections of the bill relating to penalties and sought to mitigate some and safeguard others to an extent that I think will be entirely satisfactory. I therefore move that all debate upon the amendment and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from West Virginia moves that all debate upon the amendment and all amendments thereto be now closed.

The question was taken, and on a division (demanded by Mr. BLANTON) there were—ayes 118, noes 2.

So the motion was agreed to.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from West Virginia to strike out the section.

The question was taken, and on a division (demanded by Mr. BLANTON) there were—ayes 103, noes 2.

The Clerk read as follows:

SEC. 15. That section 117 of said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended to read as follows:

"SEC. 117. The commission shall prescribe standard forms of leases and other contracts for the use or occupancy of any rental property or apartment and shall require their use by the owner thereof. Every such lease or contract entered into after the commission has prescribed and promulgated a form for the tenancy provided by such lease or contract shall be deemed to accord with such standard forms; and any such lease or contract in any proceeding before the commission or in any court of the United States or of the District of Columbia shall be interpreted, applied, and enforced in the same manner as if it were in the form and contained the stipulations of such standard form.

"The owner of an apartment shall file with the commission plans and other data in such detail as the commission requires, descriptive of the rooms, accommodations, and service in connection with such apartment, and a schedule of rates and charges therefor. The commission shall, after consideration of such plans, schedules, data, or other information, determine and fix a schedule of fair and reasonable rates and charges for such apartments; and the rates and charges stated in such schedule shall thereafter constitute the fair and reasonable rates and charges for such apartment. The commission's determination in such case shall be made after such notice and hearing and shall have the same force and effect and be subject to appeal in the same manner as a determination of the commission under section 106 of this title."

Mr. REED of West Virginia. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from West Virginia moves to strike out the section.

MI. BLANTON. Mr. Chairman, I demand recognition.

The CHAIRMAN. The gentleman from West Virginia is recognized for five minutes, or for such portion thereof as he may desire to use.

Mr. REED of West Virginia. Mr. Chairman, this section has been cared for by the committee in the amendment already adopted, in such a way that makes it entirely satisfactory, as I understand, to the body at the other end of the Capitol. I therefor move that all debate upon the amendment and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from West Virginia moves that all debate upon the amendment and all amendments thereto be now closed.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 110, noes 2.

So the motion was agreed to.

The CHAIRMAN. The question is now on the amendment offered by the gentleman from West Virginia to strike out the section.

The question was taken, and on a division (demanded by Mr. BLANTON) there were—ayes 102, noes 2.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 16. That said Title II of the food control and the District of Columbia rents act, approved October 22, 1919, be, and the same is hereby, amended by adding thereto the following:

"SEC. 124. (a) Any violation of this act or of any order of the commission, committed before the termination of this act, may, after such termination, be prosecuted by and in the name of the Attorney General in lieu of the commission in the same manner and with the same effect as if this act had not been terminated.

"(b) In the case of (1) any proceeding begun under the provisions of section 114 before the termination of this act, or (2) any proceeding on appeal from a determination of the commission begun before the termination of this act, such proceeding may, after such termination, be continued in the same manner with the same effect as if this act had not been terminated, and all powers and duties in respect to such proceedings vested in the commission by this act shall for the purposes of such proceedings be vested in the Attorney General.

"(c) Any right or obligation based upon any provision of this act or upon any order of the commission, accrued prior to the termination of this act, may, after the termination of this act, be enforceed in the same manner and with the same effect as if this act had not been terminated.

"(d) The Attorney General may, after the termination of this act, appoint the attorney last appointed by the commission under the provisions of section 103 to assist in the enforcement of this act. Such attorney shall continue to receive compensation for such services at the rate of $5,000 per annum, payable monthly."

Mr. REED of West Virginia. Mr. Chairman, I move to amend by striking out the section.

The CHAIRMAN. The gentleman from West Virginia moves to amend by striking out the section.

Mr. REED of West Virginia. Mr. Chairman, the amendment already adopted takes care of this in a very much better manner than it is taken care of in the bill as it was received from the other body. I therefore move that all debate upon the amendment and all amendments thereto be now closed.

The CHAIRMAN. The question is on the motion of the gentleman from West Virginia that all debate upon the amendment and all amendments thereto be now closed.

The question was taken; and upon a division (demanded by Mr. BLANTON) there were—ayes 110, noes 2.

So the motion was agreed to.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from West Virginia to strike out the section.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 103, noes 2.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 17. That the proprietor, manager, owner, or other person in charge of and conducting any hotel in the District of Columbia shall post in a conspicuous place in each room thereof a card or sign plainly stating the price per day of such room, and a copy of such rates for each room shall be filed with the Rent Commission of the District of Columbia. In case the hotel is conducted on the American plan, the rates for meals shall be posted in a conspicuous place in each room of the hotel. Such cards or signs, both with reference to rooms and meals, shall be dated as of the day on which they are posted. The rates charged for rooms shall not be advanced in less than 30 days from the date of the approval of the said commissioners of the written application therefor, and in the event an advance in rates is granted the same requirements with reference to posting of notices and filing copies thereof with the Rent Commission of the District of Columbia, as above provided, shall apply.

Any person, firm, or corporation who shall violate any of the provisions of this act relating to hotel charges or who shall charge any guest a rate in excess of said posted rates shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not less than $10 nor more than $100 for each offense.

The Commissioners of the District of Columbia are hereby charged with the enforcement of this act.

Mr. REED of West Virginia. Mr. Chairman, I move to amend by striking out all of the section just read.

The CHAIRMAN. The gentleman from West Virginia moves to amend by striking out the section.

Mr. BLANTON. Mr. Chairman——

The CHAIRMAN. The gentleman from West Virginia.

Mr. REED of West Virginia. Mr. Chairman, this section is one that relates to hotels and it was in the Senate bill that came to the House. The House committee thought it best to take away from the Rent Commission the regulation and control of hotels; therefore this section was not approved and should be stricken out. I therefore move you that debate on the section and all amendments thereto do now close.

The question was taken, and the Chair announced the ayes appeared to have it.

On a division (demanded by Mr. BLANTON) there were—ayes 100, noes 2.

So the motion was agreed to.

The CHAIRMAN. The question is on the motion to strike out the section.

The question was taken, and the Chair announced the ayes appeared to have it.

On a division (demanded by Mr. BLANTON) there were—ayes 118, noes 2.

So the motion was agreed to.

The Clerk read as follows:

SEC. 18. That section 2 of the said act entitled "An act to extend for the period of seven months the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, and for other purposes," approved August 24, 1921, be, and the same is hereby, repealed.

Mr. REED of West Virginia. Mr. Chairman, I move to amend by striking out the section just read, and——

Mr. BLANTON. Mr. Chairman——

Mr. REED of West Virginia Mr. Chairman——

The CHAIRMAN. The gentleman from West Virginia.

Mr. REED of West Virginia. Mr. Chairman, this section is taken care of in another part of the bill, and therefore it is superfluous, and I accordingly move that debate on the section and all amendments thereto be now closed.

The question was taken, and the Chair announced the ayes appeared to have it.

On a division (demanded by Mr. BLANTON) there were—ayes 116, noes 3.

So the motion was agreed to.

The CHAIRMAN. The question is on the amendment to strike out the section.

The question was taken, and the Chair announced the ayes appeared to have it.

On a division (demanded by Mr. BLANTON) there were—ayes 115, noes 3.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 19. That all orders and determinations heretofore or hereafter made by the commission shall be and remain in full force and effect until the termination of this act.

Mr. REED of West Virginia. Mr. Chairman, I move to amend by striking out all of the section just read. Mr. Chairman, my amendment to the Senate bill already adopted makes this part of the bill entirely unnecessary and it should be stricken from the bill, and I therefore move that debate on the section and all amendments thereto be now closed.

The question was taken, and the Chair announced the ayes appeared to have it.

On a division (demanded by Mr. BLANTON) there were—ayes 115, noes 3.

So the motion was agreed to.

The CHAIRMAN. The question is on the amendment to strike out the section.

The question was taken, and the Chair announced the ayes appeared to have it.

On a division (demanded by Mr. BLANTON) there were—ayes 112, noes 3.

So the amendment was agreed to.

The Clerk read as follows:

SEC. 20. That all acts or parts of acts in conflict herewith are hereby repealed.

Mr. REED of West Virginia. Mr. Chairman, I move to amend by striking out the section just read. Mr. Chairman——

Mr. BLANTON. Mr. Chairman——

The CHAIRMAN. The gentleman from West Virginia.

Mr. REED of West Virginia. Mr. Chairman, the members of the committee who are familiar with the foregoing part of the bill will find that the subject matter of this section is taken care of, and therefore I deem it superfluous, and move that debate on this section and all amendments thereto be now closed.

The question was taken, and the Chair announced the ayes appeared to have it.

On a division (demanded by Mr. BLANTON) there were—ayes 109, noes 4.

So the motion was agreed to.

The CHAIRMAN. The question is on the amendment to strike out the section.

The question was taken, and the Chair announced the ayes appeared to have it.

On a division (demanded by Mr. BLANTON) there were—ayes 118, noes 2.

So the amendment was agreed to.

Mr. REED of West Virginia. Mr. Chairman, I move that the committee do now rise and report the bill with the amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass. [Applause.]

The CHAIRMAN. The question is on the motion of the gentleman from West Virginia.

The question was taken, and the Chairman announced the ayes appeared to have it.

On a division (demanded by Mr. BLANTON) there were—ayes 160, noes 4.

So the motion was agreed to.

Accordingly the committee rose; and Mr. WALSH having resumed the chair as Speaker pro tempore, Mr. LONGWORTH, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill S. 2919, had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to, and that the bill as amended do pass.

Mr. REED of West Virginia. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The question was taken, and the Chair announced the ayes appeared to have it.

On a division (demanded by Mr. BLANTON) there were—ayes 207, noes 6.

Mr. BLANTON. Mr. Speaker, I object to the vote because there is no quorum present, and I make the point of no quorum.

The SPEAKER pro tempore. The gentleman from Texas makes the point that there is no quorum present, and the Chair will count. [After counting.] Two hundred and fourteen gentlemen are present; not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees. Those in favor of ordering the previous question will, as their names are called, answer "yea," those opposed will answer "nay," and the Clerk will call the roll.

The question was taken; and there were—yeas 250, nays 22, not voting 158, as follows:

YEAS—250.

Almon	Fish	Lineberger	Ryan
Anderson	Fisher	Linthicum	Sabath
Andrew, Mass.	Fitzgerald	Little	Sanders, N. Y.
Andrews, Nebr.	Foster	London	Sanders, Tex.
Appleby	Frear	Longworth	Sandlin
Aswell	Free	Lowrey	Schall
Bankhead	Freeman	Luhring	Scott, Mich.
Barbour	Frothingham	Lyon	Scott, Tenn.
Beedy	Fuller	McClintic	Shaw
Begg	Funk	McCormick	Shelton
Bell	Gahn	McDuffie	Sinclair
Benham	Garner	McFadden	Sinnott
Bird	Garrett, Tex.	McKenzie	Sisson
Bixler	Gernerd	McLaughlin, Mich.	Slemp
Black	Glynn	McLaughlin, Pa.	Smith, Idaho
Bland, Ind.	Goldsborough	MacGregor	Smith, Mich.
Bond	Gorman	Magee	Snell
Bowers	Graham, Ill.	Mapes	Speaks
Bowling	Green, Iowa	Martin	Steagall
Box	Greene, Mass.	Mead	Stedman
Briggs	Greene, Vt.	Michener	Steenerson
Brooks, Ill.	Griest	Miller	Stephens
Browne, Wis.	Hadley	Mondell	Stevenson
Buchanan	Hammer	Montague	Strong, Kans.
Burdick	Hardy, Colo.	Montoya	Summers, Wash.
Burroughs	Hardy, Tex.	Moore, Ohio	Sumners, Tex.
Burtness	Harrison	Moore, Va.	Swank
Butler	Haugen	Moores, Ind.	Swing
Byrnes, S. C.	Hawley	Morgan	Taylor, N. J.
Byrns, Tenn.	Hayden	Mott	Temple
Cable	Hays	Murphy	Ten Eyck
Campbell, Pa.	Herrick	Nelson, Me.	Thomas
Cannon	Hersey	Newton, Minn.	Thompson
Cantrill	Hickey	Newton, Mo.	Tillman
Carter	Hoch	Nolan	Timberlake
Chalmers	Hogan	O'Brien	Towner
Chandler, N. Y.	Hooker	O'Connor	Tyson
Chindblom	Huddleston	Ogden	Vare
Christopherson	Hull	Oldfield	Vinson
Clague	James	Oliver	Voigt
Codd	Jeffers, Ala.	Overstreet	Walters
Collier	Johnson, Ky.	Padgett	Ward, N. Y.
Colton	Johnson, S. Dak.	Parks, Ark.	Ward, N. C.
Connally, Tex.	Jones, Pa.	Patterson, Mo.	Watson
Connell	Jones, Tex.	Patterson, N. J.	Weaver
Connolly, Pa.	Keller	Porter	Webster
Cooper, Wis.	Ketcham	Pringey	White, Kans.
Crago	Kincheloe	Purnell	White, Me.
Cramton	King	Quin	Williams, Tex.
Crisp	Kirkpatrick	Radcliffe	Williamson
Curry	Kissel	Raker	Wilson
Dallinger	Kleczka	Ramseyer	Wingo
Darrow	Knutson	Rankin	Wood, Ind.
Davis, Tenn.	Kopp	Ransley	Woodruff
Dempsey	Lampert	Reece	Woods, Va.
Denison	Lanham	Reed, N. Y.	Woodyard
Doughton	Lankford	Reed, W. Va.	Wright
Dowell	Larsen, Ga.	Rhodes	Wurzbach
Dupré	Lawrence	Ricketts	Yates
Dyer	Lazaro	Riddick	Young
Echols	Leatherwood	Roach	Zihlman
Faust	Lee, Ga.	Robsion	
Favrot	Lehlbach	Rodenberg	

NAYS—22.

Ackerman	Crowther	Madden	Parker, N. Y.
Anthony	Dunn	Merritt	Rose
Arentz	Elliott	Millspaugh	Sproul
Blanton	Gilbert	Norton	Tincher
Burton	Lee, N. Y.	Osborne	
Campbell, Kans.	Luce	Parker, N. J.	

NOT VOTING—158.

Ansorge	Collins	French	Kahn
Atkeson	Cooper, Ohio	Fulmer	Kearns
Bacharach	Copley	Gallivan	Kelley, Mich.
Barkley	Coughlin	Garrett, Tenn.	Kelly, Pa.
Beck	Cullen	Gensman	Kendall
Blakeney	Dale	Goodykoontz	Kennedy
Bland, Va.	Davis, Minn.	Gould	Kiess
Boies	Deal	Graham, Pa.	Kindred
Brand	Dickinson	Griffin	Kinkaid
Brennan	Dominick	Hawes	Kitchin
Britten	Drane	Henry	Kline, N. Y.
Brooks, Pa.	Drewry	Hicks	Kline, Pa.
Brown, Tenn.	Driver	Hill	Knight
Bulwinkle	Dunbar	Himes	Kraus
Burke	Edmonds	Hudspeth	Kreider
Carew	Ellis	Hukriede	Kunz
Chandler, Okla.	Evans	Humphreys	Langley
Clark, Fla.	Fairchild	Husted	Larson, Minn.
Clarke, N. Y.	Fairfield	Hutchinson	Layton
Classon	Fenn	Ireland	Lea, Calif.
Clouse	Fess	Jacoway	Logan
Cockran	Fields	Jefferis, Nebr.	McArthur
Cole, Iowa	Focht	Johnson, Miss.	McLaughlin, Nebr.
Cole, Ohio	Fordney	Johnson, Wash.	McPherson

McSwain	Petersen	Shreve	Treadway
Maloney	Pou	Siegel	Tucker
Mann	Rainey, Ala.	Smithwick	Underhill
Mansfield	Rainey, Ill.	Snyder	Upshaw
Michaelson	Rayburn	Stafford	Vaile
Mills	Reavis	Stiness	Vestal
Moore, Ill.	Reber	Stoll	Volk
Morin	Riordan	Strong, Pa.	Volstead
Mudd	Robertson	Sullivan	Wason
Nelson, A. P.	Rogers	Sweet	Wheeler
Nelson, J. M.	Rosenbloom	Tague	Williams, Ill.
Olpp	Rossdale	Taylor, Ark.	Winslow
Paige	Rouse	Taylor, Colo.	Wise
Park, Ga.	Rucker	Taylor, Tenn.	Wyant
Perkins	Sanders, Ind.	Tilson	
Perlman	Sears	Tinkham	

So the previous question was ordered.

The Clerk announced the following additional pairs:

Until further notice:

Mr. Bacharach with Mr. Carew.

Mr. Mudd with Mr. Rucker.

Mr. Layton with Mr. Wise.

Mr. Kahn with Mr. Tucker.

Mr. Johnson of Washington with Mr. Lea of California.

Mr. Vestal with Mr. Park of Georgia.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. A quorum is present. The Doorkeeper will open the doors.

The question is on agreeing to the amendment.

The question was taken, and the Speaker pro tempore announced that the ayes seemed to have it.

Mr. BLANTON. I ask for a division, Mr. Speaker.

The House divided; and there were—ayes 243, noes 11.

So the amendment was agreed to.

The SPEAKER pro tempore. The question is on the third reading of the Senate bill.

Mr. BLANTON. Mr. Speaker, I demand a third reading of the bill in extenso.

The SPEAKER pro tempore. The Chair will inform the gentleman that the third reading of the bill has not yet been ordered. The question now is on ordering the third reading of the Senate bill.

The question was taken, and the Speaker pro tempore announced that the "ayes" appeared to have it.

Mr. BLANTON. Mr. Speaker, I ask for a division.

The SPEAKER pro tempore. The gentleman from Texas asks for a division. The question is on the third reading of the bill.

The House divided; and there were—ayes 241, noes 9.

So the third reading of the Senate bill was ordered, and the title was read.

Mr. BLANTON. Mr. Speaker, I demand the third reading of the Senate bill in extenso.

Mr. MONDELL. Nothing remains of the Senate bill but the title.

Mr. BLANTON. I mean the reading of the bill that we are to pass.

The SPEAKER pro tempore. Does the gentleman from Wyoming make the point of order?

Mr. MONDELL. I make the point of order.

The SPEAKER pro tempore. The Chair will state that by action of the committee all after the enacting clause of the Senate bill has been stricken out by way of an amendment; such an amendment was adopted by the committee and reported to and agreed to by the House; that amendment which was agreed to by the House upon demand, when the question of adopting the amendment was under consideration in the House, could have been read; but that demand not having been made, it seems to the Chair that, nothing remaining of the Senate bill but the enacting clause and the title, no Member of the House now is entitled to have the amendment, which has been incorporated and made the Senate bill, read in full. [Applause.]

Mr. BLANTON. I am sure the Speaker will hear me for a moment.

The SPEAKER pro tempore. The Chair will hear the gentleman.

Mr. BLANTON. There is no man whose judgment I would follow more quickly than the present occupant of the chair; but I want to call the attention of the Chair to this fact, that when a Senate bill is amended by the House it is still a Senate bill. The bill that we are to read a third time and pass is a Senate bill, amended by the House. It does not make any difference how we amend it, whether we amend it by the crossing of a "t" or the dotting of an "i" or putting in all after the enacting clause; it is still Senate bill numbered so and so, and the bill we ought to pass upon, if passed upon at all, and if properly read a third time, if at all, is the bill that appears now for the first time at the Clerk's desk, with the enacting clause put in by the Senate and whatever the House has put into it. It is a serious question. I am sure the Chair wants to be correct. I am absolutely sure that, with all due deference and regard to the Chair's opinion, this bill should be read.

Mr. MONDELL. I understand the Chair has ruled, and ruled correctly.

The SPEAKER pro tempore. In reference to the point made by the gentleman from Texas the Chair would state that with reference to House bills a Member has a right to demand the reading of the engrossed bill. The House has nothing to do with engrossing a Senate bill. The amendment adopted by the House is engrossed and sent to the Senate with its bill by message. If a Member desires to have what has been engrossed read, for the purpose of observing whether or not it is in accordance with the action of the Committee of the Whole or if it is correctly engrossed, if it were possible to do so under the rules, in the view of the Chair the proper time to demand the reading of the engrossed amendment would be at the time it is reported, prior to the vote thereon in the House. Having been agreed to and incorporated as a part of the Senate bill, without a demand for the reading thereof, it seems to the Chair that that action having been taken under the rules, a third reading in full of the Senate bill, of which nothing remains but the title and the enacting clause, does not under a fair interpretation of the rule remain as a matter of right. The Chair therefore sustains the point of order. The third reading of the Senate bill is in order.

The Senate bill was read the third time.

Mr. BLANTON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. The gentleman from Texas offers a motion to recommit, which the Clerk will report.

The Clerk read as follows:

Mr. BLANTON moves to recommit the bill to the Committee on the District of Columbia, with instructions to report the same back to the House forthwith with the following amendment, to wit: Strike out all of section 1, embracing lines 1, 2, 3, 4, 5, and 6 of the Reed amendment.

Mr. REED of West Virginia. Mr. Speaker, I move the previous question on the motion to recommit.

The SPEAKER pro tempore. The gentleman from West Virginia moves the previous question on the motion to recommit.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 231, noes 5.

Accordingly the previous question was ordered on the motion to recommit.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question being taken, on a division (demanded by Mr. BLANTON), there were—ayes 7, noes 243.

Mr. BLANTON. Mr. Speaker, I ask for the yeas and nays on this vote.

Mr. BEGG. Mr. Speaker, I make the point of order that the gentleman's tactics this afternoon in asking for divisions——

The SPEAKER pro tempore. The Chair overrules the point of order.

Mr. BEGG. Mr. Speaker, I should like to cite a decision to the Chair.

The SPEAKER pro tempore. The Chair will state that any gentleman has the right to demand the yeas and nays, and if supported by one-fifth of the Members present, the Chair must order the yeas and nays. That is a right guaranteed in the Constitution. Those in favor of ordering the yeas and nays will rise and stand until they are counted. [After counting.] Four Members have risen. Not a sufficient number. The noes have it, and the motion to recommit does not prevail.

Mr. BLANTON. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The gentleman from Texas moves that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 3, noes 247.

Accordingly the motion to adjourn was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 248, noes 31.

Mr. MILLSPAUGH. Mr. Speaker, on this question I demand the yeas and nays.

The SPEAKER pro tempore. The gentleman from Missouri demands the yeas and nays. Those in favor of ordering the yeas and nays will rise and stand until they are counted. [After counting.] Thirteen Members rising, not a sufficient number.

Accordingly the bill was passed.

Mr. REED of West Virginia. Mr. Speaker, I move to reconsider the vote by which the bill was passed, and I move to lay that motion on the table.

The SPEAKER pro tempore. The gentleman from West Virginia moves that the vote by which the bill was passed be reconsidered and that that motion lie on the table.

Mr. BLANTON. Mr. Speaker, I demand a division of the question.

The SPEAKER pro tempore. The gentleman can not demand a division of the question. He can object to the request of the gentleman, and the motion then comes up laying upon the table the motion of the gentleman from West Virginia [Mr. REED] to reconsider the vote whereby the bill was passed.

The question was taken, and the motion to reconsider the vote by which the bill was passed was laid on the table.

ELECTION TO COMMITTEES.

Mr. GARNER. Mr. Speaker, I offer a privileged motion.

The SPEAKER pro tempore. The gentleman from Texas presents a privileged resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 351.

Resolved, That GUINN WILLIAMS, Member of Congress from the thirteenth district of Texas, be, and he is hereby, elected a member of standing committees of the House as follows: Patents, District of Columbia, and Expenditures in the Post Office Department.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

SPEAKER PRO TEMPORE.

Mr. MONDELL. Mr. Speaker, I present a privileged resolution.

The SPEAKER pro tempore. The gentleman from Wyoming presents a privileged resolution, which the Clerk will report.

The Clerk read as follows:

House Resolution 350.

Resolved, That the designation of Hon. JOSEPH WALSH, a Representative from the State of Massachusetts, as Speaker pro tempore be approved by the House, and that the President of the United States and the Senate be notified thereof.

Mr. MONDELL. Mr. Speaker, the adoption of this resolution is necessary in order to authorize the Speaker pro tempore to sign the Ball Rent Act or any other measure that may be presented to him. The bill goes immediately to the Senate. Our expectation is that the Senate will take it up at once and agree to the House amendments. The bill ought to be back to the House inside of 30 minutes at the latest. While we are waiting for the action of the Senate, the committee will call up another bill and have it under consideration. I hope gentlemen will remain until the bill returns from the Senate. It ought not to be over 30 minutes.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. MONDELL. Mr. Speaker, I desire to suggest to gentlemen who are disposed to go that we will all of us save time if gentlemen will remain, because they may be called back.

JOINT COMMISSION OF AGRICULTURAL INQUIRY.

Mr. ANDERSON. Mr. Speaker, I ask unanimous consent that illustrations accompanying the report of the Joint Commission of Agricultural Inquiry, parts 1, 2, 3, and 4, may be printed as a part of the report.

The SPEAKER pro tempore. The gentleman from Minnesota asks unanimous consent that illustrations accompanying the report of the Joint Commission of Agricultural Inquiry may be printed as a part of the report. Is there objection?

There was no objection.

PAY OF THE ARMY, NAVY, MARINE CORPS, ETC.

Mr. McKENZIE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 10972, disagree to all the Senate amendments, and ask for a conference.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the bill H. R. 10972, disagree to the Senate amendments, and ask for a conference. The Clerk will report the title to the bill.

The Clerk read as follows:

H. R. 10972. A bill to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

The SPEAKER pro tempore. Is there objection?

Mr. KRAUS. Mr. Speaker, reserving the right to object, as this bill passed the Senate there is but one major matter in controversy, and that relates to the pay of the officers on the retired list. When this bill was under consideration in Committee of the Whole there was a decided majority in the committee in favor of the House provision. I would like to know from the chairman of the committee if before the House conferees agree upon that particular matter it will be brought back for the consideration and a vote of the House.

Mr. McKENZIE. Mr. Speaker, I recognize the force of the request made by the gentleman from Indiana, but I feel that the conferees on this bill should be permitted to go to conference unhampered. If we bring back a report that is not satisfactory to the House, then it is up to the House to vote down the conference report. I would much prefer to be permitted to go to conference untrammeled and work this matter out; and if not to the satisfaction of the House, it is for the House to say so.

Mr. KRAUS. As a matter of fact, there is but one major matter in controversy. The House has taken a position on this, and I feel it should not be modified or surrendered by the conferees without giving the House a chance to vote on that particular question unhampered and uninfluenced by other questions involved. If it comes back with other minor matters that might have some influence on the major question, then the important question might not be presented clearly to the House for its action. If the gentleman feels that he can not agree to this, I regret to say that I shall be obliged to object at this time.

The SPEAKER pro tempore. The gentleman from Indiana objects.

SALE OF LAND IN THE DISTRICT OF COLUMBIA.

Mr. ZIHLMAN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5020.

The SPEAKER pro tempore. The gentleman from Maryland moves that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill, of which the Clerk will report the title.

The Clerk read as follows:

A bill (H. R. 5020) to provide for the sale by the Commissioners of the District of Columbia of certain land in the District of Columbia acquired for a school site, and for other purposes.

Mr. CRAMTON. Will the gentleman withhold the motion until I ask unanimous consent?

Mr. ZIHLMAN. I will.

RELIEF OF DESTITUTE INDIANS.

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent that House Joint Resolution 264, which is 240 on the Union Calendar, may be laid on the table. It is a matter for the relief of Indians, and has been taken care of in the Interior Department appropriation bill.

The SPEAKER pro tempore. The Clerk will report the title to the bill.

The Clerk read as follows:

H. R. 264, providing for the relief of destitution among the Indians.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SALE OF LAND IN DISTRICT OF COLUMBIA.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Maryland that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of H. R. 5020.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 99 ayes and 1 no.

So the motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of Union, with Mr. CAMPBELL of Kansas in the chair.

Mr. ZIHLMAN. Mr. Chairman, this bill is to provide for sale by the Commissioners of the District of Columbia of two small strips of land that were part of a site which was purchased in 1869 for school purposes. Since the purchase of this land, more than 50 years ago, the major portion of it has been used for streets and sold. This was done when Twentieth and Jackson Streets NE. were opened. We are advised by the District Commissioners that the only land remaining in this plot of ground consists of two small strips that were not absorbed or sold when Jackson and Twentieth Streets NE. were opened. The commissioners stated to the District of Columbia Committee that the disposal of this land in the manner indicated in the bill is in the public interest.

Mr. RAKER. Will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. RAKER. About what is the approximate value of the two tracts of land?

Mr. ZIHLMAN. I do not know the exact dimensions or value, but they are two small strips of land in the northeast section of the city. I would say that the value of the property is nominal.

Mr. RAKER. And no considerably sized building could be erected on either of them?

Mr. ZIHLMAN. No considerably sized building could be erected on either of them.

Mr. RAKER. And they are not needed for school purposes?

Mr. ZIHLMAN. No. The land was purchased more than 50 years ago for school purposes, and since that time two streets have been opened which have taken most of the land that was conveyed for this purpose by the original owner.

Mr. JOHNSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. JOHNSON of Kentucky. In whom is the title to this land?

Mr. ZIHLMAN. I have not any accurate information on that, but I presume that the title is in the school board of the District.

Mr. JOHNSON of Kentucky. As I understand it, the school board of the District has no title to any land.

Mr. ZIHLMAN. The District Commissioners as representing the school board.

Mr. JOHNSON of Kentucky. The gentleman has stated that he "presumes" so. It is a mere matter of presumption. By that, does the gentleman concede that he has no direct information regarding the title to the land?

Mr. ZIHLMAN. I have no direct information regarding the title to the land, except that it was purchased for school purposes, and I naturally assume that the title is vested in the Commissioners of the District of Columbia.

Mr. JOHNSON of Kentucky. Does the gentleman know how many square feet there are?

Mr. ZIHLMAN. I will say to the gentleman from Kentucky that on such bills as I have made reports as a member of the Committee of the District of Columbia, I have carefully gone into the number of square feet involved, and I have personally inspected the property and have made personal investigation of the property values in the particular section affected by the legislation. I did not make this report. It was made by the chairman of the committee, who is, unfortunately, absent.

Mr. JOHNSON of Kentucky. Does the gentleman know how much per square foot it is worth?

Mr. ZIHLMAN. I have no information as to the value.

Mr. JOHNSON of Kentucky. The report speaks of some unnamed gentleman who is about to build thereon or adjacent to this property. Can the gentleman give us any information as to what the person who needs this property is going to pay for it?

Mr. ZIHLMAN. I have no knowledge as to that. I will say to the gentleman that in this bill the commissioners are authorized to sell at public or private sale. If the House should feel disposed to do so, it could strike out the private sale and have it sold at public sale.

I understand from the testimony before our committee, of which, I confess, I have not a very clear recollection, that the representative of the engineer commissioner stated that the land consists of two very small strips that have lain there for more than half a century, unused, and that the greater part of this piece of land was taken out when these two streets were opened in that section of the city.

Mr. JOHNSON of Kentucky. Is the gentleman able to say that the United States does not hold title to this property?

Mr. ZIHLMAN. I assume that having been purchased for school purposes, the title is in the District Commissioners, as I understand the title to all school property is in their name.

Mr. JOHNSON of Kentucky. But there were no District Commissioners at the time the title passed.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

Mr. ZIHLMAN. Yes.

Mr. CRAMTON. The bill states that when the land was acquired it was acquired by the commissioners of the primary schools of Washington County, and whoever is the successor in law of those commissioners I suppose now holds the title.

Mr. JOHNSON of Kentucky. The latter part of the bill provides that all of the money shall be paid to the District of Columbia. I am inquiring as to this because it has been the custom during the last few years to have the purchase money proportioned between the United States and the District of Columbia, just as they paid for it.

Mr. ZIHLMAN. I will say to the gentleman that if I thought the title to this land was in the name of the Federal Government I personally would favor an amendment to the bill covering the entire proceeds of the sale, which would be very small, according to the testimony before the committee, into the Federal Treasury as miscellaneous receipts, such an amendment having been adopted a few weeks ago on a similar bill.

Mr. JOHNSON of Kentucky. If the gentleman will pardon me, that should not be done if all the money is properly due to the District.

Neither should this bill be passed in the shape that it is in if all or any part is due to the Federal Government.

Mr. ZIHLMAN. My understanding is the titles to the streets and alleys in the District of Columbia are in the name of the Federal Government, it having taken over this 10-mile square as it was called, when the Capital was located here in Washington, but this is no part of the land used for public streets. These are two small strips which were originally purchased for a school site many years ago, and have not been used for that purpose, and most of the land has been absorbed by the opening of these two streets.

Mr. JOHNSON of Kentucky. Has not it occurred to the gentleman that it is quite peculiar that the ownership of the property is not available from any source?

Mr. ZIHLMAN. I did not quite get that question.

Mr. JOHNSON of Kentucky. It is quite strange that the ownership of the property is not disclosed either in the bill or in the report or from anything which the gentleman who is in charge of the bill is able to say about it.

Mr. ZIHLMAN. I do not think it is at all peculiar. The gentleman has had many years of experience in matters relating to the District of Columbia. He was chairman of the District of Columbia Committee, and he knows this is the form the commissioners used to send these bills up in.

Mr. JOHNSON of Kentucky. But I never knew during the time to which the gentleman has referred that neither the report nor whoever might be in charge of the bill was able to state where the ownership was.

Mr. ZIHLMAN. Well, the gentleman from Michigan made that very clear to the gentleman, I am sure, that title to the land will now be vested in the successors by law of the school commissioners of Washington County, this being part of Washington County, Md., before the Capital was located here. I will say to the gentleman I am free to confess, and I know he will understand, that I have not any very wide knowledge of the provisions of the bill, not being a member of the subcommittee which reported the bill. Mr. Chairman, I reserve the balance of my time and yield 10 minutes to the gentleman from Kentucky [Mr. JOHNSON].

Mr. JOHNSON of Kentucky. Mr. Chairman, I guess that the bill before us involves an amount of money too small to be quibbled about, but there are one or two other matters pertaining to the District of Columbia to which I wish to refer, and one is relative to an article which appeared in the Washington Post of May 7, 1922, which in part says, referring to the tourists' camp in Potomac Park—

> BEN JOHNSON of Kentucky opposed the item, and as he was a member of the conference committee this was to be expected. But Mr. JOHNSON let his imagination have full play when he told the House that it was designed "to build kitchens and bathhouses and shelter for the automobiles in one of the most beautiful parks in the city."

Mr. Chairman, I did not draw upon my imagination, as the Post would have Members of the House believe, for the purpose of discrediting anything and everything I say, but if anybody sufficiently interested in the matter, and particularly by the paper which made the false statement, will refer to the hearings before the House District Committee, December 29 last, it will find that Colonel Sherrill, who is in charge of those grounds, himself proposed almost in identical words the language used by me, which the Post says has grown out of my imagination. Colonel Sherrill's language can be found on pages 1236, 1237, and 1238 of that hearing.

Then, Mr. Chairman, in an editorial in the Washington Star shortly after the loan shark bill was up for consideration, this language was used:

> The verbal assault in the House upon Chairman William H. Baldwin, of the citizens' committee on remedial loans, elicits no sympathetic response in the Capitol community, but, on the contrary, arouses indignant resentment.

That statement was aimed at me. I challenge the veracity of the statement made in the editorial. The editorial says that my remarks assaulting Mr. Baldwin elicited no sympathetic response in the Capitol community, but on the contrary aroused indignation and resentment of the "Capital community." My remarks did not arouse any indignation or resentment on the part of the "Capital community" for the reason that the "Capital community" had not the remotest idea of what I said relative to Mr. Baldwin.

This paper which complains about my remarks relative to Mr. Baldwin did not give to the "Capital community" what I had said about Mr. Baldwin. Consequently, I say, the "Capital community" has no opinion as to what I said relative to Mr. Baldwin, because it has no information on the subject. It may not be out of place for me to say at this point that what I said about Mr. Baldwin was but a mere repetition of what he said about himself. When I undertook to state what Mr. Baldwin had said about himself and about those who were asso-

ciated with his lobbying in the interest of one loan bill and against another I cited the page of the hearings where everything that he had said about himself and those associated with him could be found.

Then one Mr. P. H. Marshall, who formerly was assistant corporation counsel, got into the papers by denying that I said that he was the assistant corporation counsel who participated in framing up a selfish prosecution against the pawnbroker, Mr. Horning. I was unwise enough to get into a newspaper controversy with anybody through the hostile local press. The local press wrote what Mr. Marshall said, but distorted and misrepresented what I said about Mr. Marshall's participation in that frame-up.

Mr. HERRICK. Will the gentleman yield?

Mr. JOHNSON of Kentucky. Yes.

Mr. HERRICK. Did the gentleman ever see a metropolitan newspaper that did not misquote anybody who had anything of importance to say?

Mr. JOHNSON of Kentucky. I can only say that they have persisted in misrepresenting me. They have done so, not that it would accomplish anything except to, possibly, discredit me in this House, and I would not pay any sort of attention to what they do except to enable the House to understand the cause of the misrepresentations.

Mr. Marshall first disputed that he participated in the frame-up of the prosecution of Horning. Then, when he was pinned down on that, he shifted the issue and said that he was not one of the assistant corporation counsel at a certain other time, which had nothing whatever to do with the Horning matter. Then, in the Washington Evening Times one A. N. Jameson is credited with the following:

> Congressman BEN JOHNSON, of Bardstown, Ky., has kept his word. He is "getting even" with the District of Columbia.

The words "getting even" are in quotation marks, and therefore attributable to me. The one who wrote that drew entirely upon his own imagination. If it were at all necessary, I would be perfectly willing to call upon the Supreme Being even to witness the truth of what I say when I state that I never entertained any such thought throughout my career here; neither have I ever given any expression to any such thought. Therefore the man who wrote that drew most liberally upon an imagination and in doing so exhibited a lack of conscience.

I have no grievance against the people of the District of Columbia. Upon the contrary, I believe that I have done more for the masses of the people of the District of Columbia during the last 12 or 15 years than any man on the floor of this House. Right now the people of the District of Columbia are inflamed against what is known as amendment No. 1 to the District appropriation bill. They have been told that taxes are about to be heaped upon them to an unbearable extent. They have been told first one thing and then another about that amendment, except the truth. The truth of it, the meaning of its provisions, has never been told to the people of the District of Columbia, and at this hour I apprehend they are laboring under the impression that Congress is endeavoring to put upon them an unjust taxation, while Congress by that amendment is endeavoring to do nothing except to let the commissioners make their own estimates, to let them say whether their expenditures shall be much or little; and then it empowers, not Congress, but the commissioners themselves, to fix the rate of taxation upon the property in the District of Columbia for the purpose of meeting the amount that they need, whether that be much or little.

Mr. ZIHLMAN. Will the gentleman yield?

Mr. JOHNSON of Kentucky. I do.

Mr. ZIHLMAN. The amendment of which you speak, amendment No. 1, does seek to raise the assessable value of property here in the District of Columbia 50 per cent over existing——

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. ZIHLMAN. I yield to the gentleman 10 minutes additional.

It does seem to increase the assessable basis now existing 50 per cent, that is, raising the value from two-thirds to full value. Is not that correct?

Mr. JOHNSON of Kentucky. Under the present law property for taxation in the District of Columbia is being taxed at two-thirds of its value. The committee was unable to see the difference between taxing the property upon its two-thirds value and having a rate of taxation one-third smaller. The only difference that the committee could see in it was that it did not propose to sanction or to enact into law the provision which required that a dollar's worth of property should be assessed at less than a dollar.

Mr. ZIHLMAN. Does the gentleman know of any instance anywhere, where the assessable basis was raised, where it was not done with the intention of raising the amount of revenue to be derived? It necessarily follows that when your assessment is raised your tax rate is not lowered proportionately to the amount of the increase of assessment.

Mr. JOHNSON of Kentucky. It does not increase the amount to be paid a dollar or a penny.

Mr. ZIHLMAN. If the District Commissioners were to reduce the rate, which, as I recall it, is now $1.82——

Mr. JOHNSON. It was that last year.

Mr. ZIHLMAN. If they reduced that in proportion to the amount you increase the assessment, how long would it be before Congress in an appropriation bill would raise the rate of taxes to at least $1.50, as fixed in the act of 1878?

Mr. JOHNSON of Kentucky. It is my opinion that the Congress would not interfere with it at all as long as the rate of taxation was raising the money that the District of Columbia required to be raised for 60 per cent of its needs.

Mr. ZIHLMAN. Well, the District of Columbia is now raising sufficient money to meet its proportion of the District expenses under the existing basis and under the existing tax rate.

Mr. JOHNSON of Kentucky. I differ with the gentleman. It is doing nothing of the kind. Throughout 11 months of the year the District of Columbia is overdrawn in the Federal Treasury.

Mr. ZIHLMAN. I understand through the negligence or inefficiency of some committee years ago the taxes of the District of Columbia were made payable at the end of the taxation year instead of at the beginning, and now, as I understand it, you would set up a reserve fund to make them pay their taxes in advance.

Mr. JOHNSON of Kentucky. I differ with the gentleman as to the inefficiency of the committee.

Mr. ZIHLMAN. I did not say the inefficiency of your committee. The gentleman misunderstood me. I said that, due to the negligence or inefficiency of some committee years ago, it was provided so and so.

Mr. JOHNSON of Kentucky. Let me tell the gentleman this: Every day the gentleman reads in the local newspapers something about the act of 1878, the organic act, having been departed from, and they raise a hue and cry against this particular proposition because it is being departed from on an appropriation bill.

Let me tell the gentleman this, that under the sacred (?) "organic act" of 1878 all property in the District of Columbia was assessed at three-thirds of its value, but, by a rider on an appropriation bill, that was reduced to two-thirds, which correspondingly reduced the taxation, which was fixed at the rate of $1.50.

Mr. ZIHLMAN. Will the gentleman yield again?

Mr. JOHNSON of Kentucky. Yes.

Mr. ZIHLMAN. The gentleman just stated that that reduced the tax rate by reducing the taxable basis. Now you say that the assessment of real estate at three-thirds of its value will not increase the rate of taxation.

Mr. JOHNSON of Kentucky. I did, and I am perfectly consistent in it. There was then a fixed rate of taxation at $1.50. Now there is to be no fixed rate of taxation, but a variable one, to fit the needs of the District of Columbia as applied to the three-thirds valuation. If there was to be a fixed rate of taxation, then the statement of the gentleman would be correct, but as we are to have a variable rate of taxation the gentleman is incorrect.

But to pursue this further: The act of 1878, which is being paraded so constantly before Congress as so sacred, is almost beyond recognition, because of the amendments that have been put upon it by riders upon appropriation bills. At the time the act of 1878 was passed intangible personal property was taxed 15 mills just the same as real estate was taxed. By and by, by a rider on an appropriation bill, all tax was taken off intangible property, and only something like three years ago a tax was placed on intangible property at 4 mills. Then, again, by a rider on an appropriation bill, it was reduced to 3 mills, where it stands to-day.

The newspapers of Washington did not complain of that reduction; but now that Congress is to replace that, not in accordance with the act of 1878, the sacred instrument, the 15 mills, but instead only one-third of that, we hear a hue and cry go up that by a rider on an appropriation bill Congress is increasing the rate of taxation.

When the act of 1878, this sacred instrument, was passed, there was a tax on jewelry. By and by on an appropriation bill the tax was taken off jewelry, and the organic act once

more outraged. But no complaint was made. Every change of consequence that has been made in District legislation since 1878 has been made by a rider on an appropriation bill, and in nearly every case it has been brought about by the local lobby seeking less taxation; until now, if the methods which they themselves established as the correct practice for getting tax legislation in the District of Columbia do not suit them, they come and complain.

In 1878, when Congress agreed to pay half of the expenses of the government of the District of Columbia, a million and a quarter of dollars only were necessary, but now we have come to $23,000,000 or $24,000,000. Congress could well afford then to pay one-half of an appropriation of a million and a quarter dollars, let the taxation be what it would. They cared but little or nothing about it; but now, when we are appropriating $23,000,000 or more, it becomes a matter of interest to Congress. Congress must consider it, and it has considered it by reducing the proportion from 50–50 to 60–40, 60 per cent being paid by the District of Columbia and 40 per cent by the United States.

Only yesterday or the day before—I forget which it was—I saw an article in one of the local papers stating that $10,000,000 given by the Federal Government to the District of Columbia was only 10 cents per capita for the people of the United States.

Mr. LARSEN of Georgia. Will the gentleman yield right there?

Mr. JOHNSON of Kentucky. Yes.

Mr. LARSEN of Georgia. The gentleman is familiar with the property in the District of Columbia owned by the Federal Government, and I assume that he is also somewhat familiar with the property owned by individuals. In the gentleman's judgment, is the property of the Federal Government 40 per cent of the total amount of the property in the District of Columbia?

Mr. JOHNSON of Kentucky. The gentleman is in error when he says I know the value of the Federal property in the District of Columbia. I do not know the value of it, but I do know this, that except for the valuable property owned by the United States Government in the District of Columbia the rest of it would not have any value. Except for the enormous pay roll, this money factory run by the United States Government in the District of Columbia, the property here would be worth nothing. Transfer the capital to some other city, St. Louis, Chicago, or some place else, and values here would fall to pieces.

But what I was about to say when interrupted was that the article in the newspapers the day before yesterday stated that the people of the United States were gladly paying a per capita tax of 10 cents for the support of the government of the District of Columbia; and it further said that all the men, women, and children of the United States would be glad to pay a dollar a head. I should hate to start out to make a living or to get meat and bread by canvassing the United States on a commission plan, collecting a dollar a head out of the families in the United States to help pay the taxes of the people in the District of Columbia. I would starve to death in a week if I did not get something else from some other source. But I do hate to read day after day that the organic act of 1878 is so sacred, when it has been so mutilated at the instance of the local lobby, and that, too, by riders on appropriation bills, that you would not recognize the act of 1878, except that it makes one municipality of the entire District of Columbia.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. ZIHLMAN. Mr. Chairman, I ask that the bill be read for amendment.

The CHAIRMAN. The Clerk will report the bill for amendment.

The Clerk read the bill.

Mr. ZIHLMAN. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. WALSH having resumed the chair as Speaker pro tempore, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill (H. R. 5020) to provide for the sale by the Commissioners of the District of Columbia of certain land in the District of Columbia acquired for a school site, and for other purposes, had directed him to report the same back to the House without amendment, and with the recommendation that the bill do pass.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time, and passed.

On motion of Mr. ZIHLMAN, a motion to reconsider the vote by which the bill was passed was laid on the table.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had agreed to the amendments of the House of Representatives to the bill (S. 2919) to extend for the period of two years the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, as amended.

LEAVE OF ABSENCE.

Mr. MCSWAIN, by unanimous consent, was given leave of absence for two days, on account of important business.

WITHDRAWAL OF PAPERS.

Mr. SCHALL, by unanimous consent, was given leave to withdraw from the files of the House, without leaving copies, papers in the case of Annie White (H. R. 7756), no adverse report having been made thereon.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed without amendment bill of the following title:

H. R. 10442. An act to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916, as amended by an act to amend said act approved July 21, 1921.

The message also announced that the Senate had passed with amendment the bill (H. R. 10972) to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, in which the concurrence of the House of Representatives was requested.

REGULATION OF PAWNBROKERS.

Mr. ZIHLMAN. Mr. Speaker, I ask unanimous consent that the bill (H. R. 6309) to regulate pawnbrokers, which has been before the House and is a part of the unfinished business from the District of Columbia Committee, be recommitted to the committee.

The SPEAKER pro tempore. The gentleman from Maryland asks unanimous consent that the unfinished business of the Committee on the District of Columbia pending before the House, H. R. 6309, be recommitted to the Committee on the District of Columbia. Is there objection?

There was no objection.

EXEMPTION FROM TAXATION OF PROPERTY OF DAUGHTERS OF AMERICAN REVOLUTION.

Mr. ZIHLMAN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6258) to exempt from taxation certain property of the Daughters of the American Revolution in Washington, D. C.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. CAMPBELL of Kansas in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 6258) to exempt from taxation certain property of the Daughters of the American Revolution in Washington, D. C.

Mr. ZIHLMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. MILLSPAUGH].

Mr. MILLSPAUGH. Mr. Chairman, this bill is for the purpose of exempting from taxation some additional property which the Daughters of the American Revolution have acquired. Some years ago Memorial Hall and some other lots contiguous thereto were exempted from taxation because of the nature of the organization of the Daughters of the American Revolution. They acquired other lots on which there was a temporary building occupied by the Government. The Government has released that property, and the building has been removed, and the D. A. R. is to build an administration building there. The organization is not for profit in any manner whatever. It has allowed the use of its hall and other property for the use of organizations of a public nature. In fact, the disarmament conference was held there, and the officers of the organization removed their offices to the top floor and discommoded them-

selves to a great degree in order to permit the conference to be held there, refusing to accept any rent whatever and allowing a temporary floor to be placed there. The only thing the Government did was to remove the floor and replace the property in the condition it had been. They absolutely refused to accept any rent. Two or three conventions have been held under similar conditions. They cooperate very closely with the Smithsonian Institution and make their reports to them. For that reason the bill is presented to the House for passage. It has the unanimous indorsement of the District Committee.

Mr. STEVENSON. Will the gentleman yield to me?

Mr. ZIHLMAN. I will.

Mr. STEVENSON. I want to say that I am opposed to the bill. I do not want the gentleman to yield to me under the impression that I am in favor of it.

Mr. ZIHLMAN. I yield to the gentleman 10 minutes.

Mr. STEVENSON. Mr. Chairman, I recognize the patriotic sentiments of the Daughters of the American Revolution. My wife belongs to it, and nearly all the female people of my connection belong to it. But it seems to me that it is going a little far when we begin to exempt from taxation—and you have already exempted valuable property there—when we begin to exempt property of a private society which does not come within the terms of the provision set forth in this exemption statute. The statute cited in this act is "every rectory, parsonage, glebe house, and pastoral residence which is occupied as a residence by the pastor, rector, minister, or rabbi, be exempt from taxation in the District of Columbia." This is not a religious society, it is not an educational society, it is a great club of people who are descended from people who were officers and soldiers in the Revolutionary War. It has a good many patriotic purposes, but why it should escape taxation any more than any other society of that kind I can not understand. It is not educational. The principal thing it does is to cultivate the study of American history in their local organizations all over the country, and their principal function here is to have the administration of all the work. Now, that is not an educational matter. It is relieving, probably, when they get the building built, half a million dollars worth of property in the District of Columbia from bearing its fair share of the burden of taxation. It seems to me we are becoming a little overpatriotic when we begin that kind of a thing. Now, reference is made to the fact that the peace conference was held in this building.

As I understand it, that building is already exempt. I am not making any kick about that. If they discharged a public duty, they have been getting hundreds of dollars of taxes off for years, and, therefore, they ought to be ready to discharge some patriotic functions. Now, however, they want to construct another expensive building and want to have that also exempted from taxation. I think, in justice to the people of the District of Columbia, who pay taxes to maintain the Government here, in justice to the people of the United States, who also pay taxes to maintain the Government here, that the people who own valuable property like this, who own it for purposes such as the Daughters of the American Revolution own it, ought to pay their just proportion of the taxes. When they come up and proclaim their patriotism and say, therefore, that they want to be exempted from taxation, I say the very request they make is a denial of the patriotism which they profess. The best evidence of a patriot in this country is the man who goes up manfully to the captain's desk and settles his taxes and helps to bear his proportion of the expenses of the Government. [Applause.] It does not sound good to have people on the ground of patriotism ask to be relieved of the one and unfailing evidence of patriotism, namely, to contribute their proportion to the maintenance of the Government.

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. LEHLBACH. The title to this bill reads:

To exempt from taxation certain property of the Daughters of the American Revolution in Washington, D. C.

The first part of the one section of which the bill is composed provides for that, and then we find the following language:

So, also, shall every rectory, parsonage, glebe house, and pastoral residence which is occupied as a residence by the pastor, rector, minister, or rabbi be so exempt from taxation in the District of Columbia.

What has that to do with the purpose of the bill?

Mr. STEVENSON. As I understand it, that is citing the law now in existence.

Mr. LEHLBACH. But is not this new law, which I have just quoted?

Mr. STEVENSON. I understand that to be merely a citation of the act of 1877, that this shall be subject to, but I agree with the gentleman from New Jersey that it looks as though we are now enacting new law, to exempt that property, which is plainly exempt under all civilized governments. However, this property is not in that class, and I object to its being put in that class as far as I am concerned.

Mr. LEHLBACH. Mr. Chairman, will the gentleman from Maryland yield to me for a question?

Mr. ZIHLMAN. I shall be very glad to yield to the gentleman any time he desires.

Mr. LEHLBACH. This is not quoting or citing a provision of law to which this act shall be an amendment, is it? Is not this substantive legislation? The bill provides that the property shall be exempt from all taxation so long as the same is so occupied, and then goes on to provide that every rectory, parsonage, glebe house, and so forth, shall be also exempted from taxation in the District of Columbia.

Mr. MILLSPAUGH. This is simply a citation from the law of 1877. It might not be wise to leave it in there.

Mr. LEHLBACH. If it is simply a citation of law, it is meaningless.

Mr. MILLSPAUGH. It is meaningless, so far as that is concerned. The gentleman who introduced the bill, Mr. McFADDEN, is not here. I wrote the report.

Mr. LEHLBACH. What is the purpose of the language?

Mr. MILLSPAUGH. It is a citation, and has no effect, and could be stricken out without any question. It would do no harm to strike it out.

Mr. LEHLBACH. I can not see that it is a citation. It is perfectly meaningless unless it also exempts from taxation the rectory and other buildings mentioned there.

Mr. MILLSPAUGH. It does not.

Mr. LEHLBACH. Then it is meaningless in this bill.

Mr. MILLSPAUGH. It is.

Mr. ZIHLMAN. Mr. Chairman, I ask that the bill be read for amendment.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the property situated in square 173 in the city of Washington, D. C., described as lots 12, 13, 14, 15, and 16, inclusive, occupied by the Daughters of the American Revolution, be exempt from and after February 28, 1921, from all taxation so long as the same is so occupied and used, subject to the provisions of section 8 of the act approved March 3, 1877, providing for exemptions of church and school property, and acts amendatory thereof. So, also, shall every rectory, parsonage, glebe house, and pastoral residence which is occupied as a residence by the pastor, rector, minister, or rabbi be so exempt from taxation in the District of Columbia: *Provided*, That such rectory, parsonage, glebe house, or pastoral residence be owned by the church or congregation for which the said pastor, rector, minister, or rabbi officiates: *Provided further*, That not more than one such rectory, parsonage, glebe house, or pastoral residence shall be so exempt for any one congregation.

Mr. LEHLBACH. Mr. Chairman, I offer the following amendment: On page 2, line 3, after the word "thereof," strike out the remainder of the section.

The CHAIRMAN. The gentleman from New Jersey offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LEHLBACH: Page 2, line 3, after the word "thereof" strike out the remainder of the section.

Mr. ZIHLMAN. Mr. Chairman, the committee will be glad to accept that amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New Jersey.

The amendment was agreed to.

Mr. ZIHLMAN. Mr. Chairman, I move that the committee do now rise and report the bill back to the House, with the amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. WALSH having resumed the chair as Speaker pro tempore, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 6258 and had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The bill as amended was ordered to be engrossed and read the third time, was read the third time, and passed.

On motion of Mr. ZIHLMAN, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. ZIHLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of District business.

The SPEAKER pro tempore. What is the particular bill? The Chair did not understand the gentleman's motion.

Mr. ZIHLMAN. A parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it.

Mr. ZIHLMAN. Is it in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of District business without specifying the bill?

The SPEAKER pro tempore. It is.

Mr. ZIHLMAN. I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of bills upon the calendar relating to the District of Columbia under the rule.

The question was taken, and the Speaker pro tempore announced the noes appeared to have it.

On a division demanded by (Mr. ZIHLMAN) there were—ayes 41, noes 1.

So the motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of District business, with Mr. CAMPBELL of Kansas in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of District of Columbia business.

Mr. ZIHLMAN. Mr. Chairman, I call up the bill H. R. 10973.

The CHAIRMAN. The Chair is informed that the bill is on the Private Calendar and not on the Union Calendar.

AUTHORIZING THE WIDENING OF FIRST STREET NE.

Mr. ZIHLMAN. Mr. Chairman, I call up the bill H. R. 5018.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 5018) to authorize the widening of First Street NE., and for other purposes.

Be it enacted, etc., That under and in accordance with the provisions of subchapter 1 of chapter 15 of the Code of Law for the District of Columbia, within six months after the passage of this act the Commissioners of the District of Columbia be, and they are hereby, authorized and directed to institute in the Supreme Court of the District of Columbia a proceeding in rem to condemn the land that may be necessary for the widening of First Street NE., along the eastern boundaries of squares Nos. 675, 676, and 677, to a width of 60 feet, as shown on plan on file in the office of the Engineer Commissioner of the District of Columbia: *Provided, however*, That of the amount found to be due and awarded by the jury in said proceeding as damages for and in respect of the land to be condemned for said widening, plus the costs and expenses of the proceeding hereunder, not less than two-thirds thereof shall be assessed by the jury as benefits.

SEC. 2. That there is hereby authorized to be appropriated, out of the revenues of the District of Columbia, an amount sufficient to pay the necessary costs and expenses of the condemnation proceeding taken pursuant hereto and for the payment of amounts awarded as damages. The amounts assessed as benefits when collected shall be repaid to the District of Columbia and covered into the Treasury to the credit of the revenues of the District of Columbia.

SEC. 3. That the act approved June 11, 1910, entitled "An act authorizing the widening of First Street NE., in the District of Columbia," be, and the same is hereby, repealed, and the Commissioners of the District of Columbia are hereby authorized and directed to discontinue and abandon the proceeding heretofore instituted by them under said act for the widening of said First Street, now pending in the Supreme Court of the District of Columbia, and known as District court cause No. 922.

Mr. ZIHLMAN. Mr. Chairman——

Mr. BLANTON. Mr. Chairman, if the gentleman will yield, I just want to state to Members here who have asked me that I do not intend to ask any more roll calls, for if the Senate passes the bill it will pass the House anyway. My fight was to try to keep the Senate from passing it, and I desire to say for the benefit of the Members that I do not intend to ask for any more roll calls to-night.

Mr. MILLSPAUGH. If the gentleman will yield, for the benefit of my colleagues who have been nice to me, I want to make the same announcement—that there will be no quorum calls from me.

Mr. KNUTSON. That is mighty handsome.

The CHAIRMAN. The Clerk will report the bill for amendment.

The bill was read for amendment.

Mr. ZIHLMAN. Mr. Chairman, I move that the committee do now rise and report the bill to the House without amendment, with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. WALSH having resumed the chair as Speaker pro tempore, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill H. R. 5018 had directed him to report the same back to the House without amendment, with the recommendation that the bill do pass.

The bill was ordered to be engrossed and read the third time, was read the third time, and passed.

On motion of Mr. ZIHLMAN, a motion to reconsider the vote by which the bill was passed was laid on the table.

ENROLLED BILLS SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 10329. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1923, and for other purposes;

H. R. 9951. An act to amend section 22 of an act approved February 14, 1920, entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes," for the fiscal year ending June 30, 1921; and

H. R. 11152. An act to authorize the Bear Mountain Hudson River Bridge Co. to construct and maintain a bridge across the Hudson River near the village of Peekskill, State of New York.

The SPEAKER pro tempore announced his signature to enrolled bill of the following title:

S. 2919. An act to extend for the period of two years the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, as amended.

SENATE JOINT RESOLUTION REFERRED.

Under clause 2, Rule XXIV, Senate joint resolution of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below.

S. J. Res. 178. Joint resolution authorizing the Secretary of Labor to investigate and report on labor conditions in Cuba; to the Committee on Labor.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 7 o'clock and 16 minutes p. m.) the House adjourned until to-morrow, Tuesday, May 23, 1922, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. LUCE: Committee on the Library. S. J. Res. 194. A joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; with an amendment (Rept. No. 1020.) Referred to the House Calendar.

Mr. MOORES of Indiana: Joint Select Committee on Disposition of Useless Executive Papers. Report No. 1022. A report on disposition of useless papers in the Department of Commerce. Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. UNDERHILL: Committee on Claims. H. R. 9432. A bill for the relief of the Old National Bank of Martinsburg, of Martinsburg, W. Va.; with amendments (Rept. No. 1021). Referred to the Committee of the Whole House.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. PRINGEY: A bill (H. R. 11728) to provide credit facilities for the preservation and development of the agricultural industry in the United States, and to create an agency therefor; to the Committee on Banking and Currency.

By Mr. ACKERMAN: A bill (H. R. 11729) to provide for the purchase of a site and the erection of a new public building at Summit, N. J.; to the Committee on Public Buildings and Grounds.

By Mr. STEENERSON: A bill (H. R. 11730) to amend the act entitled "An act to limit the immigration of aliens into the United States," approved May 19, 1921; to the Committee on Immigration and Naturalization.

By Mr. McDUFFIE: A bill (H. R. 11731) to provide for the renting of the first floor of the customhouse at Mobile, Ala., to the Mobile Chamber of Commerce; to the Committee on Public Buildings and Grounds.

By Mr. HUDDLESTON: A bill (H. R. 11732) to repeal section 15a of the interstate commerce act and to restore rates, fares, and charges authorized prior to increases effective August 26, 1920; to the Committee on Interstate and Foreign Commerce.

By Mr. COLTON (by request): A bill (H. R. 11733) to establish a standard decimal system of weights and measures for the United States; to the Committee on Coinage, Weights, and Measures.

By Mr. SLEMP: A bill (H. R. 11734) to establish a national park, to be known as the Appalachian National Park, near Norton, Va.; to the Committee on the Public Lands.

By Mr. SCHALL: A bill (H. R. 11735) to incorporate the United States Blind Veterans of the World War; to the Committee on the Judiciary.

By the SPEAKER (by request): Memorial of the Legislature of the State of Louisiana, regarding the radio station at Grand Island, La.; to the Committee on the Merchant Marine and Fisheries.

By Mr. SABATH: Memorial of the Legislature of the State of Kentucky, urging Congress to grant tax exemptions to those who suffered losses in 1920; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOWERS: A bill (H. R. 11736) granting an increase of pension to Lucretia Coffman; to the Committee on Invalid Pensions.

By Mr. BUTLER: A bill (H. R. 11737) granting a pension to Mary P. Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11738) for the relief of Maj. Russell B. Putnam; to the Committee on Naval Affairs.

By Mr. CABLE: A bill (H. R. 11739) granting a pension to Martha Arnold; to the Committee on Invalid Pensions.

By Mr. CONNALLY of Texas: A bill (H. R. 11740) providing for a preliminary examination of the Brazos River, Tex., with a view to the control of its floods; to the Committee on Interstate and Foreign Commerce.

By Mr. FESS: A bill (H. R. 11741) granting a pension to Margaret Davis; to the Committee on Invalid Pensions.

By Mr. GOULD: A bill (H. R. 11742) granting a pension to Delia Loveless; to the Committee on Invalid Pensions.

By Mr. GRIEST: A bill (H. R. 11743) granting an increase of pension to John Usner; to the Committee on Invalid Pensions.

By Mr. HAYDEN: A bill (H. R. 11744) authorizing the Secretary of War to cause a survey to be made of the Colorado River below Bulls Head Rock with a view of controlling the flood waters of said stream; to the Committee on Flood Control.

By Mr. HICKS: A bill (H. R. 11745) granting a pension to Anna R. Jackson; to the Committee on Invalid Pensions.

By Mr. JEFFERIS of Nebraska: A bill (H. R. 11746) for the relief of William Quinlan; to the Committee on the Public Lands.

By Mr. KAHN: A bill (H. R. 11747) granting an increase of pension to Eliza Hilbpisch; to the Committee on Pensions.

By Mr. KEARNS: A bill (H. R. 11748) granting a pension to Clyde Wardlow; to the Committee on Pensions.

By Mr. KLINE of Pennsylvania: A bill (H. R. 11749) granting a pension to Elizabeth Sowers; to the Committee on Invalid Pensions.

By Mr. LAMPERT: A bill (H. R. 11750) to make a preliminary survey of the Wolf and Fox Rivers, State of Wisconsin, with a view to the control of floods, and for other purposes; to the Committee on Flood Control.

By Mr. LINEBERGER: A bill (H. R. 11751) granting an increase of pension to Margaret Davy; to the Committee on Pensions.

By Mr. MOORE of Ohio: A bill (H. R. 11752) granting a pension to Eliza C. Maher; to the Committee on Invalid Pensions.

By Mr. MORGAN: A bill (H. R. 11753) granting a pension to Huldah E. Hall; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 11754) granting an increase of pension to Permelia McDonald; to the Committee on Invalid Pensions.

By Mr. RAMSEYER: A bill (H. R. 11755) granting a pension to Amanda Jordan; to the Committee on Invalid Pensions.

By Mr. RYAN: A bill (H. R. 11756) granting relief and hospitalization to Thomas Murphy; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Michigan: A bill (H. R. 11757) granting a pension to Alice Loree; to the Committee on Invalid Pensions.

By Mr. SLEMP: A bill (H. R. 11758) for the relief of Edward F. Murphy; to the Committee on Claims.

By Mr. THOMPSON: A bill (H. R. 11759) granting a pension to Catherine Swigart; to the Committee on Pensions.

By Mr. VARE: A bill (H. R. 11760) granting a pension to Maggie Vile; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Illinois: A bill (H. R. 11761) granting an increase of pension to Mary E. Sutton; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5708. By the SPEAKER (by request): Resolution adopted by the Montana Development Association, urging the adoption of the Smith-McNary reclamation bill, with certain amendments added; to the Committee on Irrigation of Arid Lands.

5709. By Mr. ANSORGE: Petition of General Funston Camp, No. 23, New York, favoring House bill 11338; to the Committee on Reform in the Civil Service.

5710. Also, petition of the Physical Culture Corporation, New York City, urging relief of taxation on second-class postage rate; to the Committee on the Post Office and Post Roads.

5711. By Mr. BARBOUR: Petition of the Grand Chapter of Royal Arch Masons of the State of California, indorsing the Towner-Sterling educational bill; to the Committee on Education.

5712. By Mr. CLAGUE: Petition of the Presbytery of Mankato, of the Presbyterian Church in the United States of America, at the city of Edgerton, State of Minnesota, for the early consideration and passage of Senate Joint Resolution 31, to enact uniform laws on the subject of marriage and divorce, and House Joint Resolution 131, prohibiting polygamy and polygamous cohabitation in the United States; to the Committee on the Judiciary.

5713. Also, petition of the Presbytery of Mankato, Minn., of the Presbyterian Church in the United States of America, at the city of Edgerton, State of Minnesota, urging the early consideration and passage by Congress of House bill 9753, to secure Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia.

5714. Also, petition of numerous citizens of St. Paul, Minn., for the support of the Voigt bill, to prohibit the manufacture of imitation or so-called filled milk; to the Committee on Agriculture.

5715. By Mr. FAUST: Petition of many citizens of Parkville, Mo., in behalf of the speedy passage of the Towner-Sterling bill; to the Committee on Education.

5716. By Mr. HAYS: Petition of F. J. Page and 141 other citizens of Ripley County, Mo., requesting the passage of House bill 7213, introduced by Mr. MORGAN, granting increases in pension to Civil War veterans and their widows; to the Committee on Invalid Pensions.

5717. By Mr. KENNEDY: Petition of 51 citizens of Pawtucket, R. I., favoring passage of the Fish resolution, pertaining to establishment of a national Jewish homeland in Palestine; also resolution adopted by the congregation of Ohave Shalom, Pawtucket, R. I., urging passage of the Fish resolution; to the Committee on Foreign Affairs.

5718. By Mr. KISSEL: Petition of the Grain Trade Association of San Francisco Chamber of Commerce, San Francisco, relative to light wines and beer; to the Committee on the Judiciary.

5719. Also, petition of J. C. Francesconi & Co., New York City, N. Y., relative to the pending tariff bill, H. R. 7456; to the Committee on Ways and Means.

5720. By Mr. KNUTSON: Petition of sundry citizens of the State of Minnesota, opposing the passage of House bill 4388; to the Committee on the District of Columbia.

5721. By Mr. RAKER: Petition of Mr. P. A. Bacon, Mrs. Williams, Mrs. Clara V. Simonson, Rev. F. T. Griffith, A. E. Middleton, Mrs. Edith M. Adkins, William C. O'Neale, Mrs. Emma W. Anderson, J. A. Rutherford, G. C. West, Lucy Thormaiaes, Mrs. Katherine J. Fenton, Arthur Halsted, Julia M. Booth, Mabel C. Hawes, and H. L. Wilson, all of Washington, D. C., favoring the extension of the Ball rent act, and petition of Capt. A. F. Enquist, of Washington, D. C., protesting against the extension of the Ball rent act; to the Committee on the District of Columbia.

5722. Also, petition of N. L. Biehl, of Los Angeles, Calif., protesting against paragraph 1116 of the tariff bill, H. R. 7456; petition of Wisconsin Hemp Order, of Madison, Wis., relative to the duty on hemp; and resolution of the Legislature of the State

of Kentucky relative to the farmers and planters of this country who lost money in 1920; to the Committee on Ways and Means.

5723. Also, petition of William McConnell, city prosecutor, and J. Friedlander, assistant city prosecutor, city of Los Angeles, Calif., urging continuation of the appropriation for the Interdepartmental Social Hygiene Board; to the Committee on Appropriations.

5724. Also, petition of A. C. Denny, secretary of Upper Valley Grange No. 389, of Etna Mills, Calif., relative to the Federal Farm Loan Board and Federal land banks; to the Committee on Banking and Currency.

5725. Also, petition of Mrs. Arvilla Gardner, of Sacramento, Calif., urging the early passage of the Bursum and Morgan pension bills; to the Committee on Military affairs.

5726. By Mr. ROSENBLOOM: Resolution adopted by the Presbytery of Grafton, at Mannington, W. Va., indorsing House bill 9753, to secure Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia.

5727. Also, resolution adopted by the Presbytery of Grafton, at Mannington, W. Va., indorsing House Joint Resolution 131, relative to prohibiting polygamy and polygamous marriages, and also Senate Joint Resolution 31, relative to regulating the subject of marriage and divorce; to the Committee on the Judiciary.

5728. By Mr. RYAN: Petition of Edward D. Marshall and several hundred others, of New York City, ex-soldiers and ex-sailors of the World War, and other citizens of the United States, urging the passage of House bill 10890, adjusted compensation for veterans of the World War; to the Committee on Ways and Means.

5729. Also, petition of George W. Lewis and several hundred other ex-soldiers and ex-sailors of the World War, and other citizens of the United States, urging the passage of the bonus bill, H. R. 10890; to the Committee on Ways and Means.

5730. By Mr. SABATH: Petition of the Fraternal Order of Eagles No. 769, of Homestead, Pa., requesting modification of the present laws to permit the sale of light wines and beer; to the Committee on the Judiciary.

5731. Also, resolution of the International Association of Fire Fighters, favoring the modification of the national prohibition act to permit the manufacture and sale of beer and wine; to the Committee on the Judiciary.

5732. By Mr. SANDERS of New York: Petition of the Medina Automobile Club, of Medina, N. Y., through its president, L. J. Skinner, protesting against the passage of House bill 11251; to the Committee on Ways and Means.

5733. By Mr. WOODYARD: Memorial of the Huntington Chamber of Commerce, Huntington, W. Va., indorsing the fundamental principles of ship subsidy as embodied in the shipping act of 1922; to the Committee on the Merchant Marine and Fisheries.

SENATE.

TUESDAY, *May 23, 1922.*

(*Legislative day of Thursday, April 20, 1922.*)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	Myers	Smoot
Ball	Glass	Nelson	Stanley
Borah	Gooding	Newberry	Sterling
Brandegee	Hale	Nicholson	Sutherland
Broussard	Harris	Oddie	Townsend
Bursum	Harrison	Overman	Underwood
Capper	Johnson	Page	Wadsworth
Colt	Jones, N. Mex.	Pepper	Walsh, Mass.
Culberson	Jones, Wash.	Phipps	Walsh, Mont.
Curtis	Kellogg	Pittman	Warren
Dial	Ladd	Poindexter	Watson, Ga.
Edge	Lodge	Ransdell	Williams
Elkins	McCumber	Rawson	Willis
Ernst	McLean	Robinson	
Fletcher	McNary	Sheppard	
France	Moses	Simmons	

Mr. LADD. I was requested to announce that the Senator from Nebraska [Mr. NORRIS], the Senator from Alabama [Mr. HEFLIN], and the Senator from Wyoming [Mr. KENDRICK] are detained at a hearing before the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Sixty-one Senators having answered to their names, a quorum is present.

ACCOUNTS OF CHARLES B. STRECKER (S. DOC. NO. 203).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting a draft of proposed bill authorizing an appropriation of $15,956 to be made, being the balance due the United States and remaining unadjusted in the accounts of the Treasurer of the United States and of Charles B. Strecker, former Assistant Treasurer of the United States at Boston, Mass., upon the discontinuance of the subtreasury at Boston on October 25, 1920, which was referred to the Committee on Appropriations and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5018. An act to authorize the widening of First Street NE., and for other purposes;

H. R. 5020. An act to provide for the sale by the Commissioners of the District of Columbia of certain land in the District of Columbia acquired for a school site, and for other purposes; and

H. R. 6258. An act to exempt from taxation certain property of the Daughters of the American Revolution in Washington, D. C.

PETITIONS AND MEMORIALS.

Mr. TOWNSEND presented a resolution of the Michigan Automotive Trade Association, protesting against the enactment of legislation for the Federal taxation and registration of motor vehicles, which was referred to the Committee on Interstate Commerce.

He also presented a resolution of the Michigan Automotive Trade Association, favoring the passage of the so-called McNary-Smith cooperative reclamation bill, which was referred to the Committee on Irrigation and Reclamation.

He also presented a resolution of the Michigan Automotive Trade Association, favoring the construction of the Great Lakes-St. Lawrence waterway for ocean-going vessels, which was referred to the Committee on Commerce.

He also presented petitions of sundry citizens of Croswell, Yale, Melvin, Elkton, Pigeon, Bad Axe, Filion, North Branch, Almont, Dryden, Swartz Creek, Durand, and Vernon, all in the State of Michigan, praying for the imposition in the pending tariff bill of a duty of $2 per 100 pounds on Cuban sugar, which were referred to the Committee on Finance.

Mr. JONES of Washington presented petitions of sundry citizens of the State of Washington, praying that only a moderate duty on kid gloves be imposed in the pending tariff bill, which were ordered to lie on the table.

Mr. JONES of Washington. I ask unanimous consent to have printed in the RECORD a telegram which I have received from several Republican papers in my State, protesting against the failure of Congress to pass the proposed reclamation act.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

YAKIMA, WASH., *May 20, 1922.*

WESLEY L. JONES, *Washington, D. C.:*

Following a meeting here to-day of the Yakima-Benton-Kittitas group of the Washington State Press Association, Republican members of the group adopted the following resolution:

"Whereas the Republican Party in the last national campaign gave to the voters of the Nation its pledge to put into operation a speeded-up and enlarged program of reclamation; and

"Whereas the McNary-Smith bill, now pending in Congress, was framed as a fulfillment of that pledge and as such has received the official sanction of the administration; and

"Whereas said McNary-Smith bill has been unanimously recommended for passage by committees in both Houses of Congress; and

"Whereas enactment of said McNary-Smith bill will stimulate business and industry, relieve unemployment, contribute materially to the Nation's wealth, and inure to the special benefit of the returned soldiery without prejudice or preference to any project, section, or district of the unreclaimed areas of the Nation: Now therefore be it

Resolved by the following Republican newspaper publishers of the State of Washington, That failure of the Republican majority in Congress to pass the said McNary-Smith bill at the present session will be regarded by us as an inexcusable breach of faith on the part of the national Republican Party, and we hereby declare that we no longer consider ourselves either by reason of our past affiliations or the party's future promises bound to continue our support of the national Republican Party."

Republican newspapers represented at to-day's meeting were Ellensburg Record, Sunnyside Sun, Grandview Herald, Wapato Independent, Toppenish Review, Toppenish Tribune, Kennewick Courier-Reporter, Zillah Mirror, Richland Advocate, Prosser Record-Bulletin.

Mr. NELSON presented a resolution adopted by the Minnesota Tax Conference at Minneapolis, Minn., favoring the passage of House bill 9579, to amend section 5219 of the Revised Statutes of the United States, relative to taxation of national

banking associations, which was referred to the Committee on Banking and Currency.

He also presented memorials of sundry citizens of Bemidji, Minn., remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. CAPPER presented resolutions of the Central Parent-Teachers' Association, the Maccochaque Parent-Teachers' Association, the Western Highlands Study Club, and the Council of Clubs, all of Kansas City, Kans., favoring the enactment of legislation creating a department of education, which were referred to the Committee on Education and Labor.

Mr. WILLIS presented the petition of Mrs. S. S. Kelly and sundry other citizens of Cincinnati, Ohio, praying that only a moderate duty be imposed in the pending tariff bill on kid gloves, which was referred to the Committee on Finance.

He also presented the petition of G. W. Hoffer and sundry other citizens of Metamora and vicinity, in the State of Ohio, praying for the imposition in the pending tariff bill of a duty of $2 per 100 pounds on Cuban sugar, which was referred to the Committee on Finance.

Mr. SHORTRIDGE presented a resolution adopted by the Los Angeles Presbytery of the Presbyterian Church, at Long Beach, Calif., favoring an amendment to the Constitution providing for uniform marriage and divorce laws, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted at the annual meeting of the Woman's Christian Temperance Union of Orange County, Calif., protesting against any weakening amendment to the so-called Volstead Act, which was referred to the Committee on the Judiciary.

He also presented resolutions adopted by the conference of the International Association of Fire Fighters, favoring the legalizing of the manufacture and sale of beers and light wines, the establishment of peace at home and abroad and granting to small nations the right of self-government, the restoration of the liberties of the people and the release of political and war prisoners, and the reduction of appropriations for war purposes, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by Berkeley Post, No. 7, American Legion, of Berkeley, Calif., commending the President of the United States in refusing clemency to political prisoners and protesting against reducing the strength of the military and naval forces of the United States, which were referred to the Committee on the Judiciary.

He also presented a resolution of the board of directors of the Sacramento (Calif.) Chamber of Commerce, protesting against any present change in the transportation act of 1920, which was referred to the Committee on Interstate Commerce.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILLIS:

A bill (S. 3634) granting a pension to William Croft (with accompanying papers); to the Committee on Pensions.

By Mr. SHORTRIDGE:

A bill (S. 3635) for the relief of John R. Scupham; to the Committee on Claims.

A bill (S. 3636) authorizing the appointment of Leland C. McAuley to be a captain in the Air Service, United States Army; to the Committee on Military Affairs.

By Mr. ASHURST:

A bill (S. 3637) to establish an agricultural experiment station at Fort Mohave, in the county of Mohave, Ariz.; to the Committee on Agriculture and Forestry.

By Mr. McKINLEY:

A bill (S. 3638) to abolish the office of Superintendent of the Library Building and Grounds and to transfer the duties thereof to the Architect of the Capitol and the Librarian of Congress; to the Committee on the Library.

By Mr. CAPPER:

A bill (S. 3639) to provide credit facilities for the orderly marketing of agricultural products, and for the preservation and development of the live-stock industry of the United States; to amend the Federal reserve act; to extend and stabilize the market for United States bonds and other securities; to extend the powers of the Federal Farm Loan Board created by the farm loan act; to provide fiscal agents for the United States and for the War Finance Corporation; and for other purposes; to the Committee on Banking and Currency.

TARIFF BILL AMENDMENTS.

Mr. STERLING submitted two amendments intended to be proposed by him to House bill 7456, the tariff bill, which were ordered to lie on the table and to be printed.

Mr. McNARY submitted an amendment intended to be proposed by him to House bill 7456, the tariff bill, which was referred to the Committee on Finance and ordered to be printed.

Mr. POINDEXTER submitted two amendments intended to be proposed by him to House bill 7456, the tariff bill, which were ordered to lie on the table and to be printed.

LAND OFFICES IN NORTH DAKOTA.

Mr. McCUMBER submitted an amendment intended to be proposed by him to the bill (S. 3425) to continue the land offices at Belle Fourche, Timber Lake, and Lemmon, in the State of South Dakota, and for other purposes, which was ordered to lie on the table and to be printed.

LIBERIAN LOAN.

Mr. LODGE. I ask that the joint resolution from the House referring to the Liberian credit, which was put over because of my absence, may be referred to the Committee on Finance. It clearly ought to go to that committee, which has charge of all credits, and I ask that it be now so referred.

There being no objection, the joint resolution (H. J. Res. 270) authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia was taken from the table and referred to the Committee on Finance.

HOUSE BILLS REFERRED.

The following bills were severally read twice by their titles and referred to the Committee on the District of Columbia:

H. R. 5018. An act to authorize the widening of First Street NE., and for other purposes;

H. R. 5020. An act to provide for the sale by the Commissioners of the District of Columbia of certain land in the District of Columbia acquired for a school site, and for other purposes; and

H. R. 6258. An act to exempt from taxation certain property of the Daughters of the American Revolution in Washington, D. C.

AMENDMENT OF WAREHOUSE ACT.

Mr. HARRIS. Mr. President, I ask unanimous consent for the present consideration of Senate bill 3220, which has been reported from the Committee on Agriculture and Forestry. I have discussed the proposed substitute bill with the Senator from Oregon [Mr. McNARY], one of the ablest lawyers in the Senate and a member of the Committee on Agriculture and Forestry. A number of other Senators have examined it, and all favor it. The Secretary of Agriculture requests the proposed changes, and the amendments in the bill were prepared by department officials. He recommends that the changes be made in the bill as reported and states that the amendments suggested are the result of experience in the administration of the act by the division in the Bureau of Markets. I will place his letter in the RECORD, showing the reasons for the change. There will be no objection, I am sure, on the part of any Senator who will examine it. I ask unanimous consent for the present consideration of the bill.

The VICE PRESIDENT. The typewritten bill, sent to the desk by the Senator from Georgia, is not identical with the original bill?

Mr. HARRIS. It is the original bill with other amendments suggested by the Department of Agriculture. I ask that it be substituted for the original bill.

The VICE PRESIDENT. The bill will be reported for the information of the Senate.

The ASSISTANT SECRETARY. A bill (S. 3220) to amend section 2 of the United States warehouse act, approved August 11, 1916. The Senator from Georgia reports from the Committee on Agriculture and Forestry a substitute to strike out all after the enacting clause and insert.

Mr. SMOOT. The original bill was reported from that committee?

Mr. HARRIS. This is the bill reported from the Committee on Agriculture and Forestry. I am offering other amendments to the bill, all of which were prepared by the officials of the Department of Agriculture having charge of the administration of the act, and they have the approval of the Secretary of Agriculture, one of the best men who has ever occupied that position. The amendments, if adopted, will add to the security of persons making loans in these warehouses and also add to the security of farmers storing their agricultural products.

Mr. SMOOT. I want to know whether the proposed amendment offered by the Senator has been acted upon by the committee and whether he is authorized to report it as a substitute for the original bill now on the calendar.

Mr. HARRIS. The original bill was recommended by the Committee on Agriculture and Forestry, but related only to the matter of the products designated by the Secretary of Agri-

culture. The substitute I offer contains some other amendments which the Secretary of Agriculture asked me to offer when the bill was referred to him by the committee. The bill I have sent to the desk embraces all amendments, and I ask that it be substituted for the bill previously offered.

Mr. SMOOT. Do I understand that the Committee on Agriculture and Forestry has agreed to and authorized the Senator to offer these amendments, or is he offering them on his own account?

Mr. HARRIS. The Department of Agriculture approved the first amendment which I offered, allowing the Secretary of Agriculture to designate the agricultural products to be stored in a warehouse instead of naming them in the bill and limiting to a few products. The other amendments were all offered on the request of the Department of Agriculture.

Mr. SMOOT. The Secretary of Agriculture may ask it, but I think the committee had better act upon it before the Senate considers it.

Mr. PITTMAN. Mr. President, let me see if I understand the situation. There is a bill which has been reported from the committee and which is now on the calendar.

Mr. HARRIS. That is true.

Mr. PITTMAN. That bill has certain amendments put in it by the Committee on Agriculture and Forestry.

Mr. HARRIS. The bill was reported without amendment, but the committee agrees to the principal amendment.

Mr. PITTMAN. The Senator from Georgia is now asking unanimous consent to take up that bill, and that consent has been granted.

Mr. SMOOT. No; it has not been granted.

Mr. PITTMAN. I assumed that it had been granted.

Mr. SMOOT. Not yet.

Mr. PITTMAN. If it is granted and the bill is brought up for consideration, the Senator from Georgia is going to offer an amendment in the nature of a substitute.

Mr. SMOOT. The Senator from Nevada stated it just as I understand it, and as I stated it, but I went further than the Senator from Nevada, and asked the Senator from Georgia if the amendment had been approved by the Committee on Agriculture and Forestry.

Mr. PITTMAN. There are evidently some amendments in the substitute which the committee have not approved.

Mr. HARRIS. Some have and some have not been approved by the committee. At the request of the Senator from Utah I had the Senator from Oregon [Mr. MCNARY] go into the matter thoroughly. He approves all amendments and says they will strengthen the act. The Bureau of Markets, which has the administration of the measure, through the Secretary of Agriculture, requests that it shall be amended this way. The Government can lose nothing by these amendments; it issues a license and places warehousemen under bond; but it strengthens the act and affords the farmer—wool and tobacco growers—better protection, enabling them to get cheaper insurance, lower rates of interest on money borrowed, because the man who loans money on the products has a guarantee that the products on which he makes a loan are stable, in good condition, and the warehouseman's bond protects them.

Mr. SMOOT. I thought, of course, when the Senator spoke to me about it that these amendments had been approved by the committee. Therefore, I asked the Senator at the time to discuss the matter with the Senator from Oregon, who is a member of the committee and who was in the Chamber at the time.

Mr. HARRIS. Mr. President, in order to save the time of the Senate, I wonder if the Senator from Utah would not let this bill go through and let me place in the RECORD the reasons set forth by the Agricultural Department for the changes proposed, and to-morrow, if he objects to any of them, we can reconsider the vote by which the bill was passed and send it back to the committee. If he will agree to do that, I think it will save time, and I am sure no Senator will object to any of the changes proposed.

Mr. SMOOT. Of course, I do not know what they are.

Mr. HARRIS. One is to provide for licensing samplers in warehouses to ascertain values of products and insure a correct statement as to the condition of the products in a warehouse. It is designed to guarantee the man who lends the money on the products that the goods on which he makes the loan are not only in the warehouse and graded or classed so as to know the value, but that they are in good condition. Further, it is to place a penalty on the warehouseman if he fails to do his duty.

Mr. SMOOT. Is the Government responsible?

Mr. HARRIS. No. The Government licenses the warehouse. The warehouseman is under bond. If he makes a statement as to commodities in the warehouse which is untrue, or if he allows to go out of the warehouse goods on which there is a mortgage, this bill will make him liable, and the penalties will make him careful about everything pertaining to the products stored—weights, condition, etc.

Mr. UNDERWOOD. Mr. President, I hope the Senator from Utah, unless there be some grave cause, will allow the bill to go through. We have adopted the policy of allowing some uncontested measures to be acted upon, and it seems to me that policy should be followed in this instance.

Mr. SMOOT. It is not a question of not allowing it to be acted upon, but it seems to me that it involves a more or less serious question; and I really do not know, from what the Senator from Georgia has said, whether the Government of the United States is to be responsible in case the goods shall be removed from the warehouse.

Mr. HARRIS. The Government of the United States is not responsible. The bill is designed to make the warehouseman more particular about the goods in the Government warehouse. He is licensed to take charge of the goods in the warehouse. The bill will protect the man who lends money on farm products, and it will protect the farmer who places his products in the warehouse. Its enactment is requested because of the experience of the Agricultural Department in connection with Government warehouses in the past.

Mr. SMOOT. Who is going to lend the money on the products—the Government or the banks?

Mr. HARRIS. The banks; the Government has nothing to do with it. It simply gives a license to the warehouseman, places him under bond, and makes it a penalty for him to issue false receipts, dispose of, or damage agricultural products stored in the warehouse.

Mr. SMOOT. That is what I wanted to be sure of.

Mr. HARRIS. The bill does not impose any additional obligations on the Government.

Mr. UNDERWOOD. As I understand the proposition, some years ago we passed a Government warehouse bill, authorizing the Government to license warehouses. Whether that was right or wrong, that is the law; it is an established fact. Now, as I understand, the bill of the Senator from Georgia has the approval of the Secretary of Agriculture and of the chairman of the Agricultural Committee, even as to the amendment proposed. It is merely designed to impose such requirements as will better protect the warehouse certificate, so that the bank that lends the money may feel that it has better security than it has under existing law. That is all there is in the measure, and at this time it will be very useful. I hope the Senator will allow it to go through.

Mr. SMOOT. Mr. President, on the statement of the Senator from Georgia, I have no objection to having the bill considered now, but, after the proceedings are published in the RECORD and I understand more clearly what it involves, if I think it ought to be reconsidered I shall expect the Senator from Georgia not to object to its reconsideration.

Mr. HARRIS. Not at all; I shall be very glad to have the Senator, in that event, ask for its reconsideration.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 3220) to amend section 2 of the United States warehouse act, approved August 11, 1916.

Mr. HARRIS. I offer to the bill the amendment in the nature of a substitute which I have sent to the desk.

The VICE PRESIDENT. The amendment proposed by the Senator from Georgia will be stated.

The READING CLERK. It is proposed to strike out all after the enacting clause and insert:

That section 2 of the United States warehouse act, approved August 11, 1916, is amended to read as follows:

"SEC. 2. That the term 'warehouse' as used in this act shall be deemed to mean every building, structure, or other protected inclosure in which any agricultural product is or may be stored for interstate or foreign commerce, or, if located within any place under the exclusive jurisdiction of the United States, in which any agricultural product is or may be stored. As used in this act 'person' includes a corporation or partnership or two or more persons having a joint or common interest; 'warehouseman' means a person lawfully engaged in the business of storing agricultural products; and 'receipt' means a warehouse receipt."

That section 5 of the United States warehouse act, approved August 11, 1916, is amended to read as follows:

"SEC. 5. That each license issued under sections 4 and 9 of this act shall terminate as therein provided, or in accordance with the terms of this act and the regulations thereunder, and may from time to time be modified or extended by a written instrument."

That section 11 of the United States warehouse act, approved August 11, 1916, is amended to read as follows:

"SEC. 11. That the Secretary of Agriculture may, upon presentation of satisfactory proof of competency, issue to any person a license to inspect, sample, or classify any agricultural product or products, stored

or to be stored in a warehouse licensed under this act, according to condition, grade, or otherwise, and to certificate the condition, grade, or other class thereof, or to weigh the same and certificate the weight thereof, or both to inspect, sample, or classify and weigh the same and to certificate the condition, grade, or other class and the weight thereof, upon condition that such person agree to comply with and abide by the terms of this act and of the rules and regulations prescribed hereunder so far as the same relate to him."

That section 12 of the United States warehouse act, approved August 11, 1916, is amended to read as follows:

"SEC. 12. That any license issued to any person to inspect, sample, or classify or to weigh any agricultural product or products under this act may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied, after opportunity afforded to the licensee concerned for a hearing, that such licensee has failed to inspect, sample, or classify or to weigh any agricultural product or products correctly, or has violated any of the provisions of this act or of the rules and regulations prescribed hereunder, so far as the same may relate to him, or that he has used his license or allowed it to be used for any improper purpose whatever. Pending investigation, the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without hearing."

That section 15 of the United States warehouse act, approved August 11, 1916, is amended to read as follows:

SEC. 15. That any fundible agricultural product stored for interstate or foreign commerce, or in any place under the exclusive jurisdiction of the United States, in a warehouse licensed under this act shall be inspected and graded by a person duly licensed to grade the same under this act."

That section 19 of the United States warehouse act, approved August 11, 1916, is amended to read as follows:

"SEC. 19. That the Secretary of Agriculture is authorized, from time to time, to establish and promulgate standards for agricultural products by which their quality or value may be judged or determined: *Provided*, That the standards for any agricultural products which have been, or which in future may be, established by or under authority of any other act of Congress shall be, and are hereby, adopted for the purposes of this act as the official standards of the United States for the agricultural products to which they relate."

That section 29 of the United States warehouse act, approved August 11, 1916, is amended to read as follows:

"SEC. 29. That nothing in this act shall be construed to conflict with, or to authorize any conflict with, or in any way to impair or limit the effect or operation of the laws of any State relating to warehouses, warehousemen, weighers, graders, inspectors, samplers, or classifiers; but the Secretary of Agriculture is authorized to cooperate with such officials as are charged with the enforcement of such State laws in such States and through such cooperation to secure the enforcement of the provisions of this act; nor shall this act be construed so as to limit the operation of any statute of the United States relating to warehouses or warehousemen, weighers, graders, inspectors, samplers, or classifiers now in force in the District of Columbia or in any Territory or other place under the exclusive jurisdiction of the United States."

That section 30 of the United States warehouse act, approved August 11, 1916, is amended to read as follows:

"SEC. 30. That every person who shall forge, alter, counterfeit, simulate, or falsely represent, or shall without proper authority use, any license issued by the Secretary of Agriculture under this act, or who shall violate or fail to comply with any provision of section 8 of this act, or who shall issue or utter a false or fraudulent receipt or certificate, or any person who, without lawful authority, shall convert to his own use, or use for purposes of securing a loan, or remove from a licensed warehouse contrary to this act or the regulations promulgated thereunder, any agricultural products stored or to be stored in such warehouse and for which licensed receipts have been or are to be issued, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined not more than $10,000 or double the value of the products involved if such double value exceeds $10,000, or imprisoned not more than one year, or both, in the discretion of the court, and the owner of the agricultural products so converted, used, or removed may, in the discretion of the Secretary of Agriculture, be reimbursed for the value thereof out of any fine collected hereunder, by check drawn on the Treasury at the direction of the Secretary of Agriculture, for the value of such product to the extent that such owner has not otherwise been reimbursed. That any person who shall draw with intent to deceive a false sample of, or who shall willfully mutilate or falsely represent a sample drawn under this act, or who shall classify, grade, or weigh fraudulently any agricultural products stored or to be stored under the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof fined not more than $500 or imprisoned for not more than six months, or both, in the discretion of the court."

During the reading of the amendment,

Mr. PITTMAN. Mr. President, I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his parliamentary inquiry.

Mr. PITTMAN. Is the Secretary now reading the proposed amendment or is he reading the original bill?

Mr. HARRIS. He is reading the amendment submitted by me in the nature of a substitute.

Mr. PITTMAN. Has the original bill been read? I should like to have the bill read first, in order to ascertain what it is the amendment is directed to.

Mr. HARRIS. It is an amendment to the Government warehouse act.

The VICE PRESIDENT. It is Senate bill 3220, which, of course, has been printed.

Mr. PITTMAN. I understand what Senate bill 3220 is; I have it before me, but I should like to know whether Senate bill 3220 is incorporated in the proposed amendment?

Mr. HARRIS. It is.

Mr. PITTMAN. Entirely?

Mr. HARRIS. Entirely.

After the conclusion of the reading of the amendment,

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend sections 2, 5, 11, 12, 15, 19, 29, and 30 of the United States warehouse act, approved August 11, 1916."

Mr. HARRIS. Mr. President, I ask permission to place in the RECORD a letter from the Secretary of Agriculture in regard to the measure just passed, to which I previously referred, together with the accompanying memorandum of amendments requested by the department, which are the only amendments to the bill except the original amendment which I described, and which was the first to be considered. I ask permission also to have printed in the RECORD a statement which I have prepared of the benefits which will come to the warehouses which have been and will be licensed under the bill.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, May 13, 1922.

Hon. WILLIAM J. HARRIS,
United States Senate.

DEAR SENATOR: In accordance with an informal request which I understand you recently made of the Bureau of Markets and Crop Estimates, there have been prepared in that bureau by our people who are familiar with the subject some suggested amendments to the United States warehouse act, together with a memorandum in explanation thereof. This matter has been gone into very carefully, and these amendments are the result of experience in the administration of the act by the division in the Bureau of Markets and Crop Estimates that is charged with that responsibility.

Sincerely yours,

HENRY WALLACE, *Secretary.*

—

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF MARKETS AND CROP ESTIMATES,
Washington, May 11, 1922.

(Memorandum in explanation of suggested amendments to the United States warehouse act, attached hereto.)

In the suggested amendments to the United States warehouse act, attached hereto, additional or new language has been underscored. Where words are to be omitted lines are run through them and attention will be called thereto in this memorandum.

The first amendment suggested amends section 2 by striking out the following sentence: "The term 'agricultural product' wherever used in this act shall be deemed to mean cotton, wool, grain, tobacco, and flaxseed, or any of them."

In explanation of that amendment it should be said that the department has had a number of requests in the past several years to license warehouses which are used for the storage of agricultural products other than those now enumerated in the act. There are pending in Congress at this time several amendments to the act which have as their object enlarging the number of the products which might be stored in licensed warehouses and for which licensed receipts should be issued. These amendments range from specifying a few additional products to the inclusion of all agricultural or horticultural products. In addition there are pending a number of important bills providing for additional credit facilities based in part upon warehouse receipts for agricultural products. It is believed that the purpose of those seeking amendments to the act and the intent of the act, as well as that of proposed credit legislation, can best be carried out if it is left discretionary with the Secretary of Agriculture to determine what agricultural products are suitable for storage under the warehouse act.

The amendment made to section 5 removes the one-year limitation now placed upon licenses. No good reason is apparent for limiting the life of all licenses to one year. The limitation now in the act makes it necessary for a warehouseman to file an application and bond every year, causing both the warehouseman and the department unnecessary work. Under the suggested wording the license can be terminated any time the licensee fails to observe the act or the regulations promulgated thereunder.

Section 11 of the act it is suggested be amended to provide for licensing persons to inspect and sample products and to certificate the condition of such products. Section 11 now provides for the licensing of persons to classify and weigh agricultural products stored in warehouses licensed under the act. To properly classify certain products, such as tobacco and grain, it is highly important to have an accurate and representative sample of the commodity. Therefore licensing samplers it is believed will impress the samplers more keenly with the responsibility imposed upon them.

Section 12 it is suggested be amended by adding at two places the words "inspect, sample, or," so as to make this section conform with the amendment suggested to section 11, which provides for the licensing of samplers.

Section 15 of the act it is suggested be amended so as to strike out from the first line thereof the words "grain, flaxseed, or" and the word "other" in that same line, making the section read as indicated in the attached draft. As the section now reads, there has been doubt as to whether grain or flaxseed, regardless of the manner in which they may be stored, are not under all conditions made by the law fungible agricultural products. Under certain conditions grain is so stored as to make it no more fungible than any of the other products enumerated in the act. For instance, in the Northwest and on the Pacific coast generally it is customary to store grain in sacks; that is, the grain is all sacked before being placed in the warehouse. In other sections at times grain is specially binned. Either of these methods results in preserving the identity of the particular grain stored, and there is no valid reason why a requirement should be imposed by law

upon identity-preserved grain which is not imposed upon the other products, such as cotton, now mentioned in the act.

Section 19 it is suggested be amended by striking out the words "in this act defined." The amendment suggested to section 2 eliminates the definition of "agricultural product," and therefore the words "in this act defined" are useless.

The only suggested amendments to section 29 are to insert the words "inspectors" and "samplers" at the two places indicated. These changes are suggested to make this section harmonize with the suggested amendments to sections 11 and 12.

The amendments suggested to section 30 first enlarge the scope of offenses which a warehouseman might commit and for which he might be punished under this act; second, they increase the severity of the penalty which may be imposed; and, third, provision is made for imposing penalties on persons who draw, with intent to deceive, a false sample of a product or who willfully mutilate or falsely represent a sample drawn under the act, or who fraudulently grade or weigh agricultural products stored or to be stored under the provisions of the act.

It is not believed that the offenses now punishable under the act are sufficiently broad in scope, nor is it believed that penalties are severe enough. As the act reads now a warehouseman can be punished, first, if he forges, alters, counterfeits, simulates, or falsely represents a license, or if he represents himself to be licensed when he is not, or if he issues or utters a false or fraudulent receipt or certificate. It is believed that a warehouseman might commit any of the other acts enumerated in the suggested amendments and still not be punishable under the act. The commission of any of these acts would in many instances be more serious to the depositor of agricultural products than the commission of the acts which the law now provides for punishing. While the act provides that the Secretary shall require a bond before a warehouseman becomes licensed, and while it is the intention that this bond shall be for the protection of depositors, on the other hand it must be recognized that the amount of bond which should be required must not be prohibitive. This recognition has been made. Offenses such as the suggested amendments contemplate to reach might be committed in such amount as to wipe out the amount of bond and still leave unsatisfied claims of depositors. It is not believed that the amount of bond which is required can well be increased. It is believed, on the other hand, that the penalties which are suggested will have a salutary as well as deterring influence upon warehousemen who may be tempted to go wrong.

Because of the importance of drawing of proper and representative samples and of the importance of proper classification, grading and weighing to the integrity of the receipt for collateral purposes, the penalty section suggested for reaching sampiers, classifiers, graders, and weighers should materially strengthen warehouse receipts issued under this act.

Mr. HARRIS. Mr. President, many benefits come to those warehouses licensed under the Federal act. The patrons of such warehouses will enjoy a 25 per cent reduction in insurance rates, and as warehousemen they themselves will be granted a reduction of 25 per cent in insurance rates on both the warehouses and their equipment.

Great progress has been made under the warehouse act during the past two years and great strides have occurred in the past year, according to Mr. H. S. Yohe, in charge of the administration of the United States warehouse act, under the Bureau of Markets and Crop Estimates in the Department of Agriculture. The warehouse act was passed in August, 1916. From that date until April 1, 1920, there were licensed 23 cotton warehouses, with a combined capacity of 40,050 bales, and only 5 grain warehouses, with a total capacity of 136,000 bushels. One year later, on April 1, 1920, there were licensed 238 cotton warehouses, with a combined capacity of 429,975 bales, and 56 grain warehouses, with a total capacity of 2,108,400 bushels.

There were no licensed wool warehouses on April 1, 1920, but one year later there were five licensed wool warehouses with a capacity of 97,500 bags, or approximately 24,375,000 pounds. Although the act applied to tobacco warehouses, no licenses were issued up to April 1, 1921.

The department had licensed 269 cotton warehouses with a combined capacity of approximately 1,250,000 bales up to April 1, 1922. On that date 264 grain warehouses, with a total capacity of approximately 15,000,000 bushels, had been licensed; 19 wool warehouses, which handled better than one-sixth of the entire wool clip of the last season, or about 35,000,000 pounds of wool; and 12 tobacco warehouses with a total capacity of about 68,000,000 pounds.

It will be noted, the department points out, that the total number of licensed warehouses on April 1, 1922, is not very much greater than the number on April 1, 1921, but the capacity is materially different. On April 1, 1921, the capacity was 429,975 bales of cotton, but one year later the capacity increased to 1,250,000 bales. The reason given is that a few large warehouses have seen the benefits of the warehouse act.

Mr. President, the department informed me that they could not interest any cotton warehousemen in the milling sections of New England until the close of 1921. There is now one large warehouse with a 30,000-bale compartment licensed in Massachusetts. The whole plant of that warehouseman will accomodate in the neighborhood of 150,000 bales, and he will increase his licensed space as the demand grows. Many large compress and warehouse companies in the South, operating on a large scale in the cotton-producing area, have become licensed within the past year.

The department informs me that the cooperative cotton growers' associations which were formed in different States during the past year have all manifested a great interest in the Federal warehouse act, and all of the associations have found the Federal warehouse receipt of immense value in arranging for finances.

The department has been informally advised that the associations which are now in process of organization in North Carolina, Georgia, Alabama, and Arkansas intend to avail themselves of the act.

At this time, when the Senate has just passed a bill extending the activities of the War Finance Corporation for one year from June 30, 1922, it is important to note that the corporation, in making its loans covering various products, informs me that in not a single instance has it refused to accept Federal warehouse receipts as security for loans which it has made to producers' associations.

The department says there has been an awakening on the part of grain warehousemen to the advantage of the warehouse act. During the months of August, September, and October of last year over 225 grain warehouses were licensed in Oregon, Idaho, and Washington. One grain grower in the Northwest section wrote the department that the licensing of these warehouses at once placed at the growers' disposal a warehouse receipt on which they were able to borrow, and despite the fact that before they had this receipt they experienced the greatest difficulty in making loans.

While the number of wool warehouses which are licensed appears small, according to the department, it will be recalled that those warehouses have handled more than one-sixth of last year's clip, which is operating on a large scale. It appears that practically all of the wool of Missouri will be handled this year through licensed warehouses.

Until November 20, 1921, only one small tobacco warehouse was operating under this act. There are now 14, with a total capacity of close to 70,000,000 pounds. Seven of these warehouses are in Wisconsin, 3 in Pennsylvania, and 4 in Kentucky. Those in Kentucky are very large and have an aggregate capacity of approximately 60,000,000 pounds. The department is expecting several more large warehouses in Kentucky to apply for licenses, as well as several in southern Ohio and Indiana.

The framers of the original warehouse act had in mind the developing of a form of warehouse receipt, according to my understanding, which would possess the greatest credit advantages. One illustration given me by Mr. Yohe, of the bureau who administers the act, was the recognition on the part of bankers of the value of the receipt when a large cotton plantation operator in the Delta section approached a New Orleans banker for a loan, offering as security some 300 cotton-warehouse receipts. The receipts were left with the banker so they might be examined, and later in the day the holder of the receipts returned to learn what amount the banker might loan on them. To his surprise the banker handed him about 10 or 12 receipts on which he told him he could not make a loan, but that he would loan on all of the others. The holder of the receipts asked no questions but glanced at the receipts which were returned and immediately noted that these receipts had been issued by the warehouse prior to its becoming licensed under the act. All of the other receipts were licensed receipts and were acceptable to the banker as collateral.

Mr. President, Governor Harding, of the Federal Reserve Board, in a letter to the warehousing official of the bureau last September, said:

> Generally speaking there can be no doubt, I think, that warehouse receipts issued by warehousemen licensed and bonded under the United States warehouse act will be considered by bankers as more desirable collateral security than those issued by warehousemen who are not licensed or bonded under any State or Federal law.

Continuing, Governor Harding wrote:

> The United States warehouse act specifies in detail what shall be stated on each receipt issued under that act, and these statements give very full information regarding the commodity which the receipt represents. The act also requires the warehousemen to keep records of all commodities stored or withdrawn and of all receipts issued and returned, and to make such reports to the Secretary of Agriculture as the Secretary shall require.

In discussing the relative desirability of the warehouse receipts issued by warehousemen licensed under the Federal act and those licensed under acts of the various States, Governor Harding wrote:

> It is my opinion, however, that there are certain advantages in being licensed under the Federal law and in being subject to the supervision of the Federal authorities, which advantages would be most apparent in cases where the holders of warehouse receipts desire to use them as collateral for loans from banks located in States other than those in which the warehouse happens to be located.

THE RUSSIAN SITUATION.

Mr. EDGE. Mr. President, on general principles I am opposed to the discussion on the floor of the Senate of subjects not regularly before this body. I am convinced that our very liberal rules, permitting discussion of any subject, any time, at any length, have much to do with the present admitted unsatisfactory progress of the tariff bill. However, the Senator from Idaho [Mr. BORAH] has introduced a resolution, upon which he has spoken, and the principle involved is of such unusual and far-reaching importance, that I believe the other side of the picture should at least be briefly stated.

On May 15 the Senator from Idaho [Mr. BORAH] presented the following resolution:

Resolved, That the Senate of the United States favors the recognition of the present soviet government of Russia.

I have a very high regard for the splendid intellect of the Senator and his magnificent service to his country, and it has been with great pleasure that I have on many occasions subscribed to his viewpoint on public matters; but it is absolutely impossible for me to follow the reasoning that would convince him of the wisdom of the recognition of the soviet government of Russia, especially when I recall his eloquence on many an occasion in upholding and protecting the constitutional principles of America.

The Constitution of the United States, as I interpret it, is built upon the principles of liberty and protection of property rights; and, while I recognize the right of any nation to establish its own government, I differentiate very decidedly on the question of America's recognition of that government if it destroys the fundamental and bedrock principle upon which our own Government is founded.

I would divide a brief discussion of this question into two parts:

First. That it is, anyhow, no business of the Senate to initiate such a program. Every Senator certainly appreciates that the recognition of new governments is, first of all, an Executive function. Frankly, in this connection, and so far as it can be ascertained or analyzed, the policy of the Secretary of State as to Russia's recognition has met the widespread approval of all America. He has clearly stated on different occasions, in effect, that our Government can have nothing to do with another government that denies the right of the protection of private property or the sacredness of contracts. The conference at Genoa has only served to accentuate the determination of the soviet government to adhere to these false policies.

Second. From an economic standpoint, how is it possible for our Government to recognize another government which, as stated, denies the right of private ownership, and through such recognition to encourage our merchants and business men to engage in trade with the Bolsheviki?

The fundamental principle of American Government has been the protection of American interests under any flag in the world; and how are we to protect American interests in a country whose government first refuse to recognize an American loan made to the Government the present soviet régime succeeded, and then positively asserts that property rights and protection form no part of their ritual? Are we not holding out to our business men a false security?

It appeals to me, Mr. President, that through such recognition we would be deceiving our own business men. It appeals to me that recognition would result in a confused situation somewhat like this: First, an approval of that government's direct statement that they propose to repudiate all their obligations and the war debt of the late World War that was conducted in the interest of civilization; second, if any American citizen owns property in Russia they refuse to restore that property to the American owner, because it is the policy of their government to confiscate private property. Therefore, to restore to the American citizen his property which he rightfully owned in Russia would be contrary to their governmental policy. But if a Russian national—and many of them do—owns private property in the United States the soviet government demands that he be placed in full possession of that property, because he appreciates that it is not the policy of the American Government to steal or confiscate private property.

It appeals to me, Mr. President, that to recognize the soviet government under such conditions is not only infamous but is destructive to all that Christianity has accomplished in the last 2,000 years.

During the war many American citizens bought Russian external bonds. That was to help the Allies win the war. At the time it was just as much a patriotic act as it was later to buy American Liberty bonds. They were bought, as I recall it, practically at par, and not at an unusual rate of interest for such securities. As stated, the present Russian government has repudiated this debt in its entirety.

How can we give aid to Russia in addition to making every effort, as we continually are, to feed the starving men, women, and children, partially the result of this impractical and inconsistent form of government? Certainly not by recognizing it and thus encouraging its continuation. We can never give aid to Russia under present conditions by the recognition of the political situation there. It seems impossible in European conferences to separate European politics from Old World economics. If it can not be done, then I see no immediate help beyond what we are now doing. If they insist on a continuation of the policy of repudiation, certainly our Government is more than justified in continuing, and the American people in my judgment demand that it continue, the policy of nonrecognition.

In other words, Mr. President, until the soviet government, or whatever it may be called, realizes the necessity for the recognition and guaranties of the rights of private property and contracts, then in justice to our own country and the policy and principles we have proclaimed for centuries recognition should and must be withheld. We owe it to our own people; we owe it to our present position of world leadership.

Personally, I should like to see America sitting around the table with the representatives of other recognized nations considering an adjustment of world economic problems. We are certainly not hostile to efforts to help balance the budgets; we are not deaf to suggestions providing for the proper deflation of bloated currencies; we are not averse to lending assistance in bringing about reduced expenditures rather than more taxation; we are not opposed to armament reduction and matters of that kind; but if participation in such conferences involves the recognition and thus the semi-indorsement of a false theory of government, then America had better by far continue its policy of isolation and national independence and national aloofness in its protection of American rights through the world.

Only a day or two ago, demonstrating, if the news reports are to be given credit—and I believe they are—that the representatives of the soviet government who have been at Genoa are unable really to represent the viewpoint of the leaders in authority in Russia, the report came to us that while Tchitcherin was giving assurances to the representatives of other nations at Genoa of Russia's cooperation in economic problems and Russia's nonaggression compact Trotsky was making war speeches to Russian cadets, and is reported to have said:

Don't believe in the Genoa speeches; trust only in your bayonets and your batteries. Conferences will not give us what we need. This can only be obtained by having the red army cross the frontier of capitalistic States and the red flag wave over the whole of Europe. Perhaps during the summer the red army will be called upon to give proof of its fighting force.

And in the same news report word was received from the Black Sea to the effect that the Russian batteries fired on the Italian steamer *Marte*, sinking the steamer and killing half of her crew.

The Italian Red Cross have just reported that southern Russia has been transformed into a "great cemetery of starving people. Men, women, and children are dying of starvation, not by the thousands but by the millions." In the meantime representatives of the Russian Government, of the Russian Soviet, deliver ultimatums to representatives of the civilized nations of the world that they must be permitted to continue with their policy of confiscation, and in the meantime that the nations of the world must loan them untold millions in order that their government may continue to survive.

No, Mr. President, the United States or its citizens will never hesitate in responding to calls of humanity, no matter how much a subject of justifiable criticism is the policy of the Government where such conditions exist; but America never should and never can, in justice to its own splendid convictions, subscribe to a recognition which at its best could only be looked upon as a possibility of securing commercial advantages at the cost of national dishonor.

Mr. BORAH. Mr. President, I have no intention at this time of undertaking to reply to the able Senator's argument against the recognition of Russia. I see, however, that the Senator, like most people who oppose Russia, accepts almost everything that is published with reference to Soviet Russia. There is such constant, persistent propaganda in the country in the misrepresentation of Russia that it is no surprise that anyone should be at times misled with reference to the true facts.

I say to the Senator that at the present time there are 14 nations that are doing business with Russia, have their diplomatic missions in Russia, are trading and carrying on business with Russia, and they are not losing any money in Russia. Furthermore, we ourselves are carrying on business with Russia

through another nation. Within the last 10 days I had the pleasure of hearing from a gentleman in New York who sold a very large amount of goods to Russia. He got his money; but, for some reason which is a little difficult for an American to understand, he had to do the business through an English merchant, and pay a commission to the Englishman for doing it.

My idea of the American business man is that if you give him an equal chance he will take care of himself anywhere that anybody else will, and in view of the fact that the English merchant is in a position to do business, do it successfully, and so successfully that he can also carry on the business of the American merchant and charge him a commission, I do not think we need to fear what may happen in case the American merchant undertakes to go in.

Another thing, Mr. President, it is constantly stated that Russia at Genoa was unwilling to restore the property of the nationals of other governments. Russia specifically stated that she would either restore the property or compensate for it. If the press dispatches are correct and Mr. Vanderlip is correct, that is the position which Russia took at the Genoa conference, and it is a position in no wise different from that of other governments which passed through the war. Property could not be restored in all instances, but she stood ready to compensate for the property, which, in my opinion, was the most manifest evidence of good faith.

Mr. Vanderlip says:

> The logic of this attitude was waved aside by the powers.

That is, the logic of the attitude of the Russian Government.

> The Russian's financial necessities were so extreme and pressing that Russia's representatives were prepared to forego their logic, acknowledge the old debts, and compensate for, if not restore, property to foreign nationals.

Mr. EDGE. Mr. President, will the Senator yield?

Mr. BORAH. Yes.

Mr. EDGE. Do I understand that Mr. Vanderlip also stated that the present government would acknowledge the old debt, meaning the loan granted by the United States to the former government?

Mr. BORAH. Yes; the Russian Government were willing to do that, providing the Allies would assist them in getting certain credits to continue business, and, as Mr. Vanderlip says, for the Russian Government to acknowledge the old debt and to have undertaken to restore the property and to have gone home without any assistance would have been to overthrow the Russian Government. The President of the United States would not assume the responsibility of disposing of or even adjusting the international debt in which the United States was interested. Poincare would not assume that responsibility upon the part of his Government. If he did assume it upon any such principle as was submitted to Russia, he undoubtedly would be retired to private life. Lloyd-George could not assume the responsibility which the Allies asked Russia to assume at the Genoa conference; but Russia said, If you, as the allied powers, will promise Russia a standing with reference to credits, and aid her in that respect, she will acknowledge the debt, and compensate for property where she can not restore it.

At the present time the communistic principle in Russia is a very limited proposition, comparatively speaking. It is by no means what it was three years ago or four years ago. At the present time the Government of Russia nationalizes the land and transportation, and to some extent some of the large industries, and that is all. Even as to the land, the farmer or the peasant is permitted to trade upon his own initiative and upon his own responsibility. The products which he raises are not taken charge of by the Government and disposed of. Those things have been modified, and my contention is that a recognition of the Government, and bringing it back into the family of nations, would inevitably result in Russia conforming herself to the business principles of the other nations of the world.

Mr. EDGE. Does Mr. Vanderlip state at all what security, if any, the Russian Government proposes to give for the loan of millions or billions?

Mr. BORAH. No; Mr. Vanderlip says in effect they never got that far; that the Allies rejected the proposition because the Allies were not in a position to furnish anything to Russia in return for what they were asking of Russia.

Let us understand the situation precisely. The proposition submitted to Russia at Genoa meant the dismemberment of Russia. The real, moving, driving power in Genoa was oil, not political recognition, not restoration of Russia, but the question which concerned them was what amount of natural resources and raw material of Russia each one of the allied powers could get hold of.

Mr. Vanderlip is not known as a radical, yet it is very clear from his article that he regarded the entire movement upon the part of the Allies as an impossible one. Let me read what he said:

> The London experts' report laid down a fantastically impossible program of demands on Russia.
>
> What did they ask?
>
> Those demands included liquidation of the past Russian obligations and recognition of all financial engagements heretofore entered into by all the authorities of Russia—local, provincial, or on account of public-utility undertakings.
>
> It proposed to impose on Russia the liability of all actual direct losses arising from breach of contract or otherwise suffered by nationals of other powers due to negligence of the soviet government or its predecessors.
>
> It proposed to set up a mixed arbitral tribunal to determine questions relating to debts, contracts, and losses. It proposed to establish a Russian debt commission, nominated by the powers, which would have authority to issue new Russian bonds to holders of the existing State and other bonds and allocate to the service of this commission new specific taxes and royalties.
>
> It proposed to control collection of such revenue, deal with the proceeds, and arrange the return of property formerly owned by nationals of the powers.
>
> The London experts further proposed to reorganize the Russian judicial system on a system of judicial protection for foreigners as complete as that established in China.

That was the proposition which was submitted to Russia, and the surprising thing is, of course, that Russia did not accept it. Some people seem at a loss to understand why Russia did not rush into this scheme, a scheme which would have made her a subject people, forfeited her nationality, and turned her vast wealth to her despoilers.

Mr. EDGE. Speaking of the author of that article, Mr. Vanderlip, was he not one of that group of so-termed international bankers who are so frequently the subject of more or less comment on the floor of the Senate?

Mr. BORAH. I suppose so; I hope so. He is adding respectability to the group; I should say, greater respectability.

By the decree of November 23, 1920—Laws of 1920, article 421—Russia has "guaranteed the property of those holding concessions in Russia against any sort of nationalization, requisition, or confiscation, and has given them various privileges which will allow them to carry on their business without interference." That is a part of the present law of Russia.

A special decree of the central executive committee—Laws of 1921, article 313—"guarantees the fulfillment of lease contracts and prescribes that they can only be set aside by the courts," as in this or any other country.

From article 188 of the Laws of 1921, which frees labor from the requirement to work for the State, to article 323 of the laws of the same year, they proclaim the freedom of all workers to choose their own employment without special authorization.

I quote again from the laws of Russia:

> In general, all contracts, including those to which the State is a party, are binding and enforceable by law, and any provision included in the contract excluding the parties from resorting to the courts renders it invalid.

Mr. President, as I said, I do not propose to discuss this matter to-day. I shall, however, discuss it more at length within a very short time.

Mr. FLETCHER subsequently said: Will the Senator from California allow me to interrupt him?

Mr. JOHNSON. I yield.

Mr. FLETCHER. In connection with the discussion regarding Russia this morning, I should like to have inserted in the RECORD an editorial from the Washington Post of Monday, May 22, entitled "The Crisis of May 31."

Mr. JOHNSON. The Senator asks that it be inserted in the RECORD, not read?

Mr. FLETCHER. Yes; in connection with that discussion, and before taking up the tariff bill.

Mr. JOHNSON. Very well; and upon that subject I hope to say something myself hereafter. The exigencies of the tariff bill have precluded investigations, studies, and the like, in other directions which might be more interesting, though perhaps not more profitable.

Mr. FLETCHER. I ask that the editorial be printed in 8-point type.

There being no objection, the matter referred to was ordered to be printed in the RECORD, in 8-point type, as follows:

[From the Washington Post, Monday, May 22, 1922.]

THE CRISIS OF MAY 31.

In his final remarks at Genoa Mr. Lloyd-George gave a pointed warning to the Russian Bolshevists who wrecked the conference by refusing to conform to the rules of civilization. He urged them not to make the mistake at The Hague which they made at Genoa, of running counter to the prejudices of western Europe. He added:

The first prejudice we have in western Europe is this, that if you sell goods to a man you expect to get paid for them. The second is that if you lend money to a man and he promises to repay you, you expect that he will repay you. The third is this, that if you go to a man who has already lent you money and say, "Will you lend me more?" he will say to you, "Do you propose to repay me what I gave you?" and if you say, "No; it is a matter of principle with me not to repay," there is the most extraordinary prejudice in the western mind against lending any more money to that person.

Mr. Lloyd-George might have observed that the farther west you go the stronger the prejudice. He could not have stated more admirably the attitude of the United States in regard to the war loans. Therefore the news that France is following the suit of Great Britain in providing for the early payment of an installment on the debt to the United States is most gratifying. It will serve as an object lesson to the Russian reds by proving that western nations are as punctilious when borrowers as they are when lenders.

The world will watch with interest the proceedings at The Hague to ascertain whether the Russian communists shall decide to throw over their doctrines for the sake of a loan or throw over a loan for the sake of communism. In the first case they will no longer be communists, and the prospects of European peace will be distinctly brighter. In the latter case, they will remain a menace to Europe. Whether they make one decision or the other, their good faith will still remain in doubt and nothing but events will show their true intent. If they can obtain a loan by promising reforms with such trickery as to enable them to break their promise, they will do so. It is up to the European Governments to prevent such treachery.

In the meantime the relations of Germany and France will press for adjustment. There are indications that an agreement is in the making, which may materialize before May 31, and which will enable France to escape the embarrassing alternative of employing military force. The subcommittee of bankers conferring under the Reparation Commission will strive to find a method of adjusting the situation on May 31 whereby France and Germany may be enabled to agree upon something more practicable than the present arrangement. The solution is in the hands of France, but possibly M. Poincare may not summon up the moral courage to apply it. In order to readjust the Franco-German relations on a basis that will yield reparation money without military compulsion, M. Poincare must agree to a reduction of the total sum demanded of Germany, and must further agree to release certain German assets, such as railroads, so that Germany may pledge them as security for a loan. From the loan France may collect an installment of reparation money, and Germany can proceed with the balance to obtain raw materials and improve her exchange.

Can M. Poincare induce France to relax her grip upon Germany to the extent outlined? He has not been in the position of advocating lenity toward Germany, even for the purpose of collecting reparations. One French premier after another has fallen because he was made to appear weak in dealing with the Germans. M. Poincare was one of M. Briand's sharpest critics on this point, and now M. Poincare is prodded by other critics. If M. Poincare had gone to Genoa he probably would have been condemned by the Chamber of Deputies, and his resignation would have followed. He retained power by reiterating his fixed determination to hold Germany to account on May 31 and by holding Mr. Lloyd-George and the Russian reds at arm's length. He ran the risk of impairing Anglo-French relations rather than yield a jot in dealing with Germany. Consequently he remains premier.

The question now is whether M. Poincare can persuade French opinion to adopt the plan for an international loan to Germany as a means of collecting reparations in the face of a stubborn belief that any relaxation of the grip upon Germany will be seized by the Germans as an opportunity for war preparations. That Germany will fail to reach the minimum demands due May 31 is a foregone conclusion. The Reparation Commission will so report, and the sanctions will then go into effect automatically unless arrangements are previously made to the contrary. M. Poincare has again given notice that France will act alone if after consultation with the Allies they decline to cooperate. The Versailles treaty seems to give each allied power the right to compel Germany to meet her obligations.

The making of an international loan to Germany is a task of extreme complexity. It amounts to the revision of the Versailles treaty in one of its most vital parts. It is, indeed, a readjustment of the relations of France and Germany. If the subcommittee of bankers about to engage in this task can accomplish it within the next few weeks, it will put the Paris and Genoa conferences to the blush, to say nothing of the supreme council and the conference of experts at The Hague.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. McCUMBER. Mr. President, I ask that the Senate proceed to the consideration of paragraph 383, the item of quicksilver, on page 87. I simply desire to say in relation thereto that the bill, as it passed the House, placed a duty of 35 cents per pound upon quicksilver. The Senate committee reduced it to 25 cents per pound, and as calomel is a product of quicksilver, in order to determine what the rate upon calomel, which is in the chemical schedule, shall be, it is necessary that we shall ascertain whether the reduction which the committee has recommended is to be adopted. As I understand, both California Senators are here this morning and are interested in this subject, and I ask that we may consider that paragraph.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will state the pending amendment.

The ASSISTANT SECRETARY. On page 87, line 1, the committee proposes to strike out "35" and to insert in lieu thereof "25," so as to read:

Quicksilver, 25 cents per pound.

Mr. JONES of New Mexico. We passed over the item of fluorspar, paragraph 207. If it will not inconvenience the California Senators too much, I want to discuss fluorspar in a brief way and get rid of it, because I desire to turn my attention to another subject as soon as we can dispose of this one item. If it will not inconvenience them too much, I will appreciate the privilege of saying what I have to say now on the subject of fluorspar.

Mr. McCUMBER. I will state to the Senator that I notified the California Senators, who are very much interested in this quicksilver item, that I would call up the quicksilver paragraph this morning, and they are prepared to go on. It is entirely agreeable to me, if it is agreeable to them, to have the Senator discuss the other item first.

Mr. JONES of New Mexico. I was prepared to go on with the fluorspar item last night, and I would like to get it off my mind.

Mr. McCUMBER. Whatever is convenient to the Senators will suit me. It is immaterial to me which question is taken up first.

Mr. JOHNSON. Mr. President, we will not delay the Senate long on the matter of the quicksilver item. I want to put the facts before the Senate, and then let it determine what shall be done. I can assure the Senator from New Mexico, and I think I can do this for my colleague, as well as myself, that the discussion will be brief, and the facts practically undisputed.

The item to which the Senator from North Dakota has referred, and which is now the subject of inquiry, is found on page 87, paragraph 383. The rate on quicksilver, 35 cents per pound under the bill as it came from the House, is reduced to 25 cents per pound by the Finance Committee of the Senate.

The item of quicksilver presents a unique case here. It is one, I believe, that is scarcely presented by any other item in the bill. The fact is that either the duty should be accorded which was given us by the House or there will be no quicksilver production in the United States, and the question comes very squarely to the Senate, therefore, Do you wish quicksilver production in the United States? Is that production of sufficient importance to give a tariff of 35 cents per pound, or do you believe the disadvantages which will accrue from a tariff of 35 cents per pound would outweigh the production of that particular and peculiar metal in our land?

When I speak of the facts in the case I speak from three sources of information. The first is that of a gentleman in California, now a State senator, Senator E. S. Rigdon, of Cambria, in the county of San Luis Obispo, a gentleman of the highest repute, whose every word, from my intimate knowledge of him, is entitled to full credence.

Secondly, from the statements which have been made by the State mineralogist of California, Fletcher Hamilton, a gentleman of ability and standing, and whose word concerning the mining industry of the West, I think, is taken as complete authority—quite as authoritative as that of any one individual.

Our friends in the East may not be aware that we have a particular officer in California called the State mineralogist. The office was created because of the importance to our Commonwealth of the mining industry, and since its creation, many years ago, it has been occupied by men familiar with mining and the mining industry, and they have been of inestimable service in conserving that industry for the State. So when I

say that Mr. Hamilton, the State mineralogist, indulges in the statements which I repeat here I say to you that the highest authority there is in California makes those statements.

The third source of my information is the Tariff Commission, which, I presume, presents in disinterested fashion the facts.

Let me read you an excerpt from Tariff Commission Series No. 21, page 245:

Quicksilver is an essential component of all mixtures for detonating high explosives. No satisfactory substitute has been found for military use. It is used in drugs and is the most satisfactory ingredient of antifouling paint for ships' bottoms. In addition to its numerous technical and scientific uses that are less direct, though not unimportant, factors in military operations.

Up to 50 per cent of the normal peace-time consumption of quicksilver is as the essential constituent of blasting caps. By virtue of this use it is a factor in the production of all metals and minerals and in most excavation and general construction work. In no single application is the amount required very great, but many industries would be crippled were they unable to secure the small but vitally necessary amount required.

Quicksilver production was at low ebb in the United States at the beginning of the war and increasing amounts of the metal were being imported to supplement the dwindling unprofitable output of the domestic mines. Relieved from foreign competition and stimulated by high prices, the domestic output increased to large proportions. The output in 1918 was 32,883 flasks (of 75 pounds), at least 50 per cent more than the normal peace-time consumption of the metal in the United States; in 1919, 21,348 flasks.

With the return of normal conditions it is believed that Spanish metal, which is controlled by British interests, will be imported and will depress the price in the American market, which during 1918 was two and one-half times the average price before the war, to below the present cost of production of most of the domestic producers.

The fact of the matter is, in relation to the production of quicksilver, that it dwindled up to the time of the war. Its necessary use for military purposes during the war stimulated, of course, that production; and the price, which had been prohibitive so far as production was concerned in the States of the West prior to the war, suddenly rose and enabled production to be had at a profit. Since the war the old conditions have obtained, until to-day I think I am safe in saying there is again practically no production of quicksilver in this country.

First, quicksilver is absolutely essential in case of war, and it is quite an essential domestic product in time of peace. If there be occasion for its use in time of war—and this has been so recently demonstrated that it is unnecessary, I take it, to go into detail concerning that matter—then, of course, we should in some fashion provide so that its production may be continuous and the art, as Mr. Hamilton, our State mineralogist, says, may not be entirely lost.

During three different wars the mines of this country have supplied the emergency—during the Civil War, the Spanish-American War, and the World War. To let the industry lapse now—and it is in grave danger and will lapse without an appropriate and a just duty—would leave us, if stress comes again, dependent entirely upon foreign nations, and I assume that is something none of us would wish to occur.

The London Morning Journal of February 11, 1922, reports a proposed European combination or trust to control the world's market through the House of Rothschild. The fact is at present the quicksilver output of Spain, where the greatest amount of quicksilver is produced, is in the hands of the House of Rothschild and is controlled essentially by their interests. It is true that that contract, as I recall its date, will expire in 1922; but nevertheless there have been statements of its renewal, and the industry has been practically in the hands of the Rothschilds by virtue of their control of the great Almaden mines of Spain.

Now, I desire to anticipate the argument which I have heard upon the floor, and which possibly will be again made, that the use of quicksilver in drugs will require every man, woman, and child in the United States to pay more for his medicine; and that we ought not, no matter what may be the languishing condition of industry, and no matter what may be the national needs in peace times or the national necessities in war, to put a tariff upon anything which would require an additional price to be paid for the compounds into which this particular item may enter. It is a fact which defies contradiction that in the preparations into which quicksilver enters and which are sold as drugs or compounds the additional cost because of the 35-cent tariff will be practically negligible. A couple of instances have been furnished by the Bureau of Standards, and I want to cite those so that Senators may have them in mind.

The Bureau of Standards estimates that 1 pound of quicksilver will make from 300 to 1,000 clinical thermometers, the latter being the usual size. With quicksilver at $1 per pound—and quicksilver would not be at $1 per pound even with a duty of 35 cents per pound—this would mean a cost, in addition, in these clinical thermometers of one-tenth of 1 cent. The thermometers are retailed often, as the Bureau of Standards relates, for $2 apiece.

Bichloride of mercury retails at 35 cents per bottle containing 25 tablets. Into bichloride of mercury, of course, this item goes. The calculation shows that the cost of quicksilver used in bichloride of mercury, which retails at 35 cents a bottle, would be a very small fraction of 1 cent per bottle.

I state these things in anticipation of the possible argument that may be made concerning the duty asked upon this article.

When this matter was before the House it was deemed of sufficient importance to the War Department to have the Secretary of War write a letter to the Hon. JOHN Q. TILSON, of the Ways and Means Committee, asking an appropriate duty. That letter I wish to read. It is dated July 15, 1921, and reads:

WAR DEPARTMENT,
Washington, July 15, 1921.

Hon. JOHN Q. TILSON,
Ways and Means Committee,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Quicksilver (mercury) is an essential component in the manufacture of munitions, being used, as far as the military service is concerned, in the manufacture of mercury fulminate for use as a detonator of high explosives, in the manufacture of certain drugs and chemicals, and in certain electrical equipment.

A study of the past record of the industry indicates that it is capable of meeting the normal demands of the country in peace, and in a war involving the maximum effort; however, the steady reduction in the number of producing mines indicates that it will be but a short time before the normal peace demands of the country will have to be met from outside sources of supply. The normal peace demand is approximately 24,000 flasks, and the production in 1920 shows but 13,070 flasks. This decreasing production is due to a decline in prices consequent upon a decreasing demand for the home product due to the prevailing high cost of labor and supplies, the present demand being now met from surplus stocks accumulated during the war and from imports.

The number of producing mines has steadily decreased from 51 in 1917 to 14 in 1920—

I may say, from information I have, that they have now decreased to three, and without this duty those three will be eliminated—

This decline in productivity has been due to the conditions indicated above, and also to the importations from Europe, particularly Spain and Italy, where, due to cheaper and cruder refining methods, the cost per flask is below the cost of production in the United States.

The result of the above is that while there are sufficient mines and refineries in the United States capable of producing sufficient quicksilver to meet our needs in peace and war, the inability to work them, due to lack of profit in production, actually results, as a matter of fact, in a reduction in the resources of the Nation in this commodity for war purposes, in that this shutting down of the mines results in a corresponding deterioration of plant equipment and mine installation, and the longer such unproductiveness continues the greater does the menace to our war production increase, due to the increased time necessary to bring the mines back to a condition of productivity.

The War Department is of the opinion that in order that the needs of the country in war may be met from the resources available in the United States governmental protection of the quicksilver industry in time of peace is essential, and it is, therefore, recommended that such a tariff be placed upon imports as may be considered necessary by the Congress to enable this industry to be operated on a profitable basis in time of peace in order that it may be maintained in a condition to meet the needs of the country in time of war.

Sincerely yours,

JOHN W. WEEKS,
Secretary of War.

It was after that letter was received and read in the House that the duty of 35 cents was put upon the item.

Mr. Hamilton, to whom I have referred, in California Mineral Production in 1920, refers to the industry in this fashion:

Quicksilver, though not used in such quantities as is copper or some of the other metals, is not less vital in peace than in war. No completely successful substitute has yet been found for quicksilver in some of its uses. Except during the stimulated production resulting from the high prices of the war period our domestic output of quicksilver for a number of years has not kept pace with domestic consumption. This is not due to a lack of local sources, but mainly to the competition of low-cost foreign metal dumped onto our market through an almost negligible import duty. Other financial and economic conditions obtaining during the past year have also had their effect on the situation, but they could have been weathered had it not been that the lack of tariff protection permitted the too free entry of foreign metal. There is plenty of ground, even in California, in addition to what may be in Nevada and Texas, that will warrant development if only a fair price can be assured that will justify exploitation. Our domestic quicksilver industry is in danger of complete extinction if not soon given adequate protection against foreign importation. Manufactured mercurials should also be included in the dutiable tariff list as a protection to our detonator and drug manufacturers, which would in turn further assist the domestic mines. The manufacturers of mercurial products in the United States should join with the miners in the demand for an adequate protective tariff. We should not shortsightedly "conserve" our domestic quicksilver resources by forcing them to remain in the ground on account of foreign competition, only to wake up some day when faced with an emergency to find that quicksilver mining and metallurgy is a "lost art" in the United States and can not be revived at a moment's notice. Several months' time is required to properly equip and put in operation a reduction plant, and the knowledge of the art is even at present confined to a limited few.

The collapse of the industry is due entirely to cheaper production costs abroad. The present American price is about $55 per flask in the New York market. I never did quite understand why quicksilver should be measured by the flask, but the

fact remains that ever since we found it in this country we have measured it by the flask. A flask contains about 75 pounds. We have the peculiar nomenclature of this industry presented by the use of flask and its measurements in quite different fashion from that of any other.

Quicksilver from Spain can be sold in New York at $40 per flask with the present duty paid. The cost of production in California amounts to more than that price. The cost of production in Spain and Italy is from $8 to $15 per flask. It is quite a fact which may be descanted upon that ore in Spain is of a different character and of higher grade than the ore that has been found in California, Texas, Nevada, and the like.

The difference is very material. Nevertheless the ore can be produced in the Western States profitably with an adequate duty or the duty that was given by the House, and the industry can thus be saved.

I therefore present the bald question to the Senate: Here is an industry, different in character from most of the industries with which we deal in this bill, quite important in peace times and absolutely essential in war times——

Mr. SIMMONS. May I ask the Senator from California a question?

Mr. JOHNSON. Yes.

Mr. SIMMONS. I do not know that I understood the Senator from California a little while ago when he was comparing the domestic price to the consumer in New York and the Spanish price. I will ask the Senator to restate those figures.

Mr. JOHNSON. I was not comparing the prices. What I was saying was that quicksilver from Spain may be sold in New York with the duty paid at $40 per flask. Then I said—and this is where probably the Senator from North Carolina misapprehended—that the cost of production in Spain and Italy is from $8 to $15 a flask.

Mr. SIMMONS. The $15 was the cost as against $40 the selling price?

Mr. JOHNSON. Yes, sir.

Mr. SIMMONS. Now, what did I understand the Senator to say was the cost and the selling price of the domestic product?

Mr. JOHNSON. I said the market price at present is about $55 per flask, I am informed, in New York. It costs substantially that amount to produce quicksilver in the western mines.

Mr. SIMMONS. But it costs only $15 to produce it in Spain?

Mr. JOHNSON. Yes, sir.

Mr. SIMMONS. Then it costs to produce in this country a flask of quicksilver about $55, while it costs to produce it in Spain but $15?

Mr. JOHNSON. Those are the figures that are given me, and I believe them to be accurate.

Mr. SIMMONS. Does the Senator think, in view of that difference in the cost of production here and in Spain, that we ought to pay the higher price to protect the domestic industry rather than to purchase from Spain?

Mr. JOHNSON. Yes. We pay the higher price now in the New York market. The price of the foreign product in the New York market is maintained at a point where it can just undersell the domestic product. We do not get the benefit of a decreased price.

Mr. SIMMONS. I understood the Senator to say that the selling price of the Spanish product in the New York market was $40?

Mr. JOHNSON. I said the product could be sold in New York for $40, but that, in reality, we did not get the benefit of the cheap labor cost abroad. We get the benefit only of that price which enables the foreign product merely to undersell the domestic product. That is all the benefit that we get; and in that fashion the domestic industry is destroyed and the foreign product is given a practical monopoly.

As I stated in the beginning, I simply put to the Senate the question. Shall this industry be entirely eliminated from the United States? Is it of sufficient importance to this country in time of peace and of sufficient necessity in time of war so that we may have a tariff upon it which will enable it to continue in existence to answer the emergency when the emergency arises and to do that which it was found necessary it should do in our recent time of stress?

Mr. UNDERWOOD. Mr. President, I wish to say just a few words in reference to this item. I assume from the argument of the Senator from California that he favors the House rate of 35 cents a pound on quicksilver, and he contends that unless that rate be adopted the quicksilver industry in the United States will be destroyed. He then points out that there has been a falling off of production in the United States.

Mr. President, under the existing rate there may be large importations of quicksilver in competition with the domestic product. I am not sure that there are excessive importations; but, taking the Senator's own argument, I think he himself has demonstrated, and if Senators will look at the figures and compare the facts they will find, that there is no warrant for a tax of 35 cents a pound on this article, even if there is some justification for raising the present rate. The theory of those who wrote this bill is that there should be a protective tariff. Of course, so far as my theory of tariff legislation is concerned, it is entirely different from that of the committee; but, assuming that this tariff bill is going to be written from the standpoint of the principles of the Republican Party that a protective duty is required, I do not think the Senator from California can justify the proposal to increase this duty to 35 cents per pound.

Now, let us consider for a moment the history of this industry. In the years preceding the war, I think back to 1910, we were exporting some quicksilver. There was also a very modest amount of importations. I think after 1910 the exports ceased, but the imports were few; and we were producing 17 per cent of all the world's production of quicksilver, which was more than our proportion of the consumption of the commodity.

Now, let us look at the condition which then existed. At that time there was no fear as to the possibility of this industry living and existing in the United States when it was operating under the comparatively low duty of the then existing tariff law. We find that under the law of 1909, the so-called Payne-Aldrich law, the tax on quicksilver at the customhouse was 7 cents a pound; and at that time the unit value was about 43 cents a pound. When that law was superseded and the present law was written quicksilver was not placed on the free list, but an ad valorem duty of 10 cents a pound was placed on it. At 43 cents a pound, the unit value in 1914, a tax of 10 per cent ad valorem was equivalent to a tax of 4.3 cents at the customhouse, making a reduction of about 2.7 cents under the duty which existed prior to that time, when there was no question that the industry prospered in the country.

Under existing law the import unit value of this commodity as shown by the statistics for the two years 1919 and 1920 was ninety-nine and a fraction cents, or nearly a dollar a pound. Ten per cent of that would make a tax on this article of 9.9 cents, or practically 10 cents a pound under existing law, which is 3 cents more than the duty under the Payne-Aldrich law at the time when this industry was exporting the product abroad. Of course, if it was able to export abroad in reasonable quantities there was no danger to the industry at home.

I realize that world conditions have changed, but the Senator says—and I assume that he is right in giving his figures—that a flask of quicksilver containing 75 pounds imported from abroad is now selling in the New York market at $40. I do not know whether that is the importer's price or whether it is the import price with the profit of the importer added, but, assuming that to be the market value in New York, it indicates a unit value of this article to-day under the Senator's own figures of 53 cents a pound.

Mr. McCUMBER. Mr. President——

Mr. UNDERWOOD. I yield.

Mr. McCUMBER. If the Senator will allow me, I think that he is mistaken about quicksilver being sold in New York at $40 a flask. I can find no such record, although there may be some testimony to that effect. All of the reports place the quotation very much higher than that.

Mr. UNDERWOOD. I myself think it is higher. I did not make the assertion; the Senator from California made that statement, and I was arguing from his statement.

Mr. JOHNSON. Mr. President, will the Senator yield?

Mr. UNDERWOOD. I yield.

Mr. JOHNSON. I think, perhaps, I stated my position in a fashion that might have confused the Senator from Alabama. What I said was that the market price in New York was $55 a flask.

Mr. UNDERWOOD. I understood the Senator to say it was $40 a flask.

Mr. JOHNSON. No. What I said was that the Spanish output could be laid down in New York and sold there for $40 a flask, but I said further——

Mr. UNDERWOOD. That is what I understood the Senator to say, and if it could be laid down there and sold for $40 that would be the price.

Mr. JOHNSON. No. As I was advised by information conveyed to me three days ago, the present market price of quicksilver in New York is $55 a flask. I will ask the Senator from Utah if that is his information?

Mr. SMOOT. It is.

Mr. McCUMBER. I have the quotation here from the publication known as "Chemical and Metallurgical Engineering," which

gives the quotation as exactly $55 a flask on May 17. At that rate the price per pound would be 73 cents.

Mr. UNDERWOOD. It would be 73 cents a pound. I misunderstood the Senator from California. I thought he was quoting a lower rate. At $40 a flask the price per pound would be 53 cents, but at $55 a flask the price per pound would be about 73 cents. At 73 cents a pound under the present law a tax of 10 per cent ad valorem would be a somewhat higher tax than that imposed under the Payne-Aldrich law, which, as I have said, was 7 cents a pound.

I have only this to say: I think this is an article on which we can raise revenue. I thought so when the present law was written, and I believe that there is no reason why a reasonable tax should not be placed on it; but at the present price in New York of the imported article, 73 cents a pound, the existing law levies a tax of 7.3 cents a pound, and under the Payne-Aldrich law, when it was admitted that the industry was so flourishing that it could export its products, it had a duty of only 7 cents a pound, and now the Senator is asking that the Congress increase the rate to 35 cents a pound. Thirty-five cents a pound on an article which is selling in New York for 73 cents is an enormous tax; and it seems to me that it is clear that the result of this increase, if you went to that extent, would be to exclude foreign importation entirely.

I really think the rate of the committee itself in fixing the tax at 25 cents a pound is entirely too high. I should not object, under the present condition of the industry, to a reasonable increase over what it was before. I think it would produce more revenue and I think it might be justified; but I think a tax of 25 cents a pound is entirely too much on a raw material that does not involve very much labor, and I think the principal difficulty that the industry has in shipping its product from Texas and from California, where almost the entire output of the American industry comes from, is a question of freight rates. That is now subject to water transportation, so that I do not see any reason in the world why this enormous increase of either the committee or the proposal of the House making it 35 cents a pound in one instance and 25 cents in the other, should be agreed to, and especially I can see no reason why it should go higher than the House rate.

I understand, as the Senator from Utah suggests, that it is not the shipment of ore that we are talking about, because we all know that not only in this country but in Europe the reduction of the quicksilver ore into quicksilver itself is always done at the mine, so there is no question of transportation of ore. It is the finished product that is shipped, and a commodity that sells for as much as 73 cents a pound, when the pounds are small in bulk, because it is a very heavy substance, can stand a considerable freight rate. So I can see no justification in the world for the House rate of 35 cents a pound, and I really believe that when the proper time comes the Senate rate should be reduced lower than 25 cents, because I think that in itself is excessive.

Mr. SHORTRIDGE. Mr. President, perhaps it will serve no good purpose to detain the Senate upon this item, nor will it serve any useful purpose to repeat or restate the facts which the records abundantly demonstrate.

My colleague [Mr. JOHNSON] has stated clearly the facts as they relate to this particular industry—an industry which is important not only in the State whence we come but to other States of the Pacific coast—Nevada, Oregon, and Idaho—and also to a Gulf State—Texas.

Here is an opportunity to put to the acid test the principles of protection. Some gentlemen seem to be afraid of those principles when we seek to apply them. Personally, I believe in the doctrine which I think is very aptly called the American protective tariff system. There are other gentlemen, learned and who have had large experience, who hold to other doctrines, to other principles. I say this out of great respect for the committee. Perhaps it will not be regarded as offensive, however, for me to observe that none of us is infallible.

The great importance of this industry has been called to your attention. Its commercial importance in time of peace is manifest. Its national importance in time of war no one can for a moment question. There are certain outstanding facts which ought to be borne in mind—the cost of production in America and the cost of production abroad. We all have in mind America and Spain, Italy, and Austria. There are some things which are axiomatic. Where there is a material, substantial difference in the cost of production one of two things must happen: Either there must be a reduction and an equalization of the cost of production, or the higher-cost-of-production industry must perish, for there can be no successful survival of the one where the cost of production is far greater than that of the other.

The House bill provided a duty of 35 cents a pound on this metal. The Senate committee, in its wisdom—which I with deference question—has fixed it at 25 cents. A very great Democrat, abused by friend and slandered, it may be, by foe in his lifetime, but who now stands high among the statesmen of this Republic, once said that "it is a condition, not a theory, that confronts us." I use that phrase, and I suggest to my party associates and I appeal to my friends upon the other side of the political fence, and I remind them all that it is a condition, not a theory, which confronts us this day.

The miners of California, of Nevada, of Oregon, of Idaho, of Texas, and of other of the Western States that have large cinnabar deposits without a dissenting voice tell us that they can not compete with the foreign mine producer. They are men of character; they are men of intelligence; and they come here to us and say: "Under present conditions we can not open our closed mines. We can not pay the wages or all the incidental, itemized costs of producing this essential metal and compete even in the American market with the foreigner." That is the evidence. Does anybody seriously question it? That is the fact. Does anyone doubt it?

I submit to you that that is the situation, the condition, that confronts us. The mines are closed. Shall they remain closed? Is it desirable that they should remain closed? Is it wise that we should so legislate as to keep them closed? Or, to put the same thought differently, is it wise that we should refuse so to legislate as will open these mines?

No Senator who hears me can question the wisdom of carrying on this industry. Its importance in the industries of the country I need not dwell upon, nor will anyone question the prudence and the wisdom of continuing these mines in the eventuality of trouble with other nations. No thoughtful man can question the prudence and the wisdom of maintaining this industry in peace and in war times. My colleague [Mr. JOHNSON] has taken the liberty of reading to the Senate to-day the letter from the Secretary of War which was used when this bill was before the House. No one can question the correctness of the statements therein set out, nor can anyone question the wisdom of the course suggested by the Secretary of War.

These mines are closed. We know why they are closed. The question is, Shall they be opened? How can the Government help? So far as I know, unless we resort to a direct appropriation in aid of that industry—which I do not favor—unless we resort to that method, we can, and to open these mines we must impose a certain duty upon the imported article. Those whose capital is invested, those who have studied the question at the mouth of the mines or work in the levels below, tell us that this rate of 35 cents is essential, is absolutely necessary, to the opening of these mines and to continuing quicksilver mining in the States I have mentioned.

It is with the Congress to grant this relief or refuse it. You can put out this industry. But is it desirable to do so?

It seems to me that those who believe in the protective principle should be governed by the facts as they come to us here, and it seems to me that my friends of Democratic faith or principle should see in this industry an exception to their fundamental doctrines. Upon the score of revenue, instead of stopping importations, while I would not invite an increase of importations, I am very sure the proposed duty would not cause a reduction in the total amount of revenue so derived.

I shall not trouble Senators who listen with a prolonged speech, but I urge upon those who believe in our protective doctrine to grant the rate which we say is essential. It will not yield great profit to the miners; only a fair profit will come to the owners of these various mines; nor will it result in an increase of prices to an extent which will be a burden upon any branch of American industry or to any considerable number of the people of this country.

There is one other thought I wish to throw out for the consideration of the Senate. It has been suggested that our quicksilver deposits should be conserved. A certain type of publicists, certain importers, have advanced the notion that we should not exhaust these deposits, that we should not engage in this mining, that we should save them for future generations. Such a notion is utterly fallacious; it is entitled to no consideration whatever. Most of these mines are now closed, as I have said. They will be abandoned and ruined unless mining is resumed. The deposits are perhaps not inexhaustible, but they are very extensive. They can be greatly developed, as they were during the war time. They can be greatly developed, giving work and wages to American men and women, or they can remain closed, and the work and wages will be given to the foreign men and women.

The showing is complete; the evidence is before us; the necessity for the duty asked is established. I urge therefore upon

those who believe in protective principles to stand by the House rates—to give at least 35 cents a pound on this vastly important metal produced in America and thereby revive and prosper this American industry.

Mr. McCUMBER. Mr. President, before voting upon the pending amendment, I think I should present to the Senate some of the salient facts concerning the industry, and also some of the reasons which justified a majority of the majority of the Finance Committee in holding, after a reconsideration, to the views which they have expressed in offering this amendment. I will give some of the facts concerning the industry, and then the deductions therefrom.

The Payne-Aldrich rate, as we will remember, was 7 cents per pound. The Underwood-Simmons rate was 10 per cent ad valorem. The House rate is 35 cents per pound. The committee rate is 25 cents per pound.

The imports during the first eight months of 1921 amounted to 528,003 pounds, valued at $329,145, or 62 cents per pound. In 1920 the imports reached their maximum, when they amounted to 1,062,647 pounds, valued at $967,510, or 91 cents per pound. In 1905 the United States was the leading producer, with 30,534 flasks of 75 pounds each, amounting to 2,290,050 pounds. This fell to 16,548 flasks in 1914, and rose to 36,159 flasks in 1917. The estimated production in 1921 was 6,339 flasks.

The cost of production in the United States is greater than that in Spain, Italy, and Austria, because of the low-grade ore and the high labor cost. The domestic ore averages not over five-tenths of 1 per cent of quicksilver, while that of Spain runs eight-tenths of 1 per cent, that of Italy nine-tenths of 1 per cent, and that of Austria sixty-five one-hundredths of 1 per cent. The United States cost of production was about $1 per pound in 1921.

One of the outstanding features is the extreme low grade of the United States ore, which yields on the average not more than 10 pounds of the metal per ton. In Spain the mines are worked to a considerable extent by convict labor, but the cost of running and treatment is actually much higher per pound of ore than in this country. However, every ton of Spanish ore yields 150 pounds of metal to the ton, while ours yields only about 10 pounds.

I want to call attention to the fact that during the war our price ran as high as $300 per flask, or $4 per pound. This indicates the necessity of giving what we might consider adequate protection.

Let us look at the cost. I have stated that the import price in the first nine months of 1921 amounted to about 62 cents per pound, while the cost in the United States is about $1 per pound. If I look over the import prices in 1908, I find that the value per pound was about 45½ cents. In 1909 it was about 52.8 cents. In 1910 it was 54.1 cents. In 1911 it was 52.9 cents. In 1912 it was 52.4 cents. Then it dropped to as low as 43 cents in the beginning of 1913, and is now 62 cents per pound, importing value. But it must be remembered that that 62 cents includes 10 per cent ad valorem, the present rate of duty.

Assuming that it can be imported at 62 cents, and that the cost in the United States is $1, it would require 38 cents per pound to meet the difference. The House gave only 35 cents. The Senate committee cut that to 25 cents per pound, but in doing so the Senate committee took into consideration the fact that the present cost in the United States is probably the peak of the high cost of production, while the importing price is probably as low as it is likely to be.

We have very often been accused of attempting to uphold the present high production costs and continue the high cost of the products to the American people. I have stated on several occasions that the committee has scarcely ever in this bill given a rate that would actually measure the difference between the importing price of the foreign product and the price for which the American product is sold in the American market. We have in all instances made due allowance for the probable decrease in the American cost, and this is one of the examples of that. We believe that there will be a decline in the American cost, and while this does not measure up to the present standard or the present requirements to protect the American market on the present basis of the American cost, we have reason to believe that it will be a sufficient protection in a short time, and for that reason we have given less than is necessary for the present protection at the present American cost of production.

Mr. JOHNSON. Mr. President, permit me just a word in response. As to the statistical matter which has been suggested by the Senator from North Dakota, I want to emphasize that in the past year, out of 51 mines which existed in this country, not more than 3 or 4 have been able to be worked at all because of the prices for the output, and because they could not maintain and sustain the loss of working under present conditions.

As to the output, the figures read by the Senator from North Dakota are doubtless correct, but during this year, under existing conditions, whereby the mines have been compelled to shut down because of the losses sustained, not more than a couple of hundred flasks of quicksilver have been produced in this country at all.

One other item: The Senator from North Dakota very justly presents the difference, from the standpoint of the figures before him, in the cost of the production of this article abroad and that at home. He makes the difference between the cost at home and the cost abroad 38 cents a pound.

Mr. McCUMBER. If the Senator will allow me, I think one can justly say that there is a greater difference, because there is the 10 per cent ad valorem.

Mr. JOHNSON. Exactly.

Mr. McCUMBER. To which I called attention.

Mr. JOHNSON. Yes; the Senator did: and there is not only that greater difference of 10 per cent between the cost of production at home and abroad, but as the tariff survey shows, the costs abroad are now being lowered and are going down all the time. But take the Senator's figures. Without counting the 10 per cent, if 38 cents a pound is the difference in the cost of production abroad and at home, we are entitled to the 35 cents, the rate which has been given us by the House.

On no other theory of protection can it be said that a different rate or lower rate should be given. The justification of the majority of the Finance Committee is that they hope that in the future our cost of production in this country will lessen, so that instead of a differential of 38 cents a pound now existing with a tariff of 10 per cent added we may get down below the 25 cents a pound which they are willing to grant us. If there is a justification for this speculation, we may take into consideration as well the statements made by the tariff survey as to the reduced costs abroad, and they will equalize themselves.

So upon the argument that has been made by the Senator from North Dakota we are entitled to the 35 cents which the House gave us, and I hope that the amendment of the Senate will be voted down and the House rate retained.

Mr. SIMMONS. Mr. President, I wish to ask the Senator from California a question, with his permission.

Mr. JOHNSON. I gladly yield to the Senator from North Carolina.

Mr. SIMMONS. I wish to ask him if he agrees with the statement of the Senator from North Dakota that while 160 pounds of Spanish ore will yield 10 pounds of quicksilver, it takes a ton of American ore to yield an equal amount of quicksilver?

Mr. JOHNSON. I will say to the Senator in reply that I am not certain of the exact figures, but there is a very great disproportion. There is no question about that at all.

Mr. SIMMONS. If that is true, it means that a ton of American ore yields of this product only one-sixteenth as much as a ton of Spanish ore.

Mr. JOHNSON. I am not sure of the exact figures, as I said.

Mr. McCUMBER. I gave it as 150 and not 160, so it means practically one-fifteenth.

Mr. SIMMONS. A ton of Spanish ore yields fifteen times as much of this product as a ton of the American ore. If there is that difference in the yield of the ore, may not the difference in the price be attributed to the great inferiority of the American ore, it being necessary to mine 15 tons here against 1 ton in Spain to get the same quantity of product? Does the Senator think, if that condition exists, that the American people ought to be taxed in order to enable the mines of this country, yielding only one-fifteenth as much as the mines of another country, to compete successfully with that higher grade of product? I am merely asking for information. I am not asking this in a controversial spirit. I think there is where the trouble comes.

Mr. JOHNSON. No; I will tell the Senator where the trouble comes. The trouble comes in the fixing of the prices of quicksilver in the fact that the Rothschilds control the great output of the world. They do just as they please with the prices. The only time the prices ever got away from them was during the war, but during the war, of course, they soared high. Then a commission was appointed to sit and hear testimony and fix prices. My recollection is they fixed $1, but I am not entirely clear that that is accurate. However, the expert nods in assent, so I presume I have accurately stated that that price was fixed during the war by the War Industries Board, which went to San Francisco.

One of the strange things about quicksilver is the peculiar fluctuating market that we find, for which there has been no solution suggested except the one that the Rothschilds control the output of the great Spanish mines where this ore is found, and they do practically as they please concerning the prices.

Mr. SIMMONS. But in this country if there were two mining districts producing the same kind of ore, and the ore in one of those would yield fifteen times as much of the product as the ore in the other, of course the weaker mine must close or it must have a subsidy of some sort to keep it alive. Here is the same question with reference to America and Spain. We have the Spanish ore yielding fifteen times as much as the American ore. Now, the Senator from California, as I understand it, asks us to keep the weak mine alive by giving a tariff subsidy.

Mr. JOHNSON. There is another reason which the Senator evidently missed in the remarks that have been made. Fifty per cent of the normal production in this country is necessary for national defense, for war purposes; that is, it is necessary for percussion caps and munitions, a part of military necessities. If we destroy the ability to produce in this country we put this product wholly and entirely in the hands of a foreign nation.

Mr. McCUMBER. The Senator from California is entirely right in saying that heretofore the product has been under the great Rothschild trust, but the Rothschild lease, or interest, or agreement, whatever it may be called, expired in the early part of the year, and to-day the Spanish Government, which is probably as powerful as the trust, owns nearly all the quicksilver mines outside of the United States.

Mr. UNDERWOOD. Mr. President, I desire to say a few words before we vote on this question. I was rather surprised at the admission of the chairman of the committee that the rate was not adequate which the committee adjusted to cover the difference in cost. I may have misunderstood him, but I thought I understood him a while ago in the debate to say that the high cost of production of quicksilver in this country is $1 per pound. If I am wrong about that, I hope the Senator will correct me, but that is what I understood the Senator to say.

Mr. McCUMBER. I take that not from the report, but from the testimony before the committee.

Mr. UNDERWOOD. That is what I understood. That was the war-time cost of production. I find that in 1920 we exported some quicksilver to Japan, Canada, British India, Cuba, and Peru. We exported 116,000 pounds in round numbers, at a value of $129,000 in round numbers, which would make a cost-unit value of $1.10 per pound. We were exporting then at $1.10 per pound, which of course included the cost of manufacture and profit. So I think when the Senator said that the top notch of war-time production was $1 a pound, that is a high figure.

If we balance this industry in that cost of production, taking the facts which have been admitted here in debate by the Senator from California and the Senator from North Dakota, the present import price is 73 cents. If we add 25 cents, the rate which the committee reported, to 73 cents, we get 98 cents, which practically equals the top-notch cost of production in America during war times. If we add to it 35 cents, we get $1.08, which is way above the cost of production in America during the war period.

So, when the junior Senator from California [Mr. SHORTRIDGE] turned to the Republican side of the Chamber and said that he was going to put them to the acid test to vote for this 35 cents he was surely doing it, because he was asking them now to put a rate on the statute books for the time to come that would be 8 cents in excess of the highest cost of production during the World War period.

Then the Senator, in his usual eloquent style and forceful way, appealed to the Senate—or at least he appealed to Senators on the other side of the aisle who believe in this theory of high protection in the interest of the homes and the farmers and the American working men—that the people engaged in this production be made not only equal in tariff as to the difference in cost between the import price of to-day and the top-notch cost of production during the war, but to exceed it by 8 cents per pound. Of course, the eloquence we have heard on the floor continually in reference to all these items, that the factories and the foundries and the mines are shut down, and that they want a high tariff as a sort of salt solution to put in the veins of the corpse and bring it back to life again, does not apply to this item.

I happen to be connected in some way with the business of making pig iron. I want to say that since this unfortunate calamity in business has come to the American people every furnace in the plant in which I am interested has been shut down, without the smoke coming from a single stack, and it has remained that way for a year. I am glad to say they are creeping back into business again. But I never for a moment attributed that to a tariff condition. I knew the business conditions in America were such that the demand for pig iron had practically ceased, that there was no opportunity to make sales, and that those engaged in the business had to wait with patience until normal prosperous times returned to the people of the United States.

So it is with the quicksilver industry. It is apparent on the face of the thing. A great demand for quicksilver is to make munitions. It is used in medicines and in the arts to some extent, but the amount of quicksilver that is used to make thermometers for the doctors is infinitesimal compared with the amount that is used in the manufacture of munitions. Of course, we all know that we had a great overproduction of munitions when the war ceased, and so had the balance of the world. We temporarily stopped using quicksilver to make fulminating caps because we had an oversupply of shells and war materials, and we did not want to make any more because we wanted to use up what was left on our hands after the war. That is true of all the other large countries involved in the late war. Therefore they quit using quicksilver for that purpose, and the bottom of the market dropped out.

That is what is the matter with this industry. It is not any question of tariff. We do know that in normal conditions, when this industry prospered and exported its commodities before the Great War, the selling price was along about 43 cents per pound, and there is no reason to believe that it will not come back there. We know that during war time, when the Senator from North Dakota says the top notch of the cost of production in America was $1, this product had far more than doubled in value and that every other commodity and all supplies that a mining or industrial camp needed for production was far more than doubled in value. We know they are coming down and have been coming down every day to some extent, not as fast as we would like to have them, but gradually falling from that high top notch of production. And yet, taking the top notch of production during the middle of the war, when the producers of quicksilver were producing it for $1 a pound and selling it to the United States Government for $4 a pound, and taking the present cost of production of importations, the Senator from North Dakota in his amendment would add 25 cents, which will bring it within 2 cents of the top-notch cost of production during the war, and the Senator from California would add 35 cents a pound, which is 8 cents in excess of any evidence whatever to show that it costs over $1 a pound to produce it at any time.

I am not saying that this article should not have a reasonable rate; it is a commodity that will bear a reasonable rate; but when the junior Senator from California [Mr. SHORTRIDGE] says it should have 35 cents a pound, in order that the industry may survive, under those circumstances, I agree with him that he has put the acid test to his colleagues on the Republican side of the Chamber.

The PRESIDING OFFICER (Mr. BURSUM in the chair). The question is upon agreeing to the committee amendment.

Mr. JOHNSON. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. JONES of Washington (when his name was called). The Senator from Virginia [Mr. SWANSON] is necessarily absent from the city. I agreed to pair with him for the day, but I find I can transfer the pair to the junior Senator from Oregon [Mr. STANFIELD], and I do so, and shall vote. I vote "yea."

Mr. McCUMBER (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING]. I transfer that pair to the junior Senator from Maryland [Mr. WELLER]. I will allow this announcement of the transfer of my pair to stand upon all votes to-day. I vote "yea."

Mr. STERLING (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to my colleague, the junior Senator from South Dakota [Mr. NORBECK], and vote "nay."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the junior Senator from Arizona [Mr. CAMERON]. Being unable to secure a transfer of that pair, I withhold my vote.

The roll call was concluded.

Mr. DIAL. I am paired with the junior Senator from Missouri [Mr. SPENCER], but I transfer that pair to the Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. GLASS. I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM], which I transfer to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. COLT. I have a general pair with the junior Senator from Florida [Mr. TRAMMELL]. I transfer that pair to the senior Senator from Pennsylvania [Mr. CROW] and vote "yea."

Mr. BALL. I inquire if the senior Senator from Florida [Mr. FLETCHER] has voted?

The PRESIDING OFFICER. That Senator has not voted.

Mr. BALL. I have a general pair with the senior Senator from Florida, and, as he has not voted, I withhold my vote.

Mr. EDGE. I have a general pair with the senior Senator from Oklahoma [Mr. OWEN]. Not being able to secure a transfer, I withhold my vote.

Mr. WILLIS (after having voted in the negative). I am paired with my colleague, the senior Senator from Ohio [Mr. POMERENE]. I am unable to obtain a transfer, and therefore withdraw my vote.

Mr. WALSH of Montana (after having voted in the affirmative). I observe that my pair, the Senator from New Jersey [Mr. FRELINGHUYSEN] is absent. I transfer that pair to the Senator from Missouri [Mr. REED] and allow my vote to stand.

Mr. HARRIS. I transfer my pair with the junior Senator from New York [Mr. CALDER] to the senior Senator from Montana [Mr. MYERS] and vote "yea."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Illinois [Mr. MCKINLEY] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS]; and

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES].

The result was announced—yeas 30, nays 25, as follows:

YEAS—30.

Borah	Harrison	Page	Stanley
Brandegee	Heflin	Pepper	Sutherland
Capper	Hitchcock	Ransdell	Underwood
Colt	Kendrick	Robinson	Wadsworth
Curtis	McCumber	Sheppard	Walsh, Mass.
Dial	McLean	Shields	Walsh, Mont.
Glass	Norris	Simmons	
Harris	Overman	Smoot	

NAYS—25.

Bursum	Johnson	Moses	Shortridge
Elkins	Jones, Wash.	Newberry	Sterling
Ernst	Kellogg	Nicholson	Townsend
France	Keyes	Oddie	Warren
Gooding	Ladd	Phipps	
Hale	Lodge	Poindexter	
Harreld	McNary	Rawson	

NOT VOTING—41.

Ashurst	Edge	McKinley	Stanfield
Ball	Fernald	Myers	Swanson
Broussard	Fletcher	Nelson	Trammell
Calder	Frelinghuysen	New	Watson, Ga.
Cameron	Gerry	Norbeck	Watson, Ind.
Caraway	Jones, N. Mex.	Owen	Weller
Crow	King	Pittman	Williams
Culberson	La Follette	Pomerene	Willis
Cummins	Lenroot	Reed	
Dillingham	McCormick	Smith	
du Pont	McKellar	Spencer	

So the committee amendment was agreed to.

Mr. SMOOT. Mr. President, I now ask to return to paragraph 16.

The PRESIDING OFFICER. The Secretary will state the amendment in paragraph 16.

The READING CLERK. In paragraph 16, page 6, line 16, before the words "per centum" the Committee on Finance propose to strike out the numerals "30" and insert the numerals "45", so as to make the paragraph read:

PAR. 16. Calomel, corrosive sublimate, and other mercurial preparations, 45 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. SIMMONS. Mr. President, calomel is a small item in respect of the quantity of production, consumption, and importation, but it is a very important item when we consider that it is one of the chief medicines used by the people of the United States. Especially is it important to the people in sections of our country which are more or less malarial. Calomel is the medicine of all the people, the poor and the rich alike, and in some sections of the United States that medicine is absolutely essential to health. Next to quinine, I consider calomel the most important medicine that is used generally among our people.

Personally I do not believe that it is wise public policy to tax genuine medicines. I have always entertained that view. There are some things that the Government may tax for revenue; there are some things that the Government may tax, according to the theory of a large element in this country, for purposes of protection; but I do not believe that the medicines of the people ought to be taxed, and, if they must be taxed at all, I think they ought to be very moderately taxed.

Here is this medicine of common use that the House proposes to tax at the rate of 30 per cent ad valorem. The Senate Finance Committee, for some reason, I do not know what, desire to raise that tax one-half and to impose a tax of 45 per cent ad valorem, a 50 per cent increase over the House rate. I had supposed, when we reduced the tax on quicksilver, out of which calomel is in large part made, that the committee would probably propose to reduce this 45 per cent tax, but they have made no such proposition.

Mr. SMOOT. In answer to that I will say to the Senator that the House provision was out of all balance. Nobody could justify the 30 per cent with a duty of 35 cents a pound on quicksilver. Some change must have been made on the floor of the House on quicksilver, and then they failed to make the difference on calomel, because the Senator will admit himself—I am sure the Senator will admit—that with 35 cents a pound on quicksilver and 30 per cent ad valorem on calomel there is no proportion between the two.

Mr. SIMMONS. That is exactly what I purpose to ascertain. Do you say that this is a compensatory duty which you are putting on calomel?

Mr. SMOOT. I can tell the Senator exactly, if he wants to know the compensatory duty. The compensatory duty is 25 per cent.

Mr. SIMMONS. Is it the purpose of the committee to impose a duty on calomel beyond the point of compensating for the duty imposed upon the ingredients out of which calomel is made?

Mr. SMOOT. Twenty per cent protection is all that the committee gives in this 45 per cent. Twenty-five per cent of it is compensatory duty and the other is a protective duty.

Mr. SIMMONS. Then we have this situation: Twenty-five per cent of this 45 per cent is compensatory duty and 20 per cent of it is a duty upon the calomel per se.

Mr. SMOOT. I will say to the Senator that, taking everything into consideration, outside of quicksilver, he may say that. I think that is a fair statement. To-day, under the existing law, we have a duty of 15 per cent ad valorem.

Mr. SIMMONS. Now, let me ask the Senator another question. We have just passed quicksilver. We have just put a duty of 25 cents a pound on that. I did not think we ought to have done so. I thought the 10 per cent duty was sufficient, and I think it was demonstrated that it was sufficient; but a duty of 25 cents a pound has been placed on quicksilver. What is quicksilver chiefly used for? Is it not used extensively for the purpose of manufacturing calomel and other medicinal mercurial preparations?

Mr. SMOOT. It is used for fulminates of all kinds, and for high explosives in mining camps, and it is used greatly in time of war. It is also used for the making of calomel. That is a very small part of the use, however.

Mr. SIMMONS. What part, will the Senator advise us?

Mr. SMOOT. I should not think it would be more than 15 or 20 per cent. I do not think that much is used for that purpose. On fulminates, of course, the percentage varies. Here is the use of quicksilver in the industries:

Drugs and chemicals, 8,500 flasks.
Fulminate, 4,850 flasks.
Vermilion red, 3,130 flasks.
Oxide, 3,000 flasks.
Electrical apparatus, 2,700 flasks.
Felt manufacture, 1,700 flasks.
Gold and silver amalgamating mills, 850 flasks.
Instruments, thermostats, gas governors, automatic sprinklers, etc., 630 flasks.
Miscellaneous, including boiler compounds and cosmetics, 1,000 flasks.

The figures I have given to the Senator are flasks, and each flask contains 75 pounds, so that, so far as the drugs and chemicals are concerned, there is 8,500 out of the 26,300.

Mr. SIMMONS. Then something in excess of 30 per cent of it is used for medicinal preparations and not 15 to 20 per cent, as the Senator had estimated.

Mr. President, here is an article, quicksilver, out of which a great many other things are made which are dutiable under this bill; and the proposition of the majority is that when placing duties upon these various products of quicksilver we shall give to each of them a compensatory duty to which a protection duty is added. Whether the sum of those compensatory duties will be equal to the duty upon the raw material, or whether the sum of those compensatory duties will be very much in excess of the duty on the raw material, I do not know, and no information is furnished us upon that point. By careful and expert calculation the answer might be disclosed; but I imagine, Mr. President, that in the case of these crude materials which are used to produce many things that are upon the

dutiable list the compensatory duty given on each of them would in the aggregate greatly exceed the duty imposed upon the raw material.

I say that, however, merely in passing. Let us assume that the Senator is right, that it is necessary to put a compensatory duty upon this medicine of the people because we have put a duty upon quicksilver of 25 cents a pound, when even under the old law, which carried a duty much less than that—only 4 or 5 cents a pound—there were negligible imports. Nevertheless, the tax has been levied. I think it was a great mistake. I think you at least ought to have excepted out of the quicksilver that part of it used in making mercurial medicinal preparations, such as calomel, and that you ought to have relieved this medicine of this compensatory duty; but if calomel had to be burdened with a compensatory duty of 25 per cent, certainly there can be no justification for adding a further 20 per cent as a protective tariff upon the medicine itself, unless it be the deliberately adopted policy of the majority to tax the medicine of the people when there are practically no importations of that medicine. With negligible importations, what, may I ask, are you "protecting" against?

Now, let us see what are the facts with reference to this article. I read from the Summary of Tariff Information prepared by the Tariff Commission. It says:

> The American production of mercurial salts in 1914 was 605,701 pounds, valued at $518,023, and in 1919, according to preliminary figures, increased to 1,143,800 pounds, valued at $1,775,000. This quantity supplies a large part of the domestic consumption, as imports are small.

Let us see how small they are, Mr. President.

In 1918 the imports were 500 pounds. In 1919 the imports were 325 pounds. In 1920 they were 3,301 pounds. In nine months of 1921 the imports were 120 pounds, valued at $138, the unit value being $1.15 a pound. The importation of 120 pounds, when it is stated that the domestic production is 1,143,800 pounds, would not seem to me to justify any duty at all; but if it be said, as it has been said about other articles, that this calomel is coming in at a ruinous price, and the producer of calomel in this country is not able to compete with that price, that is completely answered by the fact that calomel in 1908 was selling at only 59 cents a pound, while the price of the foreign article is now $1.15 per pound.

You can not therefore argue that American calomel needs now to be protected against low-priced importations.

In 1909 the foreign selling price was only 61 cents a pound. In 1910 it was only 66 cents a pound. I mean the foreign price of calomel was only 66 cents a pound in 1910, under the Payne-Aldrich law. The foreign price to-day is very nearly twice that much, or $1.15 a pound, so that you can not say that even the small quantity of foreign calomel which is coming into this country is sold at such an exceedingly low price that it is driving the domestic producer of calomel out of the market.

You have these arguments against this proposition: First, a medicine used by all the people is taxed 45 per cent, not a medicine which can be dispensed with but a medicine which is absolutely necessary for the health of the people, as every physician in the section of the country from which I come will tell you. There was imported of calomel during the nine months of 1921 only 120 pounds, as against the domestic production of 1,143,000 pounds. Is it not quite absurd and affronting to our intelligence therefore to claim that a protective duty is necessary to safeguard the American producer?

You can not justify this duty therefore by the quantity of the imports. You can not justify it for that reason. You can not justify it on the ground that imported calomel is selling now at so low a price that the American producer can not compete with it, because we competed with it when the Payne-Aldrich law was in effect, when the foreign selling price was 66 cents a pound, and if we could compete with it then, when the foreign article was selling at 66 cents a pound, certainly we can compete with it now, when the foreign article is selling at $1.15 a pound. I assert unhesitatingly that you can not escape these, to my mind, utterly overwhelming and unanswerable reasons why this medicine of the people ought not to be taxed.

Mr. SMOOT. Mr. President, as I stated, the House provision of 30 per cent was an error, no doubt. The House imposed a duty of 35 cents a pound upon quicksilver, and that was done on the floor, and when that was made 35 cents, the House did not give a compensatory duty on calomel. It is not balanced at all.

The Senate committee provision is much less than the House provision, very much less, taking into consideration the rate of 25 cents a pound, which the Senate committee has now voted to be the rate on quicksilver.

There are about 80 per cent of mercurials in quicksilver. So, as 80 per cent of 25 cents is 20 cents, the rate on mercurials would be 20 cents a pound. The present price of calomel is 94 cents. The price of corrosive sublimate is 76 cents. Twenty cents is about 25 per cent of the price of the mercurials.

The Payne-Aldrich rate on quicksilver was 7 cents a pound, and on calomel the rate was 35 per cent. The existing law carries a rate of 15 per cent on calomel and 10 per cent upon quicksilver, or a compensatory duty equal to 5 per cent upon the manufacture of calomel in this country.

Your committee reports an amendment to the House provision raising the rate to 45 per cent ad valorem. That is 45 per cent under the foreign valuation. The House had 30 per cent under the American valuation, with quicksilver at 7 cents a pound. So the Senator can plainly see that there was no balance whatever between the rates. With 7 cents a pound imposed under the Payne-Aldrich bill, the rate was 35 per cent. The House gave 35 cents on quicksilver, instead of 7 cents, as provided in the Payne-Aldrich law, and 10 per cent in the existing law. Your committee cut that from 35 cents a pound to 25 cents a pound, and we made the ad valorem duty on the calomel itself 45 per cent.

I have already put into the RECORD the figures showing the consumption of quicksilver in the United States, and I shall not do so again, it having been done in the time of the Senator from North Carolina [Mr. SIMMONS], at his suggestion.

I do not see that it is necessary to say anything further. I frankly admit that with 25 cents a pound upon quicksilver there will be an increase of duty, not only on calomel but on vermilion red as well, and I shall ask the Senate to take up the paragraph covering vermilion red just as soon as this paragraph is disposed of.

Mr. SIMMONS. I move to amend the committee amendment by inserting "15" in lieu of "45."

The PRESIDING OFFICER. The Secretary will state the amendment.

The READING CLERK. On page 6, line 16, strike out of the committee amendment "45" and insert "15," so that it will read:

> Fifteen per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina to the committee amendment.

Mr. HITCHCOCK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Harris	McLean	Rawson
Ball	Harrison	McNary	Robinson
Bursum	Heflin	Moses	Sheppard
Capper	Hitchcock	Nelson	Shields
Colt	Johnson	Newberry	Shortridge
Culberson	Jones, Wash.	Nicholson	Simmons
Curtis	Kellogg	Norris	Smoot
Dial	Kendrick	Oddie	Sutherland
Dillingham	Keyes	Overman	Townsend
Edge	Ladd	Page	Walsh, Mass.
Elkins	Lenroot	Pepper	Walsh, Mont.
Ernst	Lodge	Phipps	Warren
Gooding	McCumber	Poindexter	Watson, Ga.
Hale	McKinley	Ransdell	Willis

The PRESIDING OFFICER. Fifty-six Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment offered by the Senator from North Carolina to the committee amendment.

Mr. SIMMONS. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HITCHCOCK. Mr. President, before we vote I want to say a word, because I doubt whether even the supporters of this bill realize what they are doing in voting for this tariff. The Senate just voted a tariff on quicksilver amounting to 25 cents a pound. Quicksilver is necessary in the manufacture of calomel.

The Payne-Aldrich law, which was notorious for its excessive tariffs, had a tariff of only 7 cents a pound on quicksilver, but you have raised it to 25 cents. That seems to make necessary a compensatory duty on calomel, in the manufacture of which a large proportion of quicksilver is used. The Senate committee, in endeavoring to meet this situation, has proposed a tariff of 45 per cent on calomel, and yet, practically speaking, no calomel is imported into this country under the present duty of 15 per cent. The importations last year, for instance, amounted to only 2,438 pounds. That was the total amount of calomel imported into the United States in 1921, and the consumption of calomel in the United States approximates 1,000,000 pounds, so that only a fraction of 1 per cent of the calomel used in this country is imported. Yet you propose to put a duty of 45 per cent on this necessary article in medicine.

I do not know whether it is done for the protection of American labor, but no one will claim that there is any considerable amount of labor employed in the manufacture of calomel. The Senator from North Carolina has indicated pretty plainly that calomel is a necessity. We know it is not a luxury. We know in certain parts of the country, where certain ailments prevail, calomel is an absolute necessity. It is a necessity for poor people. It is something they have to go out and buy when they are in distress. Yet here it is proposed to put on a duty of 45 per cent in place of the existing duty of 15 per cent. Can there be any justification for such a proceeding as that?

There is no claim that the American calomel industry is being destroyed by importations, because 1,000,000 pounds were made in the United States last year and less than 3,000 pounds imported. I merely want to lay that before my Republican friends to see what they have to say about it. Is there any Senator here on the majority side responsible for legislation to the people who can justify trebling the existing tariff on calomel, a necessary medicine for the people, when there are no importations, practically speaking—that is, when the importations are less than 3,000 pounds against a consumption of 1,000,000 pounds? If there is any Senator who can justify that from any standpoint, I wish he would take the floor and do it.

Mr. SIMMONS. I suggest that the Senator might add that the foreign price is nearly double to-day what it was in 1910 and 1911.

Mr. HITCHCOCK. I have not gone into the matter of the foreign prices. We know that the price of calomel has fluctuated widely, but at the present time it is not far from normal. It approximates something like 80 cents a pound, as I understand, at the present time. It has gone up above that and it has been below that. May I ask the Senator if that is correct?

Mr. SIMMONS. It was $1.15 at one time.

Mr. HITCHCOCK. Yes; it has gone up considerably. At the present time, however, with the American manufacturers practically dominating the market and meeting the demands, with calomel at a normal price, with almost no importations, it is proposed to treble the existing duty on this necessary article of the people. If we could select any article that would be entitled to a low duty or that might be entitled to go upon the free list it is such an article as calomel, which is necessary for so many millions of people to use at times. Yet the duty is to be made 45 per cent as against the existing duty of 15 per cent. I do not see how any Republican who has any regard for the needs of the American people, even on the theory of a protective tariff, even upon the theory of a tariff compensating for the difference in the cost of manufacture here and abroad, even upon the theory of merely making up the difference in the labor cost here and abroad, upon any theory at all that the Republican Party has ever stood for, can vote for trebling the existing tariff on this commodity.

Mr. SMOOT. I wish to say to the Senator, as I have already stated, that the ad valorem rate imposed upon calomel of 25 per cent comes largely from the rate that the Senate voted upon quicksilver. I do not think we need worry much about what the ultimate consumer of calomel is going to pay for it. I know this is not an argument generally upon products, but I am saying this to impress not only upon the Senate but the country at large where the evils of the high cost of living rests. I do not know of a better case, since the Senator from Nebraska has brought it up, than to point to this item.

During the war when the price of calomel was double what it is now every purchaser who went to the drug store and purchased a little bottle of calomel pills about an inch high, with about one-tenth of an ounce of calomel in it, paid 35 cents for the bottle. If he goes to-day he pays the same 35 cents for the same size bottle, when the price of quicksilver is only one-half of what it was previously, and 80 per cent of calomel is quicksilver. If we made it free the druggists would not sell that little bottle of calomel pills for any less than 35 cents.

I called attention the other day to the fact that many times the ingredients of every name and nature in a prescription would not cost to exceed 5 or 6 cents, and yet the druggists sell it for 75 cents or a dollar. No tariff is ever going to interfere with a proposition of that kind. They sell it for every cent they can get. Unfortunately, many of the prescriptions are sent by the doctor to a particular drug store to be filled, and no one who has a sick child or sick relative or sick friend, when he is about to have a prescription filled, is going to quibble over the price charged when the more quickly it is filled and the sooner the patient uses it the better for the patient, if he has faith in it.

As far as medicine is concerned, some time or other there will be an investigation made from one end of this land to the other, and the question of what is in a prescription and what it costs and what it sells for to the American public will be made clear to the people. When it is known, there will not be much criticism of the cost of the materials in a prescription.

Mr. WALSH of Massachusetts. Mr. President——

Mr. SMOOT. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. Does not the Senator think we should have that information before fixing a tariff duty?

Mr. SMOOT. No. If we had a rate of 100 per cent on every item it would not make a particle of difference in the price charged for the prescriptions. I would say if the tariff were 200 per cent, it would make no difference.

Mr. WALSH of Massachusetts. We could at least prevent the charge of excessive prices by making those items free on which a high duty is proposed.

Mr. SMOOT. Oh, no; we could not do that. The prescriptions are filled upon the order of a doctor. One doctor will think one prescription is what a patient needs, and another doctor will think another prescription is what he needs. If it were a case of patent medicines it would be a different thing.

Mr. ROBINSON. Mr. President, there is no doubt that the profits upon many drugs are excessive beyond reason. The little investigation I made into the matter a year or two ago convinced me that as to many drugs the retail profits exceed from 200 to 300 per cent. But I can not understand how the Senator from Utah or anyone else can think that increasing the tariff on these products will in any way afford relief from prevailing excessive prices. The only effect that an increased tariff can have is to perpetuate the conditions which now exist.

Mr. NORRIS. Mr. President, I have no doubt in my mind that the Senator from Utah [Mr. SMOOT] has correctly stated the facts with relation to the sale of this drug as well as others by druggists. It may be that if the tariff were removed or lowered, the consumer would have to pay to the druggist an exorbitant price. But I do not want to see an instrumentality of the Government which will put the druggist in a position where he will be justified for charging those prices. It is no reason, in my judgment, why we should levy an exorbitant tariff on an article of necessity because the druggists are now charging too much for the article. The minute we do it, the druggist immediately has an argument to sustain him or tending to sustain him in the exorbitant price that he charges. He will immediately say, "The tariff has been increased and we are justified." It would be better, it seems to me, in a case of that kind, if there are importations that will come in, to cut the tariff off entirely and let them come in. Perhaps that would have a tendency to lower the price of the necessities of the common people who have to get them.

It may be, too, that people would be better off if they did not use so much calomel. But, however we may feel about that, it is a drug used universally for some diseases or difficulties, and whatever course we may pursue we can not affect that. The people who have to buy, buy it not because they want to but because they are compelled to buy it. It is not a luxury, even though to some extent some people, good people, too, claim that it is not a necessity. For practical purposes it is a necessity. But because the man with a sick child or a sick wife is charged an exorbitant price by a dealer in the article is not, to my mind, a justification for Congress to assist that dealer in asking the exorbitant price.

The condition which the Senator from Utah describes, I think, is true. It only admonishes us that there is more than one evil that we have to meet in this respect. We can not meet the evil that the consumer has to contend with by increasing the tariff, thus to some extent, at least, increasing the sale price of the article. We are only adding to it. Perhaps, at least in this legislation, we are not able to reach the druggist who charges the sick an exorbitant price for a medicine but, at least, we can take away from him the argument and in some respects the right to exact that kind of a profit. If the article is cheapened, it is fair to say that there will be druggists who will cut the price. It is fair to say that if it becomes too burdensome, philanthropic people in regions where a great deal of it is used will see that the money is supplied in order that the poor may get it at a fair price.

I once heard of a druggist who employed a new prescription clerk. After he had been working in his new place for a day or two he put up a prescription for a customer, and after the customer had gone away he discovered that the customer had given him a counterfeit bill. He was very much worried for fear he would lose his position because he had not been careful enough. He went immediately to the proprietor and showed him the bill. It was a $1 bill, and was evidently a counterfeit. But instead of the proprietor reprimanding the clerk, he said,

after he looked over the prescription carefully, "How much did you charge him for that prescription?" The clerk said, "I charged him $1.10." The proprietor asked, "What about the 10 cents; was that good or was that counterfeit?" The clerk said, "Oh, no; that was good." "Oh, well," said the proprietor, "it is not so serious, then. There is still a profit of 5 cents in the transaction."

That may continue, Mr. President; but we are acting now upon the supply of this article, or a business in which that practically controls not only the price in America but to some extent in the world. We are not dependent upon foreign importations; they amount practically to nothing. So we are not going to get any revenue out of this duty to amount to anything. We hardly derive revenue enough under the existing tariff rate to pay the expenses of collecting the duty; and if it be increased as is proposed, we shall not get enough revenue to pay the expense of making the collection.

It is not necessary as a protective duty. It seems to me that a protectionist must take the other side of this question. The protectionist does not want to build an embargo; he does not want to protect monopoly. If there is no protection, and if there is no revenue, then the protectionist is in favor of a low tariff, if he be consistent with the proper theory of protection.

So far as I am concerned, Mr. President, I should be glad to vote to reduce this duty. I would put the duty on the article a great deal lower. I would, if I had my way, fix the duty lower than does the existing law. It would bring some revenue if we decreased the duty low enough, but if it is increased sufficiently high the duty becomes an embargo and the Government gets no revenue.

Mr. HITCHCOCK. Mr. President, there has not a word been said about the druggists to which I wish to refer. I presented to the Senate on yesterday a resolution which had been adopted by the retail merchants of Lincoln, Nebr. Lincoln, Nebr., is the great Republican stronghold in my State. I think it is safe to say that two out of every three of the people living in Lincoln are Republicans, and yet the retail merchants of Lincoln at a meeting held this week adopted the following resolution:

Whereas the retail dealers of the city of Lincoln are unalterably opposed to unnecessary advances in the prices of commodities; and

Whereas higher prices will react unfavorably against the retailer; and

Whereas the proposed tariff bill under consideration in the United States Senate will inevitably cause an unnecessary increase in prices, due to the large increase in the tariff rates on nearly all classes of commodities: Therefore be it

Resolved, That the retail trade promotion subdivision of the Lincoln Chamber of Commerce, at a special meeting called for the purpose of considering the effects of a high tariff, request the board of directors of the Lincoln Chamber of Commerce to convey to the Representatives and Senators from Nebraska this resolution opposing the enactment of the proposed tariff bill now under consideration.

Mr. President, the retail merchants of Lincoln, Nebr., adopted that resolution in their own defense. They know from complaints received from their customers that the American people are irking under the present high prices, and they dread the prospect of an increase of prices to the American consumer as the result of the passage of this bill.

It has been said here that the druggists are selling prescriptions containing calomel at exorbitant prices, and we hear the charge made as to other commodities that the druggists are exorbitant in their charges. Does anybody know of any retail druggist who is getting very rich? Is it the retailers of the country, ordinarily speaking, who are making fortunes? Not by any means. Do Senators realize that last year in the United States there were over 21,000 business failures, the larger number of which was made up of retailers? Do Senators realize that during the first four months of this year there have been 9,000 business failures in the United States, and that at that rate we shall have 27,000 business failures in the United States during the current year, a very large proportion of them being in the retail trade?

We hear people decry the prices that the druggists are charging, and yet we all know that the average corner drug store is only eking out an existence. Practically everything that the druggist sells is taxed. In the chemical schedule which we have been discussing almost every article sold in the drug store is subject to a tax. That is true not only as to calomel but thousands of the chemicals that every druggist uses are subjected to a tax in this bill as they are subject to a tax under the present law.

The druggist is taxed for other articles; the toothbrushes which he sells are taxed; his combs are taxed; all toilet articles which he sells are taxed; the soda water which he dispenses is taxed, as well as cigars sold over his counter.

The trouble is we have loaded up the retail trade, particularly the drug trade, with a tremendous burden of taxes. The charge against the druggist is not the only charge which is brought against the retail trade. It is a common thing to hear denunciation of the butcher for the enormous profits he is supposed to be making, but nobody sees the butcher getting rich. The wealth is made behind the butcher, by those who supply the butcher, those who monopolize the trade. We hear the plumber denounced for the great charges that he makes, but whoever hears of a plumber getting rich? We hear the ordinary retail drug store charged with excessive prices, and yet there is a terrible business mortality among the drug stores, as indicated by failures that are recorded.

We hear people complain against the retailer because, unfortunately, the retailer is on the firing line; he is the man who has to deal with the people; but it is the law which taxes these articles of consumption which is responsible for the high prices that the people pay. They pay taxes on the lumber in the buildings they occupy; they pay taxes on the brick in the buildings they occupy; they pay taxes on the cement in the buildings they occupy; and if prices are high it is due, in the first place, to Congress, which is levying such heavy taxes on the consumption of the American people. The retailer is merely the man who is on the firing line, who must meet the complaints of the people.

Mr. President, I have said that the resolution quoted by me was adopted by the merchants of a great Republican city in my State. Now, I wish to read a paragraph of what the leading Republican paper in my State, the Lincoln Journal, has to say on the subject:

WHY RETAILERS FIGHT TARIFF.

Some of the reasons the retailers of Lincoln took their decided stand against the Fordney tariff bill were explained Thursday afternoon by J. E. Miller. The action taken by the retail trade subdivision asking the chamber of commerce to urge the Nebraska delegation in Congress to work against the bill was in line with a campaign against unwarranted increases in retail prices, and the merchants of Lincoln see in the proposed tariff measure many openings for manufacturers to raise their prices. Retailers are getting tired of taking the blame for high prices, it was brought out at the special meeting Thursday morning, and they do not propose to let a new tariff, or anything else conducive to high prices, get by without a protest.

There is much more than that, but I content myself with reading that paragraph and asking that the remainder of the article be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Every single item of tariff is higher under the Fordney bill, Mr. Miller says, and not only higher than under the present Underwood measure but higher than under the McKinley or Payne-Aldrich bills. From the entire schedule he selected a number of items of general interest and commented on them:

Wire nails, now duty free, will pay a duty of 4½ cents a pound under the Fordney measure, and every man who builds a house or a garage or a chicken coop will help foot the bill.

Sewing needles, none of which are made in this country and which are now imported under a 20 per cent tariff, would pay $1.15 a thousand, plus 40 per cent. The pre-war price of 5 cents a package of 25 amounted to $2 a gross, about the same as the new tariff alone would be.

Scissors and shears, now taxed 30 per cent, would pay from 10 to 20 cents per pair, plus 50 to 55 per cent. Scissors that sold before the war for 50 cents would thus pay a duty of more than half that.

Razors, now paying 35 to 55 per cent duty, would pay 30 to 40 cents a piece, plus 50 per cent. A half dollar English blade would thus pay a tariff of 65 cents.

Surgical instruments that are now taxed 20 to 50 per cent would pay 60 cents to $1 a dozen, plus 60 per cent.

Crude aluminum tariff would be increased from 2 cents a pound, the present rate, to 5 cents under the Fordney bill. Aluminum plates now taxed 3½ cents would pay 9 cents.

Glove taxes would be considerably increased in every line, Mr. Miller said. The tariff on 12-inch leather gloves, now $1 a dozen, would be raised to $4, with an additional 50 cents for every inch in length and additional duties for linings and embroidered backs. On a 22-inch glove the tariff would be $15 a dozen.

Men's leather gloves, up to 12 inches long, now taxed $1 a dozen, would be taxed $5. Mr. Miller attributes this item to former Congressman Littauer, who came from the glove-manufacturing district and is always called in to write glove tariffs.

Cotton gloves, such as used to be purchased in France and Germany for 35 to 50 cents a pair and are now imported under a 35 per cent duty, would be taxed $3 a dozen. Cotton hosiery, now worth $1 a dozen and paying 30 per cent tariff, will pay 70 cents a dozen, plus 15 per cent.

"Cotton hosiery is not much of an issue now," Mr. Miller said, "but it has been, and will be again. This is one of the increased cost items that will fall on the people least able to bear the burden."

Cotton hosiery, worth $2 to $3 a dozen and taxed 50 per cent, would pay $1.20 a dozen, plus 15 per cent under the Fordney bill. The $3 to $5 a dozen kind, also taxed 50 per cent now, would be taxed $2 a dozen, plus 15 per cent. Thus the $2 quality would pay $1.50 tariff, and the $3 quality $2.45 tariff. Ninety per cent of all kinds of hosiery, except woolen, is made in this country, Mr. Miller said.

A long chapter could be written on the wool schedules in the Fordney bill. It makes the duty on wool 24 cents a pound, the old rate being 11 cents. Blankets that now pay 25 per cent flat would pay 20 cents a pound and 30 per cent, about the equivalent of a 50 per cent duty. A certain $5 blanket now costs the American merchant $8.22, and will cost him $10.40 if the new measure is passed. Only a small amount of woolen goods and manufactures is imported

Mr. HITCHCOCK. What my colleague [Mr. NORRIS] said is absolutely true. The druggists may be overcharging, but when

the tariff duty on the commodities he sells is increased it amounts to giving him a license and an excuse to overcharge. We ought not to do it. Instead of raising the price of the necessaries of life, whether sold by druggists or sold by other merchants, the Congress ought to busy itself in an effort to reduce those charges. It ought to contribute its part toward reducing the cost of living, toward making life more tolerable for the people. The great mass of the people who patronize retail stores do so from necessity, and they buy necessities rather than luxuries. When a child is sick in the household and the mother goes out to get calomel she can not haggle with the druggist over what he is to charge, and he is given an excuse for charging high prices when a tax is imposed upon every article of medicine which he sells to the American people. If we want retail prices to come down, let the Congress do its part by reducing the tax on the articles which the retailers sell.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. SIMMONS] to the amendment reported by the committee. On that question the yeas and nays have been ordered. The Secretary will call the roll.

Mr. WALSH of Massachusetts. I ask that the amendment may be stated.

The ASSISTANT SECRETARY. In the committee amendment on page 6, line 16, it is proposed to strike out "45" and insert "15," so as to read:

PAR. 16. Calomel, corrosive sublimate, and other mercurial preparations, 15 per cent ad valorem.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). I have a pair with the junior Senator from Missouri [Mr. SPENCER]. I transfer that pair to the Senator from Texas [Mr. CULBERSON], and vote "yea."

Mr. KENDRICK (when his name was called). I have a general pair with the Senator from Illinois [Mr. MCCORMICK]. I transfer that pair to the Senator from Nevada [Mr. PITTMAN], and vote "yea."

Mr. MCKINLEY (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. CARAWAY]. As he is absent, I withhold my vote.

Mr. WATSON of Georgia (when his name was called). Making the same announcement as heretofore with regard to my pair, I withhold my vote.

Mr. WILLIAMS (when his name was called). I transfer my pair with the Senator from Indiana [Mr. WATSON] to the Senator from Missouri [Mr. REED], and vote "yea."

Mr. WILLIS (when his name was called). I have a pair with my colleague the senior Senator from Ohio [Mr. POMERENE]. I transfer that pair to the junior Senator from Oklahoma [Mr. HARRELD] and will vote. I vote "nay."

The roll call was concluded.

Mr. DIAL. I desire to announce that the senior Senator from Arkansas [Mr. ROBINSON] is detained from the Senate on official business. He is paired with the Senator from West Virginia [Mr. SUTHERLAND]. If present, my colleague would vote "yea."

Mr. GLASS. Making the same announcement as on the preceding vote with regard to my pair and its transfer, I vote "yea."

Mr. EDGE. I transfer my general pair with the senior Senator from Oklahoma [Mr. OWEN] to the senior Senator from Connecticut [Mr. BRANDEGEE] and vote "nay."

Mr. JONES of Washington. Making the same announcement as to my pair and its transfer as on the previous vote, I vote "nay."

Mr. SUTHERLAND (after having voted in the negative). I transfer my general pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from California [Mr. SHORTRIDGE] and allow my vote to stand.

Mr. HARRIS. I transfer my pair with the junior Senator from New York [Mr. CALDER] to the senior Senator from Tennessee [Mr. SHIELDS] and vote "yea."

Mr. BALL (after having voted in the negative). I understand the senior Senator from Florida [Mr. FLETCHER], with whom I have a general pair, has not voted. I transfer my pair with him to my colleague the junior Senator from Delaware [Mr. DU PONT] and allow my vote to stand.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL]; and

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES].

The result was announced—yeas 16, nays 33, as follows:

YEAS—16.

Ashurst	Harrison	Myers	Stanley
Dial	Heflin	Norris	Underwood
Glass	Hitchcock	Sheppard	Walsh, Mass.
Harris	Kendrick	Simmons	Williams

NAYS—33.

Ball	Johnson	Moses	Smoot
Bursum	Jones, Wash.	Newberry	Sutherland
Capper	Kellogg	Nicholson	Townsend
Curtis	Ladd	Oddie	Wadsworth
Edge	Lenroot	Page	Warren
Elkins	Lodge	Pepper	Willis
France	McCumber	Phipps	
Gooding	McLean	Poindexter	
Hale	McNary	Rawson	

NOT VOTING—47.

Borah	Ernst	McKinley	Shortridge
Brandegee	Fernald	Nelson	Smith
Broussard	Fletcher	New	Spencer
Calder	Frelinghuysen	Norbeck	Stanfield
Cameron	Gerry	Overman	Sterling
Caraway	Harreld	Owen	Swanson
Colt	Jones, N. Mex.	Pittman	Trammell
Crow	Keyes	Pomerene	Walsh, Mont.
Culberson	King	Ransdell	Watson, Ga.
Cummins	La Follette	Reed	Watson, Ind.
Dillingham	McCormick	Robinson	Weller
du Pont	McKellar	Shields	

So the amendment of Mr. SIMMONS to the amendment reported by the committee was rejected.

The VICE PRESIDENT. The question now is on agreeing to the committee amendment.

Mr. HITCHCOCK. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HITCHCOCK. Mr. President, this is a stupendous and unprecedented thing—that a necessity to the American people should have imposed upon it a tax 29 per cent higher than ever before in the history of American tariff taxation. The Payne-Aldrich bill had only a 35 per cent tax, and that was one of the bills that was infamous on account of its excessive taxes. Now, it is proposed to impose a 45 per cent tax on a necessary article of medicine of which the Americans use nearly a million dollars' worth a year. We want a record vote on that proposition.

Mr. SMOOT. Mr. President, just for the record, I wish to state that the Payne-Aldrich law carried a rate of duty of 35 per cent ad valorem, with the duty on quicksilver at 7 cents a pound. We have voted to-day to give quicksilver a rate of 25 cents a pound. Twenty-five cents a pound on quicksilver is equivalent to a little over 25 per cent ad valorem duty upon calomel; and the rate that we are voting upon now is not more than one-half of that of the Payne-Aldrich law when we take into consideration the compensatory duty of the rate imposed upon quicksilver.

Mr. HITCHCOCK. Mr. President, the Senator seeks to take advantage of his own wrong. Having made a great increase in the tariff on quicksilver, which is a necessary and large ingredient of calomel, he says: "Now, having done that thing, we have to do this extraordinary thing. We have to impose a tax on calomel 29 per cent higher than was ever known in the history of Republican taxation. We are responsible for it; we did it; and we have to do this because we did the other."

The VICE PRESIDENT. The question is on agreeing to the committee amendment, on which the yeas and nays have been ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. BALL (when his name was called). Making the same announcement as before of my pair and its transfer, I vote "yea."

Mr. DIAL (when his name was called). Making the same announcement as on the former roll call with regard to my pair and its transfer, I vote "nay."

Mr. EDGE (when his name was called). Making the same announcement as before, I vote "yea."

Mr. GLASS (when his name was called). Making the same announcement as on the previous roll call, I vote "nay."

Mr. HARRIS (when his name was called). Making the same announcement of my pair, I vote "nay."

Mr. JONES of Washington (when his name was called). Making the same announcement of my pair and its transfer as before, I vote "yea."

Mr. KENDRICK (when his name was called). Again announcing my pair with the Senator from Illinois [Mr. MCCORMICK] and being unable to obtain a transfer, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. DIAL (when Mr. ROBINSON's name was called). Making the same announcement as on the former roll call as to the Senator from Arkansas [Mr. ROBINSON], I desire to state that if he were present he would vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as on the previous roll call with reference to my vote and its transfer, I vote "yea."

Mr. WATSON of Georgia (when his name was called). I transfer my general pair with the junior Senator from Arizona [Mr. CAMERON] to the senior Senator from Missouri [Mr. REED] and will vote. I vote "nay."

Mr. WILLIS (when his name was called). I transfer my pair with the senior Senator from Ohio [Mr. POMERENE] to the senior Senator from Iowa [Mr. CUMMINS] and will vote. I vote "yea."

Mr. McKINLEY. I have a pair with the junior Senator from Arkansas [Mr. CARAWAY], which I transfer to the junior Senator from New Hampshire [Mr. KEYES] and will vote. I vote "yea."

Mr. WARREN (after having voted in the affirmative). Has the junior Senator from North Carolina [Mr. OVERMAN] voted?

The VICE PRESIDENT. He has not.

Mr. WARREN. I transfer my pair with that Senator to the Senator from South Dakota [Mr. NORBECK] and will allow my vote to stand.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. McKELLAR];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 35, nays 16, as follows:

YEAS—35.

Ball	Harreld	McLean	Poindexter
Broussard	Johnson	McNary	Rawson
Bursum	Jones, Wash.	Moses	Smoot
Capper	Kellogg	Newberry	Sutherland
Curtis	Ladd	Nicholson	Townsend
Edge	Lenroot	Oddie	Wadsworth
France	Lodge	Page	Warren
Gooding	McCumber	Pepper	Willis
Hale	McKinley	Phipps	

NAYS—16.

Ashurst	Harrison	Norris	Stanley
Dial	Heflin	Pittman	Underwood
Glass	Hitchcock	Sheppard	Walsh, Mass.
Harris	Myers	Simmons	Watson, Ga.

NOT VOTING—45.

Borah	Ernst	Nelson	Spencer
Brandegee	Fernald	New	Stanfield
Calder	Fletcher	Norbeck	Sterling
Cameron	Frelinghuysen	Overman	Swanson
Caraway	Gerry	Owen	Trammell
Colt	Jones, N. Mex.	Pomerene	Walsh, Mont.
Crow	Kendrick	Ransdell	Watson, Ind.
Culberson	Keyes	Reed	Weller
Cummins	King	Robinson	Williams
Dillingham	La Follette	Shields	
du Pont	McCormick	Shortridge	
Elkins	McKellar	Smith	

So the amendment of the committee was agreed to.

Mr. McCUMBER. I now ask that we may return to paragraph 73, which is another commodity which is dependent upon quicksilver as its base—vermilion red. The base of vermilion red is quicksilver, and its price is dependent upon that of quicksilver.

The VICE PRESIDENT. The amendment will be stated.

The READING CLERK. On page 27, line 24, it is proposed to strike out "33" and insert "28," so as to make the paragraph read:

Vermilion reds containing quicksilver, dry or ground in or mixed with oil or water, 28 cents per pound.

Mr. McCUMBER. I desire simply to give this data in that connection:

The Underwood rate is 15 per cent ad valorem. The Payne rate was 10 cents per pound, which amounted to from 17 to 20 per cent ad valorem. The rate fixed by the committee is 28 cents a pound. In paragraph 283 a rate of duty of 25 cents per pound is imposed upon quicksilver. Eighty-five per cent of a pound of vermilion red is made of quicksilver. The compensatory duty on vermilion red is, therefore, 85 per cent of 25 cents a pound, or 21 cents per pound.

The import price during the first nine months of 1921 was 88 cents per pound. On this basis the 28 cents per pound is equal to 32 per cent. The compensatory duty is, therefore, 24 per cent, and the protective duty is 8 per cent.

Mr. GOODING. Mr. President, I ask unanimous consent to have read and printed in the RECORD a telegram I received from the secretary of the Sheep & Goat Raisers' Association of Texas.

The VICE PRESIDENT. Without objection, the Secretary will read the telegram.

The reading clerk read as follows:

DEL RIO, TEX., *May 22, 1922.*

Senator FRANK R. GOODING,
Washington, D. C.:

At recent session of the executive committee of the Sheep and Goat Raisers' Association of Texas, representing a membership of about 1,000 sheep and goat raisers of this State, the following resolution was adopted unanimously:

"Whereas at the suggestion of certain southern Senators it is proposed to have a senatorial inquisition and investigation of the effects of the emergency tariff bill upon the industries for whose benefit the same was passed; and

"Whereas we desire to go on record as to the benefits derived by the wool and mohair industries of Texas from said act; and

"Whereas we know that the stoppage of the great flood of cheaply produced foreign wools and mohairs which were being dumped upon our unprotected markets has greatly relieved our overburdened industries and preserved them from financial destruction: Now therefore be it

"*Resolved*, That we here now declare that the emergency tariff bill has saved the great wool and mohair producing industries of this State; be it further

"*Resolved*, That our secretary be, and he is hereby, instructed to forward this resolution by wire to Senator Gooding, chairman of the agricultural tariff group of the United States Senate, and request him to have same inserted in the Senate Journal for the information of southern Senators."

GEO. M. THURMOND.

Mr. UNDERWOOD. Mr. President, I suppose that after Robin Hood's band had poached on a deer in a neighboring preserve, captured it, and fed themselves properly, the band would naturally pass resolutions declaring that Robin Hood was the greatest genius of his age. Of course, we expect laudatory comments on our work from those who are the beneficiaries of our labor. But I did not rise to discuss that question.

This morning we put a high duty on a raw material, quicksilver, whose production does not require a great deal of labor in proportion to the cost. For many years, at a very low rate of duty, the American product was able to compete in the markets of the world with quicksilver of other countries. It is the acid test of competition when the American producer can send his goods to foreign countries. Some has been exported recently, in the last year or two; but notwithstanding that fact, the Senate this morning, in its wisdom, placed a duty on quicksilver more than three times the rates which have heretofore existed. Then again this morning, when we were discussing the item of calomel, we were told that because of the tax on quicksilver we had to raise the tax on a very necessary medicine, which aids in preserving the lives and health of the American people.

Now we come to paint, a commodity that is necessary to preserve the homes, and the machinery of business and industry of the United States. The Senator from North Dakota, in charge of this bill, has made a very illuminating statement, and one which I hope the American people will understand and remember, as showing the basis on which the Senate of the United States proposes to write a protective tariff bill. The Senator from North Dakota is always very fair and candid in his statements. From his point of view he expresses his mind fully, and he has just told us that on this item of paint it is necessary to have this very high duty, not merely for protection but in order to compensate the manufacturer of this paint for the higher price he has to pay for quicksilver, and he set out in his statement wherein the difference comes.

He stated that out of this rate which it is now proposed to put on this paint, and which I have no doubt the majority Members of the Senate will come in and proceed to write into the law, 24 per cent of the tax is a compensatory tax, to make up to the paint manufacturer for the fact that the Senate has put a tax on quicksilver, one of the raw materials out of which this paint is made, and that 8 per cent of the tax is for protection; that the principle of a protective tariff would be thoroughly satisfied by taxing the American people on this item of paint 8 per cent, provided there were no compensatory duties to carry into the product; but in order to compensate these manufacturers for a duty levied on something else, the American people must pay an additional tax of 45 per cent on the value of this paint.

Unless you look at it from the standpoint of the man who is in the business, and is given warrant to tax the American people behind this tariff wall for his own industry and his own private property; unless you look at it from the standpoint of Robin Hood's band after they had captured the baron's goat, I can see no justification for such a system of taxation. But you

must write a bill, piling tax on tax, because of your initial mistake in leving the tax for the sake of building up somebody else's business, instead of levying it for the primary purpose of producing revenue for the Government. That applies not only to this quicksilver item but it applies to raw wool, and to a hundred other items in this bill, which is piling sky high the burdens of the American people.

Mr. McCUMBER. The Senator admits, however, that if we place a duty upon what to the manufacturer would be raw material we must put on a compensatory duty, the same as when we place 33 cents a pound on washed wool or scoured wool, we must necessarily impose a compensatory duty on the articles which are manufactured out of that wool. Admitting all the Senator says in criticism of the system, he would still agree with us that where we have that duty it is necessary to have a compensatory duty, would he not?

Mr. UNDERWOOD. If you were writing a bill on the protective theory, certainly. That is what I am complaining against. It would not be so if you were writing a bill on the revenue theory. Of course, if you would write it on the revenue theory and proceeded to put a high tax on the raw material and a low tax on the finished product you might cause serious injury; but if you were writing it from the standpoint of a revenue duty, you would not be so foolish as to put these unreasonable taxes on at all. However, when you write it from the standpoint of protection you have not only to protect the home manufacturer and producer from foreign competition but you have to protect him against your own acts, against your own legislation, which you put on the statute books, because he will be ruined if you proceed to tax his raw material and do not give him compensation for it. As you admit, of course, that is the theory of protection, and what we protest against is that in order to carry out this theory you have to pile tax after tax on the mass of the American people. If you would just wipe the decks clear and forget that you are going to try to build these industries up on stilts and let them come down to a natural, competitive basis, this great country could exist and thrive and prosper without this great burden. But under your system you put a tax on the American people primarily for some individual who wants to exploit the American people behind a tariff wall.

Mr. SMOOT. Mr. President, I want to say that not one pound of vermilion red ever goes into a paint used by a farmer.

Mr. UNDERWOOD. I have not said anything about farmers. Somebody is going to pay it. I said the American people.

Mr. SMOOT. The Senator said it was to be used on buildings, and I thought he said the machinery of the farm; but I may be mistaken.

Mr. UNDERWOOD. Oh, no. I do not blame the Senator for having the farmer on his mind, because what he has done to the American farmer is enough to make him think about him all the time.

Mr. SMOOT. The Senator spoke about the farmer every time we were considering a duty on any pigment, and it was very natural for me to think that he was going to talk about the farmer when vermilion red was before us. He did talk about houses. Vermilion red is too costly to use in paints for houses. It is a decorative paint; it is used in artists' paints, and, as far as they are concerned, the duty no doubt will be passed on in the cost of those articles.

I am not going to repeat what the Senator from North Dakota said. This simply means that if we had free quicksilver the rate which is put in here, if converted into an equivalent ad valorem duty, would be about 9 per cent.

Mr. SIMMONS. Mr. President, we have just placed a compensatory duty on calomel, because it is made in part of quicksilver. We put a compensatory duty of 25 per cent on calomel and then added on top of that for the benefit of the manufacturer a 20 per cent additional and protective duty. The item with which we are now dealing is paint pigments. It is so described in the book. This is also made, not altogether but in large part, out of quicksilver. Twenty-five cents is added to this as a compensatory duty because of the quicksilver content, and only 3 cents protection is added in addition to that for the benefit of the manufacturer.

So that we have this situation: We add 20 per cent protection to calomel a medicine, for the benefit of the manufacturer, and 3 cents protection to paints. Evidently the majority members are more disposed to accommodate the manufacturer of calomel and give him high protection than they are to accommodate and protect the manufacturer of paints. I think the situation ought to be reversed. Both of them are wrong, but they ought to be reversed. If you are going to impose high and excessive duties it would be better to impose them upon something other than medicine.

Mr. President, here we have had two items both closely related, because both are made largely out of the same substance. The latter item of the two is one with which the Payne-Aldrich law dealt, that highest tax bill ever enacted in the country, that tax bill which brought disaster to the party which passed it, which brought about an uprising among the people and a political revolution which swept the best organized party that ever existed in this country almost out of existence for the time, which took from it all the States in this great Union except two. Yet the duty imposed in the pending bill upon this very article is nearly three times as great as that which was imposed in the Payne-Aldrich law. The duty was 10 cents a pound in the Payne-Aldrich law, and it is 28 cents here.

The Payne-Aldrich law also put a duty upon quicksilver and carried that duty forward, we will assume, under the theory of the Republican Party as a compensatory duty, but with the compensatory duty in favor of quicksilver, the Payne-Aldrich law only carried a duty on vermilion red of 10 cents, and now we are asked to impose a tax upon the American people upon this particular article nearly three times as great as that imposed under the Payne-Aldrich law.

Mr. SMOOT. The compensatory duty is, however, exactly the same in both cases; that is, 3 cents a pound. Under the Payne-Aldrich law on vermilion red it was 10 cents and on quicksilver 7 cents, the differential being 3 cents. In the pending bill the Senate committee has given 25 cents on quicksilver and 28 cents on vermilion red, the difference being 3 cents.

Mr. SIMMONS. But that does not affect the proposition laid down by the Payne-Aldrich law providing for this compensatory duty on quicksilver upon these two products. The compensatory duty on vermilion red only carried 10 per cent as against 25. The Payne-Aldrich law had a compensatory duty and this bill has a compensatory duty. So taking the two things together, the compensatory duty proposed by the Payne-Aldrich law and the duty imposed for the benefit of the manufacturer of vermilion red, we have a duty three times the Payne-Aldrich rate.

Let me see what justification there is for that great increase in the rates. There have been but two arguments made here in favor of increasing rates, or in favor rather of the high rates in the bill. One of them has been the alleged great volume of the importations from abroad, and the alleged cheap prices at which those imports were coming in, thereby undermining and destroying, as was claimed, the prosperity of the American industry. Neither of those elements exists in this case, as it was pointed out that neither of them existed in the case of calomel.

First let me call attention of the Senate to the imports as compared with the production in this country. The last statement that we have of the production of vermilion red shows that it amounted to 327,000 pounds in 1919 and about the same in 1914. In 1914 it was 322,000 pounds. So we will assume that that is about the normal output of this country, approximately 325,000 pounds. In 1918 the imports of this product, as given by the Tariff Commission, amounted to only 2,368 pounds, valued at a little over $3,000.

In 1921, for the first nine months, there were 4,200 pounds imported, or, say, a little over 5,000 pounds for the whole year. There are imports, therefore, of 5,000 pounds, as against the domestic production of 327,000 pounds.

The importations have not increased. They have been growing less and less. The imports of vermilion red in 1909, under the Payne-Aldrich law, amounted to 65,000 pounds, more than twelve times as much as they amount to to-day. In 1911, under the Payne-Aldrich law, the importations amounted to 90,000 pounds, and in 1913, under the Payne-Aldrich law, to 84,000 pounds. They have been constantly decreasing. There has not been a single year since the present law went into effect when the importations were as great as they were under the Payne-Aldrich law. In fact, there has not been a single year when the importations under the Payne-Aldrich law were not at least three times as great as they have been under the present law. They have gone down and down, from 90,000 pounds under the Payne-Aldrich law to about 5,000 pounds during the year 1921.

But let us see now if there is any underselling to justify this duty. I find that the unit value of vermilion in 1921, of the imported product, was 88 cents a pound. I find that under the Payne-Aldrich law the unit value in 1909 was 53 cents per pound; in 1910, 56 cents; in 1911, 57 cents; in 1912, 55 cents; 1913, 50 cents; and 1914, 51 cents. So that the price to-day—the foreign price of the imported article with which the American producers compete—is one and one-half times as high as it was at any time during the life of the Payne-Aldrich law or that it was at any time before the war began. If anyone will tell me any reason under these circumstances for increas-

ing the duty from 10 cents to 28 cents, I would like to have him give it. If anyone says the compensatory duty exists here, I will say that there was a compensatory duty also under the Payne-Aldrich law.

Mr. President, the truth is that these duties have no justification in the conditions which exist in this country to-day upon any theory of protection as advocated now or that has ever been advocated by the Republican Party. It is protection run mad, and there is no way of accounting for it except upon the theory that the Finance Committee and the Ways and Means Committee, in their hurry to bring out a bill, did not for themselves adequately investigate these important questions. Of course, a question of imposing taxes upon a people must be an important question. These tariff taxes are just as real as the internal-revenue taxes which we imposed upon the people last year. In many instances these tariff duties are much heavier, much more burdensome, than those internal-revenue taxes, and in no instance scarcely are they as much justified as were those taxes. In levying taxes upon the people, I do not care whether they are direct taxes or indirect taxes, they ought to be levied with care and consideration not only for the industry affected but for the people themselves.

Here I take it is the only excuse of the committee—and it is a sorry excuse—that they did not investigate themselves; they did not know the facts. They permitted the manufacturers and producers of these products to come before them and demand what they wanted and then take it. If there is any other excuse for it, I can not find it. Does the Republican Party claim that when there are practically no imports of an article coming into the country, and when the few imports that do come in are selling to-day one and one-half times as high as they ever sold before, that imports of that character carrying prices of that height so imperil the domestic producer as to make it necessary, in order to preserve his industry from ruin, to impose these enormous taxes upon the people?

If protection means that, then protection means what I have never understood and what the people of the country have never before understood it to mean. When the people of the country learn that this kind of protection has been accorded to the special interests of the country, most or many of them trusts, I predict that the storm which swept the Republican Party out of existence temporarily in 1912 will become a cyclone, a tornado, that will sweep that party more permanently if not more completely out of existence than did the storm of 1912.

Mr. President, I wish to offer an amendment. I move to strike out "28 cents a pound" and insert "15 per cent ad valorem."

The PRESIDING OFFICER (Mr. CAPPER in the chair). The amendment will be stated.

The READING CLERK. On page 27, line 24, in the committee amendment, strike out "28 cents per pound" and insert "15 per cent ad valorem," so as to read:

PAR. 73. Vermilion reds containing quicksilver, dry or ground in or mixed with oil or water, 15 per cent ad valorem.

Mr. SIMMONS. On that I demand the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). I am paired with the junior Senator from Missouri [Mr. SPENCER]. I transfer that pair to the Senator from Texas [Mr. CULBERSON], and vote "yea."

Mr. EDGE (when his name was called). Transferring my general pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from Connecticut [Mr. BRANDEGEE], I vote "nay."

Mr. HARRIS (when his name was called). Making the same announcement as to the transfer of my pair as heretofore, I vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. DIAL (when Mr. ROBINSON'S name was called). Making the same announcement as to the Senator from Arkansas [Mr. ROBINSON] as on the former ballot, I desire to say that if present the Senator from Askansas would vote "yea."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. WATSON of Georgia (when his name was called). I have a general pair with the Senator from Arizona [Mr. CAMERON], which I transfer to the Senator from Tennessee [Mr. SHIELDS], and vote "yea."

Mr. WILLIAMS (when his name was called). I transfer my pair with the Senator from Indiana [Mr. WATSON] to the Senator from Missouri [Mr. REED], and vote "yea."

Mr. WILLIS (when his name was called). Transferring my pair with my colleague, the senior Senator from Ohio [Mr. POMERENE], to the senior Senator from Iowa [Mr. CUMMINS], I vote "nay."

The roll call was concluded.

Mr. McKINLEY. Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. HARRISON (after having voted in the affirmative). I inquire if the junior Senator from West Virginia [Mr. ELKINS] has voted?

The PRESIDING OFFICER. He has not.

Mr. HARRISON. I transfer my general pair with him to the junior Senator from Rhode Island [Mr. GERRY], and allow my vote to stand.

Mr. STANLEY (after having voted in the affirmative). I inquire if my colleague, the junior Senator from Kentucky [Mr. ERNST], has voted?

The PRESIDING OFFICER. He has not.

Mr. STANLEY. I have a general pair with that Senator, and therefore withdraw my vote.

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New York [Mr. CALDER] with the Senator from Georgia [Mr. HARRIS];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from Wyoming [Mr. WARREN] with the Senator from North Carolina [Mr. OVERMAN];

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL]; and

The Senator from South Dakota [Mr. STERLING] with the Senator from South Carolina [Mr. SMITH].

The result was announced—yeas 18, nays 31, as follows:

YEAS—18.

Ashurst	Harrison	Pittman	Walsh, Mass.
Borah	Heflin	Ransdell	Watson, Ga.
Dial	Hitchcock	Sheppard	Williams
Fletcher	Myers	Simmons	
Harris	Norris	Underwood	

NAYS—31.

Broussard	Johnson	McLean	Phipps
Bursum	Jones, Wash.	McNary	Poindexter
Capper	Kellogg	Moses	Smoot
Curtis	Ladd	Newberry	Sutherland
Edge	Lenroot	Nicholson	Townsend
France	Lodge	Oddie	Wadsworth
Gooding	McCumber	Page	Willis
Hale	McKinley	Pepper	

NOT VOTING—47.

Ball	Ernst	McKellar	Smith
Brandegee	Fernald	Nelson	Spencer
Calder	Frelinghuysen	New	Stanfield
Cameron	Gerry	Norbeck	Stanley
Caraway	Glass	Overman	Sterling
Colt	Harreld	Owen	Swanson
Crow	Jones, N. Mex.	Pomerene	Trammell
Culberson	Kendrick	Rawson	Walsh, Mont.
Cummins	Keyes	Reed	Warren
Dillingham	King	Robinson	Watson, Ind.
du Pont	La Follette	Shields	Weller
Elkins	McCormick	Shortridge	

So the amendment proposed by Mr. SIMMONS to the amendment of the Committee on Finance was rejected.

The PRESIDING OFFICER. The question recurs on the amendment proposed by the Committee on Finance.

The amendment was agreed to.

Mr. McCUMBER. I ask the return to page 6, where, after line 19, I move to add a new paragraph dealing with casein.

The PRESIDING OFFICER. The amendment proposed by the Senator from North Dakota will be stated.

The SECRETARY. On page 6, after line 19, it is proposed to insert:

PAR. 17a. Casein or lactarene, 4 cents per pound.

Mr. McCUMBER. I call the attention of my colleague, the junior Senator from North Dakota [Mr. LADD], to the proposed amendment.

Mr. LADD. Mr. President, heretofore casein has been on the free list, but the time has come, it seems to me, in view of the gradual reduction in the quantity of casein produced in this country and a corresponding increase in the quantity being imported, it is necessary that it receive some degree of protection.

More than that, if we are to build up the dairy industry, then not only butter but its products need to be protected in the same manner. We have in this country 136 factories which are

producing casein. In 1920 we imported 21,238,822 pounds; in 1919 we imported 17,076,934 pounds, and our total consumption in that year was, in round numbers, 22,000,000 pounds. The consumption in this country averages between 25,000,000 and 30,000,000 pounds a year, and we produced about one-half of the casein used in this country until within the past few years, when casein has begun to be imported largely from Argentina. The casein so imported is of an inferior quality, which has to be mixed with the American casein in order to enable it to be used. The foreign casein is coming in at a considerably lower cost than that for which the American casein can be produced. Therefore it is proposed to impose a duty of 4 cents per pound on casein.

Casein is largely used as a sizing in paper: for the manufacture of glue; for the glue coating for airplanes; to some extent in soap manufacturing; for glue used in cabinetmaking; for the preparation of imitation ivory, tortoise shell, and various other commodities. Without some degree of protection against the Argentine casein our American factories will go out of existence in a few years.

There are now 17 States where casein is manufactured to a considerable extent, the two largest being New York and California. In New York the production in 1917 was 3,208,312 pounds, but in 1918, which appears to be the last year for which reports are available, the production had fallen to 1,619,116 pounds. In California in 1917 the production was 4,090,537 pounds, but in 1918 it had fallen to 2,873,391 pounds.

Before the war the price of casein was from 7 to 8 cents a pound. During the war it very rapidly increased, because of the shortage, until it reached 30 cents or more a pound. In 1921 the price had fallen back to from 12½ cents to 15 cents a pound in April of that year, which is the latest quotation I have.

In 1914 in this country we produced 8,000,000 pounds of casein. In 1920 there were less than 7,000,000 pounds produced, according to the latest record we have. The production of the casein has not kept pace with the rapidly increasing demand in this country; and with the bringing in of the casein at a much lower price and of an inferior quality from Argentina, which does not compare with the high-grade casein that formerly came in from France, our own factories are being forced to discontinue the manufacture.

This is one of the dairy products which, in connection with the manufacture of butter and of cheese, even as a by-product, along with milk sugar, should be produced in every factory in the United States where milk is worked; and sufficient to more than supply our demand would be produced with a fair degree of protection.

I do not know that it is necessary for me to say anything more in this connection.

Mr. McCUMBER. Mr. President, I should like my colleague, if he has the data, to inform us as to the number of pounds of casein that would be obtained, say, from 100 pounds of skim milk.

Mr. LADD. Usually about 3 pounds of casein from 100 pounds of milk. About 80 per cent of the total nitrogenous matter in the milk is in the form of casein, the rest being in other forms. It is made out of skim milk; it is also made from buttermilk, and some portions are made from the whey, after cheese has been made, in some factories. The amount imported in 1909 was only 2,388,008 pounds, while in 1920 it had increased to 21,238,822 pounds. Our own production has been gradually falling off.

Mr. WALSH of Massachusetts. Mr. President, this product was transferred from the free list at the request of the so-called agricultural tariff bloc. It has never before been on the dutiable list. This product is very extensively used by our manufacturing industries. Its uses are very numerous, including the manufacture of waterproof, coated paper, paints, plastics, foods, paint remover, polish, and so forth. Its chief use, however, is in coating paper, so that the paper manufacturers throughout the country are very much interested in this amendment. They are opposed to levying a duty on casein.

The evidence before us does not warrant the transfer of this product from the free list; certainly it does not warrant the imposition of the heavy duty proposed in this amendment. The imports of casein have always been less than the home production, and to-day the price of the domestic article and the imported article is substantially the same; and yet we are asked to levy a duty of 4 cents a pound upon casein when the domestic price is about 9 or 10 cents, and the imported product is selling in America for practically the same price—10 cents.

There never has been sufficient production of casein in this country to take care of the manufacturers' demand, and the manufacturing establishments in the eastern part of our country, and particularly along the Atlantic coast, have depended largely upon the importation of this product from South America. I can not understand how a duty of 4 cents a pound can be justified upon this product.

Among those opposed to this tariff duty, as I have said, are manufacturers of paper, who must use it in coating paper; and I want to read for the information of the Senate some letters which indicate the sentiment of the paper manufacturers in regard to this duty.

I read from a letter from J. A. & W. Bird & Co., paper coaters' supplies, of Boston, Mass. This letter is dated May 3, 1922, and is as follows:

BOSTON, MASS., *May 3, 1922.*

Hon. DAVID I. WALSH,
1712 H Street NW., Washington, D. C.

DEAR SIR: We understand that there is some agitation among the farmers for a duty of 4 cents a pound to be placed on the importation of casein.

Casein, as you probably are aware, is the precipitated albumen of milk. A certain amount of this is produced by the creameries in this country, and substantial quantities are imported, principally from South America.

We are not only large handlers of American casein but also importers from other countries. It will make very little difference to us whether we obtain our supply in the United States or import it. We are always anxious to see the American farmer well taken care of and protected, but it is somewhat of a question in our minds as to whether this method is not a mistake, and one which possibly will react unfavorably upon the American farmer for the following reason:

Casein is used very largely for paper coating, and any increase in the cost of casein will increase the cost of the finished paper, which, of course, is one more straw to affect thousands of consumers throughout the country.

Casein competes with glue. If the price of casein gets too high, the coaters will use hide glue, and thus the business will be lost entirely to the American farmer and will go to the large packers who produce the largest amount of glue.

In the last three or four years there has been great difficulty in reference to prices on all commodities, and of course the price of casein has been abnormally low, casein selling as low as 6½ cents a pound. This was due very largely to the abnormal stocks of casein which were in the hands of the consumers as well as the dealers of this country and South America and everyone's desire to unload. This condition has now changed. There are no large stocks of casein on hand, and the price of casein has to-day generally stiffened to a figure which should enable the American farmers to produce in competition with South America.

Ten years ago hide glue was used almost entirely by the paper coaters, who are the largest consumers of casein. In view of the fact that they could go back to glue if the price of casein gets too high—and any such duty as is suggested would bring it into this class—for the best interest of the American farmer we would suggest going very slowly on any such imposition of duty as suggested at the present time.

Yours very truly,

J. A. & W. BIRD & CO.

I might add that it is proposed to take this product from the free list and impose a specific duty equivalent to an ad valorem duty of practically 50 per cent, because the figures that I have show that the domestic product is selling now for 9 cents and the imported product for 10 cents. Unquestionably when this duty was asked for months ago and when this rate was fixed at 4½ cents casein was selling at its very lowest price of 6½ cents. One of the chief objections to this bill is that the committee fixed their rates at the time when many of these products were at bottom prices.

The prices of the domestic product when this bill was first being considered, many months ago, were exceedingly low, because of overproduction and decreased consumption, and the duty was fixed upon information as to what was the bottom domestic and import prices of all these products rather than what is the price to-day or what the price is likely to be when we get back to normal conditions. This item illustrates splendidly the absurdity of such a practice, because at the present time both the domestic product and the imported product are competing with each other, selling at the same price, and yet we are asked to fix a duty amounting to almost 50 per cent ad valorem upon this product. This means that the manufacturers will go back to the use of glue; and that means, as was said in the letter just read, a decided advantage and benefit to the packers, from whom they will buy their glue, for when casein reaches such a price that it is not profitable to use it the coaters of paper will substitute glue, which can be used just as well and answers the purposes exactly as well as casein.

I will read a telegram on this subject from the ex-mayor of the city of Holyoke, Mass., Mr. John J. White, a paper manufacturer in that city:

[Western Union telegram.]

HOLYOKE, MASS., *April 28, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.:

Proposed duty 4 cents on casein would be extremely disastrous to the paper manufacturers and others in kindred lines.

JOHN J. WHITE.

The following letter is from the Falulah Paper Co., of my own city of Fitchburg:

FITCHBURG, MASS., *May 2, 1922.*

Hon. DAVID I. WALSH,
United States Senator, Washington, D. C.

DEAR SENATOR: We have recently been advised that the Senate agricultural bloc are requesting the Senate Finance Committee for a duty of 4 cents on casein. Records submitted to us show that the amount of this material produced by domestic manufacturers represents only a small percentage of the amount actually consumed in this country. The inevitable result of such a duty will be an increase in the price of casein to the manufacturer.

As users of this material in the manufacture of our product, we are very much opposed to such a duty.

As Senator from this district, would appreciate your taking action against the imposition of such a duty.

Thanking you, we are,

Very respectfully yours,

FALULAH PAPER CO.,
FRANKLIN WYMAN,
Purchasing Agent.

Another letter from the United Manufacturing Co., of Springfield, Mass.:

SPRINGFIELD, MASS., *March 31, 1922.*

The Hon. Senator DAVID I. WALSH,
Washington, D. C.

DEAR SIR: We understand that there is an effort being made to have a duty of 4½ cents per pound put on imported casein, and we would ask that you use your influence in having the Ways and Means Committee leave the duty off casein.

As it is, United States manufacturers can only produce about 50 per cent of the quantity used, and so that a duty of 4½ cents will only mean that advance in price will benefit them at the expense of the consumers and public.

We trust you will do your best to have this material left on the free list.

Yours very truly, THE UNITED MFG. CO.

I have an interesting letter from the Feculose Co. of America, manufacturers of feculose and sizings, of Boston, Mass. I will not take the trouble to read it; but this company requests that this amendment be approved and enacted into law, because they say it will raise the price of casein so high that the product which they make will be used as a substitute, and that casein will go out of use. They write a very strong letter urging me to support this tariff rate because it will by increasing the price of casein, diminish its use, and give them a chance to develop their product, which is a substitute for casein.

I shall not take any more of the time of the Senate upon this question. Our manufacturers must use this product, they want to use it, they are anxious to patronize and help the American farmer, but they state that the American production is less than one-half of what is needed in America, that they must import it, and they protest very vigorously against the rate of 50 per cent ad valorem—for that is what it amounts to—on this product. How will our manufacturers enjoy paying one-half as much again for this product, which is only a by-product of the creamery industry?

It indicates the fatal weakness of this bill. This bill is a bill to maintain high prices in this country. It is a bill to perpetuate the high cost of living, and all these high tariff rates on these smaller products will be reflected in the increased prices charged to the consumers of this country.

We have heard again and again in this debate an appeal for protection for the working class, we have heard appeals for the manufacturers, but we have not heard enough about the rights of the consumers of America. They have some rights, and they have a right to demand of us and of the Congress that we allow free into this country those products which can not be produced here at reasonable prices in quantities sufficient for our consumption.

It amazed me the other day to hear a Senator on this floor argue for a high protective tariff for an industry which did not produce more than 1 or 2 per cent of the demand of the consuming public. That is preposterous. I will go as far as anybody in protecting an industry which can be developed to produce a reasonable amount of the demands of the American consumers at reasonable prices, but when it comes to putting high rates of duty on articles in order to protect industries that can not take care of our consumption it means simply that we are proceeding to extort for the benefit of a few from the great consuming public.

This case is a repetition of many other cases we have had before us in the discussion of this tariff bill. Here is a jump from the free list overnight to what amounts to a 50 per cent ad valorem. How can we justify it? Yesterday we had a similar case before us, a commodity taken from the free list and a 40 per cent ad valorem levied. I should think at least we would commence with a reasonable rate, about 10 or 15 per cent ad valorem, on commodities of this kind that have heretofore been on the free list.

But I suppose the die is cast. The agricultural bloc have demanded it, and that is enough to put it in the bill. It is part of the contract. This is a bill which has been made up from beginning to end of tariff duties levied at the request of blocs and cliques and special interests, those who are in influence and power here, without any defined policy, without any underlying theory. Every principle of Republican protection to infant industries, based upon the capacity eventually to produce sufficiently for the American consuming public, has been abandoned.

I ask that the amendment be defeated, and if I am correct the defeat of the amendment will retain this product upon the free list. At the proper time I will ask that a record vote be taken and that the amendment be rejected.

Mr. McCUMBER. Mr. President, I want to read a part of one paragraph from the report of the Tariff Commission. They say:

In 1914 over 18,000,000 pounds of casein were produced here, valued at about $1,000,000; and, in addition, about 11,000,000 pounds were imported, valued at about $700,000. The total consumption in 1914 was therefore about 30,000,000 pounds, valued at about $2,000,000. Since that time, however, the domestic production has decreased until at present only about one-half the consumption is supplied here. An increased production of evaporated and condensed milk stimulated by the war has decreased the available supply of skimmed milk to the casein manufacturer. The advance in the price of corn and other products required in feeding hogs resulted in an increased use of skimmed milk for that purpose.

I call especial attention to this last phrase:

The advance in the price of corn and other products required in feeding hogs resulted in an increased use of skimmed milk for that purpose.

What advance in the price of corn? Only last winter we were reading in our papers of farmers using corn for fuel because it was so cheap that it was advantageous to use it instead of coal or wood. At the same time undoubtedly many of the farmers who took their milk to the creameries or to the cheese factories were wasting the whey and the sour milk and the skimmed milk. I could not state how many million pounds were being wasted yearly as we have no report upon that, but I am inclined to think that if the farmer could have gotten something out of his skimmed milk by selling it for a certain price to the cheese factories or to the butter factories, he could have fed his corn to the pigs instead of feeding milk to them and burning his corn for fuel.

The conditions of our farmers throughout the Northwest are such that we believe if there is any possible way we can help them to secure a good price for their by-products so that they can utilize that by-product for some value, we had better do it. That is why we took casein from the free list and gave it a duty of 4 cents per pound.

This report further says:

This shortage was reflected in the increased price of skimmed milk. The shortage and high-wage demands of farm labor, as well as increased freight rates, had a further tendency to decrease the available supply of raw material.

In other words, the great increase in the cost of farm labor made it so that the farmer could not afford, with the present price of casein, to further consider that profit at all. This duty is placed upon it in the hope that, with this increased cost of labor, he may resume what he has done before, follow the practice of selling the sour milk and the skimmed milk and the whey to the manufacturer of cheese with the idea of getting a little something as a by-product of his main product.

Mr. LODGE. Mr. President, my colleague read and had inserted in the RECORD a letter from J. A. & W. Bird & Co., which I was about to read myself; so it need not be read again. But in that letter it will be noticed that the writer states:

There are no large stocks of casein on hand, and the price of casein has to-day generally stiffened to a figure which would enable the American farmers to produce in competition with South America.

He also read a letter from the Feculose Co. of America, where they take a different view, having different interests, and that letter I ask to have printed at the close of my remarks. (See Appendix.)

I only desire to say that it is as stated in the letter which I read and which was read by my colleague, that if casein receives this duty of 4 cents the result will be to drive all the paper coating, for which casein is principally used, to hide glue. Therefore, the manufacturer is in no danger; the user is in no danger; he can resort to hide glue.

My own belief is that the best thing for the manufacturer, as well as the best thing for the farmer, would be to develop in this country, if we could, the largest possible production of casein. All these manufacturers want to use casein. They can import it now. They can import it even under the duty, but both these writers say very frankly that they should be glad to have the American product. I believe the American industry can be encouraged. Casein is largely a by-product, and they can use the whey, the skimmed milk, and other portions of the milk which would otherwise be thrown away. They can use

them to great advantage, and it seems to me it is an industry which ought to be cultivated and helped for the benefit of the consumer. The consumers of this article are not the average man and woman of the United States. It is not an edible. They are the people who use it for paper coating, and I am very firmly of the opinion that it will be for their benefit in the long run to have American casein developed.

I have given this matter some careful consideration, because there are manufacturers who think it is to their immediate benefit to get it as cheaply as possible from another country. I believe it is for their greater benefit in the long run—and it is used exclusively by manufacturers, I think—to have the American industry, developed by American competition, rather than leave the duty as it is, destroy the American industry, and force them back to the use of hide glue. I do not believe that should occur, and for that reason I shall support the duty on casein.

APPENDIX.

BOSTON, MASS., *April 20, 1922.*

Hon. HENRY CABOT LODGE,
Member of Congress, Washington, D. C.

DEAR SIR: We send you herewith a copy of a letter which we have sent to the Finance Committee of the United States Senate covering the matter of duty on casein.

If our plant could get the encouragement of a reasonable advance on the tariff, so that the casein prices could be advanced 2 or 3 cents per pound, we believe that it would pay us to make a determined effort to get the business of the American paper coaters.

We had that business during the casein shortage several years ago, and at that time casein went up to 18 cents to 19 cents per pound. Then the conditions changed after the end of the war, and the price of casein was reduced so that they could undersell our product, and it has never advanced sufficiently to enable us to compete successfully.

Therefore there has not been any inducement for us to spend the money necessary to educate the American paper coater, who positively can use feculose for 80 per cent to 90 per cent of his entire production.

We are asking Mr. John Traquair, who is one of the leading chemists in this country along the line of surfacing sizing of paper, to write you a letter covering that point.

Trusting that we may have your assistance, we remain,

Very truly yours,

FECULOSE CO. OF AMERICA.
HERALD N. PAXTON, *Treasurer.*

P. S.: There are about 20,000,000 pounds of size used in the coating business in this country per annum when the mills are running full.

FECULOSE CO. OF AMERICA.

APRIL 6, 1922.

FINANCE COMMITTEE OF THE UNITED STATES SENATE,
Washington, D. C.

GENTLEMEN: We understand that the importers of casein are objecting to any tariff on casein on the grounds that it is absolutely essential to industries in this country, particularly the paper-coating industry, and they claim that paper can not be coated successfully without it.

We beg to inform you that we do not believe that this point of view is altogether correct. The writer has been connected with the sale of products to the paper coaters for over 25 years, and during that period there have been four or five shortages in the world's supply of casein, so that it was impossible to obtain enough of it for the various uses for which it is adapted.

The last shortage was in 1915, 1916, and 1917, and during that period many products made from starches were put on the market to do the work of coating paper. A number of these products were successful and a number of them were not. The shortage of casein forced a hurried attempt on the part of some manufacturers to make a substitute for it, but, owing to the lack of time and their ignorance of the subject, they were not successful.

However, there were some who were successful, and this company put on the market Feculose, which is made from cornstarch and which was entirely successful. Numbers of millions of pounds of it were sold to coaters, and the paper went into consumption to the satisfaction of the ultimate consumers.

We will admit that for certain lithographic uses casein has certain advantages, but that use is a very small portion of all the paper that is coated; we estimate it to be not over 10 per cent. The bulk of the coated paper is used for magazines, catalogues, illustrations, and fine printing in general. For that purpose feculose-coated paper is perfectly satisfactory.

Therefore we wish to state that paper coaters of this country can, if they choose, use products made in this country from raw material produced in this country and give employment to American manufacturers and American labor. We do not quite see why we should foster the production of casein in South America or in other parts of the world and neglect our own interests.

Should this company get a reasonable amount of protection, it could easily increase its production to suit the requirements of this market, and furthermore enable consumers of the coated paper to purchase it on the average for less money than they are paying for the paper coated with casein.

We have hesitated to start any campaign of education among the consumers here owing to the lack of protection our industry has had. We should be very glad, indeed, to get some further information from paper coaters, if it is necessary to do so.

Trusting that you will give our side of the case consideration, we remain,

Very truly yours,

FECULOSE CO. OF AMERICA,
———— ————, *Treasurer.*

Mr. WALSH of Massachusetts. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WALSH of Massachusetts. I ask that the Secretary state the amendment.

The ASSISTANT SECRETARY. On page 6, after line 19, insert a new paragraph, as follows:

PAR. 17a. Casein or lactarene, 4 cents per pound.

The Assistant Secretary proceeded to call the roll.

Mr. GLASS (when his name was called). Making the same announcement as on the previous vote as to my pair and transfer, I vote "nay."

Mr. HARRIS (when his name was called). I transfer my pair with the Senator from New York [Mr. CALDER] to the Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and transfer, I vote "yea."

Mr. SUTHERLAND (when his name was called). I transfer my general pair with the senior Senator from Arkansas [Mr. ROBINSON] to the junior Senator from South Dakota [Mr. NORBECK] and vote "yea."

Mr. WATSON of Georgia (when his name was called). I transfer my pair with the junior Senator from Arizona [Mr. CAMERON] to the senior Senator from Missouri [Mr. REED] and vote "nay."

Mr. WILLIS (when his name was called). I am paired for the week with my colleague, the senior Senator from Ohio [Mr. POMERENE]. Being unable to obtain a transfer, I am compelled to withhold my vote.

Mr. MCKINLEY. I transfer my pair with the junior Senator from Arkansas [Mr. CARAWAY] to the junior Senator from Oklahoma [Mr. HARRELD] and vote "yea."

Mr. STERLING. I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the junior Senator from Delaware [Mr. DU PONT] and vote "yea."

Mr. FRELINGHUYSEN (after having voted in the affirmative). I transfer my general pair with the Senator from Montana [Mr. WALSH] to the senior Senator from Pennsylvania [Mr. CROW] and allow my vote to stand.

Mr. DIAL. I have a general pair with the Senator from Missouri [Mr. SPENCER], which I transfer to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

While I am on my feet I wish to announce that the Senator from Arkansas [Mr. ROBINSON] has a general pair with the Senator from West Virginia [Mr. SUTHERLAND].

Mr. STANLEY (after having voted in the negative). Has my colleague [Mr. ERNST] voted?

The PRESIDING OFFICER. He has not voted.

Mr. STANLEY. I have a pair with my colleague. Being unable to obtain a transfer, I withdraw my vote.

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 34, nays 18, as follows:

YEAS—34.

Ball	Kellogg	Moses	Poindexter
Brandegee	Kendrick	Nelson	Rawson
Bursum	Ladd	Newberry	Sterling
Capper	La Follette	Nicholson	Sutherland
Curtis	Lodge	Norris	Townsend
Frelinghuysen	McCumber	Oddie	Wadsworth
Gooding	McKinley	Page	Warren
Johnson	McLean	Pepper	
Jones, Wash.	McNary	Phipps	

NAYS—18.

Ashurst	Harris	Overman	Underwood
Dial	Heflin	Ransdell	Walsh, Mass.
Fletcher	Hitchcock	Sheppard	Watson, Ga.
Glass	Keyes	Shields	
Hale	Myers	Simmons	

NOT VOTING—44.

Borah	Edge	McCormick	Smoot
Broussard	Elkins	McKellar	Spencer
Calder	Ernst	New	Stanfield
Cameron	Fernald	Norbeck	Stanley
Caraway	France	Owen	Swanson
Colt	Gerry	Pittman	Trammell
Crow	Harreld	Pomerene	Walsh, Mont.
Culberson	Harrison	Reed	Watson, Ind.
Cummins	Jones, N. Mex.	Robinson	Weller
Dillingham	King	Shortridge	Williams
du Pont	Lenroot	Smith	Willis

So the committee amendment was agreed to.

Mr. McCUMBER. Mr. President, I ask that we return to paragraph 62, on page 25, where I offer as a substitute for the committee amendment in line 25, after the numerals "25," to insert "not specially provided for," so as to read "or other forms not specially provided for, 30 per cent ad valorem."

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. On page 25, line 25, after the words "other forms," insert the words "not specially provided for," so as to read:

PAR. 62. Paints, colors, and pigments commonly known as artists' paints or colors, whether in tubes, pans, cakes, or other forms, not otherwise provided for, 30 per cent ad valorem.

Mr. SIMMONS. I wish to say to the Senator from North Dakota that my understanding is that the junior Senator from Utah [Mr. KING] desired that this paragraph should go over so that he might discuss it in connection with paragraph 26, as it relates to that paragraph.

Mr. McCUMBER. I will say to the Senator from North Carolina that after this amendment is agreed to I am going to ask that the Senate disagree to the balance of the amendment on line 25, page 25, and lines 1, 2, and 3, page 26, which will eliminate all of that matter.

Mr. SIMMONS. All relating to coal-tar dyes?

Mr. McCUMBER. Yes.

Mr. SIMMONS. Very well. I think it was for that reason the Senator from Utah desired to discuss the matter.

Mr. McCUMBER. That eliminates it; and the only question will be upon the difference between 25 and 30 per cent ad valorem.

Mr. UNDERWOOD. The purpose of the Senator's amendment is to eliminate from these products any articles that have coal-tar dye in them?

Mr. McCUMBER. Yes. This would put them all under paragraph 26, but I wish to eliminate that, at least for the present, because as to some of the articles it is a question whether they are toys or what they are. That question may arise in the future, and I want to eliminate it from this paragraph.

Mr. UNDERWOOD. I am not prepared to discuss the subject now. Of course, we shall have the opportunity hereafter. Therefore, I do not desire to delay the Senator, because after the committee amendments are settled we can come back to this item. Of course, when you put a not specially provided for clause behind a tax bill it means that you are throwing the substance to some other tax, and, of course, if you are throwing it into the coal-tar tax you are throwing it into a very high classification. You make no limit on it. If there is any coal-tar dye in it at all you throw it all in the other paragraph. As a general rule, when a not specially provided for limitation is put in a tax it usually goes where the commodity of greatest value in the substance is found. For instance, if the greatest value in the paint is a coal-tar dye, then you might have some justification for throwing it in there, but as I understand the Senator, the way he proposes to throw it, if there is any coal-tar dye in it, it is thrown into a higher classification. I am not prepared to discuss it, because it will require some degree of thought and consideration.

Mr. McCUMBER. I will state generally now that under paragraph 62 it will be observed that we have paints, colors, and pigments, commonly known as artists' paints or colors, whether in tubes, pans, cakes, or other forms. There is a serious question as to what constitutes artists' colors and what may be the little colors that are also made out of coal-tar products, which have heretofore been denominated toys, and have come under the toy paragraph. I want to eliminate those at least from this paragraph, and when we get to the toy paragraph we can then consider, first, whether they should go under the toy paragraph; and, secondly, if they do, what duty should be placed upon them. But that would eliminate them from this paragraph.

Mr. UNDERWOOD. When you put an n. s. p. f. behind a tax it means something. I am not raising any question with the Senator now, because I do not know where he is leading to. I know it is leading somewhere, but what the effect is going to be I do not know. So far as I am concerned I am not going to make any further resistance to the Senator's motion, but if it goes through without my resistance, I do not want it understood that I am committing myself to any such proposition until I have looked into it.

Mr. McCUMBER. I will say to the Senator that he will have full opportunity to consider what we want to consider, and that is where and what rate of duty we should place upon those articles which have heretofore, until a very late decision, come under the general paragraph of toys. They are not artists' paints, because artists do not use them, and they do not belong, therefore, in a paragraph which deals with artists' paints and supplies, wherever else we may put them and whatever duty may be considered adequate.

Mr. SIMMONS. Will the Senator please read again what he proposes to have inserted between the word "forms" and the numerals "30" in line 25 on page 25?

Mr. McCUMBER. The House gives 25 per cent ad valorem on the American value. This would be 30 per cent upon the foreign value, which would be somewhat lower.

Mr. SIMMONS. Mr. President, the Senator misunderstood my question. I asked the Senator what was the language that he proposed to insert between the word "forms" and the figures "25."

Mr. McCUMBER. I propose to insert the words "not otherwise specially provided for."

Mr. SIMMONS. Now, let me ask the Senator this question: If that amendment be adopted, would it not accomplish exactly the same purpose as the adoption of the proviso which the Senator proposes to strike out?

Mr. McCUMBER. I am going to ask that the proviso be disagreed to.

Mr. SIMMONS. But I say, if the proviso is disagreed to and this amendment shall be made will not the amendment accomplish the same purpose which the proviso would accomplish?

Mr. McCUMBER. No; because there are some classes of these paints, as I have explained, as to which there is serious question where they belong and how we may make the division, where the line of demarcation is between those which are generally denominated as artists' supplies and those which have heretofore come in as toys.

Mr. SMOOT. If the Senator will turn to paragraph 26, page 14, line 11, of the bill, he will see that it reads:

That any article or product which is within the terms of paragraphs 1, 5, 35, 37, 56, 63, 79, or 1578—

Paragraph 62, which we are now considering, is not included in that list, nor do we intend to offer an amendment to paragraph 26. If it were included there, then, of course, the article would fall under paragraph 26.

Mr. SIMMONS. I wish to say very frankly to the senior Senator from Utah that I had as soon take this matter up now as at any other time; but I wish to ask him if he does not think his colleague, the junior Senator from Utah [Mr. KING], desired it to go over because it had some connection with dyestuffs, and he desired to discuss it in connection with that subject? I am only asking this because of what I suppose might be the wishes of the Senator's colleague. It may be that when the Senator's colleague returns he will not care anything about it.

Mr. SMOOT. The amendment that is now pending has nothing whatever to do with the coal-tar products, because of the fact, as the Senator from North Dakota has stated, that the committee will ask that the proviso be disagreed to. My colleague asks that paragraph 62 go over because of that amendment, as it particularly referred to paragraph 26.

Mr. SIMMONS. Will the Senator from Utah or the Senator from North Dakota in charge of the bill agree that if, when the junior Senator from Utah returns to the Chamber, he desires that this paragraph may be reconsidered, that action will be taken?

Mr. SMOOT. I see no objection to that.

Mr. SIMMONS. Very well, with that understanding I am willing that the paragraph shall be considered.

Mr. McCUMBER. If it is desired that the paragraph referred to by the Senator from North Carolina may be reconsidered, I shall have no objection.

Mr. SIMMONS. Very well.

Mr. SMOOT. Mr. President, I do not think there is anything else that I desire to say in reference to this matter. Unless the Senator from North Carolina [Mr. SIMMONS] desires to ask a question, we are ready for a vote upon the amendment.

Mr. SIMMONS. Mr. President, there seems to be very little information in reference to this item, but the Senate Finance Committee has reported to increase the rate as fixed in the House bill from 25 per cent to 30 per cent. The rate of the Payne-Aldrich law was 30 per cent; that of the present law is 20 per cent. It does not seem to be an important matter, but I should be very glad to have the Senator in charge of the paragraph indicate why it is necessary to impose this high duty, which is 50 per cent higher than the present law. There do not seem to have been any considerable importations. For the last nine months there were imported only about 143,000 pounds. There does not seem to be any great flood of importations.

Mr. SMOOT. The basket clause in this schedule, as the Senator knows, proposes a duty on all pigments and salts of 25 per cent; but artists' paints are the very highest class of manufactured paints; they are made from the very finest products. The

work involved in their production is sometimes four or five times as great as in the manufacture of pigments that go into ordinary paints, and they are put up in small packages. The difference of 5 per cent is to cover the additional cost of their manufacture.

Mr. SIMMONS. Mr. President, I understood either the Senator from Utah or the Senator from North Dakota to say a little while ago that these paints are used very largely in the making of the crude pictures on toys.

Mr. SMOOT. Oh, no.

Mr. McCUMBER. The Senator from North Carolina misunderstood me.

Mr. SMOOT. That is the item that it is desired to take out of the paragraph. It includes the little crayons which the school child uses at school for coloring pictures of rabbits or lions or houses or anything that the drawing teacher may ask him to color.

Mr. SIMMONS. Will the Senator tell me what is the foreign selling price?

Mr. SMOOT. It is impossible to tell that to the Senator. We could get the average unit value of the importations, but they are not classified as to whether they are paints or colors or whether they are in tubes or pans or cakes.

Mr. SIMMONS. The document I have only gives the figures for one year, but it shows that in 1919 the foreign price, which was the landing price with the duty added without any importer's profit, was $1.03 a pound.

Mr. SMOOT. The Senator knows that was a very high price for paint.

Mr. SIMMONS. That seems to be a pretty high price for paint, but is the foreign selling price, and, if the foreign price is $1.03 a pound, it does not seem to me that the domestic product is endangered in competing with that price. That is the point I am making.

Mr. SMOOT. The Senator is mistaken, because of all the paints made the finest and most costly of all fall in this paragraph. They are only used by artists.

Mr. SIMMONS. Does the Senator contend that, in the face of the facts found by the Tariff Commission, the paints that are coming into this country and being sold in competition with those produced in this country are being brought in at sacrifice prices or cheap prices when they are selling for $1.03 a pound without any profit added to the importer?

Mr. SMOOT. No; I do not claim that; but I do claim that there are artists in the United States who will not be contented unless they have the French artist paints, no matter what the price may be.

Mr. SIMMONS. And the Senator does not want them to have it?

Mr. SMOOT. That is not what I said. I was speaking of what the artists wanted; they will have the foreign paints, and this rate of 30 per cent is not going to keep it away from them.

Mr. SIMMONS. Is it the Senator's idea not to let the artists have the foreign article by imposing a duty so high that they probably can not afford to buy it?

Mr. SMOOT. No; that is not the object of the committee, nor will that be the effect of the rate proposed.

Mr. SIMMONS. In view of the fact that there are scarcely any imports coming in and the foreign price is very high as compared with the domestic price——

Mr. SMOOT. Oh, no.

Mr. SIMMONS. Why does the Senator want to impose this high rate?

Mr. SMOOT. I think I have told the Senator all that it is necessary to tell him. The rate on all pigments, salts, and compounds in the basket clause has been fixed at 25 per cent ad valorem throughout the bill.

Mr. President, the paints now under discussion are the very finest quality known in the world. They are used in small quantities and for special purposes, and the 30 per cent duty is for the very purpose of giving protection to the industry which produces them in this country.

Mr. SIMMONS. Mr. President, if the Senator should say that the duty is imposed because it is desired to make the painters of this country buy the domestic product, I could understand that; but what I am trying to get the Senator to tell me is upon what principle of protection he bases this duty. Does he claim that the foreign article is selling in this country for less than the domestic article and that the price of the foreign article must be raised up to the domestic price so as to bring about conditions of equality in competition? Does he claim that the cost of production abroad is so much less than it is here that the American producer must have a tariff? Upon what tariff principle has this rate been fixed? It is a very high rate; 30 per cent is nearly one-third the actual value of the product; that product is being given an artificial value of nearly one-third by reason of that duty, and the American people will have to pay that artificial inflation in price. We ought, therefore, to know upon what principle of tariff duty is levied. The Senator said a little while ago that $1.03 a pound was a very high price for paints.

Mr. SMOOT. It is, compared with ordinary pigments.

Mr. SIMMONS. Yes; it is a very high price; these are high-priced paints; but I want to ask the Senator if he contends that $1.03 a pound landed costs, with nothing added but the duty, is a high or a low price as compared with the price of the American product?

Mr. SMOOT. It is lower than the American price and lower than cost for which the American producers can make the comparable article.

Mr. SIMMONS. Can the Senator tell me what the American price is without the profits? The foreign price quoted is without the jobbers' profits and without the wholesalers' profits. The American price with the wholesalers' profit added is higher than the foreign price, but the Senator should eliminate from both the American product and the foreign product the wholesalers' profit, because the foreign price has nothing in it except landing cost and the duty, no importers' profit, no jobbers' profit, no wholesalers' profits, but only the manufacturers' profit, and that alone.

Mr. SMOOT. If under this paragraph there was only one commodity the figures, of course, would show that the unit value of that one commodity was $1.03, and then, if we made only one article to compete with it in the United States, and we knew the price of that article in the United States I could answer the Senator's question; but the average price of $1.03 is not computed from one commodity alone but from a number of them falling under this paragraph, whether in tubes, or in pans, or in cakes, or in any other form. So no one can say how much of each of the various article was imported under the rate named by the Senator. Therefore I can not tell the Senator what the price of any particular commodity would be. It would be impossible.

Mr. SIMMONS. Mr. President, if the Senator can not tell me what is the difference between the cost of production here and abroad, if he can not tell me what is the difference between the price in this market of the domestic article and of the foreign article, then it does not seem to me that the Senator was in possession of sufficient information to enable him to fix this rate.

Mr. SMOOT. The Senator was in possession of the information that on ordinary, common pigments, made in immense quantities in the United States, the difference was 25 per cent, and they carried a rate of 25 per cent. These, as I have already said, are the very finest of paints, and the Senator knows that it takes more labor to make them than it takes to make the ordinary, common pigments and paints, and that 5 per cent above the 25 per cent is no more than necessary to make the differential between the coarse, ordinary pigments and the fine artists' paints. There is not any doubt about that.

Mr. SIMMONS. Mr. President, the Senator has told us before that this was not ordinary paint. He said that this was extraordinary paint; that this was the highest class of paint.

Mr. SMOOT. That is what I say now.

Mr. SIMMONS. Of course, the Senator, in making his duties, is not going to compare this extraordinary, fine, fancy paint with these common paints that I can take a brush and put on a wall as well, perhaps, as anybody else.

Mr. SMOOT. If I did, the duty would be 25 per cent ad valorem; but if I am going to compare the finer ones, then there is that differential of 5 per cent and that is all, and that is the difference between 25 and 30 per cent.

Mr. SIMMONS. But with reference to this particular article, the Senator is not in a position to tell the Senate what is the difference between the cost of production here and the cost of production abroad, and what is the difference between the price of the domestic article and the price of the foreign article in this market.

Mr. SMOOT. I will say to the Senator that there is not one particular article. That is the average price of all the importations of the numerous articles.

Mr. SIMMONS. Mr. President, I desire to offer an amendment. In line 25, page 25, I move to strike out "30" and insert in lieu thereof "20."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 25, line 25, in lieu of the sum proposed to be inserted by the committee, "30," it is proposed to insert "20," so as to read:

Paints, colors, and pigments commonly known as artists' paints or colors, whether in tubes, pans, cakes, or other forms, 20 per cent ad valorem—

And so forth.

Mr. WATSON of Georgia addressed the Senate. After having spoken for some time,

Mr. WILLIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Ohio?

Mr. WATSON of Georgia. I yield.

Mr. WILLIS. The Senator knows how much I dislike to interrupt him, because I enjoy particularly his historic discourses, but I must leave the Chamber in a few minutes to be gone for a number of days, and there are two items in the bill which I think can be voted on in a few minutes. Will the Senator permit us to vote on them?

Mr. WATSON of Georgia. That will be perfectly agreeable to me.

Mr. WILLIS. I ask for a vote on the amendment on page 25, line 25.

Mr. SIMMONS. I ask that the Secretary may state the amendment.

The VICE PRESIDENT. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 25, line 25, the committee proposed to strike out "25" and to insert the words "and not specially provided for, 30." It is now proposed to strike out "30," proposed to be inserted by the committee, and to insert "20," so that, if amended, it will read:

Paints, colors, and pigments, commonly known as artists' paints or colors, whether in tubes, pans, cakes, or other forms, and not specially provided for, 20 per cent ad valorem.

Mr. SIMMONS. Mr. President, I shall not ask for a yea-and-nay vote on this amendment, because I know what the result of a yea-and-nay vote would probably be, and I do not ask it more particularly because I know the Senator from Ohio is very anxious to have the matter acted upon expeditiously.

Mr. SMOOT. I ask that the amendment to the amendment be disagreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question now is on the committee amendment.

The amendment was agreed to.

The VICE PRESIDENT. The Secretary will state the next amendment.

Mr. SMOOT. At the end of paragraph 62, on line 25, page 25, the committee proposed to amend by adding a proviso as follows:

Provided, That any of the foregoing articles which are composed in chief value of coal-tar dyes or colors shall be classified for duty under paragraph 26.

I ask that that amendment be disagreed to.

The amendment was rejected.

Mr. SMOOT. Now, I would like to turn to paragraph 82, on page 30, where, in the paragraph providing for strontium, the committee proposed to strike out "25" and to insert "50." I ask that that amendment be disagreed to, so that the rate will be 25 per cent ad valorem.

Mr. WILLIS. In order to simplify the matter, I will withdraw the amendment I offered to that paragraph.

Mr. SIMMONS. What is the amendment offered by the committee?

Mr. SMOOT. The committee asks that the House figure, "25," be stricken out and that the rate be made 50 per cent ad valorem. I now ask that that amendment be disagreed to, so that it will leave it 25 per cent, just as the House fixed it.

Mr. SIMMONS. Of course, I am not going to object to the committee cutting in two the rate it has placed upon this particular item, but I would like to know what light has come to the committee since it put this duty of 50 per cent on, which it now desires changed to 25 per cent.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as modified.

Mr. SIMMONS. I have asked for some information from the Senator in charge of the bill. This is a very remarkable situation. The committee, after a few months' deliberation, decided to raise the duty as adopted by the House from 25 per cent to 50 per cent. Now they want to cut their own rate down from 50 to 25 per cent, and I ask the Senator from Utah what new situation has developed, what new information he has, which influences him to want to make that change, and why, if the House rate is correct, they doubled it?

Mr. SMOOT. The rate was changed to 50 per cent on the foreign valuation, as against 25 per cent on the American valuation. In the Reynolds report the Senator will find that that does not justify the difference between the 25 and the 50, even as it is shown in that report. Again, the committee had already recommended 40 per cent instead of 50, and with the importations as I stated, and it being virtually controlled by one corporation, the committee thought they could get along with 25 per cent. Therefore they ask that the Senate disagree to the committee amendment.

Mr. SIMMONS. Does the Senator mean the committee found that a trust had charge of this thing?

Mr. SMOOT. No; I did not say that. They have not. There are four concerns in the United States, but, as I said on the floor of the Senate the other day, most of it is made by the Du Pont Co.

Mr. SIMMONS. Then this doubling of the House rate was not because it was ascertained that the cost of production here and abroad, or the difference in the selling price of the domestic and foreign article in the American market, would justify a 50 per cent rate?

Mr. SMOOT. The Reynolds report showed that it would take at least 60 to 100 per cent at the time the Reynolds report was made, but the price has declined not only in Europe but also in this country, and under the rates existing to-day, this product being made as it is, the committee decided that it should carry only the 25 per cent.

Mr. SIMMONS. The moderation of the Senator amazes me to such an extent that I am almost persuaded not to make any further disturbance about it.

Mr. SMOOT. The Senator can make all the disturbance he desires.

Mr. SIMMONS. It was reported that 60 per cent would not have been too much of a duty; but, notwithstanding that, the Senator is willing to cut the 50 per cent duty in half. I am glad to know there is one item in the bill as to which the Senator is satisfied with a duty he thinks is less than is necessary. I must imagine that some influence on the other side of the Chamber—it may be coming from the junior Senator from Ohio [Mr. WILLIS], who shows great solicitude about this particular item—has prevailed upon the Senator from Utah and his colleagues to be moderate and considerate of the taxpayers of the country.

Mr. SMOOT. I want the Senator to know that this is not the only rate that would be cut if I had my way.

Mr. SIMMONS. The Senator says if he had his way he would cut all the balance of them?

Mr. SMOOT. I did not say any such thing.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 30, line 8.

The amendment was rejected.

Mr. WILLIS. I want to ask my friend from Georgia to yield just a moment longer, in order that I may express to the Senator from Georgia, the Senator from North Carolina, and the members of the committee in charge of the bill my very great appreciation of their exceedingly great courtesy in this matter.

Mr. WATSON of Georgia resumed and concluded his speech, which is entire as follows:

THE RUSSIAN SITUATION.

Mr. WATSON of Georgia. Mr. President, in this afternoon's News, on the last page, at the bottom of the second column, I find this feature article:

SENATE WARNED—MUST KEEP HANDS OFF IN RUSSIAN POLICY IS INTIMATED.

The administration desires the Senate to keep its hands off the question of Russian recognition, according to intimations conveyed to Senators to-day.

For this reason Senator BORAH'S resolution putting the Senate on record as favoring recognition of the soviet government will either be rejected, or action on it will be blocked, Republican leaders indicated.

Mr. President, I happened to be looking over a collection of the speeches of Daniel Webster this afternoon, and I was interested to find on page 60 of Volume V of this particular collection, dedicated to Mrs. Caroline Le Roy Webster, the wife of the great statesman, the following resolution offered by Mr. Webster in the other House, of which he was then a Member:

Resolved, That provision ought to be made by law for defraying the expense incident to the appointment of an agent or commissioner to Greece whenever the President shall deem it expedient to make such appointment.

That is the end of the resolution. The comment on it by the editor of this edition of the speeches is as follows:

These, it is believed, are the first official expressions favorable to the independence of Greece uttered by any of the Governments of Christendom, and no doubt contributed powerfully toward the creation of that feeling throughout the civilized world which eventually led to the Battle of Navarino and the liberation of a portion of Greece from the Turkish yoke

The House of Representatives having, on the 19th of January, resolved itself into a Committee of the Whole and this resolution being taken into consideration, Mr. Webster spoke to the following effect—

Then follows the speech delivered on the 19th day of January, 1824. The trend of the speech—and it is a very noble oration, apparently prepared with care—is all in favor of the recognition of the success of the revolution in Greece. I wish I had time to read it. It would be a splendid contribution to the literature of the discussion concerning the Russian situation. Mr. Webster was not admonished by President Monroe to let alone the matter of the recognition of a revolutionary government.

In the life of James Monroe, by Gilman, on page 160, I find that the President makes a grateful reference to the friendship which had always been shown by the Russian people to those of America.

On page 190, the President in his message referred to the South American States which were in rebellion against the King of Spain, and the President said:

Recent events have made it manifest that the colonies not only possess independence but are certain to retain it, and that the recognition of their independence by us should now be made; that it can not be regarded by Spain as improper, and may help shorten the struggle.

Mr. President, our Government is the only one that still maintains the fiction of the existence of the Kerensky government in Russia. That government sent to ours an ambassador, Bakhmeteff; he is still recognized as the ambassador of a government notoriously extinct; and our Government throws around this man, who is accused of having embezzled for his own purpose about $80,000,000 of American money, all the immunities of an ambassador.

Mr. President, there is not another government on earth that recognizes an ambassador sent by Kerensky. Ours is the only one that does it. Naturally, the question arises, Why do we do it? England does not do it. France does not do it. No other government on earth does it.

Mr. President, there has been a de facto government in Russia for more than four years. That government has its armies, its civil administration, its courts, its system of finance, its factories going, a complete machinery of modern civilization, yet we decline to recognize it.

When in 1910 there was a revolution in Portugal, following the assassination of a king, the Taft administration, without very much delay, recognized the new Republic.

If you compare the policy of this administration with that of President Washington in dealing with revolutionary France, you will be amazed at the difference. You will naturally have some curiosity to know what is the reason for this.

I have made a note of some of the events of the French Revolution, giving the dates.

In October, 1789, the great mob of women went out to the palace of Versailles, took the king a prisoner, and carried him into Paris. He never again returned to the great palace of Versailles.

In September, 1791, the national assembly adopted a constitution.

On August 10, 1792, the women of Marseille and the great mob of Paris marched upon the Tuileries, where the king had been lodged, stormed it, massacred the Swiss, and drove the king out of that palace into the hall where the assembly was sitting, from which hall he went to a prison, and from that prison went to the guillotine, he and his queen. This happened in December, 1792.

The French massacred the prisoners who were in jail, 1,089 of them, men and women, 30 of them being Roman Catholic priests.

The French confiscated the land both of the nobles and of the church.

Mr. President, the Russians did not massacre any prisoners. They did not massacre any priests. They went no further in confiscating property than the French did. That confiscated property of the church was never restored. Only in part was the property of the nobles returned, and that was done by Napoleon Bonaparte. He found that certain portions of that property, mostly those great old ancestral chateaus, had not been disposed of; and when be brought back to their homes those nobles who had gone into voluntary exile at the beginning of the revolution, he restored these family seats to those returned emigrés; and that accounts for the fact that so many of them now are in possession of the homes that were those of their ancestors a thousand or more years ago.

I find in this volume of the Messages and Papers of the Presidents, covering the period from 1789 to 1817, that President Washington was dealing with this Government the whole time. Never once did he sever relations with the French. Gouverneur Morris stayed there as our minister.

UNITED STATES, *March 5, 1792.*

Gentlemen of the Senate and of the House of Representatives:

Knowing the friendly interest you take in whatever may promote the happiness and prosperity of the French nation, it is with pleasure that I lay before you the translation of a letter which I have received from His Most Christian Majesty, announcing to the United States of America his acceptance of the constitution presented to him by his nation.

At that time the king was virtually a prisoner. He tested it by an attempt to escape in the direction of Varennes. He was pursued, overtaken, and brought back.

Here is a message on March 18, 1794:

Gentlemen of the Senate and of the House of Representatives:

The minister plenipotentiary of the French Republic having requested an advance of money, I transmit to Congress certain documents relative to that subject.

GEORGE WASHINGTON.

So you see, Mr. President, Washington had not only recognized the French Republic, whose garments dripped with blood, but he put up to Congress in a respectful way an application for a loan.

Here is the letter in reference to the French minister, Genet:

UNITED STATES, *January 20, 1794.*

Gentlemen of the Senate and of the House of Representatives:

Having already laid before you a letter of the 16th of August, 1793, from the Secretary of State to our minister at Paris, stating the conduct and urging the recall of the minister plenipotentiary of the Republic of France, I now communicate to you that his conduct has been unequivocally disapproved and that the strongest assurances have been given that his recall should be expedited without delay.

This letter which refers to Genet, who came over here as the minister of the French revolutionary government, and who made indiscreet speeches from the time he landed at Charleston until he got to Philadelphia, where the capital then was, Washington asked his recall of this revolutionary government, and he was dismissed.

Mr. President, before proceeding to say anything about the system of land ownership in Russia, I am reminded that according to the newspapers Lord Northcliffe praised the policy of this administration in not giving recognition to the soviet government. Lord Northcliffe owns 28 of the leading daily papers of this country, and he has by some means secured control of the foreign policy of the Saturday Evening Post. An investigation was made some time ago as to the ownership of all the leading daily papers in this country, and it is stated that, almost without exception, there is an English representative on the staff of every one of those papers. Therefore it seems we may be in danger of becoming English colonies again and having our foreign policy dictated from Downing Street.

Mr. President, I do not know whether Northcliffe has bought one of those confiscated estates which so many Englishmen bought after King Henry VIII confiscated the property of the Roman Catholic Church, but we all know that Westminster Abbey was once Roman Catholic property, and the seat of the Bryon family, Newstead Abbey, was once a monastery, and Welbeck Abbey another. There are hundreds and hundreds of those great estates whose titles began in confiscation, and it seems to me that before the virtuous statesmen of England and France say too much about Russian confiscation they had better study the origin of land titles in their own countries.

But, Mr. President, I want to say a word about Russia. On page 382 of McKenzie's Nineteenth Century is this statement:

Forty-eight million Russian peasants were in bondage—subject to the arbitrary will of an owner—bought and sold with the properties on which they labored. This unhappy system was no great antiquity, for it was not till the close of the sixteenth century that the Russian peasant became a serf. The evil institution had begun to die out in the west before it was legalized in Russia.

I read that for this purpose: It is only fair to remember that at least one-fourth of the population of Russia has never had any chance to experiment in government. The French peasant was outrageously mistreated, but I will not take the time of the Senate to enumerate the horrible conditions under which he lived, but the French peasant was never whipped to make him pay his taxes. He might be stripped of his substance until he starved or became a criminal, preying upon society; but in Russia the cruel knout, used by brutal Cossacks, scourged the peasant into paying his taxes either in labor or in kind or in cash.

Now we come to the land system, and I think it will be found interesting to the Senate and to the country:

The position of the Russian serf, although it had much to degrade, was without the repulsive features of ordinary slavery. The estate of the Russian landowner was divided into two portions. The smaller of the two—usually not more than one-third—was retained for the use of the proprietor. The larger was made over to the village community, by whom it was cultivated and to whom its fruits belonged. The members of that community were all serfs, owned by the great lord and subject to his will. He could punish them by stripes when they displeased him; when he sold his lands he sold also the population. He could make or enforce such claims upon their labor as seemed good to him. Custom, however, had imposed reasonable limitations on such claims. He selected a portion of his serfs to cultivate his field and form his retinue. The remainder divided their time equally between his fields and their own—three days in each week belonged to their master and three days belonged to themselves.

Again:

The continued occupation was not voluntary but compulsory; and no peasant may withdraw without consent of the whole community, which in the northern parts of the empire is gained only by purchase. The lands thus acquired are not owned by individuals but by the community. All obligations to the former proprietor or to the State are obligations of the associated villagers. The land system of the greater portion of Russia is thus a system of communism.

I think it important, Mr. President, that we should understand that communism has always existed amongst the Slavs, and once existed, from time immemorial, in the Orient. The Russians, as I understand it, are not departing so violently or so radically from their past system. What is happening is this: The aristocrats and the Czar have gone, and the people are there. True, they committed a foul crime when they murdered the Czar and his family. But what was it when the French sent to the guillotine the harmless Louis XVI, and afterwards sent his white-haired queen? What was it in England when Charles I was sent to the block?

Let us not affect too much saintliness. Are our skirts entirely clear of wrongdoing in Hawaii, the Philippines, and in San Domingo? Was there ever a time in the history of our country when there were more different crimes, of a more horrible character? Was there ever so much poverty, so much vice, so much murder, so much robbery? The police authorities are in despair. The law courts are well-nigh paralyzed; we hear sermon after sermon and read article after article about crime waves.

Why is it we do not recognize Russia as a de facto government? Why do we not see what is visible to the world? As a matter of fact, most of the world is dealing with her now, and we are letting pass unused golden opportunities for enlarged commerce and the consumption of American products.

Mr. President, the speech of Mr. Webster on the question of Grecian independence is not very long, and it is so very timely that I ask unanimous consent that it be printed in the RECORD following my remarks, and that it be set in 8-point type.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

(Speech delivered in the House of Representatives of the United States, January 19, 1824.)

Mr. Webster spoke to the following effect:

I am afraid, Mr. Chairman, that, so far as my part in this discussion is concerned, those expectations which the public excitement existing on the subject and certain associations easily suggested by it have conspired to raise may be disappointed. An occasion which calls the attention to a spot so distinguished, so connected with interesting recollections, as Greece may naturally create something of warmth and enthusiasm. In a grave political discussion, however, it is necessary that those feelings should be chastised. I shall endeavor properly to repress them, although it is impossible that they should be altogether extinguished. We must, indeed, fly beyond the civilized world; we must pass the dominion of law and the boundaries of knowledge; we must, more especially, withdraw ourselves from this place and the scenes and objects which here surround us if we would separate ourselves entirely from the influence of all those memorials of herself which ancient Greece has transmitted for the admiration and the benefit of mankind. This free form of government, this popular assembly, the common council held for the common good—where have we contemplated its earliest models? This practice of free debate and public discussion, the contest of mind with mind, and that popular eloquence which, if it were now here, on a subject like this would move the stones of the Capitol—whose was the language in which all these were first exhibited? Even the edifice in which we assemble, these proportioned columns, this ornamented architecture—all remind us that Greece has existed and that we, like the rest of mankind, are greatly her debtors. (The interior of the Hall of the House of Representatives is surrounded by a magnificent colonnade of the composite order.)

But I have not introduced this motion in the vain hope of discharging anything of this accumulated debt of centuries. I have not acted upon the expectation that we, who have inherited this obligation from our ancestors, should now attempt to pay it to those who may seem to have inherited from their ancestors a right to receive payment. My object is nearer and more immediate. I wish to take occasion of the struggle of an interesting and gallant people in the cause of liberty and Christianity, to draw the attention of the House to the circumstances which have accompanied that struggle and to the principles which appear to have governed the conduct of the great States of Europe in regard to it, and to the effects and consequences of these principles upon the independence of nations and especially upon the institutions of free governments. What I have to say of Greece, therefore, concerns the modern, not the ancient; the living, and not the dead. It regards her, not as she exists in history, triumphant over time and tyranny and ignorance, but as she now is, contending against fearful odds for being and for the common privileges of human nature.

As it is never difficult to recite commonplace remarks and trite aphorisms, so it may be easy, I am aware, on this occasion to remind me of the wisdom which dictates to men a care of their own affairs and admonishes them, instead of searching for adventures abroad, to leave other men's concerns in their own hands. It may be easy to call this resolution Quixotic, the emanation of a crusading or propagandist spirit. All this and more may be readily said, but all this and more will not be allowed to fix a character upon this proceeding until that is proved which it takes for granted. Let it first be shown that in this question there is nothing which can affect the interest, the character, or the duty of this country. Let it be proved that we are not called upon by either of these considerations to express an opinion on the subject to which the resolution relates. Let this be proved, and then it will indeed be made out that neither ought this resolution to pass nor ought the subject of it to have been mentioned in the communication of the President to us. But, in my opinion, this can not be shown. In my judgment the subject is interesting to the people and the Government of this country, and we are called upon by considerations of great weight and moment to express our opinions upon it. These considerations, I think, spring from a sense of our own duty, our character, and our own interest. I wish to treat the subject on such grounds exclusively as are truly American; but then, in considering it as an American question, I can not forget the age in which we live, the prevailing spirit of the age, the interesting questions which agitate it and our own peculiar relation in regard to these interesting questions. Let this be, then, and as far as I am concerned I hope it will be, purely an American discussion; but let it embrace, nevertheless, everything that fairly concerns America. Let it comprehend not merely her present advantage but her permanent interest, her elevated character as one of the free States of the world, and her duty toward those great principles which have hitherto maintained the relative independence of nations and which have, more especially, made her what she is.

At the commencement of the session the President, in the discharge of the high duties of his office, called our attention to the subject to which this resolution refers. "A strong hope," says that communication, "has been long entertained, founded on the heroic struggle of the Greeks, that they would succeed in their contest and resume their equal station among the nations of the earth. It is believed that the whole civilized world takes a deep interest in their welfare. Although no power has declared in their favor, yet none, according to our information, has taken part against them. Their cause and their name have protected them from dangers which might ere this have overwhelmed any other people. The ordinary calculations of interest, and of acquisition with a view to aggrandizement, which mingle so much in the transactions of nations, seem to have had no effect in regard to them. From the facts which have come to our knowledge, there is good cause to believe that their enemy has lost forever all dominion over them; that Greece will become again an independent nation."

It has appeared to me that the House should adopt some resolution reciprocating these sentiments, so far as it shall approve them. More than twenty years have elapsed since Congress first ceased to receive such a communication from the President as could properly be made the subject of a general answer. I do not mean to find fault with this relinquishment of a former and an ancient practice. It may have been attended with inconveniences which justified its abolition. But certainly there was one advantage belonging to it; and that is, that it furnished a fit opportunity for the expression of the opinion of the Houses of Congress upon those topics in the executive communication which were not expected to be made the immediate subjects of direct legislation. Since, therefore, the President's message does not now receive a general answer, it has seemed to me to be proper that in some mode agreeable to our own usual form of proceeding we should express our sentiments upon the important and interesting topics on which it treats.

If the sentiments of the message in respect to Greece be proper, it is equally proper that this House should reciprocate those sentiments. The present resolution is designed to have that extent, and no more. If it pass, it will leave any future proceeding where it now is, in the discretion of the executive government. It is but an expression, under those forms in which the House is accustomed to act, of the satisfaction of the House with the general sentiments expressed in regard to this subject in the message and of its readiness to defray the expense incident to any inquiry for the purpose of further information,

or any other agency which the President, in his discretion, shall see fit, in whatever manner and at whatever time to institute. The whole matter is still left in his judgment, and this resolution can in no way restrain its unlimited exercise.

I might well, Mr. Chairman, avoid the responsibility of this measure if it had, in my judgment, any tendency to change the policy of the country. With the general course of that policy I am quite satisfied. The Nation is prosperous, peaceful, and happy; and I should very reluctantly put its peace, prosperity, or happiness at risk. It appears to me, however, that this resolution is strictly conformable to our general policy and not only consistent with our interest, but even demanded by a large and liberal view of those interests.

It is certainly true that the just policy of this country is, in the first place, a peaceful policy. No nation ever had less to expect from forcible aggrandizement. The mighty agents which are working out our greatness are time, industry, and the arts. Our augmentation is by growth, not by acquisition; by internal development, not by external accession. No schemes can be suggested to us so magnificent as the prospects which a sober contemplation of our own condition, unaided by projects, uninfluenced by ambition, fairly spreads before us. A country of such vast extent, with such varieties of soil and climate, with so much public spirit and private enterprise, with a population increasing so much beyond former example, with capacities of improvement not only unapplied or unexhausted, but even in a great measure, as yet unexplored—so free in its institutions, so mild in its laws, so secure in the title it confers on every man to his own acquisitions—needs nothing but time and peace to carry it forward to almost any point of advancement.

In the next place, I take it for granted that the policy of this country, springing from the nature of our Government and the spirit of all our institutions is, so far as it respects the interesting questions which agitate the present age, on the side of liberal and enlightened sentiments. The age is extraordinary; the spirit that actuates it is peculiar and marked; and our own relation to the times we live in, and to the questions which interest them, is equally marked and peculiar. We are placed, by our good fortune and the wisdom and valor of our ancestors, in a condition in which we can act no obscure part. Be it for honor, or be it for dishonor, whatever we do is sure to attract the observation of the world. As one of the free States among the nations, as a great and rapidly rising Republic, it would be impossible for us, if we were so disposed, to prevent our principles, our sentiments, and our examples from producing some effect upon the opinions and hopes of society throughout the civilized world. It rests probably with ourselves to determine whether the influence of these shall be salutary or pernicious.

It can not be denied that the great political question of this age is that between absolute and regulated governments. The substance of the controversy is whether society shall have any part in its own government. Whether the form of government shall be that of limited monarchy, with more or less mixture of hereditary power, or wholly elective or representative, may perhaps be considered as subordinate. The main controversy is between that absolute rule which, while it promises to govern well, means, nevertheless, to govern without control, and that constitutional system which restrains sovereign discretion, and asserts that society may claim as matter of right some effective power in the establishment of the laws which are to regulate it. The spirit of the times sets with a most powerful current in favor of these last-mentioned opinions. It is opposed, however, whenever and wherever it shows itself, by certain of the great potentates of Europe; and it is opposed on grounds as applicable in one civilized nation as in another, and which would justify such opposition in relation to the United States, as well as in relation to any other State or nation, if time and circumstances should render such opposition expedient.

What part it becomes this country to take on a question of this sort, so far as it is called upon to take any part, can not be doubtful. Our side of this question is settled for us, even without our own volition. Our history, our situation, our character, necessarily decide our position and our course, before we have even time to ask whether we have an option. Our place is on the side of free institutions. From the earliest settlement of these States, their inhabitants were accustomed, in a greater or less degree, to the enjoyment of the powers of self-government; and for the last half century they have sustained systems of government entirely representative, yielding to themselves the greatest possible prosperity, and not leaving them without distinction and respect among the nations of the earth. This system we are not likely to abandon; and while we shall no further recommend its adoption to other nations, in whole or in part, than it may recommend itself by its visible influence on our own growth and prosperity, we are nevertheless interested to resist the establishment of doctrines which deny the legality of its foundations. We stand as an equal among nations, claiming the full benefit of the established international law; and it is our duty to oppose, from the earliest to the latest moment, any innovations upon that code which shall bring into doubt or question our own equal and independent rights.

I will now, Mr. Chairman, advert to those pretensions put forth by the allied sovereigns of continental Europe, which seem to me calculated, if unresisted, to bring into disrepute the principles of our Government, and, indeed, to be wholly incompatible with any degree of national independence. I do not introduce these considerations for the sake of topics. I am not about to declaim against crowned heads, nor to quarrel with any country for preferring a form of government different from our own. The right of choice that we exercise for ourselves I am quite willing to leave also to others. But it appears to me that the pretensions to which I have alluded are wholly inconsistent with the independence of nations generally, without regard to the question whether their governments be absolute, monarchial and limited, or purely popular and representative. I have a most deep and thorough conviction that a new era has arisen in the world, that new and dangerous combinations are taking place promulgating doctrines and fraught with consequences wholly subversive in their tendency of the public law of nations and of the general liberties of mankind. Whether this be so or not is the question which I now propose to examine upon such grounds of information as are afforded by the common and public means of knowledge.

Everybody knows that since the final restoration of the Bourbons to the throne of France the continental powers have entered into sundry alliances, which have been made public, and have held several meetings or congresses, at which the principles of their political conduct have been declared. These things must necessarily have an effect upon the international law of the States of the world. If that effect be good and according to the principles of that law, they deserve to be applauded. If, on the contrary, their effect and tendency be most dangerous, their principles wholly inadmissible, their pretensions such as would abolish every degree of national independence, then they are to be resisted.

I begin, Mr. Chairman, by drawing your attention to the treaty concluded at Paris in September, 1815, between Russia, Prussia, and Austria, commonly called the Holy Alliance. This singular alliance appears to have originated with the Emperor of Russia; for we are informed that a draft of it was exhibited by him, personally, to a plenipotentiary of one of the great powers of Europe, before it was presented to the other sovereigns who ultimately signed it. (See Lord Castlereagh's speech in the House of Commons, February 3, 1816. Debates in Parliament, vol. 36, p. 355; where, also, the treaty may be found at length.) This instrument professes nothing, certainly, which is not extremely commendable and praiseworthy. It promises only that the contracting parties, both in relation to other States and in regard to their own subjects, will observe the rules of justice and Christianity. In confirmation of these promises, it makes the most solemn and devout religious invocations. Now, although such an alliance is a novelty in European history, the world seems to have received this treaty, upon its first promulgation, with general charity. It was commonly understood as little or nothing more than an expression of thanks for the successful termination of the momentous contest in which those sovereigns had been engaged. It still seems somewhat unaccountable, however, that these good resolutions should require to be confirmed by treaty. Who doubted that these august sovereigns would treat each other with justice, and rule their own subjects in mercy? And what necessity was there for a solemn stipulation by treaty to insure the performance of that which is no more than the ordinary duty of every government? It would hardly be admitted by these sovereigns that by this compact they consider themselves bound to introduce an entire change, or any change, in the course of their own conduct. Nothing substantially new, certainly, can be supposed to have been intended. What principle, or what practice, therefore, called for this solemn declaration of the intention of the parties to observe the rules of religion and justice?

It is not a little remarkable that a writer of reputation upon the public law described, many years ago, not inaccurately, the character of this alliance. I allude to Puffendorf. "It seems useless," says he, "to frame any pacts or leagues barely for the defense and support of universal peace; for by such a league nothing is superadded to the obligation of natural law, and no agreement is made for the performance of anything which the parties were not previously bound to perform; nor is the original obligation rendered firmer or stronger by such an addition. Men of any tolerable culture and civilization might well be

ashamed of entering into any such compact, the conditions of which imply only that the parties concerned shall not offend in any clear point of duty. Besides, we should be guilty of great irreverence toward God should we suppose that His injunctions had not already laid a sufficient obligation upon us to act justly, unless we ourselves voluntarily consented to the same engagement; as if our obligation to obey His will depended upon our own pleasure.

"If one engage to serve another, he does not set it down expressly and particularly among the terms and conditions of the bargain, that he will not betray nor murder him, nor pillage nor burn his house. For the same reason that would be a dishonorable engagement, in which men should bind themselves to act properly and decently and not break the peace." (Law of Nature and Nations, Book II, ch. 2, sec. 11.)

Such were the sentiments of that eminent writer. How nearly he had anticipated the case of the Holy Alliance will appear from the preamble to that alliance. After stating that the allied sovereigns had become persuaded, by the events of the last three years, that "their relations with each other ought to be regulated exclusively by the sublime truths taught by the eternal religion of God the Saviour," they solemnly declare their fixed resolution "to adopt as the sole rule of their conduct, both in the administration of their respective States, and in their political relations with every other government, the precepts of that holy religion, namely, the precepts of justice, charity, and peace, which, far from being applicable to private life alone, ought, on the contrary, to have a direct influence upon the counsels of princes, and guide all their steps, as being the only means of consolidating human institutions, and remedying their imperfections." (Martens, Recueil des Traités, Tome XIII, p. 656.)

This measure, however, appears principally important, as it was the first of a series, and was followed afterwards by others of a more marked and practical nature. These measures, taken together, profess to establish two principles, which the allied powers would introduce as a part of the law of the civilized world and the establishment of which is to be enforced by a million and a half of bayonets.

The first of these principles is that all popular or constitutional rights are held no otherwise than as grants from the Crown. Society, upon this principle, has no rights of its own; it takes good government, when it gets it, as a boon and a concession, but can demand nothing. It is to live by that favor which emanates from royal authority, and if it have the misfortune to lose that favor, there is nothing to protect it against any degree of injustice and oppression. It can rightfully make no endeavor for a change by itself; its whole privilege is to receive the favors that may be dispensed by the sovereign power, and all its duty is described in the single word submission. This is the plain result of the principal continental State papers; indeed, it is nearly the identical text of some of them.

The circular dispatch addressed by the sovereigns assembled at Laybach in the spring of 1821 to their ministers at foreign courts alleges "that useful and necessary changes in legislation and in the administration of States ought only to emanate from the free will and intelligent and well-weighed conviction of those whom God has rendered responsible for power. All that deviates from this line necessarily leads to disorder, commotions, and evils far more insufferable than those which they pretend to remedy." (Annual Register for 1821, p. 601.) Now, sir, this principle would carry Europe back again at once into the middle of the Dark Ages. It is the old doctrine of the divine right of kings, advanced now by new advocates, and sustained by a formidable array of power. That the people hold their fundamental privileges as matter of concession or indulgence from the sovereign power, is a sentiment not easy to be diffused in this age any further than it is enforced by the direct operation of military means. It is true, certainly, that some six centuries ago the early founders of English liberty called the instrument which secured their rights a charter. It was, indeed, a concession; they had obtained it sword in hand from the king; and in many other cases whatever was obtained favorable to human rights from the tyranny and despotism of the feudal sovereigns was called by the names of privileges and liberties as being matter of special favor. Though we retain this language at the present time, the principle itself belongs to ages that have long passed by us. The civilized world has done with "the enormous faith of many made for one." Society asserts its own rights, and alleges them to be original, sacred, and inalienable. It is not satisfied with having kind masters; it demands a participation in its own government; and in States much advanced in civilization it urges this demand with a constancy and an energy that can not well nor long be resisted. There are, happily, enough of regulated governments in the world, and those among the most distinguished, to operate as constant examples and to keep alive an unceasing panting in the bosoms of men for the enjoyment of similar free institutions.

When the English revolution of 1688 took place the English people did not content themselves with the example of Runnymede; they did not build their hopes upon royal charters; they did not, like the authors of the Laybach circular, suppose that all useful changes in constitutions and laws must proceed from those only whom God has rendered responsible for power. They were somewhat better instructed in the principles of civil liberty, or at least they were better lovers of those principles than the sovereigns of Laybach. Instead of petitioning for charters, they declared their rights, and while they offered to the Prince of Orange the crown with one hand, they held in the other an enumeration of those privileges which they did not profess to hold as favors, but which they demanded and insisted upon as their undoubted rights.

I need not stop to observe, Mr. Chairman, how totally hostile are these doctrines of Laybach to the fundamental principles of our Government. They are in direct contradiction; the principles of good and evil are hardly more opposite. If these principles of the sovereigns be true, we are but in a state of rebellion or of anarchy, and are only tolerated among civilized States because it has not yet been convenient to reduce us to the true standard.

But the second and, if possible, the still more objectionable principle avowed in these papers is the right of forcible interference in the affairs of other States. A right to control nations in their desire to change their own Government, wherever it may be conjectured or pretended that such change might furnish an example to the subjects of other States is plainly and distinctly asserted. The same Congress that made the declaration at Laybach had declared, before its removal from Troppau, "that the powers have an undoubted right to take a hostile attitude in regard to those States in which the overthrow of the Government may operate as an example."

There can not, as I think, be conceived a more flagrant violation of public law or national independence, than is contained in this short declaration.

No matter what be the character of the Government resisted, no matter with what weight the foot of the oppressor bears on the neck of the oppressed, if he struggle or if he complain, he sets a dangerous example of resistance, and from that moment he becomes an object of hostility to the most powerful potentates of the earth. I want words to express my abhorrence of this abominable principle. I trust every enlightened man throughout the world will oppose it, and that especially those who, like ourselves, are fortunately out of the reach of the bayonets that enforce it, will proclaim their detestation of it in a tone both loud and decisive. The avowed object of such declarations is to preserve the peace of the world. But by what means is it proposed to preserve this peace? Simply by bringing the power of all Governments to bear against all subjects. Here is to be established a sort of double or treble or quadruple or, for aught I know, quintuple allegiance. An offense against one king is to be an offense against all kings, and the power of all is to be put forth for the punishment of the offender. A right to interfere in extreme cases, in the case of contiguous States, and where imminent danger is threatened to one by what is occurring in another, is not without precedent in modern times, upon what has been called the law of vicinage; and when confined to extreme cases, and limited to a certain extent, it may perhaps be defended upon principles of necessity and self-defense. But to maintain that sovereigns may go to war upon the subjects of another State to repress an example, is monstrous indeed. What is to be the limit to such a principle, or to the practice growing out of it? What, in any case, but sovereign pleasure, is to decide whether the example be good or bad? And what, under the operation of such a rule, may be thought of our example? Why are we not as fair objects for the operation of the new principle as any of those who may attempt a reform of government on the other side of the Atlantic?

The ultimate effect of this alliance of sovereigns, for objects personal to themselves, or respecting only the permanence of their own power, must be the destruction of all just feeling and all natural sympathy between those who exercise the power of government and those who are subject to it. The old channels of mutual regard and confidence are to be dried up or cut off. Obedience can now be expected no longer than it is enforced. Instead of relying on the affections of the governed, sovereigns are to rely on the affections and friendship of other sovereigns. There are, in short, no longer to be nations.

Princes and people are no longer to unite for interests common to them both. There is to be an end of all patriotism as a distinct national feeling. Society is to be divided horizontally; all sovereigns above and all subjects below, the former coalescing for their own security and for the more certain subjection of the undistinguished multitude beneath. This, sir, is no picture drawn by imagination.

I have hardly used language stronger than that in which the authors of this new system have commented on their own work. M. de Chateaubriand in his speech in the French Chamber of Deputies in February last decared that he had a conference with the Emperor of Russia at Verona, in which that august sovereign uttered sentiments which appeared to him so precious that he immediately hastened home and wrote them down while yet fresh in his recollection. "The Emperor declared," said he, "that there can no longer be such a thing as an English, French, Russian, Prussian, or Austrian policy; there is henceforth but one policy, which, for the safety of all, should be adopted both by people and kings. It was for me first to show myself convinced of the principles upon which I founded the alliance; an occasion offered itself—the rising in Greece. Nothing certainly could occur more for my interests, for the interests of my people; nothing more acceptable to my country than a religious war in Turkey. But I have thought I perceived in the troubles of the Morea the sign of revolution, and I have held back. Providence has not put under my command 800,000 soldiers to satisfy my ambition, but to protect religion, morality, and justice, and to secure the prevalence of those principles of order on which human society rests. It may well be permitted that kings may have public alliances to defend themselves against secret enemies."

These, sir, are the words which the French minister thought so important that they deserved to be recorded; and I, too, sir, am of the same opinion. But if it be true that there is hereafter to be neither a Russian policy, nor a Prussian policy, nor an Austrian policy, nor a French policy, nor even, which yet I will not believe, an English policy, there will be, I trust in God, an American policy. If the authority of all these Governments be hereafter to be mixed and blended, and to flow in one augmented current of prerogative over the face of Europe, sweeping away all resistance in its course, it will yet remain for us to secure our own happiness by the preservation of our own principles, which I hope we shall have the manliness to express on all proper occasions and the spirit to defend in every extremity. The end and scope of this amalgamated policy are neither more nor less than this, to interfere by force for any government against any people who may resist it. Be the state of the people what it may, they shall not rise; be the government what it will, it shall not be opposed.

The practical commentary has corresponded with the plain language of the text. Look at Spain and at Greece. If men may not resist the Spanish inquisition and the Turkish cimeter, what is there to which humanity must not submit? Stronger cases can never arise. Is it not proper for us at all times, is it not our duty at this time to come forth and deny and condemn these monstrous principles? Where but here and in one other place are they likely to be resisted? They are advanced with equal coolness and boldness, and they are supported by immense power. The timid will shrink and give way, and many of the brave may be compelled to yield to force. Human liberty may yet, perhaps, be obliged to repose its principal hopes on the intelligence and the vigor of the Saxon race. As far as depends on us, at least, I trust those hopes will not be disappointed, and that, to the extent which may consist with our own settled, pacific policy, our opinions and sentiments may be brought to act on the right side and to the right end on an occasion which is in truth nothing less than a momentous question between an intelligent age, full of knowledge, thirsting for improvement, and quickened by a thousand impulses on one side, and the most arbitrary pretensions, sustained by unprecedented power, on the other.

This asserted right of forcible intervention in the affairs of other nations is in open violation of the public law of the world. Who has authorized these learned doctors of Troppau to establish new articles in this code? Whence are their diplomas? Is the whole world expected to acquiesce in principles which entirely subvert the independence of nations? On the basis of this independence has been reared the beautiful fabric of international law. On the principle of this independence Europe has seen a family of nations flourishing within its limits, the small among the large, protected not always by power but by a principle above power, by a sense of propriety and justice. On this principle the great commonwealth of civilized States has been hitherto upheld. There have been occasional departures or violations, and always disastrous, as in the case of Poland; but in general the harmony of the system has been wonderfully preserved. In the production and preservation of this sense of justice, this predominating principle, the Christian religion has acted a main part. Christianity and civilization have labored together; it seems, indeed, to be a law of our human condition that they can live and flourish only together. From their blended influence has arisen that delightful spectacle of the prevalence of reason and principle over power and interest, so well described by one who was an honor to the age—

> And sovereign law, the State's collected will,
> O'er thrones and globes elate,
> Sits empress, crowning good, repressing ill;
> Smit by her sacred frown,
> The fiend, Discretion, like a vapor, sinks,
> And e'en the all-dazzling crown,
> Hides his faint rays, and at her bidding shrinks—

but this vision is past. While the teachers of Laybach give the rule, there will be no law but the law of the strongest.

It may now be required of me to show what interest we have in resisting this new system. What is it to us, it may be asked, upon what principles, or what pretenses, the European Governments assert a right of interfering in the affairs of their neighbors? The thunder, it may be said, rolls at a distance. The wide Atlantic is between us and danger, and, however others may suffer, we shall remain safe.

I think it is a sufficient answer to this to say that we are one of the nations of the earth; that we have an interest, therefore, in the preservation of that system of national law and national intercourse which has heretofore subsisted so beneficially for all. Our system of government, it should also be remembered, is throughout founded on principles utterly hostile to the new code, and if we remain undisturbed by its operation we shall owe our security either to our situation or our spirit. The enterprising character of the age, our own active commercial spirit, the great increase which has taken place in the intercourse among civilized and commercial States, have necessarily connected us with other nations and given us a high concern in the preservation of those salutary principles upon which that intercourse is founded. We have as clear an interest in international law as individuals have in the laws of society.

But apart from the soundness of the policy, on the ground of direct interest, we have, sir, a duty connected with this subject which, I trust, we are willing to perform. What do we not owe to the cause of civil and religious liberty? To the principle of lawful resistance? To the principle that society has a right to partake in its own Government? As the leading Republic of the world, living and breathing in these principles and advanced by their operation with unequaled rapidity in our career, shall we give our consent to bring them into disrepute and disgrace? It is neither ostentation nor boasting to say that there lies before this country, in immediate prospect, a great extent and height of power. We are borne along toward this without effort and not always even with a full knowledge of the rapidity of our own motion. Circumstances which never combined before have cooperated in our favor, and a mighty current is setting us forward which we could not resist even if we would, and which, while we would stop to make an observation and take the sun, has set us, at the end of the operation, far in advance of the place where we commenced it. Does it not become us, then—is it not a duty imposed on us—to give our weight to the side of liberty and justice, to let mankind know that we are not tired of our own institutions, and to protest against the asserted power of altering at pleasure the law of the civilized world?

But whatever we do in this respect it becomes us to do upon clear and consistent principles. There is an important topic in the message to which I have yet hardly alluded. I mean the rumored combination of the European continental sovereigns against the newly established free States of South America. Whatever position this Government may take on that subject, I trust it will be one which can be defended on known and acknowledged grounds of right. The near approach or the remote distance of danger may affect policy but can not change principle. The same reason that would authorize us to protest against unwarrantable combinations to interfere between Spain and her former colonies would authorize us equally to protest if the same combination were directed against the smallest State in Europe, although our duty to ourselves, our policy, and wisdom might indicate very different courses as fit to be pursued by us in the two cases. We shall not, I trust, act upon the notion of dividing the world with the Holy Alliance and complain of nothing done by them in their hemisphere if they will not interfere with ours. At least this would not be such a course of policy as I could recommend or support. We

have not offended, and I hope we do not intend to offend, in regard to South America against any principle of national independence or of public law. We have done nothing, we shall do nothing, that we need to hush up or to compromise by forbearing to express our sympathy for the cause of the Greeks or our opinion of the course which other Governments have adopted in regard to them.

It may in the next place be asked perhaps, Supposing all this to be true, what can we do? Are we to go to war? Are we to interfere in the Greek cause or any other European cause? Are we to endanger our pacific relations? No; certainly not. What, then, the question recurs, remains for us? If we will not endanger our own peace, if we will neither furnish armies nor navies to the cause which we think the just one, what is there within our power?

Sir, this reasoning mistakes the age. The time has been, indeed, when fleets and armies and subsidies were the principal reliances even in the best cause. But, happily for mankind, a great change has taken place in this respect. Moral causes come into consideration in proportion as the progress of knowledge is advanced; and the public opinion of the civilized world is rapidly gaining an ascendency over mere brutal force. It is already able to oppose the most formidable obstruction to the progress of injustice and oppression, and as it grows more intelligent and more intense it will be more and more formidable. It may be silenced by military power, but it can not be conquered. It is elastic, irrepressible, and invulnerable to the weapons of ordinary warfare. It is that impassible, unextinguishable enemy of mere violence and arbitrary rule, which, like Milton's angels,

> Vital in every part, * * *
> Can not, but by annihilating, die.

Until this be propitiated or satisfied it is vain for power to talk either of triumphs or of repose. No matter what fields are desolated, what fortresses surrendered, what armies subdued, or what provinces overrun. In the history of the year that has passed by us, and in the instance of unhappy Spain, we have seen the vanity of all triumphs in a cause which violates the general sense of justice of the civilized world. It is nothing that the troops of France have passed from the Pyrenees to Cadiz; it is nothing that an unhappy and prostrate nation has fallen before them; it is nothing that arrests and confiscation and execution sweep away the little remnant of national resistance. There is an enemy that still exists to check the glory of these triumphs. It follows the conqueror back to the very scene of his ovations; it calls upon him to take notice that Europe, though silent, is yet indignant; it shows him that the scepter of his victory is a barren scepter; that it shall confer neither joy nor honor, but shall molder to dry ashes in his grasp. In the midst of his exultation it pierces his ear with the cry of injured justice; it denounces against him the indignation of an enlightened and civilized age; it turns to bitterness the cup of his rejoicing and wounds him with the sting which belongs to the consciousness of having outraged the opinion of mankind.

In my opinion, sir, the Spanish nation is now nearer, not only in point of time but in point of circumstance, to the acquisition of a regulated government than at the moment of the French invasion. Nations must, no doubt, undergo these trials in their progress to the establishment of free institutions. The very trials benefit them and render them more capable both of obtaining and of enjoying the object which they seek.

I shall not detain the committee, sir, by laying before it any statistical, geographical, or commercial account of Greece. I have no knowledge on these subjects which is not common to all. It is universally admitted that, within the last 30 or 40 years, the condition of Greece has been greatly improved. Her marine is at present respectable, containing the best sailors in the Mediterranean, better even, in that sea, than our own, as more accustomed to the long quarantines and other regulations which prevail in its ports. The number of her seamen has been estimated as high as 50,000, but I suppose that estimate must be much too large. She has probably 150,000 tons of shipping. It is not easy to ascertain the amount of the Greek population. The Turkish Government does not trouble itself with any of the calculations of political economy, and there has never been such a thing as an accurate census probably in any part of the Turkish Empire. In the absence of all official information, private opinions widely differ. By the tables which have been communicated, it would seem that there are 2,400,000 Greeks in Greece proper and the islands; an amount, as I am inclined to think, somewhat overrated. There are probably in the whole of European Turkey 5,000,000 Greeks and 2,000,000 more in the Asiatic dominions of that power.

The moral and intellectual progress of this numerous population, under the horrible oppression which crushes it, has been such as may well excite regard. Slaves, under barbarous masters, the Greeks have still aspired after the blessings of knowledge and civilization. Before the breaking out of the present revolution they had established schools, and colleges, and libraries, and the press. Wherever, as in Scio, owing to particular circumstances, the weight of oppression was mitigated, the natural vivacity of the Greeks and their aptitude for the arts were evinced. Though certainly not on an equality with the civilized and Christian States of Europe—and how is it possible, under such oppression as they endured, that they should be?—they yet furnished a striking contrast with their Tartar masters. It has been well said that it is not easy to form a just conception of the nature of the despotism exercised over them. Conquest and subjugation, as known among European States, are inadequate modes of expression by which to denote the dominion of the Turks. A conquest in the civilized world is generally no more than an acquisition of a new dominion to the conquering country. It does not imply a never-ending bondage imposed upon the conquered, a perpetual mark—an opprobrious distinction between them and their masters; a bitter and unending persecution of their religion; a habitual violation of their rights of person and property, and the unrestrained indulgence toward them of every passion which belongs to the character of a barbarous soldiery. Yet such is the state of Greece. The Ottoman power over them, obtained originally by the sword, is constantly preserved by the same means. Wherever it exists, it is a mere military power. The religious and civil code of the State being both fixed in the Koran, and equally the object of an ignorant and furious faith, have been found equally incapable of change. "The Turk," it has been said, "has been encamped in Europe for four centuries." He has hardly any more participation in European manners, knowledge, and arts than when he crossed the Bosphorus. But this is not the worst. The power of the Empire is fallen into anarchy, and as the principle which belongs to the head belongs also to the parts, there are as many despots as there are pachas, beys, and viziers. Wars are almost perpetual between the Sultan and some rebellious governor of a Province; and in the conflict of these despotisms the people are necessarily ground between the upper and the nether millstone. In short, the Christian subjects of the Sublime Porte feel daily all the miseries which flow from despotism, from anarchy, from slavery, and from religious persecution. If anything yet remains to heighten such a picture, let it be added that every office in the Government is not only actually but professedly venal; the pachalics, the vizierates, the cadiships, and whatsoever other denomination may denote the depositary of power. In the whole world, sir, there is no such oppression felt as by the Christian Greeks. In various parts of India, to be sure, the Government is bad enough; but then it is the government of barbarians over barbarians, and the feeling of oppression is, of course, not so keen. There the oppressed are perhaps not better than their oppressors; but in the case of Greece, there are millions of Christian men, not without knowledge, not without refinement, not without a strong thirst for all the pleasures of civilized life, trampled into the very earth, century after century, by a pillaging, savage, relentless soldiery. Sir, the case is unique. There exists, and has existed, nothing like it. The world has no such misery to show; there is no case in which Christian communities can be called upon with such emphasis of appeal.

But I have said enough, Mr. Chairman—indeed I need have said nothing—to satisfy the House that it must be some new combination of circumstances, or new views of policy in the cabinets of Europe, which have caused this interesting struggle not merely to be regarded with indifference but to be marked with opprobrium. The very statement of the case, as a contest between the Turks and Greeks, sufficiently indicates what must be the feeling of every individual and every government that is not biased by a particular interest or a particular feeling to disregard the dictates of justice and humanity.

And now, sir, what has been the conduct pursued by the allied powers in regard to this contest?

When the revolution broke out the sovereigns were assembled in congress at Laybach, and the papers of that assembly sufficiently manifest their sentiments. They proclaimed their abhorrence of those "criminal combinations which had been formed in the eastern parts of Europe"; and, although it is possible that this denunciation was aimed more particularly at the disturbances in the Provinces of Wallachia and Moldavia, yet no exception is made from its general terms in favor of those events in Greece which were properly the commencement of her revolution, and which could not but be well known at Laybach before the date of these declarations. Now it must

be remembered that Russia was a leading party in this denunciation of the efforts of the Greeks to achieve their liberation; and it can not but be expected by Russia that the world should also remember what part she herself has heretofore acted in the same concern. It is notorious that within the last half century she has again and again excited the Greeks to rebellion against the Porte, and that she has constantly kept alive in them the hope that she would, one day, by her own great power, break the yoke of their oppressor. Indeed, the earnest attention with which Russia has regarded Greece goes much further back than to the time I have mentioned. Ivan the Third, in 1482, having espoused a Grecian princess, heiress of the last Greek Emperor, discarded St. George from the Russian arms and adopted the Greek two-headed black eagle, which has continued in the Russian arms to the present day. In virtue of the same marriage the Russian princes claim the Greek throne as their inheritance.

Under Peter the Great the policy of Russia developed itself more fully. In 1696 he rendered himself master of Azof, and in 1698 obtained the right to pass the Dardanelles and to maintain, by that route, commercial intercourse with the Mediterranean. He had emissaries throughout Greece, and particularly applied himself to gain the clergy. He adopted the Labarum of Constantine, "In hoc signo vinces," and medals were struck, with the inscription, "Petrus I, Russo-Græcorum Imperator." In whatever new direction the principles of the Holy Alliance may now lead the politics of Russia, or whatever course she may suppose Christianity now prescribes to her in regard to the Greek cause, the time has been when she professed to be contending for that cause as identical with Christianity. The white banner under which the soldiers of Peter the First usually fought bore, as its inscription, "In the name of the Prince, and for our country." Relying on the aid of the Greeks in his war with the Porte, he changed the white flag to red and displayed on it the words "In the name of God, and for Christianity." The unfortunate issue of this war is well known. Though Anne and Elizabeth, the successors of Peter, did not possess his active character, they kept up a constant communication with Greece, and held out hopes of restoring the Greek Empire. Catharine the Second, as is well known, excited a general revolt in 1769. A Russian fleet appeared in the Mediterranean and a Russian army was landed in the Morea. The Greeks in the end were disgusted at being expected to take an oath of allegiance to Russia, and the Empress was disgusted because they refused to take it. In 1774 peace was signed between Russia and the Porte, and the Greeks of the Morea were left to their fate. By this treaty the Porte acknowledged the independence of the Kahn of the Crimea—a preliminary step to the acquisition of that country by Russia. It is not unworthy of remark as a circumstance which distinguished this from most other diplomatic transactions, that it conceded to the cabinet of St. Petersburg the right of intervention in the interior affairs of Turkey, in regard to whatever concerned the religion of the Greeks. The cruelties and massacres that happened to the Greeks after the peace between Russia and the Porte, notwithstanding the general pardon which had been stipulated for them, need not now be recited. Instead of retracing the deplorable picture, it is enough to say that in this respect the past is justly reflected in the present. The Empress soon after invaded and conquered the Crimea, and on one of the gates of Kerson, its capital, caused to be inscribed "The road to Byzantium." The present Emperor, on his accession to the throne, manifested an intention to adopt the policy of Catharine the Second as his own, and the world has not been right in all its suspicions if a project for the partition of Turkey did not form a part of the negotiations of Napoleon and Alexander at Tilsit.

All this course of policy seems suddenly to be changed. Turkey is no longer regarded, it would appear, as an object of partition or acquisition, and Greek revolts have all at once become, according to the declaration of Laybach, "criminal combinations."

The recent congress at Verona exceeded its predecessor at Laybach in its denunciations of the Greek struggle. In the circular of the 14th of December, 1822, it declared the Grecian resistance to the Turkish power to be rash and culpable, and lamented that "the firebrand of rebellion had been thrown into the Ottoman Empire." This rebuke and crimination we know to have proceeded on those settled principles of conduct which the continental powers had prescribed for themselves. The sovereigns saw, as well as others, the real condition of the Greeks; they knew as well as others that it was most natural and most justifiable that they should endeavor, at whatever hazard, to change that condition. They knew that they themselves, or at least one of them, had more than once urged the Greeks to similar efforts; that they themselves had thrown the same firebrand into the midst of the Ottoman Empire. And yet, so much does it seem to be their fixed object to discountenance whatsoever threatens to disturb the actual government of any country, that, Christians as they were, and allied, as they professed to be, for purposes most important to human happiness and religion, they have not hesitated to declare to the world that they have wholly forborne to exercise any compassion to the Greeks, simply because they thought that they saw in the struggles of the Morea the sign of revolution. This, then, is coming to a plain, practical result. The Grecian revolution has been discouraged, discountenanced, and denounced solely because it is a revolution. Independent of all inquiry into the reasonableness of its causes or the enormity of the oppression which produced it, regardless of the peculiar claims which Greece possesses upon the civilized world, and regardless of what has been their own conduct toward her for a century, regardless of the interest of the Christian religion, the sovereigns at Verona seized upon the case of the Greek revolution as one above all others calculated to illustrate the fixed principles of their policy. The abominable rule of the Porte on one side, the value and the sufferings of the Christian Greeks on the other, furnished a case likely to convince even an incredulous world of the sincerity of the professions of the allied powers. They embraced the occasion with apparent ardor, and the world, I trust, is satisfied.

We see here, Mr. Chairman, the direct and actual application of that system which I have attempted to describe. We see it in the very case of Greece. We learn, authentically and indisputably, that the allied powers, holding that all changes in legislation and administration ought to proceed from kings alone, were wholly inexorable to the sufferings of the Greeks and entirely hostile to their success. Now, it is upon this practical result of the principle of the continental powers that I wish this House to intimate its opinion. The great question is a question of principle. Greece is only the signal instance of the application of that principle. If the principle be right, if we esteem it conformable to the law of nations, if we have nothing to say against it, or if we deem ourselves unfit to express an opinion on the subject, then, of course, no resolution ought to pass. If, on the other hand, we see in the declarations of the allied powers principles not only utterly hostile to our own free institutions but hostile also to the independence of all nations and altogether opposed to the improvement of the condition of human nature; if in the instance before us we see a most striking exposition and application of those principles, and if we deem our opinions to be entitled to any weight in the estimation of mankind, then I think it is our duty to adopt some such measure as the proposed resolution.

It is worthy of observation, sir, that as early as July, 1821, Baron Strogonoff, the Russian minister at Constantinople, represented to the Porte that if the undistinguished massacres of the Greeks, both of such as were in open resistance and of those who remained patient in their submission, were continued and should become a settled habit, they would give just cause of war against the Porte to all Christian states. This was in 1821. (Annual Register for 1821, p. 251.) It was followed early in the next year by that indescribable enormity, that appalling monument of barbarian cruelty, the destruction of Scio, a scene I shall not attempt to describe; a scene from which human nature shrinks, shuddering, away; a scene having hardly a parallel in the history of fallen man. This scene, too, was quickly followed by the massacres in Cyprus; and all these things were perfectly known to the Christian powers assembled at Verona. Yet these powers, instead of acting upon the case supposed by Baron Strogonoff and which one would think had been then fully made out; instead of being moved by any compassion for the sufferings of the Greeks, these powers, these Christian powers, rebuke their gallantry and insult their sufferings by accusing them of "throwing a firebrand into the Ottoman Empire." Such, sir, appear to me to be the principles on which the continental powers of Europe have agreed hereafter to act, and this an eminent instance of the application of those principles.

I shall not detain the committee, Mr. Chairman, by any attempt to recite the events of the Greek struggle up to the present time. Its origin may be found, doubtless, in that improved state of knowledge which, for some years, has been gradually taking place in that country. The emancipation of the Greeks has been a subject frequently discussed in modern times. They themselves are represented as having a vivid remembrance of the distinction of their ancestors, not unmixed with an indignant feeling that civilized and Christian Europe should not ere now have aided them in breaking their intolerable fetters.

In 1816 a society was founded in Vienna for the encouragement of Grecian literature. It was connected with a similar in-

stitution at Athens, and another in Thessaly, called the "Gymnasium of Mount Pelion." The treasury and general office of the institution were established at Munich. No political object was avowed by these institutions, probably none contemplated. Still, however, they had their effect, no doubt, in hastening that condition of things in which the Greeks felt competent to the establishment of their independence. Many young men have been for years annually sent to the universities in the western States of Europe for their education; and, after the general pacification of Europe, many military men, discharged from other employment, were ready to enter even into so unpromising a service as that of the revolutionary Greeks.

In 1820 war commenced between the Porte and Ali, the well-known Pacha of Albania. Differences existed also with Persia and with Russia. In this state of things, at the beginning of 1821 an insurrection broke out in Moldavia, under the direction of Alexander Ypsilanti, a well-educated soldier, who had been major general in the Russian service. From his character, and the number of those who seemed inclined to join him, he was supposed to be countenanced by the court at St. Petersburg. This, however, was a great mistake, which the Emperor, then at Laybach, took an early opportunity to rectify. The Turkish Government was alarmed at these occurrences in the northern Provinces of European Turkey, and caused search to be made of all vessels entering the Black Sea, lest arms or other military means should be sent in that manner to the insurgents. This proved inconvenient to the commerce of Russia, and caused some unsatisfactory correspondence between the two powers. It may be worthy of remark, as an exhibition of national character, that, agitated by these appearances of intestine commotion, the Sultan issued a proclamation calling on all true Mussulmans to renounce the pleasures of social life, to prepare arms and horses, and to return to the manner of their ancestors, the life of the plains. The Turk seems to have thought that he had, at last, caught something of the dangerous contagion of European civilization, and that it was necessary to reform his habits, by recurring to the original manners of military roving barbarians.

It was about this time, that is to say, at the commencement of 1821, that the revolution burst out in various parts of Greece and the isles. Circumstances, certainly, were not unfavorable to the movement, as one portion of the Turkish Army was employed in the war against Ali Pacha in Albania, and another part in the Provinces north of the Danube. The Greeks soon possessed themselves of the open country of the Morea, and drove their enemy into the fortresses. Of these, that of Tripolitza, with the city, fell into their hands in the course of the summer. Having after these first movements obtained time to breathe, it became, of course, an early object to establish a government. For this purpose delegates of the people assembled, under that name which describes the assembly in which we ourselves sit, that name which "freed the Atlantic," a congress. A writer, who undertakes to render to the civilized world that service which was once performed by Edmund Burke—I mean the compiler of the English Annual Register—asks by what authority this assembly could call itself a congress. Simply, sir, by the same authority by which the people of the United States have given the same name to their own legislature. We, at least, should be naturally inclined to think, not only as far as names, but things also, are concerned, that the Greeks could hardly have begun their revolution under better auspices, since they have endeavored to render applicable to themselves the general principles of our form of government as well as its name.

This constitution went into operation at the commencement of the next year. In the meantime the war with Ali Pasha was ended, he having surrendered, and being afterwards assassinated by an instance of treachery and perfidy, which, if it had happened elsewhere than under the government of the Turks, would have deserved notice. The negotiations with Russia, too, took a turn unfavorable to the Greeks. The great point upon which Russia insisted, beside the abandonment of the measure of searching vessels bound to the Black Sea, was that the Porte should withdraw its armies from the neighborhood of the Russian frontiers; and the immediate consequence of this, when effected, was to add so much more to the disposable force ready to be employed against the Greeks. These events seemed to have left the whole force of the Ottoman Empire, at the commencement of 1822, in a condition to be employed against the Greek rebellion; and, accordingly, very many anticipated the immediate destruction of the cause. The event, however, was ordered otherwise. Where the greatest effort was made it was met and defeated. Entering the Morea with an army which seemed capable of bearing down all resistance, the Turks were nevertheless defeated and driven back, and pursued beyond the isthmus, within which, as far as it appears, from that time to the present, they have not been able to set their foot.

It was in April of this year that the destruction of Scio took place. That island, a sort of appanage of the Sultana mother, enjoyed many privileges peculiar to itself. In a population of 130,000 or 140,000 it had no more than 2,000 or 3,000 Turks; indeed, by some accounts, not near as many. The absence of these ruffian masters had in some degree allowed opportunity for the promotion of knowledge, the accumulation of wealth, and the general cultivation of society. Here was the seat of modern Greek literature; here were libraries, printing presses, and other establishments, which indicate some advancement in refinement and knowledge. Certain of the inhabitants of Samos, it would seem, envious of this comparative happiness of Scio, landed upon the island in an irregular multitude, for the purpose of compelling its inhabitants to make common cause with their countrymen against their oppressors. These, being joined by the peasantry, marched to the city and drove the Turks into the castle. The Turkish fleet, lately reinforced from Egypt, happened to be in the neighboring seas, and, learning these events, landed a force on the island of 15,000 men. There was nothing to resist such an army. These troops immediately entered the city and began an indiscriminate massacre. The city was fired; and in four days the fire and sword of the Turk rendered the beautiful Scio a clotted mass of blood and ashes. These details are too shocking to be recited. Forty thousand women and children, unhappily saved from the general destruction, were afterwards sold in the market of Smyrna and sent off into distant and hopeless servitude. Even on the wharves of our own cities, it has been said, have been sold the utensils of these hearths which now exist no longer. Of the whole population which I have mentioned, not above 900 persons were left living upon the island. I will only repeat, sir, that these tragical scenes were as fully known at the Congress of Verona as they are now known to us, and it is not too much to call on the powers that constituted that congress, in the name of conscience and in the name of humanity, to tell us if there be nothing even in these unparalleled excesses of Turkish barbarity to excite a sentiment of compassion; nothing which they regard as so objectionable as even the very idea of popular resistance to power.

The events of the year which has just passed by, as far as they have become known to us, have been even more favorable to the Greeks than those of the year preceding. I omit all details as being as well known to others as to myself. Suffice it to say that with no other enemy to contend with and no diversion of his force to other objects, the Porte has not been able to carry the war into the Morea; and that, by the last accounts, its armies were acting defensively in Thessaly. I pass over, also, the naval engagements of the Greeks, although that is a mode of warfare in which they are calculated to excel, and in which they have already performed actions of such distinguished skill and bravery as would draw applause upon the best mariners in the world. The present state of the war would seem to be that the Greeks possess the whole of the Morea, with the exception of the three fortresses of Patras, Coron, and Modon; all Candia, but one fortress, and most of the other islands. They possess the citadel of Athens, Missolonghi, and several other places in Livadia. They have been able to act on the offensive, and to carry the war beyond the isthmus. There is no reason to believe their marine is weakened; more probably, it is strengthened; but, what is most important of all, they have obtained time and experience. They have awakened a sympathy throughout Europe and throughout America, and they have formed a government which seems suited to the emergency of their condition.

Sir, they have done much. It would be great injustice to compare their achievements with our own. We began our Revolution, already possessed of government, and, comparatively, of civil liberty. Our ancestors had from the first been accustomed in a great measure to govern themselves. They were familiar with popular elections and legislative assemblies, and well acquainted with the general principles and practice of free governments. They had little else to do than to throw off the paramount authority of the parent State. Enough was still left, both of law and of organization, to conduct society in its accustomed course, and to unite men together for a common object. The Greeks, of course, could act with little concert at the beginning; they were unaccustomed to the exercise of power, without experience, with limited knowledge, without aid, and surrounded by nations which, whatever claims the Greeks might seem to have upon them, have afforded them nothing but discouragement and reproach. They have held out, however, for three campaigns; and that, at least, is something. Constantinople and the northern Provinces have sent forth thousands of troops—they have been defeated. Tripoli, and Algiers, and Egypt, have contributed their marine contingents—they have not

kept the ocean. Hordes of Tartars have crossed the Bosphorus—they have died where the Persians died. The powerful monarchies in the neighborhood have denounced their cause and admonished them to abandon it and submit to their fate. They have answered them, that, although 200,000 of their countrymen have offered up their lives, there yet remain lives to offer; and that it is the determination of all, "yes, of all," to persevere until they shall have established their liberty, or until the power of their oppressors shall have relieved them from the burden of existence.

It may now be asked, perhaps, whether the expression of our own sympathy, and that of the country, may do them good? I hope it may. It may give them courage and spirit, it may assure them of public regard, teach them that they are not wholly forgotten by the civilized world, and inspire them with constancy in the pursuit of their great end. At any rate, sir, it appears to me that the measure which I have proposed is due to our own character and called for by our own duty. When we shall have discharged that duty, we may leave the rest to the disposition of Providence.

I do not see how it can be doubted that this measure is entirely pacific. I profess my inability to perceive that it has any possible tendency to involve our neutral relations. If the resolution pass, it is not of necessity to be immediately acted on. It will not be acted on at all, unless, in the opinion of the President, a proper and safe occasion for acting upon it shall arise. If we adopt the resolution to-day, our relations with every foreign State will be to-morrow precisely what they now are. The resolution will be sufficient to express our sentiments on the subjects to which I have adverted. Useful for that purpose, it can be mischievous for no purpose. If the topic were properly introduced into the message, it can not be improperly introduced into discussion in this House. If it were proper, which no one doubts, for the President to express his opinions upon it, it can not, I think, be improper for us to express ours. The only certain effect of this resolution is to signify, in a form usual in bodies constituted like this, our approbation of the general sentiment of the message. Do we wish to withhold that approbation? The resolution confers on the President no new power, nor does it enjoin on him the exercise of any new duty; nor does it hasten him in the discharge of any existing duty.

I can not imagine that this resolution can add anything to those excitements which it has been supposed, I think very causelessly, might possibly provoke the Turkish Government to acts of hostility. There is already the message, expressing the hope of success to the Greeks and disaster to the Turks, in a much stronger manner than is to be implied from the terms of this resolution. There is the correspondence between the Secretary of State and the Greek agent in London, already made public, in which similar wishes are expressed, and a continuance of the correspondence apparently invited. I might add to this the unexampled burst of feeling which this cause has called forth from all classes of society, and the notorious fact of pecuniary contributions made throughout the country for its aid and advancement. After all this, whoever can see cause of danger to our pacific relations from the adoption of this resolution has a keener vision than I can pretend to. Sir, there is no augmented danger; there is no danger. The question comes at last to this, whether, on a subject of this sort, this House holds an opinion which is worthy to be expressed.

Even suppose, sir, an agent or commissioner were to be immediately sent—a measure which I myself believe to be the proper one—there is no breach of neutrality nor any just cause of offense. Such an agent, of course, would not be accredited; he would not be a public minister. The object would be inquiry and information; inquiry which we have a right to make, information which we are interested to possess. If a dismemberment of the Turkish Empire be taking place or has already taken place; if a new State be rising or be already risen in the Mediterranean, who can doubt that, without any breach of neutrality, we may inform ourselves of these events for the government of our own concerns? The Greeks have declared the Turkish coasts in a state of blockade; may we not inform ourselves whether this blockade be nominal or real, and, of course, whether it shall be regarded or disregarded? The greater our trade may happen to be with Smyrna, a consideration which seems to have alarmed some gentlemen, the greater is the reason, in my opinion, why we should seek to be accurately informed of those events which may affect its safety. It seems to me impossible, therefore, for any reasonable man to imagine that this resolution can expose us to the resentment of the Sublime Porte.

As little reason is there for fearing its consequences upon the conduct of the allied powers. They may, very naturally, dislike our sentiments upon the subject of the Greek revolution; but what those sentiments are they will much more explicitly learn in the President's message than in this resolution. They might, indeed, prefer that we should express no dissent from the doctrines which they have avowed and the application which they have made of those doctrines to the case of Greece. But I trust we are not disposed to leave them in any doubt as to our sentiments upon these important subjects. They have expressed their opinions and do not call that expression of opinion an interference, in which respect they are right, as the expression of opinion in such cases is not such an interference as would justify the Greeks in considering the powers at war with them. For the same reason any expression which we may make of different principles and different sympathies is no interference. No one would call the President's message an interference, and yet it is much stronger in that respect than this resolution. If either of them could be construed to be an interference no doubt it would be improper; at least it would be so according to my view of the subject, for the very thing which I have attempted to resist in the course of these observations is the right of foreign interference. But neither the message nor the resolution has that character. There is not a power in Europe which can suppose that, in expressing our opinions on this occasion, we are governed by any desire of aggrandizing ourselves or of injuring others. We do no more than to maintain those established principles in which we have an interest in common with other nations and to resist the introduction of new principles and new rules calculated to destroy the relative independence of States, and particularly hostile to the whole fabric of our Government.

I close then, sir, with repeating that the object of this resolution is to avail ourselves of the interesting occasion of the Greek revolution to make our protest against the doctrines of the allied powers, both as they are laid down in principle and as they are applied in practice. I think it right, too, sir, not to be unseasonable in the expression of our regard, and, as far as that goes, in a manifestation of our sympathy with a long oppressed and now struggling people. I am not of those who would, in the hour of utmost peril, withhold such encouragement as might be properly and lawfully given, and, when the crisis should be past, overwhelm the rescued sufferer with kindness and caresses. The Greeks address the civilized world with a pathos not easy to be resisted. They invoke our favor by more moving considerations than can well belong to the condition of any other people. They stretch out their arms to the Christian communities of the earth, beseeching them, by a generous recollection of their ancestors, by the consideration of their desolated and ruined cities and villages, by their wives and children sold into an accursed slavery, by their blood, which they seem willing to pour out like water, by the common faith, and in the name which unites all Christians, that they would extend to them at least some token of compassionate regard.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. What amendment does the Senator from North Dakota wish to take up now?

Mr. McCUMBER. On page 34, line 10.

The ASSISTANT SECRETARY. On page 34, line 10, after the word "fluorspar" and the comma, the committee proposes to strike out "$5 per ton of 2,000 pounds: *Provided*, That after the expiration of one year beginning on the day following the passage of this act, the duty on fluorspar shall be $4 per ton of 2,000 pounds," and to insert in lieu thereof "$5.60 per ton," so as to read:

Fluorspar, $5.60 per ton.

Mr. SIMMONS. Mr. President, I will say to the Senator from Utah [Mr. SMOOT] that the Senator from New Mexico [Mr. JONES] came down this morning expecting that this item of fluorspar would be called up. He wanted to present some remarks to the Senate. He stayed here a while, and the Senate then took up some other matter in which the Senators from California were interested. The Senator from New Mexico then left the Chamber and said he would probably not be able to return during the day. I have just called him on the telephone, and he requested me to ask that this item go over until to-morrow morning.

Mr. McCUMBER. Very well. If that is the desire, and if we are ready to go on with some other item, I have no objection.

Mr. SIMMONS. Mr. President, I make the point of no quorum. I was going to suggest to the Senator from North Dakota that if we could take up the item of carbon, the Senator from Texas [Mr. SHEPPARD] is ready to proceed, but the Sena-

tors who are to discuss some of the other items happen to be temporarily out of the Chamber. If it will satisfy the Senators in charge to take up the item of carbon, I am perfectly willing to withdraw the request for a quorum.

Mr. McCUMBER. What paragraph is it the Senator desires to take up?

Mr. SIMMONS. Paragraph 216, carbons and electrodes. I suggest to the Senator from North Dakota that we are ready to proceed with that paragraph. If the Senator is willing to take up that paragraph, we are ready to go on; otherwise I shall have to call for a quorum to bring here the Senators who can discuss some of the other paragraphs.

Mr. McCUMBER. Here, again, I think the Senator from Washington [Mr. POINDEXTER] is interested in graphite.

Mr. SHEPPARD. It is not the graphite paragraph to which the Senator from North Carolina is referring.

Mr. McCUMBER. It relates to articles or wares composed wholly or in part of carbon or graphite.

Mr. SHEPPARD. I will state, however, that the report of the Tariff Commission suggests that that clause be eliminated, as it is unnecessary and does not affect the sense of the paragraph. However, if the Senator feels that the Senator from Washington [Mr. POINDEXTER] is interested in it, I shall not insist on going ahead with it.

Mr. McCUMBER. If the Senator desires to go on with the discussion of paragraph 216, I have no objection to taking that up.

Mr. FLETCHER. Do I understand that paragraphs 211 and 213a are to go over until the Senator from Washington can be here? I think they might be considered together, as they bear on the same subject.

Mr. SMOOT. Why should paragraph 210 go over, then?

Mr. SHEPPARD. The Senator from North Carolina stated that certain Senators on this side of the Chamber are interested in paragraph 210, but are not here, and therefore he wanted it to go over.

Mr. McCUMBER. Does the Senator from North Carolina want paragraph 210 passed over?

Mr. SIMMONS. Yes; temporarily.

Mr. McCUMBER. Then I will ask that we may consider paragraph 216, and afterwards we will go back to paragraph 210.

The VICE PRESIDENT. The amendment will be stated.

The READING CLERK. On page 38, paragraph 216, carbons and electrodes, in line 19, the committee proposes to strike out the parenthesis and the word "composed" and insert in lieu thereof the word "composed"; in line 20, to strike out the parenthesis and the word "graphite" and insert in lieu the word "graphite"; and in line 21 to change "35" to "45" before the words "per cent ad valorem."

Mr. SHEPPARD. Mr. President, the carbon industry has four divisions or classifications, relating, respectivly, to light, heat, power applied to electrical apparatus, and miscellaneous specialties, including all remaining forms of manufactured carbon.

The first division includes all forms of electric-lighting carbon. These carbons are cylindrical rods, and are used in making the arc light, of which there are three types; first, that made from petroleum coke carbon, the light once used so generally for street illumination, but now almost out of fashion; second, that made from lampblack or flaming-arc carbon, and used for many purposes, notably every kind of photography, motion-picture projections, and searchlights of the most powerful grades; third, that made from homogeneous or solid flaming-arc carbons, and of which very little is used. There are practically no importations of carbons used in making the first and third type of electric light, but of those used in making the second type the importations had a value in 1919 of $20,967, while the home production exceeded $1,200,000.

Mr. A. C. Morrison, representing the carbon section of the Associated Manufacturers of Electrical Supplies, New York City, testified before the Ways and Means Committee of the House that the domestic demand of 20,000,000 carbons for motion-picture purposes was being handled by the American industry, and handled satisfactorily.

The second division of the carbon industry, the division relating to heat, comprises the production of electrodes; that is, carbon bars of various dimensions, some weighing as much as a ton. They are essential to the operation of electric furnaces, batteries, and to electrochemical or electrolytical processes; that is, processes whereby chemicals are deomposed with an electric current.

The third division comprises the manufacture of what is known as the carbon brush—a combination of small pieces of carbon which transmit the electric current from the dynamo to motors, generators, and similar machines. They are essential, therefore, to every form of electric power. Without them no dynamo could be utilized and no electric mechanism could be operated. Their production requires the highest skill and care as well as scientific and technical knowledge of the most accomplished nature. To so many uses is electricity put in modern times that there are about 8,000 different sizes and kinds of these carbon brushes.

The fourth division comprises all other carbon products, and are known as carbon specialties. They are so numerous that it is impracticable to cover them in a tariff law except through an ad valorem duty. Among these specialties are the carbon circuit-breaking contacts of electric elevators and of many other kinds of electrical equipment, carbon for electric welding, bearings, bushings, lightning arresters, hollow granules about three one-hundredths of an inch in diameter used in ear phones for the deaf, actuated carbon with the quality of absorbing poisonous gases to a larger degree than any other substance, packing rings, essential to the operation of turbine engines, minute carbon grains and carbon disks for telephones, and innumerable other articles leading into almost every detail of this mechanical and electric age.

I have already given the imports in the first division. In the other three the imports had a value in 1919 as follows: Electrodes, $6,209, as against a home production of $5,846,594; brushes, $173,122, as against a home production of $4,088,411.40; carbon specialties, about $62,000, as against a home production of over a million dollars; total imports for the entire industry in 1919, $254,298; total home production, $13,292,000; exports, $1,391,765. Total imports for 1920 were $484,020; exports, $1,477,831. I have not the figure for the home production, but it is safe to say that it has continued to increase. Total imports for the first nine months of 1921 were $325,000; exports, $347,306. I have not been able to find the production figures for 1921, but it may be reasonably inferred that the industry continued to grow and continued to outstrip imports in a ratio of something like 40 to 1. With home production forty times greater than imports a feeble case indeed has been made for protection.

The House committee decided that a rate of 35 per cent ad valorem should be imposed on all these carbon products, and its action was sustained by the House.

The Senate committee increased the rate to 45 per cent, without any hearing, in so far as I have been able to ascertain. I can not find any hearings on the earthenware schedule before the Senate Committee on Finance where the subject was mentioned, and yet the Senate committee increased the rate allowed by the House committee and adopted by the House from 35 per cent ad valorem to 45 per cent ad valorem.

Mr. President, it is the statement of Mr. Ingalls, one of the most reliable and careful students of American industry, that the electrical industry in all its phases is one of the most prosperous of all American industries; that it has grown literally by leaps and bounds; that it has doubled itself every five years within the last 20 or 30 years.

The existing law imposes an ad valorem rate of about 25 per cent on carbons. The act of 1909 imposed a rate on certain forms of carbon of 30 per cent ad valorem, and on other forms of carbon of 20 per cent ad valorem, and on still other forms it imposed a specific duty. Under the Treasury decisions, however, those who are interested in this industry claim that they have not been able to obtain the benefit of those duties; and yet, despite the adverse Treasury decisions, despite the low rates which were levied on competing imports, this industry has grown more rapidly perhaps than has any other industry in America. Nevertheless, the House committee increased the rate to 35 per cent ad valorem, and the Senate committee, evidently without any further evidence, increased the rate on the industry and on various forms of carbon to 45 per cent ad valorem.

The Senate committee has made out no case whatever for protection. It may be that a certain amount of revenue could be raised from a duty of 20 or 25 per cent ad valorem. Therefore I move to amend the amendment of the committee by striking out "45 per cent" and inserting "25 per cent," which is the existing rate, and under which the industry has continued to grow and prosper as, perhaps, has no other industry in the country. On the amendment I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. WARREN in the chair). There is a committee amendment in the paragraph before the point indicated by the Senator from Texas. The committee amendment will be stated.

The READING CLERK. On page 38, line 19, after the word "whereas," it is proposed to strike out "(composed" and to insert the word "composed."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment was, on page 38, line 20, after the words "carbon or," to strike out "graphite) " and insert "graphite."

Mr. SHEPPARD. Mr. President, I desire at this point to direct the attention of the chairman of the committee to the suggestion in the Summary of the Tariff Commission on page 306.

Mr. McCUMBER. It is with a view to the change suggested by the Tariff Commission on page 306 of the Tariff Summary that we propose to strike out the parenthesis.

Mr. SHEPPARD. The committee has made that motion?

Mr. McCUMBER. That is the amendment now under consideration.

Mr. WALSH of Montana. Mr. President, I do not desire to discuss this provision further than to call attention to the fact——

Mr. McCUMBER. If the Senator will excuse me for a moment, I wish to know whether we have agreed to the first amendment, whereby "(composed" was stricken out and the word "composed," without the parenthesis, inserted in lieu thereof?

The PRESIDING OFFICER. That has been agreed to.

Mr. McCUMBER. Then, if there is no objection, I hope we may agree to the amendment proposing to strike out "(graphite" and to insert in lieu thereof the word "graphite" without the parenthesis.

The PRESIDING OFFICER. Without objection, that amendment is agreed to.

The READING CLERK. The next amendment of the Committee on Finance is on page 38, line 21——

Mr. WALSH of Montana. Mr. President, graphite, of course, enters very largely into the construction of electrodes, as is indicated in the paragraph under consideration.

Mr. McCUMBER. Mr. President, I will ask the Senator if he has any objection to the amendment striking out the parenthesis?

Mr. WALSH of Montana. No; I have no objection to that amendment.

The PRESIDING OFFICER. The amendment was agreed to in the absence of objection.

Mr. WALSH of Montana. I merely wish to call attention to the provisions of the bill included in the parentheses which are now eliminated and to the feature of this paragraph embracing the consideration of the subject of graphite which is taken care of by paragraph 213a on the preceding page. I shall have something more to say on that subject when we reach it, but I simply remark here that a very high quality of graphite, equal to the best Ceylon graphite, is produced in the State of Montana. The industry was developed during the war. The ordinary American graphite is not very serviceable in the manufacture of crucibles for use in the production of steel and other foundry products, but the Montana graphite meets all the specifications. It is an infant industry and one that might very properly be encouraged.

Mr. McCUMBER. I do not want to disturb the Senator, but may I ask him if he is not considering the lump or plumbago graphite provided for in paragraph 213a?

Mr. WALSH of Montana. No. I have said that when that paragraph is reached I shall speak on it in some detail. I am now simply calling attention to the fact that the producers of the domestic material, the development of which certainly ought to be encouraged in every possible way, were denied anything like protection upon their product. They are given 10 per cent ad valorem, which means nothing at all, but the manufactured article, electrodes, into which this raw product enters, is protected by a duty of 45 per cent.

We understand, by repeated asseverations upon the other side, that the purpose is to encourage and protect every American industry, and that the manufacturer is not to be preferred at all over the producer of the raw material. I have invited attention heretofore to the fact that manganese, another important product of the State of Montana, utilized in the manufacture of steel and entering into its composition, has been placed upon the free list. Graphite, another raw product of my State used in the same industry, has been given a rate of duty of 10 per cent, while the manufactured product of which the graphite is a large constituent is given 45 per cent under the provision we are now considering.

Mr. FRELINGHUYSEN. Mr. President, may I ask the Senator a question? Is the finer quality of amorphous graphite produced in his State? Has he information to that effect? I understood that the crystalline flake graphite was a coarser graphite, used by the steel makers in making crucible steel in this country, but that the finer graphite, used for lubricating, was not produced in this country, and that was the information the committee had. It will be highly interesting if it is so.

Mr. WALSH of Montana. The competition comes largely from the Ceylon graphite, which is particularly valuable in the construction of crucibles.

Mr. FRELINGHUYSEN. Is it similar to the Ceylon graphite?

Mr. WALSH of Montana. It is similar to the Ceylon graphite, and that comes in in large quantities, and during the war shipments were made from Montana directly to Pittsburgh.

Mr. FRELINGHUYSEN. That is very interesting, indeed, as I was informed that none of that type of graphite was produced in this country, or very little.

Mr. WALSH of Montana. The documents available to the Senator disclose the fact as I have stated it.

Mr. SHEPPARD. Mr. President, did the Senator from Montana understand that the language within the parentheses was eliminated?

Mr. WALSH of Montana. Oh, no. As I understand, it reads now—

> And articles or wares composed wholly or in part of carbon or graphite, wholly or partly manufactured, not specially provided for, 45 per cent ad valorem.

Mr. SHEPPARD. That is correct.

Mr. WALSH of Montana. That is to say, the miner is given a 10 per cent duty on the graphite, but the manufacturer of electrodes is given 45 per cent on the product into which this graphite enters. Can the Senator tell me what State produces the greatest quantity of this product?

Mr. SHEPPARD. Does the Senator mean the raw material of carbon?

Mr. WALSH of Montana. No, no; the carbons and electrodes.

Mr. SHEPPARD. A number of States—Pennsylvania, West Virginia, New York—produce these articles, but in exactly what proportion I am unable to say.

Mr. WALSH of Montana. The General Electric Co.?

Mr. SHEPPARD. The General Electric Co. in New York may make some of these products.

Mr. WALSH of Montana. So that the General Electric Co. is protected to the extent of 45 per cent and the Montana miner to the extent of 10 per cent?

Mr. SHEPPARD. Exactly. The companies making the finished product get this preference.

Mr. SMOOT. Mr. President, of course the Senator knows that that is crystalline lump, chip, or dust, 20 per cent ad valorem, in paragraph 213a, and before they can be manufactured they have to go through that process.

Mr. WALSH. Oh, but that is the manufactured article.

Mr. SMOOT. No, no.

Mr. WALSH of Montana. Yes; that is crystalline lump.

Mr. SMOOT. That is the ore made into crystalline lump, chip, or dust.

Mr. WALSH of Montana. To be sure; it is treated.

Mr. SMOOT. Then the carbons and electrodes are manufactured from that product, and there is not the difference that the Senator says.

Mr. SHEPPARD. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The Senator from Texas proposes an amendment to the amendment of the committee, which will be stated.

The READING CLERK. On page 38, line 21, in the committee amendment, the Senator from Texas proposes to strike out "45" and to insert "25."

The PRESIDING OFFICER. On that amendment the Senator from Texas requests the yeas and nays.

The yeas and nays were ordered.

Mr. McCUMBER. Mr. President, I simply want to call attention to one table in the report of the Tariff Commission covering the articles included under the term "composed chiefly of lampblack or retort carbon."

I notice that in 1918 we imported 2,400 feet; in 1919, 322,400 feet; and a like increase in 1920. Then, in the first nine months of 1921, we imported 55,572,300 feet. At the same rate the year's importations for 1921 would be 74,096,400 feet, as against 2,400 feet in 1918. Nineteen hundred and eighteen, of course, was during the war, and the importations would necessarily, as they mostly come from Germany, be very light; but taking the highest importations prior to the war, they were 17,600,380 feet, and this has suddenly jumped in a single year to 74,096,400, or about 500 per cent.

Mr. SHEPPARD. Can the Senator give us the home production for the first nine months of 1921?

Mr. McCUMBER. I have not it right here.

Mr. SHEPPARD. Why does the Senator say "55,000,000"? The figures seem to be "555,000."

Mr. McCUMBER. No; that is multiplied by 100. Those represent that many hundred feet.

Mr. SHEPPARD. Where is the statement to that effect?

Mr. McCUMBER. Right at the head of the column. If the Senator will run the column up to the head, he will see that it says "100 feet," and therefore where it says "4" I gave it as "400 feet."

Mr. SHEPPARD. Does the same thing apply to the next column, in the matter of dollars—$177,000,000 instead of $177,000?

Mr. McCUMBER. No; not on dollars. This hundred is simply added in the case of feet. This is so many hundred feet. It goes by hundred feet rather than simply by so many feet. By multiplying by 100 in the case of each item you have the figures which I have just given.

Mr. SHEPPARD. Then I want to call the Senator's attention to an apparent contradiction in the figures there. Referring to the year 1920, the table states that 41,000—or 41,000,000 feet, as the Senator would read it—were imported, valued at $217,000.

Mr. McCUMBER. That would be 4,100,000, if you multiply that by 100.

Mr. SHEPPARD. And the valuation was $217,000; yet, for the first nine months of 1921—where, as the Senator states, the imports were 55,000,000 feet—the value is only $177,000.

Mr. McCUMBER. That would indicate just the reason why we are asking for this protection. The Senator will see that 4,186,800 feet were landed in 1920 at a cost of $217,947, whereas the 55,572,300 feet in 1921 came in at only $177,428, showing the enormous reduction in cost in Germany and in the inventory as the articles are brought into the United States.

Mr. SHEPPARD. Unless the Senator can give us the figures of the home production and the value of the home production we are not in position to judge the situation accurately. Besides, he is referring to but one of the carbon products, and the industry is treated as a whole in the bill. The rate proposed applies to all these carbon products.

Mr. McCUMBER. I have not the home production of this particular article. The value of the carbons for electric lighting produced in the United States in 1914 was only about $800,000; but in the case of the lampblack or retort carbons, these amounted in 1913 to 17,600,000 feet and in 1914 to 15,690,763 feet, whereas at the present time we have 74,096,000 feet of importations and at a price so low that that amount does not produce anything near what only a small fraction of the same importation produced in 1920.

Mr. NORRIS. Mr. President, I should like to ask the Senator from Texas or the Senator from North Dakota if there was a corresponding decline in the value of the domestic production? Evidently, from the figures the Senator from North Dakota has given, after the war the foreign article came down in value; but no figures have been given to show whether or not the same thing happened here.

Mr. SHEPPARD. Not at all as to this particular form of carbon.

Mr. McCUMBER. Mr. President, necessarily they either must go down in order to compete when the articles compete in price, or else they have to close business. One of two things must necessarily follow.

Mr. NORRIS. I assume that they have gone down.

Mr. McCUMBER. I have no doubt that they have gone down enormously since then.

Mr. NORRIS. Yes. In other words, I fear that the House rate is based on a war price in America, compared to an after-war price in a foreign country.

Mr. SHEPPARD. I call the attention of the Senator from Nebraska to the fact that during the first nine months of 1921 we exported these carbons to the value of $347,000; so it would seem that the industry has not been seriously affected by the importation.

Mr. NORRIS. In those nine months we exported, as I remember, more than we imported. Is that correct?

Mr. SHEPPARD. Yes; that is true. So it would seem that the industry is not suffering on account of the importations.

Mr. NORRIS. It would seem to me from that that it would not be necessary to make this wonderfully high increase here.

Mr. SHEPPARD. That is my contention.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Texas to the amendment of the committee, on which the yeas and nays have been ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement as on the former vote as to my pair and its transfer, I vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement as to my pair and its transfer, I vote "nay."

Mr. DIAL (when Mr. ROBINSON's name was called). I make the same announcement as to the pair of the Senator from Arkansas [Mr. ROBINSON] as on the previous vote. If he were present and not paired, he would vote "yea."

Mr. STERLING (when his name was called). Transferring my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Delaware [Mr. DU PONT], I vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. WATSON of Georgia (when his name was called). I transfer my general pair with the junior Senator from Arizona [Mr. CAMERON] to the senior Senator from Missouri [Mr. REED] and vote "yea."

The roll call was concluded.

Mr. McKINLEY. I transfer my pair with the junior Senator from Arkansas [Mr. CARAWAY] to the junior Senator from Pennsylvania [Mr. PEPPER] and vote "nay."

Mr. LODGE. I transfer my pair with the senior Senator from Alabama [Mr. UNDERWOOD] to the senior Senator from Pennsylvania [Mr. CROW] and vote "nay."

Mr. HARRIS. I transfer my pair with the junior Senator from New York [Mr. CALDER] to the senior Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. GLASS. Making the same transfer of my pair as on the preceding vote, I vote "yea."

Mr. HARRISON. Has the junior Senator from West Virginia [Mr. ELKINS] voted?

The VICE PRESIDENT. He has not voted.

Mr. HARRISON. I transfer my pair with that Senator to the senior Senator from Tennessee [Mr. SHIELDS] and vote "yea."

The roll call resulted—yeas 16, nays 31—as follows:

YEAS—16.

Dial	Harrison	Overman	Stanley
Fletcher	Heflin	Ransdell	Walsh, Mass.
Glass	Hitchcock	Sheppard	Walsh, Mont.
Harris	Norris	Simmons	Watson, Ga.

NAYS—31.

Ball	Hale	McCumber	Phipps
Brandegee	Jones, Wash.	McKinley	Poindexter
Capper	Kellogg	McLean	Smoot
Curtis	Kendrick	McNary	Sterling
Ernst	Keyes	Nelson	Sutherland
France	Ladd	Newberry	Townsend
Frelinghuysen	Lenroot	Nicholson	Warren
Gooding	Lodge	Oddie	

NOT VOTING—49.

Ashurst	Edge	New	Spencer
Borah	Elkins	Norbeck	Stanfield
Broussard	Fernald	Owen	Swanson
Bursum	Gerry	Page	Trammell
Calder	Harreld	Pepper	Underwood
Cameron	Johnson	Pittman	Wadsworth
Caraway	Jones, N. Mex.	Pomerene	Watson, Ind.
Colt	King	Rawson	Weller
Crow	La Follette	Reed	Williams
Culberson	McCormick	Robinson	Willis
Cummins	McKellar	Shields	
Dillingham	Moses	Shortridge	
du Pont	Myers	Smith	

The VICE PRESIDENT. On this question the yeas are 16 and the nays are 31. A quorum has not voted. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Harris	McKinley	Sheppard
Brandegee	Harrison	McLean	Simmons
Capper	Heflin	McNary	Smoot
Curtis	Hitchcock	Newberry	Stanley
Dial	Jones, Wash	Nicholson	Sterling
Ernst	Kellogg	Norris	Sutherland
Fletcher	Kendrick	Oddie	Townsend
France	Keyes	Overman	Wadsworth
Frelinghuysen	Ladd	Phipps	Walsh, Mass.
Gooding	Lodge	Poindexter	Walsh, Mont.
Hale	McCumber	Ransdell	Warren

The VICE PRESIDENT. Forty-four Senators have answered to their names. A quorum is not present. The Secretary will call the roll of absentees.

The reading clerk called the names of the absent Senators, and Mr. LENROOT answered to his name when called.

Mr. SHORTRIDGE entered the Chamber and answered to his name.

The VICE PRESIDENT. Forty-six Senators have answered to their names. A quorum is not present.

Mr. McCUMBER. Mr. President, I move that the Sergeant at Arms be directed to procure the attendance immediately of those Senators who are absenting themselves from the Chamber.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms is so ordered.

Mr. LA FOLLETTE, Mr. SHIELDS, Mr. BURSUM, and Mr. RAWSON entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty Senators have answered to their names. A quorum is present. The question is on agreeing to the amendment of the Senator from Texas [Mr. SHEPPARD] to the committee amendment, on which the yeas and nays have been ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement as before as to my pair and transfer, I vote "yea."

Mr. HARRIS (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "yea."

Mr. HARRISON (when his name was called). I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Missouri [Mr. REED] and vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and transfer, I vote "nay."

Mr. LODGE (when his name was called). Making the same transfer of my pair as before, I vote "nay."

Mr. McKINLEY (when his name was called). Making the same announcement as before, I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as to my pair and its transfer as on previous votes, I vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. DIAL. I desire to make the same announcement as to the Senator from Arkansas [Mr. ROBINSON] as on former votes. If the Senator from Arkansas were present, he would vote "yea."

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. McKELLAR];

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS]; and

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE].

The result was announced—yeas 15, nays 35, as follows:

YEAS—15.

Dial	Heflin	Ransdell	Stanley
Fletcher	La Follette	Sheppard	Walsh, Mass.
Harris	Norris	Shields	Walsh, Mont.
Harrison	Overman	Simmons	

NAYS—35.

Ball	Gooding	McCumber	Rawson
Brandegee	Hale	McKinley	Shortridge
Broussard	Jones, Wash.	McLean	Smoot
Bursum	Kellogg	McNary	Sterling
Capper	Kendrick	Newberry	Sutherland
Curtis	Keyes	Nicholson	Townsend
Ernst	Ladd	Oddie	Wadsworth
France	Lenroot	Phipps	Warren
Frelinghuysen	Lodge	Poindexter	

NOT VOTING—46.

Ashurst	Elkins	Myers	Spencer
Borah	Fernald	Nelson	Stanfield
Calder	Gerry	New	Swanson
Cameron	Glass	Norbeck	Trammell
Caraway	Harreld	Owen	Underwood
Colt	Hitchcock	Page	Watson, Ga.
Crow	Johnson	Pepper	Watson, Ind.
Culberson	Jones, N. Mex.	Pittman	Weller
Cummins	King	Pomerene	Williams
Dillingham	McCormick	Reed	Willis
du Pont	McKellar	Robinson	
Edge	Moses	Smith	

So Mr. SHEPPARD'S amendment to the committee amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. McCUMBER. Mr. President, I hope the Sergeant at Arms will not consider that the order which has been made ceases to be in force when there has been no recision on the part of the Senate. I shall ask later in the evening that the Sergeant at Arms make a report, because we ought to know why we can not keep Senators in the Chamber when there are more than a sufficient number to make a quorum at all times.

Mr. President, I now ask that the Senate consider paragraph 210.

The VICE PRESIDENT. The first amendment of the Committee on Finance in the paragraph will be stated.

The READING CLERK. On page 35, paragraph 210, line 19, after the word "manner," it is proposed to insert "25 per cent ad valorem; ornamented, incised, or decorated in any manner."

Mr. FLETCHER. Mr. President——

Mr. McCUMBER. Mr. President, before the Senator from Florida proceeds, let me explain that there are practically three classes of articles with different rates of duty embraced in the paragraph as it now stands with the amendment. On a certain class the duty proposed is 25 per cent ad valorem, as compared to a rate under the Underwood law of 15 per cent ad valorem. On another class, namely, decorated, the duty under the Underwood law is 20 per cent ad valorem, and under the Senate committee amendment 40 per cent ad valorem. Rockingham earthenware under the present Underwood law carries a 30 per cent ad valorem duty.

Now, I desire to make some changes in this paragraph. The first change will be to modify the first Senate committee amendment by striking out the numeral "25" and inserting in lieu thereof the numeral "15."

The duty will then be just the same as that in the present law. Secondly, I shall ask that the Senate disagree to the amendment on page 35, line 22. That will reinstate the Underwood law rate of 20 per cent. The third amendment will be to add at the end of line 23 the words "and Rockingham earthenware, 25 per cent ad valorem." That will be a less rate than that imposed by the present Underwood law. So on two classes of commodities the rate will be the same as in the Underwood law and on the third class the rate would be 5 per cent ad valorem less than in the Underwood law.

I will first move, on page 35, line 19, to strike out "25" and to insert in lieu thereof "15."

Mr. FLETCHER. Mr. President, I desired to make an inquiry of the Senator from North Dakota. I did not rise for the purpose of discussing the paragraph now before the Senate. I wished to inquire of the Senator from North Dakota whether he was going to pass over for the present paragraphs 211 and 213a? I have been requested to pay some attention to those paragraphs, and I wish to regulate my own movements. I want to ascertain whether or not those paragraphs will come up to-night?

Mr. McCUMBER. The Senator from North Carolina [Mr. SIMMONS] has asked that we pass over to paragraph 227, and I have agreed to do that. That is the paragraph relative to optical glasses.

Mr. FLETCHER. So the paragraphs to which I refer will not come up until after that paragraph shall have been considered?

Mr. McCUMBER. No; not just now.

Mr. FLETCHER. But will it come up later during the evening or will it go over until to-morrow? I should like to know.

Mr. McCUMBER. That is the paragraph which the Senator from Washington [Mr. POINDEXTER] desired to discuss, and as he has not been very well recently, I have agreed to let the paragraph go over for a day or two.

Mr. POINDEXTER. To which paragraph is the Senator from Florida referring?

Mr. FLETCHER. I had reference to paragraphs 211 and 213a. They might be considered now.

Mr. POINDEXTER. I am not asking that those paragraphs go over. The paragraph of magnesite is the only one that I asked to have go over.

Mr. FLETCHER. That is paragraph 204a.

Mr. McCUMBER. We may then return to paragraph 211 after we shall have considered paragraph 227, if that is agreeable.

The first amendment which I offer is to strike out "25" and insert in lieu thereof "15," in paragraph 210.

Mr. WALSH of Montana. Mr. President, I congratulate the chairman of the committee—and the country, for that matter—upon the change which he has suggested. I find that it is difficult to understand how the committee could ever have been led to suggest the amendments which they propose. This paragraph deals with "common yellow, brown, or gray earthenware made of natural, unwashed, and unmixed clay, plain or embossed; common salt-glazed stoneware; stoneware and earthenware crucibles," and so forth and so forth—the ordinary dishes of the household, cups and saucers, plates, and other like vessels that are necessities in every home. These articles under the

Underwood law carried duties of 15 and 20 per cent; that is, 15 per cent when they are plain and 20 per cent when they are ornamented or decorated in any way. The House bill imposed a duty of 20 per cent on all of them without distinction as to decoration or ornamentation, but the Senate committee concluded to increase the rate fixed by the Underwood law upon the plain crockery 66⅔ per cent and on the decorated or ornamented crockery 100 per cent, making the rates 25 per cent and 40 per cent, respectively.

Mr. McCUMBER. Mr. President, the Senator should modify his last statement. His first statement, of course, is correct, but in connection with his last statement he must recall that the House rate is 20 per cent upon the American valuation, and 40 per cent on the foreign valuation would not be any increase of duty of at least 100 per cent.

Mr. WALSH of Montana. I was comparing the rate proposed by the Senate committee with the rate fixed in the existing law.

Mr. SMOOT. The Senator is right from that standpoint.

Mr. WALSH of Montana. The Senate committee propose an increase upon the plain ware of 66⅔ per cent over the present rate and on the ornamented or decorated ware of 100 per cent over the existing rate, increasing the duty from 20 per cent to 40 per cent, and that, Mr. President, in view of the fact that the domestic production is enormous and the imports are negligible.

Mr. DIAL. Mr. President——

Mr. WALSH of Montana. I yield to the Senator.

Mr. DIAL. Is that the material out of which flower jars are made?

Mr. WALSH of Montana. Yes; that is, plain flower jars. There are fancy flower jars which are taken care of in two subsequent paragraphs.

Mr. DIAL. So that it would seem that we shall not be able to have a few flowers without a tariff duty being imposed on the flower jars.

Mr. WALSH of Montana. No. "Red earthenware, usually porous, is made from red burning clays." That is the material of which flower pots are usually made, and that is covered by this paragraph.

Mr. SMOOT. Mr. President, do I understand the Senator to intimate that he desires to reduce these rates lower than those of the existing law?

Mr. WALSH of Montana. No; I am quite content to leave them as the committee now propose to fix them.

Let me call attention to the fact that of this particular kind of ware there was produced in this country, in 1914, $4,409,205 worth; in 1916, $4,852,639 worth; in 1918, $5,361,025 worth; and in 1920, $7,242,579 worth—a very gratifying growth, as will be observed, in the production. On the other hand, the importations were as follows:

In 1918 earthenware not decorated, ornamented, or incised in any manner to the extent of $5,251 was introduced.

The importations of earthenware, decorated, ornamented, or incised in any manner, and manufactures of such ware, in 1918 were $2,726. The importations of crucibles of stone and earthenware in 1918 were $3,019. So that practically $10,000 worth of these things was imported in 1918; in 1919 there was a little more; in 1920 there was about $30,000 worth; in 1921 about $21,000 worth, the quantity being entirely negligible.

I suppose this must have been a mere inadvertence on the part of the committee, because I can not conceive that, considering the facts laid before them by the Tariff Commission, they would ever have thought of imposing this tremendous burden upon a household necessity and upon every household in the country; so I feel highly gratified and pleased that the Senate committee has concluded not to raise the rates on this class of articles.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from North Dakota, on behalf of the committee, to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McCUMBER. I ask that the Senate disagree to the committee amendment on page 35, line 22.

Mr. WALSH of Montana. Would not the proper procedure be simply to submit the amendment?

Mr. McCUMBER. I am not going to make a formal motion, but I simply ask the Senate to disagree to the committee amendment.

The VICE PRESIDENT. The next amendment will be stated.

The next amendment was, on page 35, line 22, after the words "provided for," to strike out "20" and insert "and Rockingham earthenware, 40," so as to read:

And manufactures wholly or in chief value of such ware, not specially provided for, and Rockingham earthenware, 40 per cent ad valorem.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. McCUMBER. I now move to add, after the words "ad valorem," the words "and Rockingham earthenware, 25 per cent ad valorem."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Dakota on behalf of the committee.

The amendment was agreed to.

Mr. McCUMBER. I now ask that we turn to page 45, paragraph 227.

Mr. WALSH of Montana. Mr. President, before passing to that, something was said concerning paragraph 211 and the related paragraph 213a. There are a number of Senators who desire to say something on those paragraphs who are not prepared to discuss them this evening. I should like to inquire of the Senator if it would be agreeable to him to let those stand over?

Mr. McCUMBER. I understand that there was some Senator—I do not remember now which one it was—who desired to have those passed over some time ago. I do not know whether that Senator is ready to go on or not.

Mr. NICHOLSON. I wanted to go on to-morrow morning.

Mr. McCUMBER. The Senator from Colorado informs me that he desires to take up that subject to-morrow morning; and the Senator from North Carolina has asked that we consider paragraph 227, if it is agreeable. I ask that the Secretary state the first amendment in paragraph 227.

The PRINCIPAL LEGISLATIVE CLERK. On page 45, line 19, after the word "optical," it is proposed to strike out "glass" with a comma, and to insert "glass."

The amendment was agreed to.

The PRINCIPAL LEGISLATIVE CLERK. On page 45, line 21, it is proposed to strike out "equipment" and to insert "equipment" with a comma.

The amendment was agreed to.

The PRINCIPAL LEGISLATIVE CLERK. On the same line, after the word "or," where it occurs the second time, it is proposed to insert the word "for."

The amendment was agreed to.

The PRINCIPAL LEGISLATIVE CLERK. On page 45, line 22, it is proposed to strike out "35" and to insert "55," so as to make the paragraph read:

Optical glass or glass used in the manufacture of lenses or prisms for spectacles, or for optical instruments or equipment, or for optical parts, scientific or commercial, in any and all forms, 55 per cent ad valorem.

Mr. SHEPPARD. I move to amend the committee amendment by inserting, in lieu of "55," the figures "25."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Texas to the amendment of the committee.

Mr. SHEPPARD. Mr. President, the Republican tariff act of 1919 contained a paragraph to the effect that glass plates or disks, rough cut or unwrought, for use in the manufacture of optical instruments, spectacles, and eyeglasses, and suitable only for such use, should be admitted free of duty, provided that such disks exceeding 8 inches in diameter might be polished sufficiently to enable the character of the glass to be determined.

The Democratic tariff act of 1913, the act now in force, reenacted this paragraph without change. In other words, the Payne-Aldrich Act of 1909 placed this article on the free list. The Democratic tariff act of 1913 contained the same provision.

Mr. SMOOT. Mr. President, I suppose the Senator knows that at that time we had no industry in the United States. It has been developed entirely since that date.

Mr. SHEPPARD. I am coming to that. I am merely referring to these former acts in order to give the recent history of the tariff on this question.

The Republican tariff bill of 1922, as it passed the House, levies a duty of 35 per cent ad valorem on optical glass or glass used in the manufacture of lenses or prisms for spectacles, or for optical instruments or equipment or optical parts, scientific or commercial, in any and all forms.

This Republican bill of 1922, as reported to the Senate, increases the House rate from 35 per cent ad valorem to 55 per cent ad valorem.

Optical glass is one of the most important articles of human use. It is one of the supreme physical essentials of scientific progress. It has supplemented and strengthened the fragile organs of mortal vision to an extent almost impossible to measure. It has made possible the microscope, the telescope, the field glass, the range finder, the modern gun sight, the periscope, the aiming circle, the photographic lens, the control and direction of troop movements, and artillery fire. It is

therefore a fundamental element of national defense. In supporting and relieving the eye it becomes a beneficient factor in the health and efficiency of humankind.

It was not produced in any substantial degree in the United States before 1918. Our entry into the war the year before necessitated urgent endeavors to establish industries here for the making of optical glass. With the assistance of the Government and certain noted scientists, four establishments were erected with a combined capacity equal to our requirements. During the seven months, from April to October, 1918, these establishments turned out 475,924 pounds of this glass.

American manufacturers, according to the Tariff Commission, have developed formulas and processes for practically every kind of optical glass. There are practically no exports, while imports for the first 10 months of 1920 had a value of nearly $750,000. Imports from England amounted to $393,967, from Germany $152,166, from France $136,456. Home production amounts to about $250,000 per annum, if my inferences from the meager testimony on this phase of the subject are correct.

I have been unable to find in any of the data before Congress and the Senate and House committees a definite statement as to the amount of home production in 1920.

I ask the Senator from Utah if he has any data as to the home production of this article in 1920?

Mr. SMOOT. I do not think we have any information since that time.

Mr. SHEPPARD. I have been unable to find the home production for 1920 in any of the hearings or reports.

Mr. SMOOT. The Senator will notice, however, the great increase in imports.

Mr. SHEPPARD. That is true; and I am also coming to that phase of the question.

Mr. SMOOT. As soon as the Senator gets through, I will make a short statement.

Mr. SHEPPARD. This is undoubtedly a new industry in the United States, and undoubtedly some measure of protection is justifiable from a sound economic viewpoint. It will be illuminating at this point to give the Senate the comment of the Tariff Commission on this particular phase of the subject:

Says the Tariff Commission:

> This new industry in the United States has the materials, the scientific knowledge, the equipment, and the capacity to compete with some of the best products of foreign manufacture. During the past three years Germany has been shut out of our market and American manufactures have perfected and increased their output.
>
> We have not as yet produced all of the varieties required for domestic consumption; we are still (1918) obliged to import about one-half of the normal amounts (1913–14) of unwrought and rough cut optical glass and in addition large quantities of optical glass in a finished condition as parts of optical instruments. In December, 1917, we were making but a few fundamental varieties of optical glass. At that time a scientific authority stated—

And I desire to say that that authority was the Metallurgical and Chemical Engineering Journal for December 15, 1917—

> At that time a scientific authority stated that "the four most necessary varieties of glass, to wit, a very light and transparent crown suitable for field-glass prisms, an ordinary crown of slightly higher index, a typical heavy flint, and a typical light flint, are already in production. The two next in importance are a heavy baryta crown and a light baryta flint used particularly in photographic lenses, and these, we learn, are under way, with every prospect of reaching suitable commercial developments. If a good supply of well-annealed material, even of the half-dozen sorts here enumerated, can be had, the country will be in pretty good shape to make its own optical instruments. The matter of suitable mixing and annealing for the production of disks of large size may be trusted to the future."
>
> It was not until after five years of scientific research and experiment that the Jena works, of Germany, developed 28 new kinds of optical glass. This firm had the advantage of 25 years' experience in producing optical glass, and in this field was practically without a competitor. It is not reasonable to expect that American manufacturers and scientists could in less than three years attain the required standards of knowledge and efficiency to meet the demands of domestic consumption and the inroads of foreign competition.
>
> During the war the optical industries of Germany, France, and England have been driven to a high state of industrial activity and the scientific precision essential in the production of perfect optical glass. Under the tariff act of 1913 optical glass is admitted free of duty into the United States. The new American industry under such conditions is unequal to the task of engaging in successful competition with the output of the highly developed industry and the experienced scientists and manufacturers of the countries named.

Such is the comment of the Tariff Commission on the condition of this industry at the present time. Undoubtedly the superior experience and the long period of operation of factories in foreign countries make it impracticable at present for the new enterprises in this country, industries only three or four years old, to compete with them successfully. Consequently, the question is, What is a reasonable tariff rate?

One of the manufacturers of this article, optical glass, appeared before the Ways and Means Committee of the House and stated that as nearly as he could determine, and as nearly as his company could determine, European prices ranged from 40 to 70 per cent of our prices. That gentleman was Mr. Harvey N. Ott, of the Spencer Lens Co., of Buffalo, N. Y.

It seems that the House committee took him practically at his word. It would seem to be the part of prudence, in granting protection, to discount to some extent the claims of those directly interested. Nobody else appeared before the House committee except this interested manufacturer, and the House committee gave him practically what he asked—35 per cent. I take it that it would be a prudent thing to discount what he said at least 10 per cent, and that a rate of 25 per cent would be proper and legitimate under the circumstances.

When the bill reached the Senate, the same gentleman appeared before the Senate Finance Committee and asked for protection on optical glass by a rate of 50 per cent, and the Senate committee gave him 55 per cent.

Mr. SMOOT. He asked 50 per cent on the American valuation.

Mr. SHEPPARD. This is his testimony before the Senate Finance Committee.

Mr. SMOOT. I am perfectly aware of that; and it was on the American valuation.

Mr. SHEPPARD. He said nothing about that in his testimony.

Mr. SMOOT. If the Senator desires, I can call his attention to it, and then he will not make such a statement.

Mr. SHEPPARD. I will read the testimony.

Mr. SMOOT. I have it here.

Mr. SHEPPARD. I have it, too.

Mr. SMOOT. He said:

> In the present bill, as it passed the House, there is a duty of 35 per cent ad valorem on optical glass. That is, of course, based on the American valuation. It helps out considerably over what it would be under the old valuation, but the unfortunate part of it is that of six of the more important kinds of optical glass our average cost is now $2.43 per pound, due to some extent to recent increase in cost of natural gas. On the other hand, the average import price, or quotations, other dealers have been getting on these glasses plus 35 per cent ad valorem American valuation amounts to $2.20 per pound. In other words, the average cost of these six kinds of glass is 23 cents more than they can be imported for on the 35 per cent ad valorem rate. We therefore ask for a 50 per cent duty—

On the American valuation.

Mr. SHEPPARD. Then he must have been asking for an outrageously high rate. It is clear from his testimony that his request of the House committee was based on the House standard—that is, American valuation—but that his request of the Senate committee was based on the Senate committee's standard. The percentages, if added to the American valuation, will be much higher than they are when based on the standard adopted by the Senate committee. But he asked for a higher rate from the Senate committee.

Mr. SMOOT. I am perfectly aware of that. I wanted the Senator to know that he asked for 50 per cent on the American valuation, and that the Senate committee gave him 55 on the foreign valuation.

Mr. SHEPPARD. I intended to quote from his testimony and to make the point that a man who would ask for a rate of that kind could not well be trusted to present the situation accurately and properly. I mean no personal reflection. He would be unconsciously influenced by self-interest.

Mr. SMOOT. I want to say to the Senator that his testimony was not all that we had before the committee. Some of the Government officials were very much interested in this item. The Senator, of course, knows that we were left almost helpless when the war came on, and the Government of the United States, in order to get the industry established at all, advanced money for that very purpose.

Mr. SHEPPARD. I have outlined the difficulties we encountered during the war, and I have said that this industry having been developed during the war, and being of great importance, ought to have a rate which would aid it to develop until it could compete with the foreigners. The only testimony in the hearings is the testimony of this interested manufacturer, and the other testimony to which the Senator refers is not in these hearings.

I ask for the yeas and nays on my amendment.

Mr. SMOOT. What is the Senator's amendment?

Mr. SHEPPARD. To reduce the rate to 25 per cent.

The yeas and nays were ordered.

Mr. FRELINGHUYSEN. Mr. President, before the yeas and nays are called, I want to say to the Senator from Texas that he does not understand the plight this country was in when we entered the war, and the imports of this optical glass from Germany were cut off.

Mr. SHEPPARD. I have referred to that.

Mr. FRELINGHUYSEN. There were four manufacturers in this country who undertook, under the direction of scientists

and Army officers, to supply the demand. This glass is very necessary in warfare, as the Senator knows. These industries were established, and to-day, with Germany practically having had control of the market prior to the war, this highly technical industry having been established in the United States, the question is whether we are to be independent of any foreign country, develop the industry here, and protect ourselves against the low-production cost in Germany.

From the standpoint of national defense, it is necessary that this proper protection be given. Of course, if the Senator wants to imperil the industry by putting a rate of 25 per cent on the article, which I am informed is too low, he is entitled to his viewpoint, but after the House had studied the question of the American valuation, they gave them 25 per cent on the American valuation. We are competing with very low production costs abroad in this optical-glass matter, and 55 per cent is the essential tariff, based upon the foreign valuation.

Mr. SHEPPARD. The representative of the optical glass firm who appeared before the committee asked for only 50 per cent. They gave him 55. He asked for bread, and they gave him cake.

The principal legislative clerk proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement as before, I vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. McKINLEY (when his name was called). I have a permanent pair with the junior Senator from Arkansas [Mr. CARAWAY], which I transfer to the senior Senator from California [Mr. JOHNSON], and vote "nay."

Mr. DIAL (when Mr. ROBINSON's name was called). I make the same announcement as before with reference to the pair of the Senator from Arkansas [Mr. ROBINSON]. If he were present and not paired, he would vote "yea."

Mr. STERLING (when his name was called). Making the same announcement as on the previous vote, I vote "nay."

Mr. SUTHERLAND (when his name was called). I make the same announcement as on the previous vote with reference to my pair and its transfer, and vote "nay."

Mr. WATSON of Georgia (when his name was called). I transfer my pair with the junior Senator from Arizona [Mr. CAMERON] to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

The roll call was concluded.

Mr. LODGE. Making the same announcement as before as to the transfer of my pair, I vote "nay."

Mr. EDGE (after having voted in the negative). I transfer my general pair with the senior Senator from Oklahoma [Mr. OWEN] to the senior Senator from Iowa [Mr. CUMMINS] and allow my vote to stand.

Mr. HARRIS. Making the same announcement as before, I vote "yea."

Mr. HARRISON. I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. JONES of New Mexico. Making the same announcement as previously with reference to the transfer of my pair, I vote "yea."

The result was announced—yeas 14, nays 38, as follows:

YEAS—14.

Dial	Heflin	Sheppard	Walsh, Mass.
Fletcher	Jones, N. Mex.	Shields	Watson, Ga.
Harris	La Follette	Simmons	
Harrison	Overman	Stanley	

NAYS—38.

Ball	Hale	McKinley	Rawson
Brandegee	Harreld	McLean	Shortridge
Bursum	Jones, Wash.	McNary	Smoot
Capper	Kellogg	Moses	Sterling
Curtis	Kendrick	Newberry	Sutherland
Edge	Keyes	Nicholson	Townsend
Ernst	Ladd	Oddie	Wadsworth
France	Lenroot	Page	Warren
Frelinghuysen	Lodge	Pepper	
Gooding	McCumber	Phipps	

NOT VOTING—44.

Ashurst	du Pont	Nelson	Smith
Borah	Elkins	New	Spencer
Broussard	Fernald	Norbeck	Stanfield
Calder	Gerry	Norris	Swanson
Cameron	Glass	Owen	Trammell
Caraway	Hitchcock	Pittman	Underwood
Colt	Johnson	Poindexter	Walsh, Mont.
Crow	King	Pomerene	Watson, Ind.
Culberson	McCormick	Ransdell	Weller
Cummins	McKellar	Reed	Williams
Dillingham	Myers	Robinson	Willis

So Mr. SHEPPARD's amendment to the committee amendment was rejected.

Mr. McCUMBER. Mr. President, I wish to move to reduce the rate of duty proposed by the Senate committee, but before doing so desire to read a portion of the testimony that was given before the Ways and Means Committee of the House. I read from the testimony of Mr. Harvey N. Ott, of the Spencer Lens Co., of Buffalo, N. Y.:

I am a member of the Spencer Lens Co., of Buffalo, and I am here particularly interested in the optical glass question, and I have a brief which I want to leave with you, but there are two or three points which I want to stress to you a little further. That is the fact that the foreign optical glass concerns increased their facilities during the war very greatly, and very naturally they are looking now for a place to unload it, and they have been coming to this country with prices which, with their years of experience and their organization, etc., we, as a new industry, are not able to meet. No optical glass was made in this country before the war, and it is an entirely new industry that we have developed here. It is one of the infant industries, and it is something that has taken a lot of work and a lot of investigation and a lot of hard knocks. We have succeeded, so far as quality is concerned, in making as good optical glass as we were ever able to import. We have not been able to make it at prices at which we can compete with the foreign glass as it is now coming in.

Two years ago we imported something like $217,000 worth of optical glass. During the first 10 months of 1920 we imported $817,000 worth of optical glass. We ourselves made and sold, including what we used, perhaps $125,000 worth of optical glass. But as the year advanced and as more and more of the European competition was felt our business has correspondingly dropped off. We must have some protection in this optical glass. You know how serious the condition was during the war. You have not forgotten that during the war you people sent out a call for field glasses, opera glasses, and spyglasses and everything else, because we did not have the optical glass in this country.

Further on Mr. Ott said:

A month ago the factory manager of one of our largest competitors in Germany visited us in Buffalo, and he told me that they were paying skilled mechanics 400 marks a week. Well, 400 marks a week at the present value of the mark, which ranges anywhere from a cent and a third to a cent and a half, will make that man getting anywhere from $5 to $6 a week, as against our skilled workmen that we pay from $35 to $40 a week. Of course, this rate of exchange we are all hoping will be better, and it won't be as bad in the future, but that is the condition we are facing now, and the same thing is true of all of our scientific apparatus.

As stated, this is an infant industry—an industry that has been just started in this country. The sore need of having such an industry was manifested when we went into the war. We want to keep the industry, now that we have established it. We want to give the protection that is necessary to maintain that industry in the United States. After looking over the testimony again I am satisfied, however, that we have given a rate somewhat higher than is absolutely necessary for protection. Taking the testimony altogether, although they asked for 50 per cent ad valorem on the American valuation, I think the testimony of Mr. Ott himself shows that 45 per cent upon the foreign valuation will sufficiently protect the American manufacturer.

I therefore move to amend by striking out the figures "55" and inserting in lieu thereof the figures "45."

The PRESIDING OFFICER (Mr. LADD in the chair). The amendment to the amendment will be stated.

The READING CLERK. On page 45, line 19, strike out "55," as proposed by the committee, and insert in lieu thereof "45."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SHEPPARD. Mr. President, I desire to ask the Senator in charge of the bill if the next paragraph, 228, which relates evidently to this question and relates to instruments that are made of optical glass, can not also be disposed of at this time. I suggest that we might dispose of it now.

Mr. McCUMBER. I think we can go to the next paragraph at this time. I will move to amend that by striking out the figures "55," as proposed by the committee, and inserting in lieu thereof "45"; but there is an amendment in the beginning that should be agreed to first, which I ask may be stated.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. On page 45, line 24, paragraph 228, the committee proposes to strike out the word "photographic" and insert in lieu thereof "azimuth mirrors, sextants, and octants; photographic."

The amendment was agreed to.

The next amendment of the committee was, on page 46, line 1, to strike out the words "surveying instrument" and the comma.

The amendment was agreed to.

Mr. McCUMBER. On page 46, line 3, I move to strike out the numerals "55" and to insert in lieu thereof the numerals "45."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. McCUMBER. Mr. President, we are ready to take up paragraph 214.

Mr. FLETCHER. Mr. President, I understood the Senator was going to take up paragraphs 211 and 213a.

Mr. McCUMBER. The Senator from North Carolina asked that these paragraphs should go over.

Mr. FLETCHER. Does the Senator from North Carolina understand that I am ready to go on with paragraphs 211 and 213? I thought the Senator perhaps was thinking someone else was going to discuss those paragraphs.

Mr. SIMMONS. My recollection is that I was told those paragraphs were to go over on account of the Senator from Washington [Mr. POINDEXTER].

Mr. SMOOT. He asked that they should go over.

Mr. FLETCHER. The Senator from Washington said to-night that he did not ask to have them go over. He said that what he had reference to was paragraph 204a, and that he did not ask to have paragraph 211 go over.

Mr. SMOOT. The Senator from Colorado [Mr. NICHOLSON] asked that it go over.

Mr. NICHOLSON. Mr. President, I have asked to have this item go over until to-morrow morning. There are some data which I desire to present that I can not secure until that time.

Mr. FLETCHER. This is a new Richmond in the field. I never heard of the Senator from Colorado making the request. I knew that the Senator from North Dakota supposed that the Senator from Washington wanted it to go over, but I was present when the Senator from Washington said he did not desire to have it go over. Consequently, I was prepared to take it up and I understood that we were going to return to that paragraph.

Mr. McCUMBER. The Senator from Colorado [Mr. NICHOLSON] said that he did, and so I allowed it to go over.

Mr. FLETCHER. I did not understand that the Senator from Colorado wanted it to go over. When last it was mentioned I think it was stated that the Senator from North Carolina [Mr. SIMMONS] wanted it to go over.

Mr. McCUMBER. I simply wish to call up paragraph 214; that is all; and then I will yield the floor.

Mr. FLETCHER. I do not know whether or not the Senator from North Carolina desires to take up another paragraph.

Mr. SIMMONS. I am in no hurry.

Mr. FLETCHER. Would the Senator from North Dakota mind, so long as we have gotten down to paragraph 230, going on with paragraphs 230 and 231? I think we might go on with those paragraphs now.

Mr. McCUMBER. Is there any objection to going on with paragraph 214? Is there any Senator who desires that it be passed over? If so, why?

Mr. FLETCHER. I understood that paragraph had been passed over.

Mr. SIMMONS. If the Senator from Florida is ready to have that paragraph taken up, I hope the Senator from North Dakota will let him do so.

Mr. McCUMBER. Certainly; I will do so, if it is asked. What paragraph does the Senator from Florida desire to be now taken up?

Mr. FLETCHER. Paragraph 230. It is a continuation of the paragraph we have just finished.

Mr. McCUMBER. Very well. Then I will ask that we proceed to consider paragraph 230.

The PRESIDING OFFICER. The amendment proposed by the Committee on Finance to paragraph 230 will be stated.

The ASSISTANT SECRETARY. On page 46, paragraph 230, line 8, the Committee on Finance proposes to strike out "all mirrors" and to insert "and all mirrors not specially provided for."

Mr. FLETCHER. I think there is no objection to that amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to. The next amendment proposed by the committee in paragraph 230 will be stated.

The ASSISTANT SECRETARY. On page 46, line 10, it is proposed to strike out the word "cases" and to insert "cases, 60 per cent ad valorem."

Mr. FLETCHER. Mr. President, with regard to that amendment, I wish to submit some data which I have gathered from such investigation as I have been able to make of the paragraph. The first observation I will make in reference to it is that under the act of 1913 the duty was 30 per cent ad valorem on all this glass. The act of 1913 reads:

PAR. 93. Stained or painted glass windows or parts thereof and all mirrors not exceeding in size 144 square inches, with or without frames or cases; * * * and all glass or manufactures of glass or paste or of which glass or paste is the component material of chief value, not specially provided for in this section, 30 per cent ad valorem.

The act of 1909 covered identically the same classification so far as I can see from reading it over, but the duty under the act of 1909 was 45 per cent ad valorem. The pending bill, House bill 7456, as it came from the other House, provided for a 30 per cent ad valorem duty. That is the same duty, so far as I can see, as was provided for under the act of 1913. Now the Senate committee proposes to change the rate of the House bill so that "stained or painted glass windows and parts thereof and all mirrors not specially provided for, not exceeding in size 144 square inches, with or without frames or cases," shall bear a duty of 60 per cent ad valorem.

That is twice what the House rate was; it is twice what the act of 1913 provided and 15 per cent greater than the duty imposed by the act of 1909. The amendment following in this same paragraph provides for a 60 per cent ad valorem duty on "all glass or manufactures of glass or paste, or of which glass or paste is the component material of chief value, not specially provided for."

That is just twice the amount of the duty which is carried in the act of 1913 and is 15 per cent higher than the duty carried by the act of 1909.

It seems to me that these increases are unwarranted and that there is no occasion for them; that there can be no good results follow either by way of adding to the amount of revenue coming into the Treasury from the imposition of the duties or even by way of protection to any worthy industry in this country.

I quote from the Tariff Information Summary as follows:

Stained glass windows are made of small pieces of glass colored in any of the ways mentioned and held together by strips of lead. Sometimes pictorial effects are obtained by painting on single pieces of glass.

In this country in 1912 the gross production "is estimated at about $7,000,000, which would include articles other than stained-glass windows. Competition is principally from Germany and Austria."

The imports of stained glass, or parts, and small mirrors amounted to $418,445, the maximum, in 1914.

In the subsequent years there was a very decided falling off in the imports. In 1918 the value of the imports was $24,173; in 1919 it was $26,999; in 1920 it was $94,861; and for nine months of 1921 it was $92,640.

There has been some revenue produced under the 30 per cent duty of the act of 1913. In 1918 the amount of revenue was $7,252, in 1919 it was $8,100, and in 1920 it was $28,458.

The raising of that duty to 60 per cent, it seems to me, would more than likely very greatly decrease the importations; and, as I have said, there would be no gain by way of increase in the revenue by adding to the duty, because the importations are now very small, the total importations during nine months of 1921 amounting only to $92,640. The exports are not given in the Summary of Tariff Information.

With reference to the second amendment proposed by the committee increasing the duty from 30 per cent to 60 per cent ad valorem on manufactures of glass or paste we find that the "paste is specially prepared glass," which is "known also as 'strass' from which imitation gems are manufactured. The requisite qualities of purity, transparency, and high refractivity are comprised in the highest degree in lead-flint glass of unusual density because of the large percentage of lead it contains."

The imports "represent the combined figures for manufactures of glass and of paste not specially provided for, amounting to $427,391 in 1914." In the later years the importations fell off. In 1918 their value was $117,794; in 1919 it was $121,834; in 1920 it was $273,295; and in 1921 it was $260,863.

Under the duty of 30 per cent a certain amount of revenue came into the Treasury. Imports, as will be seen, are comparatively small, and if we raise the duty to twice the present rate and make it 60 per cent in all probability we shall so reduce the imports that we shall get no revenue. The American industry does not require or demand the protection proposed. Therefore I can not see the occasion for making these increases.

The exports of glass and glassware not specially provided for have been as follows:

Calendar year: 1918, $5,401,393; 1919, $8,328,944; 1920, $12,874,614; and the first nine months of 1921, $6,295,511.

In other words, against small importations, ranging from $117,000 to $273,000 a year, we have been exporting $5,000,000 worth, $8,000,000 worth, $12,000,000 worth, and during the last nine months over $6,000,000 worth of these goods.

The exports have been principally to Canada, to the United Kingdom, to Cuba, and to Mexico. I can not see, therefore, any sort of argument to support the increased rates suggested by the committee. The imporations are almost nominal now, and they are coming in under the rate of 30 per cent ad valorem. The proposition of the committee is to raise that rate to 60 per cent ad valorem. If that is done, it can not be hoped to have any imports at all. It seems to me it would be proposing a prohibitive tariff.

There is no need for this duty, as I have said, by reason of its protective effect, because the exportations show that we are

producing vast quantities of these commodities which we do not require in this country, and we are exporting to other countries which I have mentioned vast quantities, in value running into the millions and millions of dollars, whereas the importations are practically nominal.

For these reasons, Mr. President, I object to the changes suggested by this proposed amendment. I think 30 per cent ad valorem is an amply high rate of duty, and that we shall derive more revenue by retaining that duty than we shall by imposing a higher rate of duty; and we shall not in anywise be jeopardizing the interest of any industry or manufacturing enterprise in this country. If there is any reason for these proposed increases, I should be very glad to be enlightened in reference to them.

Mr. SMOOT. Mr. President, this paragraph must be taken into consideration in connection with paragraph 1688. Paragraph 1688 places certain stained window glass on the free list, all above $15 per square foot. As the bill passed the House, some of the representatives of the religious denominations were rather perturbed over the effects of the bill. The manufacturers of stained glass felt quite sure that if there was not an amendment to section 1688 the stained-glass industry would be completely destroyed in the United States, as 90 per cent of all of the stained glass manufactured or imported into the United States goes into houses of worship.

The committee had before it a delegation of laboring men representing every manufacturer of stained window glass in the United States, and I understand that after the committee of laboring men met with the committee and pleaded for their industry they did meet with certain representatives of religious organizations, particularly the representatives of the Catholic Church.

Your committee was informed, not only by the laboring men but by the representatives of the religious denominations who appeared before it, that they recognized the fact that the industry was an important one in the United States; that 70 per cent of the cost of the stained window is labor, and they were perfectly satisfied if the committee would limit the free entry to stained window glass that cost over $15, as I remember, per square foot; and then as to the balance of it, whatever they used, that was made in this country—and really more could be made here than was used in this country—they had no objection whatever to the rates provided for in this bill.

This is the substance of the testimony that was given in connection with what the Tariff Commission reports:

> Labor in the United States for the stained-glass window industry averages $1 per hour. Floor painters receive $1.50, as against 20 cents in Germany. The entire manufacturing operation is handwork, no machinery being used or possible. Labor forms 70 per cent of total cost of production.
>
> In 1914 the production of stained-glass windows in the United States amounted to $212,000. In 1920, owing to the exclusion brought about by the war, the production had increased to $500,000. To-day orders have been placed in Germany to the extent of $800,000 and domestic plants are running at 30 per cent capacity.
>
> American stained-glass windows are comparable to any produced abroad.
>
> Rates suggested: On stained-glass windows, 63 per cent ad valorem and the elimination of the provision of paragraph 1688 permitting the importation of stained-glass windows without payment of duty if imported for presentation to houses of worship. The suggested ad valorem rate was obtained by a comparison of costs on the same window manufactured in the United States and in a representative German plant, as explained in detail in the Ways and Means Committee hearings, page 1673.

Mr. FLETCHER. What paragraph is that?

Mr. SMOOT. Paragraph 1688.

Mr. President, I have a comparison, made by the officials of our Government, showing the result of an investigation that was made as to the mirrors spoken of in this paragraph, made in Germany; and, allowing the importer a profit of 33⅓ per cent on his invoice price, and comparing it with the price of the American product, it would require an ad valorem duty of 350 per cent to equalize the two. This is the result, and I will ask the Senator to note it.

Mirrors in Germany by the dozen were 27¼ cents; the landing charges were 5.1 cents; the selling price of the imported article in the United States was $1.11. The selling price of a comparable article made in America was $1.72. With 33⅓ per cent profit, it would require an ad valorem duty of 350 per cent to equalize the two articles. We are not asking for that, nor did the workingmen ask for it; but these smaller, less valuable mirrors and stained glass can be handled in the United States in connection with the larger ones, and it was finally agreed by all interested parties, both the representatives of the religious denominations and the labor people themselves, that they would be satisfied with the 60 per cent, the labor people claiming that they would try to make ends meet with that and the representatives of the religious denominations saying that they were perfectly willing to meet that situation.

It is rather a grave situation as the conditions exist to-day, and if we intend to keep that industry here I want to say frankly to the Senator from Florida that it can not be done at less than a duty of 60 per cent on the foreign valuation.

Mr. FLETCHER. Mr. President, I can not quite understand that. Of course I do not question what the Senator has said as to the statements by these various witnesses, parties appearing in their own interest, and all that sort of thing, which we ought always to consider; but if we look at the statistics bearing on this item, I can not believe that there is any great threatening of the industry in this country, because we are evidently manufacturing a great deal more of the product than we need, and we are exporting it, according to these figures, by the millions of dollars' worth, and importing it by the hundreds of dollars' worth.

Mr. SMOOT. I will say to the Senator that the testimony from those who ought to know, as they represented the church organizations, showed that there had been placed during this year, at the time they appeared before the committee, orders in Germany alone for $800,000 worth of this glass. The Senator knows that, of course, it takes some time to make those stained windows. They are works of art, and sometimes it takes six months, sometimes more than that to prepare them for shipment.

Mr. FLETCHER. I can understand that; but in 1914 the greatest amount of importation was only $418,425 under the first head of stained or painted glass windows and small mirrors, and under the second head of manufactures of glass or paste the importations in 1914 were $427,391 of value. That was when we had a duty of 30 per cent, showing that in the past we have not been troubled very much by these importations; that a duty of 30 per cent was ample protection, evidently, for this industry, because we made a great deal more than we required in this country, and we brought very little into the country.

The provision with regard to the churches, which the Senator mentions, does not seem to me to be very helpful. For instance, it provides, in paragraph 1688:

> Works of art, productions of American artists residing temporarily abroad, or other works of art, including pictorial paintings on glass, imported expressly for presentation to a national institution or to any State or municipal corporation or incorporated religious society—

Of course, thus far we do not get any benefit; we have not reached the subject, except to a limited degree, where these commodities are manufactured expressly as gifts; but, going on further—

> college, or other public institution, including stained or painted window glass or stained or painted glass windows—

And there we reach this subject—

> which are works of art and valued at $15 or more per square foot, when imported to be used in houses of worship.

That limits this product very materially. In order to come in free it must be a work of art; it must be valued at $15 per square foot or more.

Mr. SMOOT. I will assure the Senator that there is hardly any of it that ever goes into a church that does not cost more than $15 a square foot; and that was perfectly satisfactory to the representatives of the religious denominations in this country.

Mr. FLETCHER. But where is this to be valued—valued over yonder at $15 per square foot?

Mr. SMOOT. Yes; but if the Senator has ever bought any art stained-glass windows, or any kind of art stained glass, he will find out that he, or whoever did pay for it, paid much more than $15 a square foot. I will say to the Senator that many times it runs to $200 and $250 and $300 per square foot.

Mr. FLETCHER. Of course, then it is really a work of art.

Mr. SMOOT. All of this is a luxury. Everything that is in the paragraph is a luxury.

Mr. FLETCHER. Yes; but where it is for the benefit of churches, houses of worship, it is confined to material valued at over $15 a square foot over there. That means that the price here would be $45, $50, or $60 a square foot.

Mr. SMOOT. If there is anything that comes in here that is claimed to be art work, and costs less than $15 per square foot, you can depend upon it that there is not very much art in it, or there is not very much work attached to it. It can not be done by machinery. The glass itself has to be cut many times in the smallest particles, and colored just so.

The figures are made out of glass. Many times a figure is composed of a thousand pieces of glass, every piece fitting so closely with the others that the eye can not see that there is such a thing as a joining. It takes a master hand to make

these things. It takes an artist of the very highest type. It would perhaps take him five or six weeks, in some cases nearly a year, to make one of these masterpieces. So I assure the Senator that the church representatives are perfectly satisfied with the $15 a square foot provision. The importations under existing law to which the Senator has referred are of commodities which come in free.

The figures quoted relate to an article which came in under a duty of 30 per cent and went into the general commerce of the country. I am sure that this is one of the paragraphs under which nobody is going to be hurt.

The men engaged in this pursuit qualify for this work, and none other. They begin when they are young, as apprentices. They live in it. They know nothing whatever other than the work of preparing the stained glass, and when they are thrown out of employment they are in the same situation in which an ordinary common laborer finds himself. No matter how much it has cost them to learn the trade, no matter how many years they have served at it, if the industry ceases in the United States they are just as helpless, if they are 50 years old, as a man who has never done a particle of work up to the time he is 50 years old, never had to work at a thing, and all at once is thrown upon his own responsibility to make a living. They would be the most helpless of men.

Mr. FLETCHER. Mr. President, this paragraph covers something more than mere works of art. You may call them works of art if you like, but it covers other things than these works which should be worth from $15 up to $200 a square foot. Under the act of 1913 there was a paragraph to this effect:

> Works of art, productions of American artists residing temporarily abroad, or other works of art, including pictorial paintings on glass, imported expressly for presentation to a national institution or to any State or municipal corporation or incorporated religious society, college, or other public institution, including stained or painted window glass or stained or painted glass windows imported to be used in houses of worship, and excluding any article, in whole or in part, molded, cast, or mechanically wrought from metal within 20 years prior to importation; but such exemption shall be subject to such regulations as the Secretary of the Treasury may prescribe [free].

This paragraph now is changed so as to limit it to this painted window glass, "including stained or painted window glass or stained or painted glass windows which are works of art and valued at $15 or more per square foot, when imported to be used in houses of worship," and so forth. That is added to the provision of a similar character in the act of 1913. They not only must be imported now to go into houses of worship, but they must be worth $15 a square foot before they come in free.

I was pointing out that as this paragraph reads it is pretty broad. It covers not only such articles as I think the Senator from Utah has mentioned and described, but all manufactures of which glass or paste is the component material of chief value, not specially provided for, 60 per cent ad valorem. That is a very broad description, and covers something more than what, strictly speaking, may be called works of art. This paste material is not so much for glass windows and works of art, but it is used to make what they call imitation gems. It is that from which imitation gems are manufactured, and that is largely what the paste is used for. But, as I say, the paragraph is so broad as, it seems to me, to open the door wide for something more than the mere handling of these works of art or glass of this extraordinary kind and character, but requires that any sort of glass or manufactures of glass of which glass or paste is a component part shall pay a duty of 60 per cent.

Undoubtedly one effect is going to be to advance the price in this country if this duty is levied. I do not think there is any question about that. I do not believe that is to the interest of the general public, and I do not believe the industry requires any such result. The manufacturers doing that business, of course, are inclined to keep out all foreign competition, and we again hear Germany spoken of as a competitor which will run these manufactures out unless they are amply protected. They never did it when the duty was 30 per cent, and I do not see how it is possible for them to do it now, with the industry thoroughly established and with the exportations far exceeding the importations of these commodities, and in view of the broad description here I can not escape the feeling that the effect will be not in any wise to increase the revenue coming to the Government, but the effect will be to enable them to raise their prices to the consumers of this country.

That paragraph in the free list, paragraph 1688, only gives admission free duty to those works of art and that kind of glass of the value of $15 a square foot, and brought in for use of churches exclusively. It does not include a very large proportion of the manufactures from this material.

I do not care to say anything further about it. I still feel that 30 per cent is ample, and I move that in line 10 the numeral "60" be stricken out and the numeral "30" be inserted.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The ASSISTANT SECRETARY. On page 46, line 10, strike out "60" and insert "30."

Mr. FLETCHER. I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement in regard to my pair and its transfer, I vote "nay."

Mr. HARRISON (when his name was called). I transfer my general pair with the junior Senator from West Virginia [Mr. ELKINS] to the senior Senator from Nebraska [Mr. HITCHCOCK], and vote "yea."

Mr. FRELINGHUYSEN (when his name was called). I transfer my pair with the junior Senator from Montana [Mr. WALSH] to the junior Senator from Washington [Mr. POINDEXTER], and vote "nay."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as to the transfer of my pair as on the previous vote, I vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement as heretofore with reference to my pair and its transfer, I vote "nay."

Mr. LODGE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. McKINLEY (when his name was called). I transfer my pair from the junior Senator from Arkansas [Mr. CARAWAY] to the senior Senator from Minnesota [Mr. NELSON], and vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as on the previous vote, I vote "nay."

Mr. SUTHERLAND (when his name was called). Making the same announcement as before in reference to my pair and its transfer, I vote "nay."

Mr. WATSON of Georgia (when his name was called). Transferring my pair with the junior Senator from Arizona [Mr. CAMERON] to the junior Senator from Rhode Island [Mr. GERRY], I vote "yea."

The roll call was concluded.

Mr. HARRIS. Making the same announcement as to my pair, I vote "yea."

Mr. DIAL. Making the same announcement as to my pair and transfer, I vote "yea."

Mr. EDGE. I transfer my general pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from South Dakota [Mr. NORBECK] and vote "nay."

Mr. ERNST. I transfer my pair with the senior Senator from Kentucky [Mr. STANLEY] to the junior Senator from Oklahoma [Mr. HARRELD] and vote "nay."

The result was announced—yeas 13, nays 41, as follows:

YEAS—13.

Dial	Jones, N. Mex.	Sheppard	Watson, Ga.
Fletcher	La Follette	Shields	
Harris	Overman	Simmons	
Harrison	Robinson	Underwood	

NAYS—41.

Ball	Frelinghuysen	McCumber	Rawson
Brandegee	Gooding	McKinley	Shortridge
Bursum	Hale	McLean	Smoot
Capper	Johnson	McNary	Sterling
Colt	Jones, Wash.	Moses	Sutherland
Cummins	Kellogg	Newberry	Townsend
Curtis	Kendrick	Nicholson	Wadsworth
Edge	Keyes	Oddie	Warren
Elkins	Ladd	Page	
Ernst	Lenroot	Pepper	
France	Lodge	Phipps	

NOT VOTING—42.

Ashurst	Gerry	Norbeck	Stanley
Borah	Glass	Norris	Swanson
Broussard	Harreld	Owen	Trammell
Calder	Heflin	Pittman	Walsh, Mass.
Cameron	Hitchcock	Poindexter	Walsh, Mont.
Caraway	King	Pomerene	Watson, Ind.
Crow	McCormick	Ransdell	Weller
Culberson	McKellar	Reed	Williams
Dillingham	Myers	Smith	Willis
du Pont	Nelson	Spencer	
Fernald	New	Stanfield	

So Mr. FLETCHER's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The ASSISTANT SECRETARY. On page 46, line 13, the committee proposes to strike out "30" and to insert "60," so as to read:

And all glass or manufactures of glass or paste, or of which glass or paste is the component material of chief value, not specially provided for, 60 per cent ad valorem.

Mr. FLETCHER. Mr. President, I think that the 30 per cent ad valorem rate as carried in the bill as it came from the House is excessive. It is really higher than it should be, but instead of making a motion to change the 60 per cent as proposed by the committee to 30 per cent I shall merely ask that the committee amendment be not agreed to.

This amendment has reference to "all glass or manufactures of glass or paste, or of which glass or paste is a component material of chief value, not specially provided for," and the bill as it came from the House carries a rate of 30 per cent. The Finance Committee proposes to change it to 60 per cent, which is twice as much as the bill carried as it came from the House, twice what the House considered a proper rate, which is twice the rate provided by the law of 1913, and which is 15 per cent more than the law provided in 1909.

Therefore, I ask for the yeas and nays on the question of agreeing to the Senate committee amendment. I think the committee amendment ought to be disagreed to.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as before, I vote "yea."

Mr. DIAL (when his name was called). Making the same announcement as to my pair and its transfer, I vote "nay."

Mr. EDGE (when his name was called). Making the same announcement as to my pair and transfer, I vote "yea."

Mr. FRELINGHUYSEN (when his name was called). I transfer my pair with the Senator from Montana [Mr. WALSH] to the Senator from Washington [Mr. POINDEXTER] and vote "yea."

Mr. HARRIS (when his name was called). Making the same announcement as to my pair and transfer, I vote "nay."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and transfer, I vote "yea."

Mr. STERLING (when his name was called). Making the same announcement as before, I vote "yea."

Mr. WATSON of Georgia (when his name was called). Making the same announcement as before as to my pair and transfer, I vote "nay."

The roll call was concluded.

Mr. McKINLEY. Making the same announcement as before, I vote "yea."

Mr. CURTIS. I wish to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS]; and

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE].

The result was announced—yeas 42, nays 14, as follows:

YEAS—42.

Ball	France	Lenroot	Phipps
Brandegee	Frelinghuysen	Lodge	Rawson
Broussard	Gooding	McCumber	Shortridge
Bursum	Hale	McKinley	Smoot
Capper	Harreld	McLean	Sterling
Colt	Johnson	McNary	Sutherland
Cummins	Jones, Wash.	Moses	Townsend
Curtis	Kellogg	Newberry	Wadsworth
Edge	Kendrick	Nicholson	Warren
Elkins	Keyes	Oddie	
Ernst	Ladd	Page	

NAYS—14.

Dial	La Follette	Sheppard	Underwood
Fletcher	Overman	Shields	Watson, Ga.
Harris	Pepper	Simmons	
Heflin	Robinson	Stanley	

NOT VOTING—40.

Ashurst	Gerry	New	Spencer
Borah	Glass	Norbeck	Stanfield
Calder	Harrison	Norris	Swanson
Cameron	Hitchcock	Owen	Trammell
Caraway	Jones, N. Mex.	Pittman	Walsh, Mass.
Crow	King	Poindexter	Walsh, Mont.
Culberson	McCormick	Pomerene	Watson, Ind.
Dillingham	McKellar	Ransdell	Weller
du Pont	Myers	Reed	Williams
Fernald	Nelson	Smith	Willis

So the committee amendment was agreed to.

Mr. FLETCHER. If the chairman of the committee desires, I am ready to proceed with the next paragraph.

Mr. McCUMBER. Very well.

The ASSISTANT SECRETARY. On page 46, line 17, the committee proposes to strike out "23" and insert "30," so that if amended the paragraph will read:

PAR. 231. Smalts, frostings, and all ceramic and glass colors, fluxes, glazes, and enamels, all the foregoing, ground or pulverized, 30 per cent ad valorem.

Mr. FLETCHER. Mr. President, this is not a very large industry and I shall not take a great deal of the time of the Senate in a discussion of the paragraph. I desire to call attention, however, to the fact that the bill, as it came from the House, carried very considerable increases in this paragraph over the rates provided in the act of 1913. The committee amendment proposes very greatly to increase the duties as levied by the bill as it came from the House.

The description of this commodity is as follows:

Smalt is a deep-blue pigment made by fusing the oxide of cobalt with silica and potash to form a glass. This product is reduced to a powder and used in the arts, although at present it is largely replaced by cobalt blue and artificial ultramarine. Frostings are made from coarsely powdered, thin flakes of glass and are used for decorative work, signs and the like.

Under the head of "Production" the Summary of Tariff Information informs us that—

Data as to domestic production have not been obtained, but it is not large.

I said in the beginning this is not a very large industry—

This is due partly to the comparatively small output of hand-decorated china and to the use of imported ceramic colors and decalcomanias (see par. 1306) for decorating domestic pottery. England, France, and Germany have developed the manufacture of these colors to a high degree.

Now, this is the significant thing:

Reduction of duty (1913) from 30 per cent to 15 per cent was followed by an increase in imports of fluxes, glazes, enamels, and colors, ceramic and glass. The average import during the three years, 1911 to 1913, was $13,589, and the average annual revenue for the same period under the 30 per cent rate was $4,077. In 1915–16 the average was valued at $67,460, and the revenue was $10,119 per year. In 1917–18, owing to war conditions, the imports and consequently the revenue were considerably lower.

In other words, the act of 1909 carried a duty of 30 per cent and the importations under that act, under the duty of 30 per cent, were only $13,589 a year, yielding revenue of only $4,077 a year. The Underwood-Simmons Act of 1913 reduced that duty to 15 per cent, and the result following, as shown by the statistics, was that in 1915–16 the average of importations was valued at $67,460 a year, instead of $13,589 as under the act of 1909, and the revenue derived from those importations and flowing into the Treasury of the United States was $10,119 per year under the rate of 15 per cent, whereas it was only $4,077 a year under the rate of 30 per cent.

The reduction from 30 per cent ad valorem to 15 per cent ad valorem resulted in nearly three times the amount of importations and three times the revenue.

Now it is proposed to raise this duty from 15 per cent to 30 per cent. It is proposed to go back to the rate provided in the act of 1909; and what can we expect? Here is the actual experience under these two laws. So far as I know, the facts are not disputed; they can not be questioned at all. There is a clear demonstration that the Government derived more revenue under the 15 per cent duty than it did under the 30 per cent duty—nearly three times as much—and now it is proposed to go back to the 30 per cent duty. What can we expect? Necessarily that the importations will drop down practically to where they were before, of only $13,589 worth a year, yielding revenue of only $4,077; and, of course, the other result follows—that is, an increase in the price of these articles to the consumer.

Later statistics for 1918 show that the value of the imports was $21,854, yielding $3,281 of revenue; in 1919 the imports were $30,137 in value, 25,841 pounds, yielding a revenue of $4,521. That was under the 15 per cent rate. In 1920 the importations were 63,202 pounds, with a value of $63,588 and a revenue of $9,538; and for the nine months of 1921 the importations were 25,791 pounds, of a value of $31,510. There was an increase in the unit of value of these commodities to some extent.

The exports are not recorded. The proposition now is to take no advantage of that experience and what has been demonstrated to us, that we derived nearly three times as much revenue under a duty of 15 per cent on this article as we did under a duty of 30 per cent, but it is now proposed to abandon the 15 per cent ad valorem rate of the present law and go back to the 30 per cent ad valorem rate of the act of 1909. That is the proposition.

The other proposal is to change the rate on fusible and glass enamel, not specially provided for otherwise, from 20 per cent

ad valorem, as in the present law, to 40 per cent ad valorem. The House fixed the rate at 35 per cent, but the Senate committee now proposes to increase that 35 per cent to 40 per cent.

The third proposal in this paragraph is to change the present law so far as it applies to "opal enamel or cylinder glass, tiles, tiling, and rods" from 30 per cent ad valorem to 40 per cent ad valorem.

The House fixed the rate at 35 per cent ad valorem, but the Senate committee propose to increase it to 40 per cent ad valorem. Under the act of 1909 the duty on fusible enamel was 25 per cent ad valorem, and on opal or cylinder glass tiles or tiling 60 per cent ad valorem. It is now proposed to make those rates, respectively, 40 per cent and 40 per cent.

As I have said, Mr. President, the industry is not a very extensive one. As to the production of enamel in this country, in 1914 there were 77 establishments engaged in the industry, with a production valued at $2,166,000; in 1919 the corresponding figures were 74 establishments, with a production valued at $2,645,000. The imports in 1914 amounted to $18,028, and in 1918 to $8,052. The largest amount in the period from 1908 to 1918 was $21,431, which was in 1909.

Later statistics show that in 1918 the importations were valued at $4,106, from which we derived a revenue of only $821 under the ad valorem rate of 20 per cent. In 1919 the value of the importations was $17,727; in 1920, $31,331; and for 9 months in 1921, $9,478. The figures refer to enamel, which is described as—

Glass applied by fusion as a coating to any substance which will bear the necessary heat, especially to metals and to pottery.

Now, the proposal is to increase the duty to 40 per cent. Under the present rate of 20 per cent the importations are nominal, very little of the goods coming into the country and there being little revenue derived. I can not see any justification at all for the increased duties proposed in the paragraph. I do not think I shall delay the Senate by asking for yea-and-nay votes on the committee amendments, but I move to amend the committee amendment on page 46, line 17, by striking out "30" and inserting "15." The rate of 30 per cent recommended by the Senate committee on smalts, frostings, and all ceramic and glass colors, and so forth, is an increase of 7 per cent over the rate proposed by the House committee.

The PRESIDING OFFICER. The amendment proposed by the Senator from Florida to the amendment reported by the committee will be stated.

The ASSISTANT SECRETARY. In the committee amendment, on page 46, line 17, after the word "pulverized," it is proposed to strike out "30" and insert "15," so as to read:

PAR. 231. Smalts, frostings, and all ceramic and glass colors, fluxes, glazes, and enamels, all the foregoing, ground or pulverized, 15 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida to the amendment reported by the committee.

Mr. McCUMBER. Mr. President, just a word on the items in general embraced in paragraph 231. There was a very considerable increase in the importations when we reduced the duty from 30 per cent ad valorem to 15 per cent ad valorem, as is shown by the Tariff Commission's report. The war followed, and all industry and commerce were shattered. Germany has not regained her place as yet; but is there any possible reason for believing that she can not produce now, with an even lower labor cost, as cheaply as she could prior to the war. The average wages paid in Germany are below pre-war levels. I assume, therefore, this being a home product, the raw materials of which she does not have to import, that she can produce the commodity at least as cheaply as she could prior to the war. We have got to take those factors into consideration. Furthermore, we have got to frame this bill with the idea that we will return to stable and to a more nearly normal condition than we are in to-day. What may we expect?

I think I can give a pretty fair illustration by taking up two or three of these items statistics for which are furnished by the Reynolds report. Taking the very first item, which is smalts, course ground, I find that the price in Germany at the time the report was prepared—which was in August, 1921—to be 7 cents a pound; the landing cost seven-tenths of a cent; the foreign article was sold in this country for 15 cents. The comparable American article is sold for 20 cents. To bring the foreign article up to the selling price of the domestic article, after allowing 33⅓ per cent profit to the importer, would require 104 per cent in order to equalize the two prices. Instead of giving 104 per cent we have given 30 per cent.

Now, let us take the next one—frostings, glass, blown. The price in Germany was 4.2 cents, the cost of importing was 2 cents, the article is sold in this country for 18 cents; the comparable American article is sold for 21 cents. Allowing 33⅓ per cent profit to the importer, we would have to have 228 per cent duty in order to equalize the importing value with the American selling value.

Mr. FLETCHER. May I ask the Senator if 33⅓ per cent is not a very extraordinary allowance of profit?

Mr. McCUMBER. Yes; it is.

Now, take the next one—ceramic and glass colors. Those are imported from England. In Great Britain the labor cost is so enormously higher than that in Germany that this would require a per cent very much less than we have allowed.

Now take the next—fusible enamels. They are imported from France. The price is 22 cents in France; the landing cost is 1.4 cents, and it is sold for 42 cents, as against a comparable American article of 43 cents. Taking the French cost price at 22 cents, and allowing 33⅓ per cent profit, it would require just an even 40 per cent, such as we have allowed in that instance, to meet that condition.

So, on the whole, we have made our duty very much below what the evidence in this report would show to be necessary.

I assume that wages will go down to some extent. The cost of production will undoubtedly go down to some extent. I hope the freight rates will go down. We have taken all of those things into consideration; but even then we must assume an enormous gap between the cost of production in the foreign country, especially in Germany, and the cost of production in the United States. I believe, however, that although the duties we have allowed do not measure the difference, when we take into consideration the fact that the American producer is right here at home and can meet his orders immediately, that fact will give him an advantage that may equal what he fails to secure from the standpoint of equalization in the rates we have given him.

Mr. FLETCHER. Mr. President, just one word further.

As I stated in the outset, there was a very considerable increase in the importations after the reduction of the duty from 30 per cent under the act of 1909 to 15 per cent under the act of 1913; but that increase still did not signify very much. It was a very great increase, but no enormous volume of importation came in after that. The increase was from $13,589 a year prior to 1913 to $67,460 a year after the act of 1913 went into effect; but $67,000 worth of these imports constitutes almost a bagatelle. There is no danger to the industry with only that much importation against it, and the statistics show that the amount of revenue derived by the Government was nearly three times as much under the act of 1913, with a reduction to 15 per cent, as it was under the duty of 30 per cent in the act of 1909. Even though there is an increase in the volume of importation, it does not necessarily mean that that threatens any injury to any industry in this country. It depends, of course, on what the original amount of the importation was. In the case of white glass enamel, for instance, the statistics show that there are several domestic manufacturers of glass tiles and opal glass, but no statistics are available. Imports have not exceeded $500 in any one year. There could be an enormous increase in the imports and still not threaten any harm to any industry in this country in that case.

I just ask for a vote on that amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Florida to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment.

The amendment of the committee was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The ASSISTANT SECRETARY. On page 46, line 18, the committee proposes to strike out "35" and to insert "40," so that, if amended, it will read:

In any other form, 40 per cent ad valorem.

Mr. FLETCHER. I move to amend by striking out "40" and inserting "20," so that the rate will be 20 per cent ad valorem.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. In lieu of the sum proposed to be inserted by the committee, "40," it is proposed to insert "20."

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Florida to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The Secretary will state the next amendment of the committee.

The ASSISTANT SECRETARY. On line 18, it is proposed to strike out the word "opal" and to insert the same word with a comma immediately thereafter.

The amendment was agreed to.

The ASSISTANT SECRETARY. On line 19, it is proposed to strike out "35" and to insert "40," so that, if amended, it will read:

Opal, enamel or cylinder glass tiles, tiling, and rods, 40 per cent ad valorem.

Mr. FLETCHER. I move to amend by striking out "40" and inserting "20."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. In lieu of the sum proposed to be inserted by the committee, "40," it is proposed to insert "20."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida to the amendment of the committee.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. On page 47, line 8, the committee proposes to strike out "17" and insert "20," so as to read:

Marble, breccia, and onyx, in block, rough or squared only, 65 cents per cubic foot; marble, breccia, and onyx, sawed or dressed, over 2 inches in thickness, $1 per cubic foot; slabs and paving tiles of marble, breccia, or onyx, containing not less than 4 superficial inches, if not more than 1 inch in thickness, 8 cents per superficial foot; if more than 1 inch and not more than 1½ inches in thickness, 10 cents per superficial foot; if more than 1½ inches and not more than 2 inches in thickness, 13 cents per superficial foot; if rubbed in whole or in part, 3 cents per superficial foot in addition; mosaic cubes of marble, breccia, or onyx, not exceeding 2 cubic inches in size, if loose, one-fourth of 1 cent per pound and 20 per cent ad valorem.

Mr. ROBINSON. Mr. President, an examination of the survey of marble made by the Tariff Commission does not disclose, in my opinion, any justification for the increases in the rates on marble reported in the committee amendments.

The information available upon the subject shows that the production of domestic marble aggregates from six million to eight million dollars' worth per annum. Only about a third of the production is marketed as rough blocks. The domestic producers export large quantities of the rough blocks to Canada and considerable amounts of dressed building rock and other manufactured products to all parts of the world. I quote from page 7 of Survey B–11:

Every year since 1910 exports of all grades of marble have been larger than the imports.

European deposits of marble are very high grade, and many fancy varieties are produced which are not available in the United States.

Omitting part of the statement:

Imports consist of large amounts of rough block marble—chiefly the fancy grades that are not produced at domestic quarries—and small amounts of slabs, tiles, and mosaics. Imports of all grades are decreasing steadily.

There is a statement on page 8 of this survey to which I invite the attention of the Senate. It shows that in this particular industry the domestic producers are not at a disadvantage, because of the losses which occur in transportation. These losses, due to breakage, more than overcome the difference in the labor cost. I will read a part of the paragraph in which that statement is contained:

Domestic producers control the market for ordinary grades, but fancy marbles will be imported until domestic supplies of similar grade have been developed. The brittleness of marble in thin sections and the breakage loss in overseas shipments counterbalance any advantage that the foreign producer possesses due to lower-priced labor. The use of power cutters and surfacers, little used abroad, is another factor in favor of the domestic manufacturing industry.

With respect to the prices for building or ornamental marble, on page 13 of the same document I find this statement:

Prices for building and ornamental marble vary widely with the physical characteristics of the product and the distance from quarry to market. Most of the rough material is sold by the cubic foot. In 1913 the price of domestic rough marble varied from $1.14 per cubic foot for interior building marble to $1.59 for the same product from another district. By 1917 prices had increased to between $1.75 and $2 per cubic foot.

In view of the facts referred to, I do not understand the theory upon which the committee justifies its proposed increases in these rates. I therefore move to amend in line 8, page 47, by striking out "20" and inserting "10."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 47, line 8, it is proposed to amend the committee amendment by inserting, in lieu of the sum proposed to be inserted by the committee, the numerals "10."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Arkansas to the amendment of the committee. [Putting the question.] The noes appear to have it.

Mr. HARRISON. I ask for a division.

Mr. McCUMBER. I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as before, I vote "nay."

Mr. DIAL (when his name was called). Repeating my announcement made on the former vote, I vote "yea."

Mr. FRELINGHUYSEN (when his name was called). Making the same announcement as before, I vote "nay."

Mr. HARRIS (when his name was called). Making the same announcement as before, I vote "yea."

Mr. CURTIS (when Mr. KEYES's name was called). I was requested to announce the absence of the Senator from New Hampshire [Mr. KEYES] on account of illness.

Mr. McKINLEY (when his name was called). Making the same announcement as before, I vote "nay."

Mr. WATSON of Georgia (when his name was called). Making the same announcement as before concerning the transfer of my pair, I vote "yea."

The roll call was concluded.

Mr. EDGE. Making the same announcement as before, I vote "nay."

Mr. JONES of Washington. Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. STERLING. Making the same announcement as before as to my pair and its transfer, I vote "nay."

Mr. GLASS. I transfer my general pair with the Senator from Vermont [Mr. DILLINGHAM] to the Senator from Nebraska [Mr. HITCHCOCK], and vote "yea."

The result was announced—yeas 16, nays 41, not voting 39, as follows:

YEAS—16.

Dial	Harrison	Robinson	Stanley
Fletcher	Heflin	Sheppard	Underwood
Glass	La Follette	Shields	Walsh, Mass.
Harris	Overman	Simmons	Watson, Ga.

NAYS—41.

Ball	Frelinghuysen	McCumber	Ransdell
Brandegee	Gooding	McKinley	Shortridge
Broussard	Hale	McLean	Smoot
Bursum	Harreld	McNary	Sterling
Capper	Johnson	Moses	Sutherland
Colt	Jones, Wash.	Newberry	Townsend
Curtis	Kellogg	Nicholson	Wadsworth
Edge	Kendrick	Oddie	Warren
Elkins	Ladd	Page	
Ernst	Lenroot	Pepper	
France	Lodge	Phipps	

NOT VOTING—39.

Ashurst	Fernald	New	Spencer
Borah	Gerry	Norbeck	Stanfield
Calder	Hitchcock	Norris	Swanson
Cameron	Jones, N. Mex.	Owen	Trammell
Caraway	Keyes	Pittman	Walsh, Mont.
Crow	King	Poindexter	Watson, Ind.
Culberson	McCormick	Pomerene	Weller
Cummins	McKellar	Rawson	Williams
Dillingham	Myers	Reed	Willis
du Pont	Nelson	Smith	

So Mr. ROBINSON's amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 47, in line 9, before the words "per cent ad valorem," to strike out "26" and to insert "35," so as to make the paragraph read:

PAR. 232. Marble, breccia, and onyx, in block, rough, or squared only, 65 cents per cubic foot; marble, breccia, and onyx, sawed or dressed, over 2 inches in thickness, $1 per cubic foot; slabs and paving tiles of marble, breccia, or onyx, containing not less than 4 superficial inches, if not more than 1 inch in thickness, 8 cents per superficial foot; if more than 1 inch and not more than 1½ inches in thickness, 10 cents per superficial foot; if more than 1½ inches and not more than 2 inches in thickness, 13 cents per superficial foot; if rubbed in whole or in part, 3 cents per superficial foot in addition; mosaic cubes of marble, breccia,

or onyx, not exceeding 2 cubic inches in size, if loose, one-fourth of 1 cent per pound and 20 per cent ad valorem; if attached to paper or other material, 5 cents per superficial foot and 35 per cent ad valorem.

Mr. ROBINSON. Mr. President, I was entirely content to take the vote upon the last amendment submitted by myself by division, but those in charge of the bill insisted upon consuming the time of the Senate and delaying the progress of the measure by demanding the yeas and nays. The action, of course, was in the nature of a filibuster by the friends of the bill. With an overwhelming majority lining up and supporting the committee, with the committee reporting material advances over the rates fixed by the House in almost every instance, with no explanation given in many instances for the increases here proposed, with no facts available to enable the Senate to justify any rate on marble in excess of the rate now in force, as a result of the filibuster by the majority we have just imposed a very material increase upon one class of marble.

Substantially all the facts presented a few moments ago in connection with the amendment which I then proposed, relating to line 8, apply with equal force to the pending amendment. The House imposed a duty of 5 cents per superficial foot and 26 per cent ad valorem. The Finance Committee, in pursuance of its custom, with no facts in the record justifying its action, reported an amendment raising the ad valorem rate adopted by the House from 26 per cent to 35 per cent.

I move to strike out "35," in line 9, and to insert in lieu thereof "15," so that as amended it will read:

If attached to paper or other material, 5 cents per superficial foot and 15 per cent ad valorem.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 47, line 19, before the words "per centum," to strike out the figure "40" and insert "60"; so as to make the paragraph read:

PAR. 233. Marble, breccia, onyx, alabaster, and jet, wholly or partly manufactured into monuments, benches, vases, and other articles, and articles of which these substances or any of them is the component material of chief value, and all articles composed wholly or in chief value of agate, rock crystal, or other semiprecious stone, except such as are cut into shapes and forms fitting them expressly for use in the construction of jewelry, not specially provided for, 60 per cent ad valorem.

Mr. ROBINSON. I move to strike out "60," in line 19, and insert in lieu thereof "30."

Mr. UNDERWOOD. Mr. President, I suppose this is a case of a poor little rich girl who has not anybody who will sympathize with her. The items reported under this paragraph apply to people who have money to spend. We need all the taxes we can get out of the rich, and out of other people, too, if the present expenditures of the Government continue, but I see no reason for this large increase in the duty on this item.

Within the paragraph are a few articles, like alabaster, which is not made in this country at all, and jet, which is more or less an ornament out of which to make jewelry; but the main object which the article intends to tax is stone. I read the description of the article as set forth by the Tariff Commission, as it is one which can be easily understood:

Stone manufactures include, besides tombstones and monuments made of marble and kindred stones, a large and diverse list such as commercial and religious statuary, paper weights, inkwells, table tops, and jet spangles for ornamenting textiles and millinery goods. The manufacturing industry aside from the production of monuments is of very minor importance. Stone monuments—

which form the item of importance in this paragraph—

are produced in all parts of the United States. The plants are usually located close to burial grounds, but some large quarry organizations ship to distant domestic markets. Desk and novelty articles are produced as a side line by manufacturers of monuments, as well as by makers of novelties, and also on special order. The manufacture of jet is an important industry in many parts of Europe, but not here. The stone-working industries of Greece and Italy have been famous for centuries because of their fine marble and excellent workmanship.

Tombstones, monuments, and grave markers can usually be cut and finished by stone-working machinery, which eliminates handwork to a large extent. Up to this point the domestic industry can compete favorably with European goods—

It is the Tariff Commission that says that up to this point the domestic industry can compete favorably with European goods—

but in carving, which is entirely handwork, European producers possess a considerable advantage because of their lower-priced labor.

A vast deal of these importations are not carved stone, but the stone is cut by machinery, as to which the Tariff Commission says the American industry can compete with the European production favorably.

In 1914, the year of the beginning of the European war, there were in the United States 4,901 establishments engaged in marble and stone work, with an output value of $107,055,000. In 1919 the corresponding figures were 4,208 establishments and the output was valued at $127,993,000. The production of monuments and tombstones alone in 1914 was valued at over $40,000,000.

The imports of these articles are derived chiefly from Italy and France. In 1914 they were valued at $224,700,000. Now let me read the figures of the imports which have been coming in since the war. In 1918 they were valued at $20,863; in 1919, $46,622; in 1920, $83,768; and for nine months in 1921, $86,617. So that, at the greatest, the imports coming into this country of these articles amounted to less than $100,000. The exports of manufactured stone, including marble not specially provided for, are destined chiefly for Canada, Cuba, and the United Kingdom, the statistics being as follows for the calendar years: 1918, $1,208,164; 1919, $1,508,997; 1920, $2,158,764; for nine months of 1921, $1,355,335.

These are the chief articles involved in the paragraph now under consideration. The other articles are of minor importance, both in value, in consumption, and in imports, and some of them are not made in this country at all, with the result that we find the total industry for 1919 is given as $127,000,000. In monuments alone in 1914 it amounted to about $40,000,000. The imports coming into this country are less than $100,000 and the exports vary from $1,500,000 to $2,000,000.

When we consider the value of the production in America as over $100,000,000 and the imports as less than $100,000, we realize the imports are one one-hundredth of 1 per cent, and yet the committee seems to think that the industry is so greatly jeopardized by imports coming from abroad and that the American industry is in such danger that it must have this high protection. Notwithstanding the books which they themselves publish, carrying the reports of the Tariff Commission, which state that on account of these articles, until they are carved—and most of the imports are not carved—they can compete favorably with the foreign production, what does the committee do? The House sent the bill over with a tax of 40 per cent on these articles and the Finance Committee raises it to 60 per cent.

There was a tax on these articles under the present law which I think is too high, 45 per cent, and which ought to have been reduced. Certainly if I had charge of writing a tariff bill to-day I would reduce it. But with $100,000 of imports and over $100,000,000 of production in an industry which the Tariff Commission says in the main can compete with foreign production—and that is shown conclusively by the importations—how are we to grant an additional tax? I do not understand it. I suppose there is a great deal of this tax paid by dead men's estates, by people who want to put up fine monuments. It is not always paid by the rich. Sentiment has a great deal to do with these things, and sometimes people who can not well afford to do so erect handsome monuments. It was said many years ago that the ordinary Republican tariff bill taxes everything from the cradle to the grave, and this item is at the grave.

It is no great burden on the American people, but I can see no justification whatever for the increase. I suppose the Senate is going to grant the increase, and is going to increase the rate over what is carried in the House bill, 45 per cent, to the rate proposed by the Senate committee, 60 per cent. In other words, if you want to buy a tombstone and it is worth $100 now, you will have to pay $160 to satisfy the committee.

I am not going to continue my argument further. I think it merely illustrates that the Finance Committee in writing the bill thought the only way they could be sure to make a protective bill was to raise the rate, that it did not make any difference what rate they found in the present law, high or low, the only safe thing for them to do was to raise the rate. I can see no other justification or reason for the increase in this particular instance.

Mr. McCUMBER. Mr. President, when it comes to luxuries it is always difficult for anyone to know what a given rate will produce. When everything is flourishing, when everyone is prosperous, jewelry, diamonds, and other luxuries sell much more freely. They are imported much more freely. When times are hard very little comes in if it is purely a luxury at the foreign price. There are very few of these luxuries coming in now. If any gentleman of reasonable wealth is pleased to die, he perhaps will not be arranging for an onyx tombstone.

Mr. UNDERWOOD. Mr. President, will the Senator permit me to interrupt him?

Mr. McCUMBER. Certainly.

Mr. UNDERWOOD. I always like to have the figures correct. Will the Senator tell me of any time within the last 20 years when any considerable amount of this particular article came into the United States?

Mr. McCUMBER. I will show the Senator something of what we have been getting if the Senator will be patient.

Mr. UNDERWOOD. I am not talking about any theoretical proposition; but will the Senator refer me to the statistics when the imports to this country, compared to the $127,000,000 domestic production, amounted to anything?

Mr. McCUMBER. I will give the Senator the figures.

Mr. UNDERWOOD. I shall be glad to have them.

Mr. McCUMBER. I do not care so much about the importations in quantity as I do about what we are getting out of the luxuries. When the Senator in his own bill fixed a rate of 45 per cent ad valorem, he did not fix it for protection. He placed that duty in the Underwood bill for revenue only, because he wanted to get a good revenue out of these luxuries. The country is a great deal more distressed to-day than it was in 1913. The country needs money more. If it needed 45 per cent then, it certainly needs 60 per cent now if it can get more out of it by raising the rate to 60 per cent.

I stated that I would give the Senator a few figures to indicate what effect the change of rates upon these luxuries had in the matter of the revenues received therefrom. Paragraph 232, which we just passed, covers mosaic cubes of marble, breccia, and onyx, and paragraph 233 covers marble, breccia, onyx, alabaster, and jet, and also agate, rock crystal, or other semiprecious stone.

On mosaic cubes in the year 1917 we had a duty of 1 cent per pound and 30 per cent ad valorem. We collected revenue from that one particular article amounting to $46,326; in 1908 we collected $43,375; in 1909, $26,988; in 1910—they were then divided into two brackets—we collected for one class $2,256 and for the other $17,589. That made nearly $20,000 received in that year. In 1911 we collected $11,000; in 1912, $12,975; and in 1913 we received $15,000.

Then came 1914 with the reduction in the tariff rate, and our receipts immediately dropped to $4,025, a loss of nearly three-fourths of the revenue.

This is a revenue duty only; a revenue duty levied upon luxuries. If we take all of these commodities together as they are grouped in the statistics of imports and duties, we find that in 1910, with a 50 per cent ad valorem, we collected $105,695; in 1911 we collected with the same duty $109,000; in 1912 we collected $116,000; in 1913 we collected $121,000. Then the rates were changed, and we collected $37,620—quite a heavy loss in revenue.

This is a duty not for the purpose of protection; I do not think we need for protection so heavy a duty; but, in my opinion, when conditions become normal in this country and the people begin to make a little more money than they are now making in these hard times, they will purchase more of this Italian marble and onyx, and so forth, for their homes, for statues, and so forth, and we shall get considerably more revenue. That is all we expect from it.

Mr. UNDERWOOD. Mr. President, I only have this to say in answer to the Senator from North Dakota: When a luxury is taxed the greatest amount of revenue is not always received by levying the highest tax. To a certain extent, people will pay the price for a luxury; but when the price of the luxury is raised above what their pocketbooks can afford, then they are going to do without it, as they can always do without a luxury. If the tax should be reduced and some importations be invited, the revenue of the Government might be very largely increased, but when the tax is raised higher and gets nearer to the prohibitive point, in my judgment, revenue will be cut off.

I am satisfied the Senator from North Dakota, however, is not writing this bill on the principle of levying taxes for revenue. I noticed in paragraph 1429 a tax of 10 per cent is levied on diamonds, which most people consider a luxury. A duty of 20 per cent is levied on pearl. On such luxuries as monuments or tombstones the tax is 60 per cent, while a woman is taxed 10 per cent for the pearl necklace which she wears.

Mr. McCUMBER. It is rather difficult to hide a tombstone in the heel of one's shoe, but it is not difficult to hide a $200,000 diamond there. We have had some experience in attempting to collect a large duty from diamonds, and the Senator from Alabama himself, realizing that, only imposed a duty of 10 per cent upon diamonds in the tariff for revenue only bill which bears his name.

Mr. President, when the duties on diamonds ran as high as 20 per cent it was ascertained that the diamonds brought into this country exceeded in value by several times the diamonds which came in under a lesser duty, whereas there was not collected anywhere nearly as much revenue as was collected when the lower duty was levied. Were it possible to prevent smuggling we should all be in favor of an extremely high duty upon that luxury, but after many years of trial we ascertained that the imposition of a higher duty simply induces smuggling, because it makes profitable the smuggling of an article that may easily be smuggled into the country. We have to look at the situation from the practical standpoint.

Mr. ROBINSON. Mr. President, I inquire of the Senator from North Dakota whether the Finance Committee in its studies of the tariff on marble, and particularly the tariff to be imposed under this paragraph, considered the question of the maximum revenue rate? Did the committee look into that question? I am asking for information.

Mr. McCUMBER. I think we have fixed it at the maximum revenue rate.

Mr. ROBINSON. That is not the question I asked.

Mr McCUMBER. I should not think so unless I had gone into it to some extent. When the Senator asks me the question I say yes, I do think so.

Mr. ROBINSON. Mr. President, I agree with the Senator from Alabama that a tax of 60 per cent will more than likely prove prohibitive, or, at least, will diminish rather than increase the revenue. I also agree with the Senator from Alabama that the rate under existing law is probably too high for a maximum revenue rate.

Mr. McCUMBER. If the Senator will allow me, I should like to suggest that under a 50 per cent rate we collected considerably more revenue than was derived under a lower rate. That rate did not seem to check the revenue.

Mr. ROBINSON. But I point out to the Senator that there has been an enormous development in the marble industry in the United States since that time. The revenue derived from this item under existing law is comparatively small. On articles of onyx it averaged during the last few years less than $1,000 a year, probably less than $500 a year; on articles of alabaster the revenue averaged between $2,000 and $3,000 a year during the last four or five years; on articles of agate less than $10,000 a year; on articles of rock crystal approximately $500 a year; and on other semiprecious stone embraced in the paragraph the importations were small and the duty collected comparatively unimportant.

Everyone knows there is a point at which an increase in tariff rates operates to diminish importations. I have not the slightest doubt, although I confess the committee has not furnished information on which to form a scientific conclusion relative to the subject, that under the conditions now surrounding the industry in the United States the proposed rate, if adopted, will result in a diminution of revenue rather than an increase.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Arkansas [Mr. ROBINSON] to the amendment reported by the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question recurs on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment was, on page 47, line 21, after the word "millstones," to strike out "13" and insert "15," so as to read:

PAR. 234. Burrstones, manufactured or bound up into millstones, 15 per cent ad valorem.

Mr. SIMMONS. Mr. President, there is but little to be said about this item. The duty under the Payne-Aldrich bill on this commodity was 15 per cent ad valorem. In the pending bill the House provided a duty of 13 per cent ad valorem, which the Senate committee has increased up to the Payne-Aldrich rate. Under the act of 1913, the present law, this product came in free.

Burrstones is another name for what we commonly call in this country millstones. In the olden days, as I remember, nearly all the grain that we crushed in my section of the country, at any rate—and I think the statement applies to all sections of the country—was crushed by millstones, operating horizontally and mashing the grain into meal. The process has somewhat changed from that day to this.

The production in this country is not large and neither is the consumption. In 1912 we only produced about $71,000 worth of these stones; in 1918 the production had increased to $92,000 worth. The imports are very small, and they come principally from France. During nine months of the year 1921 the imports amounted only to $9,678 worth. That is about 10 per cent of what we produced in 1918 in this country, and probably 15 per cent of what we produced in 1912. That is all of this article that came in when it was upon the free list. If you impose a duty of 15 per cent upon it, I suppose that none at all will come in. I presume that will be practically prohibitive.

Mr. McCUMBER. Mr. President, if the Senator desires, I will tell him why we left this just as the House put it in.

The Senator has read correctly about all the importation we have, but even that very little importation is about 40 per cent

of the domestic production; and the House put in the millstones, which are produced only in two places, so far as I know, as they are not used very much now. They are practically obsolete, but some are made in Virginia and some are made in New York; and the House gave a duty of 13 per cent ad valorem upon the American valuation. We simply converted that as nearly as we could into the foreign valuation, and left it at 15 per cent.

If the House had left the item on the free list, we would not have taken the trouble to put it upon the dutiable list; but it was such a small item, so unimportant, such a mere bagatelle, that we did not think it was worth while to take up our time in the conference to agree on it, even if it did not take over 10 or 15 minutes.

Mr. SIMMONS. Mr. President, I want to say to the Senator that while these stones are not as generally used now as they used to be, in the rural districts they still have the old water mills, and there are a great many people who believe that meal ground in a water mill is much better than that ground at a mill run by steam.

Mr. McCUMBER. I think it is, too.

Mr. SIMMONS. While there are not many of them used in this country, there are some used, and I do not see any necessity for increasing the price.

As I said, while this article is upon the free list there is only $9,000 worth of it imported. The Senator is right when he says that in one year 40 per cent was imported, but that time is past. That was in 1917. In 1921, or at the present time, there is only $9,000 worth brought in, as against something like $63,000 worth produced in this country.

I think the duty is prohibitive, and I do not know of any reason why we should impose a prohibitive duty against France. France is the only country from which we get these stones, I believe, and I do not see why they should not be allowed to remain on the free list; but, as the Senator says, the item is small, and I am willing to have a vote without any further discussion.

Mr. McCUMBER. Before we vote on that amendment I wish to ask unanimous consent that when the Senate closes its session for this calendar day it be to recess until to-morrow at 11 o'clock.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. SIMMONS. I will offer an amendment to reduce the rate to 5 per cent. I would move to put the article on the free list, but I believe some contention has been made here that that was not permissible; and I therefore move to reduce the duty to 5 per cent instead of 15 per cent.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 47, line 21, in lieu of the sum inserted by the committee, "15," it is proposed to insert "5."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Carolina to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question now is on the committee amendment.

Mr. HEFLIN. Let us have the yeas and nays on that.

The yeas and nays were not ordered, and the amendment was agreed to.

The VICE PRESIDENT. The next amendment will be stated.

The ASSISTANT SECRETARY. On page 48, line 1, the committee proposes to strike out "40" and insert "50," so as to read:

> Freestone, granite, sandstone, limestone, lava, and all other stone suitable for use as monumental or building stone, except marble, breccia, and onyx, not specially provided for, hewn, dressed, or polished, or otherwise manufactured, 50 per cent ad valorem; unmanufactured, or not dressed, hewn, or polished, 15 cents per cubic foot.

Mr. ROBINSON. Mr. President, this amendment proposed by the committee relates to freestone and other forms of building material and monumental material not embraced within paragraphs 232 and 233, which relate to marble, breccia, and onyx. The present rate, if I am correctly informed, is 25 per cent ad valorem. Under that rate production in the United States has been very large, and imports have been comparatively small.

Upon referring to the surveys made by the Tariff Commission, it is found that the production of these stones during the years 1910 to 1920, inclusive, ranged from something more than $5,500,000 to approximately $7,500,000. The imports of these stones for building in 1914 were valued at a little more than $72,000.

Referring to granite, the production of that commodity in 1919 was almost $20,000,000. The duty received was negligible, the imports ranging from approximately $25,000 to something more than $100,000.

Under the conditions existing, considering the very high cost of building materials, I do not believe that any tax higher than that now proposed is justified; and I therefore offer the following amendment.

On page 48, line 1, strike out "50" and insert "25."

The VICE PRESIDENT. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 48, line 1, in lieu of the sum proposed to be inserted by the committee, "50," it is proposed to insert "25."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arkansas to the amendment of the committee.

Mr. ROBINSON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. DIAL (when his name was called). Making the same announcement as on the former vote, I vote "yea."

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. McKINLEY (when his name was called). Making the same announcement as before, I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as on the previous vote, I vote "nay."

The roll call was concluded.

Mr. HARRIS. Making the same announcement of my pair and its transfer, I vote "yea."

Mr. COLT. Making the same announcement as before, I vote "nay."

Mr. EDGE. Making the same announcement as before, I vote "nay."

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. McKELLAR];

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON]; and

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS].

The result was announced—yeas 14, nays 36, as follows:

YEAS—14.

Dial	Heflin	Robinson	Stanley
Fletcher	La Follette	Sheppard	Underwood
Harris	Overman	Shields	
Harrison	Pittman	Simmons	

NAYS—36.

Ball	France	Lenroot	Pepper
Brandegee	Frelinghuysen	Lodge	Phipps
Broussard	Hale	McCumber	Ransdell
Bursum	Harreld	McKinley	Smoot
Capper	Johnson	McLean	Sterling
Colt	Jones, Wash.	Moses	Sutherland
Curtis	Kellogg	Newberry	Townsend
Edge	Kendrick	Nicholson	Wadsworth
Ernst	Ladd	Oddie	Warren

NOT VOTING—46.

Ashurst	Gerry	New	Stanfield
Borah	Glass	Norbeck	Swanson
Calder	Gooding	Norris	Trammell
Cameron	Hitchcock	Owen	Walsh, Mass.
Caraway	Jones, N. Mex.	Page	Walsh, Mont.
Crow	Keyes	Poindexter	Watson, Ga.
Culberson	King	Pomerene	Watson, Ind.
Cummins	McCormick	Rawson	Weller
Dillingham	McKellar	Reed	Williams
du Pont	McNary	Shortridge	Willis
Elkins	Myers	Smith	
Fernald	Nelson	Spencer	

So Mr. ROBINSON'S amendment to the committee amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 48, line 4, to strike out "$2" and insert in lieu thereof "$1.75," so as to read:

> Grindstones, finished or unfinished, $1.75 per ton.

Mr. SIMMONS. Mr. President, this article does not require much discussion. We all know what the grindstone is. It is used on every farm, and it is also used in connection with mak-

ing pulp and paper. The value of grindstones and pulp stones produced in the United States in 1917 was $1,147,784. Most of them were produced in Ohio. The chief competitor of the grindstone it seems is a grinding wheel made of artificial abrasives. The value of the domestic product in 1920 was $1,707,004. The importations in 1913 were $139,000. The importations in 1920 were $77,000, and in the nine months of 1921 they were $67,000. It appears, therefore, that the importations have been falling off. They are just about half what they were in 1913. The production has been increasing. It increased from $1,147,000 in 1917 to $1,707,000 in 1920.

But that is not all. The exports, largely to Canada and to Cuba, have been as follows:

In 1918 they were $210,889, as against $55,583 imports in the same year. In 1919 the exports were $297,000, as against imports of $50,000.

In 1920 we exported of this product $424,322 worth, as against imports for that year of $77,000. Our exports have been five or six times the amount of the imports, and our imports have been less than one-twentieth of our domestic production.

Under these circumstances there would seem to be no reason for increasing the present duty, which is $1.50 per ton, and I offer an amendment to substitute $1.50 for $1.75. The difference is very little; but I submit that the imports and the exports, taken in connection with domestic production, do not justify any increase in the rate.

Mr. McCUMBER. Mr. President, I do not desire to take up any time. I simply wish to say to the Senator that if he can explain why he wants $1.50 duty a ton on grindstones I can easily explain why I want $1.75, or an extra 25 cents over the rate asked by the Senator.

Mr. SIMMONS. I explained it. I do not think, as a matter of fact, the circumstances are such as to require any duty upon this article at all, and if the Senator is not satisfied, I will offer as an amendment that it be reduced to $1. I move that amendment to the amendment of the committee.

Mr. McCUMBER. Let us have a vote on it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Carolina to the committee amendment.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question recurs on the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 48, line 8, before the words "per centum," to strike out "17" and insert in lieu thereof "15," so as to read:

Slates, slate chimney pieces, mantles, slabs for tables, roofing slates, and all other manufactures of slate, not specially provided for, 15 per cent ad valorem.

Mr. ROBINSON. Mr. President, the prevailing rate on this commodity, slate, is 10 per cent ad valorem. Under that rate importations have never exceeded approximately $4,500, the highest being in the year 1920. The duty derived from the commodity now is negligible. Slates, as everyone knows, are very useful in construction. I move to strike out "15" and to insert in lieu thereof "10."

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

Mr. HEFLIN. Mr. President, I wonder if the chairman of the committee is willing now to have a short executive session, or would he like to proceed for a couple of hours longer?

Mr. SMOOT. We have just one more amendment that we want to have acted on.

Mr. McCUMBER. There is one more paragraph in this schedule, and I wish we could vote on that and then take our recess.

Mr. HEFLIN. What is the proposition the Senator desires to vote on?

Mr. McCUMBER. I propose that we shall take a recess as soon as we vote on the next item.

Mr. HEFLIN. What is that item?

Mr. McCUMBER. Watch crystals.

Mr. SMOOT. It is a new industry established in this country during the war.

The VICE PRESIDENT. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 48, line 9, strike out "40" and insert in lieu thereof "60," so as to read:

Watch crystals, 60 per cent ad valorem.

Mr. ROBINSON. Mr. President, the information furnished the Senate respecting this item is to the effect that the manufacture of watch crystals is a new industry in the United States. The principal importations formerly came from France, Germany, Switzerland, and Austria. With the beginning of the war, importations were suspended and a new industry developed in the United States. It does not appear, however, that there are any importations now under the existing rate.

Mr. SMOOT. They are classified under a basket clause, and therefore we can not tell exactly what are the importations.

Mr. ROBINSON. I am inclined to think that the prevailing rate is adequate. So I offer an amendment to strike out "60," in line 9, and insert in lieu thereof "30."

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

BENEFICIARIES OF UNITED STATES VETERANS' BUREAU (S. DOC. NO. 204).

The VICE PRESIDENT laid before the Senate a communication from the Director of the United States Veterans' Bureau, transmitting a draft of a proposed joint resolution providing for the making of allotments of appropriations by the United States Veterans' Bureau to the United States Public Health Service, which was referred to the Committee on Appropriations and ordered to be printed.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened; and (at 10 o'clock and 5 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Wednesday, May 24, 1922, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 23 (legislative day of April 20), 1922.

PROMOTIONS IN THE NAVY.

To be ensigns in the Navy.

Francis M. Adams.	John P. Cady.
Bruce B. Adell.	William S. Campbell.
Cecil C. Adell.	Daniel B. Candler, jr.
Frank Akers.	Beverly E. Carter.
Thomas Aldred.	Bertrand B. Cassels.
Clifford M. Alvord.	Charles J. Cater.
Byron S. Anderson.	Joyce C. Cawthon.
Edwin P. Archibald.	Hubert W. Chanler.
Henry C. Archibald.	Albert E. Chapman.
Edward B. Arroyo.	Samuel F. Chase.
Charles L. Ashley.	Louis M. Childs, 2d.
Clarence L. C. Atkeson, jr.	Thomas F. Christie, jr.
Clarence L. Atkinson, jr.	Vernon O. Clapp,
William B. Ault.	Augustus D. Clark.
Carlos J. Badger.	Sherman R. Clark.
Harold D. Baker.	Arthur A. Clarkson.
James E. Baker.	James P. Clay.
Bradford Bartlett.	Wilson P. Cogswell.
George W. Bauernschmidt.	Edmonston E. Coil.
Thomas T. Beattie.	Charles O. Comp.
Ehrwald F. Beck.	John Connor.
Adolph E. Becker, jr.	Adelbert F. Converse.
Alvin L. Becker.	Frank M. Converse.
Robert W. Bedilion.	George D. Cooper.
John P. Bennington.	George R. Cooper.
Herbert E. Berger.	Delbert S. Cornwell.
Gus R. Berner, jr.	Thomas A. Cory.
Warren K. Berner.	George W. D. Covell.
William H. Beyrer.	Jesse G. Coward.
Worthington S. Bitler.	John M. Cox, jr.
James C. Blake.	Edward C. Craig.
Robert E. Blick, jr.	James E. Craig.
Clinton W. Blount.	Charles W. Crawford.
Robert E. Blue.	William C. Cross.
George T. Boldizsar.	Edgar A. Cruise.
Eaton A. Boothe.	Andrew W. Cruse.
Ralph F. Bradford, jr.	Edward B. Curtis.
Anthony R. Brady.	Anthony L. Danis.
William E. Brice.	John Y. Dannenberg.
Thomas O. Brown, jr.	Roy R. Darron.
Alfred C. Bruce.	Hallock G. Davis.
Arthur W. Bryan.	William P. Davis.
Ellwood E. Burgess.	Harold T. Dawson.
Ralph W. Burleigh.	Carlton C. Dickey.
Harry St. J. Butler.	Arthur F. Dineen.
Horace B. Butterfield.	Charles A. Dodge.

Richard W. Dole.
James H. Dorsey.
Nicholas A. Draim.
Streuby L. Drumm.
Herbert S. Duckworth.
Ferdinand C. Dugan, jr.
Thomas B. Dugan.
Joseph B. Dunn.
Thomas S. Dunstan.
Edward R. Durgin.
Ralph Earle, jr.
Frederick J. Eckhoff.
Russell J. Ehle.
Kenneth O. Ekelund.
Donald R. Eldridge.
Rogers Elliott.
Lysle E. Ellis.
Eugene E. Elmore.
William A. Engeman, jr.
Robert A. J. English.
Carl F. Espe.
Donald S. Evans.
John V. Farrington.
Perry M. Fenton.
Beauford W. Fink, jr.
William A. Finn.
Andrew M. R. Fitzsimmons.
Merritt J. Flanders.
Nathaniel M. Floyd.
Lloyd D. Follmer.
Kenneth L. Forster.
Edward C. Forsyth.
Edward W. Foster.
Frederic D. Foster.
Edward R. Frawley.
John E. French.
William L. Freseman.
John J. B. Fulenwider.
Charles M. Furlow, jr.
Donald W. Gardner.
Edward R. Gardner, jr.
Harry C. Garrison.
Charles D. Garvin.
Frank B. Gary, jr.
John F. Geise.
Walter E. Gist.
Hubbard F. Goodwin.
Hugh H. Goodwin.
Malcolm M. Gossett.
Samuel K. Groseclose.
Bradford E. Grow.
John W. Guider.
Ralph R. Gurley.
Hugh W. Hadley.
Peter G. Hale.
Ignatius J. Haley.
Frederick S. Hall.
Fulwar S. Halsell.
Arthur LeR. Hamlin.
Raymond A. Hansen.
David W. Hardin.
John S. Harper.
Daniel W. Harrigan.
Norman Hattemer.
Charles A. Havard.
Harold G. Hazard.
Howard R. Healy.
John S. Hedrick.
Carlyle L. Helber.
John M. Higgins.
Robert B. Higgins, jr.
Tom B. Hill.
Howard Hogan.
William B. Holden.
John A. Hollowell, jr.
William L. Holm.
Wilfred J. Holmes.
Alfred J. Homann.
Charles F Hooper.
Vernon Huber.
Ralph H. Hudson.
Leon J. Huffman.
John R. Hume.
Charles O. Humphreys.
Robert N. Hunter.
William F. Hurt.
Howard B. Hutchinson.
Emory P. Hylant.
Henry A. Ingram.
Riley R. Jackson.
Harry B. Jarrett.
Howard L. Jennings.
Francis B. Johnson.
John N. Johnson.
James R. Johnson, jr.
Robert L. Johnson.
Rudolf L. Johnson.
Bates H. Johnston.
Donald H. Johnston.
Wilbur G. Jones.
William C. Jordan.
Alexander F. Junker.
David B. Justice.
Leonard Kaplan.
Albert V. Kastner.
Roland P. Kauffman.
Harry Keeler, jr.
Austin S. Keeth.
Thomas H. Kehoe.
Ralph C. Kephart.
Robert A. Knapp.
Omer A. Kneeland.
Leslie A. Kniskern.
Frederick E. Kraemer.
William C. Latta.
Palmer K. Leberman.
Wallace T. Lee.
Harry M. Leighley.
John H. Leppert.
John C. Lester.
Clarke H. Lewis.
Ruthven E. Libby.
Louis D. Libenow.
Irving L. Lind.
Hugh W. Lindsay.
Mellish M. Lindsay, jr.
Marion N. Little.
Aaron R. Lyon.
James A. McBride.
Alan R. McCracken.
William G. McCrea.
Robert P. McDonald.
Frederick K. McElroy.
Howard D. McIntosh.
Kenmore M. McManes.
James B. McVey.
Charles J. McWhinnie.
Henry F. MacComsey.
Michael J. Malanaphy.
Alvin I. Malstrom.
Leon J. Manees.
Bernard E. Manseau.
Alfred R. Mead.
Francis J. Mee.
George L. Menocal.
John G. Mercer.
Edward C. Metcalfe.
Woodson V. Michaux.
Milton E. Miles.
Theodore W. Miller.
James A. Mitchell.
William D. Moorer, jr.
Albert K. Morehouse.
Robert W. Morse.
Gordon Moses.
John E. Murphy.
Marion E. Murphy.
Charles W. Myers.
Harold S. Nager.
Alan R. Nash.
Henry P. Needham.
George L. Neely.
Peter J. Neimo.
Roger E. Nelson.
John L. Nestor.
Milton F. Nicholson.
George E. Nold.
Thomas H. Ochiltree.
George P. Hunter.
Edward J. O'Kane.
Isaiah Olch.
Jerauld L. Olmsted.
Howard E. Orem.
George E. Palmer.
William B. Pape.
Harold E. Parker.
John E. Parker.
Henry L. Parry.
William S. Parsons.
Harold C. Patton.
Leo P. Pawlikowski.
Norman A. Pedersen.
Malcolm W. Pemberton.
Charles C. Phleger.
Edward H. Pierce.
Harry W. Pierce.
John J. Pierrepont, 2d.
Arthur L. Pleasants, jr.
Kenneth Porter.
John L. Pratt.
Harold F. Pullen.
Dale Quarton.
Gerald U. Quinn.
Thomas J. Raftery.
Lucien Ragonnet.
Edwin V. Raines.
Harry A. Rawlings.
Owen Rees.
Herbert E. Regan.
Frederick F. Richards.
Hyman G. Rickover.
Frederick L. Riddle.
Augustin K. Ridgway.
Whitaker F. Riggs, jr.
Armand J. Robertson.
Walter W. Rockey.
Albert L. R. Rosenstein.
James M. Ross.
Robert B. Rothwell.
Frank W. Rowe, jr.
Rudolph C. Rupert.
Thomas C. Ryan, jr.
James G. Sampson.
Alden R. Sanborn.
William V. Saunders.
Richard C. Scherrer.
Henry J. Schmidt.
William J. Sebald.
Henry L. Shenier.
Earl V. Sherman.
John H. Shultz.
Samuel Silverman.
Valvin R. Sinclair.
Herschel A. Smith.
Horatio D. Smith.
Harry T. Smith.
John A. Smith.
Robert H. Smith.
Henri H. Smith-Hutton.
Cornelius S. Snodgrass.
John J. O'Donnell, jr.
Edward A. Solomons.
Gerald A. Stacey.
Charles H. Steele.
John E. Stephens, jr.
Harold R. Stevens.
Douglas P. Stickley.
Kenneth D. Stoddard.
Lyman A. Stohr.
Thomas M. Stokes.
George N. Streetman.
Maurice J. Strong.
Robert C. Strong, jr.
Luther B. Stuart.
David J. Studabaker.
Russell G. Sturges.
Willard J. Suits.
Raymond D. Sullivan.
Orson R. Sutherland.
Frank C. Sutton.
John A. Sweeton.
Preston S. Tambling.
Alfred R. Taylor.
Edwin A. Taylor.
William B. Terrell.
William R. Terrell.
Karl A. Thieme.
Carlisle H. Thompson.
Paul S. Thomson.
Albert L. Toney.
Humphrey W. Toomey.
William B. Tucker.
Raymond H. Tuttle.
John Twachtman.
Archibald E. Uehlinger.
John P. W. Vest.
Clarence E. Voegeli.
Frederic B. Vose.
Richard S. Waggener.
Frank R. Walker.
Jesse R. Wallace.
Adelbert V. Wallis.
Harvey T. Walsh.
Henry C. Walters.
Ferdinand B. Wanselow.
William L. Ware.
Frank T. Watkins.
George F. Watson.
Matthew S. Q. Weiser.
William B. Whaley, jr.
Francis H. Whitaker.
Leland D. Whitgrove.
John P. Whitney.
Paul Wiedorn.
Otto C. Wierum.
Ernest A. Williams.
Milo R. Williams.
Thomas D. Wilson.
Ralph H. Wishard.
Walter E. Zimmerman.
Ralph T. Zinn.

POSTMASTERS.

ALABAMA.

Walter B. Ozley, Calera.
John H. McEniry, Bessemer.

GEORGIA.

Edwin L. Orr, Dublin.
Charles H. Travis, Senoia.

ILLINOIS.

Jacob A. Hirsbrunner, Olivet.

MINNESOTA.

Grover W. Sattler, Watkins.

NEW YORK.

Homer H. Thomas, Rushford.

RHODE ISLAND.

Wilfred R. Easterbrooks, Wakefield.

SOUTH CAROLINA.

Lillian W. Ratchford, Hickory Grove.

HOUSE OF REPRESENTATIVES.

TUESDAY, *May 23, 1922.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, the author of all good, we can not tell the fullness of Thy name nor understand the resources of Thy bounty and wisdom, but deeply grateful are we to be counted in the train of Thy servants. With this spirit we would accept the yoke and receive the burden. Let love of human praise, hope of personal gain, and delusive happiness be far from us. Let all laws be just and their administration equal and right. Bless those righteous forces which are rising up in enlightened souls of men and are striving against the wrong. O inspire us with intelligent confidence that the Lord of all the earth will do right. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

READJUSTMENT OF ARMY AND NAVY PAY.

Mr. McKENZIE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 10972, disagree to all of the Senate amendments, and ask for a conference.

Mr. OLIVER. Mr. Speaker, reserving the right to object, as I understand, the gentleman will give the House an opportunity to vote on the amendment providing for the retired pay of colonels, lieutenant colonels, and majors?

Mr. McKENZIE. I will say to the gentleman that I have not changed my mind from what I stated yesterday, that I do not feel disposed to go to conference with my hands tied. I prefer to go to conference untrammeled and with the aid of my assistant conferees on the part of the House try to bring back a reasonable compromise, if a compromise is necessary. But whatever report I brought back it would be up to the House to accept or reject.

Mr. OLIVER. There will probably not be a conferee but that is in sympathy with the action of the House, and in view of that it seems to me that the matter ought to be brought back to the House for a vote.

Mr. McKENZIE. I will not consent to that. I feel that the proposition that the gentleman from Alabama is interested in is a very material matter and might be very essential in arriving at an agreement with the Senate on other matters. Therefore I can not consent.

The SPEAKER. Is there objection?

Mr. OLIVER. I object.

NATIONAL BANK CHARTERS.

Mr. CAMPBELL of Kansas. Mr. Speaker, I submit a privileged report from the Committee on Rules.

The SPEAKER. The gentleman from Kansas submits a privileged report from the Committee on Rules, which the Clerk will report.

The Clerk read as follows:

House Resolution 337 (Rept. No. 1023).

Resolved, That upon the adoption of this resolution it shall be in order to consider the bill H. R. 9527, being "A bill to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof until dissolved, and to apply said section as so amended to all national banking associations."

Mr. CAMPBELL of Kansas. Mr. Speaker, this is a unanimous report from the Committee on Rules. I have only this to say about the matter, that it makes in order the bill referred to providing for the extension of national bank charters. I understand it to be the fact that under the present law national bank charters will generally expire on the 1st day of July. If there are exceptions to that, it is where a special charter has been granted, and I have no information as to cases of that kind.

I yield five minutes to the gentleman from Arkansas [Mr. WINGO] and reserve the remainder of my time.

Mr. WINGO. Mr. Speaker, while I am opposed to the bill, I shall not oppose the rule, because I recognize that there should be legislation. The chairman of the Committee on Rules is in error, though, in suggesting that the bill is for the extension of charters of national banks. That is not the object of the bill. I should not object to that. The object of the bill is confessedly to grant perpetual charters to national banks.

Now, when the national bank act was passed we gave 20-year charters. In 1882 we passed an act authorizing, under certain restrictions and limitations, a further extension of 20 years. Then in 1902, at the expiration of that 20-year period, we passed a bill authorizing a further extension of 20 years. Each time that the question of perpetual charters came up Congress decided by an overwhelming vote that it would retain its control and not grant a perpetual charter to a banking corporation, and it has been the policy of both parties for over 50 years to give them simply 20-year charters.

Now, I shall offer as an amendment a 20-year extension, and I hope that the Members of the House will see the wisdom of accepting that as a substitute for a perpetual charter. There is no necessity for perpetual charters for national banks. It is a dangerous policy. I am opposed to a Federal charter for any kind of an institution of that nature. That is my only objection. I do not object to the rule. There ought to be legislation, but it ought to be by passing the customary 20-year extension authorization act.

Mr. MOORE of Virginia. Will the gentleman from Kansas yield?

Mr. CAMPBELL of Kansas. I yield.

Mr. MOORE of Virginia. I wanted to ask the gentleman a question as to the practice of the Committee on Rules. This is it: Suppose the Committee on Rules orders a resolution of investigation to be favorably reported and directs the chairman to favorably report it, is the chairman under any compulsion to report it or has he unlimited discretion which will enable him to postpone indefinitely any report of that resolution or any presentation of it to the House at all? I have in mind the Daugherty investigation resolution—the Woodruff-Johnson resolution.

Mr. CAMPBELL of Kansas. That is a question I will answer to the Committee on Rules and to the majority of the House at the proper time.

Mr. GARNER. Will the gentleman yield for a question?

Mr. CAMPBELL of Kansas. Relative to this matter?

Mr. GARNER. I did not intend to refer to the Woodruff resolution; I will not refer to it.

Mr. CAMPBELL of Kansas. I realize the anxiety of certain gentlemen at this time with respect to certain indictments that have already been found by Federal grand juries and about certain other indictments that are in contemplation. I also realize the anxiety of certain gentlemen with respect to civil actions for the recovery of money or property. But I do not intend to contribute in any way, directly or indirectly, to the defense, in either civil or criminal action, by assailing the Attorney General at this time. [Applause.]

Mr. GARNER. The gentleman will realize that I have not assailed the Attorney General. I did not know that the gentleman from Kansas was going to get "wrought up."

Mr. CAMPBELL of Kansas. I have been asked whether or not I was going to bring up a resolution calling for an investigation.

Mr. GARNER. I did not ask the gentleman that question. I did not suppose he was going to get "wrought up." I did not know whether he would bring the resolution out or whether he was opposed to it.

I understand you have several bills from the Committee on Banking and Currency. You have offered one resolution concerning the consideration of one bill, and I was wondering if you were going to bring in a resolution for the consideration of all these bills separately?

Mr. CAMPBELL of Kansas. Yes.

Mr. GARNER. That is what I wanted to know. The gentleman seemed to fear that the Attorney General was going to be assaulted. I think the gentleman from Kansas has contributed more to the assault of the Attorney General than anybody else, as chairman of the Committee on Rules, in bringing out the Woodruff resolution. He is the man responsible for it. It could not have been brought out without the consent of the gentleman from Kansas.

Mr. CAMPBELL of Kansas. "The gentleman from Kansas" assumes entire responsibility for what he has already done, for what he is now doing, or what he may do in the future.

Mr. Speaker, I move the previous question on the adoption of the resolution.

Mr. KINCHELOE. Mr. Speaker, will the gentleman yield? I want to ask the gentleman a question.

Mr. CAMPBELL of Kansas. I yield for a question—and I assume that it is germane to the subject matter now under discussion.

Mr. KINCHELOE. It is in reference to a subsequent rule in which I am interested.

Mr. CAMPBELL of Kansas. Yes.

The SPEAKER. Does the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. KINCHELOE. I understood the gentleman to say, in answer to the interrogatory of the gentleman from Texas [Mr. GARNER], that you are bringing out a rule to cover the bill from the Committee on Banking and Currency?

Mr. CAMPBELL of Kansas. Yes.

Mr. KINCHELOE. I have been trying to obtain information as to what the procedure of the Committee on Rules will be when the Committee on Agriculture is given the right of way. Will you bring in a separate rule for each measure that is to come?

Mr. CAMPBELL of Kansas. The Committee on Rules unanimously reported a rule giving the Committee on Agriculture three days in which to dispose of business that it has on the Union and House Calendars.

Mr. KINCHELOE. That is what I wanted to know. Is the Committee on Agriculture itself to determine as to what bills shall be considered during that time?

Mr. CAMPBELL of Kansas. Why, certainly.

Mr. Speaker, I move the previous question.

The SPEAKER. The gentleman from Kansas moves the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

The SPEAKER. The gentleman from Pennsylvania [Mr. McFADDEN] is recognized.

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. This is a House Calendar bill, and it does not require that.

Mr. McFADDEN. Very well. I call up the bill H. R. 9527.

The SPEAKER. The gentleman from Pennsylvania, chairman of the Committee on Banking and Currency, calls up the bill H. R. 9527, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 9527) to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof until dissolved, and to apply said section as so amended to all national banking associations.

Be it enacted, etc., That section 5136 of the Revised Statutes of the United States be amended so that the paragraph therein designated as "Second" shall read as follows:

"Second. To have perpetual succession until it shall be dissolved by the act of its shareholders owning two-thirds of its stock, unless its franchise shall become forfeited by reason of violation of law, or unless it shall be terminated by the provision of act of Congress hereinafter enacted."

SEC. 2. That all acts or parts of acts providing for the extension of the period of succession of national banking associations for 20 years are hereby repealed, and the provisions of paragraph second of section 5136, Revised Statutes, as herein amended shall apply to all national banking associations now organized and operating under any law of the United States.

Mr. McFADDEN. Mr. Speaker, this bill is made necessary because of the arrival of that period of time at which the third extension of the charter rights of national banks is necessary.

Back in the sixties, when the national bank act was passed, there was some doubt, perhaps, in the mind of the Congress as to the advisability of permitting the national banks to have an existence in perpetuity, so that Congress saw fit to put a limitation of 20 years thereon. Just prior to the expiration of that 20 years a bill giving the right to the national banks to continue their existence for an additional 20 years was enacted. In 1902 the situation was treated in a similar manner.

We are now up to the point where the time for the third extension has arrived, and it is necessary that some action be taken by the Congress, or else the charter rights of national banks will begin to expire on July 1.

The Committee on Banking and Currency gave very careful consideration to this proposition. They heard the Secretary of the Treasury, the Comptroller of the Currency, and members of the Federal Reserve Board. All of these people were in favor of granting charter rights to banks as is provided in this bill.

One of the controlling reasons for this was the fact that in the formation of the Federal reserve act and amendments thereto national banks were given the right to act in a fiduciary capacity. In acting in a fiduciary capacity it is necessary for institutions to take on long-time trusts, in some instances as long as 400 years. It is a great handicap to the national banks not to have the right to act in a fiduciary capacity only under the rules and regulations laid down by the Federal Reserve Board, and they are not able to take on these trusts in competition with the State banks and trust companies, because the people who have charge of these trusts are loath to give them to national banks whose charters expire each 20 years, because of the fact that it means that the charters might not be renewed and they might have trouble in handling or transferring their trusts. Therefore, the national banks who have been given this power by Congress feel that they are entitled to have a right to take on these trusts under fiduciary powers.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. Certainly.

Mr. WALSH. These national banks are dependent upon Congress for their charters, are they not?

Mr. McFADDEN. They are.

Mr. WALSH. Then, why should they feel that they are entitled to have perpetual succession?

Mr. McFADDEN. Because they have been given the right to act in a fiduciary capacity in taking on trusts that have a long time to run—much longer than their own charter rights.

Mr. WALSH. Certainly; but when they were given that right they were given it under the law that permitted their succession in every 20 years.

Mr. McFADDEN. That is true; but it is impossible for them to take on these trusts that have been given them by the Congress, because many of these trusts run beyond 20 years—the present life of a national bank.

Mr. WALSH. Can the gentleman give us information as to how many national banks have taken on trusts or instruments of trusts to run for 400 years?

Mr. McFADDEN. I can not give the gentleman exact information on that, but many national banks have taken on these trusts, but many preliminary formalities with respect to compliance with regulations and other things pertaining to the solvency of the institutions are taken into consideration and passed upon by the Reserve Board. A great many of these institutions have qualified in that way, especially in the larger cities, where there is a large amount of this trust business.

Mr. WALSH. Can the gentleman give us information as to how many of these institutions have been hampered or hindered in any way in taking on these trusts by reason of the 20-year limitation?

Mr. McFADDEN. Yes. I have letters from national banks from all over the country, and the Comptroller of the Currency and the Federal Reserve Board have received letters from these banks complaining because of this limitation, and they are asking to be given this right of succession in order to be able to compete with the State banks and trust companies who are delving into the preserves of national banks. This is one of the things that would permit national banks to compete with these great State banks and trust companies.

Mr. WALSH. Of course, if there is a lot of national banks that have taken on this duty notwithstanding the stringent regulations of the Federal Reserve Board in reference to it, it does not make any difference whether they have a 20-year or a 30-year or a 50-year limitation or longer.

Mr. McFADDEN. There is no reason, as a matter of fact, why we should limit them at all; no reason that I can see. These banks are under the supervision of the Comptroller of the Currency, who is there to see to it that these banks comply with the law, and the Congress has the right to repeal the law at any time; and, besides that, practically 47 States are permitting charters to be issued either in perpetuity or for a longer time than 20 years. It is certainly a fact that if we expect the national banks to exercise their rights under the law which has been passed by Congress, we must take off the restrictions and the limitations, so that they can assume the full responsibility which was contemplated when these fiduciary powers were granted to them. In my own State the courts will not permit national banks to handle trusts or estates that are under the jurisdiction of the State laws because of this 20-year limitation. It is not fair, especially when the State banks and trust companies do all the other kinds of business that the national banks do.

Mr. WALSH. Will the gentleman yield further?

Mr. McFADDEN. Yes.

Mr. WALSH. This will be the second extension?

Mr. McFADDEN. No; the third extension.

Mr. WALSH. There has never been any difficulty about getting an extension by Congress, has there?

Mr. McFADDEN. No; I do not think there has been.

Mr. WALSH. Is this the first time they have ever asked for perpetual succession?

Mr. McFADDEN. This is the first time since the fiduciary rights were given them under the Federal reserve law. Twenty years ago they did not have the right to act in a fiduciary capacity.

Mr. LUCE. Will the gentleman yield?

Mr. McFADDEN. I will.

Mr. LUCE. For the benefit of my colleague [Mr. WALSH] I will say that in our own State at least one of the judges is inclined to hold that national banks must give sureties, in the case of trusts, which puts the banks at a decided disadvantage in comparison with the trust companies, from whom sureties are not required.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman permit a question?

Mr. McFADDEN. I will.

Mr. COOPER of Wisconsin. It is customary in national laws granting charters for the law to reserve to Congress the right to alter, amend, or repeal. Does the gentleman construe the language in line 9, page 1, and lines 1 and 2 on page 2 of the pending bill as being equivalent to that reservation?

Mr. McFADDEN. I believe that Congress has the right, of course, to repeal this law. That is expressly provided for here.

Mr. COOPER of Wisconsin. That is what I want to understand. The language is—

unless its franchise shall become forfeited by reason of violation of law—

That is one thing——

Mr. McFADDEN. Yes.

Mr. COOPER of Wisconsin. But there follows—

or unless it shall be terminated by act of Congress hereafter enacted.

Is that clause equivalent to the ordinary reservation——

Mr. McFADDEN. I so understand it.

Mr. COOPER of Wisconsin. That the right to alter, amend, or repeal is expressly reserved.

Mr. McFADDEN. Yes. I am not a lawyer, but I construe it that way.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. NEWTON of Minnesota. As I understand it, quite a large number of the States have given perpetual succession to State banking institutions.

Mr. McFADDEN. Yes; and I would like to put into the RECORD at this point a brief which has been prepared by the counsel of the American Bankers' Association, setting forth the rights which the different States have given in the matter of perpetual or limited charters:

DURATION OF CHARTERS OF STATE BANKS, SAVINGS BANKS, AND TRUST COMPANIES.

ALABAMA.

Twenty years' limitation by constitutional provision (Const. of 1901, sec. 251): "Every bank or banking company shall be required to cease all banking operations within 20 years from the time of its organization, unless the time be extended by law, and promptly thereafter close its business."

Does this apply to trust companies? This is a matter for the courts. In this connection Alabama Code (1907), section 3528, is suggestive. This provides that trust companies "shall be amenable to the general banking laws of the State in so far as said laws are applicable to trust companies."

ARIZONA.

Corporations generally have perpetual succession. Banks, savings banks, and trust companies must take out an annual license to do business.

Corporations have the power of "perpetual succession" (Ariz. Rev. Stat., p. 2097 (1)): "The duties of the bank comptroller shall be to prepare and furnish to every building and loan association, savings bank, banker, and banking company or trust company incorporated under the laws of this State, or any State or country, and doing business in this State, applying therefor in writing, a license, in the form to be prescribed by said comptroller, authorizing such corporations to use the name and transact the business of a building and loan society, association, savings bank, banker, bank, banking company, or trust company during the fiscal year of issuance thereof."

ARKANSAS.

No limitation as to duration of banks, trust companies, and savings banks.

CALIFORNIA.

Corporations generally are limited to a duration of 50 years. No specific provisions as to banks, etc.

"Articles of incorporation must be prepared, setting forth: * * * (4) the term for which it is to exist, not exceeding 50 years." (Calif. Civ. Code No. 290.)

"Every corporation, as such, has power:

"1. Of succession, by its corporate name, for the period limited; and when no period is limited, perpetually." (No. 354, Calif. Civ. Code.)

COLORADO.

Corporations generally are limited to 20 years; this may apply to banks and certainly does to trust companies.

The certificate of incorporation of a corporation, among other things, shall state "the term of its existence, not to exceed 20 years, except as hereinafter provided, save and except to make perpetual corporations insuring lives of individuals." (Courtrights Colo. St. 847.)

"Corporations formed under this act shall be bodies corporate and politic in fact and in name, by the name stated in such certificate, and by that name have succession for the period for which they are organized." (Courtrights Colo. St. 854.)

Persons associating to form a trust, deposit, and security business "shall subscribe articles of association which shall contain: * * *

"Fifth. The period for which such association is to be incorporated." (Id. 295.)

The certificate of organization of a bank shall state "(f) the period during which such corporation is to exist." (Id. 269.)

The definition of a "bank" is contained in No. 265: "The word 'bank,' as used in this act, shall include every person, copartnership, and corporation, except national banks, engaged in the business of banking in the State of Colorado."

COLORADO.

Persons associating to form a trust company "shall execute articles of incorporation as provided by section 2 of chapter 19 of the general statutes of the State." (Id. No. 304.) A footnote states that "the section above referred to is section 847," which, as we have seen, provides for a statement of "the term of its existence, not to exceed 20 years," etc.

CONNECTICUT.

State banks, trust companies, and savings banks are not limited in their duration.

"Every corporation shall have power * * * (1) to have succession by its corporate name for the time stated in its charter, certificate of incorporation, or articles of association, and when no period is limited, perpetually." (Gen. Stat. of Conn. 1918, No. 3421.)

The certificate of incorporation of a corporation shall state "(6) The period, if any, limited for the duration of the corporation." (Id. No. 3508.)

No. 3948 of such general statutes, prescribing what the certificate of incorporation of a State bank or trust company shall contain, includes no statement as to duration of the charter.

As to savings banks no specific provisions were found.

DELAWARE.

Corporations generally have unlimited succession. The duration of banks, trust companies, and savings banks can be determined only by an examination of their special charters.

Section 1 of article 9 of the constitution of Delaware expressly provides that the provisions therein requiring corporations to be "created, amended, renewed," etc., "shall not apply to * * * banks." Under this permisison banks, trust companies, and savings banks are created by special charters. See, for example, chapters 273, 274, 275, 276, 277, 278, 280, 281, 282, and 283 of the laws of 1919 and chapter 280 of the laws of 1915. These special charters must be examined in order to ascertain the policy of the State as to the duration of the existence of these corporations.

The general policy as to corporations is shown by No. 1916 of the revised code of 1915: "Every corporation created under the provisions of this chapter shall have power: 1. To have succession, by its corporate name, for the time stated in its certificate of incorporation, and when no period is limited it shall be perpetual."

FLORIDA.

Banks, trust companies, and savings banks are not limited in their duration.

"The provisions of this title (that of corporations, which title includes the other sections quoted) shall extend to all corporations, whether chartered by special act of the legislature or under general law in their respective classes." (Rev. Gen. St. of Fla., No. 4045.)

"Every corporation by virtue of its existence as such shall have power: 1. To have succession by its corporate name for the period limited in its charter and, when no period is limited, perpetually." (Id. No. 4047.)

"The proposed charter of an intended corporation * * * shall set forth: * * * (4) The term for which it is to exist." (Id. 4051.)

The statutes affecting banks, trust companies, and savings banks contain nothing taking them out of the operation of these general provisions, which apply to "all corporations."

GEORGIA.

Thirty years' limitation, applicable to State banks, trust companies, and savings banks.

The banking act of 1919, article 17, section 1 (No. 136) provides:

"A bank organized under this act shall have power: (1) To have continual succession for the term of 30 years, with the rights of renewal herein provided for."

Article 1, section 1 of this act defines the term "bank." "The term 'bank,' as used in this act * * * shall include incorporated banks, banking companies, trust companies, and other corporations doing a banking business in this State."

IDAHO.

Fifty-year limitation.

"Every corporation, as such, has power: 1. Of succession, by its corporate name, for the period limited, and when no period is limited, perpetually." (Idaho Comp. St. of 1919. No. 4752.)

"Articles of incorporation (of private corporations) must be prepared setting forth: * * * 4. The term for which it is to exist, not exceeding 50 years." (Id. No. 4696.)

"Unless otherwise provided herein, the general corporation laws of this State shall apply to all corporations organized and operating under this chapter." (Id. No. 5220.) "This chapter" is the one dealing with banks and savings banks.

"Articles of incorporation (of trust companies) must be prepared setting forth: * * * 4. The term for which it is to exist, not exceeding 50 years." (Id. No. 5222.)

ILLINOIS.

No limitation.

The application for organization as a bank or banking institution shall state "the time for which such association shall continue." (Callaghan's Ill. Laws, 1917–1920, Supp., No. 688 (2).)

The banking laws of Illinois provide that "associations organized under this act shall be bodies corporate and politic for the period for which they may be organized. (Id. No. 688 (8).)

As no definite limitation is set it would seem that banks may be organized with a perpetual charter.

The corporation act does not aid, since that provides that "corporations may be organized in the manner provided in this act for any lawful purpose except for the purpose of banking," etc.

However, this general corporation act does apply to trust companies. No. 2559 of Callaghan's Illinois Statutes, 1913, provides that "any corporation which has or shall be incorporated under the general incorporation laws of this State * * * and all amendments thereof for the purpose of accepting and executing trusts, etc." This indicates that trust companies are organized under the general corporation act.

The general corporation act provides that "Each corporation organized under this act shall * * * have the following powers, rights, and privileges: 1. To have succession by its corporate name for the period limited in its certificate of incorporation, or any amendment thereof." (Callaghan's Ill. Laws, 1917–1920, Supplement No. 2446 (6).)

The statement of incorporation under the general corporation act shall "set forth the following: (4) The period of duration."

There is no indication that this period of duration may not be perpetual.

There seems to be no specific provisions affecting savings banks.

INDIANA.

Constitutional limitation to 20 years. The application of this to other than banks of "issue" is not certain.

"Every bank, or banking company, shall be required to cease all banking operations from the time of its organization, and promptly thereafter close its business." (Indiana Constitution, p. 209, art. 11, sec. 10.) The first section of this article provides that "The general assembly shall not have power to establish or incorporate any bank or banking company or moneyed institution for the purpose of issuing bills of credit or bills payable to order or bearer, except under the conditions prescribed in this constitution" (p. 200). The courts might possibly hold that the whole article was limited to banks of "issue." (See Pape v. Capitol Bank, 20 Kans. 440.)

The statutes contain no specific provision relating to banks, savings banks, or trust companies, so far as duration of charter is concerned.

The general corporation act provides for articles of incorporation stating "(h) The length of life of the corporation, not exceeding 50 years." This act, however, does not apply to "the organization or control * * * of * * * banks and trust companies, or corporations doing a banking business."

IOWA.

Savings banks are limited to 50 years; banks and trust companies to 20 years.

"The articles of incorporation of a savings bank shall * * * give * * * the time of its existence, which shall not exceed 50 years." (Compiled Code of Iowa (1919), 5768.)

"The corporators (of savings banks) and their successors shall be a body corporate, with the right of succession for the period limited." (Id. 5770.)

"Articles of incorporation (of State banks) shall state: 3. The time of the commencement and termination of the corporation, which shall in no case exceed 20 years. (Id. No. 5791.)

Trust companies are evidently formed under the general corporation law since code section 5814 refers to "corporations organized under the provisions of chapters 1, 2, and 3, title 17 (general corporation law), whose articles of incorporation authorize the acceptance and execution of trusts."

Two provisions of this general act are pertinent. "Among the powers of such corporations are the following: 1. To have perpetual succession." (Id. No. 5329.) Corporations "for the establishment and conduct of savings banks * * * may be formed to endure 50 years; those for other purposes not to exceed 20 years." (Sec. 5348.)

KANSAS.

Limitation of 50 years.

The general corporation law provides: "The purposes for which private corporations may be formed are: * * * (41). The organization of loan and trust companies * * * (43). The organization and control of banks * * * (44). The organization and control of savings banks. (Gen. Stat. of Kansas (1915) No. 2099.)

"The existence of private corporations shall begin on the day the charter is filed in the office of the secretary of state, and shall continue for a period of 50 years." (Id. No. 2110.)

KENTUCKY.

No limitation.

The general corporation law provides that "banking, building and loan, trust, insurance, and railroad corporations shall, in addition to the provisions of this article, which are not inconsistent with the law relating especially to them, be organized in the manner and subject to the provisions of such laws." (Ky. Stat. Carroll (1915) No. 538.)

The incorporators "shall execute articles of incorporation which shall specify: (6) The time when it is to commence and the period it is to continue." (Id No. 539.)

The inference is that the period may be indefinite.

LOUISIANA.

Limitation of 99 years.

"Any number of persons, not less than five, associating themselves for the purpose of conducting a savings, safe-deposit, and trust banking business in any of its branches may constitute themselves a corporation, with power and authority, first, to have and enjoy succession by a corporate name, to be selected by themselves, for a period that shall be expressed and limited in the articles of association, not exceeding 99 years." (Banking laws compiled by State examiner (1917), p. 20; act 45, of 1902, No. 1.)

Banks and State banks "organized under this act shall have power and authority (1) to have and enjoy succession by a corporate name, to be selected by themselves, for a period stipulated in the act of incorporation, and which shall not exceed 99 years." (Id., p. 1; act 179, of 1902.)

MAINE.

No limitation.

"All savings banks or institutions for savings lawfully organized are corporations possessed of the powers and functions of corporations generally, and as such have power:

"1. To have perpetual succession, each by its corporate name." (Rev. Stat. of Maine (1916), p. 809, ch. 52, No. 6.)

The articles of incorporation of banks and trust companies need not state any limitation of duration. (Id., p. 826; ch. 52, No. 64.)

Banks, savings banks, and trust companies may not be organized under the general corporation law. (Id., p. 782; ch. 51, No. 7.)

MARYLAND.

Limitation of 40 years for State banks and trust companies. No limitation as to savings banks (mutual).

The general corporation law provides:

"Corporations may be formed under the provisions of this article for any one or more lawful purposes, except such as are excluded from the operation of a general law by the constitution of this State. And except where special provisions inconsistent herewith are made in this article for particular classes all corporations shall be formed in manner following." (Bagby's Ann. Code, pp. 535, 536; art. 23, No. 2.)

It further provides: "Every corporation which is subject to the provisions of this article shall have the following general powers, except where the special provisions relating to any particular classes of corporations are inconsistent herewith:

"1. To have perpetual succession by its corporate name." (Id., pp. 538, 539, art. 23, No. 7.)

No inconsistent provisions exist with respect to savings banks, which, however, must be mutual.

Articles of incorporation of trust companies shall "specifically state: * * * Fifth. The term of its existence, not exceeding 40 years." (Ch. 268 of Laws of 1920, reenacting sec. 42 of art. 11 of the Annotated Code.)

Articles of incorporation of banks shall state: "* * * Fifth. The period for which such bank is organized, not exceeding 40 years." (Bagby's Ann. Code, p. 239, art. 11, No. 21.)

MASSACHUSETTS.

No limitation found in constitution or statutes.

No references to duration.

MICHIGAN.

Thirty years' limitation.

"No corporation shall be created for a longer period than 30 years, except for municipal, railroad, insurance, canal, or cemetery purposes, or corporations organized without any capital stock for religious, benevolent, social, or fraternal purposes," followed with provisions for renewal of charter. (Constitution, art. 12, No. 3.)

Articles of association of banks and savings banks "shall specify: Sixth. The period for which the bank is organized, which shall not exceed 30 years." (Mich. Comp. Laws, 1915, No. 7968.)

Articles of association of trust companies shall contain: "* * * Fifth. The period for which such corporation is to be incorporated, not to exceed the period of time authorized by the constitution of this State." (Id. sec. 8046.)

MINNESOTA.

No limitation.

The general corporation law provides:

"Corporations may be formed for any one of the following purposes:

"1. Carrying on the business of banking. * * *

"3. Creating and conducting savings banks. * * *

"4. Transacting business as a trust company in conformity with the laws relating thereto." (Minn. Gen. Stat., 1913, No. 6145.)

The certificate of incorporation of a corporation shall specify: "2. The period of its duration, if limited." (Id. No. 6147.)

The inference is that the duration may be unlimited. It is clear that this provision includes the institutions under consideration. See for additional evidence subdivision 1 of No. 6147.

MISSISSIPPI.

Limitation to 50 years.

"No charter for any private corporation for pecuniary gain shall be granted for a longer period than 99 years." (Const., No. 178.)

"The persons associating shall execute articles of incorporation, which shall specify: * * * Third. The nature of its business, whether that of a commercial bank, savings bank, trust company, or any combination thereof. * * * Sixth. The period for which the bank (savings bank or trust company) is organized, which shall not exceed 50 years." (Hemingway's Miss. Code (1917), No. 3585.)

MISSOURI.

Apparently no limitation as to State banks and trust companies. Fifty years' limitation as to savings banks.

The articles of agreement of banks "may provide for the number of years the corporation is to continue, which shall not exceed 50 years, or may provide that the existence of the corporation shall continue until the corporation shall be dissolved by consent of the stockholders or by proceedings instituted by the State under any statute now in force or hereafter enacted." (Mo. Rev. Stat. (1919), No. 11728.)

An exact duplication of this provision as applied to trust companies is found in Missouri Revised Statutes (1919), No. 11790.

"The articles of agreement (of savings banks) shall set out: * * * Sixth. The number of years the corporation is to continue, which in no case shall exceed 50 years." (Id., No. 11868.)

The general corporation law provides: "Every corporation, as such, has power: * * * First. To have succession by its corporate name for the period limited in its charter, and when no period is limited, for 20 years."

MONTANA.

Fifty years' limitation.

"Any three or more persons desiring to associate themselves together for the purpose of becoming a corporation to engage in any one or more of all the businesses mentioned in section 2 (this section provides for the following classes of banks: (a) Commercial banks, (b) savings banks, (c) trust companies, (d) investment companies) of this act, shall sign * * * articles of agreement, which shall set forth: 6. The number of years the corporation is to continue, which in no case shall exceed 50 years." (Rev. Codes of Mont. (1915 Suppl.), No. 3915.)

NEBRASKA.

No limitation.

"Every corporation, as such, has power: First. To have succession by its corporate name." (Nebr. Rev. Stat. (1913), No. 566.) This would be a logical place to insert a limitation if any were intended.

Notice of incorporation of corporations generally must contain: Fifth. The time of commencement and termination of the corporation. (No. 572.) Here again no limitation is found. No specific provisions were found with reference to the precise institutions under investigation.

NEVADA.

Fifty years' limitation.

"Any three or more persons, a majority of whom shall be residents of this State, may execute articles of incorporation and be incorporated as a banking corporation in the manner hereinafter provided. Said articles of incorporation shall contain: * * * Seventh. The length of time the corporation is to exist, which shall not exceed 50 years." (Rev. Laws of Nev. (1912), No. 616.)

The following provisions show the applicability of this limitation to trust companies and savings banks. "Any corporation organized under this act may state in its articles of incorporation that it will carry on a trust company business, either exclusively or in connection with the banking business." (Id., No 620.)

"Any banking corporation designating its business as that of a savings banks shall have power to carry on a savings bank business as prescribed and limited in this act." (Id., No. 621.)

NEW HAMPSHIRE.

No limitation.

"Existing charters of savings banks shall be perpetual, although expressly limited to a term of years." (General laws of New Hampshire (1901), ch. 165, No. 1, p. 546.)

"Every corporation subject to the provisions of this act (business corporations act) shall have the following powers and privileges and be subject to the following liabilities: (a) To have perpetual succession in its corporate name unless incorporated or formed for a limited term or dissolved as provided by law." (Laws of 1919, ch. 92, No. 4.)

"The term 'business corporation,' as used in this act, shall mean any corporation having a capital stock and established for the purpose of carrying on business for profit." (Laws of 1919, ch. 92, No. 1.)

In a chapter headed "banks of issue" is the provision that "every such bank and its stockholders shall be subject to the laws of the State applicable to corporations generally, unless the same are controlled by the provisions of the charter or by some special law of the State or United States." (General laws of 1901, ch. 163, No. 4.) While there are technically no State banks of issue, this section is significant.

NEW JERSEY.

No limitation.

"Every corporation shall have power: 1. To have succession, by its corporate name, for the period limited in its charter or certificate of incorporation, and when no period is limited, perpetually." (New Jersey Comp. St. (1910) Corps., No. 1.) This is the "act concerning corporations" referred to the sections hereafter quoted.

"The certificate of incorporation * * * shall set forth: VI. The period, if any, limited for the duration of the company." (Id. No. 8.)

The certificate of incorporation of a bank "shall specifically state: VI. The period, if any, limited for the duration of the bank." (Comp. St. (1910) chapter on banks and banking, No. 2.)

"In addition to the general powers conferred by the 'act concerning corporations,' so far as the same are not inconsistent with this act, every bank shall have power," etc. (Id. No. 6.)

The certificate of incorporation of a savings bank shall "set forth * * *. V. The period, if any, limited for its duration." (N. J. Comp. St. (1910) chapter on savings banks, No. 3.)

"All savings banks organized under and by virtue of this act are hereby declared to be corporations possessed of the powers and functions of corporations mentioned in the first section of the act entitled 'An act concerning corporations'; and, as such, shall have power," etc. (Id. No. 1.)

The certificate of incorporation of a trust company "shall specifically state: * * * VI. The period, if any, limited for the duration of the company." (N. J. Comp. St. of 1910, chapter on trust companies, No. 2.)

"In addition to the general powers conferred by the 'act concerning corporations,' so far as the same are not inconsistent with this act, every trust company shall have power," etc. (Id. No. 6.)

NEW MEXICO.

Fifty years' limitation as to trust companies; apparently no limitation as to State banks and savings banks.

"Banks are divided into the following classes:

"(a) Commercial banks;

"(b) Savings banks; and

"(c) Trust companies. (N. M. Laws of 1915, c. 67, No. 2.)

"Any number of persons not less than three may organize a corporation to engage in the business of banking." The certificate shall specify: (f) The period during which said corporation is to exist. * * * The provisions of this section shall not be construed to apply to "Trust companies" (id., No. 10), as amended by laws of 1919, chapter 120.

The articles of agreement of a trust company "shall set out: * * * Sixth. The number of years the corporation shall continue, which in no case shall exceed 50 years." (Id., No. 58.)

"Upon executing * * * a certificate pursuant to all the provisions of this article, three or more persons may become a corporation for any lawful purpose or purposes whatever, except * * * commercial banks, trust companies," etc. (Laws of 1917, c. 112, amending No. 889 of the codification of 1915.)

A certificate of incorporation "shall set forth: * * * VI. The period limited for the duration of the corporation, not exceeding 50 years." (Laws of 1917, c. 112, amending No. 891 of the codification of 1915.) This section applies to corporations generally. It would not seem to apply to commercial banks and trust companies. It is questionable if it would apply to savings banks.

NEW YORK.

No limitation.

The organization certificate of a State bank "shall specifically state: * * * 5. The term of its existence, which may be perpetual." Banking law No. 100.

The organization certificate of a trust company "shall specifically state: * * * 5. The term of its existence, which may be perpetual." (Banking law No. 180.)

The organization certificate of a savings bank does not require a statement as to its term of existence. (Banking law No. 230.)

In addition to the powers conferred by the general corporation law, "every savings bank shall have * * * the following powers," etc. (Banking law No. 238.)

General corporation law No. 11 provides that "every corporation as such has power, though not specified in the law, under which it is incorporated: 1. To have succession for the period specified in its certificate of incorporation or by law, and perpetually when no period is specified."

NORTH CAROLINA.

Apparently no limitation.

"Every corporation has power: 1. To have succession by its corporate name for the period limited in its charter, and when the charter contains no time limit, for a period of 60 years." (North Carolina Consolidated Statutes of 1919, No. 1126; General Corporation Law.)

NOTE.—The limitation of 60 years applies when "the charter contains no time limit." The inference that any time limit contained in the charter, even though longer than 60 years, would control.

A certificate of incorporation shall "set forth: * * * 6. The period, if any, limited for the duration of the corporation." (Id. No. 1114; General Corporation Law.)

"All of the provisions of law relating to private corporations, and particularly those enumerated in the chapter entitled 'Corporation' (Nos. 1126, 1114 are part of this chapter), not inconsistent with this chapter, or with the business of banking, are applicable to banks." (Id. No. 236; Banking Law.)

"In addition to the powers conferred by law upon private corporations, a banking corporation and banking and trust company doing a fiduciary and surety business has power," etc. (Id. No. 220.)

"Three or more persons may be incorporated for the purpose of establishing and operating commercial banks of deposit and discount, or savings banks of loan and deposit, or banks with both classes of business, or banks with a trust, fiduciary, and surety business, by setting forth in a certificate of incorporation * * *. 6. The period, if any, for the duration of the corporation." (Id. No. 216; in "6" the word "limited" was apparently omitted.)

NORTH DAKOTA.

Twenty-five years' limitation as to State banks and savings banks. Trust companies have perpetual charters.

A State bank has "the power: * * * 2. To have succession for a period of 25 years from its organization, unless it is sooner dissolved, according to the provisions of this chapter, or unless its franchise becomes forfeited by some violation of law." (N. D. Comp. Laws (1913) No. 5150.)

A savings bank "shall be vested with the powers provided for in" such section 5150 of the Compiled Laws. (Id. No. 5193.)

Trust companies "shall have perpetual succession." (Id. 5205.)

OHIO.

No limitation.

The certificate of incorporation of a commercial bank, a savings bank, or a trust company need not state any limited period of duration. Banking Law of 1919, secs. 710–41.

The incorporators of a bank, savings bank, or trust company upon recording the articles of incorporation "shall become a body corporate with succession." (Id. 710–47.) A limitation if intended would have been inserted here.

OKLAHOMA.

Twenty-five years' limitation for banks and savings banks. Fifty years' limitation for trust companies.

The certificate of incorporation of a bank (and it would seem of a savings bank) "shall contain * * * the length of time the corporation is to exist, which shall not exceed 25 years." (Rev. Laws of Okla. (1910) No. 257.)

The certificate of incorporation of a trust company "shall set out: * * * Sixth: The number of years the corporation is to continue, which in no case shall exceed 50 years." (Bunn's Annot. Suppl. to Rev. Laws (1918) No. 308.)

OREGON.

No limitation.

The "articles of incorporation (of a State bank) shall specify: * * * 5. The term of its existence, which may be perpetual." (Oreg. Gen. Laws (1920) No. 6196.)

The articles of incorporation of a trust company "shall specifically state: * * * (5) The term of its existence, which may be perpetual." (Id. No. 6224.)

A savings bank would seem to come within the definition of a State bank. "Any person, firm, or corporation (except national banks) having a place of business within this State where credits are opened by the deposit or collection of money or currency or negotiable paper subject to be paid or remitted upon draft, receipt, check, or order, shall be regarded as a bank or banker, and as doing a banking business under the provisions of this act." (Id. No. 6200.)

PENNSYLVANIA.

No limitation as to savings banks and trust companies. Twenty years' limitation as to commercial banks.

A bank shall "have succession by the name designated in its articles of association for the term of 20 years from the date of the letters patent, unless sooner dissolved under the provisions of its articles of association, or under this act." (West's Pa. Stats. (1920) 1186.)

A savings bank shall "have succession by the name designated in its articles of association, perpetually from the date of the letters patent, unless sooner dissolved under the provisions of the articles of association or by the provisions of any act of assembly." (Id. 19745.)

Each corporation formed under the general corporation act "by virtue of its existence as such, shall have the following powers, unless otherwise specially provided: 1. To have succession by its corporate name for the period limited by its charter and when no period is limited thereby, or by this act, perpetually, subject to the power of the general assembly, under the constitution of the Commonwealth." (Id. 5592.) This section is applicable to trust companies which are governed by the provisions of the general corporation law. This is the inference from the placing of Nos. 6335–6349, relating to trust companies in the general corporation act.

RHODE ISLAND.

No limitation.

"It is hereby specifically provided that every corporation shall have power: (a) to have perpetual succession in its corporate name, unless a period for its duration is limited in its articles of association or charter." Ch. 1925 of the Laws of R. I., 5. (Laws of 1920, p. 186.)

"Except as in this act otherwise provided, this title (Business corporations) shall not apply to * * * the business of a bank, savings bank, trust company." Id. No. 3 (Id. p. 185).

"Every bank, savings bank, and trust company shall have the powers, rights, and privileges, and be subject to all the duties, restrictions, and liabilities conferred and imposed upon them respectively by this title (Banking), and in addition thereto shall have all the powers, rights, and privileges, and be subject to all the duties, restrictions, and liabilities set forth in chapter 213, so far only as not repugnant to or inconsistent with the provisions of this title." Ch. 231 of the general laws of 1909. (Ch. 213 contained general provisions affecting corporations, No. 1 of which provided that "all corporations shall, whenever no other provision is specially made, have perpetual succession.") This chapter was repealed by the above ch. 1925, which, however, provided in No. 90 thereof that if a corporation excepted from the operation of ch. 1925 should be "entitled to the benefits of section 1 * * * of ch. 213 * * * section 5 hereof * * * shall with respect to each such corporation be deemed to be in lieu of and substituted for said provisions of said chapters * * * and so far as the provisions of the act or statute creating such corporation or under which it is incorporated be deemed to apply thereto."

The statutory provisions with respect to the incorporation of banks and trust companies (ch. 229 of the laws of 1909) contain nothing with reference to the duration of such corporations. The agreement of incorporation need contain nothing with reference to the term of existence.

The same is true with reference to chapter 230, relating to the incorporation of savings banks.

It follows from the above that State banks, trust companies, and savings banks are not limited in their duration.

SOUTH CAROLINA.

No limitation.

"Every private corporation, as such, has power: 1. To have succession, by its corporate name for the period limited in its charter; and when no period is limited, in perpetuity." (S. C. Code (1912), No. 2792.)

With the exception of railroad, railway, turnpike, and canal corporations, and with the exception of municipal purposes, corporations "for any purpose * * * whatsoever" may be formed under the article entitled "Business corporations." (Code, No. 2834.)

"All charters granted under the provisions of this article shall continue in force perpetually, unless limited by the terms of the petition." (Code No. 2848, contained in "Business corporations" article.)

"Every corporation chartered under this article shall have the following powers, to wit: 1. To have perpetual succession." (Codes No. 2850, part of the "Business corporations" article.)

It would seem that banks, savings banks, and trust companies are organized under the business corporations law, except when granted special charters.

SOUTH DAKOTA.

Twenty years' limitation on banks and savings banks. No limitation as to trust companies, unless perhaps when they exercise banking powers.

"Every bank, banking company, or corporation shall be required to cease all banking operations within 20 years from the time of its organization and promptly thereafter close its business, * * * but the legislature may provide by general law for the reorganization of such banks." (Constitution, art. 18, No. 2.)

"For the purpose of this chapter (banking), every corporation, association, firm, or individual in this State whose business, in whole or in part, consists in the taking of deposits or buying and selling exchange shall be held a bank." (Code of 1919, No. 8948.)

The articles of incorporation of a bank as so defined, which would seem to include a savings bank, shall contain a statement of "6. The period for which the bank is organized, not exceeding 20 years, and the date on which it shall commence and terminate its corporate existence." (Id. No. 8950.)

Persons associating to form a trust company "shall make * * * written articles of incorporation containing: * * * 6. The period for which such trust company is organized, which may be perpetual." (Id. No. 9035.)

Trust companies "may also do a banking business and in doing such business shall be governed by, and be subject to, all the provisions of the preceding chapter (which included Rev. Code No. 8950) and to any amendments or modifications thereof which may hereafter be adopted." (Id. No. 9033.) It is a question of statutory and constitutional construction whether trust companies doing a "banking business" are limited in their duration to 20 years.

TENNESSEE.

No limitation.

No limitation on the duration of State banks, savings banks, and trust companies has been found. For instance, Thompson's Shannon's Code (1918), No. 2091, relating to powers of banks, and No. 2054, relating to powers of corporations, contain no such limitation.

TEXAS.

Fifty-year limitation.

"The articles of association (of a bank) shall set out * * * 6. The number of years the corporation is to continue, which in no case shall exceed 50 years." Complete Texas Statutes (1920)) art. 371.

"The articles of agreement (of a 'banking and trust company') shall set out: * * * 6. The number of years the corporation is to continue, which in no case shall exceed 50 years. (Id., art. 381.)

The articles of agreement of a savings bank "shall set out: * * * 6. The number of years the corporation is to continue, which in no case is to exceed 50 years." (Id. art. 387.)

UTAH.

One hundred year limitation.

The general incorporation act provides for articles of association, stating:

"4. The time of its duration, which shall not in any case be less than 3 nor more than 100 years." (Comp. Laws (1917), p. 861.)

"Corporation to conduct commercial savings banks or banks having departments for both such classes of business may be formed under the provisions of chapter 1 of title 19, Compiled Laws of Utah, 1917 (pp. 860–899), respecting corporations for pecuniary profit, and all the rights, privileges, and powers, and all the duties and obligations of such corporations and the officers and stockholders thereof shall be as provided in said chapter, except as in this chapter otherwise provided." (Id. p. 979.)

"Loan, trust, and guaranty associations may be incorporated under the provisions of chapter 1 of this title (pp. 860–899) respecting corporations for pecuniary profit." (Id. p. 1200.)

VERMONT.

No limitation.

"Subject to the additional or varied requirements stated in this chapter, a corporation may be formed pursuant to the provisions of the general corporation law for the purpose of conducting the business:

"1. Of a savings bank having no capital stock; or

"2. Of a trust company." (General Laws of Vermont (1917), sec. 5341.)

The general corporation law provides: "Unless the articles place some limit on the duration of the corporation, it shall exist forever or until its existence is terminated according to law." (Id. p. 4899.)

These are only applicable provisions found.

VIRGINIA.

No limitation.

"Every corporation of this State shall have power: (a) To have succession for the time stated in its charter, certificate of incorporation, or articles of association. But when no period is so limited, it shall be perpetual, subject to the power of repeal reserved by the constitution by the general assembly." (Virginia Code (1919), p. 3777.)

The certificate of incorporation of a corporation "shall set forth: * * * (e) The period, if any, limited for the duration of the corporation." (Id. 3850.)

Banks of discount and deposit (id. 4098), savings banks (id. 4137), and trust companies (id. 4137) are incorporated under the general corporation law, and are in general governed by its provisions.

WASHINGTON.

Fifty years' limitation.

The "articles of incorporation (of a bank or trust company) shall state: * * * 5. The period for which such corporation is organized, which shall not exceed 50 years." (Pierce's Wash. Code (1919), 271.)

"Upon the issuance of a certificate of authority to a bank the persons named in the articles of incorporation and their successors shall thereupon become a corporation and shall have power: * * * 2. To have succession for the term of years mentioned in its articles of incorporation." (Id. 273.)

"Upon the issuance of a certificate of authority to a trust company the persons named in the articles of incorporation and their successors shall thereupon become a corporation and shall have power: 1. To execute all the powers and possess all the privileges conferred on banks." (Id. 274.)

"Any bank which shall designate its business as that of a savings bank shall have the power to carry on the business of banking as prescribed and limited in this act." (Id. 406–411.) This indicates that stock savings banks are included in the term "bank" as above used.

The certificate of incorporation of a mutual savings bank need make no specific statement with reference to the duration of the corporation. (Id. 355.)

As for corporations generally, the articles of incorporation shall state "the time of its existence, not to exceed 50 years: *Provided*, That this limit of existence shall not apply to any life, accident, and health insurance company." (Id. 4505.)

Corporations generally shall "have succession for the period limited." (Id. 4515.)

WEST VIRGINIA.

No limitation.

"Every corporation as such shall have succession by its corporate name for the time limited in its charter or by law, and if no time be limited, perpetually." (W. Va. Code (1913), No. 2811; in ch. 52.)

Corporations may be formed under the joint-stock company law "for the following purposes: * * * 9. For banks of issue and circulation and of discount and deposit and for savings institutions. * * * 10. And for any other purpose or business useful to the public for which a firm or copartnership may be lawfully formed in this State." (Id. No. 2896; in ch. 54.)

An agreement for incorporation "shall set forth: 6. The period limited for the duration of the corporation." (Id. No. 2899; in ch. 54.)

"Banks of issue or of discount and deposit * * * shall be subject to the provisions of this chapter, and of chapters 52 and 53 of the code, so far as the same are applicable and not inconsistent with the following sections of this chapter." (Id. No. 3029; in ch. 54.)

"All savings banks, cooperative banking associations, and trust companies engaged in a general banking business shall be subject to the provisions of this chapter." (No. 3036; in ch. 54.)

"The words 'bank' or 'banking company' in this act shall be taken and construed to include any bank, banker, banking company, or trust company." (Id. No. 3046; in ch. 54.)

"Savings banks incorporated under this act shall be subject to the provisions of the fifty-second, fifty-third, fifty-fourth, and fifty-fifth chapters of this code so far as the same are applicable and not inconsistent with anything hereinbefore contained." (Supp. W. Va. Code, 1918, No. 3110.)

A trust company "shall, as to such business of banking, be subject to all the provisions of chapter 54 of the code * * * and not inconsistent with the powers hereby granted to such company." (Laws of 1919, ch. 80.)

WISCONSIN.

Banks and trust companies limited to 50 years. No limitation as to mutual savings banks.

The articles of incorporation of a bank shall contain: Fifth. The period for which such bank is organized, not exceeding 50 years." (Wis. banking law, No. 2024–7.)

"Trust companies may be organized pursuant to the provisions of subchapter 2, entitled 'State banks,' and be subject to all the provisions, requirements, and liabilities of subchapters 1 and 2, so far as applicable, except sections 2024–32 and 2024–35, and except as otherwise hereinafter provided." (Id. No. 2024–771.) The first-quoted statute, No. 2024–7, is contained in such subchapter 2, entitled "State banks."

The incorporators of a mutual savings bank "shall make, sign, and acknowledge written articles of incorporation containing: * * * Fifth. Such other articles or provisions, not inconsistent with law, as they may deem proper to be therein inserted for the interests of such corporation or the accomplishment of the purposes thereof, including, if desired, the duration of its existence." (Id. No. 2024–58.)

"Every mutual savings bank formed hereunder shall possess the powers and be subject to the provisions of the general laws relating to corporations, so far as the same may be applicable." (Id. No. 2024–76.)

The general corporation law provides for articles of incorporation "containing: * * * (7) Such other provisions or articles, if any, not inconsistent with law, as they may deem proper to be therein inserted for the interests of such corporation or the accomplishment of the purposes thereof, including, if desired, the duration of its existence." (Wisconsin Stat. (1915), No. 1772.)

WYOMING.

Fifty years' limitation.

The articles of incorporation of a "general banking, savings bank, and loan and trust business" shall "specifically state; * * * Third. The term of its existence, not to exceed 50 years." (Wyoming Comp. Stat. of 1920, No. 5135.)

Such a corporation "shall have power: * * * Second. To have succession for a period not to exceed 50 years from its organization, unless it is sooner dissolved according to the provisions of its articles of association, or by the act of its shareholders owning two-thirds of its stock, or unless its franchise becomes forfeited by some violation of law." (Id. No. 5135.)

"Trust company banks may be organized pursuant to the provisions of section 5135." (Id. No. 5189.)

The general provision with respect to corporations is that the articles of incorporation shall state among other things "the terms of its existence, not to exceed 50 years." (Id. No. 5037.)

The general corporation law provides that "Every corporation under the provisions of this chapter, as such, has power: * * * First. To have succession by its corporation name for the period limited in its certificate of charter." (Id. No. 5093.) Note: This merely shows the general policy of the State with respect to the duration of corporations.

SUMMARY.

Of the 48 States, 21 have absolutely no limitation in terms of years as to the period of existence of State banks, savings banks, and trust companies; 25 have limitations as to one or more of the three classes. Arizona has no limitation in terms, but an annual license must be taken. In Delaware the duration is governed by the special charter of the particular institution.

It is to be noted that the States limiting duration are not consistent as to particular class limited or to the period of limitation. For instance, Missouri limits savings banks to 50 years, with apparently no

limitation as to commercial banks and trust companies, while Wisconsin limits banks and trust companies to 50 years, but imposes no limitation on savings banks. Again, New Mexico has a 50-year limitation as to trust companies, with apparently no limitation as to commercial and savings banks, while North Dakota gives trust companies perpetual charters, at the same time limiting commercial and savings banks to 25 years.

It is absolutely impossible to determine any fixed policy which is operative throughout the various States. The Iowa statutes contain the most glaring example of the hit-and-miss character of these statutes. One section of the code provides for "perpetual succession" of corporations. Nineteen sections further on is a general limitation of the existence of corporations to 20 years.

Strange, also, are the provisions of the California statutes. Section 290 of the Civil Code requires the articles of incorporation of a corporation to set forth "the term for which it is to exist, not exceeding 50 years," while section 354 of the same code provides that "every corporation, as such, has power (1) of succession, by its corporate name, for the period limited; and when no period is limited, perpetually."

The statutes as to the duration of corporate existence are not the work of skillful legislators, with a clear definite public policy in mind.

States limiting duration:
1. Alabama (with possible exception of trust companies).
2. California.
3. Colorado (trust companies, with question as to banks).
4. Georgia.
5. Idaho.
6. Indiana (limited to banks of issue).
7. Iowa.
8. Kansas.
9. Louisiana.
10. Maryland (exclude mutual savings banks).
11. Michigan.
12. Mississippi.
13. Missouri (savings banks).
14. Montana.
15. Nevada.
16. New Mexico (trust companies).
17. North Dakota (exclude trust companies).
18. Oklahoma.
19. Pennsylvania (commercial banks only).
20. South Dakota (banks and savings banks).
21. Texas.
22. Utah.
23. Washington.
24. Wisconsin (banks and trust companies).
25. Wyoming.

States with no limitation of duration:
1. Arkansas.
2. Connecticut.
3. Florida.
4. Illinois.
5. Kentucky.
6. Maine.
7. Massachusetts.
8. Minnesota.
9. Nebraska.
10. New Hampshire.
11. New Jersey.
12. New York.
13. North Carolina.
14. Ohio.
15. Oregon.
16. Rhode Island.
17. South Carolina.
18. Tennessee.
19. Vermont.
20. Virginia.
21. West Virginia.

Note that this list includes the large and commercially important States of Illinois, Massachusetts, New Jersey, and New York.

Periods of limitation:
Utah, 100 years.
Louisiana, 99 years.
California, 50 years.
Idaho, 50 years.
Iowa (savings banks), 50 years.
Kansas, 50 years.
Mississippi, 50 years.
Missouri (savings banks), 50 years.
Montana, 50 years.
Nevada, 50 years.
New Mexico (trust companies), 50 years.
Oklahoma (trust companies), 50 years.
Texas, 50 years.
Washington, 50 years.
Wisconsin (banks and trust companies), 50 years.
Wyoming, 50 years.
Maryland, 40 years.
Georgia, 30 years.
Michigan, 30 years.
North Dakota (excluding trust companies), 25 years.
Oklahoma (banks and savings banks), 25 years.
Alabama, 20 years.
Colorado, 20 years.
Indiana, 20 years.
Iowa (banks and trust companies), 20 years.
Pennsylvania (commercial banks), 20 years.
South Dakota (banks and savings banks), 20 years.

Constitutional provisions limiting duration:
1. Alabama.
2. Indiana (limited to banks of issue?).
3. Michigan.
4. Mississippi.
5. South Dakota.

Some States in which corporations generally are limited in duration:
1. California.
2. Colorado.
3. Idaho.
4. Iowa.
5. Kansas.
6. Michigan.
7. New Mexico.
8. Utah.
9. Washington.
10. Wyoming.

[NOTE.—No special public policy has led these States to distinguish between banks, trust companies, and savings banks on one hand and other corporations on the other, so as to limit the duration in one case and not in the other.]

States in which duration is at least to some extent a question of statutory or constitutional construction:
1. Colorado (State banks).
2. Alabama (trust companies).
3. Indiana (constitution limited to banks of issue?).
4. Missouri (construction comparatively clear).
5. New Mexico.
6. North Carolina.
7. South Dakota (trust companies).

[NOTE.—The public policy has been so indefinite in these cases as to lead the legislature to express its intention in uncertain language.]

Mr. NEWTON of Minnesota. If the law should be amended in accordance with the proposed bill, the present law will be changed only in so far as the right of succession is concerned?

Mr. McFADDEN. That is the only change.

Mr. NEWTON of Minnesota. The right of the Comptroller of the Currency or other officials to revoke charters for mismanagement or some breach of the law still exists?

Mr. McFADDEN. In the same manner as it does now, exactly.

Mr. NEWTON of Minnesota. In addition to that, of course, Congress can repeal the law, either generally or specifically as to a particular bank, if it so desires.

Mr. McFADDEN. I think the gentleman is right. I do not think but what this bill is in proper form and is constitutional, and I desire to submit here a statement on this particular point, prepared by Thomas B. Paton, a noted New York attorney:

CONSTITUTIONALITY OF NATIONAL BANK PERPETUAL-CHARTER BILLS.

[By Thomas B. Paton.]

Under existing law (U. S. Rev. Stats., sec. 5138) a national bank has power "to have succession for the period of 20 years from its organization" unless sooner dissolved or its franchise is forfeited as provided by law, but it may, with the approval of the Comptroller of the Currency, extend or reextend its corporate existence for further 20-year periods as provided in the extension acts of July 12, 1882, and of April 12, 1902. Under these acts a shareholder not assenting to extension may give notice of withdrawal to the board of directors and is entitled to receive from the bank the value of his shares appraised as therein provided.

Bills are now pending in Senate and House (S. 3255; H. R. 9527), which have the approval of the American Bankers' Association, the Federal Reserve Board, and the Comptroller of the Currency, to amend section 5136 by removing the 20-year limitation and empowering a national bank "to have succession until it shall be dissolved by act of its shareholders owning two-thirds of its stock, unless its franchise shall be forfeited by reason of violation of law, or unless it shall be terminated by act of Congress hereinafter enacted." These bills, which have been favorably reported from the respective Committees on Banking and Currency, repeal "all acts or parts of acts providing for the extension of the period of succession of national banking associations for 20 years" (i. e., acts of July 12, 1882, and of April 12, 1902) and provide that section 5136, as amended, shall apply to existing banks.

A national-bank officer of prominence has questioned the constitutionality of these bills as applied to existing banks and thinks that the proposed law should be changed so as to perpetuate charters as they expire and are renewed. He says:

"Where a stockholder has put in his money for a 20-year period and that period is approaching its completion and he decides to withdraw his funds at the end of the time, I do not believe a law would be constitutional which would deprive him of this right."

This raises a question which is worthy of consideration. The fifth amendment of the Federal Constitution, which provides that no person shall be "deprived of life, liberty, or property without due process of law," secures the individual against any action of the Federal Government divesting vested right, and the question arises whether the provision of the pending bills, making the law applicable to existing banks, would deprive any nonassenting shareholder of a vested right guaranteed him by the Federal Constitution.

The right of a shareholder to withdraw when a national bank reaches the end of its 20-year period of existence, while a right conferred by the existing law does not accrue until certificate of approval of extension has been made by the Comptroller of the Currency and until such time it is rather in the nature of a contingent or expectant than a vested right. The occasion for its exercise may never arise. The bank may not avail itself of the privilege of extension but by vote of the requisite number of its shareholders may go into voluntary liquidation; or before the 20-year period has elapsed there is always the contingency that the bank may be placed in the hands of a receiver or that its charter may be forfeited for some violation of law.

"A right can not be considered a vested right unless it is something more than such a mere expectancy as may be based upon an anticipated continuance of the present general laws; it must have become a title, legal or equitable, to the present or future enjoyment of property." (Cooley, Const. Lim. quoted in Stratton *v.* Morris, 89 Tenn. 497, 516.)

It is a well-established rule of law that any right conferred by statute may be taken away by statute before it has become vested, in which event the constitutional guaranty is not violated. The decided cases afford numerous illustrations of this.

In Pearsall *v.* Great Northern Railway Co. (161 U. S. 646) where a railroad was granted by the State of Minnesota the general power to consolidate with, purchase, lease, or acquire the stock of other roads, it was held by the Supreme Court of the United States that a subsequent enactment taking away such power before it had been executed, in cases where such other roads were parallel or competing, did not impair any vested right.

In Black *v.* State, 59 So. (Ala.) 523, a statute provided that witness fees unclaimed for more than two years should be paid into the State treasury and be transferred to the general fund of the State. A subsequent statute made the county treasurer custodian of unclaimed fees and the general county fund the ultimate beneficiary. It was contended

certain witness fees collected by court clerks, and which should have been and were not paid over to the State before the passage of the later act, belonged to the State. But the court held that the later act governed, saying:

"It is a general rule that when a statute is repealed it stands as if it had never existed, unless as to vested rights which have accrued under its operation. Under the act of 1909 the State had acquired no vested rights in the fees in question. Doubtless it had prior to the act of 1911 right to compel respondent to report and pay them over to the State treasurer as their appointed custodian, but except as it had been already executed the influence and operation of the act of 1909 was completely nullified by its repeal in 1911. The legislature has full power to take away by statute rights, not vested, which have been conferred by statute."

In Jackson Hill Coal and Coke Co. *v.* Board of Commissioners, 104 N. E. (Ind.) 497, the court said: "Any rights bestowed by legislation can be taken away, except such as affect vested interests in real or personal property," citing numerous cases.

In this case an act was passed by the Legislature of Indiana which permitted taxpayers to recover taxes erroneously assessed. At the time this act was passed the right to recover such taxes was barred by a former statute of limitation. It was held no vested right was violated.

In Adams *v.* Iten Biscuit Co., 162 Pac. (Okla.) 938, the workmen's compensation law was held constitutional, although it took away the employee's common-law right of action for damages and substituted compensation according to the act. The court said:

"It may be safely stated as a general rule that the citizen has no property in a rule of law, and that while rights which have accrued to him under the operation of existing laws and have thereby become vested may not be taken away by a change of the rules, he can not be heard to complain if the rule is changed before any rights have accrued to him thereunder."

In Hinckley *v.* Schwarzschild & Co. (107 App. Div. 470, 86 N. E. 1125), the statute of New York at the time a corporation was organized authorized corporations to issue preferred stock by unanimous consent of stockholders. Under this any single stockholder had the right to prevent the issue of preferred stock by objecting. Later the law was amended to authorize issue of preferred stock by consent of two-thirds of stockholders. It was held this was within the reserved power of the legislature to alter the charter of a corporation and did not interfere with vested rights.

The foregoing authorities and the principle upon which they are based point to the conclusion that the bills pending in Congress to grant succession to national banks, as therein provided, do not, in their application to existing banks, deprive nonassenting shareholders of any vested rights guaranteed by the Federal Constitution. As soon as one of these bills becomes law national banks now existing will have succession according to its provisions and will not at the end of 20 years from the time when they were originally created or their charters were reextended be required to take any action for extension of charter. Such shareholders who at the end of the 20-year period might otherwise have been unwilling to consent to an extension and have exercised the right to withdraw and receive payment for their stock at an appraised value will no longer have this right, and as such right will have never become vested they will not be deprived of any right of property guaranteed by the Federal Constitution.

Mr. BEGG. Will the gentleman yield?

Mr. McFADDEN. I will.

Mr. BEGG. Is there anything in the way of protection afforded to patrons of a bank by having a termination other than the right to refuse a new charter if they have not lived up to the letter of the law?

Mr. McFADDEN. I do not consider that there is. The Comptroller of the Currency in answer to that question said that there was no advantage in having these 20-year expirations, so far as the management of their institutions is concerned. The law assumes that it is the function of the comptroller to see to it that the banks are always in prime condition. Some people have argued that perhaps this 20-year limitation gave the opportunity to the comptroller to force the banks to clean up things that had been criticized before granting a renewal of the charter.

Mr. BEGG. There is a good deal of inconvenience to the bank in getting a renewal, is there not?

Mr. McFADDEN. Yes; there is sometimes.

Mr. BEGG. There is no forfeiture of the right of the Government to close the bank if the bank does not comply with the law?

Mr. McFADDEN. No.

Mr. BEGG. The Government has sanctioned a permanent charter in the case of the stock land banks and the Federal reserve banks, has it not?

Mr. McFADDEN. I think so.

Mr. BEGG. I can not see any reason why the national banks should not be given the same basis.

Mr. COOPER of Wisconsin. I want to ask the chairman of the committee a question for information. I notice in the report of the committee the statement that—

> the request was made for a longer term of charter, or preferably for a perpetual charter.

Mr. McFADDEN. Yes.

Mr. COOPER of Wisconsin. Who made the request originally for the longer term, and for how long a term was the original request made?

Mr. McFADDEN. I regret to say that I did not look up that proposition, but I suppose it was during the discussion in Congress.

Mr. COOPER of Wisconsin. It would look as if the original request of the banks—I assume for a longer term than 20 years or for a perpetual charter, and I was curious to know for how long a term they first asked.

Mr. McFADDEN. I tried to make it clear that the demand would not have arisen at this time had it not been for the Federal reserve act giving the banks the right to act in a fiduciary capacity.

Mr. LAWRENCE. Will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. LAWRENCE. I want to say in answer to the gentleman from Wisconsin that at the hearings I asked the Comptroller of the Currency if there was any objection to extending the charters for 50 years instead of 20 years, and the comptroller said he would rather have it without limit.

Mr. COOPER of Wisconsin. Who made the request for the perpetual charter?

Mr. LAWRENCE. I suppose the banks, through the comptroller.

Mr. COOPER of Wisconsin. The language at the end of the first page and top of the second page, "unless its franchise shall become forfeited by reason of violation of law or unless it shall be terminated by act of Congress hereinafter enacted," provides only for an absolute termination of the charter and not in any way for altering or amending it, which is the customary language of such reservations.

Mr. McFADDEN. I think the gentleman is right.

Mr. COOPER of Wisconsin. So the charter would have to be absolutely terminated, otherwise it must continue with the existing provisions.

Mr. McFADDEN. This is a proposition to continue the charters, and it does not affect the other provisions of the law.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. WILLIAMSON. In line 1, page 2, it says "by act of Congress hereinafter enacted." Would it not be better to use the words "hereafter enacted"?

Mr. McFADDEN. Perhaps it would be better.

Mr. HILL. Will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. HILL. I want to ask the gentleman reporting the bill in reference to the same clause of the bill which the gentleman from Wisconsin inquired about. I know that the national banks in Baltimore are somewhat hampered by the fact that the life of their charter is short. Personally I am in favor of taking away that limitation. But I want to ask this question. Should we change the Federal banking system there can be a new charter imposed, and this provision as to the termination of the charter does not give Congress the right to do anything in the way of amending, but it must absolutely terminate the charter. I want to ask if it would not be better to say "unless it shall be terminated or modified"?

Mr. COOPER of Wisconsin. Or amended.

Mr. HILL. Yes; terminated or amended.

Mr. McFADDEN. The gentleman is a lawyer and the gentleman in charge of the bill is not. I want to say that the bill has been looked over carefully by the counsel for the Treasury Department and the representative of the national banks, and I have an opinion on the subject which seems to bring it within the Constitution and the questions that gentlemen have raised.

Mr. HILL. I want to say that I am in favor of removing the limit, but I think Congress should reserve the right to alter or amend, to continue the banking system.

Mr. LAWRENCE. In section 14 of the act of 1882, which is not repealed by this act, it provides that Congress may at any time amend, alter, or repeal the act to which this is amendatory.

Mr. HILL. I understand from the gentleman, then, that this is covered by other provisions of the banking act.

Mr. LAWRENCE. Yes, section 14 of the extension act of 1882, which is not repealed in this bill, provides that Congress may at any time amend, alter, or repeal this act and acts of which it is amendatory.

Mr. COOPER of Wisconsin. But if the gentleman will look at section 2 of the pending bill he will see this language—

> All acts or parts of acts provided for the extension of the period of session of national banking associations for 20 years are hereby repealed.

Therefore, if this bill shall become law it will repeal everything that is in conflict with its provisions.

Mr. WINGO. Will the gentleman yield?

Mr. McFADDEN. I will yield to the gentleman.

Mr. WINGO. I want to call the gentleman's attention to the fact that the act of 1882 repealed subsection 2 of the act of

1864. Now you propose by this bill to reinstate subsection 2 of the act of 1864, and we repeal the act of 1882 both by implication and special provision. The proponents of the bill say that you ought to take away the power of Congress so that you will have some stability. I will say that it is intentional to put it beyond the power of Congress except in special cases.

Mr. COOPER of Wisconsin. I would like to ask the gentleman from Arkansas a question.

Mr. McFADDEN. I yield.

Mr. COOPER of Wisconsin. I would like to ask if he knows of any national charter granted since the decision in the Dartmouth College case which has not contained in express terms some reservation that Congress may repeal, alter, or amend the charter?

Mr. WINGO. Certainly; but this is intentional to leave all that out of this bill.

Mr. STEVENSON. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. STEVENSON. I want to direct the attention of the gentlemen who are raising that question, especially the Dartmouth College question, to the fact that that is by force of a section of the Federal Constitution which prohibits a State from interfering with or impairing the obligations of a contract. There is no provision of the Federal Constitution which prohibits Congress at any time repealing or impairing the obligations of a contract or of a charter which it has granted, and the Supreme Court has so held.

Mr. COOPER of Wisconsin. Nobody questioned the authority of Congress to grant a perpetual charter, but since the decision in the Dartmouth College case Congress has taken especial pains as a matter of public policy not to grant perpetual charters, and all the States have likewise since that decision inserted in their respective constitutions a provision making it impossible for them to grant charters except subject to the right to alter, amend, or repeal. Congress has refrained from granting perpetual charters not because it has not under the Constitution the authority, but because on grounds of public policy it ought not to exercise the authority.

Mr. STEVENSON. But the question that is being raised is whether Congress, if it did not say a word about granting these charters or repealing them, could do it. Congress could repeal them any time it wanted to. There is nothing to prevent it, but a State which has granted a charter without reserving those rights has entered into a contract which, under the Dartmouth College case and under the Federal Constitution, can not be impaired by the States, and therefore the States were obliged to put those provisions in their constitutions.

Mr. WALSH. Mr. Speaker, will the gentleman from South Carolina yield?

Mr. STEVENSON. If I have the floor, yes.

Mr. WALSH. What right exists under the present law, if this amendment be adopted, to cancel the charter of any national bank?

Mr. STEVENSON. The right is preserved under this bill that we have before us.

Mr. WALSH. I am not asking about this bill. I mean without act of Congress.

Mr. STEVENSON. There is the right to forfeit the charter if the bank violates the law.

Mr. WALSH. Who does that?

Mr. STEVENSON. The Comptroller of the Currency, which is a proceeding whereby the bank is put into the hands of a receiver and wound up.

Mr. WINGO. But that is the matter of court procedure.

Mr. STEVENSON. Yes.

Mr. HILL. Mr. Speaker, will the gentleman from Pennsylvania yield to me?

Mr. McFADDEN. Yes.

Mr. HILL. Under the second clause of this bill there are several ways of terminating the succession; one, by voluntary dissolution; two, by reason of forfeiture by violation of law; three, by congressional reservation of termination of the charter.

I would like to ask the gentleman if the word "termination," in his opinion, includes the power of amendment? I should suppose it might. If you can terminate a charter, you have a right to insist that a charter be accepted of a certain sort. Would there be any objection to putting in after the word "termination" the words "or amendment"?

Mr. McFADDEN. Where they assume these trusts in perpetuity, I think that would be a breach of faith, which would not be proper. I think the gentleman from Arkansas [Mr. WINGO] made it quite clear in regard to this matter, that this is understood to be a restriction.

Mr. HILL. That would be a definite termination, and not a modification.

Mr. McFADDEN. I should think so.

Mr. HILL. I think it is well to have that clear, because the question is likely to undergo judicial inquiry later on.

Mr. MILLSPAUGH. Mr. Speaker, as a matter of fact, have not some comptrollers of the past exercised their arbitrary power over a national bank which seeks the renewal of its charter to hold up the charter until probably the day before the new charter was necessary, and by so doing forced the bank to put some arbitrary regulation in its by-laws to the detriment of the bank and to the great expense and detriment of the community?

Mr. McFADDEN. The gentleman is correct in that. There have been instances of that kind.

Mr. MILLSPAUGH. I know of one case in Illinois that happened within the past three years, where the Comptroller of the Currency held up a bank with assets of over a million dollars until the day before the charter expired, forcing the bank to put a provision in its by-laws to satisfy his personal whim. That is a very dangerous power to lodge in a Comptroller of the Currency.

Mr. McFADDEN. The gentleman is correct about that. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman has 32 minutes.

Mr. McFADDEN. Does the gentleman from Arkansas desire to use some time now?

Mr. WINGO. Yes.

Mr. McFADDEN. I reserve the remainder of my time.

The SPEAKER. Does the gentleman yield the floor?

Mr. McFADDEN. How much time does the gentleman from Arkansas want?

Mr. WINGO. I was going to ask for an hour in opposition to the bill.

The SPEAKER. Of course, if the gentleman yields the floor, the Chair will recognize the gentleman from Arkansas.

Mr. WINGO. It was the understanding that we were to have an hour on a side.

Mr. McFADDEN. I want to expedite the consideration of this bill, if I can. We have two or three other bills here, and if the gentleman can get along with less I would be very glad to be generous in yielding him time.

Mr. WINGO. But the gentleman understands that we were proceeding upon the theory that we would have an hour on a side. The gentleman knows that I promised one gentleman 30 minutes and he promised him 15. That would give me only a very little time to explain my objection.

Mr. McFADDEN. It was my understanding that there would be an hour on this bill.

Mr. WINGO. Oh, no; it was the understanding that there was to be an hour on a side.

Mr. McFADDEN. I do not want to break faith with the gentleman.

Mr. WINGO. Mr. Speaker, I want the gentleman to retain control of the floor, but at the same time I want to control one hour in opposition to the bill in debate. I ask unanimous consent that the time for debate be extended so that the total debate shall be two hours, of which the gentleman will yield me one hour, and that will give him control of the floor.

The SPEAKER. The same result is accomplished by the statement the gentleman has already made.

Mr. WINGO. The Chair will appreciate the situation. I do not want to take advantage of the parliamentary situation. I shall offer a motion to recommit and make my fight on that line and not try to take the floor away from the gentleman for the purpose of amendment.

Mr. McFADDEN. Mr. Speaker, under the circumstances I ask unanimous consent that the gentleman from Arkansas be permitted to have one hour.

Mr. WALSH. Well——

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that debate be extended one hour.

Mr. WALSH. Mr. Speaker, reserving the right to object, is there going to be any opportunity or any desire to offer an amendment to this bill? Does the gentleman from Pennsylvania expect to permit any amendments?

Mr. McFADDEN. I prefer not to have any amendment to it. It has been carefully considered by the committee.

Mr. WALSH. If that is true the gentleman from Pennsylvania had better use his time or yield the floor or move the previous question, rather than extend the debate an hour. I think the gentleman should exercise his choice. I object to extending the debate an hour.

Mr. McFADDEN. If the gentleman will get along with an hour's time I am willing to yield him 30 minutes and an additional 30 minutes will give him an hour; but there are other bills coming up, and I think we can arrange the time satisfactorily.

Mr. WINGO. I fear the gentleman is laboring under a misapprehension as to the parliamentary situation, of which I do not want to take any advantage. As I understand, the gentleman has 32 minutes. If he does not move the previous question on this bill, he will lose control of the floor, and I want him to be advised. I would like to have an hour, but if the gentleman will give me 30 minutes that will still leave him two minutes to move the previous question. Of course, that will interfere with the agreement I have with some other gentlemen.

Mr. McFADDEN. How much time have I remaining?

The SPEAKER. Thirty-two minutes.

Mr. McFADDEN. I will yield the gentleman 30 minutes.

Mr. WINGO. Mr. Speaker, I hope the lawyers of the House will read this bill. Some of the gentlemen who are enthusiastically in favor of it are not lawyers, and I am charitable to think of them that if they were they would not be in favor of it aside from the general policy. Now, in reference to the construction as to the word perpetuity, my friend from South Carolina said that it is not a perpetual charter, which is a fact; it is a continuous charter; but what is the difference? Take the matter of terminating the charter by a law. Of course, the limitation that has been referred to in the Constitution is a limitation upon the States, but I challenge any lawyer to contradict this proposition that, when Congress grants a charter of this kind and provides in the charter granted the terms and conditions under which Congress will exercise its power to terminate, Congress will protect the holders of the charter, and that Congress can not come in and terminate it in any other way, manner, or condition.

Mr. STEVENSON. Will the gentleman yield before going further? But when Congress provides that Congress can terminate it by its own act, it retains the right over the court or anybody else to terminate.

Mr. WINGO. I am glad the gentleman called attention to that. I am familiar with this fight. It is part of the fight for the branch bank system and further to drive the State banks out of existence. It is not new. The first entering wedge was in giving the fiduciary power to national banks. No man who knows anything about the philosophy of banking could try to defend it. The gentleman says that Congress reserves the right to terminate. Now, notice the peculiar language of this bill. I made the statement advisedly that this language was carefully drawn for certain specific purposes, and it will give stability and permanency to the charter, so there will be no question as to fiduciary powers. It says:

> Unless its franchise shall become forfeited by reason of violation of law or unless it shall be terminated—

That is, the charter of each institution—

> terminated by act of Congress hereinafter enacted.

There are just two methods by which Congress can amend this charter under the decision of the court, because you have undertaken to limit by the grant itself the future exercise of your unlimited authority or of a future Congress, and you specifically covenant with these charter holders to grant a perpetual charter subject to two reservations, one of which says "by reason of violation of law." That sounds very nice.

Gentlemen, any lawyer who has had any experience at all can give the comptroller a run for his money if he seeks to take away the charter of a national bank. I will not call names, but there are men who know there was a Member of Congress who charged a former Comptroller of the Currency with trying to drive him out of business and trying to close his bank, and they were bitter enemies. One Member of this House charged that John Skelton Williams was trying to drive him out of business and close his bank, and even with those bitter feelings he could not even close the doors or put the bank in the hands of a receiver or get grounds on which he could refuse an extension of charter.

Mr. WILLIAMSON. If I understood the gentleman correctly, you stated that under this bill national banks might establish branch banks?

Mr. WINGO. No. This is a part of the scheme to establish the branch-bank system in the United States. I was talking about another proposition. Certainly these banks ought not to be haled up by the power of one man. The Comptroller of the Currency has not that power now. He has got to go into court and have a judicial determination.

What is the other provision? Unless the charter of each bank shall be terminated by the action of Congress. It is the intention of those back of this, confessedly, to give national banks such a permanency that they can compete with State banks as trustees, acting in a fiduciary capacity, and they could not have that permanently unless you have the law say that if you want to terminate the charter of the First National Bank of Boston you would have to introduce a special bill in Congress, not by repeal or general amendment.

Mr. WALSH. What would be the effect if Congress should repeal the whole act? Would not that terminate all of these charters?

Mr. WINGO. Congress has unquestionably the unlimited power to repeal, alter, or amend, except as some men are afraid, under decisions of the Supreme Court, it would assume that it has the unlimited power, and, having the unlimited power, it can by its own act restrict the exercise of that power; it can covenant with people who put up property, and therefore obtain what the courts have determined to be vested rights, and Congress by that act has covenanted with these incorporators that put money in that "We will give you perpetual succession, subject only to certain restrictions by Congress." One is that you forfeit your charter by violation of law, and another is that Congress can take up and repeal by special act the charter of any particular bank.

Mr. NEWTON of Minnesota. The gentleman admits, then, that Congress under this would have the right to terminate a charter of a bank in a specific act?

Mr. WINGO. Does the gentleman think that would be worth anything to the public?

Mr. NEWTON of Minnesota. Does not the gentleman agree that that right is within the proposition as proposed in the act, that one charter or a dozen charters might be described in the same act, and therefore——

Mr. WINGO. There must be a specific termination. Is it worth anything?

Mr. NEWTON of Minnesota. It is worth a good deal.

Mr. WINGO. Let us see what it would mean. As I told one of the gentlemen, I think it will do you more harm than good, because of this: Say that some Member of Congress should become politically opposed by a national bank in his district, and there would be a bitter feeling between them, as I have known in some instances.

I know a bank that was closed once in my district, a national bank, and I had plenty of ground on which I could have driven that bank to the wall and terminated its charter if this had been the law. That would have been a local bill like a bridge bill. It is ridiculous to talk about that. Here is what you ought to do. You ought to put in this act the customary provision that was in both of the other acts, the right of modification or repeal. We will take the act of 1882, which reads "or unless hereafter modified or repealed."

But I want to get to another proposition.

Mr. WALSH. Is not the final sentence in the act of 1882 a reservation of the right to alter, amend, or repeal?

Mr. WINGO. I think it is "modify or repeal." I think one other uses the language the gentleman suggests. But the act of 1882 says "modify or repeal."

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. WINGO. I can not just now.

Now, the gentlemen have stated that there have been reasons given for this bill, and one is that Congress in a misguided moment granted fiduciary powers to national banks. The other is that the 21 States named now give perpetual charters to State banks. What was the argument when you passed the fiduciary bill? Its opponents admit that it was ridiculous to talk about a commercial bank acting as trustee. The gentleman from Massachusetts [Mr. LUCE] said that one of his judges had ruled that they would have to give security. If I had any interest in a trust and a demand deposit, commercial bank sought to act as trustee, I would insist on its giving some security.

Mr. LUCE. How would the gentleman discriminate between the situation of a State bank and a national bank, side by side, doing similar business?

Mr. WINGO. I do not discriminate. Because the States have done an unwise and unsound thing is no argument why the National Government should compete with them and enter into the same mad race. That is the argument. In justification of this bill it is contended that 21 States now grant perpetual charters to State banks. I challenge that statement. Arkansas is listed in the report. The gentleman finds no limitation in the banking law of the State, but he fails to take the restriction on the granting of charters to all the corporations of the State. That is true of a few other States mentioned in the list. Even if it were true, shall you inflict upon the remaining 27 States

of this Union an unsound and unwise policy because the legislatures of the other 21 States have embarked upon an unsound policy?

Why the pressure? They want to drive the State banks out of business. I say that there is room for both. It is a matter for the people of the community to determine whether they will take a State or national charter. I am in favor of keeping them on an equality, but an equality of banking. There is one State that permits a State bank under its charter to run everything from a sawmill to a boarding house, and if you follow that theory you would see that because a State bank should operate a sawmill you should give that same power to a national bank in order to compete with it. Will you say that you will permit a national bank to engage in certain business because State banks do so?

Mr. WALSH. What is the objection to permitting either a State or national bank, both of which are under strict supervision and examination, from acting in a fiduciary capacity? Or is the gentleman opposed to any banking institution acting in such capacity?

Mr. WINGO. Oh, no. That would make a long discussion, and I would suggest this to the gentleman, that there was a reason why practical business men sought to organize trust companies as distinguished from demand deposit banks. One is real investment banking. There are two or three clearly defined branches of banking, each one controlled by a different philosophy. One is a commercial bank, as you know—demand deposits. It has to keep its assets liquid, because the depositors may come in on any day and demand all the cash. Then there is the savings bank. You know what it is. Then there is that other great banking institution, the trust company—investment banking pure and simple. It and it alone ought to be permitted as a banking institution to act in a fiduciary capacity. I would not own stock—I would own stock, but I would not act as a director—in a commercial bank or a State bank that acted in a fiduciary capacity.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. WINGO. Yes.

Mr. WALSH. Do not most of the trust companies carry on an ordinary banking business, having funds subject to demand?

Mr. WINGO. Yes; to an incidental extent. But there is quite a difference in their privileges and their rights under the law. That is so, for instance, in the case of a savings bank.

Mr. WALSH. Do they not carry on an ordinary banking business, having funds on deposit subject to check?

Mr. WINGO. Yes; incidentally.

Mr. WALSH. If they act in a fiduciary capacity, carrying on that kind of business, why should not the national banks do the same kind of business?

Mr. WINGO. It is the difference between the investment bank, dealing with long-term securities, and the commercial bank, dealing with short-term securities; a bank that has got to meet demands at all times for cash.

Mr. WALSH. Is not a national bank considered as an investment bank?

Mr. WINGO. No. A national bank is a purely commercial bank. It is restricted as to the kinds of securities in which it can invest its funds in a great many instances.

Mr. FAIRFIELD. Mr. Speaker, will the gentleman yield?

Mr. WINGO. Yes.

Mr. FAIRFIELD. Is it not in the very nature of things impossible for a bank to carry on this dual process—that is, comply with the law in a fiduciary capacity and at the same time hold funds that will permit it under the law, with inspection, to do an ordinary commercial banking business?

Mr. WINGO. Yes; I agree with the gentleman. I never have been able to find out how any man who knew anything about banking would want to permit a commercial banking business to act in a fiduciary capacity.

Mr. FAIRFIELD. They do in the State of Indiana.

Mr. WINGO. I know they do in some States.

Mr. FAIRFIELD. I was just wondering if there is anything in the nature of banking that would make it impossible, under proper restrictions, for a bank to act in a fiduciary capacity and at the same time conduct an ordinary mercantile bank?

Mr. WINGO. I am talking about the wisdom of it from the standpoint of good banking. Of course you can do it, and you are permitting them to do it; but I am talking about the wisdom of doing it. In doing it you are playing with fire. Instead of scrambling the banking institutions of America in this manner we ought to insist that each one of them should keep within its separate field.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. WINGO. Yes.

Mr. WALSH. Does the gentleman know of any abuses or misfortunes that have occurred by reason of permitting these banking institutions to engage in fiduciary business?

Mr. WINGO. I know of one in one city about which I am very much disturbed.

Mr. WALSH. Have the stockholders or the beneficiaries suffered on account of it?

Mr. WINGO. If the gentleman knew much about banking conditions, he would know that they are skating on thin ice in many parts of the country. I happen to be interested in a friendly way in a trust, a State bank that is acting in a fiduciary capacity.

Mr. WALSH. Is not the danger of loss or misfortune just as great from the purchase of long-time securities, such as the gentleman from Arkansas has mentioned as being a common practice in the case of trust companies and institutions of like character?

Mr. WINGO. No; I think not. I think if a man will study the standard works on banking he will find this to be true, that the very reason why we refer to certain paper as being "frozen" paper is not alone because it has long maturity but because of the fact that the longer a piece of paper has to run as a banking proposition, where it is not bottomed on permanent investment, the security is liable to deteriorate.

A short-time commercial bank keeps its business in short paper, first, because of the demand deposits, and the next reason is that they are doing a commercial business, and a man may be doing a great business to-day which six months from now he would not be doing; and changes take place in commercial conditions which are very great, and the current of business may shift from one locality to another; and there may be a seasonal failure of crops in a community that would affect a short-term note, commercial paper; whereas when a trust company or a savings bank goes to invest in stocks and bonds in most of the States they are limited to specific securities that are declared to be eligible for investment for savings banks and trust companies. Those are the gilt-edge securities that are shown to be sound through a series of years, which have back of them assets of a permanent character that will give them a degree of permanency and solidity that will make them a sound and safe investment.

Mr. GRAHAM of Illinois. Mr. Speaker, will the gentleman yield?

Mr. WINGO. Certainly.

Mr. GRAHAM of Illinois. I notice that there are a number of States quoted in the report which issue unlimited charters to State banking institutions, and it is stated in the report that the duration of charters is unlimited in 21 States of the Union. Now, take the State of Missouri, which is not mentioned. I assume that in Missouri there is a limitation on the length of the charter of a State bank.

Mr. WINGO. Surely.

Mr. GRAHAM of Illinois. Now, suppose the national banks are given an unlimited tenure of life. What effect will that have on the State banks with which they come in competition?

Mr. WINGO. Mr. Speaker, how much time have I left?

The SPEAKER. The gentleman has eight minutes remaining.

Mr. GRAHAM of Illinois. I do not want to take up much of the gentleman's time, but it seems to me it would have a deleterious effect.

Mr. WINGO. No; it would not have a deleterious effect for length of charter does not control. Here you are not considering what is sound, but you are entering into a mad race with State banks. Because 21 States have permitted State banks to do this, you propose to put national banks on an exact footing with a State bank, so that they can increase their profits by doing a fiduciary business. The fact is they can make profits in selling potatoes, or in engaging in life insurance, or in fire insurance; but I say that a national bank established as a commercial bank with demand deposits, ought to be held down to that. The States are waking up to that. I predict that the next State legislatures in 1923 and 1924 will change the law in the respect the gentleman mentions in many cases. The truth is, if you had a fair, square vote in the Bankers' Association on this question, they would say to the States, "You people must remedy the evil instead of asking Congress to permit national banks to engage in a similar practice." But be that as it may, I think we ought to reenact the statute of 1902, which simply provides that the national bank charters may be extended another 20 years.

The gentleman from Pennsylvania [Mr. MCFADDEN] said a lot of them would expire on July 1, or all of them possibly. Is that what the gentleman said?

Mr. McFADDEN. Oh, no; the gentleman misunderstood me.

Mr. WINGO. What was it the gentleman said about July 1?

Mr. McFADDEN. Some of the charters will expire at that time. I know the gentleman argues that if they made their application beforehand they would get an extension.

Mr. WINGO. Yes; they have had two years, every bank whose charter expires. Of course, the gentleman is wrong on his dates. Technically he may be right with regard to some bank that had its charter renewed after the act of April 12, 1902, but on July 1 any bank whose charter will then expire has had two years to apply for a renewal.

The comptroller issued charters last month. Those banks have charters running 20 years. It simply means this, and I think the gentleman's contention may be well taken about that, that those whose charters expire after April 12—not July 1—might not have the right to a further extension unless authorized by Congress. What I say is that we ought to enact a statute which instead of reviving subsection 2 of the act of 1864 would contain the same identical language as the act which was passed in 1902, giving the Comptroller of the Currency, under existing limitations, the right to give them a further extension of 20 years. Under the national banking laws they have prospered and become a great banking system. They have already had two extensions. It would be easy to obtain another. The only reason they want this change so as to give them charters in perpetuity is in order that they may act in a fiduciary capacity. Another argument made is that you ought to give them perpetual charters, because that will give them a better standing and credit. That is absurd. But gentlemen may say, Why object to their having a perpetual charter? What is the objection to that? The man who instinctively is not opposed to the idea of giving a perpetual charter to a banking corporation is a man on whom it is no use to waste your time to reason with him. You are giving to that corporation a powerful charter, a charter with wonderful privileges, and you propose to breathe into that corporate charter and into that corporate existence an eternal soul that never dies. Men may come and men may go and their estates be wound up, but whenever you once give these national banks a perpetual charter you are giving to them something which man does not possess, and that is an immortality to their bodily being and corporate existence. There is no use in trying to reason with a man to whose spirit that is not revolting. If you want arguments on this subject, go and read the debates in Congress when the first national banking act of 1864 was enacted. Go and read the debates in 1882 when this question was up again. Go and read the debates in 1902 when there was plenty of time to discuss the question and plenty of time to amend.

You will find there the records of past Congresses replete with arguments from both Republicans and Democrats. And, strange to say, in 1864 the strongest arguments against perpetual charters came from the Republican side of the Chamber, whereas before that, in the days of Andrew Jackson, the fight upon bank charters had been made by Democrats. The Republican Party up to this time has maintained on this question a policy of deliberate opposition to perpetual charters for national banks. The Republican Party twice before when it was in power has refused to give the banks perpetual charters. You have the votes to-day, so that you can do it; but if you are going to do it I beg of you reserve the unlimited right to alter, amend, or repeal. Do not say, as you do in this act deliberately, that Congress will exercise its power in only two ways; that would be absurd.

Mr. BURTON. Will the gentleman yield for a question?

Mr. WINGO. I yield to the gentleman from Ohio.

Mr. BURTON. Does not the act of 1882 pertaining to national banks give the right to alter, amend, or repeal in the most unlimited terms?

Mr. WINGO. Yes; and that is the thing I want here.

Mr. BURTON. But that is general, pertaining to the whole banking system.

Mr. WINGO. Yes.

Mr. BURTON. May I ask the gentleman a further question?

Mr. WINGO. But before we get away from that, this bill specifically repeals that.

Mr. BURTON. I do not think so. That is a general provision pertaining to all banks. I think the gentleman read the wrong provision in regard to that. It is a singular fact that in the original act creating national banks there was not a general provision authorizing Congress to alter, amend, or repeal. I had occasion to look that up some years ago. But just at the end of the act of 1882——

Mr. WINGO. There is no dispute about that, and I have only a moment left.

Mr. BURTON. It provided that Congress may at any time alter, amend, or repeal this act and the acts to which this is amendatory. That gives the broadest authority to alter, amend, or repeal. I had occasion to look that up some time ago.

Mr. WINGO. Yes; but in 1882, when we specifically took up this question of the extension of charters, we said, "Unless altered, amended, or repealed." In 1902 we passed a provision providing that in the language of the act of 1882 the Comptroller might grant a further extension of 20 years. I am going to offer a motion to recommit which will be practically an exact copy of the act of 1902, except that it will do this, that I will add the words "April 12, 1902," after the words "July, 1882"—that is, in the act of 1902. In other words, have the status continued as it is now for another 20-year period, and I hope gentlemen will vote for that.

Mr. McFADDEN. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. APPLEBY].

Mr. APPLEBY. Mr. Speaker, this bill now under consideration calls for perpetual charters for national banks.

I am offering to you my experience of many years as a director of a State bank. The State of New Jersey grants perpetual and liberal charters to its trust companies as well as to its State banks. Why should national banks operating in that State be placed in a position of having a renewable charter?

If you were going to make a choice between banking institutions as to which one you would select as your executor, you certainly would not decide in favor of an institution having a limited legal life. Only one-third of the national banks are members of the Federal reserve system. There are apparently reasons why more of the banks have not become members of that splendid system. If the passage of this act will cause more banking institutions to become members, I am for this bill. Its enactment into law is fully justified.

Mr. McFADDEN. Mr. Speaker and gentlemen of the House, this is simply a proposition to allow banks to continue during good behavior, to continue in perpetuity, so that they can assume trust conditions given them under the law. There is no preconceived idea of perpetuating branch banks through this system. If there is any such idea I know nothing about it, and I have heard no argument to that effect.

Mr. MOORE of Virginia. Will the gentleman allow me to ask him one question?

Mr. McFADDEN. Yes.

Mr. MOORE of Virginia. The bill provides, and something has been said on that point, that Congress shall have power to terminate charters at any time. Nothing is better settled than that; without any such reservation Congress has power, in its discretion, to repeal or amend any Federal charter.

The SPEAKER. The hour has expired.

Mr. McFADDEN. Mr. Speaker, I move the previous question on the bill and all amendments thereto.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. WINGO. Mr. Speaker, I move to recommit the bill with the following instructions.

The Clerk read as follows:

Mr. WINGO moves to recommit to the Committee on Banking and Currency and report forthwith with an amendment striking out all after the enacting clause and substitute the following:

"That the Comptroller of the Currency is hereby authorized, in the manner provided by, and under the conditions and limitations, the act of July 12, 1882, and of April 12, 1902, to extend for a further period of 20 years the charter of any national banking association extended under said acts which shall desire to continue its existence after expiration of its charter."

Mr. McFADDEN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Arkansas to recommit the bill with instructions.

The question was taken; and on a division (demanded by Mr. WINGO) there were 13 ayes and 46 noes.

Mr. WINGO. Mr. Speaker, I object to the vote on the ground that no quorum is present, and I make the point that no quorum is present.

The SPEAKER. The gentleman from Arkansas makes the point that no quorum is present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees. All those in favor of the motion to recommit will answer "yea" when their names are called, and all those opposed will answer "nay."

The question was taken, and there were—yeas 65, nays 211, answered "present" 1, not voting 154, as follows:

YEAS—65.

Almon	Blanton	Byrns, Tenn.	Connally, Tex.
Aswell	Bowling	Carew	Crisp
Bankhead	Box	Carter	Davis, Tenn.
Bell	Briggs	Collier	Garner

Garrett, Tex.	Lankford	Oliver	Thomas
Gilbert	Larsen, Ga.	Padgett	Tincher
Hammer	Lazaro	Parks, Ark.	Tucker
Hardy, Tex.	Lee, Ga.	Raker	Tyson
Hayden	Linthicum	Ramseyer	Vinson
Hoch	London	Rankin	Williams, Tex.
Huddleston	Lowrey	Rucker	Wilson
Humphreys	McClintic	Sabath	Wingo
Johnson, Miss.	McDuffie	Sandlin	Wise
Jones, Tex.	Mead	Sisson	Wright
Keller	Nolan	Steagall	
Kincheloe	O'Connor	Sumners, Tex.	
Lanham	Oldfield	Swank	

NAYS—211.

Ackerman	Echols	Lee, N. Y.	Rose
Anderson	Elliott	Lehlbach	Rossdale
Andrew, Mass.	Fairchild	Lineberger	Sanders, N. Y.
Andrews, Nebr.	Fairfield	Little	Sanders, Tex.
Appleby	Faust	Logan	Scott, Mich.
Arentz	Favrot	Longworth	Scott, Tenn.
Bacharach	Fish	Luce	Shaw
Barbour	Fisher	Luhring	Shelton
Beedy	Fitzgerald	Lyon	Shreve
Begg	Foster	McFadden	Siegel
Bird	Freeman	McLaughlin, Mich.	Sinclair
Black	Fuller	McLaughlin, Pa.	Sinnott
Blakeney	Fulmer	MacGregor	Smith, Mich.
Bond	Funk	Madden	Speaks
Bowers	Gensman	Magee	Sproul
Brennan	Gernerd	Mapes	Stedman
Brooks, Ill.	Glynn	Merritt	Steenerson
Brown, Tenn.	Goldsborough	Michener	Stephens
Browne, Wis.	Gorman	Miller	Stevenson
Buchanan	Graham, Ill.	Millspaugh	Strong, Kans.
Bulwinkle	Green, Iowa	Montague	Summers, Wash.
Burdick	Greene, Vt.	Montoya	Swing
Burroughs	Griest	Moore, Ohio	Temple
Burtness	Hadley	Moore, Va.	Ten Eyck
Burton	Hardy, Colo.	Moores, Ind.	Thompson
Butler	Harrison	Morgan	Timberlake
Byrnes, S. C.	Hawes	Morin	Towner
Cable	Hawley	Mott	Underhill
Campbell, Kans.	Hersey	Murphy	Vare
Campbell, Pa.	Hickey	Newton, Minn.	Voigt
Cannon	Hooker	Newton, Mo.	Volk
Chalmers	Hull	Norton	Volstead
Chindblom	Hutchinson	Ogden	Walsh
Christopherson	Jeffers, Ala.	Parker, N. Y.	Walters
Clague	Johnson, Ky.	Patterson, Mo.	Ward, N. C.
Clarke, N. Y.	Johnson, S. Dak.	Perkins	Watson
Clouse	Jones, Pa.	Perlman	Weaver
Codd	Kelly, Pa.	Petersen	Webster
Connell	Ketcham	Porter	Wheeler
Connolly, Pa.	Kiess	Pou	White, Kans.
Cooper, Wis.	King	Pringey	White, Me.
Coughlin	Kirkpatrick	Purnell	Williams, Ill.
Cramton	Kissel	Quin	Williamson
Crowther	Kleczka	Radcliffe	Winslow
Curry	Kline, Pa.	Ransley	Wood, Ind.
Dallinger	Knutson	Reece	Woodruff
Darrow	Kopp	Reed, N. Y.	Woods, Va.
Dempsey	Kreider	Rhodes	Woodyard
Denison	Lampert	Ricketts	Wurzbach
Dominick	Larson, Minn.	Riddick	Wyant
Doughton	Lawrence	Roach	Yates
Dupré	Lea, Calif.	Robertson	Young
Dyer	Leatherwood	Robsion	

ANSWERED "PRESENT"—1.

Herrick

NOT VOTING—154.

Ansorge	Ellis	Kindred	Reber
Anthony	Evans	Kinkaid	Reed, W. Va.
Atkeson	Fenn	Kitchin	Riordan
Barkley	Fess	Kline, N. Y.	Rodenberg
Beck	Fields	Knight	Rogers
Benham	Focht	Kraus	Rosenbloom
Bixler	Fordney	Kunz	Rouse
Bland, Ind.	Frear	Langley	Ryan
Bland, Va.	Free	Layton	Sanders, Ind.
Boies	French	McArthur	Schall
Brand	Frothingham	McCormick	Sears
Britten	Gahn	McKenzie	Slemp
Brooks, Pa.	Gallivan	McLaughlin, Nebr.	Smith, Idaho
Burke	Garrett, Tenn.	McPherson	Smithwick
Cantrill	Goodykoontz	McSwain	Snell
Chandler, N. Y.	Gould	Maloney	Snyder
Chandler, Okla.	Graham, Pa.	Mann	Stafford
Clark, Fla.	Greene, Mass.	Mansfield	Stiness
Classon	Griffin	Martin	Stoll
Cockran	Haugen	Michaelson	Strong, Pa.
Cole, Iowa	Hays	Mills	Sullivan
Cole, Ohio	Henry	Mondell	Sweet
Collins	Hicks	Moore, Ill.	Tague
Colton	Hill	Mudd	Taylor, Ark.
Cooper, Ohio	Hines	Nelson, A. P.	Taylor, Colo.
Copley	Hogan	Nelson, J. M.	Taylor, N. J.
Crago	Hudspeth	Nelson, Me.	Taylor, Tenn.
Cullen	Hukriede	O'Brien	Tillman
Dale	Husted	Olpp	Tilson
Davis, Minn.	Ireland	Osborne	Tinkham
Deal	Jacoway	Overstreet	Treadway
Dickinson	James	Paige	Upshaw
Dowell	Jefferis, Nebr.	Park, Ga.	Vaile
Drane	Johnson, Wash.	Parker, N. J.	Vestal
Drewry	Kahn	Patterson, N. J.	Ward, N. Y.
Driver	Kearns	Rainey, Ala.	Wason
Dunbar	Kelley, Mich.	Rainey, Ill.	Zihlman
Dunn	Kendall	Rayburn	
Edmonds	Kennedy	Reavis	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. Snell with Mr. Garrett of Tennessee.
Mr. Treadway with Mr. Cockran.
Mr. Paige with Mr. Sullivan.
Mr. Langley with Mr. Clark of Florida.
Mr. Maloney with Mr. Rayburn.
Mr. Cooper of Ohio with Mr. Kitchin.
Mr. Davis of Minnesota with Mr. Barkley.
Mr. Hukriede with Mr. Overstreet.
Mr. Michaelson with Mr. Cantrill.
Mr. Stiness with Mr. Sears.
Mr. Strong of Pennsylvania with Mr. Drewry.
Mr. A. P. Nelson with Mr. Gallivan.
Mr. Evans with Mr. Tillman.
Mr. Fenn with Mr. Riordan.
Mr. Kearns with Mr. Deal.
Mr. Olpp with Mr. O'Brien.
Mr. Anthony with Mr. Collins.
Mr. Patterson of New Jersey with Mr. Rainey of Illinois.
Mr. Beck with Mr. Tague.
Mr. Taylor of New Jersey with Mr. Driver.
Mr. Mondell with Mr. Hudspeth.
Mr. Layton with Mr. Smithwick.
Mr. Johnson of Washington with Mr. Griffin.
Mr. Snyder with Mr. Martin.
Mr. Dowell with Mr. Taylor of Colorado.
Mr. Dickinson with Mr. Drane.
Mr. Vestel with Mr. Bland of Virginia.
Mr. Ansorge with Mr. Stoll.
Mr. Kennedy with Mr. Fields.
Mr. Atkeson with Mr. Taylor of Arkansas.
Mr. Frothingham with Mr. Cullen.
Mr. Knight with Mr. Brand.
Mr. Goodykoontz with Mr. Kindred.
Mr. Chandler of Oklahoma with Mr. McSwain.
Mr. Graham of Pennsylvania with Mr. Park of Georgia.
Mr. McArthur with Mr. Mansfield.
Mr. Sanders of Indiana with Mr. Kunz.
Mr. Henry with Mr. Jacoway.
Mr. Colton with Mr. Upshaw.
Mr. McPherson with Mr. Rainey of Alabama.

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER pro tempore (Mr. MAPES). The question is on the passage of the bill.

The question was taken, and the bill was passed.

On motion of Mr. MCFADDEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. LAWRENCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the bill just passed.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD on the bill just passed. Is there objection?

There was no objection.

Mr. LAWRENCE. Mr. Speaker, the purpose of H. R. 9527 is to remove the time limit on the articles of association of national banks.

The law relating to articles of association, or charters, as passed in 1864 and amended in 1882 and 1902, reads as follows:

To have succession for the period of 20 years from its organization, unless it is sooner dissolved according to the provisions of its articles of association, or by the act of its shareholders owning two-thirds of its stock, or unless its franchise becomes forfeited by some violation of law.

In recent years there has grown up a great amount of fiduciary business, which is one branch of the banking business, but one which national banks could not handle until, by an amendment passed by Congress in 1918, known as section 611k of the Federal reserve act, the right was conferred on national banks to act as trustee, executor, administrator, register of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, and other fiduciary capacity in which State banks and trust companies, which come in competition with national banks, are permitted to act under the laws of that State in which the national bank is located.

It is also provided that a national bank desiring to exercise any of the above powers shall first make application to the Federal Reserve Board, and, if found to comply with the regulations prescribed by State law, such permission may be granted.

The national banks now find themselves handicapped in exercising the powers intended to be conferred by the act of 1918, by reason of the short term of their charters. Many of the States grant continuous charters, and, if a person, firm, or corporation is creating a trust to run for a long term of

years, they will naturally select the bank or trust company whose charter does not terminate within a few years.

The Comptroller of the Currency informed our committee that many of the large national banks were surrendering their charters and taking charters under the State laws, and that this was especially true in the large financial centers of such States as New York, Massachusetts, Pennsylvania, Illinois, Ohio, and New Jersey, where there is no limit in the time of charters. I might say here that about one-half of the States do not limit the charters and about half place a limit, which is usually 50 years, although they vary in different States.

This bill does not in any way relax the supervision of the comptroller or abridge the right to terminate the existence of any national bank for violation of law. This bill would also save the Government a considerable sum of money in the saving of labor; and the Comptroller of the Currency estimates that already there has been lost to the Government the sum of $1,500,000 in paper for bank notes alone, for, as the law now stands, when the charter of a national bank is extended the bank must provide new plates for the printing of currency and all the notes on hand must be destroyed.

It would also save a vast amount in the aggregate to the national banks, not only in the ordinary expense of renewing their charter but the expense of new plates from which currency for the banks is printed.

We do not desire by this bill to give the national banks any advantage over the State banks, but to put them on an equality, for we must remember that the national banks are the backbone of our Federal reserve system, and all national banks are compelled by law to become stockholders in the Federal reserve bank of that district in which they are situated; and when a national bank surrenders its charter for a State charter it is then optional whether or not they remain a member of the Federal reserve system.

There are in the United States, as per statistics published for October 31, 1921, 8,179 national banks, all of them members of the Federal reserve system, and there are more than 22,000 State banks and trust companies doing a banking business. Of these, 1,615 are members of the Federal reserve system, so you may readily see that five-sixths of the member banks are national banks. Many of the State banks are small and not eligible for membership and many others do not become members because they can secure all the benefits through some member banks.

I am not criticizing the State banks. I am only asking that we make the law for national banks as liberal as regards charters as that of the State law, that we may not lose these banks to the Federal reserve system.

When the national bank act was passed, in the sixties, it was passed largely as a war measure to provide a market for Government bonds, and, as this was an experiment on the part of the National Government, there was, perhaps, a reason for the limit of 20 years; but as they have now proven their worth in the financial world for nearly 60 years, there can be no good reason for the limitation. Unless this bill becomes a law, it will be necessary for Congress to provide for the extension of the present law, as was done in 1882 and 1902.

The charters of 519 national banks will expire during the year ending October 31, 1922. It is estimated that it will cost these banks about $130,000 for new plates alone, without taking into account other expenditures, which would perhaps cost these banks more than a quarter of a million dollars. This, we believe, is unnecessary expense and one which will be saved to them if this bill becomes a law.

In closing I would call your attention to the fact that Congress would in no way lessen its control over national banks by the adoption of this bill, as the extension act, July 14, 1882, provides that—

> Congress may at any time amend, alter, or repeal this act and the acts of which it is amendatory.

The Comptroller of the Currency has given this bill his hearty approval.

AMENDMENT TO FEDERAL RESERVE ACT.

Mr. CAMPBELL of Kansas. Mr. Speaker, I submit the following privileged report from the Committee on Rules, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 339 (Rept. No. 1026).

Resolved, That upon the adoption of this resolution it shall be in order for the Committee on Banking and Currency to move that the House resolve itself into Committee of the Whole House on the state of the Union to consider the bill S. 2263, being "An act to amend the Federal reserve act approved December 23, 1913"; that there shall be not to exceed one hour of debate on said bill. At the conclusion of the debate the bill shall be considered for amendment under the five-minute rule, whereupon the bill shall be reported back to the House with amendments, if any, and the previous question shall be considered as ordered on the bill and all amendments thereto to final passage, without intervening motion except one motion to recommit.

Mr. CAMPBELL of Kansas. Mr. Speaker, the rule provides for the consideration of Senate bill 2263, to amend the Federal reserve act approved December 23, 1913, by the appointment of an additional member on the Federal Reserve Board, with the provision that there shall be a member representing agriculture.

Mr. WINGO. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. WINGO. I notice that the rule provides for one hour of general debate.

Mr. CAMPBELL of Kansas. Yes.

Mr. WINGO. Will not the gentleman extend that and make it two hours? The Members who wanted to talk on these general subjects would prefer very much to speak on this bill and not on the other that is yet to be passed.

Mr. CAMPBELL of Kansas. The other bill, as I understand it, provides for a reduction in the number of reports required from national banks?

Mr. WINGO. Yes. It is a different subject entirely from this. I think most of the debate on both sides of a general character would be better made on this bill.

Mr. CAMPBELL of Kansas. Mr. Speaker, as I say, this provides for the consideration of Senate bill 2263. A similar House bill is on the calendar and, of course, will be laid upon the table after this bill is acted upon. The rule as presented provides for one hour of general debate. It is my understanding from members of the Committee on Banking and Currency that they would like to have the time for general debate extended to two hours. I therefore ask unanimous consent to so amend the resolution.

The SPEAKER. The gentleman from Kansas asks unanimous consent to amend the resolution in the manner in which the Clerk will report.

The Clerk read as follows:

Amend the resolution, page 1, line 7, by striking out the words "one hour" and inserting in lieu thereof the words "two hours."

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question now is on agreeing to the resolution as amended.

The resolution was agreed to.

Mr. McFADDEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2263) to amend the Federal reserve act, approved December 23, 1913.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 2263, with Mr. CAMPBELL of Kansas in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 10 of the Federal reserve act, approved December 23, 1913, is amended to read as follows:

SEC. 10. A Federal Reserve Board is hereby created which shall consist of eight members, including the Secretary of the Treasury and the Comptroller of the Currency, who shall be members ex officio, and six members appointed by the President of the United States, by and with the advice and consent of the Senate. In selecting the six appointive members of the Federal Reserve Board, not more than one of whom shall be selected from any one Federal reserve district, the President shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests, and geographical divisions of the country. The six members of the Federal Reserve Board appointed by the President and confirmed as aforesaid shall devote their entire time to the business of the Federal Reserve Board and shall receive an annual salary of $12,000, payable monthly, together with actual necessary traveling expenses, and the Comptroller of the Currency, as ex officio member of the Federal Reserve Board, shall, in addition to the salary now paid him as Comptroller of the Currency, receive the sum of $7,000 annually for his services as a member of said board.

The Secretary of the Treasury and the Comptroller of the Currency shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank. The appointive members of the Federal Reserve Board shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank, except that this restriction shall not apply to a member who has served the full term for which he was appointed. Of the six members thus appointed by the President one shall be designated by the President to serve for 2, one for 4, one for 6, one for 8, and the balance of the members for 10 years, and thereafter each member so appointed shall serve for a term of 10 years, unless sooner removed for cause by the President. Of the six persons thus appointed, one shall be designated by the President as governor and one as vice governor of the Federal Reserve Board. The governor of the Federal Reserve Board, subject to its supervision, shall be the active executive officer. The Secretary of the Treasury may assign offices in the Department of the Treasury for the use of the Federal Reserve Board. Each member of the Federal

Reserve Board shall within 15 days after notice of appointment make and subscribe to the oath of office.

The Federal Reserve Board shall have power to levy semiannually upon the Federal reserve banks, in proportion to their capital stock and surplus, an assessment sufficient to pay its estimated expenses and the salaries of its members and employees for the half year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half year.

The first meeting of the Federal Reserve Board shall be held in Washington, D. C., as soon as may be after the passage of this act, at a date to be fixed by the reserve bank organization committee. The Secretary of the Treasury shall be ex officio chairman of the Federal Reserve Board. No member of the Federal Reserve Board shall be an officer or director of any bank, banking institution, trust company, or Federal reserve bank, nor hold stock in any bank, banking institution, or trust company; and before entering upon his duties as a member of the Federal Reserve Board he shall certify under oath to the Secretary of the Treasury that he has complied with this requirement. Whenever a vacancy shall occur, other than by expiration of term, among the six members of the Federal Reserve Board appointed by the President, as above provided, a successor shall be appointed by the President, with the advice and consent of the Senate, to fill such vacancy, and when appointed he shall hold office for the unexpired term of the member whose place he is selected to fill.

The President shall have power to fill all vacancies that may happen on the Federal Reserve Board during the recess of the Senate by granting commissions, which shall expire 30 days after the next session of the Senate convenes.

Nothing in this act contained shall be construed as taking away any powers heretofore vested by law in the Secretary of the Treasury which relate to the supervision, management, and control of the Treasury Department and bureaus under such department, and wherever any power vested by this act in the Federal Reserve Board or the Federal reserve agent appears to conflict with the powers of the Secretary of the Treasury such powers shall be exercised subject to the supervision and control of the Secretary.

The Federal Reserve Board shall annually make a full report of its operations to the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress.

Section 324 of the Revised Statutes of the United States shall be amended so as to read as follows: There shall be in the Department of the Treasury a bureau charged with the execution of all laws passed by Congress relating to the issue and regulation of national currency secured by United States bonds and, under the general supervision of the Federal Reserve Board, of all Federal reserve notes, the chief officer of which bureau shall be called the Comptroller of the Currency, and shall perform his duties under the general directions of the Secretary of the Treasury.

No Federal reserve bank shall have authority hereafter to enter into any contract or contracts for the execution of any building of any kind or character or to authorize the erection of any building in excess of $250,000 without the consent of Congress having previously been given therefor in express terms: *Provided*, That nothing herein shall apply to any building now under construction.

With the following committee amendments:

On page 1, line 6, strike out "eight" and insert "seven."
On page 1, line 8, strike out "six" and insert "five."
On page 1, line 10, strike out "six" and insert "five."
On page 2, line 3, after the word "industrial," strike out the comma and insert "and"; and insert a comma after the word "interests" in same line.
On page 2, line 4, strike out "six" and insert "five."
On page 2, line 23, strike out "six" and insert "five."
On page 2, line 25, strike out the words "the balance of the" and insert "one."
On page 3, line 1, strike out the word "members."
On page 3, line 3, strike out "six" and insert "five."
On page 4, line 8, strike out "six" and insert "five."
On page 4, line 18, strike out the words "30 days after" and insert "with"; at the end of the same line insert a period.
On page 4, line 19, strike out the word "convenes" and the period.
On page 5, commencing with line 20, strike out down to and including line 2, on page 6.

Mr. McFADDEN. Mr. Chairman, this bill was largely drawn on the floor of the Senate. It came into the committee and was given very careful and minute consideration by the committee. Several amendments were made to the bill. The most important amendments were striking out that portion of the bill which provided for an increase in the membership of the Federal Reserve Board to six appointive members. The present law provides for five appointive members. The committee felt that it was not proper to increase the membership of the board at this time. The committee heard members of the Federal Reserve Board, the Secretary of the Treasury, and other interested parties. The other important amendment is on page 4, line 15, which simply makes the law comply with section 2 of the Constitution in respect to vacancies that may happen on the Federal Reserve Board, so that the President shall have power to fill all vacancies that may happen on the Federal Reserve Board during the recess of the Senate by granting commissions which shall expire with the next session of the Senate, instead of 30 days after the Senate convenes.

The other section in the bill which was amended provided a limitation on the amount which the Federal reserve banks shall expend for buildings. The committee struck that section out because of the fact that practically all of the buildings were either constructed or contracts were let for them, that were being built in the United States by the Federal reserve bank and its branches. We felt that to lock the barn after the horse had been stolen was not quite proper, that the matter could be better covered probably if Congress saw fit to do so, by making an investigation into the cost of the buildings, and therefore we struck out that provision in the bill.

Mr. KINCHELOE. Will the gentleman yield?

Mr. McFADDEN. I will yield.

Mr. KINCHELOE. Is this the bill that is supposed to authorize, or rather direct, the President to appoint a farmer as a member of this board?

Mr. McFADDEN. Yes; I will say to the gentleman that on page 2, line 1—

The President shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests.

The present law reads:

That he shall have due regard to the industrial and commercial interests.

Mr. KINCHELOE. I was familiar with that.

Mr. McFADDEN. The change we made in this bill is that it adds the word "financial" and the word "agricultural" to that section of the bill.

Mr. KINCHELOE. I want to ask the gentleman if he thinks under that language the President will be compelled to appoint a farmer as a member of this board?

Mr. McFADDEN. I do not; no, sir. I think as far as that feature is concerned it might be all stricken out, because it is simply a suggestion, or as one man has put it, a gesture, to the President, but my understanding is that some gentlemen who are responsible for this special legislation have discussed that matter, and they are practically assured that there will be recognition of a man representing the agricultural interests of the country when the next selection is made.

Mr. KINCHELOE. The President could under this provision appoint a lawyer if he thought it of advantage to and had due regard to agriculture?

Mr. McFADDEN. Certainly; for he is not compelled, as far as this bill is concerned, to appoint a farmer as a member of the Reserve Board.

Mr. KINCHELOE. It is entirely in the hands of the President to appoint whomsoever he sees fit?

Mr. TINCHER. Will the gentleman yield?

Mr. McFADDEN. I will.

Mr. TINCHER. In the law as it is now the word "agriculture" does not appear with the several industries that are mentioned in the present law?

Mr. McFADDEN. No; it does not.

Mr. TINCHER. And the number of the board now is five?

Mr. McFADDEN. The appointive members are five, and two ex officio members.

Mr. TINCHER. And this bill by the committee amendment provides for six members of the board?

Mr. McFADDEN. Six. This bill provides for an increase of one appointive member, the inference being that that would permit a representative of the agricultural interests to be appointed.

Mr. TINCHER. I understand that the President and Secretary of Agriculture are perfectly willing to give that recognition to an agriculturist on the board.

Mr. McFADDEN. Well, it has been so stated. I think the Secretary of Agriculture before our committee was willing to increase the membership of the Federal Reserve Board to 15 or 18 men, and I think he so stated.

Mr. TINCHER. It is the understanding that by the increase they will have a representative of agriculture on the board.

Mr. McFADDEN. Governor Harding, I will say to the gentleman, stated before the committee as follows:

Mr. MACGREGOR. I see this act makes no requirement for agriculture, but does for banking and finance.

Governor HARDING. Yes; but there is not occasion to amend the law in order to do that, because there is going to be a vacancy on the Federal Reserve Board in August, my term expiring at that time, and if you leave the law as it is, there is nothing to prevent the President from appointing a farmer. Why do you want to amend the law? I am not speaking from a selfish standpoint at all.

Mr. TINCHER. Is that one place in the testimony that the gentleman has reference to the locking of the barn after the horse is stolen?

Mr. McFADDEN. No; it is not.

Mr. TINCHER. I will suggest to the gentleman who was giving that testimony by his process of deflation as against the agricultural interests that if his term had expired a year ago last the farmers would have been much better off.

Mr. ANDREWS of Nebraska. The year before that.

Mr. LONDON. Is there anything in the existing law to prevent the President from appointing an agriculturist on the board?

Mr. McFADDEN. There is not.

Mr. LONDON. There is nothing in the proposed law that makes it obligatory for the President to appoint an agriculturist?

Mr. McFADDEN. There is not.

Mr. LONDON. Every legislator is supposed to legislate for the interests of the entire people, and every appointee is supposed to act for the entire people. Is not that the theory?

Mr. McFADDEN. It is my theory at any rate.

Mr. LONDON. I do not know that people live up to it, but that is the theory.

Mr. DOWELL. Has the gentleman assurance that the President will appoint a farmer to fill this vacancy?

Mr. McFADDEN. What does the gentleman mean by assurance?

Mr. DOWELL. I mean what it purports to mean.

Mr. McFADDEN. I have just referred to what Governor Harding stated. I will say to the gentleman, what Governor Harding said in the hearing which I just quoted is that if they wanted to have a representative from the agricultural interests on the board the opportunity presents itself when the next vacancy occurs, in August; and I understand it to be perfectly frank. Some Members of Congress have told me that the President proposed to recognize agricultural interests in the selection of the next member to the Federal Reserve Board.

Mr. DOWELL. Will the gentleman state what information he has on the subject?

Mr. McFADDEN. I will say that I have no special information on the subject.

Mr. ANDREWS of Nebraska. Will the gentleman yield?

Mr. McFADDEN. I will.

Mr. ANDREWS of Nebraska. Is it generally understood that Governor Harding is seeking a reappointment?

Mr. McFADDEN. It is not.

Mr. ANDREWS of Nebraska. I have been so advised.

Mr. McFADDEN. In fact, he stated here in the hearings quite emphatically that he is not. He might be in worse business, however.

Mr. ANDREWS of Nebraska. Will the gentleman yield?

Mr. McFADDEN. I will.

Mr. ANDREWS of Nebraska. If the gentleman can give us that assurance I think that it will have a tendency to quiet a feeling on the part of some Members.

Mr. McFADDEN. I will say to the gentleman, I think it can be reasonably inferred if he wishes that Governor Harding be not reappointed he should vote for the bill as it now is.

Mr. STEVENSON. Referring to the hearings, I will ask if the Secretary of Agriculture [Mr. Wallace] has not expressed himself as being very much in favor of adding a member and increasing the Federal Reserve Board?

Mr. McFADDEN. The Secretary of Agriculture did say that, and I rather gleaned from his statement that he would not object to being appointed himself.

Mr. TINCHER. If he was, agriculture would surely have one representative on the board, and that is more than it has had.

Mr. KING. How can he expect to be appointed or have any ambition along that line when that great farmer Eugene Meyer is looking for the position?

Mr. RAKER. Under the provisions of this bill when the terms of the present officers expire the President appoints new directors?

Mr. McFADDEN. This applies to vacancies that may occur from time to time. Governor Harding is the next member whose term expires, and that will be in next August.

Mr. RAKER. How do you account for the provision in lines 14 to 25, on page 2, in regard to the fixing of terms? These other officers have been there for some time, and when will their terms expire?

Mr. McFADDEN. That is a repetition of the present statute on that, which brings it up to the additional member and providing for his full term of 10 years.

Mr. WINGO. Will the gentleman permit?

Mr. McFADDEN. I will.

Mr. WINGO. The first part of the section provides that section 13 of the Federal reserve act "shall be amended to read as follows." It simply repeats the existing law and with the changes that are made——

Mr. McFADDEN. Providing that the term of each member of the Federal Reserve Board then shall be 10 years.

Mr. WINGO. Will the gentleman yield?

Mr. McFADDEN. I will.

Mr. WINGO. Reference was made some time ago to the intention of the President to appoint a dirt farmer. The gentleman says that he had not been definitely informed, but had been told by Members of Congress that he intended to do that when there was a vacancy. The same source could give the information that the President would appoint such a member if you gave him another member.

Mr. McFADDEN. It was a matter of information from the Members of the House. My information did not come direct from the President, but more from men who claimed to have talked with him on the subject. I will say, however, that it seems that it would be a little more sure if the membership of the board was increased. If this was a legitimate demand, and the agricultural interests feel that they want a man on the board, it seems that with this vacancy and with the assurance that some Members claim to have that Governor Harding will not be appointed, and the assurance that the President has given that he would recognize agriculture in his next appointment, it would give them the opportunity to secure what they want without increasing the size of the board.

Mr. WINGO. Does not the gentleman know that nobody has been found who seems to be able to speak with authority for the President, except the general statement that was made on the floor of the Senate and in the press of the country that the Senators who went down and consulted him assured the farmers of this country that if they had no representative on the board they would then get a farmer as a representative? Does not the gentleman know that that is the only——

Mr. McFADDEN. I can not say that. I think the President has given the assurance that he will recognize agriculture. He is in favor of doing it and of helping the agricultural interests, and seeing that they are properly taken care of. I have confidence that he will do the right thing with the agricultural interests.

Mr. TINCHER. The gentleman will concede that if the bill was going to specify any industry in the first place, the word "agriculture" should have been inserted with the other descriptions in the bill?

Mr. McFADDEN. It was the result of a condition that arose at that time, when the bankers felt that this was an institution that they owned and felt they should have been in control of. And it was a compromise, as most legislation is, when it was originally passed, and that designation was put in it. I do not think it has ever had any influence on the judgment of the President as to appointing members to the Federal Reserve Board, whether it was in or whether it was out.

Mr. TINCHER. Are not the people engaged in agricultural sections justified in taking some interest in these matters at this time, by reason of the horrible clamor as to this deflation policy under Governor Harding and what it did to the agricultural interests?

Mr. McFADDEN. I can not agree with the gentleman there. I think agriculture has the right to be interested in all such matters.

Mr. ARENTZ. Is it not possible that if we had had a dirt farmer all these years there would have been seen the necessity of increasing loans from $5,000 to $10,000? Will you tell the committee when the bill is going to come out?

Mr. McFADDEN. The gentleman is referring to loans on mortgages in the farm loan system?

Mr. ARENTZ. To loans on mortgages.

Mr. McFADDEN. That bill has not been considered by the committee of late. The last time it was considered by the Congress it was voted down by quite a large majority on a motion by Representative McLAUGHLIN of Nebraska.

Mr. ARENTZ. Since that time some consideration has been given to it by the committee?

Mr. McFADDEN. There has been none. It may have come up casually during the consideration of rural credit legislation.

Mr. ARENTZ. There is a good deal of feeling by people throughout the country that this sort of a thing would be the proper legislation to pass.

Mr. McFADDEN. It is in the minds of some people, but so long as the farm loan system is selling the tax-exempt securities I do not think it is policy to grant the farm loan system the right to loan rich farmers to the detriment of the small farmers who need the help. I would rather keep 10 small farmers than one or two big farmers who should be able to take care of themselves.

Mr. ARENTZ. I just wanted to get that information from the gentleman from Pennsylvania.

Mr. WALSH. Will the gentleman from Pennsylvania yield?

Mr. McFADDEN. I will.

Mr. WALSH. Has the War Finance Corporation run out of funds and ceased functioning?

Mr. McFADDEN. Not to my knowledge. I think the War Finance Corporation has plenty of funds so long as the Public Treasury has funds. It is really the back door of the Treasury.

Mr. WALSH. And wide open most of the time.

Mr. McFADDEN. They have loaned some $300,000,000 to the farmers. My understanding is now that loans are being repaid

more rapidly than new loans are being made, and we are hoping this afternoon, if possible, to pass that bill, which has been reported out of the committee, permitting the extension of the existence of the War Finance Corporation for another year.

Mr. ANDREWS of Nebraska. Will the gentleman yield?

Mr. McFADDEN. I will.

Mr. ANDREWS of Nebraska. Would not the opportunity for securing a suitable representative for agriculture on the board be greater by leaving the bill as it stood—for six appointive members instead of five?

Mr. McFADDEN. You mean as the bill came to our committee, not as amended?

Mr. ANDREWS of Nebraska. Yes.

Mr. McFADDEN. Well, it would give one additional chance.

Mr. ANDREWS of Nebraska. That is what I mean. Are not the agricultural interests of the country really expecting something to be done through this bill?

Mr. McFADDEN. I think that certain leaders of agricultural organizations who claim to represent farmers are very actively engaged in promoting this legislation and securing an increase of the membership of the board.

Mr. ANDREWS of Nebraska. It gives a larger opportunity for securing a member now?

Mr. McFADDEN. Yes; one more chance.

Mr. ANDREWS of Nebraska. What objection is there to that except the objection to increasing the membership of the board?

Mr. McFADDEN. Inasmuch as this comes from a certain class of people, I think it is particularly unfortunate in that respect.

Mr. ANDREWS of Nebraska. In other words, you think that agriculture should not be recognized in dealing with this subject?

Mr. McFADDEN. I think it is not expedient that we should pass class legislation.

Mr. ANDREWS of Nebraska. But you think the bankers should have control of it inasmuch as it relates to banking?

Mr. McFADDEN. The bankers own the stock in it, and therefore they think they should have at least two men on the board who know something of banking and finance.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. WALSH. If you are not willing to trust the appointing power, why did not the committee in framing this legislation provide the person by name that they want to present to represent agriculture? If they want a real agricultural representative, I would be glad, if the committee will open this up for amendment, to put in nomination a gentleman right now who I am sure will represent the agricultural interests of the country, both the dirt farmer and the millionaire farmer. I nominate the gentleman who represents one of the districts in the State of Kansas. I am sure the agriculturists would hail his nomination with acclamation. [Applause.]

Mr. TINCHER. I decline, because I think that agriculture still needs some representation here at times. [Laughter.]

Mr. WALSH. That is not necessary. They are in control here, and have been for months, operating the steam roller. [Laughter.]

Mr. McFADDEN. In answering the gentleman's question, I do not think the committee felt that it wanted to assume the responsibility of dictating the management of the Federal reserve system. I do not think we have arrived at that point where Congress wants to assume the responsibility of operating our financial system.

Mr. RAKER. Mr. Chairman, will the gentleman yield there?

Mr. McFADDEN. Yes.

Mr. RAKER. At present the Senate can not confirm and nominate certain members of this board.

Mr. WALSH. It can be provided in the act, the same as it is stated that the Secretary of the Treasury and the Secretary of Agriculture shall be members. But gentlemen do not seem to trust the appointing power in carrying out this purpose.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. DOWELL. Was the purpose of the amendment in reducing the number as provided by the Senate bill to lessen the opportunity of a farmer to be appointed on the board?

Mr. McFADDEN. No. It was designed to leave it as it is now, because seven is the accepted number, and to add one would be to make an even number, and we thought it was unnecessary and uncalled for to make the change.

Mr. DOWELL. But the gentleman said a moment ago that he was opposed to what he termed as "class legislation," of naming a specific member of the board to represent a class——

Mr. STRONG of Kansas. Unless he was a banker.

Mr. DOWELL. The gentleman said he was opposed to this appointment of a farmer on the board, and therefore it would lessen the chances of a farmer being appointed by putting on the amendment.

Mr. McFADDEN. I am not opposed to a farmer being on the board, but I am opposed to singling out any class and legislating for a class.

I want to call attention to the fact that a provision was stricken out in the Senate, a provision in the Federal reserve act, to the effect that at least two of the members must have had experience in finance or banking. That has been stricken out, and they have included in the first two lines of this bill "for representation of the financial and agricultural interests," with no designation as to qualifications. My own judgment is—and I do not believe there is a man here who will dissent from that—that there should be at least two men who are experienced in finance or banking to run this financial system. That does not mean to imply that the men who are appointed and who have disconnected themselves from their financial institutions will be the big financial men of the country at all. It will only mean that they will be experienced in the line in which they will be engaged. I think that is important, and ought to be put in this bill. It is not in the bill, but I hope some Member will offer that provision as an amendment and put it in this bill.

Mr. DOWELL. But the bankers are already represented on the board. The question now arises of the opportunity of having a farmer appointed on the board.

Mr. McFADDEN. I will say to the gentleman that that very opportunity is afforded to do that when the term of the present governor expires.

Mr. DOWELL. But the question I was raising, after the gentleman had made the statement that he opposed what he termed as "class legislation," was if the reduction in the number provided by the Senate was intended to reduce the opportunity of a farmer getting an appointment on the board?

Mr. McFADDEN. No; I do not think so.

Mr. TINCHER. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. TINCHER. I have no question in my mind at all but that with the word "five" substituted for the word "six" the President will appoint a representative of the agricultural interests on the board; that is, a man familiar with the agricultural interests. However, after the comma on line 3 the bill provides the geographical divisions of the country. It is my understanding that the present administration—that is, at least, the Secretary of Agriculture—thinks that they should have six members in order to properly distribute the membership of that board. I do not want to be understood for a moment as thinking that the President would not appoint an agriculturist as one of the five, but I think there should be six members.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. KINCHELOE. Does not the gentleman think, in view of the anxiety which gentlemen seem to show at the proposition that the board shall be maintained with only five members instead of six, that the manifestation of alarm on the part of Republicans here is another manifestation of their distrust of their President?

Mr. STRONG of Kansas. The Republicans are not alarmed. It is the bankers that are alarmed.

Mr. McFADDEN. I am satisfied that the President intends to do the right thing by the agricultural interests.

Mr. KINCHELOE. But the gentleman's colleagues do not seem to think so.

Mr. TINCHER. You know we are a little leery, because under the old wording of the law and the old administration of the law you came pretty near putting agriculture out of business in the United States of America.

Mr. KINCHELOE. Everybody knows that the farmers were more prosperous under that administration than they are now and are very sorry of the change.

Mr. ANDREWS of Nebraska. I think we can understand the condition of the gentleman from Kentucky. He is in need of treatment at Dawsonsprings Hospital for a little while in order to restore his faith and belief in regard to this side of the House, politically. [Laughter.]

Mr. KINCHELOE. If the gentleman would come down and take a good purgative down there, he would be a better man himself and not so suspicious, perhaps, of his President. [Laughter.]

Mr. ANDREWS of Nebraska. I am not questioning that proposition. I am simply prescribing for the gentleman from Kentucky.

Now, coming back to the question whether the number shall be five or six, after the discussion that has taken place in the Senate and in the press and in the general understanding which seems to prevail throughout the country, would it not be misconstrued unfavorably if we struck out the word "six" and inserted the word "five"? To make the number of the appointive members of the board six would give an enlarged opportunity to the Executive to meet the needs of the agricultural interests, which up to this time have been denied.

Mr. McFADDEN. I do not agree with the gentleman there, because I think the agricultural interests have not been denied. I think the results of the investigation of the Anderson Commission will prove that the agricultural interests have had great relief from the operations of the Federal reserve system.

I would also call the attention of the gentleman to the fact that a year ago, when our committee were considering the bill, we wrote into the bill the very language which is in this bill, which would give the agricultural interests consideration by the President. The committee voluntarily a year ago wrote that into a bill, which bill was not passed out of the committee, however; but the committee were practically unanimous in the view that they should include in that designation the word "agriculture." It seems to me that places agriculture on the same plane as the other interests. I do not see how there is any advantage to be gained by having any designation in there as an attempt to influence the President in his selection. I have confidence that the President will choose the right kind of men to represent the various business interests of the country, including agriculture, on this important board.

Mr. ANDREWS of Nebraska. Will the gentleman yield once more?

Mr. McFADDEN. I will.

Mr. ANDREWS of Nebraska. No doubt the gentleman's keen observation of financial conditions recalls the fact that in 1920 the Federal Reserve Board pursued a course that meant tremendous oppression to the agricultural interests of the country, and practically forced thousands of people into bankruptcy. Now, with no representation upon this board as the voice of agriculture, why should we close the door here by reducing the number from six to five, when the very purpose of this bill was to open that door and give the opportunity for an additional number?

Mr. McFADDEN. I will say to the gentleman that we are not decreasing the membership of the board. We are leaving the board exactly where it is, with the assurance, as I understand, to the gentlemen who claim to sponsor the agricultural interests of the country and to see that everything is done for the farmer that should be done, that the President will recognize the agricultural interests in the appointment of the next member of the board.

Mr. WALSH. Will the gentleman yield?

Mr. ANDREWS of Nebraska. Yes.

Mr. WALSH. I should like to ask the gentleman from Nebraska what was the particular course followed by the Federal Reserve Board that drove thousands of people into bankruptcy who ought not to have been put there?

Mr. ANDREWS of Nebraska. Loans were called in, and the regional banks denied extensions of credit to the banks in the territory where agriculture was active and depressed. Now, with that denial of the extension of credit, the farmers were compelled to liquidate their loans, and they were driven into bankruptcy because the Federal reserve system did not give relief where it was expected in its very creation that it should give relief.

Mr. WALSH. That did not drive them into bankruptcy.

Mr. McFADDEN. Mr. Chairman, how much time have I?

The CHAIRMAN. The gentleman from Pennsylvania has 30 minutes remaining.

Mr. BLACK. Will the gentleman yield to me?

Mr. McFADDEN. I yield to the gentleman from Texas.

Mr. BLACK. With reference to the statement of the gentleman from Nebraska that the Federal Reserve Board by some arbitrary act shut off credits in agricultural sections, I have here a chart published by Hon. John Skelton Williams, seeking to establish the contention that it was by reason of some arbitrary action on the part of the Federal Reserve Board that agricultural products were reduced in price. I find from inspecting this chart that in January, 1920, wheat was quoted at $2.63 a bushel, and the outstanding loans of the Federal reserve banks at that time were $2,736,670,000. On the 1st of December, 11 months after that, wheat was quoted at $2.01 a bushel, which was a decline of 62 cents a bushel, whereas the loans of the Federal reserve system were then $2,974,000,000, an increase of more than $200,000,000 over the first of the year. Now, if you will permit me, let me also give the figures as to cotton, because there has been in my opinion a great deal of misunderstanding on this question. Cotton on the 1st of January, 1920, was selling at 40 cents a pound. On the 1st of December it had declined to 14.4 cents a pound, which was a net decline of nearly 66⅔ per cent.

Now, one would think from the arguments used by Mr. Williams in his chart and by gentlemen in this debate that if the board brought this deflation about there would be a decline in the Federal reserve bank loans of at least something like in proportion, whereas as a matter of fact the outstanding loans of the Federal reserve system in December, 1920, instead of being less than on January 1, 1920, are $238,000,000 more.

Mr. KING. How much did they have up in New York City?

Mr. STRONG of Kansas. The farmers didn't get it.

Mr. McFADDEN. Mr. Chairman, I yield two minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Chairman, the agricultural bloc secured an investigation, and that commission reports as follows:

1. That the expansion of bank loans in rural districts during the period of inflation ending June, 1920, was relatively greater than in the industrial sections, taken as a whole.

2. That the action of the Federal Reserve Board and the Federal reserve banks during the 15 months preceding April 28, 1921, did not produce a greater curtailment of bank loans in the rural districts than in the financial and industrial sections.

3. Credit was not absorbed by the financial centers at the expense of rural communities for the purpose of speculative activities.

That is the verdict of the agricultural bloc itself.

Mr. McFADDEN. Mr. Chairman, I yield two minutes to the gentleman from Illinois [Mr. KING].

Mr. KING. Mr. Chairman, on this particular point as to who deflated the farmers in September, 1920, there can be no question. The Anderson investigation committee has not investigated that feature, is not doing it, and does not intend to investigate it, but if they do they will find that at that time the farmers were meeting at Kansas City and other places to maintain a decent price for wheat. The local banks having been advised directly to call the farmers' loans, began to call them; and how could the farmer maintain his price when he had to rush to the bank to get an extension of his loan? He could not get the extension and had to sell his products on the market for what he could get out of it, and the speculators were looking for it. In my judgment it was a plain, deliberate robbery of the farmers of the United States, nothing less, deliberately planned and carried out by no other agency than the Federal Reserve Board, which has exercised such a reign of terrorism over the banks of the country that they dare not claim their souls as their own. [Applause.]

Mr. McFADDEN. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 22 minutes.

Mr. WINGO. Mr. Chairman——

The CHAIRMAN. The gentleman from Arkansas is recognized for an hour.

Mr. WINGO. Mr. Chairman, I yield 30 minutes to the gentleman from Maryland [Mr. GOLDSBOROUGH].

STABILIZING THE PURCHASING POWER OF MONEY.

Mr. GOLDSBOROUGH. Mr. Chairman and gentlemen of the committee, I am taking advantage of the opportunity presented by the general debate on this bill to talk for a few minutes very briefly and very generally about a matter upon which long consideration induced me to introduce a bill in this House this morning. For a great many years, in fact, ever since I have been old enough to think very much, I have wondered about the gradual expansion and contraction of general price levels through long periods of years, but never until I became a Member of Congress did it seem that I had time enough to even attempt any sort of a real analysis. Last summer on the occasion of a dinner, at which former Vice President Marshall and I were guests, I brought up the subject and found that he had given the matter a great deal of consideration, and he made several luminous suggestions based upon his study and supported by his splendid common sense. I am profoundly convinced that the problem of stabilizing the purchasing power of money is soluble. I believe it is the second problem of economic importance confronting the people of the world at this time, and I believe this to be the psychological time to bring the matter up for serious consideration.

For the purpose of this discussion I have not in mind stabilization outside of this country. World-wide stabilization will come only when the Allies realize that Germany can pay her war indemnity only in goods directly or indirectly, and when we come to recognize that the allied debt to us can be paid only in the goods of the Allies and the goods of Germany which will indirectly pay it. With an indemnity due by Germany of around $33,000,000,000 and only about $9,000,000,000 of gold

coinage in the world, all the gold coin in the world, if it were held by Germany, would pay but one-fourth of the reparations, and if perchance through some inconceivable and baleful natural force or artificial process Germany should acquire the gold with which to pay her indemnity and should pay it, the human mind can not conceive of the world-wide hell of inflation, worse than that of Austria or of Russia, which would come about, resulting in riot, revolution, and destruction of values until the sanity left in the world should have an opportunity to reassert itself and establish a new monetary basis. World-wide stabilization can never come about, and the German indemnity and the allied debt can never be paid while the tariff walls are being raised higher and higher and our markets cut off from the commerce of the world. [Applause.]

My friends, our people are staggering under a burden of a war debt of about $25,000,000,000. That means that the backs of our people are to be burdened with a load of taxation such as has never been known before in the history of this country. A large part of that burden must ultimately be borne by the consumer, which term has come to mean that part of our people who from necessity live from hand to mouth and to whom the price of commodities means so much. When we speak of the consumer we have in mind the long, long line of men and women and little children for whom the beautiful things of life, the things which so largely make up the sum of human happiness in this world of ours, are obscured by gaunt necessity. Half of this burden can be lifted if we make it possible for the allied debt to be paid. If the present tariff bill becomes a law it can never be paid. I am forced to think that its framers know it can never be paid. Already the same influences which culminated in this tariff bill have been feeling out the American people on the question of canceling the allied debt. This seemed the thinly veiled theme of several of the addresses made at the meetings of the United States Chamber of Commerce held last week in this city, the Capital of the Nation. We will find out in the next congressional election whether the American people will permit this monstrous thing to be done. If this country had gone into the League of Nations in 1920, world-wide economic conditions would be largely stabilized now. Thousands of little children who have perished on the steppes of Russia from starvation and exposure would have been saved. Four million men and women would not now be walking the streets of this country begging for means with which to earn their daily bread, and the allied debt would now be in process of liquidation and payment.

I am in no sense a pessimist. I have an abiding faith in the good sense and clear vision of the American people; and I prophesy here and now, without the slightest hesitation, that within 10 years we will have a league of nations composed of the nations of the world and based substantially on the treaty which we failed to ratify; and I prophesy that as a reaction from that league of nations will come world-wide economic stability. Will anyone say that we are not interested in world-wide conditions? When a country or a people does not produce normally for itself because of faulty economic conditions, that country or that people will inevitably be fed and clothed to a greater or less extent by other countries and other peoples; and therefore our poorest people, our people who are most needy, together with every other element of the country, will enjoy the greatest degree of prosperity when the people of every nation are able to feed and clothe and house themselves and when the blessed sun of reasonable plenty shines most brightly everywhere.

Now, I have digressed a great deal in a way, have gone outside of the limits of the matter I started out to discuss, but the things I have been speaking of are correlated matters about which I feel very deeply and which may serve to emphasize the subject matter of this speech. My bill was drafted more particularly with reference to conditions affecting gradual rises and falls in general commodity prices which are not within the control of the Federal Reserve Board. In other words, now that we have this splendid banking system, it seems to me that the next step should be an attempt to prevent gradual rises or falls in general commodity prices through long periods of years, causing all concerned misery, misunderstanding, and bad feeling, and culminating in makeshift legislation, radicalism, and sometimes even in revolution and war.

In the Bureau of Labor Statistics in Washington there is what is known as an index number, which, as a rough explanation, I will say is computed by averaging the price levels of various commodities. These commodities are in nine groups—farm products; food, and so forth; clothes and clothing; fuel and lighting; metals and metal products; lumber and building materials; drugs and chemicals; house-furnishing goods; and miscellaneous. There are, I think, 243 commodities listed in the nine groups, the wholesale price of each being accurately kept for the purpose of ascertaining the tendency of prices to rise or fall. A chart is kept which by means of a curved line graphically indicates the trend of prices. As your finger traverses this line from 1873 to 1896 you find prices constantly falling; from 1896 to 1914 prices constantly rising, with a sharp upward trend through the period of the war. As I looked at this chart the other day memories of the hard worked and poorly paid farmer of my boyhood flooded back to me. It used to seem to me that this man who did so much for everyone else was able to do very little for himself. I remembered how almost impossible it was for him to pay his loans and mortgages. I remembered how the money lender flourished, and I began to see as clearly as we see the sun at noonday that during this period of constantly falling prices, which means ever higher money, the man who had commodities to sell suffered and the man who had money to sell flourished as the green bay tree; and as my finger traveled up the curve of high prices from 1896 I remembered how the man with the fixed income began to suffer, the complaints of the wage earner; that the school-teacher, the clerk, the office man, the salaried person of every type began to feel the pinch and eventually to actually suffer from this condition; and I saw pictured in letters of fire that the "Wayfaring man, though he were a fool," might read and understand, the fixed income of these people becoming cheap and the commodities that they had to buy for their support and the support of their families correspondingly high.

Some may say, What of it? Where one person is injured another is benefited, but this is not the case. From about 1879 until 1896 populism rose from small beginnings, chiefly in the great agricultural areas of the Middle West; the money lender and the bondholder were held up to every reproach and contumely; the names of Russell Sage and Hetty Green were thought of as the name of "Shylock." Discontent, bad feeling, and difficult financing reduced very much economic output and culminated in the free-silver campaign of 1896.

Shortly after the beginning of the rise of 1896—that is, at about the beginning of this century—the rise in prices began to spread the seeds of socialism among the worker and the man with the fixed income; industrial unrest began, labor unions were formed and became powerful, strikes common, and many of the seeds of the great war were sown.

Nowhere throughout that part of the world using our monetary standard was the rise in prices felt with any more cruelty than among the middle classes and the toilers of Germany, and this discontent among the great bulk of the people went a long way toward creating the opportunity and, in the minds of some possibly, the national necessity for war.

A great teacher once said to his students: "Divide the study of any social situation into four questions: What is it? Why is it? What of it? What are you going to do about it?" I have talked about the first three questions. I fully realize that the study of the problem of stabilizing the purchasing power of money is in its period of early conception, and that the agony of birth and the gamut of the diseases of infancy and childhood must be run before we can hope to see the thing in the wondrous beauty of its maturity.

But some basis of discussion should be established, some concrete plan should be made the target of constructive criticism, and to that end I have introduced a bill, referred to the Committee on Banking and Currency, which attempts to stabilize average commodity wholesale prices by controlling the quantity of money and credits in relation to the volume of trade by increasing or diminishing that quantity as the average price level goes down or up.

It is probably as well not to undertake a detailed discussion of the bill here and now, but to let the matter finally develop from the committee if it should deem my views worthy of consideration as a framework for legislation.

Years of reflection convince me that equality of economic opportunity is probably the most serious concern of statesmanship. Class legislation lessens the creative enthusiasm of the group favored by it and restrains the economic development of the group outside the favored class.

All of us here to-day must in a few short years and in the fullness of time be gathered to our fathers; the eyes of none of us will shine with the light of those who see the blessed brotherhood that one day will come, when the lion and the lamb shall lie down together; but I firmly believe it lies within the power of Congress during the next few years to solve this problem of stabilizing the purchasing power of money, which will add so much to human happiness and help so largely in solving the gravest political questions.

Right here, as a matter demanding immediate consideration, I feel that it should be suggested to the Federal Reserve Board and to the bankers of the country and to the great thinking

public, whose sentiment will so largely control the financial policy at this period of reaction from war inflation; that billions of dollars of war bonds of the Government were paid for in inflated—that is, cheap—money, that to double the price of the money with which these bonds will have to be paid, as is being seriously discussed as a part of a policy of deflation, will change the burden on the taxpayers of this country from twenty-five billions to the equivalent of fifty billions of dollars—that is, will double the burden—that numberless private contracts were entered into at or near the peak, and that practically the actual contract price would be thus doubled; that millions of dollars' worth of farm lands were bought and farm mortgages given during the area of high prices, and that such a policy would probably cut the price of these farms in two and double the burden of the mortgage.

I firmly believe that the purchasing power of money can be stabilized. I believe that the solution, when we have it, will be found to be simple; and I trust that that solution will soon be embodied in legislation. I never want to see agriculture and industrial enterprise struggling in the agony of a long period of falling prices or to see the young, active, bright business man, naturally uninformed as to financial science and portents, feel that he is rising to prosperity on the tide of rising prices only to find his business bankrupt and his hope blasted in the inevitable crisis just beyond the peak.

I spoke a while ago of class legislation. It is mighty hard to control the class spirit which fosters such legislation. We all have the class tendency. With some it is social, with some economic, with some religious, with some sectional, with some a combination of two or more; but in whatever guise it appears, the result is antisocial and detrimental to the people as a whole.

The spectacle we have now in the Senate, and had in the House last summer, of the representatives of powerful interests parceling out among themselves the resources of the country through the tariff bill with a reckless abandon, the same in principle with that of the buccaneers of the West Indies as they divided the loot from the captured trader, is simply a manifestation of the class spirit of powerful economic units, in utter disregard of the interests of the average man, woman, and child, of the person with a comparatively small or fixed income, of the farmer, the small business man, and the laboring man.

Stabilizing the purchasing power of money, if it can be done, strikes at the very root of class advantage and tends to prevent the inception of movements of special privilege. It is mighty easy to get in the habit of losing sight of the under dog, mighty easy to garb with the cloak of conservatism the golden calf of indifference to the common weal.

We all want to be conservatives in protecting the people from the doctrinaire, the political adventurer, or the dealer in the same quack remedies and short-cut treatments which through the ages have gone along with the disintegration and downfall of peoples, but "Where there is no vision, the people perish," and the lessons of the war and postwar period have prepared the minds of the people for two great strides in government of the people, by the people, and for the people—a league of the nations of the world, providing for mutual reciprocal disarmament and legislation stabilizing the purchasing power of money.

In the consideration of this legislation the question of necessary cooperation with other nations need not be controlling, as we are dealing now with a much more uncertain exchange situation than any which independent stabilization by this country could possibly create.

On May 12, at Philadelphia, before the American Academy of Political and Social Science, Mr. Edmund Platt, vice governor of the Federal Reserve Board, speaking on "America and the debts of Europe," had this to say in connection with foreign exchange:

> It seems probable that the major depressions of exchange mark periods when our people were seeking to convert foreign balances into dollars, and that exchange recovered when most of the conversions had been made and losses wiped out. Some very large American exporters are known to have taken considerable losses in this way. They sold in terms of foreign currencies and found them when payments became due considerably depressed, but when recovery was delayed beyond their expectations they finally bought dollars and took their losses. Very large losses are also known to have been charged off by some of our bankers.

Again:

> No longer ago than April 1 the editor of the Economic World, whose articles are always worth reading and usually sound, predicted that "no person now living will ever see the value of the present French franc of actual currency normally and regularly equal to one-half of that of the gold franc established by law as the monetary unit of France." At the time that was published the French franc was quoted at about 9 cents in our currency. It had been as low as 5.79 in 1921 but had recovered to 8.13 at the end of December. Within a little more than two weeks after Mr. March made this prediction French francs sold at 9.37½, and had little more than a quarter of a cent to go to reach half par. They have since fallen back somewhat, but I see no reason why they should not continue to advance if France makes progress toward balancing her budget. They are not lower now than our Civil War greenbacks were at one time, and complete restoration does not appear impossible, though it may take a considerable number of years.

We involuntarily shrink from the serious study of economic questions with which we are comparatively unfamiliar. It is irksome and subjects us to criticism of various kinds. Personally, in my own periods of complaisance with things as they are, I have gotten inspiration from the following lines of the American poet, James Russell Lowell:

> Said Christ our Lord, "I will go and see
> How the men, my brethren, believe in me."
> He passed not again through the gate of birth,
> But made Himself known to the children of earth.
>
> Then said the chief priests, and rulers, and kings,
> "Behold, now, the Giver of all good things;
> Go to, let us welcome with pomp and state
> Him who alone is mighty and great."
>
> With carpets of gold the ground they spread
> Wherever the Son of Man should tread,
> And in palace chambers lofty and rare
> They lodged Him, and served Him with kingly fare.
>
> Great organs surged through arches dim
> Their jubilant floods in praise of Him;
> And in church, and palace, and judgment hall,
> He saw His own image high over all.
>
> But still, wherever His steps they led,
> The Lord in sorrow bent down His head,
> And from under the heavy foundation stones
> The Son of Mary heard bitter groans.
>
> And in church, and palace, and judgment hall,
> He marked great fissures that rent the wall,
> And opened wider and yet more wide
> As the living foundation heaved and sighed.
>
> "Have ye founded your thrones and altars, then,
> On the bodies and souls of living men?
> And think ye that building shall endure
> Which shelters the noble and crushes the poor?
>
> "With gates of silver and bars of gold
> Ye have fenced my sheep from their Father's fold.
> I have heard the dropping of their tears
> In heaven these eighteen hundred years."
>
> "O Lord and Master, not ours the guilt;
> We build but as our fathers built;
> Behold Thine images, how they stand,
> Sovereign and sole, through all our land.
>
> "Our task is hard—with sword and flame
> To hold Thine earth forever the same,
> And with sharp crooks of steel to keep
> Still, as Thou leftest them, Thy sheep."
>
> Then Christ sought out an artisan,
> A low-browed, stunted, haggard man,
> And a motherless girl, whose fingers thin
> Pushed from her faintly want and sin.
>
> These set He in the midst of them,
> And as they drew back their garment hem,
> For fear of defilement, "Lo, here," said He,
> "The images ye have made of Me!"

The Anglo-Saxon peoples have gone a long way since those words were written, but, my friends, the next time you watch the glory of the winter storm, in warmth and comfort, consider to what percentage of the people that storm means only misery and hardship. That thought has often made me feel with terrible distinctness the long, long hill humanity has got to climb to relieve the agony of the world.

I am confident the subject of these remarks is entitled to our most painstaking consideration. I am not so confident that the suggestions embodied in my bill even approximate a solution. I have an abiding conviction that this great body will at the proper time approach the matter with the caution which it demands, but with courage, with resolution, with vision, and with hope. [Applause.]

Mr. WINGO. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. BLACK].

Mr. BLACK. Mr. Chairman, I am heartily in favor of this bill which makes a provision of law requiring that the great industry of agriculture should be one of those considered in determining the membership of the Federal Reserve Board. I think it is perfectly proper and logical for us to pass an act of this kind. The Federal reserve system is governed by the Federal Reserve Board. That is to say, its policies are largely determined by the board. Therefore, agriculture, being one of the great basic industries of the Nation, should have a voice in determining those policies; not for the purpose of obtaining any selfish advantage, but for the purpose of seeing that its situation and interests are properly presented and are understood. I am in favor of the Senate bill as it originally passed that body, increasing the membership of the board by one member. I think that is perfectly proper. We have 12 Federal reserve districts, we have 12 Federal reserve banks with various branches, and I

think a board with a membership of six appointed members—we have two ex officio members, the Comptroller and Secretary of the Treasury—is a proper number, and I think the House will do a wise thing to defeat the committee amendment and adhere to the Senate bill as originally written.

I am not supporting this bill because I take any part in the wholesale denunciation of the Federal Reserve Board heard here to-day and elsewhere in the country for supposedly deliberately forcing down the price of farm products. I am not here to say that the Federal Reserve Board makes no mistakes. I am not here to say that it administered the Federal reserve act with a perfect degree of wisdom. But, as I undertook to show a while ago in response to a question by the gentleman from Nebraska [Mr. ANDREWS], taking the chart which Hon. John Skelton Williams has printed, we find that during the 12-month period beginning January 1, 1920, and ending December 31, 1920, when there was a very drastic decline in the prices of agricultural products, there was not a decline in the amount of loans in the Federal reserve banks. On the contrary, there was a large amount of increase in the loans and also in the amount of Federal reserve notes in circulation. Let me say right here that if I thought the Federal Reserve Board was responsible for the decline in the price of farm products, I would condemn them just as severely as anyone, because I have, and the people I represent have, suffered just about as severely from price declines as anywhere in the United States. I have earnestly and diligently studied the whole question with its various ramifications, and I can not bring myself to see where the Federal Reserve Board or anyone else could have prevented a decline from the high prices of early 1920. The board might have adopted some temporary policy which would have postponed the decline for some months, but it is very probable that if such policy had been adopted the decline would have been all the worse when it did come and all the more disastrous.

It is said here to-day in debate that the Federal Reserve Board deflated prices by deflating credits. I find the dictionary definition of the word "deflation" is to reduce from inflation by releasing the air or gas. Let us see whether the records will sustain the charge that prices of farm products were "deflated" by "deflating" bank credits. Let us examine the case of one agricultural product that I did not mention a while ago. Corn in January, 1920, according to the chart prepared by Mr. Williams, was $1.47 a bushel. The outstanding loans of the Federal reserve system at that time were $2,736,670,000. Twelve months after this time, in December, 1920, corn had gone down from $1.47 a bushel to 73 cents a bushel, a shrinkage of little more than half, and therefore according to Mr. Williams's logic, and those who support his views, the loans of the Federal reserve system should show a decline of approximately one-half, whereas, as a matter of fact, on December 1, 1920, the loans instead of having decreased had increased from $2,736,670,000 to $2,974,836,000. Looks to me like these figures show that Mr. Williams's theory is working backward from the way he is contending.

Mr. ANDREWS of Nebraska. Mr. Chairman, will the gentleman now yield?

Mr. BLACK. Yes.

Mr. ANDREWS of Nebraska. That increase did not go to the agricultural sections. It went to the large centers, and the men who ran the deal on sugar advancing the price from 5 and 6 cents a pound to 25 and 30 cents a pound. They were the men who got the money.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLACK. Mr. Chairman, will the gentleman yield me a few minutes more?

Mr. WINGO. Mr. Chairman, I yield the gentleman three minutes more.

Mr. BLACK. Let us see about sugar. That is one of the products shown here on Mr. Williams's chart. Sugar on the 1st of January, 1920, was worth 15.37 cents a pound. The gentleman from Nebraska says what? He says that the Federal Reserve Board was transferring its funds from the agricultural section to the financial centers to hold up sugar to 25 and 30 cents a pound. Well, if they were doing it, which they were not, they did not succeed, because on December 1, 1920, sugar also had declined from 15.37 cents a pound to 8 cents a pound, practically a corresponding decline in percentage with that of corn.

The most insistent critic of the Federal Reserve Board has been Hon. John Skelton Williams, former Comptroller of the Currency, and nearly all of the criticism heard here to-day is based on figures that he has published. He has a right, of course, to freely voice his opinion, but let me read from the annual report which he filed as Comptroller of the Currency immediately before he retired from office, and which was after all of these alleged misdoings of the Federal Reserve Board had taken place. I read from page 52 of that report; the report is dated December 6, 1920, and reads:

> Largely through the aid and excellent functioning of the Federal reserve system the business and banking interests of the country have passed successfully through the perils of inflation and the strain and losses of deflation without panic and without the demoralization which has been produced in the past at various times from far less serious and racking causes. Those banking and other interests which at the outset so vigorously opposed the Federal reserve system are now among its warmest advocates.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. BLACK. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLACK. Mr. Chairman, when my time expired I had intended to go further and answer more completely the allegation contained in the question asked me by the gentleman from Nebraska [Mr. ANDREWS], which was to the effect that while it was true that the loans of the Federal reserve banks increased from $2,736,670,000, January 1, 1920, to $2,974,836,000, December 1, 1920, it was also true that this increase in loans was to the big financial centers and there was an actual decrease in the agricultural sections.

Now, if that statement were correct it would furnish argument that it was deflation of credits in agricultural sections which caused the decline in prices of farm products. It is not true, however. It is very far from being correct. I presume it is the Kansas City Federal Reserve Bank which serves the State of Nebraska, in which the gentleman, Mr. ANDREWS, lives. The Kansas City Federal Reserve Bank had $110,380,000 rediscounts on January 1, 1920. These credits had expanded to $139,402,000 on January 1, 1921, and its Federal reserve note issue had increased in the same period $7,500,000. Total expansions, $36,522,000. Now, take the Federal reserve bank of my own district, that at Dallas, Tex. It held $28,371,000 in discounted paper on January 1, 1920, whereas the amount had been increased to $97,392,000 on January 1, 1921.

Yet, in the very same period that the rediscounts of the Federal reserve bank at Dallas had been increased threefold, the price of cotton had fallen from 40 cents per pound to 15 cents per pound.

Does that look like it was deflation of credits which brought about the decline in the price of cotton?

Anyone is entitled to his opinion and I have no quarrel with him for expressing it.

The following are the reasons which I think are in the main responsible for the decline in prices:

(1) Millions of men who were engaged in war and were therefore strictly consumers and not producers during such time they were so engaged were, when the war closed, released to follow productive occupations instead of destructive ones, and the result of which has naturally been to increase production and relieve scarcity.

(2) Great quantities of raw materials which had been stored in remote parts of the world during the war when there was no shipping available to transport them to markets were released immediately when the shipping was available, and for many months this resulted in an oversupply of such commodities as wheat, wool, hides, vegetable oils, sugar, and cotton.

(3) Exhaustion of European credits. During the war France, England, Italy, Belgium, and Russia borrowed about $10,000,000,000 from the United States and spent it all here in buying cotton, food supplies, and munitions of war. Their war needs were of the kind which had to be supplied immediately, therefore their purchasing agents paid most any price that was asked. When these credits became exhausted early in 1920 these nations found it increasingly difficult, and altogether impossible in some cases, to finance their purchases of our products, and, as a natural consequence, the market for all of our exportable surplus, including cotton, was greatly curtailed. Of course, prices began to tumble when manufactured goods and farm products began to accumulate in warehouses instead of going into the channels of consumption.

It is a whole lot easier to make somebody the goat than it is to dig down and find out the fundamental causes which brought about the decline. Let us get busy and try to correct the present unfavorable situation of agriculture by constructive means instead of spending so much time criticizing the Federal Reserve Board.

The extension of remarks referred to are here printed in full as follows:

Mr. BLACK. Mr. Speaker, I secured leave to extend my remarks in the RECORD. I want to now take advantage of that

leave by making a short statement of my support of the bill and of other constructive legislation which I have supported since I have been a Member of Congress.

Let me say at the beginning that I think it is highly desirable that the Federal Reserve Board should at all times have some member on it who has a broad and intimate knowledge of agriculture and live stock. The board should be so composed that its membership will have a cross-section view of the composite activities of the country, and this can not be done if a representative of agriculture is omitted.

The Senate bill which the House passed and which I was glad to support provides that this be done by including "a fair representation of the financial, agricultural, industrial, and commercial interests and geographical divisions of the country." I think it is a very desirable piece of legislation and will contribute to the value of the Federal reserve system. Other constructive measures which I have supported since I have been a Member of Congress are as follows:

UNITED STATES SHIPPING BOARD.

To establish and encourage and develop a merchant marine so that American commerce, including our heavy tonnage of exported agricultural products, will not have to depend on foreign ships for ocean transportation. I am against any ship subsidy law. (May 20, 1916, p. 8374, CONGRESSIONAL RECORD.)

GOOD ROADS LAW.

This bill provides a system of cooperation between the Federal and State Governments in the building of hard-surfaced highways. Liberal appropriations have been made by Congress under it, and as a consequence more improved highways have been built than during any other similar period in American history. (January 25, 1916, pp. 1536–1537, CONGRESSIONAL RECORD.)

IMMIGRATION RESTRICTION.

To regulate entry of aliens into the United States and provide certain restrictions against their entry. This law was amended in 1921 and 1922 to still further restrict the number of admissible aliens, and I voted for these amendments in both cases. Also supported legislation to deport undesirable aliens, such as Emma Goldman and Alexander Berkman. (March 30, 1916, p. 5194, CONGRESSIONAL RECORD.)

FARM LOAN ACT.

Established system of 12 farm loan banks, 1 of which is located at Houston, Tex. System affords farmers opportunity to borrow money to be used in purchasing or improving homes, at low rate of interest and long terms of payment. The most recent statement of the Farm Loan Board shows that more than $500,000,000 has been loaned by the system in the United States and more than $55,000,000 of which has been loaned by the Houston (Tex.) Farm Loan Bank. (May 15, 1916, p. 8017, CONGRESSIONAL RECORD.)

WAR REVENUE ACT.

To provide money for defraying the expenses of the war, levying high surtaxes on large incomes and excess-profits tax on corporations making large profits during the war. (May 23, 1917, pp. 2818–2819, CONGRESSIONAL RECORD.)

FOOD CONTROL.

To prohibit hoarding of foodstuffs, insure ample supply, and to prevent profiteering in foodstuffs. (June 23, 1917, p. 4190, CONGRESSIONAL RECORD.)

WAR RISK INSURANCE LAW, ALLOTMENT AND ALLOWANCE.

Provided insurance for soldiers, sailors, and marines at low rate, made provisions for compensating those wounded and disabled in service, extended financial assistance to dependents of soldiers, sailors, and marines.

When this bill was being considered in Congress I offered a series of amendments designed to equalize and make uniform its benefits, which were adopted by an overwhelming vote in the House and were accepted by the Senate. The purpose and effect of these amendments is briefly explained in the following account which was published at the time by the Survey, one of the leading magazines of the country:

By a vote of 139 to 3 the House wrote into the soldiers and sailors' insurance bill, before its passage on September 13, the principle of equal care as between the dependents of officers and of private soldiers and sailors. The amendments offered by Representative BLACK, of Texas, indorsed in this decisive fashion, provide that the payment to be made to the dependents of soldiers and sailors killed or totally disabled shall be specific rather than based on a percentage of the pay of the dead or disabled man.

Congressman BLACK, with a number of other Members of the House, assailed the committee's plan of compensation, based on the rate of pay of the soldier or officer, as being an attempt to establish class and caste in America "while we are carrying on a war for democracy." Mr. BLACK termed it "preserving the distinction of rank and pay beyond the borders of the grave."

Representative Alexander, of Missouri, one of the Members who had charge of the bill in the House, gave his entire approval to the Black amendments when the measure was finally passed. He said:

"It was clearly demonstrated in the debate that the House considered it only fair that there be established complete equality in treatment as to this compensation on the Government's part of the dependents of all in the service." (September 13, 1917, p. 7104, CONGRESSIONAL RECORD.)

FARM LOAN BONDS.

Authorized the Secretary of the Treasury to purchase farm loan bonds during the time when the bond market was being absorbed in the sale of Liberty bonds. Under the law the Secretary of the Treasury purchased $195,175,000 farm loan bonds, which money was in turn loaned by the farm loan banks to the farmers of the United States. The Treasury still holds $182,285,000 of these bonds for their orderly redemption at maturity. The Treasury will not suffer any loss from this purchase, but it was of great assistance to the farm loan system. (January 4, 1918, p. 615, CONGRESSIONAL RECORD.)

WHEAT GUARANTY.

Provided for fulfillment of Government promise of guaranteed price of wheat raised by the producers. (February 22, 1919, pp. 4051–4052, CONGRESSIONAL RECORD.)

AMEND AND LIBERALIZE WAR RISK INSURANCE ACT.

This bill, usually known as the Sweet bill, amended the war risk insurance act so as to provide a larger amount of compensation to the wounded and disabled veterans of the World War. The act applies in equal degree to officers and privates. (September 13, 1919, p. 5351, CONGRESSIONAL RECORD.)

RELINQUISH GOVERNMENT OPERATION OF RAILROADS.

This bill provided for the relinquishing of Government operation of the railroads March 1, 1920, and for private operation thereafter under Government regulation. It was this bill which created the Railroad Labor Board to settle controversies between the carriers and their employees with reference to wages and working conditions. The law creating the Labor Board does not forbid strikes, but its chief virtue consists in the fact that it affords a definite tribunal for settlement of controversies, and in my judgment renders strikes in the railroad industry on a national scale quite unlikely.

When the railroad brotherhoods filed their brief and argument in docket No. 142 before the United States Labor Board upon the question of the jurisdiction of the board, they used as a part of their brief a quotation from my speech on the transportation act. This brief consisted of 42 pages, and was sent to me by Mr. W. S. Carter, president of the Brotherhood of Locomotive Firemen and Enginemen. It quotes in support of labor's contention from a message of President Wilson and from two speeches delivered in the Senate and two in the House during the debate on the transportation act. The two Senators quoted are Senator CUMMINS, who was the author of the bill in the Senate, and Senator ROBINSON, of Arkansas, Democrat, who was one of its strongest and ablest supporters. The two Members of the House whose speeches are quoted are Mr. Esch, of Wisconsin, author of the bill in the House, and myself. I take pleasure in giving herewith that part of my speech which is quoted. It is:

I believe that the first legitimate charge in any industry is a fair and just wage to its employees. I would not vote for any bill which I thought would impair the rights of labor in securing this fair and just wage. In my judgment, the establishment of the Labor Board, which is created by this bill, will go a long way toward solving labor difficulties in a constructive way. This labor provision gives recognition to that principle, and unless I very erroneously appraise its value, it will serve just as useful a purpose in securing and protecting the just rights of labor as it will the rights of capital and the public. I especially indorse that provision of the section which says:

"In determining the justness and reasonableness of such wages and salaries or working conditions, the board shall, so far as practicable, take into consideration, among other relevant circumstances, the scale of wages paid for similar kinds of work in other industries. Second, the relation between wages and the cost of living. Third, the hazards of the employment. Fourth, the training and skill required. Fifth, the degree of responsibility. And sixth, the character and regularity of employment. These provisions will insure a square deal to labor." (February 21, 1920, p. 3315, CONGRESSIONAL RECORD.)

VETERANS' BUREAU.

Creates an independent bureau under the President, known as the Veterans' Bureau, and coordinates under one head hospitalization, vocational training, war risk insurance, and compensation payments of veterans of the World War. This saves much duplication of work, and if properly administered should enable ex-service men to secure more prompt consideration of their claims. (August 2, 1921, p. 4562, CONGRESSIONAL RECORD.)

WAR FINANCE CORPORATION.

A bill to enlarge and extend the facilities of the War Finance Corporation and enable it to make advances to banks, cooperative organizations of farmers, and other financing institutions to assist in production of farm products and live stock and help

in the orderly marketing of same. Under this bill already more than $350,000,000 in loans have been made for agricultural and live-stock purposes, and the sum is increasing from day to day and has done much to help the situation in the agricultural and live-stock States. (August 22, 1921, p. 5449, CONGRESSIONAL RECORD.)

FARM LOAN BANK DEPOSITS.

This bill authorizes and directs the Secretary of the Treasury to deposit from time to time, as the needs of the farm loan banks may require, $25,000,000 to be used by said banks in making farm loans during the time sales of farm loan bonds are taking place, said money so deposited to be returned to the Treasury as soon as the sale of bonds is effected. This law is working with excellent results. Under its operation the Treasury has suffered no loss and the loan operations of the farm loan banks have been greatly helped. (June 24, 1921, p. 3043, CONGRESSIONAL RECORD.)

VETERANS' HOSPITALS.

The Langley bill provides for the construction and purchase immediately of additional hospitals for sick and disabled veterans of the World War and appropriates $17,000,000 for said purpose. (March 31, 1922, p. 4892, CONGRESSIONAL RECORD.)

GOOD ROADS MACHINERY.

A bill requiring the Secretary of War to turn over to the Secretary of Agriculture for distribution in the several States through the State highway commissions all surplus Army trucks and other suitable tools and machinery for use in road building. This has put to good use much surplus war material which otherwise would had to have been sold at great loss. (November 6, 1919, p. 8049, CONGRESSIONAL RECORD.)

POSTAL SALARY BILL.

A bill to increase salaries of postal employees and put their compensation on a more equitable basis. I was a member of the committee which drew this bill, and so carefully was it drawn so as to do justice to the postal employees as well as to be fair to the taxpayers that it passed the House by a vote of 344 to 0, and I think has given general satisfaction. (June 3, 1920, p. 8397, CONGRESSIONAL RECORD.)

FARM ORGANIZATION BILL.

This bill, usually referred to as the Capper-Volstead bill, makes broad and liberal provisions for the organization of farmers in the following language:

> Persons engaged in the production of agricultural products as farmers, planters, ranchmen, dairymen, nut or fruit growers may act together in associations, corporate or otherwise, with or without capital stock, in collectively processing, preparing for market, handling, and marketing in interstate and foreign commerce, such products of persons so engaged.
>
> Such associations and their members may make the necessary contracts and agreements to effect such purposes.

If there ever was the slightest doubt about the complete authority of the farmers to organize and bargain collectively, that doubt has now been entirely removed. (February 11, 1922, CONGRESSIONAL RECORD.)

Mr. Speaker, in conclusion, let me say that I am glad that we live in a Republic where the people are the source of power, and where public officials must account to them for the way they have discharged the duties of their office. Such is my purpose in giving the foregoing brief recital of some of the most important measures which I have worked for and supported since I have been a Member of Congress.

Mr. McFADDEN. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. BURTON].

Mr. BURTON. Mr. Chairman, I do not believe in this specification of the qualifications for members of the Federal Reserve Board at all. When the bill of the monetary commission was under consideration some Member suggested that the Secretary of Agriculture be one of the ex officio members. The suggestion was treated at first as a joke, but we all recognized that agriculture was of such vital importance in this country that it was inserted in the bill as it was originally introduced. It may be very well to give agriculture a member on this board, but what will we have next? We will soon have a demand for representation from the mining interests, and then from the lumber interests, and then perhaps from the labor unions, and next from the women's clubs.

If there is anything that should be left in the bill it is the provision that is left out, that not less than two of the members shall be possessed of experience in banking and finance. The function of this Federal Reserve Board is banking and finance, and there should be men appointed who have had experience in those lines.

I must entirely disagree with some of the things that have been said here to-day as to any responsibility resting on the Federal Reserve Board for the misfortunes which have come upon the country. What ought to have been done, and I assert it with confidence, was immediately after the armistice to increase the rate of discount by the Federal reserve banks so as to put a check upon the inflation that was then in vogue. After the enormous demands of the war had ceased it was inevitable that prices should fall, but instead of that, what happened? By a policy of inflation, by an overdegree of confidence, prices did not reach their peak until April and May of 1920. That was altogether abnormal. I do not believe there should have been any sudden increase after the armistice, but a gradual increase to put the brake on those false hopes which were so deluding men in all branches of industry.

There has been some criticism of Governor Harding. I should regret very much if Mr. Harding should cease to be a member of the Federal Reserve Board. I regret that he has been selected here for objurgation and attack. In good faith and with skill, I think, he has performed the duties of the head of that board. In view of the fact that it is the sentiment of the House that there should be a special representative of agriculture on the board, I shall vote for the eight members as provided by the Senate rather than the seven members provided by the House, so that Governor Harding may be chosen.

We faced a condition when the war came to an end. Inevitably, sooner or later prices must go down. I do not believe there was any discrimination against the agricultural interests of the country. It was true the fall in agricultural products was more rapid, but naturally the banking interests of the country call in their loans where the security is insufficient. If the calamities rested more heavily on agriculture, much as we deplore the fact, it was due to conditions beyond the control of the Federal Reserve Board.

Mr. TINCHER. Mr. Chairman, will the gentleman yield?

Mr. BURTON. I have not the time. The price of farm products was determined for the most part by the international demand.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. McFADDEN. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. CONNALLY].

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen of the committee, the gentleman from Ohio [Mr. BURTON] inveighs against that particular language of the bill which directs that the President in making selections for the Federal Reserve Board "shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests, and geographical divisions of the country."

The particular objection, judging from his remarks, is not against the industrial representation and commercial representation but against the agricultural——

Mr. BURTON. If the gentleman will just yield for a moment, the gentleman misapprehends in regard to that. I think they should have representation by their general qualifications, wiping out those words, industrial, commercial, and all along.

Mr. CONNALLY of Texas. The present law, as I understand it, does specify.

Mr. BURTON. Financial, commercial, and geographic.

Mr. CONNALLY of Texas. Financial and commercial—I grant the gentleman that. The law now provides that he shall consider "financial and commercial" interests, and unless this bill is passed the same conditions will continue. We still have commercial and industrial representation, whereas the gentleman from Ohio believes in wiping out all designations, leaving it to their general qualifications. I will suggest to the gentleman from Ohio that the language of this bill does not compel the President to select members of the Federal Reserve Board from any one particular class of citizens, as does the present law. He will not be as much restricted in his choice as he is restricted by existing law. The present law provides that in making appointments to the Federal Reserve Board he "shall have due regard to a fair representation of the financial and commercial interests and geographical divisions of the country." The pending bill adds "agricultural" to the interests that shall be considered. It is intended to secure a well-balanced board.

The provisions of this bill direct the President in making selections for this board to have due regard for the claims of agriculture, to have a representative on the board who understands and knows something about the demands, the commercial demands, and the financial needs of the agricultural interests. That man may be an agriculturist or he may be a banker; that man may be a business man; that man may be any other citizen provided he knows and understands and is in sympathy with the needs, the commercial needs, of the agricultural interests of this Union. I would remind the gentleman from Ohio that his financial institutions and his commercial

institutions and his industrial institutions that are to be considered for representation on the reserve board will finally fail to prosper and fail to succeed if agriculture does not receive its proper recognition by the financial, commercial, and industrial institutions of this country. If agriculture fails to receive its just reward, its distress and lack of purchasing power will be reflected in business and commerce. Agricultural depression and poor markets for farm products spell poor business for merchants and business men, distress for bankers in the agricultural sections, and general business depression.

Agriculture is the basic industry of the United States. A third of the people are directly engaged in that pursuit. Agricultural products feed and clothe the American people. The interests and needs of agriculture should and must be regarded in connection with the operations of the Federal reserve system. Agricultural credit and currency needs are differentiated from the needs of commercial enterprises, from the needs of industry, and from the needs of finance. Commercial dealings usually only require short-time credits. Whereas agriculture, with only an annual turnover, requires a longer credit period. Mr. Eugene Meyer, jr., managing director of the War Finance Corporation, recently made the statement that agriculture required a credit period of at least nine months. His experience as head of the War Finance Corporation brought him to that conclusion. But for that experience he probably would never have learned that wholesome lesson, though he is a banker and financier of long experience.

AGRICULTURAL REPRESENTATIVE ON FEDERAL RESERVE BOARD.

Mr. Chairman, under this bill the President will be empowered to appoint an additional member of the reserve board, and it is intended that that new member shall have a knowledge of agricultural credit needs, that he shall understand market conditions in the agricultural sections, that he shall bring that knowledge to bear in the discharge of his duties, and that the Federal Reserve Board shall be made a valuable agency to supply credit and currency needs to agricultural interests, in producing crops and in marketing those crops when produced. Another splendid provision of the bill is that prohibiting Federal reserve banks from erecting any building at a cost greater than $250,000 without the consent of Congress having previously been expressly given. This limitation is wise and prevents extravagant expenditures for such purposes.

CONTINUANCE OF WAR FINANCE CORPORATION.

Mr. Chairman, that brings me to the matter of continuing the War Finance Corporation for at least another year. The War Finance Corporation was created to assist in financing the sale of American products at home and in foreign countries. Exporters, bankers, farmers' marketing associations, and selling pools have been able to secure advances from the War Finance Corporation to finance the sale or exportation of farm and other products. Millions of dollars have been advanced to finance the exportation of cotton and wheat. The cattlemen and ranchmen have received material assistance from this agency. Unless continued the law creating the War Finance Corporation will expire on July 1, 1922. The committee has reported a bill continuing its operation until July 1, 1923, and will call up that bill to-day, if it is possible to reach it. I strongly favor the continued existence of the War Finance Corporation, and if the bill is not reached to-day shall urge that it be passed well before July 1. Such action will make possible the continuance of the very helpful and useful functions of that institution especially helpfull to agriculture and stock-raising interests.

FREIGHT RATES.

Agriculture and cattle interests have suffered greatly in the past two years. They have suffered not only because of low prices for their products, but they have suffered because of high freight rates—freight rates so high that they were a burden to trade and commerce.

I voted against the Esch-Cummins railroad bill when it was passed by Congress. I spoke against its passage. I pointed out then that its passage would increase freight rates. That forecast came true. Rates were increased after the passage of that bill.

BILL TO REDUCE RATES.

On May 26, 1921, I introduced a bill (H. R. 6642) which, if enacted, would have restored to the Interstate Commerce Commission the power to fix "just, fair, and reasonable" rates, just as that power existed before the passage of the Esch-Cummins bill. Under my bill the guaranty feature of the railroad bill would have been repealed, and the Interstate Commerce Commission would have been empowered to lower all freight rates regardless of the guaranty feature. My bill should have been passed. If it had passed, freight rates could long since have been lowered.

THREE AIDS TO AGRICULTURE AND BUSINESS.

Representation on the Federal Reserve Board, the continuance of the War Finance Corporation, and reduced freight rates are all designed to give agriculture and business in agricultural and stock-raising communities a chance to live, a chance to sell their products at a fair price. I have stood and now stand for all of them. I am gratified that this bill is before us.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STEAGALL. I yield the gentleman one additional minute.

Mr. CONNALLY of Texas. And I think that hand in hand with this bill should go the other bill that is to be acted upon this afternoon, continuing the War Finance Corporation for another period. What is the trouble to-day in America? It is not because we have not goods. It is not because we have not hands that are ready to work; it is not because our people are unwilling to apply themselves to industry, but it is because the people of America have no place to profitably sell their goods. The foreign markets have dried up because the foreign purchasers can not pay in gold. A Republican tariff helps to still further destroy foreign markets. The War Finance Corporation can assist in financing exports of cotton and other farm products to foreign countries in the future even more than it has in the past. These measures can and must be made agencies for great good to agriculture and American business. [Applause.]

The CHAIRMAN. The time of the gentleman has again expired.

Mr. WINGO. I yield 10 minutes to the gentleman from South Carolina [Mr. STEVENSON].

Mr. STEVENSON. Mr. Chairman and gentlemen, I want your attention for a minute to what will be the net result if we pass this bill as amended here as proposed to be amended by the Committee on Banking and Currency. It will simply result in inserting in these classes that are to be considered in appointing a member of the Federal board to two words, "financial" and "agricultural," so that the President in appointing will give due consideration to financial, agricultural, commercial, and industrial interests instead of the commercial and industrial, as it is now. Then, after that, to strike out that provision which will make it mandatory to appoint two members who are expert bankers and financiers. That is all it amounts to if we pass it as amended and, as proposed, I would say from my standpoint it is not worth a cent. What is the use in telling the President that he must consider agriculture? Does not everybody know that the President considers agriculture and every great interest anyway? You do not give him another member whereby he can put an agricultural-minded man on the board. That is what we want done, and it will take away the power immediately to do that. Now, I want to call attention to what the Secretary of Agriculture says about that, and the gentleman from Pennsylvania said the Secretary of Agriculture intimated that it might be very agreeable for him to go on this board. I think the gentleman is mistaken, and that he will not find anything of that kind in the hearings.

Speaking to the general proposition of increasing the membership of the board—

Says Secretary Wallace—

I think it is quite true, as has been said here, that, if you are thinking of a purely administrative body, the larger the body very often the more difficult to administer the affairs of the organization. I have not thought of the Federal Reserve Board as a purely administrative body, but as an institution which determines the general financial and credit policies of the country, and from that standpoint I am not able to agree with the suggestion that a larger membership would be inadvisable.

That is what the Secretary of Agriculture says about it, and he is a man who has a broader conception of the problems of the agricultural interests of this country than any man in this Government since I have been in Washington in any official position. [Applause.]

And in reply to the suggestion of the gentleman from Pennsylvania that possibly Mr. Wallace would like to go on this board, I will say that if this bill is passed, and he is put on this board, I will take off my hat to him and to the President both, because I think he would make a good addition to the board. There is no question of the benefit of it, and it ought to be adopted in such form that the President can do something for that industry.

He says:

On the contrary, it seems to me that the membership of the board, which in time, if not now, will, through the exercise of its administration of the great credit machinery of the country, have a direct influence upon prices and upon business in general should be a cross section of our industrial life, including agriculture—I am not using the words "industrial life" in a restrictive sense. Such a board might well represent a cross section of the entire business life of the Nation.

And I agree with the Secretary of Agriculture, and I think the House ought to reject the amendment offered by the Banking and Currency Committee of this House and adopt the bill as it came from the Senate and give the President an opportunity now to answer the call of the farmers' organizations of this country and give them an agriculturally minded man, and not in months hereafter, and let him begin to function.

Now, Mr. Chairman, there is another feature of this bill that I want to say just one word about. There is a provision that prohibits any Federal reserve bank from spending over $250,000 for building a house in which to operate without the consent of Congress. The committee saw fit to strike that out. I am opposed to that. The committee before struck out an amendment making the limit $500,000, and I say that is enough for the Federal Reserve Board or any Federal reserve bank to spend without having the consent of Congress.

I am opposed to that amendment and I hope the amendment will be rejected. It is said that this is not our money, but that it is the money of the banks. Let us see about that. Let us look just a minute at the seventh section of the Federal reserve act. When the Federal reserve banks are wound up all the surplus that they are putting into these buildings will belong to the Government of the United States, and all the surplus they have over and above what it takes to pay back the face value of the stock goes into the Treasury of the United States. In section 7 it says:

> Should a Federal reserve bank be dissolved or go into liquidation, any surplus remaining after the payment of all debts, dividend requirements as hereinbefore provided, and the par value of the stock shall be paid to and become the property of the United States and shall be similarly applied.

In the report in this bill it is contended that the surplus that the banks are expending on these enormously expensive buildings—$20,000,000 in New York—belongs to the banks and stockholders. I say it does not, because all that they are entitled to is the 6 per cent dividend, and after their liquidation all the surplus of the stock and surplus earnings belong to the Government of the United States; and we ought to put a string on it and stop the extravagance that makes the people cry out to high heaven about the buildings that are constructed and have been constructed by the Federal reserve banks in this country.

Mr. ANDREWS of Nebraska. Will the gentleman yield?

Mr. STEVENSON. I will.

Mr. ANDREWS of Nebraska. Unless the string is made secure, would not these banks be able to utilize the credit of the Government of the United States for individual profit?

Mr. STEVENSON. There is no doubt about that. They can take the money that belongs to the United States and invest it in property that will not be salable when we come to wind up, if we ever wind up, and it is the money of the United States, and we have no right to sit down and allow this extravagance, that has gone on for the last year or two in constructing buildings and purchasing expensive plants, to go on unchecked, and say Congress will not care for any of those things, like a man in the Scripture when they beat somebody in front of the judgment seat.

Mr. KING. Is it not a fact that they have ordered all of these buildings except one?

Mr. STEVENSON. Yes; but they have established all the branches all over this country and have not yet begun the building.

Mr. KING. And they did that to get ahead of this legislation?

Mr. STEVENSON. Yes, sir. They have undertaken to forestall legislation, and all the parent banks are now provided for by contract, except one in St. Louis, and we will certainly deal squarely with St. Louis when we come to it, but Congress should assert its right and say, "We will let you have a building, all right, but we propose to say that you will not get more than you are entitled to and bring about such criticism of the Federal reserve system as may wreck it in the minds of the people and wreck it as a political institution in the near future."

Now, Mr. Chairman, as to the balance of the bill, there is absolutely nothing to it if you adopt the amendments that have been proposed by the Banking and Currency Committee and that were put through that committee by a bare majority of the committee. You might just as well write "finis" across it and throw it in the wastebasket. It is not worth a cent to anybody or to the country, and will be a bagatelle and an insult to the farmers who have asked to be represented on that board. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. McFADDEN. Mr. Chairman, I yield eight minutes to the gentleman from Kansas [Mr. STRONG].

Mr. STRONG of Kansas. Mr. Chairman and gentlemen of the committee, this bill and the one reviving the War Finance Corporation are the two bills now pending before the Congress in which the farmers of the country are most interested. Whether it is admitted that the agricultural interests were deflated in 1920 or not, the farmers of this country believe that they were, and started an investigation to see why it was that their appeals for credit were refused. They discovered that they had no representation on the Federal Reserve Board, and looking into the law they found the act creating the board directed the President to take into consideration the "commercial and industrial interests," but said nothing of the agricultural interests. And so they came to Congress and asked that the agricultural interests of the country be included among those interests to which the attention of the President was directed in the appointment of this board. When they fully considered the matter they found that if they were to have a member appointed upon the board at this time they must increase the membership, otherwise they would be compelled to wait until the expiration of the term of some present member. So the agricultural representatives in the Senate, after a conference at the White House, wrote this bill, in which the members of the Federal Reserve Board were increased to six, and in which agriculture was listed as one of the industries in this country that should be taken into consideration by the President in the appointment of the board. The bill was passed by the Senate and came to the Banking and Currency Committee of the House, where it was bitterly attacked, and the friends of agriculture on the committee had to submit to amendments against increasing the board in order to get the bill out of the committee. Now we are asking that the House defeat the committee amendments and pass the bill as it came from the Senate, which will increase by one the members of the board.

I want to say to the members of this committee that if you do not increase the membership of this board you might as well not pass this bill. If you want to make the farmers wait until the expiration of the term of some member of the board for the President to give agriculture representation on the Federal Reserve Board, leave the law as it is. But if you want to give that representation to the agricultural interests of the country now, you must defeat the committee amendments and increase the membership of the board.

I can say to the membership of this House that if this bill is passed as it came from the Senate I know that the President will appoint a man who is in sympathy with agriculture in this country to the Federal Reserve Board. Now, if you will refer to the hearings had before the committee on the bill you will find that Secretary Mellon is not in favor of increasing the board nor is he in favor of the bill. You will find that Governor Harding of the Federal Reserve Board is not in favor of it.

Mr. BURTON. Mr. Chairman, will the gentleman submit to an interruption there?

Mr. STRONG of Kansas. Yes.

Mr. BURTON. I myself am in favor of increasing the number, but the main argument with them is that the number should be an odd number.

Mr. STRONG of Kansas. Yes; but who ever heard of the Federal Reserve Board locking horns on any question before them? They are all bankers. They know how they want to operate the financial affairs of this country. No one ever heard of their coming to a deadlock on that.

The Merchants' Association of New York wrote to the chairman of the Committee on Banking and Currency on February 11, 1922, and inclosed their resolutions on this subject, and this is what they say:

> The Merchants' Association of New York views with regret and grave concern the action of the United States Senate in passing a bill enlarging the membership of the Federal Reserve Board for the purpose of adding to it a member representing the agricultural interests.

It is the same with respect to the Pennsylvania Bankers' Association, who, on January 16 of this year, wrote to Mr. McFADDEN, the chairman of the Committee on Banking and Currency, in part, as follows:

> In the name of the Pennsylvania Bankers' Association I hereby express unreserved disapproval of the pending bills requiring the appointment of a representative of the agricultural interests on the Federal Reserve Board and appeal to you to use your influence to defeat the proposed legislation.

It is the same with the Association of Credit Men, of Toledo, Ohio. On January 19, 1922, they state:

> DEAR SIR: It has come to our attention that a bill has been presented to the Senate and passed by them making it obligatory for the President to appoint a farmer as a member of the Federal Reserve Board.
>
> The Toledo Association of Credit Men, numbering 300 wholesalers, bankers, and manufacturers, and being one of 134 similar organizations in the United States, believe it would be unwise to have any particular group or class of people represented on the board.

Of course the bankers do not want a representative of agriculture on the Federal Reserve Board. Why? Is it possible

that with the Federal Reserve Board composed of five bankers, and the Secretary of the Treasury and the Comptroller of the Currency also bankers, they will be terror-stricken because one man goes on that board favoring the interests of agriculture?

Now, let us see what the farmers of the country say about it. Gray Silver, representing the American Farm Bureau, is in favor of the bill as it came from the Senate. Mr. Barrett, president of the Farmers' Union of America, is in favor of it. Mr. Atkeson, of the National Grange, is in favor of it. And what does Secretary of Agriculture Wallace say? This is what he said before our committee:

Speaking to the general proposition of increasing the membership of the board, I think it is quite true, as has been said here, that if you are thinking of a purely administrative body, the larger the body, very often the more difficult to administer efficiently the affairs of the organization.

I have not thought of the Federal Reserve Board as a purely administrative body, but rather as an institution which determines the general financial and credit policies of the country, and from that standpoint I am not able to agree with the suggestion that a larger membership would be inadvisable. On the contrary, it seems to me that the membership of a board which in time, if not now, will, through the exercise of its administration of the great credit machinery of the country, have a very direct influence upon prices and upon business in general should be a cross section of our industrial life, including agriculture—I am not using the words "industrial life" in a restrictive sense. Such a board might well represent a cross section of the entire business life of the Nation. I am not able to see the force in an objection to the increase of the membership of that board either from four to six or to any other number. It is highly desirable that the membership should be sufficiently large to bring into the councils of that board a direct personal knowledge of the business and industries in which the people in the various sections of this country are engaged.

I make a distinction between a board whose chief business it is to determine policies and a board whose chief business it is to carry on the purely administrative affairs of an institution. In the one case, the larger the board the more difficult to administer the business; in the other case, the larger the board, within reasonable limits, the wiser the conclusions that board will reach.

Now, for my part, I see not only no objection to increasing the membership but I can see very decided advantages in doing so, and no disadvantages in increasing that membership within reasonable limits.

* * * * * * *

Let me give you a homely illustration of the need of having various sections represented on this board and the various industries. Take the case, for example, the general policy of extending credit on grains and live stock. Take the case of corn and cattle. In the corn belt a large surplus of corn is produced, and a large part of that is fed to cattle or hogs, say 35 to 50 per cent to hogs. You can imagine this situation, where a policy might be determined which would restrict loans on corn and give very liberal loans on live stock to which the corn naturally would be fed. What would be the result? You would put up the price of feeding cattle and feeding hogs and you would lower the price of corn.

That is not a matter of simply making the loan; it is a general policy which might be pursued, and that same thing applies to business throughout the country. It is in the power of this board—I am not talking now of anything that has been done in the past—to so administer the credit machinery of the Nation as to increase or decrease prices in a very large way between industries or as between other activities. For that reason it seems to me highly desirable that the various larger activities of this country should be represented on the board. Agriculture should be represented, not necessarily by a man who comes from the farm but by a man who is agriculturally minded, who understands and is appreciative of agricultural conditions, and at the same time has real training as a banker. It is absurd to suggest that a man who does not understand general financial matters should be made a member of this board. I do not think that anybody has suggested it, and yet some criticisms that have been made seem to assume that the thought is to go into the field and take a man who knows nothing of banking and finance and credits and make him a member of this board. Such criticisms are unfair. It is important that there should be on this board some men who are agriculturally minded, who appreciate the effect upon agriculture and upon prices of certain large policies in administering our great credit machinery.

And the same thing is true of other industries. As I said to begin with, I think the membership of this board should be a fair cross section of the business, industrial, and agricultural life of the Nation, to the end that the general policies which influence prices, which influence the welfare of these various interests shall be fair, intelligent policies. You have got to go further and you have got to consider our relations with other nations in the administration of our credit machinery and their effect on the industries of all of this country.

So that, Mr. Chairman, as I say, I can see no objection to the necessary increase in the membership of the board, and I think it is highly desirable that inasmuch as the law already provides for representation—industrial and commercial—you should add agriculture, which certainly is the fundamental industry of this country, no matter how we may dispute as to the actual number of dollars produced. Surely all must agree that in considering the financial, industrial, and commercial interests of the country agriculture also should be included.

Now, gentlemen——

Mr. MOORE of Virginia. Mr. Chairman, may I ask the gentleman a question?

Mr. STRONG of Kansas. Certainly.

Mr. MOORE of Virginia. If the bill as reported here with the amendments made by the committee passes the House and the Senate, leaving the number of the members of the board just as at present, there would be no opportunity, as I understand, for the appointment of an agricultural representative at this time?

Mr. STRONG of Kansas. No; and there would be no use in passing the bill.

Mr. MOORE of Virginia. There would be no opportunity to appoint such a representative until next August, and should no such appointment be made then, there would be no opportunity for such an appointment until two years thereafter?

Mr. STRONG of Kansas. That is correct; but if you want to pass the bill as the farmers are asking for it, vote down the committee amendments and pass it as it came from the Senate. [Applause.]

Mr. McFADDEN. Mr. Chairman, I yield two minutes to the gentleman from New Jersey [Mr. APPLEBY].

The CHAIRMAN. The gentleman from New Jersey is recognized for two minutes.

Mr. APPLEBY. Mr. Chairman, as a member of the Banking and Currency Committee I had the pleasure of listening to the arguments for and against this important measure. Strong arguments were presented for as well as against the bill now before us. In listening to the many reasons presented why the bill should or should not be enacted into law, I reached the conclusion that the agricultural interests of this country should be represented on this important board. The majority of the members of the committee were of the same opinion, and, consequently, the committee, after mature deliberation, reported favorably the measure now before us. In part the bill reads:

In selecting the appointive members of the Federal Reserve Board, not more than one of whom shall be selected from any one Federal reserve district, the President shall have due regard for a fair representation of the financial, agricultural, industrial, and commercial interests, and geographical divisions of the country.

We all agree that the agricultural interests are vast and are among the most important in the country. I agree with Secretary Wallace that an agricultural-minded man will be a great asset to this board. From my own experience and observations I know a number of farmers who are valuable directors of banks. They are uniformly deliberate and fair-minded men. Agriculturists connected with banks in various parts of the country who have appeared before our committee have impressed me with the thought that these so-called "country bankers" are extremely competent to serve on the Federal Reserve Board. Gentlemen, I thank you for the few minutes allotted me on this important subject. [Applause.]

Mr. WINGO. Mr. Chairman, I yield the remainder of my time to the gentleman from Alabama [Mr. STEAGALL].

The CHAIRMAN. The gentleman from Alabama is recognized for 14 minutes.

Mr. STEAGALL. Mr. Chairman, no one appreciates our great Federal reserve system more than I do. Under its operation the legitimate business interests of the country experienced for the first time their liberation from the little coterie of financiers who for many years controlled the supply of credit, dictated prices, and held the business interests of the country practically in their power. Under the new system the Nation enjoyed a prosperity unparalleled in our history. The producing masses of the South and West were given a decent chance and enjoyed a progress and prosperity unknown before. I think it is agreed on all hands that the Federal reserve system alone made it possible for our Government to play its part in financing and winning the great World War. Under this system the masses of our people will recover from the shock of the great storm that shook the foundations of the world and get on their feet again. I do not say for a moment that the Federal Reserve Board has made no mistakes. I think they have, and I have not hesitated to criticize them when I thought so. I have sought in an humble way, whenever I have had opportunity, to aid in correcting mistakes and by constructive methods to cure any errors which have crept into the system. No thoughtful man could have expected that all mistakes could have been avoided even in normal times. Surely conditions during and subsequent to the war embodied difficulties which could not be handled without mistakes. Such was true of bankers in general and of all pursuits having place in our national life.

The Federal reserve system needs constructive, helpful criticism. I have supported every amendment to the law which I regarded as helpful. I have supported every change proposed by which its provisions could be safely liberalized. I expect to continue to do so. I voted to report the bill now before us. I hope it will pass, though I do not regard it as of great importance. The bill, even as it passed the Senate, does not mean a great deal. It does not mean anything as now presented by the committee. [Applause.]

The original act provided that in appointing members of the Federal Reserve Board due regard should be paid to the commercial, industrial, and financial interests of the country. I do not suppose it was thought that any man who would ever serve this great agricultural Nation as President would be unmindful

of our agricultural interests. But during the disturbed conditions in the agricultural sections of the country in recent months and since certain criticism against the Federal Reserve Board in this connection, it has been pointed out that the original act specifically designated the commercial, industrial, and financial interests of the country for consideration in the selection of members of the Federal Reserve Board without mentioning agricultural interests. Since this discussion and in view of the apparent discrimination shown by the letter of the law, it has been insisted that the act should be amended so as to name agricultural interests. Possibly to do so may tend to relieve the feeling which exists to the effect that agriculture has not been treated fairly. I am perfectly willing to amend the act so as particularly to mention agriculture, and to treat it as deserving the same consideration as commerce, industry, and finance. But the amendment may mean something or it may not. After all, it leaves us right where we were when we started.

The whole thing will still be in the hands of the President as regards the appointment of members of the Federal Reserve Board. If he desires that a man agriculturally minded, or who has the viewpoint of one identified with agriculture, be appointed, the President will have all that great class of our population from whom to select a new member of the board, but this will give only one appointee out of a board of seven or eight members. So, if we are to proceed upon the idea that this one member of the board is the only one who has due regard for the agricultural interests of the country, what would be accomplished? One vote would not control the entire board. But some benefit may come from having a man on the board who will approach questions from the viewpoint of agriculture; and since the question has been raised, I think it well enough to amend the law for this purpose. It may result in some good.

The Senate had in mind a plan to add a member to the board, which it was expected would result in the selection by the President of an appointee peculiarly in touch with the needs of agriculture, and whose appointment would be acceptable to the farmers of the country. If the Senate bill is accepted, the President will be free to appoint such a man without disturbing the board as at present constituted. Therefore, if we are going to pass the bill at all, we should take it as it came from the Senate.

The committee has also amended the Senate bill by striking out the provision which limits the amount to be expended for the construction of buildings for Federal reserve banks.

I think it was a mistake to expend the large sums which have been spent and contracted for in the erection of buildings for Federal reserve banks. For this reason I hope that the Senate provision will be adopted, which makes it necessary that we vote down the committee amendment striking out this provision. But only one of the Federal reserve banks will be affected by this provision, and I take it that that bank will have taken necessary steps to construct a building satisfactory to the officers of the bank before this act will become a law. However, the legislation will serve to prevent extravagant expenditures for branch buildings in the future. But, gentlemen, when we get through with all this, no man will contend that the Federal reserve system has been changed in such substantial way as to meet the requirements of agriculture. Everybody who has given study to the question recognizes that the farmer needs a longer-term credit in financing yearly crops and raising live stock than is to be afforded by deposit banks. So I venture to say that Congress might employ its time with more benefit to the farmers of the country in amending the Federal reserve act in some of its essentials, so that agricultural paper might be given more advantageous rediscount privileges, or by establishing some new credit agency, really adapted to the needs of our farmers. In the presence of such a necessity, the efforts devoted to the bill before us are almost as so much idle talk.

While we are engaged in consideration of this bill the farm loan act is in need of amendment to make that legislation responsive to the requirements of agriculture. The farm loan act is the greatest piece of legislation ever passed, specifically for the benefit of the farmer. Yet we have allowed that great system to be choked down for many months and to drag along in a half-handed way, unable to take care of the demands for loans. When the act was sustained by the Supreme Court the friends of the farm loan system, recognizing the peculiar need for the kind of credit which the system was intended to afford, undertook to secure the passage of a bill authorizing the Secretary of the Treasury to carry deposits with the land banks to the extent of $50,000,000 to furnish sufficient capital or turnover to enable the banks to market their bonds and resume business upon a scale commensurate with the demands upon the banks. Some of us wanted to offer greater relief, but we were unable to bring a majority of the Committee on Banking and Currency to our way of thinking. Finally we succeeded in reaching an agreement to report a bill authorizing the Secretary of the Treasury to deposit funds with the land banks to the extent of $50,000,000. We instructed the chairman to ask for a special rule for the consideration of the bill. After the matter drifted for about 10 days the chairman of the committee called the Banking and Currency Committee together again and insisted that after advising with others it had been decided that the amount carried in the bill should be reduced to $25,000,000. This was done against the insistence of every member of the minority on the committee. The bill was reported and passed accordingly.

Some of us carried the fight to the floor of the House and insisted on increasing the amount of relief to be afforded the land banks; but we were defeated. Since then the land banks have been dragging along, unable to meeet the demands upon them. In the meantime Congress has been passing other legislation designed to afford better credit facilities to the farmer. Some of the land banks have been refusing to receive applications for loans or to furnish blanks to applicants. It is deplorable that this great agency of credit, which has been upheld by the highest court in the land, which is the safest and most practicable method yet found for furnishing credit to the farmer upon reasonable terms and interest rates, and to which we are permanently committed, should not have been utilized to afford effective relief during the last year and a half.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. STEAGALL. I have not sufficient time. I am sorry. I do not hesitate to say that our time could have been devoted with better results in effort to put the farm loan banks of the country in condition to do business than in splitting hairs over amendments to the Federal reserve act which carry little or no practical results.

There is another point, Mr. Chairman, at which the farmer needs relief and is not getting it. The railroads of the country are levying rates upon the agricultural products of the Nation that are absolutely destructive of prosperity and in many instances positively prohibitive.

The products of the farmer are rotting at his door because he has no way of transporting them to the centers of consumption. If we were to take the gold and supply it free to the farmers of my State and to the banks there with which to pay every dollar they owe and give them enough to finance a new crop the relief would not last unless there were coupled with it a reduction in transportation charges. There can be no real prosperity for the farmer until he is relieved of the unjustifiable transportation rates imposed by the railroads. But a new light has dawned and a new hope has arisen! We learn through the press that the President has appealed to the generosity of the railroads! What a confession of impotency and helplessness! It is a serious indictment against this administration that no relief has been obtained save such as the railroads have voluntarily put into effect. Maybe the President was somewhat justified in the conclusion that he should throw himself upon the generosity of the railroad owners!

Mr. ANDREWS of Nebraska. Will the gentleman yield?

Mr. STEAGALL. I have not the time. I call attention to another thing which the farmers of the country desire and which has not been done. They have been speaking through their organizations as with one voice for the development of the great property at Muscle Shoals on the Tennessee River and urging that its development be turned over to that great genius, Henry Ford, the master mind of the modern industrial world, that the great power and machinery wasting there might be utilized in benefit to agriculture, which would extend to all classes and all sections of the Union.

The property stands idle. An investment of the Government, amounting to about $100,000,000, lies unused, while the Government spends about $500,000 yearly in protecting that investment. The Ford offer was submitted last summer. It slept down in the office of the Secretary of War until some time in February or March of this year. Since then all time has been devoted to holding hearings and taking testimony from special interests that are opposed to the successful development of this great property. Thomas A. Edison, the greatest scientist on earth, has indorsed the Ford proposition and says this property can be developed to furnish the farmers of the country fertilizers of a better quality and at a lower price. Not only have we failed to take advantage of this offer without delay but even while this opportunity is before us unimproved, we are about to levy an enormous tariff of $50 a ton on potash used by farmers of the country as fertilizer. [Applause.] Farmers of the United States use about one-quarter of a million tons of

potash. About one-fifth of this amount is produced in the United States. A few men with just a few millions invested, and who made back over and over again in profit from the Government during the war every dollar invested by them, are demanding this tribute and placing this indefensible burden on the farmers of the country at this time when they are entitled as never before to at least a just, if not a generous, policy on the part of the Government.

Ah, gentlemen, there are measures of concern to farmers more important than merely writing into the Federal reserve act a provision directing the President's exercise of discretion in appointing members of the Federal Reserve Board. Let us show our interests in the farmers of the country in dealing with these substantial measures, which afford opportunity for substantial service, and which they can recognize and put their hands on. I hope this Congress will take up and accomplish the larger and better tasks. [Applause.]

Mr. McFADDEN. Mr. Chairman, I call attention to the fact that the railroad rates which the gentleman has referred to were levied by the Interstate Commerce Commission appointed by a previous administration. [Applause.] Mr. Chairman, I am not willing to agree to some of the statements made here to-day in criticism of the Federal Reserve Board. I think the Federal Reserve Board and the administration of the system under Governor Harding has been a great success. If I was at all afraid that the President of the United States would not reappoint Governor Harding on the board, and by increasing the membership of the board to eight he would reappoint him, I certainly would vote for the amendment as proposed here to-day. I believe that Governor Harding's administration of the board has been a most excellent one, and when we stop to consider the great responsibilities and duties that were placed on the board during the period of great stress we can only pick out one or two things subject to criticism. That system has carried the country over a very trying period. The proposition to amend the act was largely aimed at Governor Harding. The proposal in the other body of this Congress was aimed directly at him, and one Senator offered an amendment providing that the next appointed member should be an agriculturist for the sole purpose of keeping Governor Harding off the board. I say that his record deserves consideration by Congress and the people of this country, and I hope the President of the United States, in his wisdom, will recognize the great work that he has done. The financial people of the country are recognizing it, and so are the agriculturists, just now as we are getting away from the immediate stress so that they can get a clearer view of what happened, and I want to have read a resolution adopted by a group of Iowa bankers at a recent meeting at Council Bluffs, Iowa.

The Clerk read as follows:

Resolutions adopted by a group of Iowa bankers at a recent meeting at Council Bluffs, Iowa.

The Federal reserve system has made a splendid record for service during the war and since the armistice and is entitled to the indorsement of the people. Because of that service, unquestionably hundreds of banks and business houses had been saved from failure and thousands of individuals saved from bankruptcy during the business cycle of expansion, extravagance and speculation, deflation and inflation, which was the inevitable aftermath of war.

It would be too much to expect that a financial institution developing from a beginning to such large proportions in a period of seven years would be a perfect machine. Constructive and intelligent criticism should always be welcomed. In any changes, however, which may be made in the workings of that system it should be remembered that its chief function is to hold the reserves that are carried against the deposits in our commercial banks, and that the safety of these deposits requires that all investments made from such reserves should be of a short and liquid character.

We especially deprecate the efforts from some sources to bring this institution and its management into the contentions of politics and deplore the uninformed criticisms of this institution and misrepresentations which attempt to hold it responsible for everybody's misfortunes, the greater number of which have grown out of the natural and inevitable working of laws of supply and demand, both at home and abroad.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 10 of the Federal reserve act, approved December 23, 1913, is amended to read as follows:

SEC. 10. A Federal Reserve Board is hereby created which shall consist of eight members, including the Secretary and the Comptroller of the Currency, who shall be members ex officio, and six members appointed by the President of the United States, by and with the advice and consent of the Senate. In selecting the six appointive members of the Federal Reserve Board, not more than one of whom shall be selected from any one Federal reserve district, the President shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests, and geographical divisions of the country. The six members of the Federal Reserve Board appointed by the President and confirmed as aforesaid shall devote their entire time to the business of the Federal Reserve Board and shall each receive an annual salary of $12,000, payable monthly, together with actual necessary traveling expenses, and the Comptroller of the Currency, as ex officio member of the Federal Reserve Board, shall, in addition to the salary now paid him as Comptroller of the Currency, receive the sum of $7,000 annually for his services as a member of said board.

The Secretary of the Treasury and the Comptroller of the Currency shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank. The appointive members of the Federal Reserve Board shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank, except that this restriction shall not apply to a member who has served the full term for which he was appointed. Of the six members thus appointed by the President, one shall be designated by the President to serve for two, one for four, one for six, one for eight, and the balance of the members for 10 years, and thereafter each member so appointed shall serve for a term of 10 years, unless sooner removed for cause by the President. Of the six persons thus appointed, one shall be designated by the President as governor and one as vice governor of the Federal Reserve Board. The governor of the Federal Reserve Board, subject to its supervision, shall be the active executive officer. The Secretary of the Treasury may assign offices in the Department of the Treasury for the use of the Federal Reserve Board. Each member of the Federal Reserve Board shall within 15 days after notice of appointment make and subscribe to the oath of office.

The Federal Reserve Board shall have power to levy semiannually upon the Federal reserve banks, in proportion to their capital stock and surplus, an assessment sufficient to pay its estimated expenses and the salaries of its members and employees for the half year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half year.

The first meeting of the Federal Reserve Board shall be held in Washington, D. C., as soon as may be after the passage of this act, at a date to be fixed by the reserve bank organization committee. The Secretary of the Treasury shall be ex officio chairman of the Federal Reserve Board. No member of the Federal Reserve Board shall be an officer or director of any bank, banking institution, trust company, or Federal reserve bank, nor hold stock in any bank, banking institution, or trust company; and before entering upon his duties as a member of the Federal Reserve Board he shall certify under oath to the Secretary of the Treasury that he has complied with this requirement. Whenever a vacancy shall occur, other than by expiration of term, among the six members of the Federal Reserve Board appointed by the President, as above provided, a successor shall be appointed by the President, with the advice and consent of the Senate, to fill such vacancy, and when appointed he shall hold office for the unexpired term of the member whose place he is selected to fill.

The President shall have power to fill all vacancies that may happen on the Federal Reserve Board during the recess of the Senate by granting commissions which shall expire 30 days after the next session of the Senate convenes.

Nothing in this act contained shall be construed as taking away any powers heretofore vested by law in the Secretary of the Treasury which relate to the supervision, management, and control of the Treasury Department and bureaus under such department, and wherever any power vested by this act in the Federal Reserve Board or the Federal reserve agent appears to conflict with the powers of the Secretary of the Treasury, such powers shall be exercised subject to the supervision and control of the Secretary.

The Federal Reserve Board shall annually make a full report of its operations to the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress.

Section 324 of the Revised Statutes of the United States shall be amended so as to read as follows: There shall be in the Department of the Treasury a bureau charged with the execution of all laws passed by Congress relating to the issue and regulation of national currency secured by United States bonds and, under the general supervision of the Federal Reserve Board, of all Federal reserve notes, the chief officer of which bureau shall be called the Comptroller of the Currency and shall perform his duties under the general directions of the Secretary of the Treasury.

No Federal reserve bank shall have authority hereafter to enter into any contract or contracts for the erection of any building of any kind or character, or to authorize the erection of any building, in excess of $250,000, without the consent of Congress having previously been given therefor in express terms: *Provided*, That nothing herein shall apply to any building now under construction.

The Clerk read the following committee amendment:

Page 1, line 6, strike out the word "eight" and insert the word "seven."

Mr. WINGO. Mr. Chairman, as I understand, we are to vote on each committee amendment separately, so there is no need of reporting them all at once.

The CHAIRMAN. The amendments will be acted upon as they are read.

Mr. WINGO. Mr. Chairman, other Members have called attention to what is back of this amendment. The bill as it passed the Senate amended the law so that there would be six appointive members, and that would mean an additional member. The committee amendment simply kills that amendment to the law as made by the Senate; and if you adopt the committee amendment you leave the law as it stands, with five appointive members on the board. There is no use dodging the purpose. The bill has been heralded over the country as a proposal to give the farmers a representation on the Federal Reserve Board. It has been openly stated in the Senate, it has been openly stated upon the highest authority in the newspapers, that the President has promised that if you would give an additional member he would appoint a "dirt farmer" as a member of the Federal Reserve Board. Ordinarily this side of the House takes the position that it would oppose any increase in the number of offices which the opposite party could fill by one of its own members. But this goes beyond that question; and we Democrats have taken the position that we are perfectly willing to enlarge the board, to give the Republican President the power to fill another important position, because we believe

that it will have a fine effect if he selects as a member of that board a representative of agriculture.

Gentlemen may say that it will not amount to anything, assuming that the farm member would be outvoted; but, gentlemen, if you make it possible for the President to appoint a representative of agriculture on that board it will have a fine effect on agriculture and upon the mind of the American farmer, and for that reason I think it will be worth the additional burden by putting on an additional member of the board, for in the last analysis the expense does not come out of the Treasury of the United States but out of the banks themselves. That is all there is involved in it; and if you really and sincerely want to have agriculture represented on the Federal Reserve Board, if you want to give the President an opportunity to carry out what you have heralded as his intention, give the President the opportunity to appoint as an additional member a dirt farmer, you will vote down the committee amendment. We Democrats are united in favor of giving agriculture a representative on the Federal Reserve Board; and if enough Republicans will join us and vote down the committee amendment, the President then will have the opportunity to do as he has promised and make such appointment.

Mr. TINCHER. Mr. Chairman, ordinarily I do not agree with the sentiment of criticizing public officials on the floor of the House, and I do not think criticism should ever be indulged in unless the person indulging in the criticism is somewhat familiar with the situation and is willing to be specific in respect to the facts. I would like to be able to agree with the distinguished gentleman from Ohio [Mr. BURTON], for whose opinion ordinarily, unless absolutely informed otherwise, I have the highest regard, but I hope, Mr. Chairman, that we have not forgotten that the policy advocated by the distinguished gentleman from Ohio in respect to deflation after the war was not carried out by the Federal Reserve Board. Instead, what did they do? They came to the House of Representatives and asked us for an amendment to the Federal reserve act permitting them to put in effect what they called a graduated scale of interest charges for the purpose of reconstruction after the war. I had the pleasure of opposing that on the floor of the House. What was the result of it? They started their deflation under the leadership of this man, Governor Harding, and they charged the member banks of my section of the country, who were loaning for agricultural purposes alone, as high as 60 per cent interest on the money, thus insuring to the country that they would destroy agriculture or have deflation, while at the same time in New York the Federal reserve bank was furnishing money for industry at 6 per cent.

Mr. Chairman, I want to say that that discrimination against the basic industry of this Nation is unpardonable and will go down in history as the crowning infamy to destroy the present leader of the Federal Reserve Board. If President Warren G. Harding wants to send to the people of my section of the country a message that he has no regard for their rights and acts at the suggestion of some clique of eastern bankers, he will reappoint Mr. Harding of the Federal Reserve Board, but if he wants the agricultural interests of the country to understand that they have a friend in the White House, he will never make that reappointment. [Applause.]

Mr. Chairman, I am for the Senate bill. There will be but one vacancy, and that is to come in August. The horrible example of what the Federal Reserve Board without a man on it interested in agriculture has done for agriculture should make the American Congress willing to act, not to-morrow, but to-day, and we should give President Warren G. Harding an opportunity to put upon that board a representative of the basic industry of the country, and not wait 24 hours to do it. [Applause.] I hope, Mr. Chairman, that every amendment suggested by the committee to the Senate bill will be voted down. [Continued applause.]

Mr. LUCE. It is unfortunate that gentlemen from Kansas should get their wires crossed. If they would have more consultation with each other they might avoid such unfortunate declarations as that to which we have just listened. There is another gentleman from Kansas, he whom the newspapers have freely announced in late months as the chairman of the so-called agricultural bloc. I have already referred this afternoon to the report of the Commission of Agricultural Inquiry. Of this commission the chairman of the so-called agricultural bloc was a member. The report of this commission was unanimous except that in one particular the gentleman from New York [Mr. MILLS] differed from his associates. This commission, including the gentleman from Kansas, who is the chairman of the agricultural bloc, said that its only criticism of the policy of the Federal Reserve Board was not that it did not deflate but that it did not begin the deflation quick enough. Gentlemen may go and look for themselves and see how far apart these spokesmen for Kansas stand in their verdict on this question. I appeal from the gentleman in front of me to the chairman of the agricultural bloc and the report in which he says the only fault he finds with the board is that it did not begin the deflation quick enough.

As to the governor of the Federal Reserve Board, I stand with the chairman and with nearly every member of the Committee on Banking and Currency. That committee has had the opportunity to watch at close range the course of the Federal Reserve Board. As a result, its members, regardless of party, are almost a unit in believing that the best interests of the country call for the continuance of Governor Harding in his position. Reappointment should come to him as a reward for work wonderfully done. It should be given to him in resentment of the slanders and the libels that unjust critics have showered on his efforts. I join with those who call for his reappointment in order to vindicate him and to vindicate his board, so that the administration may tell the country it will pay no heed to all this unwarranted abuse.

Mr. TINCHER. Mr. Chairman, will the gentleman yield?

Mr. LUCE. I have only five minutes.

Mr. TINCHER. I was specific in the facts. Will the gentleman deny anything I said that that board did? Did they not go and lobby for this bill? Did they not go to Kansas City and put in that rate? Did they not charge the member banks of my section of the country as high as 60 per cent and force them to sell their agricultural products while the rate in New York was but 6 per cent?

Mr. LUCE. Oh, I merely asked the gentleman to get together with the other gentleman from Kansas, the chairman of the agricultural bloc.

Mr. TINCHER. Perhaps the gentleman will be surprised that I do not happen to know what was in some report, but I ask him not to think for a minute that we are not together. Do not get that into your head.

Mr. LUCE. For one other purpose I want to enter an appeal. This time it is from my Democratic friends who have to-day spoken on this floor to another Democrat, a Senator, who in one of the most remarkable addresses ever delivered in either branch of Congress, an address conspicuous for its oratorical excellence, for its ample and exact statement of facts, for its power and force, defended the Federal Reserve Board. That address did high credit to his party as well as to himself. I appeal from those of his partisans who have spoken here to-day to the man who perhaps more than any other one man was responsible for giving the Federal Reserve System the form it took. For adequate defense against the aspersions that to-day have been cast on it once more, I refer you to the unanswerable argument of the Senator from Virginia.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. McFADDEN. Mr. Chairman, in support of the amendment I take this opportunity to make a brief statement in regard to the deflation policy of the Federal Reserve Board, referred to by the gentleman from Kansas [Mr. TINCHER]. If the gentleman will go to the records of the Federal Reserve Board, he will find that the Federal Reserve Board went on record officially in regard to deflation a year before deflation took place. The facts are that the domination of the Secretary of the Treasury at that time prohibited putting into operation what would have been an orderly deflation.

Had the then Federal Reserve Board had their way at that time in 1918 and 1919, and had they been permitted to announce to the country a year before they did their deflation policies, there would have been an orderly deflation and the men who were engaged in production should not have been permitted to go ahead and produce the great quantity of foodstuffs which they did, and which afterwards they had to suffer a loss by the sudden deflation due to the fear of the Treasury. I think it is only fair to put this blame where it belongs in regard to the question which has just been raised and stop blaming the Federal Reserve Board. The deflation was world-wide, and the records prove the fact——

Mr. STEVENSON. Will the gentleman yield for just one question?

Mr. McFADDEN. I will.

Mr. STEVENSON. Was not that policy necessitated by the fact that we had to sell $5,000,000,000 of Victory loans, and if they were deflated we could not possibly sell them?

Mr. McFADDEN. That, I believe, was the theory advanced by the Secretary of the Treasury at that time, although I believe this, that if the Secretary of the Treasury had appealed to public-spirited citizens and acted wisely, he could have sold the bonds; the people would have bought; then these people

would have supported the Treasury if the facts were made known to them. The public never refused to buy the Government's issues of bonds.

Mr. HOCH. And having permitted the policy of inflation to continue for such a long period, does the gentleman think it was wise or proper to begin such a drastic deflation policy?

Mr. McFADDEN. I am not in favor of a drastic deflation policy any more than any other gentlemen. It is a very unfortunate affair, but it is due to the fact that we had to make a sudden beginning, this wild extravagance had to stop some time, and we had to begin somewhere. If the Federal Reserve Board had not been interfered with by the Treasury, we would not have had this serious time of deflation—nothing could stop it at that late date.

Mr. KING. What year was the Victory loan placed?

Mr. McFADDEN. 1918.

Mr. WINGO. I gather from my friend's statement he agrees with this so-called joint committee inquiry report referred to, and is of the opinion that the farmer was skinned just a year too late.

Mr. McFADDEN. I do not agree with the gentleman's words in that respect at all. No one was out to skin the farmer at all. It was a condition no one could help.

Mr. WINGO. What else was to be expected but what has developed?

Mr. McFADDEN. If the farmer and all others had been advised a year or two before what the action of the Federal Reserve Board desired, the farmer would not have planted such large crops and would have marketed his crops already on hand at good prices, but the Secretary would not let the warning go out.

Mr. WINGO. That would be very delightful, to tell the farmer to let his soil lie out. That is the trouble with you gentlemen, you do not know anything about agriculture.

Mr. MORGAN. Will the gentleman yield? In view of the fact that the gentleman has made a study of finance and the deflation policies of the Federal Reserve Board, will the gentleman explain to the committee just what element was responsible for the discrimination in the production of crops resulting in a serious depression of agriculture but maintaining industrial interests to the extent of $30,000,000,000 artificially where agriculture was deflated to below normal?

Mr. McFADDEN. I can not subscribe to that. The statement of the actual figures and the actual situation do not justify a statement of that kind. Mr. Chairman, inasmuch as the amendment just offered and several other amendments in the bill apply to the change of number of the membership of the board, I would suggest that we vote on those amendments which involve a change in the membership en bloc.

The CHAIRMAN. The time of the gentleman has expired. The time for debate has been exhausted.

Mr. WINGO. Let me offer this suggestion, that the chairman ask unanimous consent that the other committee amendments affecting the size of the board be now reported and that all of them shall be voted on en bloc. That will be acceptable to us.

Mr. McFADDEN. I make that request.

Mr. DOWELL. That amendment is in the first paragraph of the bill.

Mr. WINGO. There are several places, or, in other words, those which affect the size of the board.

The CHAIRMAN. Without objection, the Clerk will report all of the amendments——

Mr. BEGGG. Mr. Chairman, a parliamentary inquiry: How can we vote on all of the amendments in regard to the size when they vary in number? One is six, another eight——

The CHAIRMAN. The Chair's understanding is that there is only a difference between five to six.

Mr. WINGO. The eight members include the ex officio members; the six are appointive members.

The CHAIRMAN. The difference between the committee amendment and the Senate bill is the difference of between five and six. The Clerk will report the additional amendments.

The Clerk read as follows:

Page 1, line 8, strike out "six" and insert "five." Page 1, line 10, strike out "six" and insert "five." Page 2, line 4, strike out "six" and insert "five." Page 2, line 23, strike out "six" and insert "five." Page 3, line 3, strike out "six" and insert "five." Page 2, line 25, strike out the words "the balance of the members" and insert the word "one." Page 3, line 3, strike out the word "six" and insert the word "five." Page 4, line 8, strike out the word "six" and insert the word "five."

The CHAIRMAN. Is there objection to voting upon these amendments en bloc? [After a pause.] The Chair hears none.

Mr. SWING. Mr. Chairman, I rise in opposition to the amendments.

The CHAIRMAN. The gentleman from California is recognized.

Mr. SWING. Mr. Chairman and gentlemen of the committee, this proposal to add an additional member to the Federal Reserve Board is here because there is an urgent need that agriculture and its interests be heard by this board.

I can not understand how men can continue to deny that the deflation policy adopted by the Federal Reserve Board was not deliberately aimed at the farmers of this country. I was present at a meeting of the bankers of southern California, held at El Centro, in my district, in the middle of November, 1920, when W. A. Day, then deputy governor of the Federal Reserve Bank of San Francisco, spoke for the Federal reserve bank, and delivered the message which he said he was sent there to deliver. He told the bankers there assembled that they were not to loan to any farmer any money for the purpose of enabling the farmer to hold any of his crops beyond harvest time. If they did he said the Federal reserve bank would refuse to rediscount a single piece of paper taken on such a transaction. He declared that all the farmers should sell all of their crops at harvest time unless they had money of their own to finance them, as the Federal reserve bank would do nothing toward helping the farmers hold back any part of their crop, no matter what the condition of the market.

Mr. COOPER of Wisconsin. Did the gentleman from California hear that?

Mr. SWING. I did; I think I was the only person present who was not a banker. This was, in a way, confidential advice being given by the Federal reserve bank for the guidance of the smaller banks, many of whom were members. One of the bankers asked Mr. Day this question, "If you say to us we can not loan the farmer the money with which to hold his crop, to whom may we loan money to hold the crop until it can be taken up by the market in an orderly way according to the demands of the consumers?" "Oh," said Mr. Day, "of course, we will have to loan money to the middlemen to take up the crop and hold it until the market is ready for it."

I say that that was the declared policy of the Federal Reserve Board made by an officer of the board delegated for the purpose of making the announcement for the information and guidance of the bankers of my district. No one could be in doubt for one minute as to what the natural, logical, and necessary consequences of such a policy would be. If the entire crop of the country is thrown on the market at the time of harvest, of course, the market would be depressed. You can "bear" the market or you can "bull" the market. The Federal reserve bank deliberately set out to "bear" the market. They succeeded so well that they broke the market—not only broke the market but broke the farmers as well. We there saw the strange spectacle of the farmer citizens of this country being ruined by being forced to sell their products on a glutted market, at less than what it cost to grow them, as a direct result of a policy adopted by their own Government—a Government created to aid them, not to harass them. I say it was criminal, it was damnable for this all-powerful agency of our Government to deliberately crucify the farmers of this country. And that it may not happen again, I hope we adopt this bill as written by the Senate and provide a place on the board for a representative of the farming interests so that hereafter their voice may be heard—yes, heard and heeded. [Applause.]

Mr. McFADDEN. Mr. Chairman, I ask unanimous consent that all debate on these amendments be now closed.

Mr. QUIN. I object. I want to speak on this bill.

Mr. McFADDEN. How much time does the gentleman desire?

Mr. QUIN. Five minutes.

Mr. McFADDEN. I ask unanimous consent that all debate on all the amendments close in five minutes.

The CHAIRMAN. The gentleman from Pennsylvania asks that debate on the amendments close in five minutes. Is there objection? [After a pause.] The Chair hears none.

The gentleman from Mississippi [Mr. QUIN] is recognized.

Mr. QUIN. Mr. Chairman and gentlemen of the committee, I do not know what the purport in full of this bill is. The Republican leaders have advertised it as a guaranty that a farmer will be named on the Federal Reserve Board. I am for a real farmer to be named. I am against all the Republican amendments offered on the floor to revise the report of the full committee. Gentlemen seem to be divided. I know one thing, that there should be something done to give the farmers of the United States representation on the Federal Reserve Board. They do not have it to-day.

You people talk about inflation and deflation. It does not take a smart man, my friend, to understand the questions you asked the gentleman from Pennsylvania. Every man in the United States that has been on a farm or has handled farm products knew that through the Federal Reserve Board and the

Secretary of the Treasury the farmers in the fall of 1920 and spring of 1921 were robbed of 65 per cent of the value of their products. There was no friend of the farmer on the Federal Reserve Board at that time. Who could get the money? The sweet-singing mocking birds of Wall Street always got the money they wanted [laughter], but the farmer, who produced by toil the cotton, the meat, the corn, the wheat, and the wool of the United States, could not get a dime of money through the Federal Reserve Board. Whose fault was it? It was the head of the Federal Reserve Board and Secretary Houston, of the Treasury. I have no praise for Governor Harding, and still less for Secretary Houston, who occupied the office of Secretary of the Treasury at that time. But you are not fooling the farmers as to who was robbing them at that time. They knew who was getting the value of the products. It was natural for deflation to set in, but the gentleman from Pennsylvania now tells us that this Federal Reserve Board informed the committee that 12 months beforehand they cold-bloodedly notified the farmers to get ready to stand up and be robbed, for they were coming to rob them. I do not think they gave any such notice to the cotton farmers of the South. That bunch kept it a profound secret from the farmers and from all of us friends of the farmers. Certainly the Federal Reserve Board knew they were going to rob the farmers by deflation and at the same time enhance the property of those who held the securities and financed the middlemen who were preying on the farmer at that time. The cotton farmers of the South were robbed. Their cotton was reduced from 48 cents per pound to 12 cents a pound. Your Federal Reserve Board would not loan the cotton farmers a dollar on their cotton, and they would not allow the local banks to rediscount any notes with cotton as security.

The people of the United States knew that somebody was doing that. Who was it? The gentlemen here to-day have exposed it. It was the Federal Reserve Board. Is there a man on this floor who does not believe that the agricultural interests of the United States ought to have a man on that board? Even though it be written in the law, I do not want to trust the Secretary of the Treasury or any other Cabinet officer to go and pick him. Let the farmers' organizations select the man and put him before the President to be named. Let it be in the law that it shall be a man who is in sympathy with the dirt farmers of the United States, with the men who toil in season and out of season to produce the necessary food and raiment to keep the wheels of commerce running throughout these United States. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired. The question is on agreeing to the committee amendments reported.

The question was taken, and the Chairman announced that the "noes" appeared to have it.

Mr. TINCHER. Mr. Chairman, a division.

The CHAIRMAN. A division is asked for.

The committee divided; and there were—ayes 19, noes 90.

So the committee amendments were rejected.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 2, line 3, after the word "industrial," insert the word "and."

Mr. WINGO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WINGO. As I understand it, we will consider the committee amendments first, and then if that is in order we will take up all the others in one paragraph as a parliamentary section?

The CHAIRMAN. The gentleman is correct. The Clerk will again report the amendment.

The amendment was again read.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MOORE of Virginia. Mr. Chairman, I simply want to suggest a point to the committee that has been considered by several lawyers on this side of the House. Some of them are of opinion that as the first section of the bill is a sweeping amendment of the existing law and provides for an increase in the number of members of the board it may operate to cause the board to be reconstituted, there being no expression which would prevent that result.

I have no very definite and final view of the question, but the opinion is entertained by several capable and experienced lawyers, among them a former chief justice of a State court, that such would be the result; that unless it is explicitly provided that the members who are now in office shall retain their positions, it would be within the province of the President to make new appointments of all the members of the board. That is, of course, not intended, but I think if there is a possibility of that occurring it ought to be taken into account. Anyway, the point should be mentioned here, so that if the House should determine that the opinion is incorrect a court in construing the statute will at least be advised of the attitude of the House.

Mr. STEVENSON. Mr. Chairman, the question raised is an interesting one, but viewing it from the standpoint of practice in this body, ever since I have been here, certainly it is nothing unusual to amend a law so that a section will hereafter "read as follows." Now, I find in Sutherland's Statutory Constructions the following, where it deals with cases of that kind:

The amendment operates to repeal all of the section amended not embraced in the amended form.

For instance, here, where it says there shall be seven members, that is not reenacted. It says "eight" members, and, therefore, it repeals the word "seven." The portions of the amended section which are merely copied without change are not considered as repealed and again enacted, but have been the law all along, so that all the provisions here that have not been changed are simply restated as being the law already and merely the change is being enacted, and the new parts or changed portions are to be taken as the law enacted at this time. So that the word "eight" where it was "seven" before is to be taken as being the law from this time henceforth but not in the past, and all the balance which has not been changed has been the law all the time.

Mr. BLACK. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. BLACK. My recollection is that we passed a section very similar to this, increasing the membership of the Interstate Commerce Commission from seven to nine, I think it was, and I have never heard it contended that that amendment worked a repeal of the law with reference to the Interstate Commerce Commission.

Mr. STEVENSON. Now, Mr. Chairman, to conclude what I was saying, that is the general rule, and that has been the practice in this House. What would be the result if the contention of the gentleman from Virginia [Mr. MOORE] should be correct? The result would merely be that we would have repealed the term of office of the men who are now on that board who are appointive. That might be, but who is to question it? Somebody who wanted to get clear of them would have to bring a proceeding in the nature of a quo warranto to determine whether they were officers or not. If that were done and it turned out that that provision had been repealed, then it would be a simple matter for the President to reappoint them.

Mr. WILLIAMSON. Is not the effect of the amendment simply to add one person to the present board?

Mr. STEVENSON. Yes; and to provide for his term of office. That is all, and it does not affect the other members.

Mr. MOORE of Virginia. What would be his term of office?

SEVERAL MEMBERS. Ten years.

Mr. MOORE of Virginia. It is not made expressly 10 years for the new appointee. The bill does not so provide.

Mr. FUNK. The balance of the board are for 10 years.

Mr. MOORE of Virginia. The balance of the board are for 10 years, but who are the balance?

Mr. McFADDEN. The present members. The new appointive member would be appointed for the term of 10 years and the old members would continue to serve out their terms, their original appointment having been for the period of 10 years.

Mr. STEVENSON. That is correct.

Mr. MOORE of Virginia. That is, of course, the construction for which the gentlemen contend. I said before, and I will say again, that I am not attempting to press any very definite and final opinion upon the House; but the authorities are not entirely clear, and it is at least possible it might be held that a new element, which is to be the basis for the formation of the board, being introduced, and there being no declaration that the new member shall be appointed for 10 years, the President is given the right to re-create the board by appointing anew all of its members. Now, with respect to the Interstate Commerce Commission that is not necessarily an analogy.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORE of Virginia. I ask for two minutes more.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that his time be extended two minutes. Is there objection?

There was no objection.

Mr. MOORE of Virginia. So far as that analogy suggested by my friend from Texas is concerned, we can not regard it as of any force unless we get the law and examine its language. It may be that the law as amended covered the very difficulty

that has been suggested here. I have sent for a copy of it in order to have an opportunity to read it and see whether it is parallel to the provisions of this bill.

The CHAIRMAN. All debate on this amendment has expired. The question is on agreeing to the amendment.

Mr. TINCHER. What is the amendment?

The CHAIRMAN. It is the insertion of the word "and."

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 4, line 18, after the word "expire," strike out the words "30 days after" and insert the word "with."

Mr. BURTON. Mr. Chairman, with reference to this amendment I want to read a very familiar clause in the Constitution of the United States which provides that—

The President shall have power to fill up all vacancies that may happen during the recess of the Senate by granting commissions which shall expire at the end of their next session.

It would seem that the bill as originally drawn in the Senate ignored that provision of the Constitution.

Mr. TOWNER. Mr. Chairman, a parliamentary inquiry. Has the amendment in line 25, on page 2, been acted upon?

The CHAIRMAN. That amendment was voted on and lost.

Mr. TOWNER. I did not so understand it.

The CHAIRMAN. That was included among the amendments voted on and lost.

Mr. McFADDEN. Mr. Chairman, I hope this amendment will be adopted. It is a practical amendment and should be adopted.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 4, line 19, after the word "Senate," strike out the word "convenes."

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 5, line 20, strike out the words:
"No Federal reserve bank shall have authority hereafter to enter into any contract or contracts for the erection of any building of any kind or character, or to authorize the erection of any building, in excess of $250,000, without the consent of Congress having previously been given therefor in express terms: *Provided*, That nothing herein shall apply to any building now under construction."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. McFADDEN. Mr. Chairman, I hope the committee will adopt this committee amendment. The buildings are all under contract or have been built with the exception of one. This is a retaliatory measure, it seems to me, and is an attempt on the part of Congress to interfere with private enterprise. There is just as much reason for limiting the cost of the national-bank buildings as there is to limit the cost of these buildings, and after all is said and done the buildings are all under contract, I understand, except one in St. Louis. My understanding is that there is no particular objection to the arrangements for the building at St. Louis. If Congress wants to deal with the building situation, if it feels that the Federal reserve banks have been extravagant, it should come in another form rather than a restriction now that will not amount to anything.

Mr. KING. Mr. Chairman, I think the amendment ought to be adopted, but not for the reason stated by the chairman of the committee. There is some propaganda going abroad that the Federal reserve banks and all of their money belong to the bankers. It does not; it belongs to the people. The money for the buildings erected belongs to the people of the United States and not the bankers. As a matter of fact, they rushed the thing along, knowing that legislation was coming. The reserve banks let contracts while they had the authority for all these bank buildings except at St. Louis. Now, why should St. Louis be discriminated against when all the rest have got a chance to erect their buildings? If you adopt the amendment it will permit them to do it, but if you do not, all of the rest of the cities will have these fine million-dollar buildings and St. Louis will be without one.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. KING. Yes.

Mr. WILLIAMSON. Do I understand that the proposed building at St. Louis is the only building affected by this amendment?

Mr. KING. Yes.

Mr. WILLIAMSON. The other buildings have all been started?

Mr. KING. They have been started or under contract.

Mr. O'CONNOR. Will the gentleman yield?

Mr. KING. Yes.

Mr. O'CONNOR. Is not New Orleans in the same position as St. Louis?

Mr. KING. The building at St. Louis has not been begun unless it is within the last week, since the meeting of the Committee on Banking and Currency.

Mr. O'CONNOR. The committee amendment will permit New Orleans people to go along and construct their building the same as St. Louis.

Mr. McFADDEN. My understanding is that that building is under contract now.

Mr. O'CONNOR. I think it is under contract but not under construction.

Mr. McFADDEN. These restrictions would not apply to any building under contract. Mr. Chairman, I ask unanimous consent that all debate on this amendment and amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent that all debate on this amendment and all amendments thereto close in five minutes. Is there objection?

There was no objection.

Mr. WINGO. Mr. Chairman, I am surprised at the statement of the gentleman from Illinois [Mr. KING] and the gentleman from Pennsylvania [Mr. McFADDEN] that it will not affect any of the buildings except at St. Louis. It may affect about 11 buildings if you include branch bank buildings. They already propose to erect a branch bank building at Little Rock, in my State. They want to start out with a good building, and I favor it, but they think I am very disloyal to my State because I insist on Congress approving and limiting costs. I am not willing for them to build without consent of Congress a building at Little Rock, St. Louis, or anywhere else, a public building the title to which will be in the United States, for you may camouflage all you will, it is built by money that in the last analysis would go into the Public Treasury of the United States. It is a public building, and I believe if it is necessary to build a branch building at Little Rock the Arkansas delegation can convince Congress of the necessity for the building, and if we can not do it we are not entitled to it.

They can build branch buildings all over the country. Why, what do they propose? I would be delighted for them to build a half-a-million-dollar building at Little Rock, and every Member of Congress would be delighted to have a fine branch bank building, and sooner or later, as one Member suggests, they think they would get a two or three million dollar building in some cities. Gentlemen, you can not defend the extravagant expenditure for these Federal reserve buildings built in Richmond and New York. This board has permitted extravagant expenditures that no man can defend; and we ought to say that when they want to spend over $250,000 for a public building they shall come to Congress for approval.

Mr. COOPER of Wisconsin. How much are they spending on the New York building?

Mr. WINGO. The Lord only knows. They made two or three different statements in the report that they made to the Senate. Mathematically they contradicted themselves two or three times. You will trust the Federal Reserve Board, and yet you will not trust the Postmaster General to build a $25,000 post-office building when he thinks it is necessary. If you can trust the Federal Reserve Board to spend millions in buildings, why can you not say that you will trust the Postmaster General to build a $50,000 post office whenever he thinks it proper. We would not trust him. Gentlemen, it is just a question of whether or not you are going to keep control of this matter so as to check what is confessedly an extravagant and wasteful policy of building Federal reserve buildings. I am in favor of public buildings, but they must be kept in the bounds of reason.

The CHAIRMAN. The time of the gentleman from Arkansas has expired. All time has expired. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

Mr. LONDON. Mr. Chairman, I have an amendment which I desire to offer.

The CHAIRMAN. The chairman of the committee has sent an amendment to the desk, which he has offered.

Mr. McFADDEN. Mr. Chairman, I offer the amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. McFADDEN: On page 3, line 3, strike out the period after the word "President" and insert a comma and the words "and of the six members thus appointed at least two shall be persons experienced in banking or finance."

Mr. McFADDEN. Mr. Chairman, that is the provision in the present law. I do not believe the Members of the House

will be opposed to the principle that at least two of these six men shall be experienced in finance or banking. I believe it is a safeguard that ought to be put in the law, and I sincerely hope that the Members of the House will agree to it.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. DOWELL. A few moments ago, when the gentleman was discussing the question of having a farmer on the board, he vigorously protested against having what he called class legislation.

Mr. McFADDEN. That is not the point. This is the leading financial system of the country, and there must be at all times on that board men who have knowledge of banking or finance.

Mr. DOWELL. Does not the gentleman believe and know that the President will take care of the situation and appoint a competent board to take charge?

Mr. McFADDEN. I believe this President will, but we have changes of Presidents every now and then, and for the good of the farmers of this country I say that this system should be competently managed. This is a banking system, a specialized system, and it needs experienced men who know the science of banking and credits to administer it. And when I suggest only two men upon this board shall be such men, I believe the suggestion is a worthy one. If this system had been managed by men of the type that are now criticizing the management of the system during this trying credit strain, we would no doubt have some such a condition as prevails at present in Europe, where the money is greatly depleted in value. The wise management of this system has saved us from that.

Mr. MOORE of Virginia. Mr. Chairman, I rise simply for the purpose of renewing the suggestion I made a moment ago. Reference was made to the statute amending the act to regulate commerce. Let us see what happened when the act to regulate commerce was amended on August 9, 1917. The number of interstate commerce commissioners had been seven, and by the amendment the number was increased to nine. The act amended section 24 "to read as follows," the form being the same as employed in this bill. The amendment increased the number from seven to nine. I want to quote the language of the act and suggest in the interest of safety that at some stage of this legislation similar language should be incorporated in the present bill:

> Such enlargement of the commission shall be accomplished through the appointment by the President, by and with the advice and consent of the Senate, of two additional interstate commerce commissioners, one for a term expiring December 31, 1921, and one for a term expiring December 31, 1922. The terms of the present commissioners or any successor appointed to fill a vacancy caused by death or resignation of any of the present commissioners shall expire as heretofore provided by law.

That language made it perfectly clear that the additional members were to be appointed for specified periods. In order to relieve the matter that we are dealing with of any doubt, it seems to me the proper thing is to make a specific provision that the additional member shall be appointed for a term of 10 years. I shall, however, leave the matter to the committee without offering an amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Pennsylvania.

Mr. MONTAGUE. Mr. Chairman, let us have the amendment again reported.

There was no objection, and the Clerk again reported the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

Mr. LONDON. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

> Amendment offered by Mr. LONDON: Page 2, line 2, after the word "the," insert the word "labor" and a comma.

Mr. LONDON. Mr. Chairman, I shall not take much time. We have heard enough noisy speeches about the profound love of the Congress for the farmer. I shall be brief.

The bill has been hailed as a bill to put a "dirt farmer" on the Federal Reserve Board, which is the principal governmental financial agency. The law which this measure proposes to amend provides that in selecting the appointive members the President shall have due regard to a fair representation of the different "commercial, industrial, and geographical divisions of the country." By the terms of this bill the President in making his appointments shall have due regard to a fair representation of "the financial, agricultural, industrial, and commercial interests and geographical divisions." The bill thus adds two interests which the President is to take notice of, namely, the financial and the agricultural interests. My amendment proposes the addition of one more group of interests, namely, that of labor.

It has been brought out during the discussion that the President will be under no obligation, if this bill becomes a law, to nominate a farmer for membership on the board. Nor is there anything which would prevent the President from appointing a farmer now. Why, then, is this measure proclaimed to be a remedy for the ills of the farmer?

The answer is simple. In many States, particularly in those where there was a strong Populist movement years ago, there is an insistent demand by the agricultural classes that something should be done for them. They are discontented. They know there is something wrong somewhere. They are beginning to demand recognition of their claims and of their grievances. They are beginning to organize.

By providing that in nominating members of the Federal Reserve Board the President shall not overlook to give representation to agricultural interests, the authors of this bill hope to be able to convince the farmer that his interests will be taken care of.

The number of tenant farmers is growing. The number of mortgaged farms is increasing. The farmers' opportunity to sell his product is diminishing and his lot is becoming harder every day. The proponents of this bill hope to satisfy him that they have done something for him when they have inserted the word "agricultural" in section 10 of the Federal reserve act. They are giving him a word instead of a reality.

But words are not without value. While words are intended to be the symbols of ideas the very employment of a word very often suggests ideas. Intended to throw sand in the eyes of the farmer, the employment of the word "agricultural" may acquire real significance when the tillers of the soil will become conscious of their real rights and interests. The fact that the framers of the law have been compelled to concede that the agricultural interests as such require representation on the personnel of the financial agency of the country may some day lead the farmer to understand that to be truly represented he must have spokesmen whose interests are identical with his. And if he is to have his spokesmen on the financial board of the Government, why not in the legislative branch of the Government?

Without it ever having been intended, this bill will help do away with the fiction that there are no group or class interests in society.

I propose my amendment not because I expect that it will be of any more benefit to labor than it will be to the farmer but solely for the purpose of completing a logical process. If the financial, the commercial, the industrial, and the agricultural interests are to be respectively represented, why not labor?

I expect a unanimous vote in support of my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the Chair announced the noes appeared to have it.

On a division (demanded by Mr. LONDON) there were—ayes 21, noes 47.

So the amendment was rejected.

The CHAIRMAN. The Chair suggests in line 10, page 5, following the colon, the word "section 324" should be inserted.

Mr. WINGO. What is the suggestion?

The CHAIRMAN. That in line 10, following the colon, "section 324" should be inserted, so as to read, "Section 324."

Mr. McFADDEN. I will say that is in the bill I have here.

The CHAIRMAN. It is not in the copy the Chair has, and it is not in the copy which the Clerk has at the desk.

Mr. MONDELL. Mr. Chairman, line 9, page 5, reads:

> "Section 324 of the Revised Statutes of the United States shall be amended so as to read as follows:

Mr. McFADDEN. I ask unanimous consent the correction may be made.

The CHAIRMAN. Without objection, the amendment will be agreed to.

There was no objection.

The CHAIRMAN. Automatically, no other amendments being offered, and none pending, the committee will rise, and the Chair will report the bill to the House with sundry amendments.

Accordingly the committee rose; and the Speaker having resumed the Chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill S. 2263, under the rule the bill was read for amendment, and being concluded, no amendments pending, the Chair automatically directed that the committee rise and report the bill to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Under the rule, the previous question being ordered, the question comes, Is a separate vote demanded on any amendment?

Mr. WINGO. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WINGO. I would like to know, so as to be correct, if the only amendments are on page 2, line 3, and on page 4, lines 18 and 19. Those are the only amendments adopted by the committee.

The SPEAKER. Those were the only amendments. If not, the Chair will put the amendments in gross.

The question was taken, and the amendments were agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. McFADDEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. KRAUS, for three days, on account of attendance at a convention.

To Mr. J. M. NELSON, indefinitely.

EXTENSION OF REMARKS.

Mr. ANDREWS of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill just passed.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. KING. Mr. Speaker, I ask unanimous consent to extend my remarks on Senate Joint Resolution 160.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent that all who have spoken on this bill have leave to extend their remarks in the RECORD.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that all who have spoken on the bill have leave to extend their remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. LONDON. Mr. Speaker, I ask leave to extend my remarks on the bill just passed.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks on the bill just passed. Is there objection? [After a pause.] The Chair hears none.

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to revise and extend my remarks made on the floor to-day in the RECORD.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

WAR FINANCE CORPORATION.

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent to take up for consideration the bill S. 2775. This is an amendment to the War Finance Corporation, extending the life of the corporation for one year.

Mr. LUCE. Mr. Speaker, I object.

Mr. McFADDEN. Mr. Speaker, this will not bring forth any particular discussion.

Mr. GARNER. Will the gentleman yield?

Mr. McFADDEN. I will.

Mr. GARNER. Does the gentleman intend to pass this bill extending the life of the War Finance Corporation?

Mr. MONDELL. It will be passed and become a law in due time.

Mr. CAMPBELL of Kansas. I have a rule here that I would present this evening if it were not after 5 o'clock.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 17 minutes p. m.) the House adjourned until Wednesday, May 24, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

615. Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting tentative draft of a bill relative to adjustment of the accounts of the former Assistant Treasurer of the Unied States at Boston, Mass., was taken from the Speaker's table and referred to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. GRAHAM of Illinois: Committee on Interstate and Foreign Commerce. H. R. 11409. A bill granting the consent of Congress to the city of Ottawa and the county of La Salle, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Fox River; with amendments (Rept. No. 1024). Referred to the House Calendar.

Mr. GRAHAM of Illinois: Committee on Interstate and Foreign Commerce. H. R. 11408. A bill granting the consent of Congress to the county of Winnebago and the town of Rockton, in said county, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Rock River, in said town of Rockton; with an amendment (Rept. No. 1025). Referred to the House Calendar.

Mr. DEMPSEY: Committee on Rivers and Harbors. H. Res. 305. A resolution directing the Secretary of War to transmit certain facts to the House of Representatives; with an amendment (Rept. No. 1027). Referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MORGAN: A bill (H. R. 11762) to authorize the coinage of a 50-cent piece in commemoration of the one hundredth anniversary of the birth of the late President Rutherford Birchard Hayes, at Delaware, in the State of Ohio; to the Committee on Coinage, Weights, and Measures.

By Mr. McFADDEN: A bill (H. R. 11763) to provide adequate credit facilities for the orderly marketing of agricultural products, and for the preservation and development of the livestock industry of the United States; to amend the Federal reserve act; to extend and stabilize the market for United States bonds and other securities; to extend the powers of the Federal Farm Loan Board created by the farm loan act; to provide fiscal agents for the United States and for the War Finance Corporation; and for other purposes; to the Committee on Banking and Currency.

By Mr. QUIN: Joint resolution (H. J. Res. 331) to appropriate $2,000,000, or so much thereof as may be necessary, for the purchase of milch cows and suitable planting seeds to be supplied to farmers in the overflowed areas in Mississippi and Louisiana and other portions of the United States, said amount to be expended under rules and regulations prescribed by the Secretary of Agriculture; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHANDLER of Oklahoma: A bill (H. R. 11764) for the relief of J. H. Arnold; to the Committee on War Claims.

By Mr. GORMAN: A bill (H. R. 11765) for the relief of Christine Mygatt; to the Committee on Claims.

By Mr. JEFFERIS of Nebraska: A bill (H. R. 11766) for the relief of William Quinlan; to the Committee on Claims.

By Mr. KNUTSON: A bill (H. R. 11767) for the relief of Andrew A. Gierlet; to the Committee on War Claims.

By Mr. SNYDER: A bill (H. R. 11768) granting a pension to Anna E. Davidson; to the Committee on Pensions.

By Mr. SLEMP: A bill (H. R. 11769) granting a pension to Rebecca A. Montgomery; to the Committee on Pensions.

By Mr. TOWNER: A bill (H. R. 11770) granting a pension to Frances Jackson; to the Committee on Invalid Pensions.

By Mr. WOODYARD: A bill (H. R. 11771) granting a pension to Lillian Rowley; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5734. By Mr. BARBOUR: Petition of Common Council of the City of San Diego, Calif., indorsing House bill 11449, to provide for the protection and development of the lower Colorado River basin; to the Committee on Irrigation of Arid Lands.

5735. Also, petition of Grand Council of Royal and Select Master Masons of the State of California, indorsing the Towner-Sterling educational bill; to the Committee on Education.

5736. Also, petition of Grand Commandery of Knights Templar of the State of California, indorsing the Towner-Sterling educational bill; to the Committee on Education.

5737. By Mr. CAREW: Resolution adopted by the Texas Chamber of Commerce, relative to tax-free securities; to the Committee on Ways and Means.

5738. Also, resolutions adopted by the Texas Chamber of Commerce, relative to section 28 of the Jones shipping bill; to the Committee on the Merchant Marine and Fisheries.

5739. By Mr. CULLEN: Resolution adopted by the American Marine Association of New York City, indorsing Senate bill 3217 and House bill 10644 and urging their early passage; to the Committee on the Merchant Marine and Fisheries.

5740. By Mr. CURRY: Resolution of the Henry W. Lawton Camp, United Spanish War Veterans, at their nineteenth annual encampment, favoring the retention and development of the Mare Island Navy Yard; to the Committee on Naval Affairs.

5741. By Mr. KIESS: Petition of residents of Millport, Pa., protesting against the passage of House bills 9753 and 4388 and Senate bill 1948; to the Committee on the District of Columbia.

5742. By Mr. KISSEL: Petition of Naval Militia, New York City, N. Y., relative to an additional appropriation for the Naval Reserve Force; to the Committee on Appropriations.

5743. Also, petition of board of estimate and apportionment, city of New York, N. Y., indorsing the Bacharach bill; to the Committee on the Judiciary.

5744. By Mr. LINTHICUM: Petitions of Regal Laundry, Baltimore, and Manhattan Laundry Service Corporation, Washington, protesting against duties levied on foreign vegetable oils, etc.; also petitions of Merchants and Manufacturers Association and Doyle & Keyser, Baltimore, protesting against proposed duty on linens; also petition of Hendler Creamery Co., Baltimore, protesting against proposed tariff on salt; also petition of Baugh & Sons Co., Baltimore, protesting against proposed tariff on potash, etc.; also letters protesting against insufficient tariff on canned goods; to the Committee on Ways and Means.

5745. Also, petition of James H. Jones, Baltimore, Md., favoring passage of Bursum and Morgan bills for benefit of Civil War veterans; to the Committee on Invalid Pensions.

5746. Also, petition of Charles F. Namuth, Baltimore, favoring increase of retirement amount to each individual; to the Committee on Reform in the Civil Service.

5747. Also, petition of North Carolina Pine Box & Shook Manufacturing Co., Baltimore, protesting against transfer of United States Forest Service from Department of Agriculture to Department of Interior; to the Committee on Agriculture.

5748. Also, petition of C. F. Macklin, Baltimore, favoring extra appropriation for training of civilian portion of Naval Reserves; to the Committee on Appropriations.

5749. Also, petition of Rev. J. Howard Braunlein and John C. Thomas, Baltimore; S. E. Persons, Annapolis; and Rev. W. H. Settlemeyer, Middletown, Md., appealing for proper protection to the Armenians; to the Committee on Foreign Affairs.

5750. By Mr. MACGREGOR: Resolutions adopted by the Presbytery of Caledonia at Mumford, N. Y., indorsing House Joint Resolution No. 131, relative to prohibiting polygamy and polygamous marriages in the United States, and also Senate Joint Resolution No. 31, relative to enacting uniform laws on the subject of marriage and divorce; to the Committee on the Judiciary.

5751. Also, resolution adopted by the Presbytery of Caledonia at Mumford, N. Y., indorsing House bill 9753, to secure Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia.

5752. Also, resolution adopted by the council of the city of Buffalo indorsing the river and harbor bill; to the Committee on Rivers and Harbors.

SENATE.

WEDNESDAY, *May 24, 1922.*

(Legislative day of Thursday, April 20, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed the bill (S. 2263) to amend the Federal reserve act approved December 23, 1913, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H. R. 9527) to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof until dissolved, and to apply said section as so amended to all national banking associations, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS.

Mr. LADD presented a resolution adopted at the annual meeting of the Pennsylvania Branch, Women's International League for Peace and Freedom, at Philadelphia, Pa., favoring the prompt declaration of a general amnesty by the President of the United States, which was referred to the Committee on the Judiciary.

Mr. SHORTRIDGE presented a memorial of sundry citizens of Oakland, Calif., remonstrating against the enactment of legislation providing for compulsory Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented resolutions adopted by the Santa Rosa Chamber of Commerce, of Santa Rosa, Calif., protesting against any present change in the transportation act of 1920, which were referred to the Committee on Interstate Commerce.

Mr. CAPPER presented a resolution adopted by Golden Rule Lodge, No. 90, Ancient Free and Accepted Masons, of North Topeka, Kans., favoring the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

Mr. SHEPPARD presented resolutions adopted by the Presbytery of Brownwood, Presbyterian Church, at Winters, Tex., favoring amendments to the Constitution prohibiting polygamy and providing for uniform marriage and divorce laws, which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Presbytery of Brownwood, Presbyterian Church, at Winters, Tex., favoring the enactment of legislation providing for Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. NEWBERRY presented resolutions adopted by the Presbytery of Grand Rapids, Presbyterian Church, at Grand Rapids, Mich., favoring amendments to the Constitution prohibiting polygamy and providing for uniform marriage and divorce laws, which were referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Presbytery of Grand Rapids, Presbyterian Church, at Grand Rapids, Mich., favoring the enactment of legislation providing for Sunday observance in the District of Columbia, which was referred to the Committee on the District of Columbia.

REPORTS OF THE COMMITTEE ON NAVAL AFFAIRS.

Mr. NEWBERRY, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 3754. An act for the relief of Rear Admiral Livingston Hunt, Supply Corps, United States Navy (Rept. No. 722); and

H. R. 3508. An act for the relief of Rear Admiral J. S. Carpenter, Supply Corps, United States Navy (Rept. No. 723).

ENROLLED BILLS PRESENTED.

Mr. SUTHERLAND, from the Committee on Enrolled Bills, reported that they presented to the President of the United States the following enrolled bills:

On May 20, 1922:

S. 1162. An act declaring Lake George, Yazoo County, Miss., to be a nonnavigable stream; and

On May 22, 1922:

S. 2019. An act to extend for the period of two years the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, as amended.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH of Montana:

A bill (S. 3640) for the relief of the estate of James W. Mardis; to the Committee on Claims.

By Mr. FLETCHER:

A bill (S. 3641) to grant and confirm to the State of Florida title in and to sections 16 within the exterior limits of the area patented to the State of Florida April 23, 1903, and for other purposes; to the Committee on Public Lands and Surveys.

FIRST LIEUT. WILLIAM EDWARD TIDWELL.

Mr. FLETCHER. I ask unanimous consent that I may withdraw report No. 694 of the Committee on Military Affairs, which accompanies the bill (S. 1672) for the appointment of William Edward Tidwell as first lieutenant in the United States Army, and substitute another report which is somewhat fuller than the original.

The VICE PRESIDENT. Without objection, leave will be granted.

TARIFF BILL AMENDMENTS.

Mr. JONES of Washington submitted two amendments intended to be proposed by him to House bill 7456, the tariff bill, which were ordered to lie on the table and to be printed.

ST. LAWRENCE RIVER IMPROVEMENT.

Mr. MOSES submitted the following concurrent resolution (S. Con. Res. 24), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), That there shall be printed 5,000 additional copies of Senate Document No. 179, Sixty-seventh Congress, entitled "Report of the United States and Canadian Government engineers on the improvement of the St. Lawrence River from Montreal to Lake Ontario," of which 3,000 copies shall be for the use of the Senate Document Room, and 2,000 copies for the House Document Room.

AMENDMENT OF FEDERAL RESERVE ACT.

Mr. KELLOGG. I ask the Chair to lay before the Senate the amendments of the House to Senate bill 2263.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2263) to amend the Federal reserve act approved December 23, 1913, which were, on page 2, lines 2 and 3, to strike out "industrial, commercial interests," and to insert "industrial and commercial interests"; on page 4, line 18, to strike out "30 days after," and to insert "with"; on page 4, line 19, strike out "convenes"; on page 5, line 11, after "follows," to make a new paragraph and to insert "Sec. 324"; on page 5, line 20, to insert quotation marks before the word "no"; and on page 6, line 2, to insert quotation marks after the word "construction."

Mr. ROBINSON. I understand that the amendments which the House made to the bill relate more to form than to substance, and that none of them materially change the bill as passed by the Senate.

Mr. KELLOGG. That is quite true, except that a House amendment provides that the commission of the Federal Reserve Board shall expire with the next session of Congress instead of 30 days after.

Mr. ROBINSON. The Senator does not regard that as a material change?

Mr. KELLOGG. No; I do not. It does not affect the merits or change the substance.

The VICE PRESIDENT. The question is on agreeing to the amendments of the House.

The amendments were agreed to.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. The Secretary will report the next amendment of the Committee on Finance.

Mr. NICHOLSON. Mr. President, I desire to call up my amendments to paragraph 213a, where I propose that a specific duty shall be imposed on amorphous graphite instead of the ad valorem duty proposed by the Finance Committee.

Mr. McCUMBER. It is satisfactory to return to that paragraph.

Mr. UNDERWOOD. What is the suggestion?

Mr. McCUMBER. To take up paragraph 213a.

The VICE PRESIDENT. The Secretary will report the proposed amendment of the committee.

The READING CLERK. On page 37, after line 8, the committee proposes to insert a new paragraph, as follows:

PAR. 213a. Graphite or plumbago, crude or refined: Amorphous, 10 per cent ad valorem; crystalline lump, chip, or dust, 20 per cent ad valorem; crystalline flake, 2 cents per pound. As used in this paragraph, the term "crystalline flake" means graphite or plumbago which occurs disseminated as a relatively thin flake throughout its containing rock, decomposed or not, and which may be or has been separated therefrom by ordinary crushing, pulverizing, screening, or mechanical concentration process, such flake being made up of a number of parallel laminæ, which may be separated by mechanical means.

Mr. UNDERWOOD. Mr. President, I have not anything to say on the paragraph, but I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Ernst	Jones, N. Mex.	Nelson
Borah	Fletcher	Jones, Wash.	Newberry
Brandegee	France	Kellogg	Nicholson
Broussard	Frelinghuysen	Kendrick	Oddie
Bursum	Glass	Ladd	Page
Calder	Gooding	Lodge	Pepper
Capper	Hale	McCumber	Phipps
Carraway	Harreld	McKinley	Poindexter
Culberson	Harris	McLean	Ransdell
Curtis	Harrison	McNary	Rawson
Dial	Heflin	Moses	Robinson
Edge	Johnson	Myers	Sheppard
Shortridge	Sterling	Wadsworth	Williams
Simmons	Sutherland	Walsh, Mass.	
Smith	Swanson	Walsh, Mont.	
Smoot	Underwood	Watson, Ga.	

The VICE PRESIDENT. Sixty-one Senators have answered to their names. A quorum is present.

Mr. HARRISON obtained the floor.

Mr. CARAWAY. Mr. President, will the Senator from Mississippi yield to me?

Mr. HARRISON. I yield to the Senator from Arkansas.

Mr. NICHOLSON. Mr. President, will the Senator from Arkansas yield? I thought I had the floor. I had recognition from the Presiding Officer before the roll was called.

The VICE PRESIDENT. The Chair understood that the Senator from Colorado had yielded the floor.

Mr. CARAWAY. I shall not hold the floor very long.

Mr. NICHOLSON. How long does the Senator wish to hold the floor?

Mr. CARAWAY. I do not know, but not a great while.

Mr. NICHOLSON. If the Senator will kindly let me proceed, after I finish I shall be glad to yield the floor to him.

Mr. CARAWAY. There is a matter I desire to discuss right now. I would like to accommodate the Senator, but I do not want to yield the floor at this time.

The VICE PRESIDENT. The Senator from Arkansas is entitled to the floor, and will proceed.

ATTORNEY GENERAL DAUGHERTY.

Mr. CARAWAY. Mr. President, yesterday the titular Attorney General issued a statement. I desire to read it to the Senate:

The correspondence of former President Taft and Attorney General Wickersham, which was again published this month, clearly shows my connection with the Morse cases of many years ago, both civil and criminal. The incentive and motives inspiring this and other agitation will not accomplish the results hoped for by those behind the scenes.

The various prosecutions of war fraud cases will be carried out as expeditiously as possible, irrespective of these and other activities and attacks which will be expected. I have faith that the people of the country appreciate the situation and have confidence in the Department of Justice being fair, judicious, and effective.

The Washington Post in its headlines—and usually the Post knows what the administration thinks before the administration thinks it—says this morning:

Daugherty, meeting attacks, pushes war fraud cases—Replying to CARAWAY, he declares present activities, or others expected, will not halt prosecutions.

Just for historic accuracy I want to repeat what has heretofore been said. The resolution for investigation of the Department of Justice came not from CARAWAY, as the Post would imply, but from Congressman ROYAL JOHNSON, of South Dakota, and Congressman ROY WOODRUFF, of Michigan, both Republicans, both former service men, both men who laid down their civil employment at the call to arms and bared their breasts to the shot and shell of the country's enemy. I can not believe, Mr. President, that they are actuated by any desire to shield men who stayed at home and robbed their Government while they went out prepared to shed their blood in defense of it.

If Mr. Daugherty thinks the American people are going to believe that those two former soldiers, who had offered to die for their flag, are now attacking him to defend grafters who would not fight, Mr. Daugherty really never knew the true American. People like Felder, with whom he associated so intimately, do not represent the American sentiment, never did, and never will.

But the Attorney General is not candid, and I use that word to be polite. It is not what I mean, and what everybody knows. The Attorney General said that the letters of Mr. Taft and Mr. Wickersham "clearly disclose" his connection with the Morse case. They do not. They do not disclose the fact that Daugherty and Felder made a contract for a $25,000 fee contingent upon their ability to get Morse out of the penitentiary. He knows that.

Those letters do not disclose the fact that at the time they made the contract, Taft, as President, had already refused to grant a pardon or a commutation of sentence, and he knows that.

They do not disclose the fact which Felder disclosed in his letter of 1917, that when they, Felder and Daugherty, were in conference with Morse in the penitentiary, not knowing by what means they would approach the administration, they told Morse that his case looked hopeless, but that Taft had said they might call at a later date and get a different answer. They do not disclose that Morse then made another contract with them in which he agreed to pay these two gentlemen, these two ethical lawyers, $100,000 instead of $25,000 to accomplish the same result, nor that vague, uncertain promise "to make both of them rich." These letters of Taft and Wickersham do not disclose the fact, Mr. President, that in the conversation a "cue" was obtained—and I am using the exact language of

Felder—a "cue" was obtained from the appearance of Morse that maybe he was not in good health, and that with that idea in view they called in Doctor Fowler, who had been the physician of the penitentiary in Atlanta where Morse was first confined, and had him make an examination which "disclosed," according to Fowler, that Morse had "Bright's disease."

The letters to which Daugherty refers do not disclose that thereupon Daugherty and Felder came to Washington and got a promise in advance from Taft and Wickersham, the latter of whom was then the Attorney General, that if they could establish the fact that Morse's health was poor and that he was likely to die in confinement he would be released. That is not disclosed in those two letters which Daugherty says disclose his whole relation to the case.

The two letters do not disclose that they went back to Atlanta and had Morse examined by a board of physicians, which found that there was nothing seriously wrong with him. These letters do not disclose that they then had another board of physicians appointed and got a report that Morse was in a bad fix. These letters from Taft and Wickersham do not disclose that thereupon they had Morse put in some place outside of the penitentiary where he could be examined, and, incidentally, where Fowler could see him, of course. They do not disclose the fact, which Felder himself states, that the department had afterwards acquired evidence to show that each time before this board of physicians should examine Morse that Morse was given some kind of a chemical to make his kidneys bleed and thereby deceive the doctors. The Attorney General knows that these letters do not disclose that.

The Attorney General knows that they do not disclose the further fact that Morse had contracted with Daugherty and Felder in advance that he should submit to whatever course they might suggest; a contract the character of which I leave for every lawyer on the floor of the Senate and every one in this country to judge. No reputable lawyer would ever think of demanding of his client a contract which said, "You must do everything that we suggest." It is significant. It suggests, at least—I will not say it does, but it suggests—that they were going to frame up some kind of pretense on which they were to get him out, and in advance they made Morse sign away his right to tell the truth. They made him contract that he would submit to conditions they suggested, and it seems they suggested that he had "Bright's disease."

Daugherty knew that; and Felder has put in writing the fact that it was he, and not Morse, who found out that Morse had the "disease" that led to his commutation of sentence; that it was Daugherty and Felder who discovered that and it was Doctor Fowler who confirmed it. Incidentally, among the very first acts that the Attorney General did was to put back in his old position at the penitentiary at Atlanta this same Doctor Fowler, rewarding him for the deception he had helped them to perpetrate upon the President, Mr. Taft.

The Attorney General knows that none of those facts were disclosed in the two letters to which he calls attention. These letters do not disclose the fact that the Attorney General told the senior Senator from Indiana [Mr. WATSON] that he had had absolutely nothing to do with the Morse case. He knows they do not disclose those things.

Why, then, should the Attorney General have said yesterday that the two letters written in 1915 disclosed his entire connection with the Morse case when he knows they disclosed nothing of the significant parts of the Morse case at all? Oh, Mr. President, just merely as an illustration and not an accusation, I think it was Mark Twain who once said that a "lie is such a precious thing that you ought never to tell it if the truth would answer." I am not applying that language to the Attorney General; it is merely a suggestion. Why was he not candid about it?

I know he told the Senator from Indiana that he had nothing to do with the Morse case, and thereby induced the Senator from Indiana to make the statement which he did on the floor of the Senate when he, the Attorney General, knew he did have something to do with it. I have asked over and over again, Why did he deny his connection with this unsavory case?

Well, Mr. President, the Attorney General then, by way of what the affable Senator from New Hampshire [Mr. MOSES] calls "throwing up a smoke screen," intimates that he is being attacked because he is prosecuting war grafters. That charge is so foolish that I hesitate to believe the Attorney General made it; but I presume he did or the Washington Post would not have asserted it, because the Post knows absolutely; it has got first-hand information as to what the administration thinks or what it is going to think. If the statement had appeared in some other journal, there could have been some doubt about it, but, published in the Post, I know the Attorney General said it.

The charge, Mr. President, against the Attorney General for not enforcing the law, as I have said, came from ROYAL C. JOHNSON and ROY O. WOODRUFF, two Republican Members of Congress in the other House, both being former service men, both men whose character I know that no man will take the responsibility of questioning. Therefore, I know that when the Attorney General undertakes to blacken the reputation of those two Members of Congress of his own party in order to shield himself, he stoops lower than his friends thought it possible even for him to go.

Mr. President, it is a very unfortunate thing to write letters if the writer is going to make hurtful statements. I am going to read here some letters. Incidentally, and incidentally only, they reflect upon the former Secretary of War, Mr. Baker, and the present Secretary of War, Mr. Weeks. I am not going to follow the example of the Senator from New Hampshire and say that there is politics in it. I am not going to say one word in defense of former Secretary of War Baker. If he is guilty of wrongdoing he will never find me apologizing for him here or elsewhere. I am going to do, though, what the Senator from New Hampshire would not do; I am going to say in defense of the present Secretary of War, who is a Republican, that I do not believe he is dishonest; I do not believe that at all; I do not believe he was actuated by bad faith in anything he did, and it will take a great deal more evidence than the apparent circumstances to make me believe that he is anything but an honest man and a gentleman. I go that far for the present Secretary of War, who is a Republican, and to show that I have not any bias in the matter I shall say nothing in defense of the former Secretary of War, who is a Democrat. You can make what you will out of it.

Mr. President, let me go back for just a moment. These charges of Congressmen WOODRUFF and JOHNSON came about through a disclosure that former Maj. W. O. Watts made to ROYAL C. JOHNSON and ROY WOODRUFF of conditions which existed in the Attorney General's office. Watts was a special examiner. He made up his mind that the Attorney General was not going to enforce the law, and that grafters were going to be whitewashed and turned loose. After repeatedly trying to get the Attorney General to act, he went to the two Republican Members of Congress, and in the presence of a Republican Senator, who is now a Member of this body, disclosed what facts he had.

At their request and with their concurrence he made public this information by giving it to them and consenting that they should use it upon the floor. For that he was discharged, Mr. President, by a letter written by Assistant Attorney General Holland. I will read it again into the RECORD. It is as follows:

DEPARTMENT OF JUSTICE,
Washington, D. C., April 24, 1922.

Mr. W. O. WATTS,
Special Agent, Department of Justice.

SIR: By direction of the Attorney General, you are dismissed from the service of this department, effective immediately upon receipt of this letter.

You are removed for disloyalty to the Department of Justice, inasmuch as you knowingly and willfully violated the rules of the department, which, as you must be aware, constitutes a breach of trust.

Upon application to the disbursing office of this department your salary will be paid up to this time.

Respectfully,
RUSH L. HOLLAND,
Assistant Attorney General,
(For the Attorney General.)

For the enlightenment of the Senate and the country, I want to read to the Senate the manly letter which Mr. Watts wrote in reply to the letter from the Assistant Attorney General. The letter is as follows:

718 NINETEENTH STREET NW.,
Washington, D. C., April 26, 1922.

The ATTORNEY GENERAL,
Washington, D. C.

SIR: Receipt is acknowledged of letter dated April 24, 1922, signed by Mr. Rush L. Holland, Assistant to the Attorney General, dismissing me "for disloyalty to the Department of Justice."

You are informed that I accept your characterization of my discharge as a distinct compliment, knowing the facts and circumstances involved, although it is wholly false and unjustifiable. It is particularly gratifying to me to note that you either did not feel warranted or have the moral courage to charge me with "disloyalty" to the Government. This, Mr. Attorney General, you can not do. My loyalty to the Government is well founded and of lifelong standing. I have followed and defended the flag in the Spanish-American War, the Philippine insurrection, and the late World War with honor and distinction, and I have performed every duty that has ever been assigned to me in a loyal and faithful manner; my record for loyalty is well known and unimpeachable.

My conception of loyalty in the highest sense is the defense and protection of the Government's interests under all circumstances and at all hazards. I do not recognize or subscribe to your theory of loyalty to corrupt an autocratic authority now so common in Government bureaus at Washington, which subverts the national welfare and public interests.

If you were at all informed on the departmental affairs of your high office, you must be aware of the outstanding facts that I have devoted more than two years of loyal and faithful efforts to protect

the interests of the Government when a combination of certain Government officials and other common crooks have been assaulting and raiding the public Treasury on a scale so gigantic as to be almost unbelievable.

You must be aware that even a private citizen is required by statute to report to the authorities the commission of a felony which comes within his knowledge. A public officer is further bound by oath to uphold the law, and when an agency of the Government ceases to function, it is the letter and the spirit of the law that appeal should be made to some authority of the United States which will be interested and enforce correction. The record is clear and clean cut and will show that organized interests are looting the Government, and no man can charge me with a breach of trust, so far as the interests of the people are concerned. The real issue is: Shall this be a government by Harry M. Daugherty and Abram F. Myers, or a government "of the people, for the people, and by the people"?

Disloyalty is a loathsome word, especially when applied to one who has responded to the call to arms in every crisis which has confronted the country during the past 25 years. You have seen fit in the prosecution of the war graft cases to deprive the Government of the services of men who have served their country in both peace and war and to surround yourself in this great work by men who sought and secured exemption from military service when these crimes were being committed. You are entitled to share with yourself your conceptions of loyalty, and the people can judge whether or not the stigma you have attempted to place upon myself and my children is just.

Tens of thousands of people have sojourned in Washington long enough to know that this country is being strangled by an invisible government, and the fight for righteous government has at last been forced into the open. I call upon every man, woman, and child in America, and especially my comrades of recent wars and every 100 per cent American in Congress, to join in the cry of "Down with Daughertyism."

Respectfully, W. O. WATTS.

A brief word about Watts, if I may. He was born in one of the poorest counties in my State, of a splendid family. When he was 10 years old he went to Tennessee. When he was a mere boy, when a call to arms came, when the Spanish-American War was declared, he laid aside his employment and carried a musket as a common soldier through the war with Spain and through the Philippine insurrection. He has in his possession what Daugherty can not take from him, an honorable discharge for honorable services rendered. When the war with Germany came he again laid aside his employment, though he is a man of family and no means, and again went into the service of his country and stayed with it honorably until the war was over. When the war was over he was put to investigating certain abuses in the War Department and discovered that grafters had looted the country while he and others were offering to die to save the country. He brought that to the attention of his superiors, and when he was ready to make his report Col. A. W. Yates, of the Quartermaster Corps, now in the Army, said to him, "Major"—he had reached the rank of major—"if you will change your report and make it favorable instead of adverse you will be commissioned a major in the Regular Establishment and put at the head of your class." He would have been a colonel now, Mr. President; and Watts, the man that Daugherty now attacks, the man that Daugherty kicked out of the public service, said, "I will not do it. I fought for my country, and I will not lie for a place to make a living under its flag."

He left the Army, Mr. President, though he had no means of support, and I have the testimony not of Democrats but of Republicans that he stayed on the job as a private citizen for months and months, without one penny of compensation, urging that somebody should prosecute these people. He knew that the Government had been robbed; he wanted to see the thieves brought to justice; and he worked day and night without a cent, and reported to the department having to deal with the prosecution of these cases.

The Republicans wanted to investigate the War Department when they came into control of the Government, and a resolution to that effect was passed in the House, and I voted for it. I do not want a thief protected, whether he is a Democrat or a Republican; I do not care who he is. I was perfectly willing for the facts to be known, and if the facts should not show that the officers of the Army had been honest or the contractors that had dealt with the Government had been honest, I then wanted and I now want the facts to be disclosed and I want the guilty punished to the full extent of the law.

Watts then became an investigator for the so-called Graham committee, a committee appointed in the House, of 10 Republicans and 5 Democrats, to investigate the War Department, these fraudulent contracts. Mr. GRAHAM of Illinois, a Republican—who, I understand, is to be appointed a judge to succeed Judge Landis—was made chairman. Watts reported to him without a bit of compensation, though Watts had been a Democrat. He reported to him, and gave him the information that he had, and worked for months without pay. Finally Graham paid him $250 for all that he had done.

But here is a letter that I want to read. This letter bears date of April 22, 1921, and shows who Watts is. It is addressed to Hon. John W. Weeks, and is as follows:

APRIL 22, 1921.

Hon. JOHN W. WEEKS,
Secretary of War, Washington, D. C.

DEAR SIR: We, the undersigned, late members of the Select Committee on Expenditures in the War Department, believe it will be to the best interest of your department and the service if Maj. W. O. Watts, late an officer in the Quartermaster Corps, be reinstated in your department, either in a civilian capacity or as a commissioned officer in the Quartermaster Corps.

He, in our judgment, is an efficient, honest, and capable man, and was removed from his rank entirely on account of his objections to questionable transactions in the Surplus Property and Sales Division of the War Department and because he did not submit to the same.

As some of the signers hereof have already stated to you personally, we believe he will be of great assistance to you in investigating matters which necessarily will come before you for investigation.

Very truly yours,

_____.

Who signed that letter, Mr. President? It will be rather interesting to know. The first signature is that of WILLIAM J. GRAHAM, the chairman of the committee, a Republican from Illinois, a Member of Congress whom you expect to elevate to the bench.

Who was the next? JAMES A. FREAR, a fearless Republican from Wisconsin.

Who was the next? JOHN C. MCKENZIE, a member of the Military Affairs Committee, a Republican Member of Congress from Illinois, a man of high character and long service.

Who was the next man? ROYAL C. JOHNSON, a Republican from South Dakota, a young man who voted against war because he was opposed to war, but when war came he laid down his commission as a Member of Congress and went out here to Camp Meade as a private soldier and served through the war and shed his blood on the fighting front in France. He came home and was reelected to Congress.

Who was the next man that signed this letter? C. F. REAVIS, an able, fearless Republican Member of Congress from Nebraska, a somewhat bitter partisan, but a fearlessly honest and able man. He signed it.

Who else signed it? WALTER W. MAGEE, an able Member of Congress, a Republican from the great State of New York, a man that the Republican Party has been attempting to make governor of the State.

Who is the next man that signed it? OSCAR E. BLAND, a Republican Member of Congress from Indiana, and one of the leaders on the Republican side of the House.

Who else signed it? ALBERT W. JEFFERIS, a Republican Member of Congress from Nebraska, a man who was one of the appointees during the war, who helped to shape some of the policies.

Who was the next? CLARENCE MACGREGOR, a Member of Congress from New York.

Then it is signed by five Democrats; I will omit their names, because I am offering Republican testimony altogether, so that the Senator from New Hampshire [Mr. MOSES] can be persuaded.

Let me read you another letter, Mr. President. Incidentally, let me remark, here are these nine Members of Congress, Republicans, testifying to the good character of Major Watts, and here is the Attorney General, under fire, who says Watts is trying to shield criminals. There is not a court or a jury anywhere in the land, if these men were put against Harry Daugherty on that issue, who would not find a verdict against Daugherty without leaving the jury box, and I know it.

Here is another letter:

HOUSE OF REPRESENTATIVES,
SELECT COMMITTEE ON EXPENDITURES IN THE WAR DEPARTMENT,
Washington, D. C., April 25, 1921.

Hon. JOHN W. WEEKS,
Secretary of War, Washington, D. C.

DEAR SIR: I am inclosing herewith a letter signed by 9 of the 10 Republican members of the late Select Committee on Expenditures in the War Department. The remaining Republican member, Mr. MCCULLOCH, is not in town, and hence I was unable to see him. I trust the letter will have your consideration, and, if possible, your early approval.

As I stated to you recently, Major Watts is a veteran of both the Spanish-American and World Wars. I have no doubt, on inspection of his record, that you will find it a creditable one in both instances. He is a Tennessean, and a man of very considerable capacity and ability.

Now, look here—

He could have retained his commission in the Army if he had been willing to refuse to notice matters that were going on within his jurisdiction where he felt the Government was being defrauded.

I am well aware that his appointment will not meet with the approval of General Rogers, Chief of the Quartermaster Corps, and of several other officers with whom he had dealings while in the service, and who feel resentful toward him. However, the fact remains that he was done a manifest injustice by these same officers, and was caused to suffer for doing what he considered to be his duty to the Government.

I would be very loath to ask any action, as would be the other members of my late committee, that would injuriously affect your department; however, I believe the reinstatement of Major Watts, in either a civilian or military capacity, will be the best example you can give

to those in your department of your desire to do complete justice, and to have every man and woman understand that their first duty is to defend the interest of the Government.

Yours respectfully,

W. J. GRAHAM.

Here is another, Mr. President:

HOUSE OF REPRESENTATIVES, UNITED STATES,
Washington, D. C., June 22, 1921.

Hon. H. M. DAUGHERTY,
Attorney General of the United States,
Department of Justice, Washington, D. C.

MY DEAR MR. DAUGHERTY: In connection with the investigation relative to war contracts which you are initiating in your department, permit me to call your attention to Maj. W. O. Watts, a former officer in the Quartermaster Corps, and who served with distinction in both the Spanish-American and World Wars.

Major Watts has rendered invaluable assistance to the Select Committee on War Expenditures, and has demonstrated to me on every occasion his entire honesty and fealty to the Government. His information is so extensive that he would be of invaluable assistance in your investigation, and would save large expenditures of time and money in acquiring the information that your bureau must have. I know a great deal of adverse criticism has been made against him by officers in the War Department, but these criticisms have been made because he has opposed them in practices which were pernicious and contrary to the interests of the Government. I sincerely trust that you may find it possible to use him in some capacity. Since his discharge, on account of his refusing to stand for the practices in the War Department, he has been in Washington with his family, constantly endeavoring to enlist the attention of the authorities to the practices that were going on, and I have no doubt, by his unsupported efforts, he has thus far saved the National Treasury millions of dollars, but always without compensation and employment of any kind.

I sincerely trust that he may be employed by your investigating bureau.

Yours very truly,

W. J. GRAHAM.

The same Member of Congress.

Here is another letter, Mr. President. I am glad they wrote them.

HOUSE OF REPRESENTATIVES,
Washington, June 22, 1921.

Hon. H. M. DAUGHERTY,
Attorney General of the United States, Washington, D. C.

MY DEAR MR. DAUGHERTY: I desire to invite your attention to Maj. W. O. Watts, formerly an officer in the quartermaster's section, War Department, during the recent war and who possesses first-hand information on the contracts entered into by the War Department, and which are now being investigated by you.

Major Watts's testimony before the Committee on War Expenditures, of which I am a member, greatly assisted the committee in making the findings which are now in your hands. His fidelity to principle was at all times manifest, and his dismissal from the War Department followed his activities in bringing the facts to light. After his discharge he continued to interest himself in the various contracts, and, despite rebuffs, endeavored without ceasing to interest high officials in safeguarding the Nation's rights under the agreements.

That his contentions have a basis in fact can not be disputed in view of the recent action of your department in canceling the so-called "harness contracts." This is one of the agreements to which Major Watts entered forceful objections, and his knowledge of the facts would be of immense value to you in the investigations of the entire matter. His discharge from the War Department is a credit to him, and demonstrates that he possessed and was anxious to divulge information which would bring certain individuals to justice.

I respectfully urge that you place Major Watts on the rolls in your department, and avail yourself of his valued aid.

Yours very truly,

ALBERT W. JEFFERIS, *Member of Congress.*

Mr. JEFFERIS is a Member of Congress from Nebraska, and a Republican. That is not all, Mr. President. Here is a very interesting letter, indeed. Here is one from the Department of Justice, dated Washington, D. C., June 27, 1921. It is a memorandum for Colonel Goff, the great prosecutor, and reads:

In response to your inquiry as to the status of former Maj. W. O. Watts I have to report the following:

Major Watts's assistance to the Department of Justice began in January of this year. The department had at that time been investigating the contract with the United States Harness Co., and it was learned that former Major Watts (and former Capt. George C. Bosson)—

By the way, he has been discharged also—

had recently testified before the Graham committee relative to the contract in question. On request from me Major Watts (and also Captain Bosson) promptly responded. Major Watts had an intimate knowledge of the conditions at the War Department as to personnel, methods, etc., and with a view to using him as a witness in the case I made free use of information which he brought.

Listen to this:

Major Watts has been most useful to the department and you will recall that I endeavored, with your approval, to get Mr. Secretary Weeks, in April, to reinstate both Major Watts and Captain Bosson in the War Department in order to secure the help there of which the Department of Justice was then sorely in need. You will probably recall that they were both appointed by Mr. Weeks, but the strong opposition to Major Watts caused Mr. Weeks—I feel because he did not fully understand all the circumstances—to revoke Major Watts's appointment 15 minutes after he had made it.

Major Watts's great interest in the case has caused him to continue to bring to the department much information which came to him from former associates. As a matter of fact, I believe that no day has passed since January that Major Watts has not called at the department, and the information which he has brought has been invaluable.

You will recall that I suggested to you, in view of the great help which Major Watts would be able to render in assisting in the preparation of the papers and securing further evidence for the criminal trial in the harness case—and several other cases which I believe will end in criminal prosecutions and recovery of money—that I hoped you would be able to appoint him as a special agent as soon as the contract with the harness company was canceled. The department could have used his full services to great advantage before this, but, in view of the strong opposition at the War Department to him, it seemed wise to defer his appointment until certain parties at the War Department could not use such appointment to prejudice our case. While I have not all the evidence to establish the fact definitely, there is no particle of doubt in my mind but that Major Watts was discharged from the Army because he reported dishonest methods, and his presence was unwelcome to some of the parties involved in the harness case, through whose influence his discharge was brought about. Major Watts can not be too highly commended for his untiring efforts to see that the right prevailed, and this when he was without income and has been compelled to go into debt for his actual living expenses for months past.

This memorandum seems unnecessarily long, yet I feel that you wish to know the various circumstances, particularly as to the past services rendered and to Major Watts's present needs, when you fix the amount of his compensation.

CHAS. B. BREWER,
Special Assistant to the Attorney General.

The Attorney General now is rather hard put to it, when, in order to shield himself from the righteous indignation of the American people, he in an interview says that Major Watts is trying to shield criminals. The man who would make that charge, in the face of what the Attorney General knows the facts to be, can not and will not retain the confidence of any honest, intelligent American citizen anywhere, whatever his political affiliations may be.

Daugherty is content to blacken Watts's reputation because Watts would not acquiesce in the Attorney General whitewashing criminals who had robbed the Government. Watts was discharged by the Attorney General, as he was discharged by what these Republicans themselves say were corrupt interests in the War Department, for exactly the same reason—because he would not condone crime. They drove him out of the Army for being honest. They drove him out of the Attorney General's office because he would not sell his soul; and now the Attorney General, to defend himself, attacks Watts's reputation. We love some men for the enemies they make.

The Attorney General has attacked Captain Scaife, who was also a soldier, and is an honest officer. It is true that the Senator from Ohio [Mr. WILLIS] and myself were led into an error. I thought that Captain Scaife had been discharged, but that is not the fact. Captain Scaife says in a letter to me—and the records show it—that he tried and tried and tried to get the Attorney General to prosecute certain criminals and to recover millions of dollars out of which the Government had been defrauded. When the Attorney General would not act, although the Attorney General knew the facts, because Scaife talked to him about it, Scaife resigned from the department, refusing to be a party to the conditions there existing. If that is to his discredit, I wish we had more who were willing to be discredited that way.

These men are attacked by the Attorney General in this interview, which he gave out yesterday; they are accused of trying to throw up what the Senator from New Hampshire calls a "smoke screen" to cover criminals.

These facts were put in the RECORD, except these letters, by these two Republican Members of Congress. A Republican Senator who knew about the facts considered that they should be so used. So this disposes of that part of the Attorney General's plea that he is being persecuted to shield grafters. I know that nobody believes—I know that the Attorney General does not believe—these two Members of Congress of his own party and these two soldiers were trying to shield grafters. They had exposed themselves, however, to attack in order to uncover grafters.

There is a letter in the RECORD which never has been answered by the Attorney General. It has been in the RECORD two months now. It charges that as soon as JOHNSON and WOODRUFF, the two Members of Congress, made these charges against the Attorney General, he at once put Secret Service agents on their trail to try to frame them up. Among these agents is a negro, who is his chauffeur, but whom he has on his pay roll as an investigator. He put this negro to trailing these two Congressmen, and had their mail searched, according to that statement. In this open letter the Attorney General was asked if he would deny it, and he never has.

If the Attorney General wants to be vindicated, to get the kind of vindication to which he is entitled, I will furnish him a witness who will testify that he has had Secret Service men trailing Members of the Senate; spying upon Members of the House and Members of the Senate. If you gentlemen who desire to defend the Attorney General want to submit to that condition, it is up to you to do so. I do not intend to reveal the name of this witness, because she has a place of employment in the Government, until the Attorney General wants an investigation, and you Republicans are willing to have it. Whenever he does, and you are willing, I will furnish a witness

who will establish the facts, if things may be established by human testimony.

I can submit to this condition. But I object rather seriously to his putting a negro on our trail. I would rather be trailed by a white man. I think, however, a negro is a very worthy representative of the man who put him on the trail of white Members of Congress.

That is not all. The Attorney General said in this interview which he gave out yesterday that the country would not lose confidence in the Department of Justice. Let me read it:

The various prosecutions of war fraud cases will be carried out as expeditiously as possible, irrespective of these and other activities and attacks which will be expected. I have faith that the people of the country appreciate the situation and have confidence in the Department of Justice being fair, judicious, and effective.

Let us see how much the Attorney General's faith in the American people ought to be justified. Here is a letter which went into the RECORD, being put in the RECORD by Republican Members of Congress and thereby vouched for, written by a former Army officer, a man whom the Attorney General had appointed to office, but who would not stand for the frightful conditions in that office, and resigned rather than to do it. He makes this charge, and the Attorney General never has denied it, though it has been a matter of public print since the 15th day of May, and this is the 24th day of May. I want to read this letter again, which has been in the RECORD, because I want the Senate to get its significance. It bears date May 5, 1922, and is addressed to Hon. ROY O. WOODRUFF, House of Representatives, Washington, D. C. ROY WOODRUFF is a Republican Member of Congress. It reads:

MY DEAR MR. WOODRUFF: Before bringing to your attention my memorandum to Col. Guy D. Goff, Acting Attorney General, dated March 18, 1922, and incorporated in your speech to Congress on April 11, I desired to be sure that Hon. H. M. Daugherty, the Attorney General, was personally acquainted with and fully informed as to all matters involved in the situation at the Department of Justice, in order that he might act in the premises if he desired to do so.

I was informed that Col. T. B. Felder—

I have heard that name before—

was a very close personal friend of Mr. Daugherty, and I was brought in contact with Colonel Felder and explained the situation to him and requested him to call the attention of the Attorney General to the reports that I had filed and to inform him that unless he acted I would pursue the course indicated in the memorandum referred to.

That is, make it public. I would like to pause here long enough to say that the writer of this is a reputable lawyer, a citizen of South Carolina, who the Senator from South Carolina [Mr. DIAL] says is a man of unimpeachable integrity and high character. He was working for the Government under the appointment of the Attorney General. He had made investigations and wanted to report to the Attorney General, but he could not see the Attorney General. He had to hunt up a man whose reputation is that of being a notorious lobbyist, and get to the Attorney General through Thomas B. Felder, instead of going to his chief himself. He could not reach the Attorney General, but had to reach him through Mr. Felder, the lobbyist, the man whose picture has been painted in this RECORD until everybody will remember Felder; the man who wanted me to waive my personal immunity so that my death might be hastened. After I had done so, he never has said a word to me. He has disappointed the people who are to be the beneficiaries of my life-insurance policies, because they expected to collect, but Felder has not shown up yet. He went to Felder and Felder got access immediately to the Attorney General. Honest people could not.

He said:

The next day—

That shows that Felder could get immediate action—

The next day I was called to the office of the Attorney General and he stated to me that he had my reports before him, and I then ascertained that he had been personally acquainted with the situation.

The Attorney General stated to me that he would call me into conference on the following Tuesday, but I heard nothing further from him, and after waiting a sufficient time to give him every opportunity to act, I formally transmitted the matter to you, as is now well known. I might add that I had never known Colonel Felder before meeting him on this occasion and for the purpose stated, and subsequent thereto have only seen him casually until last night.

Yesterday I had a message from Colonel Felder to meet him in his room at the Shoreham Hotel, which I did last night, and in the presence of a witness I engaged with him in an extended discussion of conditions in the Department of Justice, of which I had complained. I stated to him that I had no animus against the Attorney General, but that I felt most bitter against the conditions which he was permitting in the Department of Justice. During the course of the conversation Colonel Felder stated that he had been retained as counsel for the Bosch Magneto Co.—

That is, the old German owners—

and that he desired to associate me with him in the case. He told me that he had been with the Attorney General during the afternoon and had gone into the matter with him fully and that the Attorney General wanted him to see me. He stated that the Attorney General had agreed to cooperate with us and that he had also talked with Col. Guy D. Goff for an hour and a half during the afternoon and that everything had been arranged for us to proceed.

Before leaving his room in the Shoreham Hotel Colonel Felder stated that he was going to spend the night with the Attorney General at the Wardman Park Hotel and that they would talk about the matter until 8 o'clock that night. Each time Colonel Felder broached the subject of my employment I shifted the subject, and when we parted he asked me to do nothing in my fight until he could see me next day. When we parted Colonel Felder took a taxi for the Wardman Park Hotel and asked me to join him that far out on my way home, but I declined. This morning I received a letter from Colonel Felder notifying me that I had been retained in the Bosch Magneto case, a copy of which is hereto attached.

While I think it is eminently proper that a suit should be brought to set aside the Bosch Magneto sale, and while under ordinary circumstances I would have had no hesitation in being employed in the case when Colonel Felder disclosed the fact that he had come to me from the Attorney General and with the arrangements that had been suggested, the impropriety of the proposal I consider reprehensible, and I desire that you be acquainted with the facts.

In order that there may be no misconception of my true position and intentions in the matter in case I am further approached, I am reducing the foregoing statement to writing and will have this letter duly witnessed.

Very truly yours, H. L. SCAIFE.

SHOREHAM HOTEL,
Washington.

DEAR CAPTAIN SCAIFE: Am obliged to return to New York to-night. Sorry I did not see you before my departure. I expect to return on Monday or Tuesday next, when I will complete our tentative arrangements. You may consider yourself retained in the Bosch Magneto case. We will discuss the details on my return.

Very truly yours, THOS. B. FELDER.

The letter bears date of May 5, 1922.

Now, Mr. President, I do not say what the facts are. Here is a man by the name of Scaife, a former captain and for whom the Senator from South Carolina [Mr. DIAL] vouches as a man of most unimpeachable integrity. He says Felder came to him with the statement that he came at the request of the Attorney General; that the Attorney General and Felder had made up an agreement touching this matter about which an investigation is presumed now to be going on; that they had reached an understanding, the Attorney General representing the Government and Mr. Felder representing the other party hostile in interest. But the Attorney General, knowing that Mr. Scaife was the man who had the information, made one of the conditions of the settlement—that is what the language implies—that Felder would get in touch with Scaife and employ him.

Now, the Attorney General has not denied the statements contained in that letter. I do not know what answer the Attorney General could make unless to answer as he did yesterday, that "somebody is trying to keep him from doing his duty." But no one would believe him if he thus answered.

I say, Mr. President, if that letter goes unanswered it stamps with corruption the administration of the Attorney General's office that he can not escape. He has not answered yet. The letter, placed there by a Republican Member of Congress, has been in the RECORD now for more than two weeks. The Attorney General's attention has been called to it, but he has never dared to say that he did not have this corrupt understanding with Thomas B. Felder, or that he did not send Felder to employ Captain Scaife. He owes it to himself, if he has any self-respect, to tell what the facts are. He owes it to the President of these United States, who named him as the head of the Department of Justice, to clear up that incident. The Attorney General can not answer it by attacking Major Watts or Captain Scaife or Congressman JOHNSON or Congressman WOODRUFF or me.

I am not trying to thrust myself into the forefront of this picture, although the Post this morning says I am the one answered. I presume the Post knows; but from a mere reading of the Attorney General's interview no one could tell whom he meant. Perhaps the Post was told confidentially by the Attorney General that he was speaking of me. If so, I say now, and I defy the Attorney General to refute it, that I have not talked with a single man, woman, or child who is or was interested in protecting a man, woman, or child from prosecution in war-graft cases or any other. I am not interested, never have been, and never will be interested in the defense of any man who corruptly defrauded his Government. I would not accept employment as his attorney; I would not do anything in his behalf. I am not interested; I never have been interested; I never have talked with a man, woman, or child who is interested in such a defense. Nobody so interested has inspired me to speak in this case. The Attorney General has his "nigger" chauffeur that he puts to spy us out. Let him take my statement and verify it. I defy him to do it.

If the Attorney General will ask for an investigation, I will help him get it, if he wants me to do so. He is also welcome to every letter that has come to my office in this matter. He is welcome to everything in my files. He may have everything

I have that is connected with this case, and I now defy him to ask the House to pass this resolution of investigation. If he does not, and does not clear up the incident mentioned in the Scaife letter, he stands convicted before the American people as a man who has entered into a corrupt agreement touching a matter in which the Government has a vital interest, and he is the Attorney General of the United States. If his party will not let him be investigated, with his party must rest the responsibility.

In this interview given out last night the Attorney General asserts that those behind this criticism of him are actuated by a desire to shield war grafters. If he included me in that charge he uttered a malicious falsehood. I defy him to bring his proof. He will not do it. .

Everyone knows how I came into this case. It is not worth while possibly to relate it again. But in the interest of honest history, although the record is clear, I am going to state it again.

I was criticizing the President of the United States for refusing to see a lot of little children who had come a thousand miles to beg for mercy for their fathers. The President had that day seen two variety actresses, the tallest man in the world, and the shortest man; he had seen every kind and variety of man; he was at that time setting out to play a game of golf with his close friend, and everybody knows who he is. He would not see the children. I incidentally said that I presumed if these children had had money, instead of merely hope, so they could have employed an influential pardon attorney, as the present Attorney General was before he was appointed as Attorney General, and could have paid him $25,000, they would have been able to see the President.

The Senator from Indiana [Mr. WATSON] thereupon rose, and with some heat said that the Attorney General had had nothing to do with getting Morse's pardon. I asked him how he knew, and he said the Attorney General had told him so. The colloquy went on until the Senator from Indiana—and I have great respect for him and believe he told the truth—said the Attorney General had told him he had nothing to do with getting the pardon and absolutely never had anything to do with it at all. It was embarrassing. I then looked up the old newspaper files. I found that the Attorney General had given out an interview in which he said that he had secured this pardon. The controversy flarred up from time to time when someone stirred it until finally the Senator from New York [Mr. WADSWORTH], in his anxiety to vindicate the very "worthy" attorney from New York, Mr. Felder, put in the RECORD a letter from Felder. I then read into the RECORD a photostatic copy of Daugherty's contract to free Morse and another letter from Felder which showed how they freed him. If they did not practice fraud on the Government, after they learned that it had been done they condoned the fraud by appearing in the defense of Morse to keep the Attorney General from asking the President to revoke the pardon. That is the history of the case, so far as I am concerned. The Attorney General now says this attack is a smoke screen to deter him from doing his duty.

I repeat that when the charges were made by WOODRUFF and JOHNSON in the House, based upon information given them by Major Watts and Captain Scaife, the Attorney General was not doing anything. If any persons were interested in the defense of war grafters, they could not have been made happier than by this inaction of the Attorney General. He was doing nothing. The statute of limitation was running. This action stirred him up. He may take action now. He wanted $500,000 to investigate the charges, and I want him to have it. I do not know what use he will make of it. I do not know whether he will give it to his "nigger" chauffeur or not. He wanted a special grand jury. I wanted him to have it; so did ROYAL JOHNSON and ROY WOODRUFF, both of them voting for his propositions in the House. But the Attorney General now insults the intelligence of the American people by saying that these brave soldiers and Congressmen are actuated by a desire to keep him from prosecuting the war grafters. That defense will not be accepted by anyone except the feeble-minded.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. The Secretary will state the pending amendment to the amendment of the committee.

The ASSISTANT SECRETARY. In the amendment of the committee, in paragraph 213a, on page 37, line 10, after the word "Amorphous," the Senator from Colorado [Mr. NICHOLSON] moves to strike out "10 per cent ad valorem" and to insert "1 cent per pound," so as to read:

Graphite or plumbago, crude or refined: Amorphous, 1 cent per pound.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Colorado to the amendment reported by the committee.

Mr. NICHOLSON. Mr. President, the amendment proposed by me to the graphite schedule in paragraph 213a of the bill as reported by the Finance Committee providing for the specific rates of 1 cent per pound duty on amorphous graphite, 3 cents per pound on lump, chip, and dust graphite, and 5 cents per pound on flake graphite is offered because:

First. There are practically unlimited reserves of graphite ore in the United States to meet the requirements of the country under any circumstances.

Second. The American graphite is equal in quality to any foreign graphite for any purpose, and superior to all foreign graphites for some purposes.

Third. The American graphite mines have greatly reduced production, and but few of them are now in operation.

Fourth. The rates asked will not increase the cost of graphite products to the consumer in the United States.

Fifth. The manufacturers of graphite products are receiving a great deal more than compensatory protection under paragraph 216 of the bill, and they can have no consistent complaint to make.

Sixth. It is estimated that there are over $10,000,000 invested in graphite mines and mills in the United States, which will be practically entirely lost unless adequate protection is given the industry.

Seventh. Graphite is a very important and necessary article of commerce in peace times and an absolute essential in time of war, and therefore the industry should not be allowed to die.

Mr. President, graphite ore is found in 24 States of the Union and also in Alaska. Considerable mining and development have occurred in 12 different States, with some development in the other States and in Alaska. In United States Geological Survey Bulletin 666–L on graphite, Mr. Henry G. Ferguson, of the survey, says, "It will be seen that the United States possesses a considerable reserve of crystalline graphite, for the most part suitable for crucible manufacture." The fact that we have ample reserves of graphite has never been disputed by anyone and is conceded by all concerned.

The manufacturers of crucibles and other graphite products who wish to continue their imports free and to maintain their present position by means of the most degraded and ill-treated labor on earth have persisted in the exploded argument that American graphite is inferior to foreign graphite and will not do the work. All importers seem to use this same threadbare argument in connection with whatever material they are particularly interested in, claiming that all American raw products are inferior and not to be compared with foreign raw products. Their argument is absurd, unfair, and unpatriotic and can be readily disproved in practically every instance by anyone with a knowledge of the facts. When confronted with the facts in the case of American graphite the manufacturers of graphite products have the temerity to dispute them in the most brazen manner, and they practically argue that facts are not facts at all unless they favor their selfish argument.

With regard to American amorphous graphite, of which there are large deposits in Colorado and several other Western and Southern States, the manufacturers of amorphous graphite products have been reluctantly compelled to admit that the physical properties and the chemical analysis of this material are identical with the physical properties and chemical analysis of the foreign amorphous. Every man who can reason knows that when this is the case there can be no difference between the two materials. But these manufacturers still cry that the foreign material is "different," although they can not show and have not shown wherein the foreign material is "different," nor why. There are two firms in the United States which admittedly own and operate amorphous graphite mines in Mexico, where they went, of course, to get an advantage over the American miner by way of the cheap labor to be had there, and it is these two foreign investors who are most strenuously objecting to the American miner receiving enough protection on amorphous graphite to put him on something like an equal footing with the Mexican. These foreign investors demand that, in addition to the advantage they gain through the cheap labor of Mexico, they also be given the advantage of free imports from that country, regardless of what happens to our American mines, our American invest-

ments, and our American labor. Their position is absolutely untenable.

With regard to American crystalline graphite, the opposition to adequate protection on that grade of material comes from the crucible makers, or, at least, from all the crucible makers but one. These importing crucible makers also run true to form and argue that American crystalline graphite is no good and will not do the work, at least so far as crucible making is concerned. They do admit, however, that for certain other purposes, notably for lubrication, the American crystalline flake graphite is the best in the world, but most of them do not make lubricants. Some of the crucible makers have investments in foreign graphite fields, although this was denied in testimony given before the Finance Committee. In McRae's Blue Book for 1921, on page 697, however, the advertisement of the very crucible maker who made the denial clearly indicates that he, at least, has such an investment.

There is, however, one American crucible-making company in Buffalo, N. Y.—the Electro-Refractories Corporation—which is making and selling a graphite crucible and using no graphite in the mixture except American flake. This company has absolutely demonstrated the superiority of American flake graphite for crucible use and their crucibles are standing an average of 85 heats to the crucible as against an average of 26 to 30 heats, which is the most the crucible made from the best foreign graphite will do. Because of the much longer life of the American graphite crucible the price to the consumer is less than half the price of the foreign graphite crucible, even adding to the cost the full duty asked in my proposed amendment. It is significant that this Buffalo company—to which the old-line crucible makers do not care to refer—which is the only crucible-making concern in the United States using all-American graphite in its crucibles, is also the only one not opposing protection to the graphite producers.

During the war, when foreign graphite was not easily obtainable, the Jonathan Bartley Crucible Co., of Trenton, N. J., made a crucible of American graphite and American clay and advertised it and sold it to the American consumer as the best crucible ever made.

Mr. FRELINGHUYSEN. Mr. President, would the Senator object to stating again the name of the New Jersey company to which he has referred?

Mr. NICHOLSON. The name to which the Senator from New Jersey has reference is the Jonathan Bartley Crucible Co., of Trenton, N. J.

Mr. FRELINGHUYSEN. I thank the Senator.

Mr. NICHOLSON. They represented this crucible as "a triumph of American skill, perseverance, methods, and materials over foreign materials."

Mr. Guthrie, recently the practical head of the crucible-making department of the Crucible Steel Co. of America, made the open statement a number of times to a number of reputable men, at a time when there was no discussion of a tariff on graphite, that American flake graphite would make a perfectly satisfactory crucible, and that he himself had demonstrated that fact. Mr. Guthrie repeated this statement in his testimony before the Committee on Mines and Mining, United States Senate, Sixty-fifth Congress, H. R. 11259, page 284.

In 1917 a test was made by Mr. F. P. Aschman, professor of chemistry in the University of Pittsburgh, of a crucible developed by the Lava Crucible Co., which test was witnessed by a number of brass and steel manufacturers of the Pittsburgh district. The graphite used in this crucible was entirely American, and the crucible stood 70 consecutive heats of brass.

The fact that the Japanese, the English, the French, and the German crucible makers have been making and are making satisfactory crucibles out of flake graphite is further testimony to the suitability of flake for the purpose.

But this Government itself has gone to the trouble and expense of finding out the truth of the whole matter, and through the Bureau of Mines has absolutely demonstrated the superiority of the American flake graphite for crucible use. Doctor Stull, of the bureau, has made exhaustive tests with both graphite and clay, and these tests have been entirely completed so far as brass melting is concerned. He reports that the crucible made of American flake graphite and American clay is superior to a crucible made of the much-vaunted foreign graphite. The old-line crucible makers until quite recently stoutly maintained that American clay was also no good for crucibles, and that the clay had to be imported from Germany, as it always had been before the war. Doctor Stull found that, besides having the best graphite, we also have the best clay for crucibles. He found two American clays for brasswork and 13 American clays for steelwork that were better than the German clays. The crucible makers have accepted Doctor Stull's verdict on the clay, but they refused to accept it on the graphite. Why? Because the life of the American graphite crucible is so much longer than the life of the foreign graphite crucible that if they use the American graphite the American consumer will not need to buy half as many crucibles; also they wish to protect their foreign investments. They seem to have no consideration for either the American producer or the American consumer.

The American graphite mines have practically ceased production and can not resume without adequate protection. Many of the mining companies, of which there are 53 in this country, are in bankruptcy and thousands of miners and their wives and families are in utter distress and have been in this condition now so long that their story is pitiful in the extreme. We should extend a helping hand to these people, even if the tariff asked should add a few cents to the cost of manufactured graphite products, which, however, it will not do. On the grade of graphite which the crucible makers say must be used in crucibles we are asking a duty of 3 cents per pound. The Bureau of Mines reports that, even if this full 3 cents is passed on to the consumer, it will add only thirty-nine one-thousandths of 1 cent a pound to the cost of the metal melted. This is infinitesimal and can not be traced in any manufactured article. But outside of the interests opposing the tariff on graphite, where is the man in this country who would not be willing to pay thirty-nine one-thousandths of a cent a pound more for the steel in a hammer or a saw—or in an automobile, for that matter—in order that this industry may survive?

The rates asked in the amendment to the graphite schedule are fair, and, if agreed to, there is no question that instead of increasing the prices of graphite products to the consumer the prices will be reduced. In the case of an all-American crucible taking 85 heats as against the present form of graphite crucible taking 26 to 30 heats, the advantage to the consumer in the longer life of the American crucible can be readily seen. Even with the full proposed tariff rate added, the American crucible will cost less than half its present price, as has been shown in the hearings. In the case of practically all other graphite products the price can be reduced, will be reduced, and ought to be reduced. Domestic production will be extended to the limit of the demand, and this will be followed by such keen competition amongst domestic producers that it will compel proper and reasonable prices. If the present manufacturers refuse to conform to the new conditions under this proposed tariff and continue to charge their exorbitant prices, the opportunity will certainly invite manufacturing competition from the producers themselves, and that will assuredly have the desired effect. Give the producers a chance to get on their feet and once again demonstrate the efficacy of protective tariff.

For 50 years the importers and manufacturers of graphite products have had their own way in this matter. During all these years graphite has been on the free list and never has the producer been in a position to name a price for his product. He has had to accept what the manufacturer offered or close his mine. Even during the war a great many of the producers lost money; but, according to Moody's Manual, the Joseph Dixon Crucible Co. increased its surplus of $1,854,169 in 1914 to $4,976,570 in 1917 and paid 100 per cent on its capital, or $2,000,000, in 1917. The history of the manufacture of graphite products under protection has been success; the history of the production of graphite under free trade has been failure. To-day the producer could not get an offer for any grade of his product; if he could, it would not exceed 3 cents a pound for No. 1 flake and half a cent for dust. But what is the consumer paying to-day? For crucibles he is paying exactly double the pre-war price. For lubricants these packages will illustrate:

Here is a 1-pound can of Dixon's No. 1 American flake graphite and here is a half-pound can of Dixon's automobile graphite. This invoice shows the purchase of these articles to be of recent date, and the prices to be 75 cents a pound for the flake and $1.50 per pound for the dust or powdered graphite. The flake is exactly as it leaves the producer's refinery, with nothing done to it at all, while the automobile graphite is dust, and mostly the attrition or by-product from the manufacture of the flake, which the producer tries to avoid as much as possible.

I have here a slip showing the price paid for this product, the purchase having been made here in the city of Washington. It was bought from Barber & Ross, who are the dealers in this product.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER (Mr. KELLOGG in the chair). Does the Senator from Colorado yield to the Senator from Massachusetts?

Mr. NICHOLSON. I yield.

Mr. WALSH of Massachusetts. Will the Senator state the domestic and the import price at the present time of crystalline flake graphite?

Mr. NICHOLSON. The domestic price and the foreign price, of course, would be practically the same, because the article is on the free list.

Mr. WALSH of Massachusetts. How much does it sell for per pound or per ton?

Mr. NICHOLSON. The latest information that I have on that subject is as of January 7, 1922. The price on amorphous was from half a cent to 2 cents a pound. That was the selling price in the market as of January 7, 1922.

Mr. WALSH of Massachusetts. Was that the domestic or the imported article?

Mr. NICHOLSON. Both the domestic and the imported. Of course, the domestic production would have to meet the foreign price.

Mr. WALSH of Massachusetts. That is a pretty wide variance—from half a cent to 2 cents a pound.

Mr. NICHOLSON. It depends on grade. The grades vary. There are three different grades.

Mr. WALSH of Massachusetts. Different grades of flake?

Mr. NICHOLSON. Yes; three different grades of the material.

Mr. WALSH of Massachusetts. The Senator's amendment proposes to put a rate of how many cents per pound upon flake graphite?

Mr. NICHOLSON. On graphite or plumbago, crude or refined, amorphous, the committee placed a duty of 10 per cent ad valorem. On the basis of the present selling price the protection would be two-tenths of a cent or one-tenth of a cent, as the case might be. That would be all the protection that that tariff would afford the miner, and I ask for 1 cent per pound duty on that particular grade. I want a 1-cent duty instead of the 10 per cent ad valorem. My amendment provides for a specific duty instead of an ad valorem duty.

Mr. WALSH of Massachusetts. So I understand. What is the specific duty that the Senator asks for on crystalline flake graphite?

Mr. NICHOLSON. Crystalline lump, chip, or dust comes next.

Mr. WALSH of Massachusetts. Yes; that is the second bracket in the paragraph.

Mr. NICHOLSON. The committee placed an ad valorem duty of 20 per cent on that grade, and my amendment provides for a specific duty of 3 cents per pound.

Mr. WALSH of Massachusetts. Now the crystalline flake?

Mr. NICHOLSON. On crystalline flake, the Finance Committee placed a duty of 2 cents a pound, and my amendment provides for a duty of 5 cents a pound; but I want to direct the attention of the Senator to the price at which the manufacturer is selling this product—75 cents a pound and $1.50 a pound when you purchase it from the manufacturer.

Mr. WALSH of Massachusetts. I understood the Senator to say that the crystalline flake graphite was selling for from one-half to 2 cents per pound.

Mr. NICHOLSON. Amorphous.

Mr. WALSH of Massachusetts. The Senator proposes to put a duty of 5 cents per pound upon that flake, so that the prices—assuming that the duty is reflected in an increased price of the domestic product—will be 5½ cents per pound and 7 cents per pound?

Mr. NICHOLSON. Yes; that will be about the price.

Mr. WALSH of Massachusetts. In other words, the Senator proposes to increase the price of this flake graphite from 300 to 500 per cent?

Mr. NICHOLSON. No; I would not say it would increase it 300 per cent. The crystalline graphite sells at 5 to 6 cents a pound. The amorphous sells at the lower price, and the crystalline flake and lump and chip sell at 3 cents a pound.

Mr. WALSH of Massachusetts. The flake graphite is the grade on which the Senator asks for the largest increase of duty?

Mr. NICHOLSON. Yes; on the crystalline we ask for the larger increase.

Mr. WALSH of Massachusetts. The crystalline flake?

Mr. NICHOLSON. Yes; the crystalline flake.

Mr. WALSH of Massachusetts. And that means that you are going to increase the price, if the duty is reflected in the domestic price, by from 150 to 200 per cent?

Mr. NICHOLSON. No; in no event will it increase the price over 100 per cent, because if crystalline graphite is selling at 6 cents, and you add a 5-cent duty, you do not quite double the price.

Mr. WALSH of Massachusetts. The Senator has said to me that flake graphite was selling for 3 cents a pound.

Mr. SHEPPARD. Mr. President, will the Senator tell us what, in his opinion, would be the increase in price of these various raw articles?

Mr. NICHOLSON. By adding this tariff?

Mr. SHEPPARD. As a result of the tariff the Senator proposes.

Mr. NICHOLSON. Replying to the Senator from Texas, I can not see that there can be any increase to the consumer if this tariff is added, because of the fact that an exorbitant price is being charged for this material now. As I have shown, this material, costing anywhere from a cent and a half to 5 cents a pound, depending on the grade of material, is selling at 75 cents to $1.50 per pound. Can any sane man reason that an added tariff of this small amount is going to increase the cost to the consumer? I want to say frankly that if the Federal Trade Commission were attending to its business this imposition would not be permitted upon the general public—this exorbitant charge which is being made by the manufacturers of graphite selling their product to the general public.

Mr. SHEPPARD. Then the effect of the tariff will be to compel the manufacturer to treat the miner with more fairness in paying him for his article?

Mr. NICHOLSON. That is the idea—to protect the miner against the cheap foreign product.

Under the proposed tariff the miner is trying to get a 7 or 8 cent market for this product that sells at 75 cents a pound, and a 2 or 3 cent market for this product that sells at $1.50 a pound. With this demonstration before our eyes can anyone argue that with free trade in graphite either the producer or the consumer has been fairly treated? No; the benefit has all been to the manufacturing importer and the foreigner. I think that answers the question of the Senator from Texas.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. NICHOLSON. I yield.

Mr. TOWNSEND. If it is true that the American manufacturer is charging these exorbitant prices, which ought to be regulated, as the Senator suggests, by the Federal Trade Commission, why is not this a most attractive investment for the American producers of graphite?

Mr. NICHOLSON. Not for the miner. The Senator is correct so far as the manufacturer is concerned; but the miner has no means with which to build a manufacturing plant, and the present condition does not help him as long as the raw product which enters into the production of this material comes from cheap foreign sources.

The opposition to adequate tariff on graphite is selfish and utterly inconsistent. Under paragraph 216 of the bill the manufacturer gets 45 per cent protection on his crucibles and other graphite products, which is an increase of 125 per cent over what he has in the Underwood law. He claims he must have foreign lump and chip graphite for his crucibles, and on this grade we are asking 3 cents per pound. In a No. 70 crucible there are 17 pounds of graphite, which at 3 cents a pound means that the producer would be protected on the graphite in it to the extent of 51 cents. That is what the producer would get, and all he would get, if the full 3 cents were added. Suppose the 3-cent duty raises the price to the manufacturer from 7 to 10 cents, and he has then to pay $1.70 for the 17 pounds of graphite in the crucible? On this $1.70 the manufacturer is to get 45 per cent protection, or 76½ cents, whereas the producer gets only 51 cents. This gives the manufacturer his compensatory protection on the graphite and 15 per cent besides; but the manufacturer gets much more. He gets his 45 per cent on the total value of the crucible, which includes every single item entering into its cost. This No. 70 crucible sells to-day for about 10 cents a number, or, say, $7 for the crucible, double the pre-war price, with graphite half the pre-war price. The Japanese crucible in competition has been selling for from 1 cent to 1½ cents per number less, or, say, $6 for the Japanese crucible. Under the Underwood tariff of 20 per cent this would make the Japanese invoice price $5. Figuring the 45 per cent on the foreign value of $5 gives the manufacturer the handsome protection of $2.25 on this crucible as against the graphite producers' 51 cents. In other words, the manufacturer gets his compensatory protection on the graphite in the crucible and about 35 per cent besides with which to meet the Japanese competition. Yet he is not satisfied and is unwilling that the producer should have anything. These manufacturing importers

are strong, well organized, and well financed, and, after having matters all their own way with the consumer for 50 years, it would be strange if they were not. They have circularized the Senate, they have circularized and alarmed the foundry trade. However, they caught a Tartar amongst the foundry men, a man who went "broke" in the attempt to make a living producing graphite and who drifted into the foundry business. They did not frighten him, because he happened to understand the whole situation. His reply to one of their circulars is a document of considerable human interest, which I send to the desk and ask to have the Secretary read and to have it incorporated as part of my remarks.

The PRESIDING OFFICER. The Secretary will read as requested.

The Assistant Secretary read as follows:

TALLADEGA, ALA., *April 24, 1922.*

JOSEPH DIXON CRUCIBLE CO.,
Jersey City, N. J.

GENTLEMEN: We have your circular letter of the 17th instant urging all buyers of crucibles to immediately get in touch with Congressmen and Senators to oppose the proposed tariff on graphite, and especially the amendment offered by Senator NICHOLSON providing a 5-cent duty on No. 1 flake.

We can not comprehend you. First, we would like to ask what is the difference between the selling price of crucibles now and in 1917–18, when you were paying 15 cents and up for crucible graphite.

We understand that you are able to buy foreign graphite No. 1 at 5 cents per pound and that you use these quotations against the American miner.

The stock arguments that foreign graphite is a necessity in crucible making have been so thoroughly exploded by Government test and commercial manufacture that we will not recount them here. And this fact leaves your opposition to a reasonable tariff resting solely upon the fact that your duty-free graphite is produced abroad by the most degraded labor known to the world.

You are making a tariff-protected crucible from raw material produced by this unfortunate class of labor, and you sell these crucibles to American business men who look upon their employees as men and not dogs.

You go on grinding these unfortunate people deeper and deeper in poverty and you ask us to help you influence Congress to either exterminate the American graphite industry or level its labor conditions to that of Ceylon, where the daily wage runs from 10 cents to 20 cents.

We have in mind a sad picture with which you are not unfamiliar; women, children, old men, and cripples crawling in and out of holes in the ground like human rats, bringing out this graphite in baskets; they are without decent clothing, food, shelter, or homes; they are without joy, hope, happiness, or education for themselves or their children.

"Is it nothing to you" that life like that is equivalent to death? "Is it nothing to you" that your profits are based on their degradation? "Is it nothing to you" that, at the call of our Government in her time of peril, your fellow citizens put millions of dollars into the development of the graphite mines of this country to meet Government necessities? And are you now asking us, your customers, to combine and, through action of Congress, either wipe out these millions or degrade American manhood and womanhood to match conditions on foreign soil?

You have bitterly fought any graphite tariff from the start, while American mines have been caving in and American mills rusting into disuse and decay. You have used the misfortunes, poverty, and degradation of foreign labor as a bludgeon to beat to his knees the American graphite miner, and now, as Congress evinces a disposition to give a fighting show, you rush into the mails to corral your customers in a general onslaught to block out such a possibility.

If the action you urge means anything, it means death to the American mines. To live they must abolish our child labor laws; they must refuse every comfort that distinguishes our free men from the serfs of poverty and degradation that dig your Ceylon graphite from holes in the ground by hand; they must teach their labor to live in hovels instead of homes, and to die a thousand deaths in the living of a single life. We must send our women and children and old men into the mines to work, unskilled, unclothed, unfed, and uneducated because underpaid. We must debase our labor to the level of the Far East, grind them in poverty, ignorance, hopelessness, and death that you may buy your raw material of a people of that sort and sell your protected crucibles to a people of our sort.

We write this to say that if you are engaged in a campaign of that kind you will have to go without us; if you think you can influence Congress to kill the graphite industry of America for your trade benefit, we, for one, do not believe you can succeed. If you should succeed, bear in mind that the records are being kept and that more potent than the saving of a few cents a number on crucibles is the wrath of an outraged and devastated industry that has as much right to life as has the making of crucibles.

Respectfully yours,

TALLADEGA FOUNDRY & MACHINE CO.,
By W. B. LADD.

Mr. NICHOLSON. There is a larger investment in graphite mines and mills in the United States than in factories making graphite products. If investments are to be considered, this fact is entitled to its proportionate consideration. A large part of the investment in graphite mines and mills was made at the urgent appeal of the Government during the war. Foreign graphite was meeting the demand when the world was at peace, but when war came the foreign supply was unequal to the demand and we were compelled, in large measure, to look to our own resources for these supplies. Fortunately, we had the graphite at home, and the war situation was fully met by our own mines and miners. Are we now, for the sake of a few foreign investments and a hitherto privileged class, to destroy this industry that did its full part in helping to win the war, or are we to protect this industry that protected us by the continued production of war essentials? While there are many industries in this country receiving the benefits of a protective tariff none is more deserving of consideration than the graphite mining industry.

If this amendment is agreed to—and I earnestly hope it may be—we will not only save this key industry and safeguard the Nation, but we will also have better and cheaper graphite products in this country without injury to any existing industry, and we will give employment to thousands of people in those States in which the graphite mines are located, which employment will build up prosperous communities, thereby creating additional home markets for the products of the farm.

Mr. TOWNSEND. Mr. President, I would like to speak to those Senators who are interested in the subject; but I feel that I can not do it. I do not feel, however, that I ought to let this opportunity pass without expressing my views on this subject.

I am a protectionist. I believe in adequate protection. I believe in encouraging American industry. I believe, however, that that principle involves generally the protection of such industries as ought to be encouraged in the United States, with the hope that eventually, under proper development, they can meet the demands of this country by being placed on equal terms with their foreign competitors.

I realize that at this time, however, we are legislating under most unusual and unnatural conditions. The industries of the country have been and are greatly disturbed. It is almost an impossiblity to determine the difference in the cost of production here and abroad, and therefore I have voted for some amendments because there was indicated to me the need of a duty to protect the American producer in this country, and especially American labor.

I am not departing from that principle when I oppose not only the amendment offered by the Senator from Colorado [Mr. NICHOLSON], but the amendment of the committee in the bill now before us. I not only believe it will encourage no legitimate industry but I also believe that the placing of a duty upon amorphous graphite will not promote any legitimate industry in our country. I believe, in fact, that it will add to the expense of amorphous graphite products, without any compensating good to any producer of graphite in the United States.

I propose to confine my remarks solely, or largely so, to the question of amorphous graphite. I have not gone into an investigation of the other varieties of graphite, and therefore shall not attempt to speak with any authority on those matters.

It is a fact, as stated by the Senator from Colorado, that graphite has been on the free list for at least 50 years. If the profits of this concern are as great as those named by the Senator from Colorado, I am at a loss to understand why more concerns have not entered this industry in the United States. If I have been correctly informed, amorphous graphite, such as is used in the manufacture of paints, brushes, blacking, and so forth, can not be obtained in the United States, the statements of the Senator from Colorado to the contrary notwithstanding. I believe that he has been misinformed.

Up in Saginaw, Mich., is located what is known as the United States Graphite Co. It has been in business for 30 years. It owns mines of graphite in Mexico. It has been operating those mines for many years, but it costs that company more under existing law to get its graphite from its mines in Mexico than it would to purchase the American product here at home. It costs over $16 per ton freight to ship it from Mexico to Saginaw. The company realizes that this is a very great rate. It has tried for years to obtain in this country a product suitable to its uses.

A few years ago the Saginaw company went out into Colorado and took an option on one of the best mines of that State. This option permitted it to purchase property for about 5 per cent of what its investment is in Mexico to-day. It could ship that product at about $9 per ton from the Colorado mines to Saginaw. It obviously would be a saving to this company if it could use American graphite. Under the contract it shipped hundreds of tons to Saginaw. It tested that graphite very thoroughly, because it evidently was for its financial interest to use the Colorado graphite if it could be used. As the Senator from Colorado says, it analyzes practically the same as the graphite from Mexico, only it is less rich in carbon or graphite than the Mexican product. But when the company attempted to use the material in the manufacture of its manufactures, it found that it did not fill the qualifications required for amorphous graphite and it could not use it. I repeat, sir, that the company obtained an option from the Colorado company for its mine and it desired to use that product in the interest of economy, but the product did not measure up to its necessary specifications and qualities.

Mr. NICHOLSON. Mr. President, will the Senator yield for an interruption?

Mr. TOWNSEND. I yield.

Mr. NICHOLSON. I have here a letter dated September 7, 1918, from the United States Graphite Co., of Saginaw, Mich., in which they make this statement:

> We might, however, if you intend to operate the mines, place quite a considerable order for graphite ore, provided, of course, a satisfactory contract can be arranged between us.

That makes no complaint as to the material.

> We would not be interested in the purchase of your graphite property at the price which has been named.

As to the quality, there is no objection raised in the letter and no indication that the graphite is of an inferior grade or character.

Mr. TOWNSEND. I am repeating the facts as they exist. They did get an option on the mine. They did ship more than a hundred tons from the mine to Saginaw. The product was not fitted for their uses. This concern manufactures high-grade products. It has established a market all over the world because of the character and quality of its products. It shipped from Saginaw even over to Japan large quantities of amorphous graphite. Japan could probably obtain their amorphous graphite more cheaply from Austria and other countries, but they find it is better for them to purchase the Saginaw amorphous graphite as manufactured there because of the character and quality of the material in the pencils and the other articles which they manufacture out of graphite.

So, if I believed what the Senator from Colorado says, that this is a proposition to compete with the cheap labor of India or of Mexico, I could agree with him in feeling that we at least ought to have the amendment offered by the committee. But I can not agree with him, because from all the investigations that I have made of the matter I know it is more expensive to the Saginaw concern to own, mine, and ship its own products from Mexico than it would be to purchase the product in the United States if it could be obtained here, and the proposed amendments by the committee will not aid a single manufacturer, a single laborer, or a single consumer in the United States.

Mr. NICHOLSON. Will the Senator permit me to interrupt him again?

Mr. TOWNSEND. Yes.

Mr. NICHOLSON. In order to acquaint the Senator with some further facts in connection with the shipment from Colorado, I will say that there were 27 cars shipped, as stated in the wire of March 22. Twenty-seven cars at 40 tons to the car would exceed 1,000 tons. When the 27 carloads had been used they were still willing, if they could make a satisfactory contract, to continue the use of the Colorado product; but of course it naturally followed that the product which was mined in Mexico could be obtained more cheaply than the Colorado product. There is nothing here to show that the Colorado ore is of an inferior grade in any way. There were over 1,000 tons shipped to their factory, and at the completion of the use of the thousand tons of course they were looking, as it appears to me, for a cheaper contract, and they obtained it in Mexico.

Mr. TOWNSEND. Does the Senator have anything of record that indicates they were satisfied with the Colorado product?

Mr. NICHOLSON. Yes. I read it again:

> We might, however, if you intend to operate the mines, place quite a considerable order for graphite ore, provided, of course, a satisfactory contract can be arranged between us.

They were still willing to continue to use the Colorado product.

Mr. TOWNSEND. There are certain products which can be made from American graphite, and which are being made from it. The higher qualities of graphite, however, needed for the products I have mentioned can not be obtained from American amorphous graphite. If they can be obtained in the United States, then the facts have been misrepresented to me. I have confidence in what has been told me and therefore I am arguing the case.

As I stated, the United States Graphite Co., at Saginaw, uses about 65 per cent of the amorphous graphite that is shipped into the United States. If we impose a tax of 1 cent a pound, of course, which to me is unthinkable, I must admit that the cost of these products will either be increased to the public or they will be made of an inferior character or quality. There is no other way to meet it. If we put a 10 per cent duty, as proposed by the committee, I do not think it will materially interfere with the business of the concern. I think it will add some expense, but that would be simply a revenue duty, and that alone, and it would take from this company about $15,000 a year, which lost $70,000 on its business last year.

If we are going to place the tax on a revenue basis, perhaps this is the proper place to put it. If we are going to impose a tax upon one concern which will pay from 65 to 80 per cent of the entire tax, then place it here. But in doing that we will have departed from the policy which I have always advocated and in which the party has believed, namely, that we favor duties for protection with incidental revenue. I think it would be unjust to this concern to impose a tax which will be of no benefit—I insist that it would be of no benefit—to any man, woman, or child in the United States. There is no benefit that can come from it, as it seems to me, and so I have felt, in perfect consistency with my advocacy of a protective tariff, that this article, amorphous graphite, ought to be on the free list, where it has been for 50 years.

The imposition of a duty on amorphous graphite would be of no benefit to anybody in the world unless to a number of brokers in the country who have been exploiting the amorphous deposits all over the United States.

They have been exploiting these mines. They are naturally anxious to have them made important for speculative purposes. I am not interested in that. All I am interested in is in conserving and serving the best interests of the American people and all of them. I am for the protection of American industries because I think that means the good of all the people. I am opposed to a tariff for revenue only. In that respect I differ from Senators on the other side of the aisle. So, believing and knowing that this is purely a revenue item which always enhances the price to the consumer, where there is no legitimate competition, of course, if we add a duty we increase the price. In a protective tariff we create competition and thereby tend to lower the price, as has been the history of tariff legislation from the beginning.

So, Mr. President, without desiring to injure any legitimate industry in the country and protesting that the proposition which I submit is one which would not injure any legitimate industry, I am strongly opposed to the amendment offered by the Senator from Colorado, and I shall vote for the amendment which I have presented, namely, to strike out "amorphous, 10 per cent ad valorem." I do not care to discuss the other branch of graphite because, as I said, I know very little about it.

Mr. NICHOLSON. May I ask the Senator from Michigan another question?

Mr. TOWNSEND. Certainly.

Mr. NICHOLSON. Does the Senator contend that there is not sufficient amorphous graphite in the United States to meet the needs and the demands of the graphite manufacturers?

Mr. TOWNSEND. I do.

Mr. NICHOLSON. Is that the Senator's position?

Mr. TOWNSEND. It is. I contend that there is not the quality of amorphous graphite in the United States which meets the demand for production of certain material or certain goods which are made in the United States. There is no question about there being a vast amount of graphite in the United States, and if these people are as hard up as they say they are, and it can be produced more cheaply than graphite can be shipped into this country from abroad, then why is it not being used now? Why do we need protection to get this cheaper product, this equally good product as they say it is, into our American manufactures?

Mr. FRELINGHUYSEN obtained the floor.

Mr. NICHOLSON. Mr. President, will the Senator yield to me for another brief statement?

Mr. FRELINGHUYSEN. I yield to the Senator from Colorado.

Mr. NICHOLSON. I wish to call the attention of the Senator from Michigan to the report by the United States Tariff Commission for the use of the Senate Committee on Finance concerning the question of graphite:

> The United States has heretofore not been considered independent in the matter of crucible graphite. Crucible makers, who use about 15,000 tons a year, have insisted on having Ceylon graphite. Montana produces a graphite that has been accepted by crucible manufacturers as equal to Ceylon material. The quantity ultimately available has not been proved, but may be sufficient to satisfy domestic demands for many years. It would appear that crucibles properly made from Alabama flake will give as good service as those made from the Ceylon material.

That is from the Tariff Commission.

Mr. TOWNSEND. As I said a moment ago, I am not discussing the crucible situation. But this is a fact which the Senate ought not to forget: During the years from 1913 up until this year, inclusive, there have been shipped into the United States from abroad only about 66,000 tons of graphite.

Mr. NICHOLSON. Just a moment, if the Senator from New Jersey will yield to me to reply to the statement made by the Senator from Michigan——

Mr. FRELINGHUYSEN. I yield.

Mr. NICHOLSON. The imports in the year 1916 into the United States were 42,930 tons. In 1917 imports were 42,577 tons, and the foreign product was produced by the very cheapest labor in the world.

Mr. TOWNSEND. I am speaking about amorphous graphite, Mr. President.

Mr. HEFLIN. Will the Senator from Colorado yield before he takes his seat?

Mr. FRELINGHUYSEN. I believe I have the floor. I yielded to the Senator from Colorado, and I now yield to the Senator from Alabama.

Mr. HEFLIN. I beg the Senator's pardon. I did not know he had obtained the floor. However, I wish to ask the Senator from Colorado a question. In 1917 and 1918 the imports of this commodity fell off considerably, did they not?

Mr. NICHOLSON. Yes, sir.

Mr. HEFLIN. What was the reason for that?

Mr. NICHOLSON. I take it that the situation in Mexico was the principal reason.

Mr. HEFLIN. In 1919 and 1920 did as much of the foreign product come in as in the two or three years prior to that time?

Mr. NICHOLSON. Does the Senator refer to imports in 1916?

Mr. HEFLIN. I refer to imports.

Mr. NICHOLSON. The imports were larger in 1916 and 1917.

Mr. HEFLIN. Then they fell off in 1918 and in 1919?

Mr. NICHOLSON. In 1918 and 1919 they fell off, and also in 1920.

Mr. HEFLIN. What was the reason for that?

Mr. NICHOLSON. I suppose there was a decline in the trade of the country to some extent, which may have accounted for it.

Mr. BURSUM. I suggest that, perhaps, the disturbed condition in Mexico might have had a great deal to do with the amount of exports from that country. While the rebellion and revolution were on down there probably there would not be a great quantity of exports.

Mr. HEFLIN. At that same time our Government was encouraging the industry here at home, was it not?

Mr. NICHOLSON. Yes, sir; the Government was encouraging the industry at home.

Mr. HEFLIN. Now, have the imports become so large that the home industry has shut down?

Mr. NICHOLSON. I do not know that the imports have become so large, but the foreigners are able to ship their materials so cheaply to our shores that the American miner can not compete with the foreign labor.

Mr. HEFLIN. Then the imports that have come in are so cheap that they have caused the American industry to close down?

Mr. NICHOLSON. Yes, sir; absolutely. There are but few graphite mines in America to-day in operation.

Mr. SMOOT. I will say to the Senator from Alabama——

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Utah?

Mr. FRELINGHUYSEN. I yield.

Mr. SMOOT. During the years 1920 and 1921 most of the mines in the United States were closed. At the same time not many crucibles were manufactured, because there was not the ordinary demand for them. The graphite is used very largely for the manufacture of crucibles, from 45 to 50 per cent of the graphite produced, not only in the United States but in the world, being used for that purpose. For instance, in the State of Utah we had few mines operating; nearly every one was closed. The great copper mines were closed down and most of the lead mines were closed down; only a very few of them were operating. During that time there was not the demand for crucibles, and there being no demand for crucibles there was not such a demand for the graphite.

Mr. HEFLIN. The Senator believes now that there should be some tariff tax rate placed on imports of graphite?

Mr. SMOOT. I do not want to take the time to discuss that question while the Senator from New Jersey [Mr. FRELINGHUYSEN] has the floor.

Mr. FRELINGHUYSEN. Mr. President, I, of course, oppose the rates of duty proposed by the Senator from Colorado [Mr. NICHOLSON] in his amendment to the committee amendment. The rates proposed by the Senator from Colorado may be fully justified by present conditions, but the committee, in making these rates, recognized that the world's markets were abnormal. Foreign graphite is cheaper than ever in the history of the industry, whereas American costs, when mines were last operated, were fully 10 cents per pound.

Mr. NICHOLSON. That was the war cost, was it not?

Mr. FRELINGHUYSEN. Undoubtedly that was the war cost.

The committee felt that the American cost would eventually be reduced to less than 6 cents per pound. It also believed, and still believes, that the normal price for Madagascar graphite, which now is sold for 3 cents or less per pound in New York, which is an abnormally low price, will come back to 4 cents or thereabouts.

There are three qualities of graphite. There is the amorphous, which is imported principally from Mexico, although I understand there are deposits of amorphous graphite also in Colorado and Alabama and to some extent in Montana. There is the lump graphite, all of it imported by one company, which comes from Ceylon, and is produced by the cheap labor mentioned in the highly characteristic outburst from Mr. Ladd, of the Talladega Foundry & Machine Co., of Alabama. Then there is the Madagascar flake, which comes very directly in competition with the American product from the mines that are located in the State of Alabama.

The committee was confronted with this situation: Under the Payne-Aldrich law and the Underwood-Simmons law all classes of graphite were free. The Fordney bill places a duty of 10 per cent ad valorem on amorphous graphite, 10 per cent on the crystalline lump, and 10 per cent on the flake.

People from Alabama came before the committee and asked that a duty of 5 cents per pound be placed upon flake graphite, which is produced in Alabama. The committee considered the cost of the imported article, now 4 cents a pound, and figured that 2 cents a pound was ample duty. The Madagascar flake is selling to-day in New York at 4 cents a pound. The committee put a duty of 2 cents a pound on the crystalline flake to protect the industry in Alabama.

Mr. STANLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Kentucky?

Mr. FRELINGHUYSEN. I yield.

Mr. STANLEY. Is it not a fact that the graphite produced in Ceylon is produced by naked Polynesians?

Mr. FRELINGHUYSEN. Yes; that is true, Mr. President.

Mr. STANLEY. By slaves?

Mr. FRELINGHUYSEN. I refuse to yield further for an interruption of that kind.

Mr. STANLEY. One moment. I should like to have the Senator state just what wages they receive. Graphite, as I understand, is produced in the United States by cultured American citizens, and I am grieved beyond measure to hear the great defender of American labor from New Jersey pleading in behalf of a powerful corporation, one of the richest in the world, the Steel Trust and other trusts, in an endeavor to take the bread and meat and milk from the mouths of American labor and give the work to Polynesian slaves who toil for about 3 cents a day. Oh, I can not stand it, Mr. President; I must leave; I am overcome with horror and grief. [Laughter.]

Mr. FRELINGHUYSEN. Mr. President, the crystalline flake graphite which comes from Madagascar, as I have said, is sold at 4 cents a pound. The committee placed a duty upon it of 2 cents a pound, which is equivalent to 50 per cent ad valorem. Now, the Senator from Colorado asks that a duty of 5 cents a pound be imposed upon that type of graphite, which is selling for 4 cents.

The representative of one of the manufacturing industries—and it was the one in Michigan—which uses amorphous graphite said to me that they could buy the Colorado graphite at $10 per ton, with a freight to Michigan of $9 per ton added, and yet they had to use Mexican grahphite and pay $17 freight rate from Mexico because the physical qualities of the Colorado graphite were not satisfactory for use in connection with their product.

Mr. President, the Senator from Kentucky in his outburst——

Mr. BURSUM. Mr. President, will the Senator yield for a moment?

Mr. FRELINGHUYSEN. I yield to the Senator from New Mexico.

Mr. BURSUM. What was the character of the Colorado graphite? Was it in the ore or was it concentrated?

Mr. FRELINGHUYSEN. I presume it was concentrated.

Mr. BURSUM. Why was the Mexican graphite worth more?

Mr. FRELINGHUYSEN. The Mexican product was worth more because its physical qualities rendered it suitable for manufacturing the products of the Michigan concern while the Colorado graphite was not. It was of such low physical qualities that the Michigan manufacturer could not use it.

Mr. BURSUM. Was it not because there was a higher percentage of graphite in the ore?

Mr. FRELINGHUYSEN. No.

Mr. BURSUM. That does not correspond with the statement made by the Senator from Colorado and the analogy which has been made between the American and the foreign product.

Mr. FRELINGHUYSEN. Mr. President, there is a great deal that does not correspond with the statements of the Senator from Colorado.

Mr. NICHOLSON. Mr. President, will the Senator from New Jersey yield for a moment?

Mr. FRELINGHUYSEN. Yes.

Mr. NICHOLSON. I take it from the statement made by the senior Senator from New Jersey that he claims that the American graphite is inferior and can not be used by the crucible makers. Is that his contention?

Mr. FRELINGHUYSEN. No. Some of the domestic product is used after being mixed with the amorphous and the crystalline lump.

Mr. NICHOLSON. Now, I should like to read for the information of the senior Senator from New Jersey an advertisement which I find in the Mining and Scientific Press, which reads as follows:

Bartley crucibles should be made your standard. First, because they are made of American materials.

Mr. FRELINGHUYSEN. Mr. President, I will read a communication from Jonathan Bartley, president of the Bartley Crucible Co., dated March 25, 1922. He was sent certain questions by the American Mining Congress regarding graphite. To the gentlemen who sent the letter he replied as follows:

When I first read your letter it was in my mind to positively refuse your request, on the ground that "it was no quarrel of mine," because, so far as I am concerned, it does not make any difference whatsoever how high a tariff might be put on. But after giving the matter more careful consideration, and having before me the memory of more than 33 years' association with graphite interests, I have changed my mind, and here is what I have to say about these "graphite facts," as this paper calls them:

By actual count there are 19 reasons given in this propaganda to be presented to the Senate Finance Committee to show them why this tariff should be placed on graphite, but there are only 5 that really state any specific reasons, and the statements contained in these 5 are so palpably false and misleading that I shall confine myself to them only, the other 14 being mere "bunk" and unworthy of notice.

Paragraph 4 reads, "That the American deposits of graphite are adequate, both in quantity and quality, to supply any domestic consumption," and inasmuch as paragraph 6 reflects the same statement, I will quote it and answer both at the same time. Paragraph 6 reads, "That recent experiments establish the superiority of American graphite over all foreign graphite for crucibles."

To the uninitiated, who have never experienced the trials and tribulations of the graphite crucible maker, statements of this kind might carry a certain force on account of their boldness, but with one who carries the scars of many hard-fought battles in the crucible field they stand out as utterly absurd and ridiculous. Furthermore, the person who wrote these paragraphs must have known when he wrote them that he was misrepresenting open facts that only require observation and a small amount of ordinary reasoning to understand.

Mr. NICHOLSON. Mr. President, will the Senator permit a question?

Mr. FRELINGHUYSEN. No; I am quoting from the letter.

Mr. NICHOLSON. I want to quote from the same gentleman the Senator is quoting from.

Mr. FRELINGHUYSEN. All right; the Senator can do so after I have finished reading this letter and one other.

There are 13 operating crucible plants in the United States to-day, and some of them have been in operation nearly 100 years. Every one of these 13 plants has experimented largely to produce a serviceable crucible from domestic graphite. Thousands of dollars have been spent in this direction without satisfactory results, and they are all using Ceylon graphite to-day, notwithstanding the fact that they can buy the domestic product at a lower price. I want to ask you this simple question: Would you consider a man sane to go 10,000 miles away and pay 50 per cent more for a raw product if he could buy an equally good product at his door?

I shall not read all of the letter, but it is signed by Jonathan Bartley.

Mr. President, I do not want any controversy with the Senator from Colorado. He is trying to protect the product of his mines in Colorado.

Mr. NICHOLSON. No; the mines of the citizens of Colorado.

Mr. FRELINGHUYSEN. I understand; in representing the State the Senator represents it in a possessive way. Everyone does, and it is perfectly justified. The question is as to the percentage of duty. We have given practically 10 per cent, which is more or less a revenue duty, because these foundry men will not use the domestic product. They will use the flake graphite and mix it with the imported product for crucible making and for other purposes.

The Senator from Kentucky spoke of this great trust, the United States Steel Corporation, the Crucible Steel Corporation. I do not think they manufacture or use graphite. They use the crucibles, but there is no trust. There are probably 30 or 40 concerns in this country using this product; and I have here numerous letters from manufacturers protesting against this rate, or an extension of it, as too high. I am going to put them in the RECORD, but I want to read to the Senator from Colorado just one letter, which I think clearly and without prejudice expresses the opinion of the manufacturers in regard to a high, excessive duty on this product. This is from J. H. Gautier & Co., manufacturers of black-lead crucibles, Jersey City, N. J., dated April 4. They say:

We recognize the difficult position in which the committee has been placed in endeavoring to meet the conflicting views of opposing industries, and especially the desire to advance certain protective efforts without penalizing established industries.

The claim that the graphite-crucible industry is selfish in its opposition to a duty applied on graphite is not based on facts. The necessity at one time during the stress of the World War required us to use domestic graphite to an extent which was impractical, and the work performed by the Bureau of Mines in an effort to determine the value of the domestic graphite for crucible purposes has not been carried far enough to demonstrate conclusively the value of domestic flake for crucible purposes. We had been using domestic graphite to the limit of its value for 20 years and never had been able to produce a crucible of competitive value with a larger proportion of domestic product. It is ridiculous to assume that we would prefer to go around the world for a product if it could be found at our own door.

Another argument introduced by the domestic producers which would carry a lot of weight if not understood—that is, the fact that one manufacturing company is using 100 per cent of domestic graphite in their crucibles. It would be interesting to know what percentage of graphite they do use. Our crucibles contain practically 50 per cent of graphite, but the crucible referred to above we understand is manufactured principally of silicon carbide, an article that is either produced in this country or imported from Canada free. Would we not be warranted in assuming that it would be of advantage to them to have our material taxed if it widened the difference between production costs of our crucibles?

We hesitate to bring more fallacies to your attention, but if you wish we can truthfully refute many of the statements which have been introduced to influence the Senate Finance Committee in reaching a decision favorable to a high tariff on graphite.

For revenue purposes a tax may be required, but to provide protection to the domestic producers would not necessitate the assessment of high rates which would increase the cost of the material that is required for crucibles, and so jeopardize the existence of the already established crucible industry, employing more labor and capital than can ever be expected to be employed in the production of graphite in the United States.

It is not our intention to prolong the discussion, and if the Senate Finance Committee concludes to apply the rates of 10 per cent on amorphous, 20 per cent on lump, chip, and dust, and 2 cents a pound on crystalline flake, these duties will be carried into the cost of the crucible and absorbed by the public generally; but it can never force a manufacturer to employ an ingredient in his manufacture that will be a detriment to quality production.

Please keep in mind that we ourselves could only use a limited quantity of domestic product at any cost, and whatever duty is fixed on flake will equally affect all other grades in costs to us. We candidly think a duty will rather help toward an elimination of the use of crucibles and a consequent reduction in demand for flake graphite. Why penalize the other industries using graphite for all kinds of purposes to enable a few producers of flake to get a higher price on a small part of their product from a small number of possible users?

I want the Senator to listen to this:

The domestic producers prior to 1914 made profits on 5-cent and 6-cent graphite, notwithstanding the statements now made that it costs 10 cents a pound to produce, and some of the present producers seem to be able to offer graphite at 4 cents and 5 cents, and we inclose a circular letter with one paragraph marked, to illustrate what we are trying to explain.

We want to be perfectly fair in every way and take a broad view of the situation, but it is difficult to let things like this be put over without giving you the data that will help you in solving problems like the graphite one.

I ask that these letters—not from any trust, certainly not from the Steel Trust, but from reputable concerns, small manufacturing concerns using graphite—be printed in the RECORD.

The VICE PRESIDENT. Is there objection?

Mr. PHIPPS. Mr. President, will the Senator yield for just one moment?

Mr. FRELINGHUYSEN. I yield.

Mr. PHIPPS. Before the letters go into the RECORD I will ask the Senator if he will kindly turn to the circular letter referred to in the one he just read and read us the paragraph that is marked.

Mr. FRELINGHUYSEN. I do not find that. I will look for it in my files.

Mr. PHIPPS. I want to know what they were advertising that they would sell the material for.

Mr. FRELINGHUYSEN. I will supply that.

The VICE PRESIDENT. Without objection, the letters referred to will be printed in the RECORD.

The letters are as follows:

CARTERET, N. J., *April 1, 1922.*

Hon. JOSEPH L. FRELINGHUYSEN,
United States Senator from New Jersey, Washington, D. C.

MY DEAR SENATOR: I am writing you in the hopes that you will have the manufacturing consumers in mind when the tariff question on Ceylon graphite comes up in the Senate.

While favoring home products in all its branches, we feel the American graphite interests are going too far in insisting on a 20 per cent duty on Ceylon graphites, this in view of the fact that the Ceylon

product is indispensable for use in the manufacture of foundry facings and crucibles, of which we, among others, are very large consumers.

We thoroughly believe that this product should enter free, but if there must be a tariff it should not exceed 10 per cent ad valorem.

An excessive tariff on Ceylon will increase the costs of brass and iron making, which costs will naturally be passed to the consumer at a time when we are trying to reduce costs and get to a pre-war basis as early as possible.

We respectfully solicit your cooperation.

Yours very truly,

WHEELER CONDENSER & ENGINEERING CO.,
F. J. SCHAFFER, *Purchasing Agent.*

—

JERSEY CITY, N. J., *April 4, 1922.*

Hon. JOSEPH S. FRELINGHUYSEN,
United States Senate, Senate Office Building, Washington, D. C.

DEAR SENATOR: Permit us to thank you very much for your courteous attention of the 2d in regard to the proposition to tax graphite.

We recognize the difficult position in which the committee has been placed in endeavoring to meet the conflicting views of opposing industries, and especially the desire to advance certain productive efforts without penalizing established industries.

The claim that the graphite crucible industry is selfish in its opposition to a duty applied on graphite is not based on facts. The necessity at one time during the stress of the World War required us to use domestic graphite to an extent which was impractical, and the work performed by the Bureau of Mines in an effort to determine the value of domestic graphite for crucible purposes has not been carried far enough to demonstrate conclusively the value of domestic flake for crucible purposes. We had been using domestic graphite to the limit of its value for 20 years, and never had been able to produce a crucible of competitive value with a larger proportion of domestic product. It is ridiculous to assume that we would prefer to go around the world for a product if it could be found at our own door.

Another argument introduced by the domestic producers which would carry a lot of weight if not understood—that is, the fact that one manufacturing company is using 100 per cent of domestic graphite in their crucibles. It would be interesting to know what percentage of graphite they do use. Our crucibles contain practically 50 per cent of graphite, but the crucible referred to above, we understand, is manufactured principally of silicon carbide, an article that is either produced in this country or imported from Canada free. Would we not be warranted in assuming that it would be of advantage to them to have our material taxed if it widened the difference between production costs of our crucibles?

We hesitate to bring more fallacies to your attention, but if you wish we can truthfully refute many of the statements which have been introduced to influence the Senate Finance Committee in reaching a decision favorable to a high tariff on graphite.

For revenue purposes a tax may be required, but to provide protection to the domestic producers would not necessitate the assessment of high rates which would increase the cost of the material that is required for crucibles, and so jeopardize the existence of the already established crucible industry, employing more labor and capital than can ever be expected to be employed in the production of graphite in the United States.

It is not our intention to prolong the discussion, and if the Senate Finance Committee conclude to apply the rates of 10 per cent on amorphous, 20 per cent on lump, chip, and dust, and 2 cents a pound on crystalline flake, these duties will be carried into the cost of the crucible and absorbed by the public generally, but it can never force a manufacturer to employ an ingredient in his manufacture that will be a detriment to quality production.

Please keep in mind that we ourselves could only use a limited quantity of domestic product at any cost, and whatever duty is fixed on flake will equally affect all other grades in costs to us. We candidly think a duty will rather help toward an elimination of the use of crucibles and a consequent reduction in demand for flake graphite. Why penalize the other industries using graphite for all kinds of purposes to enable a few producers of flake to get a higher price on a small part of their product from a small number of possible users?

The domestic producers prior to 1914 made profits on 5-cent and 6-cent graphite, notwithstanding the statements now made that it costs 10 cents a pound to produce, and some of the present producers seem to be able to offer graphite at 4 and 5 cents, and we inclose a circular letter with one paragraph marked, to illustrate what we are trying to explain.

We want to be perfectly fair in every way and take a broad view of the situation, but it is difficult to let things like this be put over without giving you the data that will help you in solving problems like the graphite one.

Yours very sincerely,

J. H. GAUTIER & Co.,
A. E. ACHESON,
Secretary and General Manager.

(Inclosure attached.)

—

BOSTON, MASS., *March 31, 1922.*

J. H. GAUTIER & Co.,
1 Greene Street, Jersey City, N. J.

DEAR SIR: If your firm is one of those which believes with us that the road to better business lies through the channels of economy, efficiency, and cooperation you will be interested in this letter and in the sample of graphite which is being mailed you under separate cover.

Economy because we are in a position to undersell any other producer in the market. Our mine is so located that we can sell our product at a profit for less than the cost of production at the average mine in the United States.

Efficiency because we will be glad to allow you as a saving in price what we would have to pay a crew of salesmen to do what we are trying to accomplish by this letter. This is the first time our product has been offered directly to the trade, and we want you to share with us what we are able to save.

Cooperation: If you will cooperate with us to the extent of examining our sample and sending us the following information, we believe it will be to our mutual advantage.

This is a fair average sample of our pulverized air floated graphite, unscreened. We can supply it in any grade, screened, if necessary, to any mesh desired. Or if you have facilities to do your own pulverizing, we can supply you in crude form as it comes from the mine at a slightly lower price.

Kindly advise us of your requirements covering the above points, also chemical composition, indicating the quantities in which you would be likely to buy, and we will be glad to quote you prices. When you receive our quotations possibly you will find it to your advantage to make a liberal use of our product in your formulas where formerly you may have used graphite more sparingly on account of either high price or inferior quality. We would be pleased to receive for comparison samples of the graphite you are now using.

Let us hear from you, and advise us if you wish a larger trial sample or if we can be of further service in any way.

Yours for cooperation and prosperity,

NATIONAL GRAPHITE CO.,
By DAVID ELDER, *Treasurer.*

—

NEWARK, N. J., *April 5, 1922.*

Hon. JOSEPH FRELINGHUYSEN,
Senate Chamber, Washington, D. C.

DEAR SIR: We desire to register our protest against the clause now in the bill before the Senate Finance Committee making a duty of 20 per cent ad valorem on Ceylon graphite. It has been our experience during the past 48 years that there is no American product equal to Ceylon graphite and are consequently opposed to passing this high duty of 20 per cent upon the imported product.

In our work the Ceylon product is indispensable, and the raising of the tariff rate would not result in our business being transferred to American graphite.

We trust that this matter will receive your serious attention.

Yours very truly,

FLOCKHART FOUNDRY CO.,
By ROBERT E. MOORE, *Vice President and Treasurer.*

—

STERLING, ILL., *April 6, 1922.*

Senator JOSEPH S. FRELINGHUYSEN,
Senate Chamber, Washington, D. C.

SIR: The question of contracting for Ceylon graphite came up recently, and we have to defer such proceedings pending the action of the United States Senate on what is known as the H. R. 11815 bill, disposed of by the House on a basis of a 10 per cent tariff.

The Senate bill being prepared, we understand, has doubled this tax.

A good many of the people are wondering what Congress is trying to do. We have the income tax to pay, then a surtax, and now a tariff tax. The people at large are in a quandary to know whether our representatives in Congress are representing the people or some other interests, or whether they are trying to perpetuate themselves in office, or whether our whole foundation of government as administered in Washington is only a political basis rather than a business basis. The people are beginning to think the Government is giving no thought to business conditions and that it is all political activity.

We are told that some of the Senators and Congressmen are deeply interested in American graphite mines, and that it is for a personal interest that they are promoting the extreme penalty of tariff on Ceylon lead, a commodity that can not be produced in America.

Why tax such commodities? It simply means passing the burden on to the consumer. Congress is burdening the consumer to death. There is no incentive for business men to invest capital in business as long as our Government in Washington is being handled on a political basis without any consideration of business conditions.

The people expected something from this Congress, but I am fearful that a large number of Senators and Congressmen will be defeated, as the people are losing patience and confidence in their present representatives, and if it is possible to get business men in Congress, the people are going to let the politicians stay at home.

What is the sense or reason for taxing a commodity that can not be produced in this country and should come in free for the benefit of American people?

Will you please answer this question?

Respectfully yours,

BLACK SILK STOVE POLISH WORKS,
L. K. WYNN, *President.*

—

JERSEY CITY, N. J., *April 29, 1922.*

Hon. JOSEPH FRELINGHUYSEN,
Washington, D. C.

DEAR SIR: As our business is largely dependent on our being able to obtain supplies at reasonable prices, we feel compelled to appeal to you regarding the tariff as applied to graphite or plumbago. After several hearings and much consideration, Senate bill reported April 10, 1922, calls for the following rates:

Graphite, amorphous, 10 per cent ad valorem; graphite, lump, chip, and dust, 20 per cent ad valorem (Ceylon); graphite flake, 2 cents per pound (Madagascar).

The above suggested increase in the cost of graphite would entail somewhat of a hardship on our business, but since the above bill was reported an amendment has been offered by Senator NICHOLSON, of Colorado, changing the original bill to read as follows:

Graphite, amorphous, from 10 per cent to 1 cent per pound; graphite, lump, chip, and dust, from 20 per cent ad valorem to 3 cents per pound (Ceylon); graphite; flake, from 2 cents per pound to 5 cents per pound (Madagascar).

Duties proposed by this amendment add from 100 per cent to 200 per cent to the present import selling price of these grades. Crucibles are now selling at less than half what they were during the war period.

Notwithstanding reports to the contrary, the average American graphite can not be substituted for the more granular Ceylon crystalline graphite, and if this large duty is levied the crucible user will be legislated against in two ways: First, by having to pay more for his crucibles; second, he will get crucibles of an inferior quality.

We understand that this duty is laid with the idea of favoring the southern graphite promoter. At the same time it must be borne in mind that it will operate directly against the user of the graphite crucible and against the manufacturer of that article.

When we consider the rapid development of the electric melting furnace it is perfectly evident that in the face of increase in the cost of crucibles and a decrease in the quality it will very seriously operate against the crucible industry, and therefore against the large use of graphite.

If the price of crucibles is made prohibitive, naturally the graphite industry will be eliminated.

We most earnestly protest the high duty called for by the Nicholson amendment to the Senate bill and trust you will use your influence in every way possible against its passage.

Graphite, you will kindly note, has been on the free list upward of 50 years, and if you now feel a duty should be placed on same for revenue, please do so with a view of saving the crucible industry, where at least 75 per cent of the crystalline graphite produced in the world is now used.

It is our opinion that graphite should be continued on the free list and there has been no good reason why it should be placed on the dutiable list; we therefore hope you will use your vote and influence to continue graphite on the free list.

Very truly yours,

E. A. WILLIAMS & SON (INC.).
THOMAS H. WILLIAMS, *President.*

—

NEWARK, N. J., *May 1, 1922.*

PRESIDENT OF THE SENATE,
Washington, D. C.

DEAR SIR: As our business is largely dependent on our being able to obtain supplies at reasonable prices, we feel compelled to appeal to you regarding the tariff as applied to graphite, or plumbago. After several hearings and much consideration, Senate bill reported April 10 calls for the following rates:

Graphite, amorphous, 10 per cent ad valorem.
Graphite: Lump, chip, and dust, 20 per cent ad valorem (Ceylon).
Graphite flake, 2 cents per pound (Madagascar).

The above suggested increase in the cost of graphite would entail somewhat of a hardship on our business, but since the above bill was reported an amendment to said bill has been offered by Senator NICHOLSON, of Colorado, changing the bill, original, as follows:

Graphite, amorphous, from 10 per cent ad valorem to 1 cent a pound.
Graphite: Lump, chip, and dust, from 20 per cent ad valorem to 3 cents a pound.
Graphite flake, from 2 to 5 cents a pound.

It is our opinion that graphite should be continued on the free list, and there has been no good reason advanced why it should be placed on the dutiable list, and we therefore hope you will use your vote and influence to continue graphite on the free list.

Yours truly,

F. & H. FOUNDRY CO. (INC.).
C. FRANZ.

—

THE PLUMBAGO CRUCIBLE ASSOCIATION,
New York, May 1, 1922.

Hon. JOSEPH S. FRELINGHUYSEN,
United States Senator, Washington, D. C.

DEAR MR. SENATOR: Your support is earnestly solicited in the effort of the graphite crucible manufacturers of the United States to protect themselves against the series of rates on graphite—or plumbago, as it is generally called—proposed in an amendment to the pending tariff bill by Senator NICHOLSON, of Colorado.

In the House bill a duty of 10 per cent ad valorem had been assessed against graphite of all kinds, with which we were content, realizing the need for more revenue, although for 50 years Congress has recognized our necessity to purchase abroad and has permitted graphite to remain on the free list.

The European war required measures and activities that were uneconomic and that would be ineffectual in peace times. Certain interests, chiefly located in the South, now desire to capitalize those necessities and are claiming that high tariff rates must be put into effect to protect an infant industry—the American graphite producer.

This infant industry has been in existence for about 60 years, and in pre-war times was able to market so much of its product as could be used for crucible purposes.

Unfortunately, it has always been and still is necessary to supplement this domestic product with imported graphite of a grade that will enable the crucible manufacturers to make a high-grade and satisfactory crucible.

There are 13 manufacturers of crucibles using graphite as the principal ingredient of their product. Not one of them has been able to use a large percentage of domestic graphite and produce a crucible competitively satisfactory in quality.

If we can not produce crucibles that will provide a melting cost within reasonable limits imported crucibles will be used.

Moreover, should crucible costs be too high other methods of melting will be developed and extended, to the entire elimination of the crucible industry and the consequent reduction in graphite consumption, both domestic and foreign.

Would the Government not be better off to establish a low tariff rate on a large import rather than a high rate on a reduced and vanishing import?

Notwithstanding assertions continuously reiterated, this is the situation existing to-day. If economic conditions require that we submit to extinction, we can submit, but we do not wish to be forced out of business without a vigorous protest.

Should not the graphite industry in this country be permitted to build itself up on its own merits, instead of by means of a subsidy? Is it fair to lay a compulsory tax on every user of a graphite product to induce consumption of American graphite, which is unfitted by character and quality for all the mechanical purposes in which graphite is now used?

We hesitate to arouse the crucible-consuming public to the seriousness of the situation and flood the mails with their protests, neither do we deem this to be necessary to convince one of your broad knowledge of the urgency of this request for your support and protection, not only for ourselves but also for those users of our products who are actually interested in maintaining our manufacturing prestige.

This defensive struggle has been carried on for almost four years. It is a matter of record in the tariff hearings, and we will be glad to furnish you with additional data or answer any questions you may care to ask.

Yours truly,

C. H. ROHRBACH, *Secretary.*

—

JERSEY CITY, N. J., *May 3, 1922.*

Hon. JOSEPH S. FRELINGHUYSEN,
United States Senate, Washington, D. C.

DEAR SIR: Without desire to interfere in the matter of proper duties to be levied on manufactured goods, we do believe, and we know our contemporaries agree, that where raw materials not available in this country are concerned, they should come in free in so far as that is possible.

Our attention has been called to paragraph 213 of the Senate tariff bill duty on graphite: Amorphous, 10 per cent ad valorem; lump, chip, and dust, 20 per cent ad valorem; flake, 2 cents per pound.

These, we understand, are not produced in the United States or can they be. Why, therefore, add to the consumer's burden by this unnecessary tariff?

We ask that you vote against it.

Yours very truly,

VOORHEES RUBBER MANUFACTURING CO.,
G. F. COVELL, *Sales Manager.*

—

NEWARK, N. J., *May 4, 1922.*

Hon. JOS. S. FRELINGHUYSEN,
United States Senate, Washington, D. C.

DEAR MR. FRELINGHUYSEN: We wish to direct your attention to paragraph 213 of the Senate tariff bill, calling for a duty on foreign graphite, as follows: Amorphous, 10 per cent ad valorem; lump, chip, and dust, 20 per cent ad valorem; and flake graphite, 2 cents per pound.

The above rates have been amended by Senator NICHOLSON, of Colorado, as follows: Amorphous, 1 cent per pound; lump, chip, and dust, 3 cents per pound; and flake, 5 cents per pound.

Considering the commodity, these rates certainly are enormous. As one of the users of foreign graphite, we strenuously object to any duty on same, because it will only add to the burden of the consumer, who will be compelled to pay the price; for where foreign graphite must be used, the American product can not take its place.

In view of the foregoing, we can not urge you too strongly to give this matter your consideration, and to offer an amendment permitting foreign crystalline graphite, or Ceylon plumbago, to come in free of duty.

We can assure you that your kind attention to this matter will be highly appreciated.

Respectfully yours,

EMPRESS MANUFACTURING CO. (INC.).

—

RIVERSIDE, N. J., *May 8, 1922.*

Hon. JOSEPH S. FRELINGHUYSEN,
Chairman of the Finance Committee,
United States Senate, Washington, D. C.

DEAR SIR: We have noted the amendment offered by Senator NICHOLSON, of Colorado, materially increasing the graphite schedule from that reported in the Senate bill of April 10, 1922, and inasmuch as we are large users of graphite crucibles, we thought it well to call your attention to the amendment and advise you that it has been our experience that crucibles manufactured from domestic graphite are much inferior to those containing the foreign product, and we feel that if this higher duty is levied, that crucible users will be harmed in two ways:

1. By having to pay more for crucibles.
2. That they would be able to obtain crucibles only of an inferior quality.

In view of this, it is our hope that graphite may be continued on the free list, where it has been for many years, thus enabling us to obtain a higher grade of crucible at a reasonable price.

Very truly yours,

THE RIVERSIDE METAL CO.,
H. L. RANDALL, *President.*

—

DOVER, N. J., *May 8, 1922.*

Senator JOSEPH FRELINGHUYSEN,
Washington, D. C.

MY DEAR SENATOR: The question of a recent amendment offered by one of the western Senators calls for a duty of 3 cents per pound on Ceylon plumbago. There is no reason in this, because there has never been anything found in America which will take the place of Ceylon for foundry practice. If there was an American-mined material that was satisfactory, we would gladly use it, as we favor protection to home industries, but this is one of the products with which there is no honest competition in America. It means to us the manufacturer must pay this 3 cents a pound, and then we must pay the 3 cents a pound and a profit on that to the manufacturer. We believe it is all wrong.

Trusting you can see your way clear to combat this matter, we remain,

Yours very truly,

RICHARDSON & BOYNTON CO.,
WILLIAM L. R. LYND, *Secretary.*

Mr. FRELINGHUYSEN. Mr. President, the committee, however, did accept the statement that domestic flake was of acceptable quality for making crucibles. It desired to give protection to the mines, and placed a duty of 2 cents a pound on that product which in the market now is selling for 4 cents a pound.

Mr. NICHOLSON. Mr. President, after listening to the letters read by the senior Senator from New Jersey from the gentlemen connected with the crucible companies, it would seem that they are gentlemen of great adaptability. When they are asking for free raw products, the American graphite is of a very inferior quality, as indicated by the letters read by the Senator. Let me call the attention of the Senator, however, to an advertisement of the American-made crucibles manufactured by the Jonathan Bartley Crucible Co., showing what they have to say about them:

Primarily called "Victory," because they represent a triumph of American skill, perseverance, methods, and materials over foreign materials.

At that time they did not call attention to the fact that this graphite was of inferior character; and I submit that when they had these advertisements sent broadcast throughout the land they were either imposing upon the general public or they are not honest with the general public now.

Mr. HEFLIN. Mr. President, the graphite which is being imported is inferior to the graphite produced in the United States. The finest flake graphite in the world is produced in

the mines of my State, and there is quite a supply of it in those mines. They were operated for a little while during the war, when the Government needed some of this material; and since the war is over, and the graphite mined by the slave labor of Ceylon is coming in, and some from Mexico, these mines have closed. They are shut tight now. They are not moving a peg, and the people who worked in these mines are out of employment, and the people who bought these mines and invested their money in them have them on their hands, and they are unable to operate them under present conditions.

Mr. FRELINGHUYSEN. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from New Jersey?

Mr. HEFLIN. I am glad to yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. I want the Senator to understand clearly that I did not say that the domestic flake graphite was of inferior quality to the imported product. I understand that the domestic product of flake graphite is equal in quality to the imported product.

Mr. HEFLIN. Mr. President, it seems to me the Senator from Colorado [Mr. NICHOLSON] has justified the contention that some import tax should be laid upon the graphite brought into the United States. We have heard a good deal, and especially from the distinguished Senator from New Jersey, to the effect that he is trying to protect the laboring man, that he wants to do something for the laboring man in the United States. Here is an opportunity to put to work laboring men who are now out of employment, who are seeking something to do; and if there is anything in the position of the Republican Party that it is the friend of the laboring man and will do something for an industry in order to give working people employment there, how can the Senator justify the position he is taking in favor of making graphite free?

Mr. FRELINGHUYSEN. Mr. President——

Mr. HEFLIN. I am not a free trader. I believe in deriving revenue for the Government from imports, and if an incidental benefit goes to those who own the mines, well and good. I yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. I have no objection to the Senator's efforts to discredit my statements, but I want him to be accurate when he attempts to repeat a statement I have made. He asks why I want graphite put on the free list. I have not asked that graphite be placed on the free list. I have simply supported the committee amendment—that the duty on flake graphite shall be placed at 2 cents a pound.

Mr. HEFLIN. Does the Senator think that is an adequate rate?

Mr. FRELINGHUYSEN. I feel that it is, with the imported article selling at 4 cents a pound. Does the Senator want a higher rate of duty?

Mr. HEFLIN. I want whatever is just and necessary, and the Senator from Colorado has shown, it seems to me, that the rate provided for by the Senator from New Jersey and those with him on the committee is not quite sufficient.

Mr. FRELINGHUYSEN. The Senator from Alabama has an industry in his State which produces flake graphite. He ought to know the cost of production and what rate is necessary to protect it. Of course, now that he has left the fold of free trade and has come into the fold of protection, I would like to have him state to the committee and to the Senate what rate he thinks would protect his industry, and the workingmen of Alabama, about whom he is talking.

Mr. HEFLIN. Mr. President, I am not a free trader, as I stated at the outset. I believe in a tariff for revenue. I stated before that if incidental aid goes to those who own or work in the mine, all well and good; but a Republican can not justify his position when he stands here and advocates a tariff, and a high tariff at that, for one thing, as the Senator from New Jersey did last night when he secured a tariff tax on sand, and then oppose a proposition so meritorious as that of deriving revenue and incidentally aiding an American industry now closed and out of business.

Mr. BURSUM. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from New Mexico?

Mr. HEFLIN. I gladly yield.

Mr. BURSUM. I desire to obtain some light as to the facts relating to the cost of production. The Senator from New Jersey submitted that flake graphite, which is produced in Alabama, can be utilized to advantage, that it is of sufficient quality, and that the selling price will be around 4 cents per pound. Can the Senator from Alabama tell us the cost of production and marketing of this flake graphite, which is produced in Alabama?

Mr. HEFLIN. It varies. I am unable to say exactly what the cost of production is; but I am able to say to the Senator that the mines are closed. There is no production now. There are no sales now. The laborers are gone. The mines are shut up. These people are seeking employment, and the investments there are idle. Where is the Republican Party going to find escape from a proposition like that, when it voted to tax salt, which everybody consumes, and this is an effort to protect a great corporation which uses flake graphite produced in my State?

The other night we asked the genial and distinguished Senator from New Jersey [Mr. FRELINGHUYSEN] how he justified a tax on sand, and he expressed the fear that the sand sifters and sand sellers of the United States would have serious competition some time from those who haul sand into the United States.

The tariff he succeeded in getting put on it is founded upon the fear or upon his very splendid and vivid imagination. Two or three ships came from abroad, having sold American products in foreign markets, and needing something as ballast, to hold the ships steady in the sea, they took on a cargo of sand, came home and unloaded, and gave somebody up in New Jersey an opportunity to say, "Here is a chance to increase the price of sand to the American consumer, by saying that we see a bugaboo of competition in sand coming from abroad," when the sea is heaving sand up by the millions of tons, and there is no such thing as exhausting the supply of sand. As I said in my speech the other night, the Bible reminds us of the inexhaustible supply of the sands of the sea, and yet the Senator from New Jersey succeeded in getting a tariff on sand, and he is now fighting a proposition to lay a tariff upon graphite, when the American mines are closed, and the foreigners have got the American market all to themselves.

Mr. WATSON of Georgia. Mr. President, does the Senator from Alabama understand that the handsome and brilliant Senator from New Jersey is afraid that somebody will bring sand in from the Sahara Desert?

Mr. HEFLIN. It may be that some such fear disturbs him.

Mr. EDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from New Jersey?

Mr. HEFLIN. I yield.

Mr. EDGE. I understand that flake graphite is on the free list under the Underwood law. I would like to ask our new and welcome convert to protection why there was not an effort made when the Underwood bill was under discussion to place a tariff on flake graphite. At that time they apparently thought that it was not necessary.

Mr. HEFLIN. At the time that law was enacted the industry did not exist in the United States to amount to anything, and I do not know whether any effort was made to have any tax laid on the imports of graphite at that time or not. The industry sprang up out of necessity. The Government called for investigations to see what we had, and it resulted in finding one of the greatest graphite mines in the world down in my State, producing the very finest flake graphite on earth.

Mr. FRELINGHUYSEN. Mr. President, before the Senator starts this sand storm of his again, will he kindly answer my question and tell me what duty he is pleading for to protect his industry in Alabama? He has failed to answer my question. I should like to have him state whether he is for the duty proposed by the Senator from Colorado [Mr. NICHOLSON], or whether he is for the committee duty, 2 cents. I should like to have an answer to that question.

Mr. HEFLIN. Mr. President, I am very grateful to the distinguished Senator from New Jersey for suggesting sand storms. That is better than the sand I talked about. They saw a sand storm up there on the seashore, and they had an idea that sand was being blown from abroad, and they undertook to put a wall up to protect the sand sifters and sellers of New Jersey. That is what the Senator succeeded in doing the other night. He succeeded in having a tariff tax put on sand. I told how the people would be affected by it, that everybody who used glass, plain glass, cut glass, and every other kind of glass would be affected. Under this bill the mirror in which they look upon their manly and handsome forms, as the distinguished Senator from New Jersey can do, is taxed. They make glass out of this beautiful white sand, and I never dreamed that the day would come when they would tax the sands of the sea and undertake to build a wall to keep people from bringing sand into the United States. But it is done, and I am pleading, and the Senator from Colorado is pleading, for the imposition of an import tax which will bring revenue to the Government and a little aid to an American industry

which is being choked to death by the position of a big corporation in New Jersey that uses graphite.

Mr. STANLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. HEFLIN. I yield to the brilliant Senator from Kentucky.

Mr. STANLEY. My colleague overlooks one fact in pleading for this duty upon graphite. The argument that you ought to equalize the labor costs at home and abroad is made for every protective duty. This graphite in Alabama is produced by highly skilled and intelligent labor. The principal supply of graphite coming into this country, as I understand it, comes from the island of Ceylon, where naked Asiatics, in a tropical clime, live on coconuts, are covered with a single cotton shift, if they wear anything, and get a few cents a day for mining this graphite, which comes over here as ballast.

Mr. FRELINGHUYSEN. Mr. President, I want to correct the Senator. The kind of graphite which comes from Alabama is comparable only with that which comes from Madagascar, not Ceylon, possibly both employing the same color of labor.

Mr. STANLEY. The Senator goes from bad to worse. Labor conditions are worse in Madagascar, if anything, than they are in Ceylon, but it is the same kind of labor.

Neither of the distinguished Senators from New Jersey will deny that there is no comparison between the condition of the foreign laborer and the American laborer with his family, his home, and his high level of wages, with his children to educate, and all that sort of thing. He is put out of business, as I understand it, by naked, blanket-wearing, polygamous, Polynesian savages, and now come the two Senators from New Jersey with the blanket of the savage, waving it like a banner in this assemblage.

In addition to that, beside the question of equalizing the labor cost is the question of fostering an infant industry. This industry still has the bottle in its mouth. It is a war baby. They discovered this graphite in certain sections during the war, when we could not import it. It has its hippens on, and yet these great protectionist Senators come here and kill an industrial baby because it happens to live down South.

Mr. FRELINGHUYSEN. Mr. President, I have asked the Senator from Alabama what rate of protection he wants. I should like to ask the Senator from Kentucky, the Senator from Alabama having failed to answer the question, what rate of duty he believes should be placed upon this Alabama corporation which the Senator from Alabama is defending, which, I understand, is owned by eastern capitalists?

Mr. STANLEY. I would not give them a red copper. I am exposing, in the discussion of this graphite item, the whole callous, conscienceless hypocrisy of these pleaders for American labor. Is not a man digging graphite in Alabama in as honest an employ as a man working a loom in Connecticut or in New Jersey? Is not the man who is engaged in this business as much an American citizen as a silk spinner in Paterson, N. J.? Why this difference? What argument can you make in favor of the 200 per cent on silk that you can not make for 10 per cent on graphite? This graphite proposition is a fine illustration of the utter indifference, even to consistency, of the trust-mad, protection-mad advocates of this incoherent makeshift, this crazy quilt of a bill.

If the Senator from Alabama will permit, I will call his attention to the reason why you can not get a duty on graphite but can get it on silk and can get it on the cotton fabrics of New Jersey and can get it on any other thing, though you can not get it on the fertilizer for the farmer. It is because the plain, voiceless millions do not buy graphite to any extent.

It is sold to the greatest trust in the world, the owners of crucibles, the men who make this fine crucible steel, who have cost sheets, who know the buncombe and the absurdity, who know the naked, silly falsity of the charge that a man will pay more for labor because he makes more from his business, who know what you pay for labor, what you pay for materials, what you must pay in the open market of the country, and they tell you they do not want any duty on graphite. The same powers, the same trusts, the same masters that demand the duty upon the finished product will take it off of the raw material, and you obey both, taking the public for driveling fools.

Mr. FRELINGHUYSEN. Mr. President——

Mr. HEFLIN. I am glad to yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. They do not say they do not want a duty on graphite. They want a duty of 50 per cent ad valorem. They are willing to stand it, although they say they can not use the American product.

Mr. STANLEY. Does not the Senator know that a duty of 2 cents on graphite produced in Alabama would not protect it one minute against the practically pure ores found in Madagascar and Ceylon? It would not produce an ounce of Alabama graphite, and the Senator knows it. That is handing us a gold brick.

Mr. HEFLIN. Mr. President, the Senator from Kentucky has pointed out that the graphite which comes from over the seas into our country and now controls the American market is produced by slaves. I am told that the graphite diggers over there get 3 cents a day. The American miner of graphite can not compete with those conditions. It will be difficult for Senators on the other side of the Chamber, who are not willing now to aid an infant industry just getting on its feet, to explain their position on this item.

The war ended and the graphite from abroad came in and knocked this American graphite infant down, and it is lying there now prone upon the ground. The Republican leaders who have boasted of their friendship for American industry have here an opportunity to show their friendship for this industry in my State, which has been driven out of the American market by the graphite of foreign countries.

The Senator from New Jersey reminds the Senate and reminds me that I am defending an industry in my State owned by eastern capital. I do not care where the capital comes from. It is American money. It is the money of American citizens, and when they come to my State to invest their money I want them treated fairly. In coming to my State, the greatest State in the Union, they show good judgment and good taste. I give them whole-hearted welcome. I want every legitimate industry in my State to prosper. I want the laboring man, who is dependent upon his skill, his genius, and his strength, to have something to do and a decent wage which will enable him to provide the wherewith to take care of himself and family.

I would like to see the mines in my State opened again. I would like to go out and gather in the men who are now running around seeking employment and eking out a disagreeable existence. Here is an opportunity to take men from the army of the unemployed, give them something to do, and start the wheels of the graphite industry humming down in my State. Is it to be said that a foreign concern or a great corporation which uses the products of that foreign concern has more influence in the United States Senate than the common rights of American labor and the welfare of American industry? It remains to be seen, Mr. President, by the vote upon this question. Here is an industry closed, out of business, and the men who worked there out of employment.

I am not an expert upon the matter of rates. I do not know what is a fair and just rate. The Senator from Colorado has shown that the rate agreeable to the Senator from New Jersey [Mr. FRELINGHUYSEN] is not sufficient. I think there ought to be a duty somewhat larger than the one offered by the committee.

I want to say to the distinguished Senator from New Jersey [Mr. FRELINGHUYSEN], who voted to put a tax upon salt, that he did the thing which helped to produce the French Revolution. That was one of the causes of the French Revolution, because every man, woman, and child used salt, and when the King insisted upon taxing the salt of the French people they rebelled against it. So I say that was one of the things which brought about the French Revolution. I have seen the Senator vote to put salt upon the tax list, bearing a burden of 40 cents a sack. Every man, woman, and child in the country uses salt. The Senator is not now willing to place a fair tax upon graphite, which is used by one great corporate concern in his State. He is willing to deprive the Government of the revenue that it would derive on foreign graphite and willing to turn the American graphite market over to foreign graphite free, while the producers of American graphite are forced to close their mines.

The cause of American labor does not seem to hang very heavily now upon the conscience of the Senator from New Jersey. The desire to aid an infant industry seems to have been lost somewhere in the protection head of the Senator from New Jersey now. Here is a concrete proposition of doing justice to an American industry, aiding the industry to get upon its feet, and the Senator and his colleagues have attacked the proposition of extending that helping hand to that American industry. Oh, "Consistency, thou art a jewel!"

I submit that by imposing an import duty on foreign graphite we can put money in the United States Treasury and prevent the ruin of an infant industry in our own country.

Mr. WALSH of Massachusetts. Mr. President, the minority members of the Finance Committee are not only opposed to the amendment offered by the Senator from Colorado [Mr. NICHOL-

SON], but believe that this product should be upon the free list, where it has been for 50 years. During those 50 years there have grown up in this country many substantial industries engaged in the business of manufacturing graphite products. They are very numerous. Graphite is used extensively in the manufacture of stove polish, in the making of pencils, crucibles, foundry facings, motor brushes, and other like commodities, with factories located in all parts of the country.

A good deal has been said upon this subject, but it seems to me the real question is this: Does the imported graphite compete with the domestic graphite? The evidence which I have obtained from manufacturers of graphite products in my State shows that it does not. I want to say in this connection that all the small foundries in the country, and there are an exceedingly large number of them, use graphite in making foundry products. The information which I get from the foundries in my State is to the effect that the imported graphite does not compete with the domestic graphite, that the domestic graphite is not suitable or fit for making certain graphite products which this and other industries are manufacturing. As has been said by the Senator from New Jersey, the domestic graphite is used in small quantities by mixing it with the imported graphite.

The best proof, however, that the imported graphite does not compete with the domestic graphite is in the matter of price. The undisputed information shows that we have been importing a much larger amount of graphite than has been mined in America and that the prices of the imported graphite have been in excess of the prices of the domestic product. It is absurd to claim, if the domestic graphite was equal in quality to the imported graphite, that our manufacturers would refuse to use the domestic graphite and to their own loss pay a higher price to the importers for the foreign graphite.

The figures furnished to us by the Tariff Commission show that in the last nine years the average price of the domestic graphite has been $11.45 per ton; the average price of the Mexican graphite has been $36.39 per ton, and the average price of the Korean graphite $20 per ton. What more proof do we need that the imported graphite does not compete with the domestic? Our manufacturers are not fools. Our business men are not going into foreign markets to pay $36 per ton for graphite if they can buy a graphite of equal quality and serviceability in America for $11 per ton.

Why have they been obliged to buy the foreign graphite and pay a higher price? It is because there are certain qualities in the foreign graphite that are indispensible in the making of certain graphite products. For instance, the graphite deposit in the United States is not suitable for manufacturing purposes, such as stove polish. Stove polish made from it lacks being glossy. Lead pencils made from it break too easily. For foundry purposes it lacks the necessary heat requirements.

It is true that a chemical analysis of the domestic graphite may show but very little difference between it and the foreign product, but the fact is that the domestic graphite is not competing with the foreign graphite.

The question resolves itself into this: Our manufacturers of graphite products must have the imported graphite. What is it proposed to do in this amendment? It is proposed in the amendment offered by the Senator from Colorado to impose upon the manufacturers a great burden, because, after all, we can not tell just how heavy a tax is being levied when we only speak of tariff duties in specific rates; but when those specific duties are transposed into ad valorem rates we can get some conception of the seriousness of the amendment offered by the Senator from Colorado in the increased cost that will be exacted from the users of graphite in the various manufacturing industries of the country.

The present prices are very much below normal prices. It is hardly fair to measure the normal prices of graphite by the present prices, but at even present prices amorphous graphite, selling as it does for 1 cent per pound, would bear an ad valorem duty of 100 per cent under the amendment offered by the Senator from Colorado [Mr. NICHOLSON]. Lump graphite, selling for from 6 to 8 cents per pound, would bear an ad valorem rate of from 38 to 50 per cent per pound. Flake graphite, selling for from 3 to 4 cents per pound, would bear an ad valorem rate of from 133 to 167 per cent.

Under normal prices let us see how the computation would work out. On amorphous graphite, which sells normally for 2 cents per pound, the duty suggested by the Senator from Colorado in his amendment would be equivalent to an ad valorem rate of 50 per cent; on lump graphite, at the normal price of 10 cents per pound, the rate proposed by the amendment offered by the Senator from Colorado would be equivalent to an ad valorem duty of 30 per cent, and on flake graphite, at the normal price of 7 cents per pound, the ad valorem equivalent would be about 71 per cent.

The minority members of the Finance Committee, as I have said, not only are opposed to the amendment offered by the Senator from Colorado but will support the amendment to be offered by the Senator from Michigan which, I understand, is designed to place amorphous graphite upon the free list. If that amendment shall be adopted, I shall then move an amendment putting the graphite in the other brackets, lump and flake, upon the free list likewise.

Mr. TOWNSEND. Will the Senator from Massachusetts yield to me?

Mr. WALSH of Massachusetts. I yield to the Senator from Michigan.

Mr. TOWNSEND. It was suggested by the Senator from Colorado that the placing of a duty by the Committee on Finance on amorphous graphite had been compensated for by an increase of duty on some of the products manufactured from amorphous graphite. If that be true, I desire to state now that if the proposal to put amorphous graphite on the free list shall prevail I shall be very willing, indeed, to have reduced the duties on the products manufactured from amorphous graphite which have been increased because of the duty imposed by the bill on the raw product. As I have said heretofore, while I am a protectionist, I agree with the Senator from Massachusetts that no industry in the United States can be protected, encouraged, or benefited, in my judgment, by placing a duty on this product which, under the present state of art, at least, must be imported from abroad in order to meet the demands of the trade.

Mr. WALSH of Massachusetts. Mr. President, I am very glad to have the additional statement of the Senator from Michigan. I want to call attention to the seriousness of the situation brought about by the committee amendment as it affects the manufacturer of graphite products. The Senator from Michigan has spoken about its effect upon the users of amorphous graphite. I want to say a word to show how it will add materially to the cost of the finished products manufactured from flake graphite.

The Senator from New Jersey [Mr. FRELINGHUYSEN] said that flake graphite is now selling for 4 cents a pound; yet the committee proposes to put a duty of 2 cents per pound—50 per cent ad valorem—on flake graphite. It is proposed overnight to take that commodity from the free list and impose upon it an ad valorem duty of 50 per cent. How can that be justified?

The trouble with this bill is that on the raw materials, which are among the first items we have considered, the rates have been placed so high that when we come to the finished product, in order to provide compensatory duties, a pyramid has been built up until the rates proposed reach the sky line, so that the cost of living and the cost of the manufacturing products in this country will be up higher than ever. There can not be any other result from the action proposed. It would almost seem, however unbelievable it may be, that those who drafted this bill not only propose to keep prices up but really to increase prices, for nothing else can happen in view of the high rates that have been placed upon so-called raw materials which go into the finished product. Here is an example in an increase of 50 per cent ad valorem. I have some figures which I will read in a moment from some of the manufacturers of my State, one of whom informed me by telegram this morning that his consumption of flake graphite amounts to $50,000 per year. Now, it is proposed to place a duty of 50 per cent ad valorem upon the raw product used by this manufacturer, which means that on this one little article which is used in the manufacturing of graphite products a duty of $25,000 must be paid.

Mr. WALSH of Montana. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator.

Mr. WALSH of Montana. I inquire of the Senator, if we are going to apply the principle of imposing duties upon articles of domestic production sufficient to equalize the difference between the cost of production at home and abroad—and that is the principle which it is said has controlled the committee—what objection could there be to a duty of 2 cents a pound on graphite?

Mr. WALSH of Massachusetts. None whatever; in fact, the duty ought to be more.

Mr. WALSH of Montana. In other words, in this particular case the committee has not observed any such rule.

Mr. WALSH of Massachusetts. No; but I think this particular case has this further difference—I am not convinced that the foreign graphite competes with the domestic graphite. The information that comes to me from the users of foreign graphite in America—and I am going to read some letters to confirm that statement—is that they are not in serious competition. However, it would make no difference whether they were or not, so far as this item in the bill is concerned. These rates have been agreed to haphazardly, according to information furnished for

the most part by industries developed during the war, and which made excessive profits. The graphite-mining industry is one of them. More graphite mines were opened during the war and more graphite stock was floated in America than ever before. This is really an attempt to protect a war baby, so called, an industry that came into being during the war, when it was impossible to import sufficient graphite from foreign countries.

Mr. BORAH. Mr. President——

Mr. WALSH of Massachusetts. I gladly yield to the Senator from Idaho.

Mr. BORAH. I understood the Senator to say that his information was that the foreign graphite did not come in competition with the domestic graphite.

Mr. WALSH of Massachusetts. That is my information.

Mr. BORAH. Then, if there is no competition, what difference will it make to the manufacturer or to the users of graphite in Massachusetts, for instance, whether a tariff duty is levied?

Mr. WALSH of Massachusetts. It will make no difference, except that it will increase the cost of the raw material, which will be passed on to the consumer. Graphite is now on the free list, as the Senator understands. Under one of the amendments now proposed the imported graphite will have to pay a duty equivalent to 50 per cent ad valorem. Therefore, the manufacturers who use this graphite as part of their raw material will have to pass that burden to the consumer of the finished product, and thereby increase the cost that much more.

Mr. BROUSSARD. Mr. President——

Mr. WALSH of Massachusetts. I yield.

Mr. BROUSSARD. May I inquire of the Senator whether or not the commodities produced by the company which is complaining against the rate on graphite are on the dutiable list or on the free list?

Mr. WALSH of Massachusetts. I beg the Senator's pardon. Will he repeat his question?

Mr. BROUSSARD. I wish to know whether or not the articles manufactured from graphite produced by the parties who protest against the duty on graphite enjoy the benefits of protection or are on the free list?

Mr. WALSH of Massachusetts. I can not tell the Senator without examining other paragraphs of the bill; but I think all of them are on the dutiable list.

Mr. BROUSSARD. Then, is it not fair, if the finished product is on the dutiable list, to put a duty on the raw product?

Mr. WALSH of Massachusetts. I quite agree with the Senator as to that, but on most of the finished products there are two duties.

There is, first, what is called a compensatory duty, which is duty on the finished article, supposed to take care of the duty upon the raw material, and then there is also a protective duty. That is illustrated in the case of shoes. On shoes there is a compensatory duty levied in this bill because of the duty levied on hides, and then there is a protective duty in addition to that for the benefit of the shoe manufacturer, supposed to represent the difference in cost of manufacturing here and abroad.

Mr. BROUSSARD. The parties who make the complaint of which the Senator from Massachusetts has spoken are not protesting against the duties which they enjoy under this bill, are they?

Mr. WALSH of Massachusetts. They are complaining about new duties being placed upon commodities which are now upon the free list, duties so high as to be almost prohibitory. But I am complaining in the interest of the public, who will finally pay all these duties.

Mr. BROUSSARD. But they are not complaining against the additional protection which has been accorded their product?

Mr. WALSH of Montana. Mr. President, if the Senator from Massachusetts will pardon me, the answer to the question addressed to him by the Senator from Louisiana is found in paragraph 216, which provides:

and articles or wares composed wholly or in part of carbon or graphite, wholly or partly manufactured, not specially provided for, 45 per cent ad valorem.

In other words, the bill imposes a duty of 10 per cent upon the raw product and 45 per cent upon the manufactured product. I read as follows from the bill.

PAR. 216. Carbons and electrodes, of whatever material composed, and wholly or partly manufactured, for producing electric arc light; electrodes, composed wholly or in part of carbon or graphite, and wholly or partly manufactured, for electric furnace or electrolytic purposes; brushes, of whatever material composed, and wholly or partly manufactured, for electric motors, generators, or other electrical machines or appliances; plates, rods, and other forms, of whatever material composed and wholly or partly manufactured, for manufacturing into the aforesaid brushes; and articles or wares composed wholly or in part of carbon or graphite, wholly or partly manufactured, not specially provided for, 45 per cent ad valorem.

The 45 per cent rate applies, apparently, to all manufactures into which graphite enters, including crucibles.

Mr. WALSH of Massachusetts. Mr. President, I will now read some letters which I have received and which I think are important in view of the discussion which has taken place here and the claim which has been urged that the imported graphite does compete with the domestic graphite. I first read from a letter from Hunt-Spiller Manufacturing Corporation, of Boston, Mass.:

HUNT-SPILLER MANUFACTURING CORPORATION,
BOSTON, *June 10, 1922.*

Hon. DAVID L. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: Replying to yours of June 4 relative to the proposed tariff on graphite:

I have been advised by the manufacturers of foundry facings of further proof that American mine graphite can not be used in the manufacture of crucibles and foundry facings.

The Dixon Crucible Co., of New York, probably the largest graphite manufacturers in the world, own extensive graphite mine interests in New York and Alabama. They consider the American crystalline graphite superior to the imported for use in the manufacture of lubricating greases and some other purposes, but it is considered by them that this graphite can not be used in the manufacture of either crucibles or foundry facings.

Other manufacturers of these two commodities agree with the Dixon Co., that in the mixture of graphite for crucibles or facings only 10 per cent of domestic graphite can be efficiently used. These facts are borne out from records obtained after experimenting for seven consecutive years. I am advised that laboratory tests have shown that a larger percentage than 10 could be used, but practical use has demonstrated this to be only a theory.

The American flake graphite is much thinner than the Ceylon grade, and takes up a larger percentage of clay in the mixture. This increased percentage of clay prevents heating the clay in the mixture rapidly, and requires about twice the time to bake, and uses double the amount of fuel.

I feel that you will agree with me that this matter is a serious one, and I am furnishing the above information in order to assist you toward arriving at a decision.

Yours very truly,

PURCHASING DEPARTMENT,
A. G. CLUKAS, *Chief Clerk.*

—

HUNT-SPILLER MANUFACTURING CORPORATION,
Boston, May 31, 1921.

Hon. DAVID I. WALSH,
Senate Chamber, Washington, D. C.

DEAR SIR: It has come to our knowledge that a certain bill is now in the hands of the Ways and Means Committee that proposes putting a tariff on graphite. This bill is known as H. R. 11815, and as manufacturers who are dependent on this raw material in the production of our goods we strongly protest against it becoming a law.

We are informed by the manufacturers of foundry facings, a commodity we use to a considerable extent, that the tax imposed on the Ceylon lead that goes in to make up the manufacture of these foundry facings will advance the cost of this commodity to us fully 100 per cent. We are further informed that this tax will not afford protection to any American industry, because domestic graphite can not be used successfully in the manufacture of foundry facings.

We sincerely trust that you will give this matter your earnest consideration, as this bill is one that will not only seriously handicap manufacturing business in general but will also be disastrous to many old-established plants.

Yours very truly,

PURCHASING DEPARTMENT,
By A. G. CLUKAS, *Chief Clerk.*

—

SPRINGFIELD FACING CO.,
Springfield, Mass., August 17, 1921.

Hon. DAVID I. WALSH,
Senate Chamber, Washington, D. C.

DEAR SIR: The report of the House Ways and Means Committee of a tariff of 10 per cent ad valorem on graphite was so much better than the 6 cents per pound asked for by the Alabama graphite miners that everyone has tried to feel satisfied, as the Alabama lobby has given the impression that they themselves were satisfied, but everyone is surprised now to find they are still working with the Senate committee for a 6 cents per pound tariff. Where there is one man employed in the graphite business in this country there are over 1,000, and probably 2,000, men—this is no exaggeration—who are employed in the brass and steel operations who will be affected seriously by this tariff, and under no consideration will it be of much help to the Alabama people, as their goods can not be used in making a desirable crucible.

There isn't a brass foundry in New England but what would tell you that during the war, when the Government insisted upon crucibles containing 20 per cent Alabama, so as to make the stock of Ceylon in this country last longer, that the crucibles were very poor, did not last one-half as long—in fact, seldom one-quarter as long—and on account of excessive clay that has to be used in making crucibles it took several times as long to heat the metal, adding extra cost for the fuel and the time of workmen. Brass foundries, as a rule, have been very hard hit, and it certainly seems a crime to add any extra burden for them to bear.

Please use your influence to keep graphite on the free list, where it has been for the past 50 years, thus helping everyone in the steel and brass industries.

Very truly yours,

L. S. BROWN.

—

WORCESTER, MASS., *August 18, 1921.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SIR: Among the items that are to be brought to your attention on the coming tariff program is a proposed duty and tariff on plumbago, graphite, or black lead.

Our industry is suffering, along with many others, in the general depression now existing. The industry was built up with plumbago on the free list, so that in these times of stress it is especially undesirable

that we should be further burdened with a tariff; in fact, it is the worst time to burden us with the tariff, as the raw material heretofore has always been on the free list.

We are endeavoring to put our business on a pre-war basis as far as costs are concerned, and anything that will increase our costs retards the returning of our industry to a firm basis.

Those who furnish us with the crude graphite are making an honest endeavor to lower the cost of our raw material, and any additional cost in the way of duty on raw material will be disastrous.

We therefore ask that you may kindly take the above into consideration.

Very truly yours,

T. P. KELLY & CO. (INC.),
C. F. BENO, *Branch Manager.*

—

BEVERLY, MASS., *April 20, 1922.*

Hon. DAVID I. WALSH,
Washington, D. C.

MY DEAR SENATOR: I am writing you concerning the proposed duty on plumbago and feel, should the tariff on graphite of various kinds go through as proposed by the amendment submitted by Senator NICHOLSON, of Colorado, it will practically put the small brass foundries out of business.

Crucible graphite has so greatly increased it would make brass casting almost prohibitive and will confine the brass industry to large plants, large enough to install electric furnaces.

When you stop to consider that there are 40 using gas, coal, or oil to 1 using electric furnaces, you will see what it means to the small foundries.

Massachusetts is filled with small brass foundries, and it will deal them a body blow and will be hard for them to overcome.

I sincerely hope you will consider this matter very thoroughly from this point of view and trust this may have your early consideration.

Thanking you for anything you can do, believe me, I am,

Very sincerely yours,

ROBERT ROBERTSON,
Beverly, Mass.

—

FLORENCE, MASS., *June 1, 1921.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR MR. WALSH: It has come to our knowledge that a certain bill is now in the hands of the Ways and Means Committee that proposes putting a tariff on graphite.

This bill is known as House bill 11815, and as we operate a large machine shop and iron foundry, and are dependent on this raw material in the production of our goods, we strongly protest against it becoming a law.

It can not afford protection to any American industry, because domestic graphite can not be used successfully as a foundry facing.

A certain amount of this imported graphite has to be used in all foundry facing, and we believe that the proponents of this bill are simply using this means to increase the price of the domestic graphite.

We sincerely trust that you will give this matter your serious consideration, as it will greatly increase the cost of our manufactured goods, and at a time when we are all striving to cut the cost—in fact, are obliged to cut—in order to stimulate business.

Thanking you in advance for your consideration in this matter, we are,

Very truly yours,

NORWOOD ENGINEERING CO.,
H. W. HOSFORD, *Manager.*

Mr. STANLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Kentucky?

Mr. WALSH of Massachusetts. I yield.

Mr. STANLEY. I am not acquainted with all the details of this bill as I should like to be; but I assume that the various materials that are produced by these crucible-using companies are on the free list now and they are not asking for any additional protection on account of the increased cost of those materials.

Mr. WALSH of Massachusetts. Mr. President, I now read a letter from the Worthington Pump & Machinery Corporation, of Holyoke, Mass.:

TARIFF ON IMPORTED GRAPHITE.

HOLYOKE, MASS., *May 20, 1921.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: We are under the impression that the tariff on imported graphite is likely to be favorably considered before the House of Representatives and the Senate. We as users of imported graphite feel that this is not a legitimate tariff, provided it is designed to protect home industries. The graphite deposits in this country and Mexico are not of the kind nor character adapted for the use which we make of it in connection with our iron foundry, and would not and could not be used, and hence a tariff on imported graphite serves only the purpose of increasing the cost.

We bring this to your attention, and know that it will have your usual thoughtful consideration before meeting with your favor. We are

Yours very truly,

WORTHINGTON PUMP & MACHINERY CORPORATION,
DEANE WORKS, *Holyoke, Mass.*,
CHARLES L. NEWCOMB, *Manager.*

—

SPRINGFIELD, MASS., *May 25, 1921.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

DEAR SIR: It has come to our knowledge that a certain bill is now in the hands of the Ways and Means Committee that proposes putting a tariff on graphite. This bill is known as H. R. 11815, and as manufacturers who are dependent on this raw material in the production of our goods we strongly protest against it becoming a law. Our reason for this is that the tax imposed will advance the cost of our production. It will not afford "protection" to any American industry, because domestic graphite can not be used successfully in the manufacture of crucibles or foundry facings.

We sincerely trust that you will give this matter your serious consideration, as this bill is one that will not only seriously handicap manufacturing business in general but will also be disastrous to many old established plants.

Yours very truly,

GILBERT & BARKER MFG. CO.,
W. T. RAYNER, *Treasurer.*

—

SPRINGFIELD, MASS., U. S. A., *April 4, 1922.*

Hon. DAVID I. WALSH,
United States Senator from Massachusetts,
Washington, D. C.

DEAR SIR: We are informed that the Senate Finance Committee has inserted a clause in a bill before it placing a duty of 10 per cent on amorphous graphite, 20 per cent on Ceylon, and 2 cents per pound on flake.

Inasmuch as this duty will create an additional hardship on the foundry concerns, we would respectfully request that you use your influence when the bill comes before your honorable body to have this clause eliminated.

We will esteem it a particular favor if you can see your way clear to comply with our request and thank you sincerely for any effort you may use in behalf of the foundry people of this State.

Yours very truly,

THE HARLEY CO.,
G. E. TENNEY,
Assistant to President and General Manager.

—

FITCHBURG, MASS., *May 1, 1922.*

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SIR: We wish to enter our protest on any duty on imported graphite. It should be put on the free list. We are a considerable user of graphite steel melting pots, and although we have conducted some expensive experiments for the United States Government, we are not yet of the conclusion that there is any graphite existing in this country which is a suitable substitute for the Ceylon graphite.

One of the chief costs of crucible tool steel is the cost of the crucible, and anything more added to this will only be in favor of the electric furnace, which is encroaching on the crucible process continuously. The result of a tariff on graphite would be that as far as crucibles go it would tend to eliminate them; would not assist the American producer of graphite, the only advantage being that it would be a revenue producer until the importation ceased, and in the writer's opinion this is undoubtedly what would happen.

We speak as a producer of electric steel as well as crucible steel, having 15 years' experience from which to draw comparisons.

Very truly yours,

SIMONDS MANUFACTURING CO.,
A. T. SIMONDS, *President.*

—

SOMERVILLE, MASS., *April 17, 1922.*

Hon. DAVID I. WALSH,
United States Senator, Washington, D. C.

MY DEAR SIR: As large users of crucibles in connection with our foundry work, we wish to enter our protest against the amendment with reference to increasing duty on graphite flake from 2 cents per pound to 5 cents per pound offered by Senator NICHOLSON, of Colorado. We are one of the many foundries in this vicinity not equipped with electric furnaces, making it necessary to use crucibles. This increase, if allowed to stand, will make the price of crucibles prohibitive and result in serious loss to this particular industry.

Trusting that you will use your best efforts to defeat the amendment mentioned, we beg to remain,

Yours truly,

SOMERVILLE MACHINE & FOUNDRY CO.,
By M. J., Jr.

—

CHELSEA, MASS., *April 18, 1922.*

The Hon. DAVID I. WALSH,
Washington, D. C.

DEAR SIR: On May 20 of last year we wrote you protesting the taking of graphite from the free list, and on May 26 you were good enough to assure us that you would give the matter your careful consideration when it came before the Senate.

We understand that after exhaustive hearings and thorough investigation the Senate Finance Committee submitted the following rates:

Graphite, amorphous, 10 per cent ad valorem.
Graphite, lump, chip, and dust, 20 per cent ad valorem.
Graphite, flake, 2 cents per pound.

We have been advised that Senator NICHOLSON of Colorado has submitted an amendment, changing the duty as follows:

Graphite, amorphous, to 1 cent per pound.
Graphite, lump, chip, and dust, to 3 cents per pound.
Graphite, flake, to 5 cents per pound.

We therefore are again taking the liberty to appeal to you and to ask you to protest against the amendment proposed by Senator NICHOLSON in so far as it will increase the tariff on graphite.

If these amended rates are enacted it would mean that the selling prices of crucibles would be so increased that it would mean that the crucible industry would be practically eliminated.

We sincerely hope that you may bring your influence to bear, and thanking you, we are,

Respectfully yours,

CONNOLLY STEEL CASTING CO.
JAMES CONNOLLY, *Treasurer.*

—

AMESBURY, MASS., *June 3, 1921.*

Hon. DAVID I. WALSH,
Senate Chamber, Washington, D. C.

DEAR SIR: We wish to call your special attention to a tariff bill about to be introduced by Congressman J. W. FORDNEY, the future of which must necessarily be of great concern to us.

The bill calls for the laying of an import duty of approximately 6 cents per pound on such grades of graphite as are used in the manufacture of crucibles. An increase of 6 cents per pound on the plumbago

(graphite) contents of crucible mixtures means that the selling price of crucibles must be considerably higher to take care of such an increase in the cost, which, with the high labor costs, etc., the poor foundryman has about all he can possibly stand and stay in business.

This bill is introduced in the interest of the domestic graphite mining industry. The graphite produced from American mines is of a flake form, and has a limited use in the manufacture of crucibles. The heavier crystalline form as it occurs in Ceylon is much more desirable for crucible purposes.

The passage of this bill will force a more extensive use of the less desirable material, and increase the cost at the same time.

We sincerely trust that you will do all in your power not to have this tariff bill enacted, as instead of helping to make the crucibles better, will have a tendency to put cheaper material into them, and, furthermore, at an added cost to us. You can readily see we would lose on both ends.

Sincerely trusting that you will give this your personal attention, we beg to remain,

Yours sincerely,

MURPHY ALUMINUM & BRONZE FOUNDRY (INC.),
WM. J. MURPHY, *Treasurer.*

—

CHELSEA, MASS., *May 20, 1921.*

The Hon. DAVID WALSH,
Washington, D. C.

DEAR SIR: We understand that graphite is to be taken from the free list, and we wish to state that we are strongly opposed to any tariff on it, and we will gladly state reasons why it is unjust.

We trust that you may bring your influence to bear against any such change, for, under the new ruling proposed, the price of graphite would be so exorbitant that it would be a serious drawback to the foundries throughout the United States.

Thanking you, we are,

Respectfully yours,

CONNOLLY STEEL CASTING CO.,
JAMES CONNOLLY, *Treasurer.*

—

CHELSEA, MASS., *May 21, 1921.*

Hon. DAVID WALSH,
Washington, D. C.

DEAR SIR: We have been advised that graphite is to be taken off the free list and made subject to a tariff of 6 cents a pound.

We are inclined to believe that some of the pressure brought to bear on the proposed legislation is being advanced by parties who are interested in certain stock manipulation.

Any influence that you may bring to bear against this proposed change would be much appreciated, as, should this ruling go through, the price of graphite would be exorbitant and a detriment to the foundry business throughout this country.

Yours very respectfully,

LOVEWELL-HENRICI CO.,
F. C. LOVEWELL, *President.*

—

CAMBRIDGE, MASS., *May 23, 1922.*

Hon. DAVID I. WALSH,
Senate Chamber, Washington, D. C.:

Your wire. We use approximately 14,000 pounds of graphite monthly. Approximate value, $700.

HUNT SPILLER MANUFACTURING CORPORATION.

—

WORCESTER, MASS., *May 24, 1922.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.:

Telegram received. We use 500 tons amorphous graphite, value $8,000; 500 tons crystalline flake, value $50,000, per year. Please do everything possible to defeat proposed duty.

T. P. KELLEY & CO. (INC.).

—

SPRINGFIELD, MASS., *May 24, 1922.*

Hon. DAVID I. WALSH,
Senate Chamber, Washington, D. C.:

We personally should use 300 tons American amorphous, 40 to 60 tons imported amorphous, 100 tons Ceylon dust and chip. The numerous small brass and iron foundries are not organized to protest, but many have asked me to work for free tariff or at most the Fordney 10 per cent.

SPRINGFIELD FACING CO.

—

SOUTH BOSTON, MASS., *May 24, 1922.*

Hon. DAVID I. WALSH,
The Senate, Washington, D. C.:

With further reference your inquiry regarding graphite, we are opposed to tariff duty on imported graphite, as any increase would materially increase our cost of production.

HUNT SPILLER MANUFACTURING CORPORATION,
W. B. LEACH, *President.*

The telegrams just read indicate the extent to which graphite is used by a few of our manufacturers. By computing what this duty will cost them you will appreciate the heavy burden we are about to fasten on these industries at a time when they are all struggling against abnormal and most unprosperous conditions.

Mr. STANLEY. Mr. President——

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Massachusetts yield to the Senator from Kentucky?

Mr. WALSH of Massachusetts. I yield.

Mr. STANLEY. If my generous colleague will bear with me for just one question——

Mr. WALSH of Massachusetts. Certainly.

Mr. STANLEY. As a good Democrat, which he is, and a statesman, which he is, I want to ask him this question: If the domestic graphite will not serve this purpose, the foreign graphite will have to be imported, will it not?

Mr. WALSH of Massachusetts. Exactly.

Mr. STANLEY. And if it is imported at a duty of 10 per cent, that will necessarily be a revenue duty, because it does not come in competition with any domestic product. Now, does it not strike the Senator as fair that these industries, which I understand are very highly protected—50, 100, 200 per cent—on these finished steel and brass products, ought in common conscience and common decency either to cease asking for these exorbitant duties upon their finished products or be willing to pay a little revenue to the Government?

Mr. WALSH of Massachusetts. The industries will not pay the "little revenue"; it will come out of the public, the ultimate consumers. I think we ought to bear in mind the consumers when we talk even of tariff for revenue. I will say further to the Senator that I think the Democratic Party—the Senator has referred to the fact that I am a Democrat—is in a situation to-day that it never was in before in this country.

I think this tariff legislation means that if the Democratic Party will pursue a sound sane policy it can bring to its standard and support a great many of the manufacturing interests of this country.

The greatest service that has been rendered—unintentionally, however—to the manufacturing interests of this country has been rendered by the agricultural tariff bloc. They have taught them the ridiculousness and the absurdity of the high protective system. While these manufacturers were getting protection themselves, they were happy and contented; but when other industries, like agriculture, appeared and asked for protection, they realized how false their position was, and how absurd and ridiculous it was to be contending for high protective duties for their industries alone. The argument of the agricultural bloc is, "Because you, in the manufacturing centers of this country, have become prosperous by protection, we believe we ought to have a share of it; we ought to have a part of it, and ought to participate in it." I repeat that, in my opinion, the Democratic Party, as a result of this tariff legislation, is going to have many, many Republican protectionists accept its theory on the tariff question of a tariff for revenue only and support the Democratic Party in the next campaign.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Idaho?

Mr. WALSH of Massachusetts. I yield to the Senator.

Mr. BORAH. What is the position of the Democratic Party on the tariff?

Mr. WALSH of Massachusetts. I assume that the position of the Democratic Party is, if I may speak for the party, that it is in favor of a tariff for revenue. Many of the party platforms, however, have favored a reasonable protection.

Mr. BORAH. The Senator did not hear the able and unanswerable argument of the Senator from Alabama [Mr. HEFLIN] on graphite?

Mr. WALSH of Massachusetts. I heard the argument, but I do not agree with the Senator that it was unanswerable.

Mr. BORAH. If there is a Democrat in the United States, it is the Senator from Alabama. He is one of the distinguished leaders of the party, and recognized as such.

Mr. WALSH of Massachusetts. I think the Senator from Alabama was taking the position that now that protection is being passed around, he believes the graphite industry in his State ought to have protection. I do not agree with that policy, but I think that is the sole explanation of his advocating a protection upon the graphite-mining industry of Alabama.

Mr. BORAH. I know the views of the Senator from Massachusetts on the tariff, and so far as I know they are consistent views; but, without intending to be so, it is utterly misleading for either a Republican or a Democrat to state that there is any difference between Democrats and Republicans on the subject of tariff so far as party is concerned.

The fact is, as has been demonstrated in this bill, that when an industry springs up in any part of the country, whether it is the Democratic part of the country or the Republican part of the country, it asks for protection; and I am one of those who are in favor of granting the same protection to the industry in Alabama that is granted to the industry in Massachusetts.

Mr. WALSH of Massachusetts. Certainly.

Mr. BORAH. I think the argument of the Senator from Alabama is unanswerable, that if we are going to have protection we must protect his industry; but it leaves us in a position where there is no difference between the Democratic and Republican Parties on the tariff, just the same as there is prac-

tically no difference between the two parties on any other thing except that some are in and some are out.

Mr. STANLEY. Mr. President, if the Senator will pardon me——

Mr. WALSH of Massachusetts. I yield.

Mr. STANLEY. I hope the Senator from Idaho will not conclude that there is no principle left about which an historic party can rally because a few of our friends over here occasionally find their mouths watering when they get too near the fleshpots of Egypt. There are quite a number who have not yet bowed the knee to Baal.

Mr. BORAH. There are quite a number; but I have observed that in a crucial situation there are always enough Senators on the other side of the Chamber to make up for any losses on this side of the Chamber with reference to lowering duties.

Mr. STANLEY. Oh, at the present time I admit that with the Republican Party all wrong, and some of the Democrats occasionally wrong, the country is in a bad fix.

Mr. BORAH. I am willing that it shall be stated as the Senator states it. It is pretty difficult to tell, however, which one of the parties is all wrong at any particular hour.

Mr. STANLEY. Call the roll, and you can tell which side is wrong on the tariff at any particular hour.

Mr. BORAH. I do not know of an industry that needs protection which has not its defenders upon the other side of the Chamber. You believe in protection when it comes home to you, and it is inevitable that it should be so. It is simply a question of the degree of protection; that is all. A lot of us on this side of the Chamber do not believe in raising the wall so high that nothing can be imported. There are some, apparently, who do believe in that, but that is not true Republican doctrine. However, it must be apparent to the Senator that there are a number of articles which are being particularly supported for protection from the other side of the Chamber.

Mr. STANLEY. Peanuts, for instance.

Mr. BORAH. Peanuts, sugar, graphite, long-staple cotton, hides, and so forth.

Mr. STANLEY. Mr. President, I have often wondered how so independent a spirit and so discriminating and sagacious an intellect as that of the transcendently brilliant Senator from Idaho could be reconciled to the monstrosities of this measure on any theory hitherto advocated by free traders, consistent protectionists, who believe in the principle of equalizing the cost of production at home and abroad, or those who believe in a tariff for revenue only. My impression is that the longer the Senator tries, the worse fix he will be in.

Mr. BORAH. I have not reconciled myself to this bill.

Mr. STANLEY. I did not think the Senator had, or would, or could.

Mr. BORAH. I have voted for lowering the duty oftener than a number of Senators upon the other side.

Mr. STANLEY. With all their faults I love them still, on this side.

Mr. BORAH. And they are good Democrats. They are not to be read out of the party at all. They add respectability to the party, and there is no attempt to get rid of them at the caucus, or anything of that kind. The party recognizes them, is glad to see them, and takes their contributions and their help in the campaigns, I have no doubt.

Mr. STANLEY. There are some Democrats on this side who are not orthodox. There are some good and patriotic men of whom I am personally very fond, who are so right on other questions, constitutional questions, for instance, that I am tempted to pardon them for their heterodoxy on the tariff. But the Senator is altogether wrong—he is never consciously unjust—in this generalization that there is no interest in the South which could be aided or fostered by protection that has not its advocates. Between the Gulf of Mexico and the Canadian border, between Cape May and the Golden Gate, there are not on this continent as many different things which could receive more or less protection from duties imposed without regard to their justice or propriety than in the State I have the honor in part to represent, and I have turned a face of flint to every interested appeal from every one of those industries, great or small, for any duty which did not square with the eternal and unalterable faith that is in me, that it is industrially and politically dishonest to use the taxing power of the Government for any other purpose than to produce the revenues essential to maintain it, economically administered. Whenever I have found that a duty would not be productive of any material revenue, but would simply enable some industry to subsist by labor rather than by law, and to become a pensioner upon the Government, subsist by extortion upon consumers rather than by any material addition to the wealth of the community, that enterprise has never received my support, and, so help me God, as long as I stay in this body, it never will.

Mr. BORAH. I think the Senator is a good Democrat.

Mr. STANLEY. I am.

Mr. WALSH of Massachusetts. Mr. President, much that the Senator from Idaho [Mr. BORAH] has said I agree with, but I can not quite agree with the Senator from Idaho in his statement that the only question here is degree of protection. To my mind, there are two other questions involved. Can the industry seeking protection with reasonable tariff duties produce sufficient quantity of the protected product to take care of the American demands, and can it produce it at a reasonable price? To my mind, the difficulty with this bill, the chief underlying trouble with it, is that in bestowing protection there has been no consideration whatever paid to the ability to produce in America a sufficient supply to take care of our consumption or to do it at a reasonable price to the consumers. When we undertook to protect war babies we abandoned the old theory of protecting an infant industry, which was based on the theory that a protecting duty would enable the home industry to supply the needs of the American consumers at a reasonable price. To entitle an industry to protection there should be some evidence at hand to prove that the protected industry can produce economically sufficient quantities to take care of our consumption.

In defending this bill the other day the Senator from New Jersey stated that he did not care how insignificant was the production, if there was an industry here producing very little of the necessary consumption in America, and a competing industry in Germany, where labor was paid less than in America, he believed in giving protection to the industry. Of course, that has never been the Republican theory of protection. It has never been anybody's theory before; and the fatal defect in this bill is that in fixing the rates they have never asked the question, Can this industry ever take care of the American consumption? Can it take care of it and sell to American consumers at a reasonable price? No protective theory is sound, no protective theory will receive the support of the American people, unless it can be shown that the protected industry, with a reasonable tariff duty, can take care of our demands and sell to the consumers at a reasonable and not an exorbitant price. We can not defend a system that penalizes with excessive high prices our people in order to keep alive a few industries that never will be self-supporting without prohibitive tariff duties.

I do not think the Senator from Idaho disagrees with me very much in that theory. I agree with him that the degree of protection is a very important factor, but the extent of the ability to produce enough to take care of our demands is likewise most important. By this bill we are levying exorbitant rates upon commodity after commodity, when it is confessed and admitted that we never can take care of our consumption in America except at outrageous prices collected from our consumers. If an industry is producing 30 or 40 per cent of the demand of the American public and is meeting with serious foreign competition and is likely to be destroyed, and laborers are likely to have their wages reduced or lose their employment, I can sympathize with an argument for protection; but this bill goes away beyond that. That is why the Democratic Party can stand in opposing this bill on the old Republican protective platform.

Every sound theory which the Republican protectionists had in the past has in this bill been abandoned, for item after item has been taken up and a high tariff rate fixed because somebody wanted it—somebody who during the war, when all the products of the world were shut out of America, was able to make money out of a given product. They ask for rates and have received them in this bill to protect their industries, so as to maintain the excessive profits, the abnormal war profits, which they made at the time the American industries were not compelled to compete with any foreign industries. If the Senators in this Chamber do not realize that the American people will not tolerate a continuance of war prices in time of peace, they will find it out in the next election, when this bill will be an issue.

Mr. LENROOT. Mr. President, I would like to ask the Senator if it is his view that the American product can not serve a purpose and that this quantity will still be imported, even though the committee rates be imposed on goods from abroad?

Mr. WALSH of Massachusetts. Will the Senator state his question again?

Mr. LENROOT. Putting it another way, does the Senator think the committee rates will affect the amount of imports?

Mr. WALSH of Massachusetts. I certainly believe that is the purpose in putting the rates in this bill.

Mr. LENROOT. I want the Senator's opinion about it.

Mr. WALSH of Massachusetts. That is my opinion.

Mr. LENROOT. That it would affect them?

Mr. WALSH of Massachusetts. It is my opinion that the rates in this bill will actually shut out necessary and important products which our manufacturers and people need.

Mr. LENROOT. I am speaking of this item.

Mr. WALSH of Massachusetts. Oh, I thought the Senator was speaking of general conditions. No; I do not think it will.

Mr. LENROOT. Then how does the Senator reconcile his view, being in favor of a tariff for revenue, that this commodity should be placed upon the free list? It will produce a very large revenue, the Senator says, under the committee rates.

Mr. WALSH of Massachusetts. I do not agree with the Senator that it will produce a very large revenue. It will produce a very insignificant revenue.

Mr. LENROOT. Fifty per cent ad valorem will produce considerable revenue.

Mr. WALSH of Massachusetts. But there is very little of it imported into this country. It is only a by-product. It is only used in a very limited degree in making these graphite products, so that the only purpose of a duty is to compel the manufacturer of these products to increase the price to the consumers.

Mr. LENROOT. Then is it the Senator's view that any commodity that is not imported in large quantities should be placed on the free list on general principles?

Mr. WALSH of Massachusetts. It is my opinion that anything essential and necessary for the prosperity of our people and the happiness of our people which can not be produced in America in sufficient quantity and at a reasonable price should go on the free list. That is my view.

We have departed very far from the subject under consideration. I do not think I want to continue to read these letters. I have many more of them from reputable concerns, from writers known to myself, who state to me that the graphite imported does not compete with the domestic graphite, and that these rates will be ruinous. Under the circumstances I think it is an outrage to impose so quickly and suddenly such a heavy rate upon this product, a rate, as I pointed out a few minutes ago, which means to one dealer alone in my State an extra cost of $25,000 per annum and to another $45,000.

It seems to me this article ought to be kept upon the free list, and therefore the minority members of the Finance Committee not only oppose the amendment offered by the Senator from Colorado, but will favor the amendment offered by the Senator from Michigan to have graphite put on the free list.

Mr. LENROOT. Mr. President, I wish to say a word concerning the conversion to the doctrine of protection of the junior Senator from Alabama [Mr. HEFLIN]. No one has more frequently denounced the Republican members of the Finance Committee as being the creatures of robber tariff barons of America than the junior Senator from Alabama. He has made his speech upon salt and upon glass sand every day since those items were acted upon by the Senate, and I supposed, of course, when the distinguished Senator rose to address himself to this question that he would not only oppose the amendment offered by the Senator from Colorado, but that he would vigorously oppose the committee amendment imposing a duty upon graphite.

I supposed, of course, that he would call attention to the fact that under the Underwood law graphite is free; that he would call attention to the fact that under the Payne-Aldrich law graphite was free; and that he would allege, in accordance with his custom in regard to other articles, that the Republican members of the Finance Committee, for the benefit of a few mine owners in America, now propose to take the pennies from the school children of America by placing a tax upon the lead that is found in lead pencils. That would be exactly in accord with the arguments the Senator has made in the past.

So you can imagine my amazement when the Senator from Alabama developed his argument, and we find that he not only does not oppose the committee amendment, he not only does not oppose the amendment of the Senator from Colorado, because the rates they propose are too high, but he opposes the committee amendment because the Republican members of the committee, serving the high-protected interests, as he alleges, have not made the tariff on this article high enough, and he favors the amendment proposed by the Senator from Colorado. But, of course, this is all explained when the Senator very frankly admits that there are graphite mines in the State of Alabama.

Mr. President, seriously speaking, I am a Republican and I am a protectionist. I am for protection to the mines of Alabama. I am for protection to every industry in America. But I can not follow the argument of the Senator from Alabama [Mr. HEFLIN] or of the Senator from Montana [Mr. WALSH], who, I assume, is going to vote for the amendment of the Senator from Colorado placing a higher duty than is proposed by the committee, upon the theory, as they put it, that if we are to have the doctrine of protection, as is now settled so far as this Congress is concerned, they are going to stand for protective duties upon the products of their own States. That would be logical if they would likewise stand for protective duties for articles produced in other States, but thus far in the consideration of the tariff bill we find those Senators voting against every duty proposed by the committee and in nearly every case voting to reduce the duties to the same rates found in the Underwood law.

I submit to those Senators that they are perfectly consistent in voting either for the committee amendment or the amendment of the Senator from Colorado, if they believe that is the proper duty, if they will follow the same policy with reference to other articles in the bill. That does not mean following the committee in all cases. I have not followed the committee in all cases. I have protested against some rates. I expect to protest against others unless they are reduced. But I do submit that if Senators are going to apply one principle if the product comes from their own State, it ought to be applied as well to products which are produced in other States.

Mr. President, I only rose to say a word concerning the speech of the Senator from Alabama. I wish we could welcome him to the Republican fold as a protectionist, but I am afraid that we will find our genial friend a protectionist in spots if those spots are in the State of Alabama.

Mr. McCUMBER. Mr. President, I think Senators now will fully appreciate some of the difficulties which have beset the Committee on Finance in dealing with these questions during the last two or three months. We had the same matter before us for about three weeks of discussion before it was finally settled, as most of these matters must be settled, more or less by a compromise of views.

We find here among the ardent protectionists the Senator from Colorado [Mr. NICHOLSON] asking for a protection of about 100 per cent ad valorem. We find the ardent protectionist from the State of Michigan [Mr. TOWNSEND] demanding that the article be placed upon the free list. Here we have a divergence of views upon the Republican side.

We go then to the other side of the Chamber and we find the Senator from Kentucky [Mr. STANLEY] declaring that he would not give a cent of protection to anything in the world, and immediately we hear from the Senator from Alabama [Mr. HEFLIN], who in the twinkling of an eye is metamorphosed from an ardent free trader to a protectionist of the deepest dye. When we have these sudden conversions on the other side of the Chamber and the divergence of views on this side of the Chamber, I think Senators can realize some of the difficulties which have beset our path for the last two or three months while we were discussing this element.

Mr. President, I think it possibly might help us a little out of this babble of argument and the divergent views if I should put into the RECORD, before we vote upon the subject, a few truths at which we can just take a glance without any impassioned oratory on either side, and then vote our convictions.

We have in this paragraph three subdivisions or three different grades of graphite. We have first amorphous, which is free under the present law and free under the Payne-Aldrich law. It is produced in Mexico and in Korea. I do not think there will be any domestic competition with that kind of graphite. I agree entirely with the Senator from Michigan [Mr. TOWNSEND]. This is a tariff for revenue upon that particular commodity and not a tariff for protection, as I view it.

We have levied a duty of 10 per cent ad valorem. I think we will get some revenue out of it, and we need the revenue. I do not think it will add to the cost of lead pencils in the United States to any appreciable degree. In other words, I think the school children will get their lead pencils just about as cheaply after this becomes a law as they are getting them to-day.

Mr. TOWNSEND. Mr. President, may I ask the Senator a question?

Mr. McCUMBER. Certainly.

Mr. TOWNSEND. Did the Senator take this duty into account when fixing a duty on the products of amorphous graphite?

Mr. McCUMBER. Yes; we have given a duty on all of them. Some of them will be slightly competitive, certainly, because, while they are of a different character, the one to a certain extent will displace necessarily the other.

Mr. TOWNSEND. I do not think the Senator understood me. Perhaps I did not make myself clear. We have been talking about a compensatory duty.

Mr. McCUMBER. No; I am not talking about a compensatory duty.

Mr. TOWNSEND. Well, I am. The committee has placed a duty of 10 per cent on amorphous graphite. There are certain manufactures made out of amorphous graphite. The question I asked the Senator is whether he increased the duty on those manufactures because of the duty placed on amorphous graphite?

Mr. McCUMBER. I will not put it in exactly that form. I will say that we have given a duty upon lead pencils which, we think, is sufficient, and that is all that is necessary so far as the manufacturer of lead pencils is concerned.

Mr. STANLEY. Mr. President——

Mr. McCUMBER. I yield to the Senator from Kentucky.

Mr. STANLEY. It appears that this duty on graphite is a duty on lead pencils, because it puts an additional cost on every little school child that uses a lead pencil, and I naturally revolt against levying a duty upon the children at school, their scientific instruments, their school books, or their dear little lead pencils. I am sure the Senator from Michigan will agree that if we take the duty off of graphite it should also go off of lead pencils.

Mr. TOWNSEND. Mr. President——

Mr. McCUMBER. Just a moment, please. Let us see the added cost of the lead pencil by reason of the duty on this kind of graphite. I believe the duty would amount to about one-tenth of 1 cent per pound. One-tenth of 1 cent per pound, the Senator can conclude, would be about how much to the lead pencil—one ten-thousandth of 1 cent, would it be, or one one-millionth of 1 cent? I have not the time to make the computation of the figures just now, but I assume that it will not make one bit of difference in the sale of a lead pencil, whether it is a 10-cent pencil or a 5-cent pencil or a 3-cent pencil.

Mr. NICHOLSON. Mr. President, may I ask the chairman of the Finance Committee a question?

Mr. McCUMBER. I yield.

Mr. NICHOLSON. This graphite enters into the making of pencils. It is practically free when it is given a 10 per cent ad valorem duty, referring now to amorphous graphite, so that at 1 or 1½ cents a pound it would have about two-tenths or three-tenths of a cent duty. Have we placed school children's pencils upon the free list?

Mr. McCUMBER. No; we have given them a duty to protect the American manufacturer, and I have not heard of anybody crying about the cost of a lead pencil.

Mr. NICHOLSON. If it is fair to place the graphite practically on the free list, why is it not fair to place the pencil manufacturer upon the free list? Why make a fish of one and flesh of the other?

Mr. McCUMBER. We are not putting either upon the free list.

Mr. NICHOLSON. They are practically there.

Mr. STANLEY. Mr. President, I was not crying about the school children. It was the Senator from Wisconsin [Mr. LENROOT] who bitterly arraigned the cruel Senator from Alabama [Mr. HEFLIN] for levying this indefensible duty upon the school children.

Mr. McCUMBER. Oh, no; I wish to defend the Senator from Wisconsin. The Senator from Wisconsin simply stated that that was the kind of argument he had expected from the Senator from Alabama, but he did not get it.

Mr. STANLEY. It is the kind we did get from the Senator from Wisconsin. In any event, I would help these dear little ones. I hope the Senator from Michigan [Mr. TOWNSEND] will agree that if they give us free graphite, we will take the duty off of lead pencils—a 45 per cent duty—which is about one-third the value of the pencil, and which will help us very much. Of course, the graphite does not amount to so much, but every little helps these hard times, and I hope the Senator from Michigan will agree to this proposition.

Mr. McCUMBER. Mr. President, I was stating that the Mexican graphite, which is the graphite, and practically the only graphite, as I understand, that is used in the manufacture of pencils, outside of a little that may come from Korea, will in no wise affect the selling price of the graphite produced here and used entirely for different purposes.

We then come to crystalline lump, on which we give a 20 per cent ad valorem duty. There is only one deposit that I know of or that I have heard of in the United States of that particular kind of graphite. That is found in the State of Montana. This duty, while it may not be as high as the producers of Montana might consider necessary for a protective duty, will be a revenue duty and to some extent I think it will be protective, at least sufficient so the industry may continue.

Now, Mr. President, there will be a continued demand for the foreign article. It will come in because the crucible makers believe, at least, that they have to have a proper proportion of the Ceylon admixture where they use the American product, and possibly that is true.

The War Industries Board required them to use at least 20 per cent of the American product during the war in the manufacture of those crucibles. It was found that they could use them, and use them successfully, but they still believed that the foreign product is the better, and I have no doubt that the foreign product will still come in and that we will receive from it a reasonable amount of duty.

We then come to the crystalline flake graphite, upon which we place a duty of 2 cents a pound. That is found in Alabama, in New York, in Pennsylvania, and possibly to some extent in other States. That can be used and has been used without any indication of any of the detriments in the product produced by a use of 20 per cent, at least, of the Alabama product with the other American products. There was a protest by the American manufacturers of crucibles in the first instance, but, after they had used it for a while, they concluded that they could use it, and that for some purposes it was even superior to the imported article. The only question is, are we giving enough protection in order that the Alabama concern may be operated? I believe that while we are not giving a high protection, while the rate is probably rather low, we are, nevertheless, giving a protective duty that will enable them to resume operations, at least as soon as conditions become normal.

The Tariff Commission reports that at the highest peak of prices of labor and wages in the United States it cost about 10 cents a pound to produce the product in Alabama. The present price of the foreign article landed here is 7 cents a pound, including the freight. The foreign price is about 6 cents a pound, and adding 2 cents to the foreign price, including the 1 cent freight, would bring it up to 8 cents. I believe that with lower wages—and they certainly have diminished in Alabama since the high peak—and with the cost of other things going down, including the cost of freight, the extra 2 cents, bringing the price up to 8 cents, will give the American producer a full opportunity to compete with the foreign producer.

I will say frankly that I would be inclined to allow a little higher duty, but this is one of those cases in which we have the conflicting interest of the producer on the one side, the conflicting interest of the manufacturer who uses the article as his raw product on the other, and we also have Senators representing all of these divergent views. Out of all of the complexity we have brought before the Senate what might be considered as fair and reasonable a settlement as we could possibly make.

Mr. HEFLIN. Mr. President, the Senator from Wisconsin [Mr. LENROOT] seems very much amused by the attitude which I have assumed upon the pending question. I have not advocated a high protective tariff for anything, but I believe in a tariff for revenue. Under the provisions of the tariff law now in operation, which I helped to pass through the House of Representatives—the Underwood-Simmons revenue tariff law—there is now being collected between $250,000,000 and $300,000,000 revenue annually. The concerns in this country whose products compete with those which come in from abroad and are on the dutiable list in the present law, of course, derive some benefit and the Government obtains revenue.

The Senator from Massachusetts [Mr. WALSH], if I understood him correctly, has pointed out that in this instance the revenue derived from the duty on graphite provided by the Senate committee would be so small that it would amount to nothing, and that it would require about the amount collected to keep the books and keep track of that which was imported. If that is true, Mr. President, that is an admission on its face that the duty is not a sufficient revenue duty because the Government will not derive any benefit from it. Then how will the infant graphite industry derive any?

Senators on the other side of the Chamber for a long time have boasted that they were the friends of American industry; but here is an infant industry proposed to be stricken down by the hand of foreign concerns which have assumed control of the American market, and Senators on the other side of the Chamber, including the Senator from Wisconsin, are engaged in a movement over there to put graphite on the free list.

Mr. President, if there ever was a time when the Government needed money to help pay the war debt, to relieve our citizens as much as possible from many of their heavy tax burdens, it seems to me that this is the time and that the imposition of a

revenue duty on graphite is more justifiable than the imposition of a duty on any other commodity in the whole catalogue of articles included in the pending bill. This is an industry which sprung up out of necessity during the World War. The Government encouraged it, it used its products; and yet, as soon as the war clouds were gone the foreign producers came in and took charge of the American market, closed the American mines, and turned American labor out of employment. How on earth can any Senator on the other side of the Chamber justify his position in voting to put graphite on the free list?

Senators can not hide behind a screen by suggesting that I have gone over to the theory of protection. They can not get away from the fact, which must stand out before the American people, that it is not the little concern that gets aid at their hands. I have stated before, and I repeat now, that it is the big concern, which is financially strong and politically powerful, to whom Senators on the other side extend protection. It is not the little individual who is struggling, it is not the little man, it is not the average man, but the gigantic industries which are able to write big checks for Republican campaign funds. They come down here and demand at the hands of the Republicans behind closed doors that they tax the American consumers and pay back the campaign money contributed, multiplied over and over many times.

I assert again that here is such an instance. The graphite industry in my State we are told is owned largely by individuals in the East who went down there and spent their money in war times to produce this necessary material needed by the Government in the hour of its peril, and as soon as the war was over and we had won, why, their industry was forced to shut down. The Republican Party has been in power in Congress since March 4, 1919, and yet they have not turned a wheel toward helping that industry; but the great crucible makers of New Jersey, the pet corporate concerns of the home State of my distinguished friend the Senator from New Jersey [Mr. FRELINGHUYSEN], do not want any tax at all on graphite. They want it just as cheap as they can get it; they are the big consumers of it. Here is an industry treated with scorn because we want a proper tax laid that will bring some revenue to the Government and will incidentally aid an American concern that is struggling to live.

The Senator from Wisconsin says that we want to tax the school children, because graphite is used in making pencils. The Senator from North Dakota answered him by saying that this tax would never reach the school child. So a Republican has answered a Republican. I ask the Senator from Wisconsin what is he going to do about putting a tax on lead pencils which are included in this bill—not the graphite, the material out yonder, but little of which will be used in making lead pencils—but what is the Senator going to do about taxing the pencil itself—the finished product—that the school child must use in his work? I have not heard the Senator from Wisconsin speak about that.

Mr. LENROOT. Will the Senator from Alabama yield?

Mr. HEFLIN. I am glad to yield.

Mr. LENROOT. I should like to ask the Senator what he is going to do about the tax on pencils? Is he in favor of putting pencils on the free list?

Mr. HEFLIN. What is the Senator's question?

Mr. LENROOT. I should like to ask the Senator whether he is in favor of putting lead pencils upon the free list?

Mr. HEFLIN. The present tax——

Mr. LENROOT. The question I asked the Senator was whether he was in favor of putting lead pencils on the free list. That is a plain question.

Mr. HEFLIN. I am in favor of the imposition of revenue duties, but the Senator's side favors a high protection for everything which the big man makes and nothing that will aid the common man.

Now, Mr. President, comes the distinguished and genial Senator from Michigan [Mr. TOWNSEND] and wants to put graphite on the free list. He voted the other night to put salt on the tax list. I wish again to read something about the salt industry in the Senator's State, which was said by former Senator Vest, from Missouri, in a speech which was made in this body some 30 years ago. Mr. Vest said:

> It is notorious that two years ago this same Michigan salt association went into the State of West Virginia, bought up the salt springs in the valley of the Kanawha, and closed all except two, and by that means controlled also the production of salt in another State of this Union, and they were enabled to do it by reason of this tariff duty which shut out foreign competition and handicapped the foreign importer to such an extent that it left them in absolute control of the home market.

That is what that association in the State of the Senator from Michigan 30 years ago did with the salt industry of the United States. The great salt association in his State, not content in controlling the price there, went down into West Virginia, buying up competing concerns and holding them in reserve, and reducing the output so that they could absolutely control the price of salt in the United States. In the Underwood law we put salt on the free list. James A. Garfield, the honored martyred President, made a speech in favor of putting salt on the free list. Former Senator Hale, the distinguished father of the present Senator from the State of Maine, made a speech in favor of putting salt on the free list. Senator Vest was speaking in favor of free salt. Now, the Senator from Michigan has voted to tax salt, which everybody uses, 40 cents a sack; and now the Senator comes to-day and generously offers to put graphite on the free list, and but few people buy graphite. A few great big corporate concerns use it, and they do not want it on the revenue list. They do not want any revenue derived for the Government upon it. They do not want those who produce it to be incidentally helped. There you are, Mr. President.

I will tell you some of the things I voted against. Talk about voting for protection. I voted against your tax on millstones. I saw you vote a tax on that yesterday—millstones that grind the people's bread. The Republican Party actually laid a tax on millstones yesterday, Mr. President.

That is not all. I saw you tax medicines. Why, under the reign of the Republican Party your deflation policy robbed the South and the West; you closed industries; you turned labor out of employment; you bankrupted the country merchants and bankers; and now the people are down, struggling to get up again, feeble, indeed, and you put a tax on medicines. You made it hard for them to get sufficient food to keep their bodies strong, you weakened and impaired their physical beings, and you made them sick and put them to bed; the only thing left for them to do was to take medicine, and last night the medicine combine forced you to put a tax on medicine.

There is no escape from the taxgatherers of the Republican Party. You tax everything, from the swaddling clothes of the infant to the winding sheet of the dead. [Laughter.]

I saw you put a tax on potash. I remind you of that again. You have that in this bill, and every farmer in America is interested in that. You increased the price of potash to him, and then you talk about favoring a bill that is a benefit to the common man, the common masses!

I saw you vote to put a tax on cement. I mentioned that the other day, but I will mention it again, to show you how I voted. I voted against every one of these things. Why? Because there was no justification on this earth for putting a tax on cement. More cement is procured in the Senator's [Mr. TOWNSEND's] own State of Michigan than is produced anywhere in the world—4,000,000 barrels in one year, according to my recollection—and we imported only some five or ten thousand barrels of it in a year. I am not absolutely accurate about the figures, but that is my recollection of it. What excuse was there for putting a tax on cement? None on earth. Who profited by that tax? You shut out imports; you put money in the pockets of the Cement Trust; you took it out of the pocket of everybody who buries his dead; you tax them even in the grave. Cement is used in preparing graves for the dead. Cement is used for many purposes about the yard, building walk ways from the gate to the doorstep to enable the people to keep out of the mud. You have made it impossible for them to do that now. Under the reign of the Republican Party you have made them unable to buy shoes, and now you are making them walk barefooted through the mud from the gate to the doorstep by your tax on cement. [Laughter.]

Mr. President, the farmer uses cement to make pig troughs, chicken troughs, hog troughs, cattle troughs, horse troughs, mule troughs, little bridges over the branches and over the creeks, and in constructing the roads that lead from farm to market, as I said the other night.

You did that in the case of cement. What excuse did you have for it? Not any under the sun. That is the reason I fought you in that. There was not any justification in it; and it is a crime for you to tax salt. Think of it! Taking salt off the free list, where the Democratic party put it, and you laid the heavy hand of taxation upon it, and every man who buys a 200-pound sack pays 40 cents of cold coin into the coffers of the Salt Trust of America, the controlling interest of it being in the State of Michigan.

Oh, how generous is the Senator from the State of Michigan! He wants to put on the free list graphite, that his constituents use, some of them in making crucibles about Detroit, and now the Senator wants to put a tax on salt and cement and millstones, and medicines, and potash, and brick, and building stone, and all that; but when we come here to ask Congress to de-

rive some revenue from the products of a mine in America—a mine that is now closed, a mine that must be helped or stay closed, when the Government can derive revenue to help pay the war debt, and these people can be incidentally aided to open their mines and move—we find the proposition opposed by the Senator from Michigan, the Senator from Wisconsin, the Senator from New Jersey——

Mr. FRELINGHUYSEN. Mr. President——

Mr. HEFLIN. The Senator from New Jersey, who got a tax on sand. I see him come in again. He reminds me of that sand storm every time I see him.

The PRESIDING OFFICER (Mr. CAPPER in the chair). Does the Senator from Alabama yield to the Senator from New Jersey?

Mr. HEFLIN. I am glad to yield to the Senator.

Mr. FRELINGHUYSEN. I should like to ask the Senator whether he has made up his mind yet what duty he wants placed upon this industry of his in Alabama?

Mr. HEFLIN. I will let the Senator know. I am in favor of a little higher duty than you have in the committee bill. I think we will get a little more revenue, and incidentally aid those people that you are now permitting to starve down there.

Mr. President, I did not intend to occupy very much of the time of the Senate, but I want to make this position clear: The great necessities of life are being plucked out and taken off of the Democratic free list and put upon the tax list by the Republican Party. We have many items upon our law that tax luxuries that people do not have to pay unless they indulge in the luxuries. We put a tax on some of the luxuries that only those with money to waste would have to pay.

The average man who decided that he did not want to burden himself with the luxury so taxed, could avoid paying that tax; but you put a tax on salt, an everyday necessity, and he can not avoid that. He has to have salt in order to sustain the living, and he must have cement when he buries his dead.

My friend from South Carolina [Mr. DIAL] reminds me that it will take about 2 more bushels of corn for the farmer to buy a sack of salt under the tax bill of the Republican Party.

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Georgia?

Mr. HEFLIN. I am glad to yield to my friend from Georgia.

Mr. WATSON of Georgia. I call the Senator's attention to paragraph 1402:

> Boxing gloves, ice and roller skates, and parts thereof, baseballs, footballs, tennis balls, golf balls, and all other balls, of whatever material composed, finished or unfinished, designed for use in physical exercise or in any indoor or outdoor game or sport, and all clubs, rackets, bats, or other equipment, such as is ordinarily used in conjunction therewith in exercise or play, all the foregoing, not specially provided for, 45 per cent ad valorem.

So the Senator will see that the Republican Party is taxing the physical perfection of our people and putting a heavy penalty both on indoor sports and outdoor sports and exercises.

Mr. HEFLIN. Mr. President, I thank my friend from Georgia for bringing that to my attention. I had already referred to the fact that they had made it very hard indeed for the common man, the average man or woman, to get enough to live on. They are frail and weak, thousands of them, under the reign of the Republican Party. We did have a few boys and girls who were going to school, and it was necessary for them to take these exercises for physical development to make them strong young men and women, and now you have laid a tax upon that sport, and you would stop the physical development of the youth of the country in order to put money into the pockets of these big manufacturers in the East who make this stuff, and who are not satisfied with the profits they make in competition with others but who want to use the taxing power of the people to put money in their pockets and increase their fortunes. That is what you are doing.

Why, think of that! The little boy who works and saves to buy himself a little baseball and a glove so that he can go out barefooted on the grass and throw the ball—every time he whirls that sphere it sings as it goes through the air: "Taxed by the Republican Party!" [Laughter.]

Mr. President, I said that you tax them from the cradle to the grave. There is no escape.

Now, to come back to what I was saying a moment ago: I was showing that I have voted against your measures that sought to increase the tax upon the American consumer and to give high protection to some concern that did not need it, and that you could not justify it. I voted to keep these things free that the general public need to buy and must have. My record is clear upon that. I favored putting a tax upon imports, as I stated before. I voted for a bill that has quite a number of items in it that we placed on the revenue list, so it is not anything new for me to advocate a fair tax upon some imports, and especially an import that roots out the home producer, shuts up his business, drives away his labor, and turns over the home market to a foreign concern that digs its product out of the earth with naked slave labor that costs 3 cents a day. It is a scandal against the Republican Party if the trusts of New Jersey can drive you to put graphite on the free list or to put such a small revenue tax upon it that the revenue will not aid the Government, and the graphite owners of America will not even be incidentally helped.

Mr. McCUMBER. I think it quite proper to put another item into the RECORD. I just got a report from the Actuary of the Treasury Department stating that the amount of tax which would be collectible under this particular paragraph was about $384,000. I think that at least is worth saving.

The Senator from Alabama has been giving us salt for our discussion every day since we voted to fix the duty on salt, and possibly it would be interesting to him to know what it is costing and going to cost the American people. I must say, in the first place, that the salt produced along the Atlantic coast usually does not go beyond the Allegheny Mountains, and the only protection, therefore, which the producers of that salt receive is the protection of the few salt wells in northern New York.

That will not affect the salt wells in Michigan or affect the prices in the Chicago market or probably anywhere else in the United States. But I will assume that it affects all of the people in the United States, and that all of them will be taxed the full amount of this duty, and I want the Senator for a moment to stop and calculate what it would mean.

Experts have calculated that in the normal span of life a man will consume about 60 pounds of salt. The 20 cents on 100 pounds, as fixed by the committee on this table salt, would therefore mean a tax of 12 cents on the whole amount of salt a normal human being consumes in a lifetime; and I hope that the average human being will be enabled, during a lifetime, to pay this 12 cents extra duty for the benefit of those who are working these salt mines of New York. I will be glad to contribute my 12 cents.

Now let us look at it from another standpoint. I have an idea that the average human being, taking him from the child to the old man, will shake about a pound of salt upon his food, or have it in his food, during a year. This rate amounts to $4 a ton, and if that individual should have the good luck to live 2,000 years, he would pay that tax of $4.

I think that a tax of $4 every 2,000 years will not seriously affect the daily life of the ordinary individual. But will not the Senator let me give him another statement, because I am not going to say anything more about salt, for I realize this, and I want the Senator from Alabama to realize it, that if he figures what it costs the Government for Congress to remain in session, the Senator will find, if he computes the time he has spent and is spending in discussing salt, that it has cost this country and will cost this country ten times as much as the duty under this tax together with the added cost of living. So I hope we can all drop the salt business long enough to get at other matters connected with the tariff bill.

Mr. HEFLIN. Mr. President, I do not agree at all with the figures that the Senator from North Dakota has suggested, that 12 cents will buy enough salt for a person for a lifetime. I do not know where he got those figures. They were probably furnished by the salt trust, or born in his own very vivid imagination.

Mr. WADSWORTH. Did the Senator get that impression from the Senator from North Dakota?

Mr. HEFLIN. That it would cost 12 cents?

Mr. WADSWORTH. Yes.

Mr. HEFLIN. Yes; I did. There was some confusion in the hall and——

Mr. WADSWORTH. The Senator got it entirely wrong. He was speaking of the tax, not the cost.

Mr. HEFLIN. The tax on salt?

Mr. WADSWORTH. Yes.

Mr. HEFLIN. That the tax would cost him 12 cents in a lifetime?

Mr. McCUMBER. I will state it so that the Senator will understand me thoroughly. Physicians and experts say that the ordinary individual consumes in an average lifetime 60 pounds of salt, and with a rate of duty which amounts to 20 cents on 100 pounds, the tax on the salt consumed in a lifetime would be about 12 cents.

Mr. HEFLIN. Yes; interested experts. Mr. President, these experts who have been down here testifying before the Finance

Committee remind me very much of the fellow who started out to find a position as school-teacher. He went into one community and told them his business, and they said, "What system do you teach, that the earth is round or flat?" He said, "I teach the round system." They said, "We don't believe in that," and he had to move on.

He thought he would accommodate himself to the situation as he found it, so when he got into another community and made known his business, and they said "What system do you teach, round or flat?" he said "Flat." He had quickly changed to meet what he thought was the prevailing situation, but they said, "We don't believe in the flat system. We believe in the round system."

So, having lost his job and having occupied two different positions within a very few hours, he decided he would adopt different tactics, and the next day, when he went to another county, and they said "What system do you teach—that the earth is round or flat?" he said, "That depends altogether on where I am teaching. If they want the round system, I give them that. If they prefer the flat system, why, I give them that." [Laughter.]

That is the way with these experts who come down here. They give whatever the tariff barons desire. Why, Mr. President, the Senator from North Dakota has only mentioned or guessed at the amount of salt eaten or consumed as food by each individual. He does not take into account the vast amount of salt used for other important purposes. Just think of the amount consumed every year by the cattlemen of the West. Salt is used in so many ways. The experts of the tariff barons are trained so as to say nothing that will hurt their cause. So we need a grain of salt with some of their statements. They say the tax on salt would be but 12 cents in a lifetime. If that was all, what right have you to tax me 12 cents for your salt trust in the United States that already controls the market? You admit that it is a tax, but you say it is not a large tax. The principle in this case is wrong.

Mr. WADSWORTH. Do I understand from the Senator it is not wrong to tax graphite?

Mr. HEFLIN. It is not wrong to have a revenue tax upon graphite, and that is what we are asking for.

Mr. WADSWORTH. Oh, I understand.

Mr. HEFLIN. The Senator lives up in a State where they have some of the big consumers of graphite, and therefore he wants it on the free list.

If this thing keeps up over there, if the Republicans decline to put a product upon the revenue list that will put money in the Treasury and aid American mines that have a right to exist; if they tax only those things that hurt the American consumers and benefit the tariff barons, and then turn right around and lay a tax upon the common necessities of life, imposing burdens upon the American consumer in the rank and file out yonder, you can not save the old G. O. P. carcass in November with all the salt in the universe. [Laughter.]

On the one hand, they desert their ancient doctrine, that they will go to the rescue of an infant industry, and in this case they are killing one outright, and they know it. We pointed out to them that this American graphite industry was practically dead, and the American market fed and controlled by a foreign producer. Here stands one of the leaders on the other side, the distinguished Senator from Michigan [Mr. TOWNSEND], advocating putting it upon the free list; and the Senator from New Jersey [Mr. FRELINGHUYSEN], the first part of whose name suggests he would favor a free list, is agreeable to a rate on it that is so low that it would amount to practically nothing and bring in no revenue.

Mr. FRELINGHUYSEN. Mr. President, is the Senator yet ready to answer my question as to what tariff he desires on this industrial plant in his State?

Mr. HEFLIN. I believe the Senator from North Dakota said it cost about 10 cents a pound to get it out of the mines down there, and that you get it abroad for 6 cents; that freight and other charges would run it up to about 8. Then they undersell the producer at the mine, with the actual cost of production, 2 cents a pound, and the Senator from Michigan wants to put it on the free list, and the Senator from North Dakota wants to fix a rate which would make the price of the foreign product just exactly what it costs the miner to get it out at the mouth of the mine in Alabama.

Mr. FRELINGHUYSEN. May I ask the Senator what his conclusion is after his computation?

Mr. HEFLIN. I stated to the Senator at the outset that I am opposed to the rate the committee has adopted. I think it ought to be higher. I do not say that I favor going as high as the Senator from Colorado has gone. I will probably offer an amendment myself, perhaps to come in somewhere between those two. I do not want to ask for more than is necessary, and I do not want to have the graphite producers deceived by whatever you are going to offer. I state, as I stated before, that I am not an expert upon rates, but I am talking about the everlasting principle. How can you stand here and vote to put millstones upon the tax list and vote to tax the people's medicines, and vote to put cement on the tax list, and to put salt upon the tax list, and to put potash upon the tax list, and then turn around and knock graphite in the head simply and solely because the big corporate concerns in the East have told you what to do in the matter? And here you are refusing to raise revenue on thousands of tons of graphite coming into the United States and destroying a home industry.

Mr. WALSH of Montana. Mr. President, I do not rise to advocate either an increase or a decrease in the duty on graphite, but to call attention to some considerations which it seems to me are pertinent to the inquiry that is before us, and to clear up what I conceive to be some misconceptions concerning some features of the question.

I might say in this connection, however, that if the Senator from Wisconsin [Mr. LENROOT] conceives, as I understand him to say, that he expects to find me an advocate of high protective duties with respect to the products of the State of Montana, and the supporter of some other principle with respect to the products of some other State, my votes on this measure will disillusion him.

I might add also that if the Senator from Wisconsin sees no difference between the attitude of a Senator who votes in favor of a duty upon certain products of his State when a bill is to be passed containing high protective duties—although that principle will not govern my action—if he sees no difference between the attitude of the man who votes in favor of a duty upon the products of his State, but who proposes to vote finally against the bill, and a man who votes in favor of a high protective duty upon the products of his State upon an understanding, expressed or implied, that he will also vote for high protective duties which are asked by Senators representing other States, under an agreement also to vote eventually for the bill, I do not think he senses the situation very clearly.

It was charged by the Senator from Nebraska [Mr. HITCHCOCK] a few days ago, or suggested at least, that all the indicia pointed to the conclusion that the tariff bloc had entered into an agreement under which they were to have the support of the other Senators favoring the bill on the agricultural items in the bill, and they would close their eyes and their minds to the iniquities of the other provisions of the bill in order to get what they desired.

Mr. GOODING. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I will yield in just a moment. I do not undertake to say that it is true or that it is false, but the position of the man who puts himself in the attitude of supporting the bill, whatever objections there may be to it, because he gets protective duties upon products of his own State, it seems to me occupies a reprehensible position as a legislator.

I now yield to the Senator from Idaho.

Mr. GOODING. I wish to make a statement in reply to the suggestion of the Senator from Montana that there has been any contract or agreement entered into by the tariff bloc, as he is pleased to call it. That statement is without foundation and without any truth at all. In no particular whatsoever, on any schedule, at any time, have the members of the tariff bloc, as Senators are pleased to call it, entered into any agreement with any member of the Finance Committee, nor have they been asked to my knowledge to support the Finance Committee, so far as that is concerned. I wish to say here and now that the tariff bloc in the Senate, as Senators call them, had to fight for everything they got, not all the members of the Finance Committee, but some of them, and we only got what we did after a hard fight for it and after a complete showing of the need for it, so far as every industry is concerned that we represented. Every member of the tariff bloc, so called, is at liberty to vote as he pleases, so far as that is concerned.

Mr. WALSH of Montana. I have not said a thing against the tariff bloc and have made no charge against anybody. The fact is, however, that the members from the agricultural States have been repeatedly voting for duties here, levying the highest kinds of taxes upon articles of large consumption in their States, duties which some of the Representatives from those States upon the other side of the Chamber consider in the nature of extortion, and yet the members of the so-called tariff bloc come in regularly in large numbers and vote for those duties, leading to the conclusion that they did so upon the understanding that they were to have the duties they asked upon their products.

Mr. GOODING. Mr. President——

Mr. WALSH of Montana. Does the Senator care to say anything about that remark?

Mr. GOODING. Yes; I do.

Mr. WALSH of Montana. Then I yield gladly.

Mr. GOODING. I, myself, and a number of other Senators who belong to the tariff bloc, as it is called, saw a great deal of the work of the Finance Committee. I was there in attendance almost as much as a great many members of the Finance Committee, even after the public hearings were over. I want to say that I never saw men work harder and with more earnestness than they did in the framing of the bill. I saw from four to a dozen experts there every day. I saw the committee almost quarrel over little rates all day long in their efforts to arrive at what were fair and reasonable duties, figuring not from the revenue standpoint but from the protective standpoint of giving protection to labor and to American industry.

So far as I am concerned I have complete confidence in the Finance Committee. Unless I am convinced that the rates are too high, I propose to support them, so far as I am concerned, all the way through. That, however, has never been discussed. Some of the rates I shall not support, however. There are a few for which I shall not vote, perhaps.

I want to repeat that I saw the committee working there all day long, day after day, sometimes far into the night, with a blackboard before them and with the experts there, who did not always agree. The committee, of course, did not always agree. If a record were kept of the votes of the committee, I have no doubt it would show that probably more than half the time they did not agree so far as the rates are concerned—that is, they did not agree unanimously—and yet it is thrown out or intimated from the other side of the Chamber that the bill was framed behind closed doors in the interest of the predatory wealth of the country and that the lobbies were packed with representatives of predatory wealth.

Mr. WALSH of Montana. The Senator has not heard me say anything of the kind.

Mr. GOODING. No; I will not say the Senator has said it; but it has been said on his side of the Chamber.

Mr. WALSH of Montana. It seems to me the remarks of the Senator are rather irrelevant to anything I have been talking about.

Mr. GOODING. I think they were very much to the point.

Mr. WALSH of Montana. However, I am glad to have the contribution of the Senator. I have not been criticizing the Senate Finance Committee very much.

Mr. GOODING. But they have been criticized very much from the Senator's side of the Chamber.

Mr. WALSH of Montana. I do feel like criticizing, however, those Senators who, without inquiring whatever into the conclusions arrived at by the committee and without hearing the debates upon the particular items, come in here regularly and vote with the committee.

Mr. GOODING. I want to say that in my judgment some of the duties are not high enough from the protective standpoint. I do not believe they will give the market in some instances to the American producers or that they will start the mills and factories in this country, because they are not high enough. I have not agreed with Senators that the people will not stand for 400 and 500 per cent protection in order to start an industry. I do not agree with Senators in their refusal to adopt the American valuation plan, because it would mean 400 or 500 per cent protection. I think the American people will stand for any duty to keep alive and going the business concerns of this country which give employment to our laboring men, rather than to turn any of our industries over to some foreign country.

I am a protectionist, and I am for seeing these mills started and for the industries in this country having an opportunity to run full time if there is a market in America for their products.

Mr. WALSH of Montana. Mr. President, I am very glad at all times to yield to my neighbor from the State of Idaho, but his comments have no sort of relation to anything I have been discussing at all. However, now that he has introduced the subject, I take this opportunity to say that the Senator and I differ most radically. My conception of the situation is that the depressed condition of industry in this country to-day is due to the fact that our market abroad has collapsed by reason of the failure of the purchasing power of Europe. I know that to be the case with reference to the two great products of my State, copper and wheat.

Anything I can do to assist the people over in Europe in the way of quieting their disturbed political condition by way of extending them such credits as we can that will enable them again to get into the markets and absorb our products I want to do. Of course, I understand the Senator from Idaho differs with me, but at this time, considering the necessity we have for shipping our surplus products abroad, where they may be absorbed, I do not believe that it is a wise policy to set up a tariff wall so that those people can not sell to us, because if they do not sell to us they can not buy from us. That is, of course, my attitude about the matter, but the Senator's attitude is quite different. He thinks the mills of this country will open up when this tariff bill is passed. I think they will not do so. I think it will close down the industries of the country. I am sure it will retard, at least, the development of the copper interests and I feel confident that it will be injurious to the wheat markets. But that is altogether aside from the matter of graphite, to which I desire to address myself.

The Senator from Massachusetts [Mr. WALSH] read some letters from constituents in his State who are consumers of graphite to the effect that the American product can not take the place of that imported from Ceylon, that it will not fill the requirements for the production of crucibles and other like contrivances used in foundries. That is a disputed proposition upon which the committees of both Houses have heard considerable testimony. I shall not undertake at this time to enter into the controversy further than to call attention to the respective contentions with respect to this matter and the conclusions of our own Government in relation thereto.

We have heard what is said concerning the unavailability of the American product for use in the production of crucibles and in foundry work. Before the Senate Committee on Finance Mr. George A. Sharpe was heard on that subject and testified as follows:

> Mr. Kern said he searched the entire United States in a diligent effort to find a crucible maker who was making crucibles out of American flake graphite, and he could find none.

Mr. Kern was a user of graphite and was desirous of having it retained on the free list. Mr. Sharpe said:

> His search was careless because he overlooked the Electro-Refractories Corporation of Buffalo, N. Y. This concern is making crucibles out of nothing but American flake graphite, mixed with American clay and other American materials; in other words, they are making an all-American crucible. They are selling from 1,500 to 2,000 of these all-American crucibles a month to one of the largest consumers of graphite crucibles in the United States. Instead of getting 26 heats to the crucible, as Mr. Pettinos testified this morning was the limit for a Ceylon crucible, this large consumer is getting an average in carload lots of 85 heats to the crucible.
>
> Senator WATSON. That letter is already in the record?
>
> Mr. SHARPE. Yes. I am simply comparing the number of heats that crucibles made from the American material yields with the number of heats obtained from the use of the Ceylon product which so many of our crucible manufacturers advocate.
>
> Senator WATSON. Is that the only establishment in the United States using the American graphite?
>
> Mr. SHARPE. That is the only one I know of at present.
>
> Senator WATSON. If they can do that, why don't more use it?
>
> Mr. SHARPE. I think they will. This result was obtained by the Electro-Refractories Corporation of Buffalo, N. Y., and is in keeping with and supported by the reports of Doctor Stull, of the Bureau of Mines, in which he says that Alabama flake graphite tops the list for crucible use. If we get the tariff we ask—from 1 cent on crude up to 6 cents on flake—we shall be satisfied. Flake is the particular grade which goes into crucibles, and with our tariff the consumer will get a better and a cheaper crucible.

So, Mr. President, if one should govern his action in this matter upon the assumption that American graphite is unavailable for use in the manufacture of crucibles, he would be proceeding upon an entirely false assumption. Also, if he is of the opinion that there is no competition between the American graphite and the importations from Ceylon, he would likewise in all probability be in error.

But whatever may be the case with respect to the graphite produced in this country, down in Alabama and in New York it is conceded, I think, that the Montana product serves all the purposes of the Ceylon graphite and is the equal of it in every respect. I read from the report of the Tariff Commission, which quotes a report by the Bureau of Mines, as follows:

> There is, however, one deposit in Montana which has lately been producing crystalline graphite that is of the same physical character as the Ceylon material. The quantity ultimately available has not been proved, but is believed by the operators to be sufficient to supply domestic demands for many years to come. Alabama flake is also accepted by certain companies as satisfactory crucible material and has shown even superior results in crucible tests reported by Doctor Stull in the Journal of the American Ceramic Society, March, 1919.

I should like to read that again for the information of the Senator from Massachusetts.

> There is, however, one deposit in Montana which has lately been producing crystalline graphite that is of the same physical character as the Ceylon material. The quantity ultimately available has not been proved, but is believed by the operators to be sufficient to supply domestic demands for many years to come.

I have here, Mr. President, a sample of that graphite, which may be interesting to some of the Senators. This [exhibiting],

as Senators will see, is crystalline in character; it exists in a vein formation. As to the quantity available, I have the following statement from the owners of the property:

STATEMENT OF THE CRYSTAL GRAPHITE CO.

DILLON, MONT.

We have here in Beaverhead County, Mont., eight claims, of 20 acres each, being 600 feet wide and 1,500 feet long, located end to end, making a strip over 2 miles long and 600 feet wide across the mountain. On this strip we have developed sufficient to prove that crystalline graphite extends along the whole length of the claims. The greatest depth we have developed is practically 200 feet, at which depth we find the graphite equally as good but more compact than nearer the surface; so at that depth we are enabled to secure the mineral in a cleaner condition than nearer the surface. However, surface indications, down the mountain at least 1,000 feet below our lowest level, contain graphite, which shows the material extends at least to that depth. How much deeper we can only guess. It is hard to prove the tonnage of graphite on these claims, but under these conditions it must be many hundred thousand tons.

I speak of this, Mr. President, for the purpose of indicating that American graphite may be produced in abundance to supply all the domestic needs of that particular commodity, and that the quality is equal to the best that can be produced anywhere in the world.

We are told that this bill is framed upon the theory that in case any American product by encouragement may be developed so as to supply the domestic needs, and equal in quality to that which shall come from abroad, it should be protected by a duty which will equalize the differences in competition in the markets of the United States.

Mr. President, it is practically conceded that the duty fixed in this bill by the House—10 per cent—is nothing so far as protection is concerned; it is practically conceded that the duties fixed by the Senate Finance Committee amount to nothing so far as protection is concerned.

Mr. NICHOLSON. Will the Senator from Montana yield for a moment?

Mr. WALSH of Montana. I yield to the Senator from Colorado.

Mr. NICHOLSON. Did I understand the Senator from Montana to state that the duties fixed by the House were nothing?

Mr. WALSH of Montana. The House bill imposed a duty of 10 per cent. I said that amounted to practically nothing so far as protection is concerned. Paragraph 211 as the bill came from the House provides:

Graphite or plumbago, crude or refined, not specially provided for, 10 per cent ad valorem.

Mr. NICHOLSON. And the Senate Finance Committee accepted the rate fixed by the other House?

Mr. SMOOT. No. The Senate committee amendment reads:

PAR. 213a. Graphite or plumbago, crude or refined: Amorphous, 10 per cent ad valorem; crystalline lump, chip, or dust, 20 per cent ad valorem; crystalline flake, 2 cents per pound—

And so forth.

Mr. WALSH of Montana. On amorphous graphite the Senate committee rate is the same as the House rate, 10 per cent ad valorem; but on crystalline lump, chip, or dust the Senate committee rate is 20 per cent ad valorem, and on crystalline flake 2 cents per pound.

Mr. MYERS. Mr. President, I should like to ask my colleague a question, as he evidently has given the subject considerable attention. What is the principal kind of graphite produced in this country? Is it crystalline or amorphous?

Mr. WALSH of Montana. The principal production is amorphous. I can give the Senator the figures.

Mr. MYERS. There is more of amorphous than crystalline graphite produced in this country?

Mr. WALSH of Montana. Yes.

Mr. President, I call attention to this matter for the purpose of showing that the principle upon which this bill is framed, as we are told, is not applied to this particular commodity. Of course, this commodity goes into the manufacture of crucibles, and crucibles are used in all manner of foundry work, and particularly in the manufacture of steel products. The Montana producers were able to operate with a fair degree of profit during the war when prices mounted to something like $200 a ton. Their shipments were all made to Pittsburgh, the center of the steel-manufacturing industry, and presumably were consumed very largely, if not altogether, in that industry.

There is, Mr. President, a question of policy here as to whether it would be wiser to burden the manufacturers of steel and other products in the production of which graphite is necessary, and thus possibly cripple our manufacturers of steel in their contest with producers from other countries in the markets of the world, and allow the graphite deposits of this country to go undeveloped for the present, or whether it would be the wiser policy to impose this burden upon the manufacturers of steel and other manufactures in which graphite is employed, and thus contribute to the development of the graphite industry in this country. In other words, for the purpose of illustration, it is a question of which is relatively the more important—the development of the graphite industry upon the one side or the production at a low cost of steel on the other? Apparently the committee believed that it was in the public interest to relieve the steel manufacturers from the burden of this added cost rather than to contribute to the development of the graphite industry.

But there is a provision in this bill to which I addressed myself some time ago, section 315, to the effect that whenever the President of the United States shall find that the duty provided for in the bill does not equalize the differences in competition in trade as between the domestic article and the foreign article in the markets of the United States he shall, within the limit of 50 per cent, fix the duty at such an amount as will equalize the differences. So that in the case of this particular commodity it would be the duty of the President of the United States, immediately upon the bill going into effect, to raise the duty on graphite 50 per cent above the rate fixed by the bill, and thus to develop the graphite industry. In other words, the President is called upon by the bill to pursue a policy at variance with the policy which is adopted by the Finance Committee and which will receive the approbation of the Congress if the bill is eventually passed.

To show that this duty will be nothing, I read further from the statement given to me by the Montana producers of graphite:

Domestic cost of production with us during the war ran as high as 11 to 11½ cents per pound. With the reduced cost of living and reduced cost of labor, which we anticipate, we believe we can produce our material for 8 to 8½ cents per pound.

So it will be observed that even with the 2 cents duty provided by the bill, the 8½ cents limit to which they expect to reduce the cost can not be reached, not to speak at all about the cost of transportation from Dillon, Mont., to Pittsburgh, Pa. So I point out that this is not a protective rate. It can not be said to equalize the differences in competition in this particular article in the markets of the United States.

Frankly, Mr. President, it is perfectly obvious that the Senate Finance Committee concluded that it would be better not to burden the steel interests with this added cost of production of their particular commodity. That policy was manifested not alone in connection with graphite, but, as I called to the attention of the Senate the other day, the same policy was observed with reference to manganese, another important product of my State, which was put upon the free list. It enters into the production of steel. So with magnesite. That commodity is on the dutiable list, but with practically only a revenue duty imposed upon it. It also enters into the production of steel. The same statement applies to chrome, another valuable mineral, a product of the Western States, of which my State can supply unlimited quantities, and which likewise is used in the production of steel.

The fact about the matter is that this bill is framed as all similar tariff bills are framed. It is a question of which particular interest will be able to bring the greatest amount of influence and pressure to bear upon those who control the making of it. Take this particular product, consumed very largely by the Dixon Crucible Co., whose headquarters are in the State of New Jersey. My esteemed friend, the Senator from New Jersey [Mr. FRELINGHUYSEN], wants graphite on the free list, or he wants the duty on it to be practically negligible. So my esteemed friend from Massachusetts [Mr. WALSH], who represents the consumers of that State, wants it upon the free list or to have an inconsequential or insignificant rate of duty.

Mr. WALSH of Massachusetts. Mr. President——

Mr. WALSH of Montana. I yield.

Mr. WALSH of Massachusetts. I think I ought to state to the Senator that I am in favor of placing graphite on the free list not because there happen to be users of the commodity in Massachusetts. If they were in New York or Pennsylvania, I would take the same position.

Mr. WALSH of Montana. I appreciate that; the Senator's position upon this question is practically my own. His attention was called to this question by reason of the fact that graphite is consumed in his State.

Mr. WALSH of Massachusetts. Exactly.

Mr. WALSH of Montana. That was all; that is how he happened to learn about it. If it were not consumed in his State, and he learned about it in some other way, I am sure he would take exactly the same attitude with respect to it. However, the point I am making is that the announcement that this bill is framed upon the theory of equalizing the differences in the cost of production or differences in competition in trade in the markets of the United States between the foreign producer and the American producer is entirely refuted by this par-

ticular commodity, as well as by others to which I have called attention, all of which are the products of the Western States.

The PRESIDING OFFICER (Mr. LADD in the chair). The question is on the amendment offered by the Senator from Colorado to the amendment of the committee.

Mr. MYERS. I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 37, line 10, it is proposed to amend the committee amendment after the word "amorphous" and the comma by striking out "10 per cent ad valorem" and inserting in lieu thereof "1 cent per pound."

Mr. NICHOLSON. On that I ask for the yeas and nays; and meanwhile I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gooding	McNary	Simmons
Ball	Harris	Moses	Smith
Brandegee	Harrison	Myers	Smoot
Bursum	Heflin	Newberry	Spencer
Calder	Johnson	Nicholson	Sutherland
Capper	Jones, N. Mex.	Norris	Townsend
Caraway	Jones, Wash.	Oddie	Underwood
Curtis	Kellogg	Page	Wadsworth
Dial	Kendrick	Phipps	Walsh, Mass.
Dillingham	Ladd	Pittman	Walsh, Mont.
Edge	La Follette	Poindexter	Warren
Elkins	Lenroot	Ransdell	Watson, Ga.
Ernst	Lodge	Rawson	Williams
France	McCumber	Robinson	
Gerry	McKinley	Sheppard	
Glass	McLean	Shortridge	

The PRESIDING OFFICER. Sixty-one Senators having answered to their names, a quorum is present. The question is on the amendment proposed by the Senator from Colorado [Mr. NICHOLSON] to the amendment of the committee.

Mr. MYERS. I ask that the amendment be stated again.

The Assistant Secretary restated the amendment to the amendment.

Mr. NICHOLSON. I ask for a roll call.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. COLT (when his name was called). Transferring my pair with the Senator from Florida [Mr. TRAMMELL] to the Senator from Pennsylvania [Mr. CROW], I vote "nay."

Mr. EDGE (when his name was called). I transfer my general pair with the senior Senator from Oklahoma [Mr. OWEN] to the junior Senator from Pennsylvania [Mr. PEPPER], and will vote. I vote "nay."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as on the previous vote as to the transfer of my pair, I vote "yea."

Mr. KENDRICK (when his name was called). Having a general pair with the senior Senator from Illinois [Mr. MCCORMICK], and being unable to secure a transfer, I am compelled to withhold my vote. If at liberty to vote, I should vote "yea."

Mr. MOSES (when Mr. KEYES's name was called). I wish to announce the absence of my colleague [Mr. KEYES] from the Senate to-day on account of illness. If he were present, he would vote "nay" on this question.

Mr. WATSON of Georgia (when his name was called). I transfer my general pair with the Senator from Arizona [Mr. CAMERON] to the Senator from Nebraska [Mr. HITCHCOCK], and will vote. I vote "nay."

Mr. WILLIAMS (when his name was called). I transfer my pair with the Senator from Indiana [Mr. WATSON] to the Senator from Texas [Mr. CULBERSON], and will vote. I vote "nay."

The roll call was concluded.

Mr. CURTIS. I was requested to announce the absence of the junior Senator from Pennsylvania [Mr. PEPPER] on official business. I also desire to announce the absence of the junior Senator from Ohio [Mr. WILLIS] and the senior Senator from Ohio [Mr. POMERENE]. They are paired on this question and all others.

Mr. WARREN (after having voted in the negative). Has the junior Senator from North Carolina [Mr. OVERMAN] voted?

The PRESIDING OFFICER. He has not voted.

Mr. WARREN. I have a standing pair with that Senator. I transfer the pair to the junior Senator from Oregon [Mr. STANFIELD], and allow my vote to stand.

Mr. McCUMBER. I have a general pair with the junior Senator from Utah [Mr. KING]. In his absence I transfer that pair to the Senator from Maryland [Mr. WELLER], and vote "nay."

The result was announced—yeas 22, nays 47, as follows:

YEAS—22.

Broussard	Gooding	McKinley	Shortridge
Bursum	Heflin	McNary	Sterling
Capper	Johnson	Nicholson	Wadsworth
Caraway	Jones, N. Mex.	Oddie	Warren
Elkins	Jones, Wash.	Phipps	
Ernst	Ladd	Poindexter	

NAYS—47.

Ashurst	Gerry	Myers	Smoot
Ball	Glass	Nelson	Spencer
Brandegee	Hale	Newberry	Stanley
Calder	Harris	Norris	Sutherland
Colt	Harrison	Page	Swanson
Curtis	Kellogg	Pittman	Townsend
Dial	La Follette	Ransdell	Underwood
Dillingham	Lenroot	Rawson	Walsh, Mass.
Edge	Lodge	Robinson	Walsh, Mont.
Fletcher	McCumber	Sheppard	Watson, Ga.
France	McLean	Simmons	Williams
Frelinghuysen	Moses	Smith	

NOT VOTING—27.

Borah	Harreld	New	Shields
Cameron	Hitchcock	Norbeck	Stanfield
Crow	Kendrick	Overman	Trammell
Culberson	Keyes	Owen	Watson, Ind.
Cummins	King	Pepper	Weller
du Pont	McCormick	Pomerene	Willis
Fernald	McKellar	Reed	

So Mr. NICHOLSON's amendment to the committee amendment was rejected.

Mr. HEFLIN. If I may, I would like to offer an amendment to make the rate one-half cent a pound.

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The ASSISTANT SECRETARY. The Senator from Alabama proposes to strike out "10 per cent ad valorem" and to insert "one-half of 1 cent per pound."

Mr. ROBINSON. I would like to ask the Senator a question in regard to his amendment to the amendment. What would be the ad valorem equivalent?

Mr. HEFLIN. About 33⅓ per cent, probably. I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as before, I vote "nay."

Mr. EDGE (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as on the previous vote, I vote "yea."

Mr. KENDRICK (when his name was called). Making the same announcement as to the unavoidable absence of my pair, I withhold my vote. If permitted to vote, I would vote "yea."

Mr. MOSES (when Mr. KEYES's name was called). I am authorized to state that if my colleague [Mr. KEYES], who is absent on account of illness, were present, he would vote "nay" on this amendment to the amendment.

Mr. McKINLEY (when his name was called). I have a permanent pair with the junior Senator from Arkansas [Mr. CARAWAY], which I transfer to the junior Senator from Delaware [Mr. DU PONT] and vote "nay."

Mr. WARREN (when his name was called). Making the same announcement as before with regard to my pair and its transfer, I vote "nay."

Mr. WATSON of Georgia (when his name was called). Making the same announcement as before, I vote "nay."

Mr. WILLIAMS (when his name was called). Repeating the announcement made by me a moment ago concerning my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. MCKELLAR]; and

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE].

The result was announced—yeas 20, nays 47, as follows:

YEAS—20.

Ashurst	Gooding	Ladd	Pittman
Broussard	Heflin	McNary	Robinson
Bursum	Johnson	Nicholson	Sheppard
Capper	Jones, N. Mex.	Oddie	Shortridge
Elkins	Jones, Wash	Phipps	Wadsworth

NAYS—47.

Ball	Edge	Harris	McKinley
Brandegee	Ernst	Harrison	McLean
Calder	Fletcher	Kellogg	Moses
Colt	France	La Follette	Myers
Curtis	Frelinghuysen	Lenroot	Nelson
Dial	Glass	Lodge	Newberry
Dillingham	Hale	McCumber	Norris

Page	Smith	Sutherland	Walsh, Mont.
Poindexter	Smoot	Swanson	Warren
Ransdell	Spencer	Townsend	Watson, Ga.
Rawson	Stanley	Underwood	Williams
Simmons	Sterling	Walsh, Mass.	

NOT VOTING—29.

Borah	Gerry	New	Stanfield
Cameron	Harreld	Norbeck	Trammell
Caraway	Hitchcock	Overman	Watson, Ind.
Crow	Kendrick	Owen	Weller
Culberson	Keyes	Pepper	Willis
Cummins	King	Pomerene	
du Pont	McCormick	Reed	
Fernald	McKellar	Shields	

So Mr. HEFLIN's amendment to the committee amendment was rejected.

Mr. BURSUM. Mr. President, I desire to offer an amendment in regard to the first item in the paragraph. I submit that we ought to give some measure of protection to this industry. There is no reason why a sufficient quantity of graphite to entirely satisfy and fulfill all the demands of the country should not be produced by Americans.

We should give the producers of graphite a little encouragement. If protection means anything, if the fixing of these rates of duty means anything, it means equalizing the difference between the cost of production here and the price for which the foreign article can be bought. It is immaterial as to what the percentage is. It may be 5 per cent, or it may be 300 per cent, but if that principle is right we ought to extend it all over this country, whether it be the East, the North, the West, or the South. If it is right to protect industries in one part of the country, it is right and proper to protect them in another portion of the country. The American wage earner, the laborer, in the State of Montana or the State of California or the State of Texas is just as much in need of that protection and entitled to it as the laborer in the State of Maine, or the State of Massachusetts, or the State of Alabama, or any other State.

Possibly the rates which were proposed were a little high. The rate proposed by the committee in the first portion of the paragraph is nothing more nor less than a revenue rate. It follows the Democratic policy, pure and simple. I would like to see these schedules adopted on the basis of protection to American producers and American labor.

I move to amend the first item in the paragraph by inserting one-fourth of 1 cent a pound. That will mean $5 a ton. It will mean $4 a ton on the basis of 80 per cent ores coming from Colorado. Those ores have been bringing $9 net. That will mean approximately a little better than 40 per cent protection. I believe it would greatly encourage production if we adopted this amendment to the amendment.

The VICE PRESIDENT. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On line 10, page 37, strike out "10" and insert in lieu thereof "one-fourth of 1 cent a pound," so that it will read:

Amorphous, one-fourth of 1 cent per pound.

Mr. JONES of New Mexico. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. COLT (when his name was called). Making the same announcement as before, I vote "nay."

Mr. JONES of New Mexico (when his name was called). Making the same announcement as before, I vote "yea."

Mr. KENDRICK (when his name was called). I again announce the absence of my pair, the Senator from Illinois [Mr. MCCORMICK]. Being unable to obtain a transfer, I withhold my vote.

Mr. MOSES (when Mr. KEYES's name was called). I again announce that my colleague [Mr. KEYES] is absent on account of illness. If present he would vote "nay."

Mr. MCKINLEY (when his name was called). I transfer my pair with the junior Senator from Arkansas [Mr. CARAWAY] to the junior Senator from Pennsylvania [Mr. PEPPER], and vote "nay."

Mr. WATSON of Georgia (when his name was called). Making the same announcement as before, I vote "nay."

Mr. WILLIAMS (when his name was called). Repeating the announcement previously made as to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. CURTIS. I wish to announce that the junior Senator from Indiana [Mr. NEW] is paired with the junior Senator from Tennessee [Mr. MCKELLAR], and that the junior Senator from Ohio [Mr. WILLIS] is paired with the senior Senator from Ohio [Mr. POMERENE].

The result was announced—yeas 23, nays 46, as follows:

YEAS—23.

Ashurst	Gooding	McNary	Rawson
Borah	Heflin	Nicholson	Sheppard
Broussard	Johnson	Oddie	Shortridge
Bursum	Jones, N. Mex.	Phipps	Sterling
Capper	Jones, Wash.	Pittman	Wadsworth
Elkins	Ladd	Poindexter	

NAYS—46.

Ball	Hale	Nelson	Stanley
Brandegee	Harris	Newberry	Sutherland
Calder	Harrison	Norris	Swanson
Colt	Kellogg	Overman	Townsend
Curtis	La Follette	Page	Underwood
Dial	Lenroot	Ransdell	Walsh, Mass.
Dillingham	Lodge	Robinson	Walsh, Mont.
Ernst	McCumber	Shields	Warren
Fletcher	McKinley	Simmons	Watson, Ga.
France	McLean	Smith	Williams
Frelinghuysen	Moses	Smoot	
Glass	Myers	Spencer	

NOT VOTING—27.

Cameron	Fernald	McCormick	Reed
Caraway	Gerry	McKellar	Stanfield
Crow	Harreld	New	Trammell
Culberson	Hitchcock	Norbeck	Watson, Ind.
Cummins	Kendrick	Owen	Weller
du Pont	Keyes	Pepper	Willis
Edge	King	Pomerene	

So Mr. BURSUM's amendment to the committee amendment was rejected.

Mr. TOWNSEND. Mr. President, I desire now to offer the amendment which I gave notice I would offer, namely, on page 27, line 10, to strike out the words "amorphous, 10 per cent ad valorem," my argument being that this is not a protective duty. The product could not be protected by any duty as the article which is brought in and used here is not produced in the United States.

Mr. WALSH of Montana. Mr. President, I thought I had demonstrated the error of that conclusion, but if the Senator from Michigan finds it necessary to insist upon his proposition, I shall perhaps be obliged to go over the argument again.

Mr. TOWNSEND. The Senator from Michigan heard the Senator from Montana and listened very attentively to his argument. Unless the Senator from Montana has something new to present in reference to the matter, it is not necessary that he should repeat his statement. My own investigation has led me to believe to the contrary of his view of the facts as they exist with reference to the use of this product in the concern where it is manufactured.

I have no doubt that is the opinion of the Senator. I have my own opinion with reference to the matter and I am a protectionist. There is no reason in the world why I should not favor a duty upon this product.

However, if it is true, as the Senator from Utah [Mr. SMOOT] just suggests to me, that if my amendment is agreed to this item will go into the so-called basket clause of the tariff bill and thus will carry a heavier rate, I do not want to do that. I am advocating a removal of the duty entirely because this is purely a revenue duty and not a protective duty.

Mr. SMOOT. The only way to do that is to wait until the committee amendments are disposed of, and then, when the bill gets into the Senate, the Senator can move to strike out the item and put it on the free list.

Mr. TOWNSEND. I am perfectly willing to follow that course.

Mr. SMOOT. That is the course we have followed with reference to other items.

Mr. TOWNSEND. Very well. Then I withdraw the amendment at this time.

The VICE PRESIDENT. The amendment offered by the Senator from Michigan is withdrawn.

Mr. WALSH of Montana. Mr. President, I rose simply to say that the vote on this item should not be taken upon the assumption on the part of anyone that it was on the theory that there was no American product which came into competition with amorphous crystalline flakes. I understood the Senator from Michigan to say it is conceded that this article is not produced in this country, and therefore we need no protection. I do not want to combat the rate at all, but I do not want anyone to vote on the matter on the particular assumption that it is conceded or that it is the fact. I want it understood that the commodity as produced in this country is equal to any foreign product and it is as much entitled to protection, if we are to legislate upon that principle, as any other item in the bill. The rate which is proposed here is purely a revenue rate, because it affords no protection whatever of any kind.

Mr. GOODING. Mr. President, graphite is not the only item in this bill which, it is said, we can not produce in this country;

that proposition runs to many items, and there are those who believe we can not produce sugar successfully in this country. If there be a class of citizens in this country who I think are less American than any other class, it is those who go abroad and develop a foreign industry of any kind, and employ the cheapest labor they can find in all the world, and then want to bring that product back into America, free of duty, and sell it to the American people. Of course, the cheaper the labor the greater the profits. It is far better for them, of course, to develop foreign industries with cheap labor, so far as dollars and cents are concerned.

I want to say, in my judgment, we have just as good graphite in this country as there is any place in the world. I heard a witness say before the Finance Committee that we could not grow Belgian hare for fur because the fur grown in this country would not felt. The trouble was because he could buy it so much cheaper abroad, where labor costs practically nothing at all. It would be a mistaken policy, of course, so far as his selfish interests are concerned, to encourage the industry in this country. That policy runs all the way through in a great many different lines, if you please; the sugar we grow in this country is not quite so sweet, in the estimation of some people, as the sugar that is grown in Cuba, for instance, with the cheap native labor, and in many cases coolie labor sent to the island under contract from China.

I am very glad to see some of the Senators across the aisle voting for protection. I hope the time will come when there will be no division in this body on the great principle of protection, so that every American industry, so far as that is concerned, will be treated fairly, whether it is located in the East, in the West, in the North, or in the South. That is not true to-day. I know it never will be true until the people of the South come back where they stood 100 years ago and again stand for protection. In my judgment they are coming back. It may not be in my lifetime, but the time is coming when this great American people, the most intelligent people in all the world, are not going to permit any political party to make a football of the business interests of the country and kick them around as is being done at this time, and for practically 100 years past. I do not believe it is going to take another 100 years to settle that question. There is too much intelligence in the American people to permit that.

Speaking for myself, Mr. President, I want to say that I have no fault to find with the attitude of the Democratic Party in their opposition to the protective tariff measure that is now before the Senate. I believe it is the duty of every Senator and of every political party when they believe that a measure is unconstitutional and morally wrong to fight that measure to the last ditch. The Senator from Alabama [Mr. UNDERWOOD], the minority leader of the Democratic Party, whom I believe to be the greatest leader the Democratic Party has had in the Senate for more than half a century, has made it very clear that the Senators on that side, with three exceptions, are opposed to protection. The Senator from Alabama says he belongs to that school which believes that protection is unconstitutional, and he goes further and says that he believes protection is morally wrong.

As far as I am concerned, I am going to discuss this tariff bill, Mr. President, from the standpoint that protection is constitutional and morally right, and that it is un-American to force American industries and American labor to compete with the pauper labor of foreign countries.

The Senator from Alabama says protection is a tax on the American people. If it is, Mr. President, it is a tax that the American people will not do without and, in my judgment, can not do without.

The Democratic Party might as well understand first as last that the laboring men of this country will not be forced to compete with the cheap labor of Europe, which only means a reduction to their standards of living and their standards of wages.

We have already heard much about the breakfast table and the poor laboring man, but I want to say, Mr. President, that the party that votes to put the products of labor, whether it is on the farm, in the mills, or in the mine, in competition with the cheap labor of foreign countries is not the friend of labor, and the laboring men of this country are beginning to find that out. To close our ports to foreign immigration and at the same time open them to the products of foreign labor is nothing less than a crime, and one that would only work hardships and privations on the American people, the same as the free trade policy has always done when free trade laws have been in force in this country.

Every government, Mr. President, must levy a tax to defray expenses. The Republican Party believes that in levying a duty on foreign imports it should be levied first for protection, second for revenue, and every loyal citizen of every country should be willing to pay his share of taxes to maintain his government.

And here in America, Mr. President, we tax our citizens, and more especially our laboring men, less than any other country on earth. No one need shed any tears about the taxes the American laboring man has to pay on foreign imports, for they are far less than that paid by the laboring men of any other country.

I wish to read the taxes that are levied by various countries per capita on imports. In the United States in 1912 the receipts from customs were $311,321,672. The population at that time was 95,097,000. The per capita tax on imports was $3.20; in 1913 it was $3.30; in 1921 it is $2.76. It is estimated by the Finance Committee that the pending bill will raise a revenue for 1922 of $350,000,000, which will represent a per capita tax levied on imports of $3.31.

The United Kingdom levied a tax on imports in 1914 of $4.23 per capita; in 1922 of $14.78 per capita.

Canada in 1914 levied a per capita tax on imports of $14.57, and in 1922 of $11.90.

France levied a per capita tax on imports in 1913 of $3.61, and in 1921 of $8.69.

Germany in 1913 levied a per capita tax on imports of $13.02, and in 1922 a per capita tax of $16.89

Italy in 1913 levied a per capita tax on imports of $1.90, and in 1922 a per capita tax of $1.46.

Argentine in 1914 levied a per capita tax on imports of $10.76, and in 1920 of $7.83.

Brazil in 1913 levied a per capita tax on imports of $2.32, and in 1920 of $1.74.

Chile in 1913 levied a per capita tax on imports of $12.62, and in 1920 of $13.53.

Mr. President, I ask that the table from which I have quoted may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The table referred to is as follows:

Per capita customs receipts from imports.

Country.	Year.	Receipts.	Population.	Per capita receipts.
United States	1912	$311,321,672	95,097,000	$3.29
Do	1913	318,891,395	96,512,000	3.30
Do	1921	292,397,349	105,710,620	2.76
McCumber bill	1922	350,000,000	105,710,620	3.31
United Kingdom	1914	172,839,003	40,859,000	4.23
Do	1922	632,052,720	42,767,530	14.78
Canada	1914	105,000,000	7,206,643	14.57
Do	1922	104,420,151	8,769,489	11.90
France	1913	143,018,211	39,601,509	3.61
Do	1921	360,880,770	41,500,000	8.69
Germany	1913	852,795,932	67,812,000	13.02
Do	1922	1,047,200,000	62,000,000	16.89
Italy	1913	67,121,347	35,236,997	1.90
Do	1921	54,198,638	37,270,493	1.46
Argentine	1914	84,447,105	7,849,385	10.76
Do	1920	70,526,398	9,000,000	7.83
Brazil	1913	57,481,940	24,300,000	2.32
Do	1920	53,915,400	31,000,000	1.74
Chile	1913	45,353,573	3,593,005	12.62
Do	1920	52,377,367	3,870,023	13.53

Fiscal year of United Kingdom, Canada, and Germany ends March 31.
All receipts converted into American money at par.
Receipts for Germany 1922 estimated.
Receipts for Italy 1921 estimated.
Data obtained for Bureau of Foreign and Domestic Commerce.

Mr. GOODING. I now desire to make a comparison of the duties which are levied in Canada on farm products and the duties which are proposed to be levied on such products under the bill as reported by the Finance Committee.

Under the tariff law of Canada the tax levied on live hogs is a cent and a half a pound, while under the bill as reported by the Finance Committee the tax is one-half cent a pound. On fresh meats in Canada the tax is 23 cents a pound, while it is from three-fourths of a cent to 5 cents a pound in the bill as reported by the Finance Committee.

On meats, canned, in Canada the tax is 7½ cents a pound; on lard and compounds it is 2 cents a pound in Canada and only 1 cent a pound under the bill as reported by the Finance Committee. On tallow there is a duty of 20 per cent ad valorem imposed in Canada, while the duty is only one-half cent a pound in the bill as reported by the Finance Committee.

On eggs in Canada there is a duty of 3 cents per dozen imposed, while the bill as reported by the Finance Committee imposes a duty of 8 cents per dozen. On cheese in Canada there is imposed a duty of 3 cents a pound, while a duty of 5 cents a

pound is imposed by the bill as reported by the Finance Committee. On butter a duty of 4 cents a pound is imposed in Canada, while 8 cents a pound is imposed by the bill as reported by the Finance Committee. On coffee the duty is 5 cents a pound in Canada, while it is on the free list in this country.

Coffee is an article that goes on the breakfast table, Mr. President, about which we have heard so much. I repeat, in Canada there is a duty of 5 cents a pound on coffee, while coffee is on the free list in this country under the pending bill.

On coffee, when not imported directly from country of growth, there is a duty per pound of 5 cents plus 10 per cent ad valorem under the Canadian law, while it is free in the bill reported by the committee.

On coffee, green, there is a duty of 3 cents a pound in Canada, while it is on the free list under the pending bill. Tea has a duty of 10 cents a pound in Canada, while it is free under the pending bill.

Rice, tapioca, and sago flour have a duty of 1 cent a pound in Canada, and only half a cent in the bill as reported by the Finance Committee.

Condensed milk has a duty of 3¾ cents per pound in Canada, while it only has a duty of 1 cent in the bill as reported by the Finance Committee.

Beans have a duty of 35 cents a bushel in Canada, while here there is a duty of $1.20 imposed in the bill as reported by the Finance Committee.

On peas there is a duty of 15 cents a bushel in Canada, and a duty of 56 cents under the pending bill. On buckwheat there is a duty in Canada of 15 cents, while there is a duty of 5 cents a bushel under the pending bill.

On buckwheat flour there is a duty of 50 cents per 100 pounds in Canada, and 50 cents per 100 pounds under the pending bill.

Corn meal has a duty of 25 cents a barrel in Canada, and 30 cents a hundred pounds under the bill as reported by the Finance Committee.

Oats has a duty of 10 cents a bushel imposed in Canada, and of 15 cents a bushel under the bill as reported by the Finance Committee.

Oatmeal has a duty of 60 cents per hundred imposed on it in Canada, while the rate is 90 cents a hundred in the bill as reported by the committee.

Rye has a duty of 10 cents a bushel imposed in Canada, while the duty is 15 cents a bushel in the bill as reported by the Finance Committee.

Rice, cleaned, has a duty of 75 cents a hundred imposed on it in Canada, while a duty of three-eighths of a cent a pound is imposed on it under the bill as reported by the committee.

Sago and tapioca have a duty of 27½ per cent in Canada, while on tapioca there is a duty of one-half cent a pound imposed under the bill as reported by the committee.

On hay and straw there is a duty of $2 per ton imposed in Canada, while on hay a duty of $4 a ton and on straw a duty of $3.50 a ton are imposed under the bill as reported by the Finance Committee.

Flaxseed has a duty of 10 cents a bushel imposed on it Canada, and a duty of 40 cents a bushel imposed under the bill as reported by the committee.

So, taking the greater necessities of life, there is no question, so far as the breakfast table and the dinner table and the supper table are concerned, that the Canadian citizen pays twice the tax that the American citizen pays.

The duty on farm machinery is from 15 to 20 per cent in Canada, while it is free under the bill as reported by the Finance Committee. The duty on typewriters is 25 per cent ad valorem in Canada, while they are free in America. The duty on sewing machines is 30 per cent in Canada, while it is from 25 to 40 per cent ad valorem in this country. Woolen yarns have a duty of 30 per cent ad valorem in Canada and from 30 to 40 per cent ad valorem in this country under the bill as reported by the Finance Committee. Woolen blankets have a duty of 35 per cent ad valorem in Canada and from 30 to 40 per cent ad valorem under the bill as reported by the Finance Committee.

Boots and shoes have a duty of 30 per cent ad valorem in Canada and an ad valorem duty of not over 10 cents under the pending bill. Harness and saddles have a duty of 30 per cent in Canada, while they have a duty of 35 per cent under the bill as reported by the committee.

Mr. President, I ask that this table which I am quoting may be published in the RECORD entire.

The VICE PRESIDENT. In the absence of objection, it is so ordered.

The table referred to is as follows:

Tariff of the Dominion of Canada.

Commodity.	Unit.	Canadian tariff.	Finance Committee.
Live hogs	Pound	1½ cents	½ cent.
Meats, fresh	do	3 cents	½ to 5 cents.
Meats, canned	do	7½ per cent	
Lard and compounds	do	2 cents	1 cent per pound.
Tallow	do	20 per cent	½ cent.
Eggs	Dozen	3 cents	8 cents.
Cheese	Pound	do	5 cents (over 5 cents value 25 per cent).
Butter	do	4 cents	8 cents per pound.
Coffee	do	5 cents	Free.
Coffee, when not imported directly from country of growth.	do	5 cents plus 10 per cent.	Do.
Coffee, green	do	3 cents	Do.
Tea	do	10 cents	Do.
Rice, tapioca, and sago flour.	Pound	1 cent	½ cent per pound.
Milk, condensed	do	3¾ cents	1 cent per pound.
Beans	Bushel	35 cents	$1.20.
Peas	do	15 cents	56 cents.
Buckwheat	do	do	5 cents.
Buckwheat flour	Hundredweight	50 cents	50 cents.
Corn meal	Barrel	25 cents	30 cents per hundredweight.
Oats	Bushel	10 cents	15 cents.
Oatmeal	Hundredweight	60 cents	90 cents.
Rye	Bushel	10 cents	15 cents.
Rice, cleaned	Hundredweight	75 cents	⅜ cent per pound.
Sago and tapioca		27½ per cent	Tapioca, ½ cent per pound.
Hay and straw	Ton	$2	Hay, $4; straw, $3.50.
Flaxseed	Bushel	10 cents	40 cents.
Grass seed	Pound	10 per cent	1 cent to 4 cents.
Vegetables, n. o. p	do	30 per cent	30 per cent.
Onions	do	do	1 cent.
Apples	Barrel	90 cents	75 cents.
Dates and figs	Hundredweight	55 cents	Dates, 1 cent; figs, 2 cents.
Honey	Pound	3 cents	3 cents.
Nuts, all kinds, including peanuts.	do	2 cents	1 cent to 4 cents.
Copra	do	½ cent	Free.
Nuts, shelled	do	4 cents	1 cent to 15 cents.
Salmon, fresh	do	1 cent	2 cents.
Salmon, prepared	do	30 per cent	25 per cent.
Sugar	do	2 cents	$1.60.
Cigars and cigarettes	do	$4.10 plus 25 per cent.	$4.50 plus 25 per cent.
Sewing machines		30 per cent	25 per cent to 40 per cent.
Typewriters		25 per cent	Free.
Machinery, farm		15 per cent to 20 per cent.	Do.
Woolen yarn, n. o. p		30 per cent	26 cents plus 30 per cent to 39 cents plus 40 per cent.
Woolen blankets	do	35 per cent	20 cents plus 30 per cent to 40 cents plus 40 per cent.
Boots and shoes, harness and saddles.		30 per cent	Boots and shoes, 12 cents pair plus 5 per cent; harness and saddles, 35 per cent.

In addition to the general tariff the Canadian law provides for a British preferential and an intermediate tariff. The intermediate tariff applies to any country to which its benefits may be extended by orders in council.

Mr. GOODING. I have here a table showing the duties imposed by the tariff law of the United Kingdom.

On coffee there is a duty of $9.78 a hundred, while it is free under the pending bill as reported. On tea under the British tariff law a duty of 24 cents a pound is levied, while under the pending bill it is on the free list. Tea and coffee are luxuries in England; they are necessities in the United States.

On sugar there is a duty levied of $6.16 a hundred pounds in Great Britain, as against $1.60 a hundred under the bill as reported.

In England more revenue is collected from duties on coffee and tea and sugar and coconut and cocoa than we collect in America on all the farm products that go upon the breakfast table.

On condensed milk, sweetened, the duty in England is $2.80 per 100 pounds, while under the bill as reported by the Finance Committee the rate is $1.50. On cocoa the rate in England per 100 pounds is $9.78, while under the bill as reported by the committee it is free. On currants, per 100 pounds, the English duty is 48 cents; under the bill as reported by the committee it is $2.50. On figs and raisins the English duty per 100 pounds is $2.52, and under the bill reported by the Finance Committee $2. On prunes the rate of the British tariff per 100 pounds is $2.52, and under the bill reported by the Finance Committee

50 cents. When it comes to cider there is not very much difference in the respective duties, the English duty being 8 cents a gallon and the proposed duty under the pending bill 10 cents a gallon. Under the English tariff the duty on gasoline is 12 cents a gallon, while under the pending bill it is free. On motor cars and motor cycles the British duty is 33⅓ per cent, while under the pending bill as reported by the Finance Committee it is 25 per cent. On chicory the British duty per 100 pounds is $9.37, while under the pending bill reported by the Finance Committee it is $1.50.

So the figures run, Mr. President, all along the line. England placed a duty during 1921 on opera glasses of 35 per cent ad valorem; on laboratory porcelain, of 35 per cent ad valorem; on scientific instruments, of 40 per cent ad valorem. A great many articles have been put on the dutiable list in England. I ask that the entire table may be printed as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The table referred to is as follows:

Tariff of the United Kingdom.

Article.	Unit.	Full duty.	Finance Committee rate.
Coffee	100 pounds	$9.78	Free.
Tea	1 pound	.24	Free.
Coconut, sugared	100 pounds	2.80	$4.50
Sugar	do	6.16	1.60
Condensed milk, sweetened.	do	2.80	1.50
Cocoa	do	9.78	Free.
Currants	do	.48	2.50
Figs and raisins	do	2.52	2.00
Prunes	do	2.52	.50
Cider	Gallon	.08	.10
Glucose, solid	do	3.90	1.50
Glucose, liquid	do	2.80	1.50
Motor spirit (gasoline)	Gallon	.12	Free.
Motor cars and motor cycles.		33⅓ per cent.	Cars, 25 per cent; cycles, 30 per cent.
Chicory	100 pounds	$9.37	$1.50
Chloral hydrate	1 pound	.42	25 per cent.
Chloroform	do	1.04	$0.08
Watches		33⅓ per cent.	75 cents to $10.75.
Clocks		33⅓ per cent.	35 per cent plus $1 to $3.
Collodion	1 gallon	$8.23	$2.80
Soap, transparent	1 pound	.06	30 per cent.
Musical instruments		33⅓ per cent.	35 per cent.

The average paid carpenters, plasterers, painters, bricklayers, machinists, and shoemakers in England is $3.08 per day,

TARIFF OF THE UNITED KINGDOM.

(Page 2.)

[NOTE.—During 1921 the number of articles to which the tariff of the United Kingdom applies has been greatly extended by the passing of the safeguarding of industries act, 1921. By this act articles coming under the following headings are chargeable with duty to the extent of 33⅓ per cent ad valorem.]

The British rate is 33⅓ per cent. Finance Committee rates are as follows:

	Per cent.
Optical glass	35
Optical instruments	35
Scientific glassware	35
Laboratory porcelain	35
Scientific instruments	40
Gauges and measuring instruments	40
Compounds of thorium, cerium, and other rare earth metals	25
Synthetic organic chemicals	
Lamp blown ware	
Wireless valves and similar rectifiers	
Ignition magnetos and permanent magnets	25
Arc-lamp carbons	35
Hosiery latch needles, $2 per thousand, plus	35
Metallic tungsten	45

Mr. GOODING. Mr. President, I have before me also a table showing the tariff rates under the French law. I wish to say that the duties under the tariff laws of all the countries to which I have referred or shall refer are collected on the gold basis. Under the French tariff law the duty on steers, bullocks, and heifers, per 100 pounds live weight, is $2.63; on rams, ewes, and wethers, per 100 pounds, live weight, $3.50; on mutton, fresh or preserved, per 100 pounds, $4.38; on pork, per 100 pounds, $3.50; on eggs, per 100 pounds, 88 cents; on cheese, hard, Dutch or Swiss, per 100 pounds, $3.06; on butter, per 100 pounds, $2.63; on wheat, 74 cents a bushel; on oats, 17 cents a bushel; on barley, 26 cents a bushel; on rye, 30 cents a bushel; on rice, whole and grits, per 100 pounds, $2.10; on apples and pears, per 100 pounds, $1.31; on raisins and dates, per 100 pounds, $6.57; on soya beans, per 100 pounds, 22 cents; on refined sugar, per 100 pounds, $2.72. Under the French tariff law coffee per 100 pounds is taxed $26.26. That is how much of a free breakfast table there is in France. On chocolate the French duty is also $26.26 per 100 pounds; and on tea, per 100 pounds, $35.02, and that, of course, includes breakfast tea.

Tobacco, cigars, and cigarettes, $656.56 a hundred pounds.
Linseed oil, 53 cents a hundred pounds.
Oil, soya bean, and corn for soap, 79 cents a hundred pounds.
Edible fats, $3.06 a hundred.
Cotton, washed, 66 cents a hundred.
Hemp, combed, $1.31 a hundred.
Vegetables, fresh, $1.75 a hundred.
Vegetables, dried, $1.63 a hundred.
Iron or steel billets, bars, 66 cents a hundred.
Fine steel for tools, $1.97 a hundred.
Iron or steel rods, 66 cents a hundred.
Cotton yarn, $4.03 a hundred.
Cotton yarn for carpets or rugs, $13.83 a hundred.
Silk thread, unbleached, $35.02 a hundred.
Table linen, $21.71 a hundred.
Knit gloves, $78.79 a hundred.
Hides and skins, tanned, $1.31 a hundred.

I shall not take the time to read all this list, Mr. President, but I ask that it be printed in connection with my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

French tariff, based on the act 1910, revised to December, 1921.

[Duty computed at par, American money. Franc equals 19.3 cents.]

Article.	Unit.	General rate.
Steers, bullocks, heifers	100 pounds live weight.	$2.63
Rams, ewes, wethers	do	3.50
Mutton, fresh or preserved	100 pounds	4.38
Pork	do	3.50
Eggs	do	.88
Cheese, hard (Dutch or Swiss)	do	3.06
Butter	do	2.63
Wheat	Bushel	.74
Oats	do	.17
Barley	do	.26
Rye	do	.30
Corn	do	.30
Semolina	100 pounds	3.33
Rice, whole and grits	do	2.10
Potatoes, March and June	Bushel	.32
Potatoes, any other time	do	.16
Apples and pears	100 pounds	1.31
Raisins and dates	do	6.57
Soya beans	do	.22
Sugar, refined	do	2.72
Coffee	do	26.26
Chocolate	do	26.26
Tea	do	35.02
Tobacco, cigars, and cigarettes	do	656.56
Olive oil	do	.88
Linseed oil	do	.53
Oil, soy bean, and corn for soap	do	.79
Edible fats, vegetable	do	3.06
Cotton, washed, cleaned, bleached	do	.66
Hemp, combed	do	1.31
Vegetables, fresh	do	1.75
Vegetables, dried	do	1.63
Brick, common	do	.021
Brick, hollow	do	.052
Milk, floss, combed	do	.88
Iron or steel, billets, bars	do	.66
Fine steel for tools	do	1.97
Iron or steel rods	do	.66
Cotton yarn, single, unbleached	do	4.03
Cotton for carpets, rugs, etc	do	13.83
Silk thread, unbleached	do	35.02
Table linen, damasked, unbleached	do	21.71
Fabrics of pure cotton	do	.81
Fabrics of pure wool	do	20.14
Knit goods, gloves	do	78.79
Hides and skins, tanned	do	1.31
Gloves, fur	Dozen pairs	1.54
Watches, gold cases	Each	8.68
Clocks, table and wall	100 pounds	17.51
Agricultural machines	do	1.31
Typewriters	do	26.26
Cutlery, fine table knives	do	78.79
Firearms	do	78.79
Pianos	do	28.95
Phonographs	do	7.88
Automobiles	do	9.88
Hats, wool	do	.17
Games, toys, sporting goods	do	7.88
Photographic apparatus, cameras, etc	do	65.66

NOTE.—A lower tariff than the above, called the minimum tariff, is applicable to articles imported from certain countries with which special arrangements have been made. Articles from all other countries are subject to the general rate.

The average wage paid carpenters, plasterers, painters, bricklayers, machinists, and shoemakers in France is $1.46.

Mr. GOODING. I may say that with this per capita tax in France of $8.69, the carpenters, plasterers, painters, bricklayers, machinists, and shoemakers in that country are working on the average for $1.46 a day, while in America these same trades are being paid on an average $7.17 a day. So it seems to me that our friends across the aisle should not shed any tears

about the American workingman being highly taxed when we compare his wages with those that are paid in France or England or any other country, where they pay four times the tax on the breakfast table that we do in America.

Here are the figures for Italy:

Cattle, per head, $3.84 to $15.36.
Sheep, 87 cents a head.
Swine, $1.15 to $3.84 a head.
Poultry, $1.35 per hundred pounds.
Poultry, dressed, $1.35 per hundred pounds.
Meats, fresh, $1.55 per hundred pounds.
Meats, frozen, $1.35 per hundred pounds.
Ham, $4.42 per hundred pounds.
Milk, condensed, unsweetened, $1.74 per hundred pounds.
Milk, powdered, $3.48 per hundred pounds.
Milk, condensed, sweetened, $3.26 per hundred pounds.
Milk, sugar, $3.26 per hundred pounds.
Cheese, $2.12 per hundred pounds.
Sugar, $3.07 per hundred pounds.
Coffee, $13.44 per hundred pounds.
Coffee, roasted, $17.86 per hundred pounds.
Honey, $2.69 per hundred pounds.
Chocolate, $10.56 per hundred pounds.
Tea, $34.97 per hundred pounds. Tea is free under the Finance Committee bill.
Wheat, 40 cents a bushel.
Corn, 37 cents a bushel.
Rye, 23 cents a bushel.
Barley, 18 cents a bushel.
Rice, 44 cents a hundred pounds.
Wheat flour, $1 a hundred pounds.
Cottonseed oil, $4.37 a hundred pounds.
Linseed oil, $2.10 a hundred pounds.
Lard, $1.30 a hundred pounds.
Bacon, $2.20 a hundred pounds.
Hides, tanned, $10.50 a hundred pounds.
Harness, $13 a hundred pounds.
Saddles, $1.50 each.

The average wage paid for carpenters, plasterers, painters, bricklayers, machinists, and shoemakers in Italy is 79 cents a day, yet practically everything that goes on the breakfast table in Italy is taxed.

I ask to have this table printed in the RECORD in connection with my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

Tariff of Italy.

[Monetary unit 1 lira. 1 lira equals 100 centesimi or $0.192.]

Article.	Unit.	Duty.
Horses	Head	$28.80-$40.32
Mules	do	6.72
Cattle	do	3.84- 15.36
Sheep	do	.87
Swine	do	1.15- 3.84
Poultry	100 pounds	1.35
Poultry, dressed	do	1.35
Meats, fresh	do	1.55
Meats, frozen	do	1.35
Ham	do	4.42
Milk, condensed, unsweetened	do	1.74
Milk, powdered	do	3.48
Milk, condensed, sweetened	do	3.26
Milk, sugar	do	3.26
Butter, fresh	do	1.74
Butter, salted	do	1.39
Cheese, hard	do	2.12
Casein	do	.80
Sugar	do	3.07
Coffee	do	13.44
Coffee, roasted	do	17.86
Honey	do	2.69
Cocoa beans	do	2.69
Chocolate	do	10.56
Tea	do	34.97
Wheat	Bushel	.40
Corn	do	.37
Rye	do	.23
Barley	do	.18
Rice, paddy	100 pounds	.44
Rice, cleaned	do	.90
Wheat flour	do	1.00
Semolina	do	1.35
Cottonseed oil	do	4.37
Linseed oil	do	2.10
Castor oil	do	.90
Lard	do	1.30
Bacon	do	2.20
Hides and skins, tanned	do	10.50
Harness	do	13.00
Saddles	Each	1.50
Straw hats	do	.22

NOTE.—The average wage paid for carpenters, plasterers, painters, bricklayers, machinists, and shoemakers in Italy is 79 cents per day.

Mr. GOODING. Here is a tariff table for the Argentine:

Clothing, ready-made, 50 per cent ad valorem.
Harness, 50 per cent ad valorem.
Boots and shoes, 50 per cent ad valorem.
Furniture, 50 per cent ad valorem.
Stockings, 45 per cent ad valorem.
Hides and skins, 40 per cent ad valorem.
Blankets, wool, 40 per cent ad valorem.
Linseed oil, 4½ cents a pound.
Vegetable oils, 4½ cents a pound.
Coconut oil, 2 cents a pound.
Butter, 4½ cents a pound.
Milk, condensed, 3 cents a pound.
Ham, 11 cents a pound.
Eggs, 1 cent a pound.
Figs, 2 cents a pound.
Macaroni, 3 cents a pound.
Canned meats, 14 cents a pound.
Dates, 4½ cents a pound.
Meats, preserved, 9 cents a pound.
Prunes, 3½ cents a pound.
Coffee, 1.4 cents a pound.
Barley, 1 cent a pound, or 56 cents a bushel.
Lard, 4 cents a pound.
Apples, dried, 2½ cents a pound.
Honey, 1½ cents a pound.
Walnuts, 1½ cents a pound.
Raisins, 7 cents a pound.
Currants, 7 cents a pound.
Cheese, 9 cents a pound.
Tea, 4½ cents a pound.
Bacon, 9 cents a pound.

I ask to have this table printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

Tariff of Argentina.

[Monetary unit gold peso. One peso equals 100 centavos=$0.952.]

Article.	Unit.	Duty.
Harness		50 per cent.
Clothing, ready-made		50 per cent.
Boots and shoes		50 per cent.
Furniture		50 per cent.
Stockings		45 per cent.
Hides and skins		40 per cent.
Blankets, wool		40 per cent.
Linseed oil	Pound	$0.045
Vegetable oils	do	.045
Coconut oil	do	.02
Butter	do	.045
Milk, condensed	do	.032
Ham	do	.11
Eggs	do	.01
Figs	do	.02333
Beans, dry	do	.005
Macaroni	do	.03
Meats, canned	do	.14
Dates	do	.045
Meats, preserved	do	.09
Prunes	do	.035
Sugar	do	.027
Coffee	do	.014
Rye	do	.005
Barley	do	.01
Oats	do	.007
Lard	do	.04
Apples, dried	do	.0233
Honey	do	.0133
Walnuts	do	.0133
Raisins	do	.07
Currants	do	.07
Cheese	do	.09
Tea	do	.045
Bacon	do	.09

Mr. GOODING. The tariff in Chile is as follows:

Cattle, $3.60 to $5.76 a head.
Sheep, 72 cents a head.
Horses, $3.60 a head.
Swine, $1.80 a head.
Meats, fresh, 3.2 cents a pound.
Bacon and ham, 9 cents a pound.
Milk, condensed, 7 cents a pound.
Butter, 10 cents a pound.
Lard, 4 cents a pound.
Cheese, 10 cents a pound.
Boots and shoes, 1 cent a pair.
Everything is by the pound in Chile.
Corn, one-half cent a pound.
Rye, 1 cent a pound.
Oats, 1½ cents a pound.
Rice, seven-tenths of a cent a pound.
Coffee, 1½ cents a pound.
Tea, 10 cents a pound.

I ask to have this table printed in the RECORD in connection with my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

Tariff of Chile.

[Monetary unit, gold peso; par value, 36 cents.]

Article.	Unit.	Duty.
Cattle	Head	$3.60-$5.76
Sheep	do	.72
Horses	do	3.60
Swine	do	1.80
Meats, fresh	Pound	.032
Bacon and ham	do	.09
Milk, fresh	do	.0133
Milk, condensed	do	.07

Tariff of Chile—Continued.

Article.	Unit.	Duty.
Butter	Pound	$0.10
Lard	do	.04
Honey	do	.015
Cheese	do	.10
Boots and shoes	Pair	.01
Corn	Pound	.005
Rye	do	.01
Oats	do	.015
Rice	do	.007
Coffee	do	.015
Tea	do	.10

NOTE.—Chilean exchange was quoted at 12 cents, December, 1921.

Mr. GOODING. The tariff rates in Germany are as follows:

Corn, 28 cents a bushel.
Wheat, 36 cents a bushel.
Oats, 16 cents a bushel.
Rice, 50 cents per 100 pounds.
Rye, 50 cents per 100 pounds.
Barley, 40 cents per 100 pounds.
Beans, 20 cents per 100 pounds.
Cocoa, $7 per 100 pounds.
Chocolate, $5.40 per 100 pounds.
Sheep, $1.90 each.
Swine, 98 cents per 100 pounds.
Poultry, 40 cents per 100 pounds.
Fresh meats, $2.90 per 100 pounds.
Meats, frozen, $3.80 per 100 pounds.
Bacon, $3.90 per 100 pounds.
Poultry, dressed, $1.50 per 100 pounds.
Sausage, $4.40 per 100 pounds.
Butter, $2.20 per 100 pounds.
Honey, $4.40 per 100 pounds.
Linseed oil, $1.30 per 100 pounds.
Cottonseed oil, $1.40 per 100 pounds.
Milk, condensed, sweetened, $2.70 per 100 pounds.
Boots and shoes, $3.20 per 100 pounds.
Sugar, from $2 to $4.

I ask permission to have this table printed in connection with my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

German tariff.

Article.	Unit.	Rate of duty.
Corn	Bushel	$0.28
Wheat	do	.36
Oats	do	.16
Rice	100 pounds	.50
Rye	do	.50
Barley	do	.40
Beans	do	.20
Cocoa	do	7.00
Chocolate	do	5.40
Whites of egg and yolk	do	6.50
Sheep	Each	1.90
Swine	100 pounds	.98
Poultry	do	.40
Meat (fresh or killed)	do	2.90
Meats (frozen)	do	3.80
Bacon	do	3.90
Poultry (dressed)	do	1.50
Sausage	do	4.40
Eggs	do	.20
Butter	do	2.20
Honey	do	4.40
Linseed oil	do	1.30
Cottonseed oil	do	1.40
Milk (condensed)	do	.50
Milk (condensed sweetened)	do	2.70
Boots and shoes	do	3.20
Sugar	do	2.00–4.00

NOTE.—Monetary unit 1 mark; par value, 23.8 cents; current value, one-third cent. All duties are based on a metric system of weights, 100 kilograms being taken as the unit; 100 kilograms equal 220 pounds.

The average wage paid for carpenters, plasterers, painters, bricklayers, machinists, and shoemakers in Germany is $0.71 per day.

Mr. GOODING. So I submit, Mr. President, that there is not a country on earth that does not tax the breakfast table at a higher rate than we do here in America. We are nearer a free-trade country to-day, as far as the breakfast table is concerned, than any other country on earth, and these tariff rates in foreign countries prove that beyond a question of a doubt.

The Republican Party levies a protective tariff on those articles that we produce in this country and those that we can develop and those that give employment to American labor. It never has been the policy of the Republican Party to levy a duty on tea or coffee, because we can not produce them, nor on any other things that we do not produce, as far as that is concerned, unless they displace something that we do produce. I am not alarmed about our not being able to buy from foreign countries if we do not open up our ports. Our ports are wide open to-day to every country, as compared to their ports, with the revenue that they collect on imports from America, especially on farm products.

We bought last year $790,257,384 worth of imported products that we do not produce in America, so that there is not any danger that we will not be able to buy abroad. Let me read you a few of these articles.

Chemicals and drugs that we do not produce in this country—and I will read only the first figure—$36,000,000:

Cocoa, $23,000,000.
Coffee, $142,000,000.
Fibers, $18,000,000.
Unbleached burlap, $41,000,000.
Fruits that we do not produce, $29,000,000.
Nuts that we do not produce, $12,000,000.
Skins from animals, $25,000,000.
India rubber, $75,000,000.
Metals and minerals, $34,000,000.
Vegetable oils, $20,000,000.
Precious stones, $36,000,000.
Silks, and manufactures of silks, $259,000,000.
Tea, $14,000,000.

I ask to have this table printed as part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

Imports of commodities not produced in United States for 1921.

Farinaceous substances	$1,771,946
Chemical—drugs, etc	86,263,613
Cocoa	23,124,741
Coffee	142,808,719
Cork wood and bark	959,947
Logwood	636,932
Fertilizers	2,335,982
Fibers	18,872,081
Unbleached burlap	41,279,072
Fruits	29,330,458
Nuts	12,674,019
Hair, human	9,132,723
Skins, animal	25,523,743
India rubber, etc	75,562,938
Ivory	473,721
Meerschaum	9,712
Metals and minerals	24,725,000
Vegetable oils	20,744,689
Platinum	916,235
Precious and semiprecious stones	36,891,752
Castor beans	906,857
Mother-of-pearl shells	974,988
Silk and manufactures of	259,601,253
Spices	4,769,138
Flint, unground	116,157
Tanning materials	227,765
Tea	14,233,791
Wax	1,671,932
Briar root and wood	135,727
Rattan and reeds	1,074,528
Total	790,257,384

Mr. GOODING. I also ask to have printed as part of my remarks a table showing the average daily wage of carpenters, plasterers, painters, bricklayers, machinists, and shoemakers in the countries of Germany, Italy, Japan, France, England, and the United States.

The VICE PRESIDENT. Without objection, it will be so ordered.

The matter referred to is as follows:

Average daily wage.

	Germany.	Italy.	Japan.	France.	England.	United States.
Carpenters	$0.73	$0.90	$1.30	$1.38	$3.38	$6.62
Plasterers	.72	.76	1.53	1.56	3.38	8.47
Painters	.72	.80	1.53	1.71	3.08	6.80
Bricklayers	.75	.76	1.53	1.56	3.38	8.7
Machinists	.72	.82	1.50	1.38	2.80	6.40
Shoemakers	.64	.72	1.23	1.20	2.40	6.00
Average	.71	.79	1.43	1.46	.08	7.17

Mr. FLETCHER. Mr. President, referring to this particular item, the Senator from Montana is correct and the Senator from Michigan is wrong regarding the question as to whether it is produced in this country. In the Summary of the Tariff Information, page 188, the statement is as follows:

Amorphous graphite is so widely distributed that no serious difficulty is likely to be encountered by any of the great commercial nations in filling their vital needs. The most important deposits of crystalline graphite are controlled by Great Britain through her sovereignty over Ceylon and by France through sovereignty over Madagascar.

Then, further, it says:

The United States has heretofore not been considered independent in the matter of crucible graphite. Crucible makers, who use about 15,000 tons a year, have insisted on having Ceylon graphite. Montana produces a graphite that has been accepted by crucible manufacturers as equal to Ceylon material. The quantity ultimately available has not been proved, but may be sufficient to satisfy domestic demands for many years.

Then another statement appears; and this is not questioned, so far as I know:

There is a larger degree of independence in the matter of amorphous graphite, of which the consumption is in the neighborhood of 15,000 tons annually. Practically all of this can be furnished from domestic sources, including both natural and artificial graphite, but during the war American-owned mines in Mexico and Canada were drawn upon to some extent, and more recently Korean graphite has again been imported.

So there is no question but that all this material can be produced and is being produced in this country, and the domestic supply is ordinarily sufficient for our demands.

I think the duty proposed by the committee may yield revenue, and it may be strictly termed a revenue duty. Beyond that, we get into the field of protection, and I would not feel justified in increasing the duty provided by the committee, and I would only vote for it on the idea that it would be found to be a duty which would yield a revenue, and would not tend to encourage the formation of a combination or a trust, or impose such restrictions on importations as would cause a great increase in the prices here.

Upon the basis of its being a revenue duty, it would be justified. Otherwise, both graphite and plumbago ought to be on the free list.

POLICY OF RECLAMATION.

Mr. McNARY. Mr. President, in yesterday morning's Washington Post, under the column headed "Chats with Visitors," appeared a very interesting interview with Governor Campbell, of Arizona. I ask that it may be read by the Secretary.

Mr. JONES of Washington. Why not have it printed in the RECORD without reading?

Mr. McNARY. The article is brief, and I prefer that it be read. It is about a matter which will be interesting to the Senator from Washington.

The VICE PRESIDENT. The Secretary will read as requested.

The reading clerk read as follows:

"The people of the West are becoming very anxious for congressional action on land-reclamation projects which are now pending," declared Gov. Thomas E. Campbell, of Arizona, at the Willard. Mr. Campbell is now serving his third term as Republican governor of a State that is normally Democratic. He has been one of the leaders of the Western States Reclamation Association, which has united 13 western States in a campaign in support of pending reclamation legislation.

"There has been considerable talk about the West being the battle ground of the coming election, particularly with reference to the control of the House and the Senate," Governor Campbell said. "I believe this is a fact, and there is not much time between now and November for the people of our country to forget. We have been promised a broad national policy of reclamation. The Republican Party in its platform stands pledged. President Harding has emphatically declared himself in favor of the McNary-Smith bill. The committees of both Houses of Congress have recommended this bill by unanimous votes. To-day it is on the calendars of both House and Senate.

"Yet it appears that a narrow viewpoint of a few House leaders is endangering its passage through inactivity and procrastination. We may live a long way from Washington, but we are familiar with the political tactics of letting a meritorious measure die on the calendar. The West to-day is watching the national administration with just as keen an interest as the leaders are watching the West."

Mr. ASHURST. Mr. President, the Governor of the State of Arizona, Mr. Campbell, is not only a gentleman of excellent judgment but accurate expression. The supporters of the Smith-McNary reclamation bill are beginning to be seriously disturbed over the situation respecting that bill. This ought not to be a political question. It is an economic, a business, question, and citizens of the West, of the South, and of the East have perceived the importance of this legislation. Only four days since a group of certain Republican editors of the Press Association of the State of Washington manfully served notice on the Republican Party that unless this Congress enacted the Smith-McNary reclamation bill they would no longer consider themselves bound to support the Republican Party. I read from the CONGRESSIONAL RECORD (p. 7434 of the proceedings of Tuesday, May 23). The telegram was inserted in the RECORD by the distinguished senior Senator from Washington [Mr. JONES] and is as follows:

YAKIMA, WASH., *May 20, 1922.*

WESLEY L. JONES, *Washington, D. C.:*

Following a meeting here to-day of the Yakima-Benton-Kittitas group of the Washington State Press Association, Republican members of the group adopted the following resolution:

"Whereas the Republican Party in the last national campaign gave to the voters of the Nation its pledge to put into operation a speeded-up and enlarged program of reclamation; and

"Whereas the McNary-Smith bill, now pending in Congress, was framed as a fulfillment of that pledge and as such has received the official sanction of the administration; and

"Whereas said McNary-Smith bill has been unanimously recommended for passage by committees in both Houses of Congress; and

"Whereas enactment of said McNary-Smith bill will stimulate business and industry, relieve unemployment, contribute materially to the Nation's wealth, and inure to the special benefit of the returned soldiery without prejudice or preference to any project, section, or district of the unreclaimed areas of the Nation: Now therefore be it

"Resolved by the following Republican newspaper publishers of the State of Washington, That failure of the Republican majority in Congress to pass the said McNary-Smith bill at the present session will be regarded by us as an inexcusable breach of faith on the part of the national Republican Party, and we hereby declare that we no longer consider ourselves, either by reason of our past affiliations or the party's future promises, bound to continue our support of the national Republican Party."

Republican newspapers represented at to-day's meeting were Ellensburg Record, Sunnyside Sun, Grandview Herald, Wapato Independent, Toppenish Review, Toppenish Tribune, Kennewick Courier-Reporter, Zillah Mirror, Richland Advocate, Prosser Record-Bulletin.

I am of opinion that this dispatch which the Senator from Washington [Mr. JONES] caused to be inserted in the RECORD expresses the view of a vast majority of the American people, irrespective of party. I have spoken in season, and some say out of season, here in the Senate pointing out the necessity for the early enactment of this Smith-McNary reclamation bill, and I have said to Republicans here and elsewhere that it was their duty to pass this bill and that they can make no greater contribution to the happiness and the prosperity of the people of this country than to pass the Smith-McNary reclamation bill.

The distinguished chairman of the Committee on Irrigation and Reclamation, the senior Senator from Oregon [Mr. McNARY] has labored for this legislation with a zeal and a diligence unsurpassed during my time here.

The Senator from Oregon [Mr. McNARY] knows, and he has impressed the committee with the idea, that if the landless returned soldier is to obtain a tract of land and is to become a farmer the eligible means to that end is to be found through the passage of this Smith-McNary reclamation bill. Through the efforts of the senior Senator from Oregon and through the efforts of the Senator from Nebraska [Mr. NORRIS] the title or name of the old Committee on Irrigation and Reclamation of Arid Lands has had stricken from it the words "of arid lands," so that now I say to you from the South if the Mississippi River overflows its banks the Smith-McNary reclamation bill, when it becomes a law, will afford an opportunity for you to stay the devastating floods and reclaim the lands. In the true philosophy of government we have as much right to reclaim swamp lands as we have to irrigate arid lands, and I am in favor of doing both, *both* for the benefit of the people. A government is a harness with which to draw civilization's load.

The moment a citizen becomes a landowner he becomes a stockholder in the Republic, and no government can with safety ignore the question of affording to industrious persons an opportunity to acquire a home. Reclamation of lands is practical, yet ideal; it is one of the noblest tasks our Nation could perform.

We of to-day are the tragic generation. Vast unrest everywhere, much unemployment distresses the people, and no grander or more utilitarian work could be done than to reclaim, for the benefit of the people, our now idle, unutilized lands. Hear me while I read from the report on the Smith-McNary reclamation bill, as written by the Senator from Oregon, wherein he quoted from a great Babylonian monarch:

I have made the canal of Hammurabi a blessing for the people of Shumir and Accad. I have distributed the waters by branch canals over the desert plains. I have made water flow in the dry channels and have given an unfailing supply to the people. I have changed desert plains into well-watered lands. I have given them fertility and plenty, and made them the abode of happiness.

I am glad that the suggestions urging action on this bill have come from the other side, as this relieves the discussion of any partisan charge. I saw the dispatch yesterday which the Senator from Washington placed into the RECORD, but I felt a hesitancy about discussing it here, because those gentlemen were Republican editors; but the Senator from Washington, in placing that statement into the RECORD, again proved himself to be what we all know him to be, a fair man, who labors earnestly for things not only for the good of his party but for the good of his country.

If this Congress should fail to pass the Smith-McNary reclamation bill a roar of fury, anger, and resentment would rise from every camp, every home, every hamlet and city in the West. The Republican Party is bound, as far as faith and promises can bind men, to pass this bill. The proper committee of the House and the proper committee of the Senate have recommended it. The bill asks for no gift, no bounty, no largesse from the Federal Treasury, but it provides that an appropriate sum of money—$350,000,000—shall be transferred to the national reclamation fund and that the Secretary of the Interior may from time to time designate lands eligible for reclamation in Mississippi, Montana, Maine, Michigan, Alabama, Arizona, Utah, Arkansas, or in any other State, and that such approved projects shall be built. The money will all be repaid to the United States, hence this is not an appropriation.

Will any statesman arise and declare that he has a better solution of the reclamation question? Will anyone here ad-

vance a better idea than is in this bill? Unless he can do so, it is his duty to support the Smith-McNary reclamation bill. Unless some Senator comes forward with a better plan for reclaiming the Everglades of Florida, the overflowed lands of the South, the stump lands of the Northwest and East, and the arid lands of the West—unless he can point out a better or more eligible plan than is provided in the Smith-McNary bill he is in duty bound, in my judgment, to vote for this bill.

Just as soon as this bill is passed the Secretary of the Interior would set to work the various agencies of his department investigating and approving projects. Here and there and everywhere engineers would be examining to ascertain where projects may be built.

I measure my words when I say that no Congress ever has and that no Congress ever will consider a bill of more importance than the Smith-McNary reclamation bill. Without any offensiveness intended, I speak for others as well as myself, not only on this side but for a few gentlemen on the other side of the aisle, and say we serve notice now that, if we can prevent it, this Congress will not be permitted to adjourn until the Smith-McNary bill is a law.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. ASHURST. I yield with pleasure.

Mr. LENROOT. I should like to ask the Senator whether he thinks the country needs an increased production of agricultural products to-day?

Mr. ASHURST. Knowing that a large number of the 4,000,000 soldiers in a land which they saved need and desire a home or a farm, I have little fear of overproduction. Do we need a stimulation of agricultural products? Is that the question the Senator asks me?

Mr. LENROOT. Does not the Senator admit that at the present prices there is no profit in raising agricultural products? If that be true, does the country need an increased production of agricultural products?

Mr. ASHURST. All the more reason why, because the soldier should have a home. If we say agricultural products are now too high, let the soldier grow them if he desires.

Mr. LENROOT. No; they are too low.

Mr. ASHURST. Mr. President, the Senator is one of the most determined fighters in the Senate. It would be distressing for me to draw any inference from his remarks that he is going to oppose this bill. I do not agree with the Senator on many things. He and I have crossed swords frequently and to my discomfiture, on many questions at times, but I shall be filled with profound regret and painful surprise if I see that superb intellect fighting the Smith-McNary bill. With his ability and leadership he owes it as a duty to his country to stand up and fight for this bill. I hope we may find him enlisted with other soldiers of the common good, marching forward in a phalanx in favor of this truly wonderful legislation which a Republican Secretary of the Interior favors. Pass this bill and glory will be your portion; defeat it, or adjourn without action on this bill and the heat of public opinion will consume you root and branch.

Promises in politics must be kept; either keep them or do not make them. A vote for this bill is a vote for the firmness, strength, and prosperity of this Republic.

Mr. ASHURST subsequently said:

Mr. President, this evening I had occasion to address the Senate for a few moments upon the Smith-McNary reclamation bill, reported favorably from the Committee on Irrigation and Reclamation. I ask unanimous consent to insert in the RECORD as an appendix to my remarks a copy of the bill.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The bill referred to is as follows:

A bill (S. 3254) to encourage the development of the agricultural resources of the United States through Federal and State cooperation, giving preference in the matter of employment and the establishment of rural homes to those who have served with the military and naval forces of the United States.

Be it enacted, etc., That when used in this act—

(a) The term "Secretary" means the Secretary of the Interior.

(b) The term "district" means any district organized under the law of any State to provide for the agricultural reclamation of lands by irrigation, drainage, or dikage, with authority to issue bonds which shall be a general charge against all lands within the district and to contract with the United States under this act as provided herein.

(c) The term "farm" means an area of land within a reclamation project sufficient in size, in the opinion of the Secretary, to support a family, but not exceeding 160 acres of reclaimed land.

(d) The term "excess lands" means all lands in a single holding in excess of one established farm.

(e) The term "veteran" means any individual, a member of the military or naval forces of the United States in the War with Germany, the War with Spain, or in the suppression of the insurrection in the Philippines, and honorably discharged therefrom or placed in the Regular Army or Naval Reserve.

SEC. 2. That the Secretary is authorized to investigate the feasibility of reclaiming the lands within any district in any State under contract with the district. One-half the cost of investigation shall be advanced by the district and one-half by the United States. Upon determining that reclamation is feasible, the Secretary is authorized, under contract with the district, to construct the necessary works for the reclamation of the lands involved and operate and maintain the same so long as such operation and maintenance are necessary, in the opinion of the Secretary, to safeguard the interests of the Government. The total cost of construction and of operation and maintenance which shall include a just portion of overhead expenses shall be paid by the district to the United States.

SEC. 3. That before construction of a project is commenced the sizes of the farms therein shall be established and agreements shall be made effectively subjecting not less than 80 per cent of the excess lands within the project to disposal by authority of the Secretary to settlers at prices and terms fixed in advance in such agreements. Such prices and terms shall be determined with the view of placing a bona fide and competent settler upon each farm of the project with the least possible delay.

SEC. 4. That when, in the opinion of the Secretary, a project has been fully completed and successfully operated for one season the Secretary shall fix the construction cost thereof, which shall include the total cost of investigation, the expense of selling district bonds under section 5, interest at not exceeding 5 per cent per annum upon all sums advanced by the United States in the construction thereof, and the cost of operating and maintaining the project to the date of fixing such cost. This total cost the district shall agree to pay to the United States within a period not exceeding 40 years, with annual interest thereon at not exceeding 5 per cent per annum: *Provided*, That upon receipt by the United States from the proceeds of district bonds, as provided in section 5, of such total cost with interest, the obligation of the district to the United States for construction shall be satisfied: *Provided further*, That upon the receipt of such total cost the moneys advanced by the district for investigation of the project shall be returned to the district. So long as the Government operates and maintains a project the district shall also pay to the United States annually, upon terms to be fixed by the Secretary, the total cost of operation and maintenance.

SEC. 5. That preceding any expenditure by the United States on account of construction of a project bonds of the district equal in face value to the amount of the proposed expenditure shall be duly issued and delivered to the United States. If at any time it should appear to the Secretary that the original bond issue is insufficient to cover the cost of the proposed work, he may either curtail the work or require the district to issue additional bonds, and when the total cost of the completed project has been determined under section 4, all bonds issued in excess of such cost shall be canceled. The bonds shall be in form approved by the Secretary and shall run for a period not exceeding 40 years, bear interest at a rate to be fixed by the Secretary not exceeding 5 per cent, payable annually, and be issued in denominations of $25, $50, $100, $500, and $1,000. These bonds shall be deposited with the Federal Farm Loan Board, and when the project cost is known and the value of all of the property of the district subject to assessment for the payment of the bonds shall reach twice the par value of the bonds as found by the said board, the board shall offer the bonds at public or private sale at not less than par under terms and conditions to be provided by rules and regulations to be made by said board. The moneys received from the sale of the bonds shall be credited upon the district contract. Prior to sale of the bonds the board shall collect all moneys due thereon, and the same shall likewise be credited upon the district contract.

SEC. 6. That unentered and unpatented arid and semiarid lands of the United States susceptible of reclamation may be included in a district and may be subjected to the provisions of the act of August 11, 1916 (39 Stat. p. 506), in accordance with the terms of said act: *Provided*, That the final proviso of section 1 of the act shall not apply: *Provided further*, That while the unentered public lands within a district constitute more than 50 per cent in area of the lands therein, the Secretary shall have the right to appoint upon the district board such number of persons to represent the interests of the United States as shall constitute a majority of the board. Unentered public land withdrawn under the provisions of the act of June 17, 1902 (32 Stat. p. 388), and acts amendatory thereof or supplementary thereto, may, in the discretion of the Secretary, be included in a district. All unentered public land so included in a district shall be opened under the provisions of the homestead law and also, so far as applicable, of said act of June 17, 1902, as amended and supplemented.

SEC. 7. That the United States may acquire lands hereunder for construction, but not for agricultural purposes: *Provided*, That the Secretary is authorized to accept, by gift, deed in trust, or otherwise, land within any district and dispose of the same upon terms and conditions to be agreed upon with the grantor or later fixed by the Secretary.

SEC. 8. That in the construction of every project under this act the Secretary shall, so far as practicable, utilize the services of veterans. In every opening or sale of land by authority of the Secretary, under this act veterans shall have the exclusive right, for a period of 60 days, to make entry or otherwise acquire the land: *Provided*, That in the event such an entry shall be relinquished at any time prior to actual residence upon the land by the entryman for not less than one year, lands so relinquished shall not be subject to entry for a period of 60 days after the filing and notation of the relinquishment in the local land office, and shall, after the expiration of such 60-day period, be subject to entry by the first qualified applicant.

SEC. 9. That the act of June 17, 1902 (32 Stat. p. 388), and all amendatory or supplementary acts shall hereafter be known as the national irrigation law, and the fund provided for by said law shall hereafter be known as the national irrigation fund. This act, and all amendatory or supplementary acts, shall be known as the national reclamation law, and for the purpose of carrying out its provisions there is hereby established in the Treasury a fund to be known as the national reclamation fund. There is hereby authorized to be appropriated from any moneys in the Treasury not otherwise appropriated the sum of $350,000,000, to be transferred from time to time to the national reclamation fund, and appropriated upon estimates made by the Secretary for carrying out the provisions of this act. All moneys received by the United States under this act shall be paid into the national reclamation fund, and all moneys at any time in said fund shall be available for appropriation for the purposes of this act.

SEC. 10. That the Secretary is hereby authorized to perform any and all acts and to make such rules and regulations as in his discretion may be necessary for carrying the provisions of this act into full force and effect.

Mr. McCUMBER. Mr. President——

Mr. ASHURST. I yield to the distinguished Senator from North Dakota.

Mr. McCUMBER. I thought the Senator from Arizona had concluded.

Mr. ASHURST. I will yield the floor, if that will please the Senator.

Mr. McCUMBER. Mr. President, may I ask that the Secretary restate the amendment to which this argument has been directed?

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The VICE PRESIDENT. The Secretary will state the pending amendment.

The ASSISTANT SECRETARY. The question is on the amendment proposed by the junior Senator from Colorado [Mr. NICHOLSON], on page 37, line 11, to strike out "20 per cent ad valorem" and to insert in lieu thereof "3 cents per pound," so as to read:

Crystalline lump, chip, or dust, 3 cents per pound.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Harrison	McNary	Smith
Borah	Heflin	Moses	Smoot
Broussard	Johnson	Newberry	Spencer
Bursum	Jones, N. Mex.	Nicholson	Sterling
Calder	Jones, Wash.	Oddie	Sutherland
Capper	Kellogg	Phipps	Townsend
Curtis	Kendrick	Poindexter	Wadsworth
Dial	La Follette	Ransdell	Walsh, Mass.
Fletcher	Lenroot	Rawson	Walsh, Mont.
France	Lodge	Robinson	Warren
Gooding	McCumber	Sheppard	
Hale	McKinley	Shortridge	
Harris	McLean	Simmons	

The VICE PRESIDENT. Forty-nine Senators having answered to their names, a quorum is present. The question is on the amendment of the Senator from Colorado [Mr. NICHOLSON] to the committee amendment.

Mr. WALSH of Massachusetts. Mr. President, the amendment proposed by the Senator from Colorado to the committee amendment refers to lump graphite. The committee amendment fixes a rate of 20 per cent ad valorem. If the amendment proposed by the Senator from Colorado is adopted it will be equivalent to an ad valorem rate of 50 per cent.

Mr. HARRISON. On this question I call for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. MOSES (when Mr. KEYES's name was called). I am authorized by my absent colleague [Mr. KEYES] to state that if present he would vote "nay" on this amendment to the amendment.

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD]. I understand, however, that on this question he would vote as I am about to vote, and therefore I am at liberty to vote. I vote "nay."

Mr. McKINLEY (when his name was called). Transferring my pair with the junior Senator from Arkansas [Mr. CARAWAY] to the junior Senator from Pennsylvania [Mr. PEPPER] I vote "nay."

The roll call was concluded.

Mr. JONES of Washington (after having voted in the affirmative). Has the senior Senator from Virginia [Mr. SWANSON] voted?

The VICE PRESIDENT. He has not.

Mr. JONES of Washington. I have a pair with that Senator for the time that he is necessarily absent during the day. I find, however, that I can transfer that pair to the Senator from Oregon [Mr. STANFIELD]. I do so, and will allow my vote to stand.

Mr. CURTIS. I am requested to announce the following pairs:

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Rhode Island [Mr. COLT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. McKELLAR];

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS]; and

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE].

The result was announced—yeas 17, nays 36, as follows:

YEAS—17.

Bursum	Johnson	Oddie	Sterling
Capper	Jones, N. Mex.	Phipps	Wadsworth
Ernst	Jones, Wash.	Poindexter	
Gooding	McNary	Rawson	
Harreld	Nicholson	Shortridge	

NAYS—36.

Ball	Hale	Lodge	Smith
Borah	Harris	McCumber	Smoot
Brandegee	Harrison	McKinley	Spencer
Calder	Heflin	McLean	Stanley
Curtis	Hitchcock	Moses	Sutherland
Dial	Kellogg	Newberry	Townsend
Fletcher	Kendrick	Robinson	Walsh, Mass.
France	La Follette	Sheppard	Walsh, Mont.
Frelinghuysen	Lenroot	Simmons	Warren

NOT VOTING—43.

Ashurst	Elkins	New	Shields
Broussard	Fernald	Norbeck	Stanfield
Cameron	Gerry	Norris	Swanson
Caraway	Glass	Overman	Trammell
Colt	Keyes	Owen	Underwood
Crow	King	Page	Watson, Ga.
Culberson	Ladd	Pepper	Watson, Ind.
Cummins	McCormick	Pittman	Weller
Dillingham	McKellar	Pomerene	Williams
du Pont	Myers	Ransdell	Willis
Edge	Nelson	Reed	

So Mr. NICHOLSON's amendment to the amendment of the Committee on Finance was rejected.

Mr. HEFLIN. I move to amend the committee amendment on page 37, line 11, after the word "dust," by striking out "20 per cent ad valorem" and inserting "1½ cents per pound"; so as to provide a duty of 1½ cents per pound on crystalline lump, chip, or dust graphite. I ask for the yeas and nays on the amendment to the amendment.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "yea."

Mr. MOSES (when the name of Mr. KEYES was called). Were he present, my colleague, the junior Senator from New Hampshire [Mr. KEYES] would vote "nay" on this amendment to the amendment.

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD], but I am informed that if present he would vote as I am about to vote, and I will therefore vote. I vote "nay."

Mr. McKINLEY (when his name was called). Making the same announcement as before in reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. HARRISON. Has the junior Senator from West Virginia [Mr. ELKINS] voted?

The VICE PRESIDENT. He has not.

Mr. HARRISON. I transfer my pair with him to the junior Senator from Rhode Island [Mr. GERRY] and vote "nay."

The result was announced—yeas 17, nays 35, as follows:

YEAS—17.

Broussard	Johnson	Oddie	Shortridge
Bursum	Jones, N. Mex.	Phipps	Sterling
Capper	Jones, Wash.	Poindexter	
Gooding	McNary	Robinson	
Heflin	Nicholson	Sheppard	

NAYS—35.

Ball	Hale	McCumber	Spencer
Borah	Harreld	McKinley	Stanley
Brandegee	Harris	McLean	Sutherland
Calder	Harrison	Moses	Townsend
Curtis	Kellogg	Newberry	Wadsworth
Dial	Kendrick	Rawson	Walsh, Mass.
Ernst	La Follette	Simmons	Walsh, Mont.
France	Lenroot	Smith	Warren
Frelinghuysen	Lodge	Smoot	

NOT VOTING—44.

Ashurst	Fernald	Nelson	Reed
Cameron	Fletcher	New	Shields
Caraway	Gerry	Norbeck	Stanfield
Colt	Glass	Norris	Swanson
Crow	Hitchcock	Overman	Trammell
Culberson	Keyes	Owen	Underwood
Cummins	King	Page	Watson, Ga.
Dillingham	Ladd	Pepper	Watson, Ind.
du Pont	McCormick	Pittman	Weller
Edge	McKellar	Pomerene	Williams
Elkins	Myers	Ransdell	Willis

So Mr. HEFLIN'S amendment to the committee amendment was rejected.

The VICE PRESIDENT. The next amendment proposed by the Senator from Colorado [Mr. NICHOLSON] to the amendment of the committee will be stated.

The READING CLERK. On page 37, paragraph 213a, line 11, before the word "cents," it is proposed to strike out the numeral "2" and to insert the numeral "5," so as to read:

Crystalline flake, 5 cents per pound.

Mr. WALSH of Massachusetts. Mr. President, as crystalline graphite is selling now from 3 to 4 cents a pound, if this amendment to the amendment be adopted it will impose an equivalent ad valorem rate of between 133 and 167 per cent, the highest rate that I have yet heard mentioned in connection with the pending tariff bill.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Colorado to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question recurs on the committee amendment.

The amendment was agreed to.

Mr. NICHOLSON. I reserve the right to offer in the Senate, when we again reach the schedule, the amendments I have to-day offered to the committee amendment.

Mr. McCUMBER. Mr. President, I now ask to return to paragraph 211, on page 35, lines 24 and 25.

The VICE PRESIDENT. The amendment proposed by the Committee on Finance at that point will be stated.

The READING CLERK. On page 35, after line 23, it is proposed by the Committee on Finance to strike out paragraph 211, as follows:

Graphite or plumbago, crude or refined, not specially provided for, 10 per cent ad valorem.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. McCUMBER. I now ask to return to paragraph 207, page 34, where the Committee on Finance propose an amendment relative to fluorspar.

The VICE PRESIDENT. The amendment proposed by the Committee on Finance in the paragraph referred to will be stated.

The READING CLERK. On page 34, paragraph 207, line 10, after the word "fluorspar" it is proposed by the Committee on Finance to strike out "5 per ton of 2,000 pounds: *Provided*, That after the expiration of one year beginning on the day following the passage of this act, the duty on fluorspar shall be $4 per ton of 2,000 pounds," and to insert "$5.60 per ton," so as to read:

Fluorspar, $5.60 per ton.

Mr. JONES of New Mexico. Mr. President, to me this is an unusual proposal. The present duty on this commodity is $1.50 per ton, which was equivalent in 1914 to 39 per cent. The Payne-Aldrich law imposed a duty of only $3 per ton, which at the time that law was enacted was equivalent to a duty of 95 per cent. Now the Committee on Finance propose to impose a duty on this commodity of $5.60 per ton, which, based on the 1914 prices, will amount to 147 per cent; on the 1910 prices to 176 per cent; and on present prices, those for 1922, will amount to 70 per cent.

Mr. SMOOT. I think to-day the price for the commodity is about $20 a ton.

Mr. JONES of New Mexico. The import price is not $20 per ton. The import price for 1921 was $12.50 a ton and the last foreign price which I have, for 1922, is $8 per ton.

Mr. SMOOT. Is the Senator speaking of the price in Mexico?

Mr. JONES of New Mexico. Yes; I am speaking of the foreign price.

Mr. SMOOT. I notice the price per ton in Mexico is $12 and the price per ton in Kentucky and Illinois is $20 and $22 a ton. According to those figures the percentage would be less than stated by the Senator from New Mexico.

Mr. JONES of New Mexico. Under those prices the percentage would, of course, be less.

Mr. SMOOT. That is all I wanted to correct.

Mr. JONES of New Mexico. At any rate, we are proposing to increase the present duty of $1.50 a ton to $5.60 a ton.

Mr. SMOOT. That is right.

Mr. JONES of New Mexico. It seems to me that that is hardly justified. If the committee has any information which will justify that rate, of course I do not intend to make any insistent opposition to it, but the information which I have will not justify the rate.

Fortunately we have quite an accurate and comprehensive survey regarding this commodity. It is very graphically pictured in the report of the Geological Survey of the Interior Department, which gives an outline showing the production of the commodity and the prices over a series of years from 1883 down to and including 1920. On the question of production I find by looking at this document that from 1883 to about 1898 the production ranged from 5,000 to 10,000 tons per annum.

After that time the production increased until about 1901. Then it began again to increase quite rapidly, and reached a production of around forty to fifty thousand tons, and remained at that production until about 1908. In 1910 we were producing about 55,000 tons per annum, and at that point the imports began rapidly to decrease. The imports in 1910 were about the same as the domestic production, 50,000 tons per annum, and the imports from that time on decreased until they amounted to less than 10,000 tons, about six or seven thousand tons per annum. The domestic production increased rapidly, and in 1912 amounted to about 115,000 tons, and in 1917 and 1918 ran up to nearly 270,000 tons, the imports in the meantime being negligible.

We also have a chart showing the prices, and that chart shows almost a uniform price from 1883 to 1916, and that uniform price was right around $6 per ton. It varied somewhat; sometimes it would go up to $7 a ton, sometimes down to $5 a ton; but I think, taking it right along, as an average it amounted to $6 per ton from 1883 to 1916. From that point the price rose rapidly, almost acutely, from $6 per ton in 1916 to over $25 per ton in 1919; and, as the Senator from Utah has just stated, the present price is over $20 per ton.

I should like to know upon what principle of legislation you are proposing this enormous increase of duty on this commodity. The American product is of a higher quality than that which is being imported, and, so far as I can learn, there is no considerable quantity in any foreign country which is at all likely to find a market in the United States. In addition to that, we have been exporting a considerable quantity of this material. I think we are exporting now, or were last year, at the rate of about 2,500 or 3,000 tons per annum, and the imports are absolutely negligible.

Here is the way the imports have run:

In 1919, when the price of the imported ore was $15.50 a ton, we imported something over 6,000 tons.

In 1920 the imports were higher than they had been during the war period, but not very much. They were 21,000 tons.

In 1921 the importations decreased to 5,560 tons, and for the first three months of 1922 they amounted only to 1,693 tons.

That does not show that this country is going to be flooded with this commodity.

The price now is four or five times what it was during a series of years from 1883 to 1916. For nearly a quarter of a century the price remained almost stationary at $6 per ton, and now a duty of $5.60 per ton is proposed.

In Canada they produce no more than the amount they consume, on the whole. It is true that on the western coast some of this commodity is imported from Canada, because it is not used in the western part of Canada. It is used in the eastern part, and in the eastern part of Canada they have to import the commodity from the United States.

We have heard a great deal here about some imports from Canada and about duty upon the Canadian commodities which are being brought into this country. I want to suggest to Senators that this is no time for the United States to build a tariff wall merely for the purpose of retaliation. That has cropped out in the consideration of this bill a number of times. Even on limestone a high tariff is asked simply because on the western coast there is one concern which may export some limestone to the United States, and the reason given for the request for the duty was simply as a matter of retaliation, because Canada has a tariff upon the importation of limestone there; and so with other commodities.

Canada reaches from one ocean to the other. Her conditions are varied, very much the same as they are in the United States; but this is no time to build up a tariff wall for the sake of retaliation against what Canada has done. On the other hand, it seems to me that we should try to bring about a better feeling, a more reciprocal condition, between this country and Canada.

The evidence on which the committee acted in making this recommendation, or, at any rate, the evidence which was before the committee, was erroneous. The witness who made the

statement was not aware of the facts. I will just call attention to what he has to say.

The principal witness asking this duty was Mr. Northen, of Hopkinsville, Ky., representing the fluorspar producers of Kentucky and Illinois. I may say that the great production of this commodity is in the State of Illinois, reaching over into the State of Kentucky. There is some of it produced in my State, New Mexico, and some in various other States, but 85 or 90 per cent of it is produced in the State of Illinois. That witness, whose testimony was taken, doubtless, as the basis for this rate of duty, on page 1424 of the hearings before the Committee on Finance, made this statement:

> This tariff should not be less than the difference between the cost of producing the spar at the mines in this country and the cost of the spar landed from foreign countries without duty paid, which cost, as evidenced by the data secured from the United States Government records, is approximately $10.50 per ton during the first six months of 1921.
>
> The cost of this foreign spar, $10.50, includes cost of production, transportation, and profit to the foreign producer, as compared with the average cost of $20.25 in this country, without profit to the producer.

The facts do not sustain that statement; but, to the contrary, we find a statement from the Geological Survey regarding this importation, and here is what it says:

> The imports of fluorspar in 1920 were equivalent to about 15.9 per cent of the domestic shipments of gravel fluorspar, as compared with about 5.7 per cent in 1919.
>
> According to the values reported, including the duty of $1.34 a short ton ($1.50 a long ton) and the ocean freight, estimated to be about $4.50 a ton, the average cost of imported English fluorspar at the docks in the United States was $14.27 a ton in 1920, compared with $23.24 for domestic merchantable gravel at the mine or mill.

Then the survey proceeds to discuss the availability of the American supply. It is true that it is mined principally down in Illinois and over in Kentucky, and the rail rate is pretty high from that section over into Pennsylvania, where it is principally used. I may say that it is used principally in the open-hearth production of steel, and it is becoming more in demand all the time.

Mr. President, I do not care to take up any more time regarding this item. I wanted to call the attention of those who propose this very great increase in rates to the item, and I ask Senators to observe the very extraordinary price which exists at the present time. For twenty-odd years the price ranged around $6 per ton. It is now just about four times that price; and, that being so, why increase this duty from $1.50 per ton to $5.60 per ton?

Mr. President, I move to strike out the numerals "$5.60" and to insert in lieu thereof "$1.50."

The PRESIDING OFFICER (Mr. STERLING in the chair). The question is on the amendment offered by the Senator from New Mexico to the amendment of the committee.

Mr. McCUMBER. Mr. President, I simply desire to put upon the record some of the facts and figures bearing upon this item which will be at least explanatory of the situation and the reasons which guided the judgment of the committee.

I agree with the Senator that the Underwood rate of duty was $1.50 per ton. The Payne rate of duty was $3 per ton. The House rate of duty presented to us was $5 per ton of 2,000 pounds, and the Senate committee gave practically the House rate per pound and applied it to the 2,240-pound ton, as all the fluorspar comes in upon the long-ton basis. So the Finance Committee rates are practically the same as those of the House committee.

An item which I think might be of interest in voting upon that is this: We had a rate of $3 per ton under the Payne-Aldrich law, and I am considering this both from the standpoint of protection and revenue. With a $3 per ton rate in 1910 we collected $127,464 in duty; in 1911 we collected $98,298; in 1912 we collected $70,115; in 1913 we collected $50,247.68. Then the duty was changed to $1.50 per ton, or just one-half the former rate, and the amount of duty collected immediately dropped, in 1914, to $13,668.48.

That was an enormous loss of revenue, and when we take into consideration the fact that the average price of labor in producing fluorspar in England, from which the great importations came, and the increase in the cost of production here, $3 per ton at that time would not have been more than the equivalent of $5 per ton at the present time, and with the difference in labor wages, the difference in the cost of transportation, and everything of that character, there would not be any more protection now at $5 per ton than there would have been at $3 per ton under the Payne-Aldrich law. I think, taking the differences which existed at that time between domestic and foreign production, and the differences which exist at the present time between cost of production in Great Britain and the United States, the relation of duty to these differences will be approximately the same. That is quite a little duty to be collected, and with the increase I believe we will receive a considerable increase in revenue.

I want to call attention to one more statement. I will not read all that is contained in the tariff-information service but only a single paragraph here, in which it is stated:

> Over 90 per cent of the domestic production of fluorspar is mined near Rosiclare, Ill. The field extends across the Ohio River into the adjoining counties of Kentucky. Fluorspar is also produced in New Hampshire, Arizona, and Colorado.

But I will consider only the 90 per cent which is produced near Rosiclare, Ill., and the information which we now have is that practically all those mines are now closed down, and closed down because they can not compete with the foreign importation prices.

I desire to read from a statement made by Mr. Benedict Crowell, president of one of the companies at Rosiclare. This was written June 30, 1921, but I find that the importing price to-day is about the same as he gave at that time, about $12.45 per ton. This is addressed to the then chairman of the Committee on Finance, Senator Penrose, and reads:

> This company has for many years been the largest producer of fluorspar in the United States.
>
> When, in January, 1921, the producers of fluorspar presented a memorial to the Ways and Means Committee of the House of Representatives asking for a tariff of $5 to $6.50 per net ton of 2,000 pounds on fluorspar all of the important mines in the the United States were in operation.
>
> To-day all mines are closed down.
>
> The price of gravel fluorspar in the United States to-day is about $20 per net ton f. o. b. the mines. The cost of fluorspar for the year 1920, based on sworn figures of the 17 largest producers of Kentucky and Illinois, was as follows:

Total tons produced	141,393
Total cost	$2,864,442.88
Average cost per ton	$20.25

I especially call attention to the next paragraph:

> Our principal foreign competition comes from England. The writer has just returned from England after having made a careful examination of the fluorspar industry in that country. The average cost of putting gravel fluorspar on the cars at the mines (in England) is now about $2.80 per ton United States currency, as compared with our cost of $20.25 per ton. English fluorspar is now being delivered in our eastern seaports, duty paid, at a cost of about $12 per ton.

In 1920 we imported 21,975 tons, valued at $265,630, or $12.41 per ton. That is 41 cents higher than was given by this witness as the price in 1921.

I doubt if this will ever go back in England to the pre-war prices, because, as the Senator from New Mexico well understands, the labor cost in England is, I think, nearly trebled what it was in 1914 and prior to the war. At least it is more than doubled. It has increased in percentages even higher than the labor costs in the United States, if I am correctly informed. I therefore assume that in all probability the cost of the foreign product landed in the United States will remain at about these figures for some time at least—$12 per ton. This witness proceeds:

> It is therefore perfectly apparent that the mines in America will stay closed down unless this differential is corrected by a duty. In my opinion the duty necessary to accomplish this is approximately the difference between these two figures.

As a matter of fact, it would have to be a little different if the Illinois and Kentucky mines were to compete in the eastern market, because the cost of bringing the article over from Great Britain is considerably less than the cost of transportation from Illinois to the eastern coast. The witness further said:

> In addition to the above, I would invite your attention to the fact that English spar mines are located less than 100 miles from ocean transportation, while American mines have a long and expensive rail haul. Furthermore, English producers have the advantage of shipping their fluorspar as ballast, taking the lowest possible ocean freight rate.
>
> The two elements to be taken into consideration are the lower cost of production of the English fluorspar and the lower cost of transportation, which, added, make a differential to-day against the American fluorspar of between $8 and $9 per net ton. There is no truth in the rumor that the English sources of supply are approaching exhaustion.

The Senator will recall the fact that the English supply comes from the dumps of old lead mines, and while the dump may be exhausted it is quite certain that the gravel from which the lead was extracted has not been exhausted in that section of the country. We have no evidence, at least, of any probability of any immediate exhaustion.

I call attention to the fact that, while this witness testifies that it will be necessary to make a differential of eight to nine dollars per ton, the committee has made all allowance for the probable reduction, both in the cost of production at the mines and in the cost of transportation, and has given $5 per ton instead of eight or nine dollars per ton.

I think for the most part this will be a duty from which we will secure considerable revenue, but I think it will operate both as a good revenue producer and also operate to protect our mines, so that the mines in the United States will be able

to operate, at least for some time to come, notwithstanding the fact that we have only given about from 50 to 60 per cent of what the mine owners thought was necessary for protection.

Mr. JONES of New Mexico. Mr. President, I do not care to prolong this discussion, but it seems to me, from what the Senator from North Dakota has said, that he demonstrated that this is no time in which to propose a revision of the tariff upon these commodities.

The situation in respect to this item is in great measure the same as that of hundreds and thousands of other items in the bill. The Senator from North Dakota has himself developed a state of facts which show that we have no information on which we can levy a duty at this time under any theory of tariff legislation, either for revenue or for protection.

Mr. McCUMBER. Mr. President, does not the Senator really agree with me that, taking the importation price of about $12.41 per ton, which is the last figure we have, and which is quite low; and taking into consideration what the price was before the war; taking into consideration the increase in labor wages in Great Britain, that we may safely assume that about $12 a ton, which is not very different from what it was a short time ago, will continue to be the price for some time, and if we have only given a duty of $5, when the real difference in the cost of production here and abroad, according to the most up-to-date figures, is about $20, we have given sufficient leeway for a reduction in the price in the United States? If the Senator will allow me, I agree with him that it is a difficult time to fix tariff rates.

Mr. JONES of New Mexico. I am glad the Senator concedes that. I think the facts surrounding this item emphasize that point, a point which I have tried to present here time and again during the discussion of the bill.

The Senator from North Dakota says that the mines are closed down because of importations. I do not believe the Senator intends to insist upon that as a statement of the facts. It seems to me that if the mines are closed down it is simply because there is no demand for the product. The open-hearth furnaces of the country are closed down. The consumption demand does not exist in the country. We are not being flooded by any great quantity of importations. As I stated to the Senator, the importations have been less than they were even before the war. Just let me give the Senator some figures.

In 1910 we imported 42,000 tons, leaving off the odd figures; in 1911, 32,000 tons; 1912, 26,000 tons; and in 1913, 22,000 tons. Those are the years prior to the war, and the lowest was 22,000 tons in 1913. In no year since that time has that amount been equaled. From 1910 to 1913, inclusive, the importations decreased from 42,000 tons to 22,000, and in no year since that time have they amounted to as much as 22,000 tons.

On the contrary, the most that was imported in any one year since that time was in 1920, when the importations were 21,975 tons, and in the very next year, 1921, when the imported price was higher, the foreign price in 1921 being $12.50, we imported only 5,560 tons.

In the first three months of 1922, the present year, we imported only 1,693 tons. That shows the least quantity in importation that we have had almost, only 5,000 tons in the whole year of 1921, while prior to the war we were importing at the rate of about 22,000 tons, although that decreased. There is nothing shown but a decrease of importations when the present duty is only $1.50. Ever since the $3 rate was put on in 1910 there has been an increase. When the $1.50 rate was put on the importations continued to decrease. So it is evident that there is something wrong with the industry rather than the enormous importations. The industry is not threatened with any effect, in my judgment, by importations from abroad.

I do not know where the statement of the witness came from which the Senator from North Dakota has read. It does not appear in the hearings before the Senate Finance Committee. I suppose it is something very recent. It is the statement of an interested party as to the cost of the English fluorspar, and if it only costs $2.50 to put it upon the boat in Great Britain and it comes over in ballast, I would like to know why it does not get here and enter this market for less than $20 a ton. If those are the facts, why is not the domestic production stopped entirely? The Senator certainly can not seriously believe that that reflects the actual condition.

I do not believe any sane person would think of enacting a tariff bill based upon any such information as that. Here the Senator tells us in one breath that it costs comparatively nothing to put it upon the boat, that it comes over here in ballast, and yet the price of it in the United States is over $20 per ton. It seems to me Senators should reflect upon the effect of such testimony as that.

Mr. McCUMBER. I hope before he draws that kind of mathematical conclusion the Senator will draw it from the evidence and not from his statement. I read the letter to show that the f. o. b. price at the mines is the figure. He gave the price in England and what it cost at the mine.

Mr. JONES of New Mexico. About $2.50, as I understand the Senator.

Mr. McCUMBER. That is, at the mine. But remember that the mines are 100 miles inland, and the product has to come by rail from the mines to the boat. There are the freight charges, though I do not know just what they are, as well as the cost of unloading from the railroad and loading onto the boat, and there is also the cost of transportation to this side.

Mr. JONES of New Mexico. The witness suggests that it comes over in ballast.

Mr. McCUMBER. Of course, he said it comes over as ballast, but he did not say it came for nothing.

Mr. JONES of New Mexico. But he means to infer that the transportation charge is comparatively nominal. That is what he means.

Mr. McCUMBER. Let me call attention to another thing, if the Senator will allow me. The Senator gave about 22,000 tons as the amount that came over in 1910.

Mr. JONES of New Mexico. In 1910 there were 42,000 tons imported.

Mr. McCUMBER. There were nearly 22,000 tons imported in 1921.

Mr. JONES of New Mexico. I gave the amount, 21,975 tons.

Mr. McCUMBER. That is a very good importation for one year.

Mr. JONES of New Mexico. But I called attention to the fact that the very next year the importations fell off to 5,560 tons.

Mr. McCUMBER. On account of the depression, which the Senator will admit, to a great extent.

Mr. JONES of New Mexico. The foreign price of it had increased from $10.75 to $12.50 per ton. So the trouble is not with any competition in the production of fluorspar, but it is depression of business in this country. I would like to know if we put upon stilts the price of this product, which the steel furnaces must have, will we encourage the resumption of business? I submit that the situation here can only tell us that this is no time to try to fix prices upon fluorspar through a tariff bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Hale	McKinley	Shortridge
Brandegee	Harris	McLean	Simmons
Calder	Johnson	McNary	Smith
Capper	Jones, N. Mex.	Newberry	Smoot
Curtis	Jones, Wash.	Nicholson	Spencer
Dial	Kellogg	Oddie	Sterling
Elkins	Kendrick	Page	Sutherland
Ernst	La Follette	Pepper	Townsend
France	Lenroot	Phipps	Wadsworth
Frelinghuysen	Lodge	Rawson	Warren
Gooding	McCumber	Sheppard	

The PRESIDING OFFICER. Forty-three Senators have answered to their names. There is not a quorum present. The Secretary will call the names of absentees.

The Assistant Secretary called the names of the absent Senators, and Mr. BURSUM and Mr. STANLEY answered to their names when called.

The PRESIDING OFFICER. Forty-five Senators have answered to their names. There is not a quorum present.

Mr. McCUMBER. I move that the Sergeant at Arms be directed to procure the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will carry out the order of the Senate and secure the attendance of absent Senators.

Mr. BROUSSARD and Mr. SHIELDS entered the Chamber and answered to their names.

After a little delay Mr. ROBINSON and Mr. PITTMAN entered the Chamber and answered to their names.

The PRESIDING OFFICER. Forty-nine Senators having answered to their names, there is a quorum present. The question is on the amendment of the Senator from New Mexico [Mr. JONES] to the amendment of the committee, which will be stated.

The ASSISTANT SECRETARY. Strike out "$5.60" and insert in lieu thereof "$1.50," so as to read:

Fluorspar, $1.50 per ton.

Mr. SIMMONS. Let me understand exactly what this amendment is. I was not here when it was discussed. I will ask the Senator from Utah to explain it.

Mr. SMOOT. The rate on fluorspar is $5.60 a ton, as provided in the committee amendment. The Senator from New Mexico offered an amendment to strike out $5.60 per ton and insert $1.50 per ton.

Mr. SIMMONS. I ask for the yeas and nays on agreeing to the amendment to the amendment of the committee.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. JONES of Washington (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

Mr. McKINLEY (when his name was called). I transfer my pair with the Senator from Arkansas [Mr. CARAWAY] to the Senator from Minnesota [Mr. NELSON] and vote "nay."

Mr. SIMMONS (when his name was called). I transfer my general pair with the junior Senator from Minnesota [Mr. KELLOGG] to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. WARREN (when his name was called). I have a general pair with the Senator from North Carolina [Mr. OVERMAN], which I transfer to the junior Senator from Oregon [Mr. STANFIELD] and vote "nay."

The roll call was concluded.

Mr. BALL (after having voted in the negative). Has the senior Senator from Florida [Mr. FLETCHER] voted?

The PRESIDING OFFICER (Mr. McNARY in the chair). That Senator has not voted.

Mr. BALL. I transfer my general pair with that Senator to the junior Senator from Delaware [Mr. DU PONT], and let my vote stand.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Vermont [Mr. DILLINGHAM] with the Senator from Virginia [Mr. GLASS];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES];

The Senator from Indiana [Mr. NEW] with the Senator from Tennessee [Mr. McKELLAR];

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The junior Senator from Ohio [Mr. WILLIS] with the senior Senator from Ohio [Mr. POMERENE];

The Senator from Arizona [Mr. CAMERON] with the Senator from Georgia [Mr. WATSON];

The Senator from Indiana [Mr. WATSON] with the Senator from Mississippi [Mr. WILLIAMS]; and

The Senator from New Jersey [Mr. FRELINGHUYSEN] with the Senator from Montana [Mr. WALSH].

Mr. COLT. Making the same announcement as on the former vote, I vote "nay."

The result was announced—yeas 15, nays 38, not voting 43, as follows:

YEAS—15.

Ashurst	La Follette	Sheppard	Stanley
Dial	Myers	Shields	Underwood
Harris	Pittman	Simmons	Walsh, Mass.
Harrison	Robinson	Smith	

NAYS—38.

Ball	Gooding	McKinley	Shortridge
Brandegee	Hale	McLean	Smoot
Broussard	Johnson	McNary	Spencer
Bursum	Jones, Wash.	Newberry	Sterling
Calder	Kellogg	Nicholson	Sutherland
Colt	Kendrick	Oddie	Townsend
Curtis	Ladd	Page	Wadsworth
Elkins	Lenroot	Pepper	Warren
Ernst	Lodge	Phipps	
France	McCumber	Rawson	

NOT VOTING—43.

Borah	Fletcher	McKellar	Reed
Cameron	Frelinghuysen	Moses	Stanfield
Capper	Gerry	Nelson	Swanson
Caraway	Glass	New	Trammell
Crow	Harreld	Norbeck	Walsh, Mont.
Culberson	Heflin	Norris	Watson, Ga.
Cummins	Hitchcock	Overman	Watson, Ind.
Dillingham	Jones, N. Mex.	Owen	Weller
du Pont	Keyes	Poindexter	Williams
Edge	King	Pomerene	Willis
Fernald	McCormick	Ransdell	

So the amendment of Mr. JONES of New Mexico to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. SMOOT. I ask that we now take up paragraph 214, page 37.

The PRESIDING OFFICER. The Secretary will state the amendment.

The ASSISTANT SECRETARY. In paragraph 214, on page 37, line 21, after the word "and" where it occurs the second time, strike out "materials, crude or advanced in condition," and insert "materials (crude or advanced in condition)," so as to read:

Earthy or mineral substances wholly or partly manufactured and articles, wares, and materials (crude or advanced in condition), composed wholly or in chief value of earthy or mineral substances, etc.

The amendment was agreed to.

The next amendment was, on page 38, line 1, before the words "per cent," to strike out "21" and insert "35," so as to read, "if not decorated in any manner, 35 per cent ad valorem."

Mr. SIMMONS. Mr. President, the House rate upon this product is 21 per cent ad valorem. Under the act of 1913 it was 20 per cent ad valorem. Under the Payne-Aldrich law it was 35 per cent ad valorem. So that the proposition of the Finance Committee of the Senate is simply a proposition to restore the Payne-Aldrich rate.

Under the much lower rate of the present law a situation has arisen with reference to this product which, I think, shows conclusively that there is no justification for practically doubling the rate. The imports have been exceedingly small. The imports in 1914 of plain articles and ware were valued at $90,326, and of the decorated articles and ware only $22,000. The later statistics which are given by the Tariff Commission show, with respect to a part of the plain article, that the imports are less to-day than they were in 1914. In 1919 they were $90,000, while in the nine months of 1921 other articles and ware, composed of earthy or mineral substances, whether susceptible of decoration or not, not decorated, were only $26,000. Of other articles and ware composed of earthy or mineral substances, whether susceptible of decoration or not, decorated, for the nine months of 1921 there were imported only $7,022 worth.

I believe I might just as well discuss the other rate at this time. The other rate is increased from 28 per cent to 45 per cent. That is really the material rate. The first is not of very great importance; but the second is of much greater importance, because it applies to articles that are in common use. That rate is raised from 28 to 45 per cent ad valorem. As it seems to be impossible to separate the items, I will read with reference to both from the Summary of Tariff Information:

Sewer pipe is salt-glazed clay pipe used for conveying water or sewage and as conduit pipe for subsurface electric cables. Draintile are unglazed clay pipes used for draining the surplus water from marshy or flooded farm lands. Fireproofing tile or block are solid or hollow blocks of burned clay used in place of brick or concrete for walls and floors. Combustible material, such as straw, sawdust, or coal, is often added to the clay mix, so that the burned product is light in weight and very porous.

That is a general description of articles which are covered by one or the other of the rates fixed in this paragraph.

Now let me call attention to the situation with reference to the domestic production.

The domestic industry manufactures practically the entire domestic supply of these products. All machinery and equipment are produced or manufactured in the United States, and the domestic processes are at least as efficient as those used in any foreign country. Sewer pipe is produced in heavy presses, which shape the article from a clay slug; draintile and fireproofing block are made by forcing the clay through a die at the discharge end of the mixing or pug mill. In this manner finished green tile are produced in one operation.

The industry is widely distributed throughout the United States. There was $70,900,000 invested therein in 1914, divided among 769 establishments manufacturing sewer pipe and draintile, and 115 establishments manufacturing fireproofing tile or block. Ohio, New Jersey, Pennsylvania, Illinois, Missouri, Indiana, and Iowa are the most important producing States.

The manufacture of sewer pipe and draintile originated in England and continental Europe, but fireproofing tile is an American development growing out of the local steel-construction practice. The manufactures of sewer pipe and draintile are local industries in all foreign countries, the domestic industries producing enough to satisfy the home market.

The cost of these articles per unit of weight is small, and the careful packing necessary when long-distance shipments are to be made restricts the market of the domestic plants and practically prohibits international shipments.

This means that we are producing in this country all these products that the domestic market requires; that those products are produced in foreign countries, but are produced in localities to supply the immediate demand of the locality, and that on account of the packing that is necessary, the weight and bulk of the article, long-distance shipments are impracticable, and that as a result this situation practically prohibits the international shipments.

So we have a situation where we are protected against foreign competition by the very conditions and circumstances which environ the production of the articles here and abroad.

The production of specified clay products in the United States in specified years has been as follows:

Draintile, in 1914, $8,000,000—I shall not read all the figures, but merely give the round numbers—in 1918, $8,000,000; in

1919, $10,000,000; in 1920, the last year for which figures are given, $13,000,000.

Hollow building tile or block, in 1914, $8,000,000; in 1918, $13,000,000; in 1919, $16,000,000; and in 1920, $25,000,000.

Sewer pipe, in 1914, $14,000,000; in 1918, $15,000,000; in 1919, $16,000,000; and 1920, $22,000,000.

This makes a total of $60,000,000 of products, roughly estimated. That is the domestic production in 1920.

Now, what were the imports? The Tariff Commission says no statistics are available, but the amount is negligible. Why negligible, Mr. President? The part of this Tariff Commission report which I read a little while ago explains why. It is because of the fact that they are produced in foreign countries only for the purpose of supplying the local demand, and because of the nature of the article the requirements in connection with its packing and shipping are such as to make international shipments out of the question.

The importations, therefore, are negligible. At times small amounts of Canadian pipe and tile are imported from plants close to the international boundary, but those shipments from Canada are so insignificant and so local in their character that this great governmental agency investigating the matter for the purpose of ascertaining whether it was necessary and proper to put a duty on for the protection of American products does not attempt even to given the quantity that we received from Canada.

I think it may be safely said, Mr. President, from the data furnished us by the Tariff Commission when it was making investigation for the purpose of ascertaining whether this product, together with other products contained in the bill, was entitled to protection, that there are no importations of the product of any consequence, at least not sufficient to be mentioned. Therefore it would seem to me from that statement that there is no necessity for imposing a duty upon the product for the purpose of protecting American industry.

Now, let us see about the exports:

Small shipments of sewer pipe and building tile are exported to Canada, but the amount usually is negligible.

So that because of the nature of the product our importations from our neighbor across the border are so negligible that the Tariff Commission does not think it necessary to mention them or estimate them, and our exports across the border to Canada are so negligible that they do not estimate them or think it necessary to estimate them.

I do not wish to annoy Senators representing the committee, but under these circumstances I would like to have the Senator in charge of this particular item explain to the Senate, in view of these conditions, upon what principle they justify imposing this rate of duty upon the article. I have understood that these duties were imposed for the purpose of protecting an American-produced product against a foreign-produced product which was invading our markets and being sold at a price less than the American product could be produced for. But here we have a case where the American production in 1920 amounted to nearly $60,000,000 and the imports were absolutely negligible and the exports were absolutely negligible. If the committee has any reason for the imposition of this duty, I would like to hear it.

I can not myself conceive of any reason upon the statement made by the Tariff Commission. We set up the Tariff Commission, it will be remembered, for the purpose of having these investigations made, in order that they might furnish us the data upon which we might determine the question of whether we ought to give a duty for revenue purposes or protection purposes or not.

Mr. SMOOT. Mr. President, paragraph 214 is the basket clause. It takes all manufactured articles of earthy or mineral substances that are not provided for otherwise in the bill. It is true that sewer pipe falls in this paragraph. I will say frankly that if sewer pipe were the only thing that fell within the paragraph there would be no necessity of these rates. I wish to call the Senator's attention to the fact, however, that articles manufactured from feldspar fall within this paragraph. Porcelain is made from feldspar, and some of it is very expensive, indeed. It falls under this paragraph. All items that are not specially provided for in this schedule fall under this paragraph. The Senator from North Carolina referred to the Tariff Commission. I want to call the Senator's attention to what the Tariff Commission have said in relation to this product, of which I have just spoken:

The domestic production of feldspar is not sufficient to supply the domestic market. The combined feldspar production of Canada and the United States is equal, approximately, to one-half the world production. Practically the entire Canadian production is consumed in the United States.

In the Reynolds report is given the result of the investigation which was made as to gas radiants, which fall under this paragraph. The following is the result: The foreign value of each gas radiant was 2.6 cents; the landing charge was one-tenth of a cent; the selling price in the United States of the foreign article was 4.2 cents. Granting a profit of 33⅓ per cent only—not what was probably charged upon the article itself, but just allowing the 33⅓ per cent—it would require a duty of 253 per cent to equalize the foreign product and the product in the United States.

I recognize that under conditions of that kind we can not keep these commodities out, and I am frank to say that there are very few of them that are ever used. Therefore it would be unfair for me to stand here and say that there ought to be a duty of 253 per cent, as is recommended by the Reynolds report. Conditions do not justify any such position, nor has the committee taken any such position. The position they do take is that on the undecorated wares—that is, the great majority of the articles falling within this paragraph—there shall be a duty of 35 per cent and a duty of 45 per cent on the decorated, giving 10 per cent differential between the plain and the decorated.

The Senator from North Carolina refers to the fact that in the House bill the rate on the undecorated was 21 per cent, and that it has been increased to 35 per cent, and on the decorated the House bill was 28 per cent, and that has been increased to 45 per cent.

Of course, the Senator from North Carolina knows that the House rate was based upon the American valuation, and the rates which we recommended in the pending bill as reported to the Senate by the Committee on Finance are based upon the foreign valuation. Take this item alone to which I have referred and see what a difference it would make.

Mr. SIMMONS. May I ask the Senator from Utah a question?

Mr. SMOOT. Yes.

Mr. SIMMONS. Where do the articles of which the Senator speaks come from?

Mr. SMOOT. Most of them come from Germany, and a few of them come from England, but, so far as the feldspar products are concerned, most of them come from Canada. Canada and the United States produce at least one-half of the feldspar products which are made in the world, and the United States takes practically all of the feldspar products which are made in Canada.

Mr. President, I do not know whether there is any necessity of reading any further in relation to this subject. I could read from the report of the Tariff Commission as to the necessity of the rates which are here mentioned and call attention to the fact that feldspar is an important constituent of scouring soap, and where feldspar is used and for what purposes; but I do not believe it would be of any interest at all to the Senate for me to do so.

As to this basket clause, Mr. President, no Senator can get up upon the floor of the Senate and say that everything which falls within the clause should bear the exact duty for which the basket clause provides.

Mr. SIMMONS. Can the Senator from Utah give us any idea what falls within the basket clause? The Senator has spoken of feldspar, which is made in Canada. I did not know until now that it costs 45 per cent more to make feldspar in Canada than it does in this country. I have been under the impression that there was not very much difference between the labor costs and the material costs in this country and in Canada.

Mr. SMOOT. It all comes into this country.

Mr. SIMMONS. The Senator from Utah says that we take all the feldspar that Canada produces; that it requires the Canadian production, together with what we produce, I suppose, to supply us; but can the Senator tell me what products other than feldspar fall under this basket clause?

Mr. SMOOT. All products made out of earth which are not otherwise specially provided for.

Mr. SIMMONS. The Senator can not specify them. If the Senator will pardon me, as I understand, the Finance Committee undertook to frame a scientific tariff so as to bring the price of the foreign article when sold in this market and the price of the domestic article up to a fair degree so as to produce an equality of competition. I am wondering how they settled upon what rate was necessary to bring about that equality of competition if they did not know what articles were included in this basket clause. How could they reach the conclusion as to what rate was necessary unless they knew what articles were covered by the basket clause? I should like to have the Senator, if he can, tell us what articles are in this basket clause,

and then, after he has told us that, I should like to have him tell us, if he can, what was the domestic selling price of that article and what was the selling price of the foreign article in this market, so that we may test the rate of duty which is provided for the bill and see whether it is a just and reasonable rate or not. That is the reason I should like to have that information.

Mr. SMOOT. Mr. President, the present law bears the name of the distinguished Senator from North Carolina, and he ought to know what articles fall in the basket clause, if he thinks anyone else ought to know. He was the father of the basket clause in this schedule of the existing law, and I ask him why he allowed various commodities to fall within the basket clause in the bill framed by him?

Mr. SIMMONS. I was not endeavoring to frame a tariff bill upon the same principle that the Senator has helped frame the pending bill.

Mr. SMOOT. The Senator knows enough about tariff legislation to know that a basket clause not only in this schedule but in every other schedule is a catch-all clause. It covers many items, some of them of importance and some of them of so little importance that statistics of them are not kept in the Treasury Department. Mr. President, a basket clause is provided so that if between the passage of one tariff bill and the passage of the succeeding tariff bill an article shall come into use that was not known in commerce before—and instances of that kind always happen—it may be covered by a basket clause. The very name "basket clause" means that it is a catch-all clause, but no living man can say what is going to fall within that basket clause. If an industry develops——

Mr. SIMMONS. Mr. President, may I ask the Senator a question, if it will not offend him?

Mr. SMOOT. Of course the Senator could not offend me; it would be impossible for him to do so.

Mr. SIMMONS. I wish to say, Mr. President, that when I was preparing the present law—and that was about 10 or 12 years ago—I was preparing a law for revenue purposes, and it was not necessary for me to measure things with the golden scales with which the Finance Committee tells us they measure the rates provided in the pending bill. We put the duties on for revenue purposes solely, and did not measure them scientifically. But let that go. The question I want to ask the Senator——

Mr. SMOOT. Mr. President, I want to say to the Senator that from this basket clause as well as all other basket clauses we expect to get revenue, just as the Senator expected to get revenue under the basket clauses provided in the bill framed by him, but no living man can say what commodities will fall within a particular basket clause. I can tell the Senator some of the items.

Mr. SIMMONS. Let me ask the Senator another question, as I should like to obtain the information. The duties which the committee is now proposing to impose include, do they not, sewer pipe and draintiles about which I have read?

Mr. SMOOT. Every word the Senator stated in his remarks as to the production and consumption in the United States and also the importations under this schedule was correct; there is no doubt about that. I even opened my remarks by saying that I knew that sewer pipe fell within this paragraph; but so do many other articles manufactured or partially manufactured from any kind of earth that may be known to-day or that may be discovered and come into use between now and the time another tariff bill shall be framed.

The Senator wants to know some of the articles that fall in this basket. I am only going to give him a few of the A's; I am not going to go through the list from A to Z, but really it is so important that I think the Senator ought to know some of the articles.

The first is actinolite; then adamantine; then artificial teeth——

Mr. SIMMONS. Mr. President, may I inquire what the first article is?

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. No; I do not wish to yield at this time; I want the Senator from North Carolina to get the information for which he is asking.

Mr. SIMMONS. I merely want the Senator to tell what the first article he read is.

Mr. SMOOT. Of course, when I give the Senator the information, then he wants another explanation. I know the Senator has got to take up one hour of time until the Senator from New Mexico returns, and he wants me to help him out, and I am going to do so for just a few moments, and then I am going to quit. I think I named artificial teeth. I think the American people, Mr. President, are going to suffer greatly because of the fact that a duty of 35 per cent ad valorem is imposed on artificial teeth. I can see ruin overspreading the country from one end to the other because it is proposed to place a duty of 35 per cent on artificial teeth.

Then there is ayrstone; but, Mr. President, I am not going to take any more of the time of the Senate. I want to say that under this paragraph we have given the same rates on the basket clause that were given in the Payne-Aldrich bill, as the Senator says. There is no question at all about that. We do not deny it. We say frankly that that is what has been done, and no living man can say what will fall under this paragraph during the life of this bill.

Mr. McCUMBER. Mr. President, I ask unanimous consent that when the Senate closes its session on this calendar day it recess until to-morrow at 11 o'clock a. m.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. SIMMONS obtained the floor.

Mr. POINDEXTER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will please state it.

Mr. POINDEXTER. What is the question now?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in line 1, page 38.

Mr. POINDEXTER. I should like to inquire how many times the Senator from North Carolina has spoken on this subject?

Mr. SIMMONS. I have spoken once. I will answer the Senator. Does the Senator desire to cut me off in my youth?

Mr. POINDEXTER. No; not at all. I really am just inquiring for information. I am sure the Senator does not want to delay action upon the matter.

Mr. SIMMONS. No.

Mr. POINDEXTER. I intended rather to direct the inquiry to the Senator from Utah.

Mr. SIMMONS. The very last thing I would do would be to delay action on this particular item.

Mr. President, the Senator from Utah has furnished me with a list of six different things that he says are in the basket clause. I do not know that I ever heard of any one of them except artificial teeth. I should like to inquire of the Senator if there is anything in the hearings that shows the difference between the foreign selling price of these five articles and the American selling price in the American market? If there is no evidence of that sort, I should like to ascertain from the Senator from what source he derived the information necessary to enable him to make this scientific tariff upon the principle upon which we have been told that it was made?

Mr. SMOOT. I will tell the Senator where he can get it, but really I do not think we care to answer any more questions. If the Senator will get Vandegrift's "United States Tariff" and look in that volume, he will find the items falling under each of the paragraphs.

Mr. SIMMONS. Does it give the selling price in this market of the foreign and domestic articles?

Mr. SMOOT. Oh, no.

Mr. SIMMONS. That is what I wanted to get at.

Mr. SMOOT. The existing law, as I remember, is paragraph 81, and the Senator can find not only these but a great many other articles there.

Mr. SIMMONS. Mr. President, to be serious about this matter, in the Tariff Commission Summary that we are furnished here I suppose they intended to include the various and sundry items that come in under the basket clause. They have five different tables of things that come in under the basket clause; and I find that the total amount of imports of those five particular things for the nine months of 1921 was somewhere around $65,000 only. The imports of these n. s. p. f. items about which the Senator makes so much contention were absolutely negligible.

But, Mr. President, suppose we were to assume, suppose I should concede, that there was some justification for these duties upon the specific articles of which the Senator has given me a list here as coming under the basket clause. Suppose I were to concede, I say, that the difference in the selling price here in this market of the foreign and the domestic products was such as to justify a duty of 45 per cent as to them. The Senator admits that sewer pipe and drainage tiles are also included in this item and subject to this duty.

Mr. SMOOT. Thirty-five per cent.

Mr. SIMMONS. Thirty-five per cent duty. I have shown, and the Tariff Commission's report shows, that the domestic pro-

duction of those items is about $60,000,000, and that there are no imports, or no imports to speak about.

Mr. SMOOT. There will not be, as far as the interior of the country is concerned.

Mr. SIMMONS. If the Senator felt that it was necessary for him to include these specific items that he says come in under the basket clause, I want to ask him why he included sewer pipe and drainage tile, the domestic production of which amounts to $60,000,000, and there are no imports? Why does the Senator want to put a duty of 35 per cent upon those items? The Senator has not undertaken to justify his duty of 35 per cent upon sewer pipe and drainage tile. He has only undertaken to justify it upon these specific items that I suppose nobody except some scientist ever heard of before, outside of artificial teeth. I will admit, for the purpose of argument, that he had some justification for imposing a duty upon those basket-clause items, but the other two items are tenfold more significant than all of those put together, namely, the item of sewer pipe and the item of drainage tile. They are used by all the people of this country—farmer, merchant, householder, everybody—and I have shown to the Senator that with a domestic production of $60,000,000 last year there were no imports and no exports, and yet under this clause the Senator wants to impose a duty of 35 per cent upon those articles. I say it is an outrage upon the people of this country who use these articles to impose any such rate as that upon them.

But, Mr. President, I do not wish to take up the time of the Senate. I am anxious to have a vote upon this question, and I ask now that we have a vote. Before the vote is taken on the committee amendment, I move to strike out, in line 1 of the Senate committee amendment, "35" and to insert "20."

The VICE PRESIDENT. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 38, line 1, in the amendment of the committee, in lieu of the sum proposed to be included by the committee, "35," it is proposed to insert "20."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Carolina to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question now is on the committee amendment.

The amendment was agreed to.

The VICE PRESIDENT. The next amendment of the committee will be stated.

The ASSISTANT SECRETARY. On page 38, line 2, it is proposed to strike out "28" and insert "45," so as to read:

If decorated, 45 per cent ad valorem.

Mr. SIMMONS. I move to strike out "45" and insert "20."

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from North Carolina to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question now is on agreeing to the committee amendment.

The amendment was agreed to.

The ASSISTANT SECRETARY. On page 38, line 4, the committee proposes to strike out "15" and insert "20," so as to read:

Gas retorts, 20 per cent ad valorem.

Mr. ROBINSON. Mr. President, I do not think it will require more than a few moments to dispose of this paragraph.

The rate proposed by the House on gas retorts is the same as that provided in the act of 1909, and I do not know that that rate is excessive; but to the latter clause, "and magnesia clay supporters, consisting of rings, rods, and other forms for gas mantles, 35 per cent ad valorem," the committee proposes an amendment striking out "35" and inserting in lieu thereof "50."

Nothing in the information furnished the Senate justifies these increases. While the figures on production of these articles are not available, the information furnished by the Tariff Commission is to the effect that practically all of the retorts used in the United States are of domestic manufacture. The imports are stated to be small. In 1914, 455 retorts were brought in, valued at $17,627. In the year following approximately one-third of the number imported in 1914 came in, namely, 152 retorts. As to the tariff proposed on materials for gas mantles, the ad valorem rate of 50 per cent appears to be neither necessary nor justified.

I therefore move to amend the committee amendment by striking out "20" and inserting in lieu thereof "10."

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Arkansas to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question now is on the committee amendment.

The amendment was agreed to.

The next amendment of the committee was, on page 38, line 5, after the words "lava for burners" and the comma, to insert "10 cents per gross and 15 per cent ad valorem" and a semicolon.

Mr. ROBINSON. I move to strike out "15," in line 5, and insert "5" in lieu thereof.

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

The next amendment of the committee was, on page 38, line 7, to strike out "35" and insert "50," so as to read:

And magnesia clay supporters, consisting of rings, rods, and other forms for gas mantles, 50 per cent ad valorem.

Mr. ROBINSON. I have already made some comment on this amendment. Under the information furnished the Senate there appears to be no justification whatever for it. These articles are of common use, and the rate of 50 per cent ad valorem is excessive. I therefore move to strike out "50" and insert "25."

The amendment to the amendment was rejected.

The amendment of the committee was agreed to.

The next amendment of the committee was, on page 39, line 11, to strike out "28" and insert in lieu thereof "50," so as to read:

That none of the above articles shall pay a less rate of duty than 50 per cent ad valorem.

Mr. ROBINSON. I understand that the Senator from New Mexico [Mr. JONES] is interested in this amendment.

Mr. JONES of New Mexico. That paragraph, together with some succeeding paragraphs, went over last night.

Mr. SMOOT. Does the Senator want to return to paragraph 212, providing duties on earthenware and crockery?

Mr. JONES of New Mexico. I was going to suggest that we return to paragraph 212.

Mr. SMOOT. I ask that we go back to paragraph 212.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. JONES of New Mexico. Mr. President, in paragraphs 212 and 213, relating to earthenware and chinaware, there is quite an increase in the duty. I understand that the Senator from New Jersey [Mr. FRELINGHUYSEN] is prepared to give data which he believes will justify this increase in the rate of duty on the articles mentioned in those paragraphs. They relate to earthenware and chinaware, something in use in every home in the land. The increase is very material, and the commodities are produced very largely in the State of New Jersey. I am sure the Senator from New Jersey would like to have something to say in justification of what the committee proposes.

Mr. McCUMBER. Mr. President, before we proceed to that I want to ask the Senator from Arkansas if we can agree, without any debate on it, to reconsider the vote by which the committee amendment in line 7, page 238, was agreed to.

Mr. ROBINSON. That is agreeable to me.

Mr. McCUMBER. I ask that the amendment in paragraph 215, page 38, line 7, where the committee proposed to strike out "35" and insert in lieu thereof "50" as the duty on magnesia clay supporters, be disagreed to.

The VICE PRESIDENT. Is there objection to reconsidering the vote by which that amendment was agreed to? The Chair hears none, and it is reconsidered.

Mr. McCUMBER. I ask for a vote on the matter now, and request that the Senate disagree to the committee amendment.

Mr. ROBINSON. I shall support the motion which the Senator from North Dakota now makes. As I stated a few moments ago, I do not believe the higher rate provided by the committee amendment is justified by any facts which appear in the record.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was rejected.

Mr. McCUMBER. Now, I ask that we return to page 36, paragraph 212.

The VICE PRESIDENT. Without objection, the consideration of that paragraph will be resumed.

The amendments of the Committee on Finance to paragraph 212 were, on page 36, line 8, before the word "plain" where it occurs the first time, to strike out "if"; in line 12, before the words "per cent," to strike out the figures "25" and to insert "45"; in the same line, before the word "painted," to strike out "if"; in line 13, after the word "printed," to strike out "or ornamented" and to insert "ornamented," and at the beginning of line 16, before the words "per cent," to strike out "28" and insert "50," so as to make the paragraph read:

PAR. 212. Earthenware and crockery ware composed of a nonvitrified absorbent body, including white granite and semiporcelain earthenware, and cream-colored ware, and stoneware, including clock cases with or

without movements, pill tiles, plaques, ornaments, toys, charms, vases, statues, statuettes, mugs, cups, steins, lamps, and all other articles composed wholly or in chief value of such ware; plain white, plain yellow, plain brown, plain red, or plain black, not painted, colored, tinted, stained, enameled, gilded, printed, ornamented, or decorated in any manner, and manufactures in chief value of such ware not specially provided for, 45 per cent ad valorem; painted, colored, tinted, stained, enameled, gilded, printed, ornamented, or decorated in any manner, and manufactures in chief value of such ware, not specially provided for, 50 per cent ad valorem.

Mr. FRELINGHUYSEN. Mr. President, it is true that the pottery industry is a large industry in my State, but it is not confined to my State alone. It extends into Ohio, West Virginia, New York, and other States, and has grown to very large proportions.

Paragraphs 212 and 213 are both related more or less to the entire pottery industry, and at the present time, owing to the low labor costs and low exchanges in Germany and Czechoslovakia, as well as to the low wages in Japan, the customhouse invoices show that it is necessary to have the duties laid in these paragraphs. The information on this subject is all contained in an analysis made by customhouse appraisers, which I will submit later.

As I understand it, the Senator from New Mexico has very little or no pottery industry in his State. But I understand he has been making a study of these two schedules, and I am anxious to get his views. The committee have very carefully examined comparable prices in the competitive countries, and feel that these rates should be imposed, and that they are fairly adequate.

We submit these paragraphs to the Senate, and I should like to hear the Senator's views as to why he thinks the rates are too high or too low. The industry in New Jersey thinks that they are too low, but I should like to hear from the Senator, in view of the study he has made, and therefore I give way to him.

Mr. JONES of New Mexico. Mr. President, the remarks of the Senator from New Jersey are in keeping with what is evidently the settled purpose of the majority of this body, especially the majority of the Finance Committee. From the time we started into an investigation of this bill there evidently has been a deliberate purpose to prevent an investigation of these items.

I believe at this time I shall call attention to what appears to be the spirit prevailing in this Chamber. This morning's Washington Post, in its principal editorial, criticized the Senate for its course upon this bill. It criticized both sides of the Chamber. The editorial reads, in part:

> The situation in the Senate at this moment constitutes an indictment of the good sense of the Republican Party. At this moment, when Congress is under the fire of criticism and the record of the Republican Party is under scrutiny, when millions of voters are making up their minds on the evidence presented, the Republicans of the Senate are making a record of absenteeism and neglect of public business that will surely return to plague them.
>
> The tariff bill is before the Senate. It should either be passed or defeated. The debate upon the measure is half-hearted on the part of the Republicans and of a filibustering character on the part of Democrats.

Mr. President, I think it is quite true that the debate on this bill, so far as the Republicans are concerned, is half-hearted. Apparently no one on the other side of the Chamber is willing to get up voluntarily and defend the bill or any of the items in it. So far as the filibustering is concerned, I deny it. We have been trying to bring out the facts regarding this bill, and that they should be brought out is demonstrated by what has occurred here time and again.

In paragraph 210 of this bill, a paragraph which relates to the cheapest kind of pottery, the cheapest kind of tableware, the Finance Committee has brought in a recommendation of rates about twice as high as the rates under existing law. There was not only no justification for it, but the committee itself finally receded from what it did and went back practically to the rates under existing law.

I want to call attention to that particular item because it is in connection with the subject which we are to discuss tonight. It is a paragraph of this bill which relates to a tax upon common earthenware, the commonest kind of tableware. They increased the present rate by 100 per cent, and yet no one came on this floor to justify what they had done.

Not only was there no justification for it, but the evidence before the committee itself, from the witnesses in the industry, from one side of this country to the other, in their deliberate testimony upon an investigation of the Tariff Commission, showed that they did not want any increase in these duties.

That testimony was before the committee. It came from a source on which the committee relies, or pretends to rely generally in the framing of this bill. Regarding that part of the industry, I read from page 20 of the Tariff Commission's report on this pottery industry. This gives a summary of what was said by the witnesses, who were manufacturers of the items included in paragraph 210.

The manufacturers of jars, jugs, stone churns, and flower pots of Louisville said there was no competition from imported ware.

Peters, Zanesville, manufacturers of flower pots, jardinieres, vases, fern pots, window boxes, and hanging baskets, said, "We do not know of imported ware in direct competition."

Lowry, Roseville, Ohio, manufacturers of baking and pudding pans, cooking kettles, coffee pots, meat roasters, and pie pans, said they did not know of any competition.

From Evansville, Ind., stoneware food containers and household specialties, nothing imported competitive.

From a manufacturer of stoneware jars, jugs, fruit jars, water filters, chambers, filling pots, and Indian vases the witnesses said there was no competition. Then, from Fort Worth, Tex., stoneware generally, they said: "We do not know of any imported goods sold in competition with our line."

So on through that line under paragraph 210, and, notwithstanding the evidence before the committee, the committee brought in here an increase of 100 per cent in the duty. That shows the credence which we should give to a mere suggestion of the committee. But the Senator from New Jersey wants to content himself with saying that the committee has considered this thing, that the committee has recommended these rates. I submit that no Senator has any right, under the evidence which has appeared heretofore in the consideration of the bill, to put any reliance upon what the committee recommends, but that we should have some reason, we should have some facts here, to justify the proceedings.

They talk about the Democrats filibustering against the bill, but I deny it. We are simply trying to bring out the facts, and I submit that the Senator from New Jersey has no right simply to say that the committee has recommended these rates, and therefore they should be adopted.

Not only is what I have said true regarding paragraph 210, where the committee receded from its action in compliance with all the testimony where it had acted in raising the rates by 100 per cent without any facts to justify them, but that has occurred in many instances in the bill. We can not support these rates by the facts, and I submit that the Senator from New Jersey is begging the question when he undertakes to come before us and say that simply because the committee recommended these things they should be adopted.

Mr. FRELINGHUYSEN. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from New Jersey?

Mr. JONES of New Mexico. I yield.

Mr. FRELINGHUYSEN. I will say to the distinguished Senator from New Mexico that section 210 has been passed. The debate is on section 212, and I had hoped we could in a friendly way debate that paragraph, with paragraph 213, and get through. I should like to have the Senator point out wherein he believes the rates in paragraph 212 are not appropriate. He has been studying them, and I think possibly he should point that out, he being a member of the committee.

Mr. JONES of New Mexico. Yes; I am a member of the committee, but the distinguished Senator from New Jersey knows that these rates were not put here by the committee as a whole. He knows that they were framed in secret session by the Republican members of the committee and that the Democratic members of the committee had nothing to do with them. We do not know the reasoning which actuated the majority of the Finance Committee in framing the rates.

I submit that this is a pitiable spectacle. Here is an attempt to increase the taxes upon necessary articles that go into every home in the land, and the committee undertakes to impose this duty without even a suggestion of a reason for it. I submit, Mr. President, that they who will use the great taxing power of the Government, who will put a burden upon the people of the land that will affect every household in the land, ought at least to give some kind of an excuse, if not a reason.

Mr. President, I believe that the evidence in the case will not justify what has been done. In the first place, if the Senator from New Jersey will only consider the testimony which was submitted to the Ways and Means Committee of the House and to the Finance Committee of the Senate he will find that the rates proposed by the committee are higher than those engaged in the industry asked. I suppose that somebody made a request of the Finance Committee to put these duties where they are, but it so happens in this case that the leader in the industry did not request duties as high as the Finance Committee proposes.

There are two paragraphs here, paragraph 212 and paragraph 213. Paragraph 212 relates to nonvitreous, nonabsorbent earthenware product.

Paragraph 213 relates more especially to chinaware and porcelain. On the proposition of paragraph 212, I desire to read a little of the testimony bearing upon the question to show on what flimsy grounds the majority members of the Finance Committee would recommend this increase of taxation. Under paragraph 212 the rates will be increased about 50 per cent and under paragraph 213 not quite so much, but a very material increase. Under paragraph 213 the present rate on the undecorated ware is 50 per cent and on the decorated ware 55 per cent. Under the Payne-Aldrich law the rate on the undecorated ware was 55 per cent and on the decorated ware it was 60 per cent. The Finance Committee recommends 70 per cent, and this is the kind of testimony:

George C. Dyer, representing the Sanitary Potters' Association, of Trenton, N. J., in speaking of sanitary ware, shows us that the production of that ware in the United States was $27,000,000 per year, and that during five years there had only been imported $40,282 worth. There we have an annual production of $27,000,000 and a total importation for five years of $40,000, and the only excuse given by him as to why there should be an increase in duty was that some time prior to the war some firm in San Francisco made an offer to a firm in Japan for some of this sanitary ware. None of it is being imported now, and for five years there has been imported only $40,000 worth, while the annual production is $27,000,000.

Mr. STANLEY. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from Kentucky.

Mr. STANLEY. Does not the Senator from New Mexico see the unspeakable outrage of permitting consumers in San Francisco to buy from Japan or somewhere else, when they can get the same thing at an exorbitant price from a trust as near to San Francisco as some town in New Jersey? Think of it. The market of San Francisco right at the door taken away from them. It is almost unbelievable.

Mr. JONES of New Mexico. I must confess that a great many people here are very much opposed to letting anything escape. That seems to be the purpose of the bill. Whenever there is a possibility of anything coming into this country from abroad, the Senator from New Jersey and the Senator from Idaho [Mr. GOODING], to whom we listened this afternoon, would at once raise the tariff barriers still higher. Their one object is to prevent absolutely anything from entering the borders of the United States of America.

The next witness in regard to this earthenware was Mr. Theodore Jones, representing the wholesalers of earthenware and china, of Boston, Mass. He submitted a brief and showed what the imports were of the entire schedule. I may say at this point that the chief imports under both these paragraphs are decorated tableware. But instead of increasing they have been decreasing, even the decorated ware. The proportion to the domestic production is comparatively large, but decorated ware is a new industry in the United States, comparatively, and that is a matter of taste more than anything else, to which I shall refer in more detail later.

Mr. FRELINGHUYSEN. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. Did I understand the Senator to say that the imports of decorated and ornamented ware have decreased?

Mr. JONES of New Mexico. I do.

Mr. FRELINGHUYSEN. That is not my information.

Mr. JONES of New Mexico. I will explain that to the Senator before I get through. I will give him the figures on it. What the Senator has in mind is that in dollars the present importations are pretty large. They are nearly as large, if not quite as large, as before the war. But the evidence before the committee showed that foreign prices at the present time are 250 per cent of the pre-war prices, and while the amount of importations in dollars may appear large, the actual quantity importation is not more than one-half of what it was before the war.

Mr. FRELINGHUYSEN. Does the distinguished Senator from New Mexico realize the reason for that?

Mr. JONES of New Mexico. I was not undertaking to give any reason for it. I was stating the facts.

Mr. FRELINGHUYSEN. Is it not due to the fact that in some of those countries they have an export price over the domestic selling price, and that the selling price in the American market is much higher than the selling price in the foreign country?

Mr. JONES of New Mexico. The Senator has in mind Germany.

Mr. STANLEY. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator from Kentucky.

Mr. STANLEY. It strikes me, if that be the case, that is a better reason why it is not necessary to impose an exorbitant duty. Senators must be intellectually sincere. I will not say honest, but they must not blow hot and cold. One Senator gets up and says we have got to put this duty on to prevent dumping, the crime of selling for less abroad than at home. Another Senator gets up and says we have got to put the duty on because they are not dumping, that they are charging more for goods which are sold abroad than those which are sold at home. One or the other of the reasons is bound to be a bad reason; both of them may be bad, but both of them can not possibly be good.

Mr. JONES of New Mexico. Mr. President, I have heard from the other side of the Chamber time and again reference to the situation in Germany, and it looks to me as if this bill were framed solely against Germany.

I hear "Germany" every day and in connection with almost every item in the bill, and if there is anything imported from Germany at all in connection with a schedule or coming under a schedule we are at once frightened by the ghost of Germany.

Mr. FRELINGHUYSEN. Mr. President——

Mr. JONES of New Mexico. I want to say to the Senator that now, three and one-half years after the war, Germany is not sending to this country anything like the quantity of these wares she was sending prior to the war. There is no excuse for becoming frightened at Germany.

Mr. FRELINGHUYSEN. Mr. President, I should like to ask the distinguished Senator whether he has made an investigation as to prices in Japan, Czechoslovakia, and France?

Mr. JONES of New Mexico. Mr. President, I have those prices; I have made an investigation of them; and I will say to the Senator that the evidence which the Senator himself had shows that the comparable chinaware from Japan is selling in this market to-day 25 per cent above the selling price of the domestic product, and that as to other wares from Germany, Czechoslovakia, and other countries there can not be found a single article of decorated chinaware which has come to this country from England, France, Germany, Czechoslovakia, or Japan but is selling in this market to-day practically above the selling price of the domestic article. Senators on the other side were told that by the Tariff Commission, on which they should rely, even if they do not.

Mr. President, the Senator from New Jersey is frightened at Germany. I want to call attention to the fact that under the heading of earthen, stone, china ware, parian, porcelain, and bisque, not decorated or ornamented, imports are given in a very recent compilation of our foreign trade by the Department of Commerce. It includes the year 1913 and the calendar years from 1918 to 1921, inclusive. I find in looking at that compilation that as to Germany in 1913 the kind of ware which I have described was imported to the extent of $508,001, and that in 1921 the importations only amounted to $306,000—only about one-half. As I said a while ago, the price is 250 per cent of the pre-war price. The same thing is true of the decorated ware from Germany. Prior to the war, in 1913, Germany exported to the United States $3,235,517 worth, but in 1921 she exported only $1,902,329 worth; and yet Senators on the other side of the Chamber talk about this country being flooded with importations from Germany.

If Germany has all this cheap labor and cheap power and cheap material, and the prices are higher in this country, why does not Germany send the wares over here and get paid for them in our gold at the prevailing high prices? Senators may talk about the difference in exchange or other conditions, but the proof of the pudding is in the eating. If Germany can do these things, why, three and one-half years after the war, is she do doing them?

So with everything else which is discussed in connection with Germany. Last year the imports from Germany into the United States amounted only to about $90,000,000. Our exports to Germany amounted to nearly $400,000,000. If Germany can do these things, why is she not doing them? That, however, is the ghost which rises here every time any of the paragraphs is mentioned. We are told how cheap labor is in Germany; we are told about the low gold value of the German mark. Senators on the other side talk about all these things, about what Germany theoretically may do; but Germany is not doing them and it is now three and a half years since the close of the war. When is Germany going to do them? Is that what Senators on the other side want the people of this country to understand—

that under these facts they are now engaged in passing into law the highest tariff bill ever known to this country and that they are doing it because over in Germany there is a depreciated mark and cheap labor? Whatever the facts may be as to that, they are not interfering with the United States market, and every bit of German decorated ware which is coming into the United States is selling to-day in the American market for a higher price than is the comparable domestic article.

Mr. President, I desire to read just a little from the testimony of Mr. W. E. Wells, of Newell, W. Va., representing the United States Potters' Association. He was asked by Mr. GREEN:

Has the price of china advanced in the last year?
Mr. WELLS. About 15 per cent in a year, I should say.
Mr. TREADWAY. How much in three years?
Mr. WELLS. One hundred and eleven per cent is what our records show in our factories.
Mr. TREADWAY. I think my records would confirm that—what I have had to pay.
Mr. GREEN. The reason I asked you that question was that one of the importers who testified here said that the reason that the imports from China and Japan in the 10 months ending October 20 had more than doubled was largely owing to the increase of price.
Mr. WELLS. Both the foreign and American prices have increased considerably in the last year.
Mr. GREEN. The imports were about two and one-half.
Mr. WELLS. That is right, within one year. I think that is from 1914 until now.
Mr. GREEN. You misunderstood me. I am speaking of the increase in value in Japan for the 10 months ending in October. There would be about a million and a half imported in 1919, the 10 months ending October, 1919, and $1,300,000 worth imported in the 10 months ending October, 1920.
Mr. WELLS. I have not, of course, undertaken to cover the entire ground, but there is just this I want to say, that we are having no demand now for our goods. We have had more cancellations in the last three months than we have taken new business. But the American potters were so far behind that we are still busily employing all our people on orders that have remained with us 6, 8, 10, and 12 months.
Mr. OLDFIELD. Are you reducing wages?
Mr. WELLS. We have not.

* * * * * * *

The CHAIRMAN. What rates do you recommend?
Mr. WELLS. I make a recommendation that the Payne rate be restored, and until Germany and Austria get back into that market it will be sufficient to protect us, at least against England and France. They have always been honorable competitors. We have divided up this market without quarreling.

There, Mr. President, was the representative of the potters' association, who said that the Payne-Aldrich rate would be sufficient; but the highest rate under the Payne-Aldrich law was 60 per cent, while the committee comes here with a recommendation of 70 per cent—10 per cent higher than the rate for which the president of the potters' association asked.

Mr. President, I think we may very well examine this question for the purpose of ascertaining whether or not there is any justification for any increase over the present rate. Mark you, there are three paragraphs in this bill which relate to the pottery industry; in fact, four, including a blanket clause, to which I shall refer later on. The industry must be considered as a whole because it is not figured out by any of these interests as to what the different articles of ware cost. That fact is not known. When they burn a kiln of the wares it may contain different kinds of articles. They will, perhaps, burn a kiln to one stage and ultimately secure different kinds of finished wares. They may put some of it into another kiln and burn that to another stage and secure another finish or another glaze, and then have it decorated, and then burn it again into a different kind of ware. So it is not possible to tell what is the cost of the different kinds of ware. We do not know.

The information is not furnished; but there is one thing we can do: We can examine the industry as a whole and see whether or not the industry is suffering, and from that we can tell whether or not existing duties are sufficient, whether or not the trade is being swamped with importations from other countries. These facts we can ascertain. They are in this record. They come from official sources, and I submit that they have all been ignored by the majority of the Finance Committee—either ignored or else treated with contempt.

Mr. President, in the first place, just as an indication of the prosperity of the industry, I have here a list of the income-tax returns for this industry for the pre-war period, 1911, 1912, and 1913. It shows the invested capital, net income, gross sales, and cost of goods reported in corporation returns for pre-war period 1911, 1912, and 1913, and 1918, 1919, and 1920. Here is what we gather from it:

That in the years 1911, 1912, and 1913 all these concerns had an average net income on their invested capital of 11.12 per cent; in 1918 of 25.59 per cent; in 1919 of 24.3 per cent; and in 1920 of 32.76 per cent.

Mr. FRELINGHUYSEN. Mr. President——

The PRESIDING OFFICER (Mr. SUTHERLAND in the chair). Does the Senator from New Mexico yield to the Senator from New Jersey?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. FRELINGHUYSEN. From what authority is the Senator reading?

Mr. JONES of New Mexico. I am reading from a certified statement from the Treasury Department of the United States.

Mr. FRELINGHUYSEN. What is the nature of it?

Mr. JONES of New Mexico. It is just what I said in the beginning.

Mr. FRELINGHUYSEN. Does the Treasury Department issue statements on incomes of companies?

Mr. JONES of New Mexico. This sheet complies with the law on the subject, and the Senator from New Jersey has seen a great many of just such sheets. The names of the companies are not given here, but they are numbered.

Mr. FRELINGHUYSEN. Then the Senator is reading from the income-tax returns of certain companies engaged in the pottery industry. Is that true?

Mr. JONES of New Mexico. That is true.

Mr. FRELINGHUYSEN. May I ask the Senator how he can distinguish the companies that are engaged in manufacturing the product which is protected under these two paragraphs, 212 and 213? Is this return confined to those two items? Does the Senator claim that the return on the industries that are protected under these two items is 32 per cent, or does it not include all of the pottery industry?

I know the Senator wants to be fair——

Mr. JONES of New Mexico. I do want to be fair.

Mr. FRELINGHUYSEN. And I want, also, to have the figures accurate and identified properly. I should like to ask the Senator if he is sure that those returns cover the industries that are protected under these two items, or do they cover all of the pottery industry, the other industries, too?

Mr. JONES of New Mexico. Mr. President, if the Senator thinks such information as this is important, may I ask him, when he decided to increase the duty on these wares, whether he ascertained the financial condition of the companies that were producing these wares?

Mr. FRELINGHUYSEN. I have general information, and I have some specific information, too; but I am asking the Senator a question, and I am asking it in all fairness. The Senator has quoted certain figures coming from the Treasury Department—the income-tax returns, which I had supposed were privileged—but nevertheless he is offering for the record these returns, and he is claiming that for the year 1920, I think he stated, the average profits were 32 per cent. That is not my information on the industries covered in paragraphs 212 and 213, and I am asking him if he is sure that those returns cover the industries that are protected under these two paragraphs?

Mr. JONES of New Mexico. I will read just what it says:

Statistical division, income-tax unit. Manufacturers of chinaware and earthenware.

That is the heading.

Mr. FRELINGHUYSEN. Then it does. The Senator claims that it does cover them?

Mr. JONES of New Mexico. That is what it says on its face.

Mr. FRELINGHUYSEN. Is it for 1920?

Mr. JONES of New Mexico. 1920.

Mr. FRELINGHUYSEN. Has the Senator the 1921 figures?

Mr. JONES of New Mexico. No; they are not out yet, as the Senator must know.

Mr. FRELINGHUYSEN. As I understand the 1921 figures, the reports have been made by the companies and the profits are very much less this year, and I understand that in 1920 they do not show an average profit of 32 per cent.

Mr. JONES of New Mexico. Mr. President, if they are less for 1921, it is not because of any importation, because the goods have not been coming in here. It must be attributed to some other cause.

Mr. FRELINGHUYSEN. Mr. President, I am informed that in 1921, in the case of one of the oldest and one of the largest companies engaged in the manufacture of chinaware, the average profit was only 9.6 per cent; and I understand that in 1921 the profits on the china and earthen ware did not run much over 10 per cent.

Mr. JONES of New Mexico. Mr. President, all I know about their earnings is derived from this income-tax report, which gives the earnings for 1911, 1912, and 1913, the three pre-war years, as well as for 1918, 1919, and 1920; and I will give the Senator some figures which are at least corroborative of that regarding some other years. We are trying to find out, in the first place, whether or not this industry is poverty stricken, and, in the next place, what caused it if it is. So far as I have been able to get any information, it is not poverty stricken, in the first place, and we will find out before we get through that their business has not been interfered with by any importations of earthenware or chinaware.

Mr. President, I have here another statement regarding the pottery industry which comes from the Census Bureau. The Bureau of the Census makes an examination of these manufacturing industries once each five years. We have the data regarding the pottery industry for the year 1914 and the year 1919, and from that we get a good deal of information. It is true that the year 1919 was just after the war; it was a prosperous year; but we have the figures for the year 1914 also. It will be recalled that during the war the pottery industry was somewhat restricted in its output; that it was necessary for the Government to conserve fuel, and so its business was somewhat handicapped during the war, and that handicap extended even beyond the war, and the industry was not unduly built up by reason of the war.

Here is what we find from an examination of those two census reports, the one for 1914, the other for 1919:

The capital stock of the concerns engaged in that industry in 1914 was $44,704,081.

In 1919 the capital stock had increased to $66,757,970, and my information is that that increase in capital from $44,000,000 to $66,000,000 was made up from surplus earnings in the business during the five years.

In 1914 the value of the product turned out by these potteries was $36,942,666.

In 1919 it was $77,000,000, in round numbers.

We have here the cost of manufacture.

Mr. FRELINGHUYSEN. Mr. President——

Mr. JONES of New Mexico. I yield to the Senator.

Mr. FRELINGHUYSEN. Does not that include articles that are in other schedules?

Mr. JONES of New Mexico. Yes; Mr. President, this includes the entire pottery industry.

Mr. FRELINGHUYSEN. The Senator speaks of $77,000,000 as being the entire income.

Mr. JONES of New Mexico. No; that is the value of the product turned out.

Mr. FRELINGHUYSEN. But $36,000,000, as I am informed, is represented in these two paragraphs.

Mr. JONES of New Mexico. I do not so understand.

Mr. FRELINGHUYSEN. May I ask the Senator another question, in order that it may go in the record? I presume he submits these figures for the record.

Mr. JONES of New Mexico. I did not know whether I would burden the record with them or not.

Mr. FRELINGHUYSEN. I should like to ask the Senator whether, in the net income on capital invested of 32.76 per cent, the taxes are deducted, and whether he claims that that is net profit or net income?

Mr. JONES of New Mexico. Mr. President, I assume that the taxes are not deducted, because those figures are evidently the items on which the tax is calculated.

Mr. FRELINGHUYSEN. Then the Senator's claim is that the net income from the business is 32 per cent, and that is not net earnings, and he does not know what the net earnings are, what the percentage of earnings is on the capital?

Mr. JONES of New Mexico. Mr. President, if the Senator is simply figuring on some basis for deducting income taxes, I will give it to him in the paragraph which I am going to read.

Mr. FRELINGHUYSEN. I am asking the Senator what he considers the net return for dividend purposes, the net earnings on the capital invested in the pottery business under the figures he has presented to the Senate.

Mr. JONES of New Mexico. It would be the amount I gave, less the income tax, whatever it was.

Mr. FRELINGHUYSEN. Of course, there is interest on bonds and mortgages and other fixed charges which probably are not deducted.

Mr. JONES of New Mexico. That is the return upon the invested capital as defined in the revenue law of the country, and any manufacturer will understand what that means.

Mr. FRELINGHUYSEN. Then, if the corporation tax was 20 per cent in that year the net income would be 16 per cent instead of 32 per cent.

Mr. JONES of New Mexico. Yes; but the corporation tax is never anything like that, as the Senator very well knows.

Mr. FRELINGHUYSEN. The corporation tax and other expenses I should have said. I presume the interest on bonds is not deducted from that.

Mr. JONES of New Mexico. Certainly it is. That is the net income. The Senator knows these concerns are authorized to deduct the interest on their bonded indebtedness.

Mr. FRELINGHUYSEN. Then, the corporation tax being 10 per cent——

Mr. JONES of New Mexico. But the corporation tax is not 10 per cent.

Mr. FRELINGHUYSEN. What is it?

Mr. SMOOT. It is 10 per cent.

Mr. JONES of New Mexico. No; it is not.

Mr. FRELINGHUYSEN. Was not the corporation tax 10 per cent?

Mr. JONES of New Mexico. The Senator speaks of the income tax now. I beg the pardon of the Senator from Utah. We were thinking of different things. It is true that the income tax is 10 per cent of the net earnings, but it is not 10 per cent in a way to reduce that 32 per cent to 22 per cent. It is 10 per cent of the total amount of the net earnings.

Now, let us look into this question a little further. If the Senator has any definite information that these figures for 1914 relate only to the manufacture of articles coming within paragraphs 212 and 213, I should like to have him give the authority for the statement. That is not my information. My information is that these figures relate to the whole industry, as shown by the report of the Department of Commerce on the subject. If I am wrong about it, of course I want to be corrected.

Mr. FRELINGHUYSEN. Does the Senator claim that the industry is covered under these two items, paragraphs 212 and 213?

Mr. JONES of New Mexico. What I claim is that the whole pottery industry is covered here for both years, 1914 and 1919. The Senator from New Jersey stated a while ago that the figures I have for 1914 relate only to the two paragraphs of the bill. My information is otherwise.

Mr. FRELINGHUYSEN. What does the Senator claim the total income for 1914 to have been?

Mr. JONES of New Mexico. The net profit of the industry that year was $5,224,237.

Mr. FRELINGHUYSEN. I mean the total production.

Mr. JONES of New Mexico. The total production amounted to $36,942,606.

Mr. FRELINGHUYSEN. The Senator, of course, is including in those figures practically $20,000,000 of production that is not contained in these paragraphs?

Mr. JONES of New Mexico. I said in the beginning that you could not segregate the costs under one paragraph from the costs under another; that you have to take into consideration the entire pottery industry.

Mr. FRELINGHUYSEN. I claim that you can segregate the figures as to production, and I have them segregated. If the Senator wants the figures, I will give them to him.

Mr. JONES of New Mexico. I am now using some official data furnished us by the Bureau of the Census, for whatever it is worth. There are other figures, of course, as to the amount of the production of the different kinds of commodities, but they are not brought together in this form. I am using these figures for what they are worth, for the purpose of showing that the pottery industry of this country is not in dire distress; that it is not something which ought to be put upon the charity of the country; that it is not something for which there should be a special tax levied upon every human being in this country. It is a profiteering industry, and the last year for which we have any information it profiteered beyond all other years. At the height of its profiteering, the Finance Committee comes in and wants to increase the taxation on the country for the benefit of this industry and increase the rate beyond what the high officials of the companies themselves say they want.

Mr. FRELINGHUYSEN. The Senator has not shown that this industry is a profiteering industry. I know the conditions of the pottery industry in my State, and I know that their profits are not large. The Senator has presented figures showing a net income of 32 per cent in one of the most prosperous years the industry has ever known.

Mr. JONES of New Mexico. Mr. President, I decline to yield further. I kindly invited the Senator from New Jersey to present his case first. I supposed he knew what he was doing. I supposed he had evidence which would justify these rates. He declined to present it, and now he is undertaking to say that he knows the facts about the matter. Does he want us to understand that the majority of the Finance Committee makes these recommendations simply because of what the Senator from New Jersey knows? What he knows is not evidence in this case.

Mr. FRELINGHUYSEN. If the Senator will not yield, of course I can not reply to him.

Mr. JONES of New Mexico. I prefer not to yield at this time, but I hope that before we get through the Senator from New Jersey will present some evidence at least to furnish a reasonable excuse for what the majority of the Finance Committee proposes. I have been unable to find it in the record in this case. I will not decline to yield for a question or any short

explanation. I shall be very glad to have any questions from the Senator from New Jersey, or any other Senator.

Here is what we have concerning the business of this industry in 1914. I will read the round figures. Capital, $44,000,000; value of product, $36,000,000; cost of material and freight, $9,000,000; rent of power and cost of fuel, $2,750,000; rent of factory, $42,564; Federal tax and State tax, $271,562; total cost, excluding salaries and wages, $12,345,000; profits before deducting salaries and wages, $24,596,000.

Then we have given the distribution of the salaries and wages. The salaries of the officers amounted to $1,662,061. The salaries of superintendents and managers are included in that sum, amounting to 6.6 per cent of the total income of the concern. They paid to clerks, stenographers, salesmen, and so forth, $1,084,000; to wage earners, $16,666,000. Net profits, $5,224,000.

That was in 1914. In 1919 the capital had been increased to more than $66,000,000, and, as I am advised, without the investment of a dollar, representing an accumulation of surplus. The value of the product was $77,000,000. The cost of the material and freight was $15,000,000. The rent of power and cost of fuel amounted to $5,000,000. The rent of the factory was $162,000. The Federal tax was $2,220,000, and the State tax $457,000. The total cost, excluding salaries and wages, was $23,000,000. The profits, before deducting the salaries and wages, were $51,000,000.

Now as to the distribution. The salaries of officers, not including superintendents, managers, and so forth, were $2,095,432. Back in 1914 the salaries of officers, superintendents, and managers, all combined, amounted to $1,600,000, but in 1919 the salaries of officers alone amounted to over $2,000,000, and of the superintendents $1,833,665, making a total in 1919 paid as salaries of officers, superintendents, and managers of $3,929,097, nearly $4,000,000. In 1914 those officers and superintendents received only $1,622,000, an increase of more than $2,000,000 per annum for the officers, superintendents, and managers.

Now I give another significant item. They increase the wages and this is what happened. In 1914 there were 26,705 wage earners. They received $16,666,330, which was 67.8 per cent of the value of the product. This is the one industry which has, I believe, the highest labor cost of any of the industries, and that is why it has in the past appealed for a high protection upon this industry; but now, when the industry prospers, what happens? Do they give the benefit of that increase in prosperity to these laboring men? In 1914, when the pottery industry was only reasonably prospering, the wage earners received 67.8 per cent, but in 1919, when these officers and superintendents were receiving these extraordinary salaries, the wage earners received only 58.3 per cent of the value of the product.

Another thing, Mr. President. The net profits of these concerns in 1919, before taxes paid, were $17,682,030, which amounted to just about 24 per cent on their invested capital. That 24 per cent was profit, after paying for material, after paying rent and fuel, wages and salaries. Seventeen million dollars and more of profit, 24 per cent! That was in 1919. That was just after the war. But from the official reports as to the income tax return in 1920 their net earnings subject to taxation for income purposes had increased more than 32 per cent, and no one will believe that they padded their returns for taxation purposes.

Mr. President, that is some additional evidence as to the prosperity of these concerns. As I said in the beginning of my remarks, we can not tell what is the cost of a set of dishes, we can not tell what is the cost of a certain design of sanitary ware. It is in the pottery industry, and we can only tell whether it needs protection or not by considering two things: First, whether the concern is prosperous or not, and, second, whether the American market is being flooded with imports or not. I have given this evidence as to the prosperity of the concern. I expect now to take up the question of the importations, the character of the business, where the competition comes in, and to look at the economic surroundings of the industry.

Mr. President, it is now after 10 o'clock, and I understand that it is not designed to continue the session much longer. If agreeable to all parties, I shall be glad to yield the floor for the evening and resume at this point to-morrow morning.

HOUSE BILL REFERRED.

The bill (H. R. 9527) to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof until dissolved, and to apply said section as so amended to all national banking associations, was read twice by its title and referred to the Committee on Banking and Currency.

ADDRESS BY THE VICE PRESIDENT.

Mr. RAWSON. Mr. President, I ask unanimous consent that an address delivered by the Vice President before the General Board of Education of the Presbyterian Church at Des Moines, Iowa, May 21, 1922, may be printed in the RECORD in the regular type.

There being no objection, the address was ordered to be printed in the RECORD in 8-point type, as follows:

At Des Moines, Iowa, at 8 o'clock p. m., Sunday, May 21, 1922, before the General Board of Education of the Presbyterian Church, Vice President Calvin Coolidge spoke as follows:

This is a convocation representative of the hope of the world. Each morning brings us news of discontent, of sullen disagreements between those charged with different obligations in industry, of organized crime and violence in our own land, and of disordered and threatening conditions abroad. This council meets with the determination not to treat the apparent symptoms of the hour, but to remove fundamental causes. It seeks redress for all wrong not by force of arms which might triumph for a day, but by a force of ideals which will be supreme for all time. It appeals from the things which are temporal to the things which are eternal. Casting aside all else it reasserts its reliance in the ancient faith of mankind.

This is a truly American purpose completely in harmony with revealed destiny. This is a new land. It is the expression of a new life. We do not deny our obligation to the teaching of the Old World. It was from that source that we derived our civilization. It was there that the modern world made those beginnings which have come into the strength of full maturity in American institutions. We do not fail to profit by it. But we have lived by something more. We have aspired to something higher.

We do not know where civilization began. As far back as the genius of man has been able to pierce the veil of the past, he beholds an enlightened people. Not one just rising out of savagery, but a people already risen. Nor yet a people who have originated their own civilization, but always one which acknowledges that it was derived from others. But wherever civilization appears we find it has one common characteristic. It gathers around the altar, the tabernacle, the pulpit, in obedience to religious rites. It is not waiting for the results of evolution, but seeking the guide of inspiration.

We can recall the names and the times of the nations which have arisen and for a period held dominion over the affairs of the world. Civilization has flourished under different designations and dates, but always around the same central thought. We can read of it and study it in the well-preserved records of ancient Babylon. We can see a people acknowledging again its force in the art, the poetry, and the philosophy of Greece. We can see it putting forth a new strength in the mighty organizing power of Rome. Babylon, Greece, and Rome fell, but civilization did not fall. It remained confined, but treasured, moving within narrow limits, but with none the less power, in the cloister, the monastery, and among the clergy, ready to inspire missionaries, to convert nations, and to reassert itself in the religious awakening and the revival of learning of the late Middle Ages.

It was then that America was revealed to a waiting world. Men had tried out the old forms of acknowledged human relationship. They had been brought into order under despotism. They had gained the idea of a king subject to the authority of law. They had seen the power of a parliamentary form of government to restrain absolute monarchy and preserve a certain amount of liberty. Men had dreamed and hoped for a completer freedom under the guaranties of a constitution and for self-government through legislative bodies which should be truly representative. But these final accomplishments were left to be the achievement of Americans, their contribution to the welfare of mankind, their glory in the records of history.

Through all this there has run the never-ceasing force of civilization. We do not know where it began, for we do not know where eternity began. Seeking for it in vain in any earthly source, men have always acknowledged that it has come from above. The soul of man always responds to it. There need be no fear that it will perish. The foundation for our faith is so abiding that all human hands raised against it will be without avail.

Civilization will endure. It will go forward. That is not the chief concern of mankind. It is an established fact. It is the great reality. The question which concerns the thought of the world is whether we shall endure; whether we shall carry forward civilization. Education is for the purpose of teaching men to know their true condition, to understand what freedom is and with what price it must be bought, and to comprehend the meaning of civilization.

The peculiar meaning of America is faith. Faith in the first place in an eternal purpose. Faith in the second place in mankind. There are those who doubt the stability of republican institutions. There are those who question the ability of a people long to maintain a democracy. There are those who are not

convinced that the world is making any real progress. They point to the rise and fall of nations, to the slender margin which exists between order and anarchy, and to the imperfections of government and society which everywhere abound. They point to the intelligence and enlightenment of the past. We know that Democritus had a conception of the modern atomic theory, that Empedocles crudely stated the doctrine of evolution, that the art, the literature, the high ideals, the native ability, the actual accomplishments of the ancients have not been, and so far as we can judge will not be exceeded in kind in any human experience. But it is not very disturbing to think that an eternal purpose had made some progress before yesterday. The promise of it is that what man has done, mankind can do. The progress of the race does not lie merely in the intelligence, philosophy, or the art of a few, but in their possession by the many, in their general acceptance. America lays no claim to the discovery of the theory of freedom, or self-government. Its glory lies in the ability of its people to put those theories into practice, not merely the power to state them, but the capacity to live up to them.

There can be no discussion of the basic theory of American institutions which does not lead to a statement of religious beliefs. Government is the attempt on the part of mankind to adjust themselves to their true relationship. The whole of history is strewn with efforts to build on the theory of class and caste, of superior and inferior, of master and slave.

The teachings of religion and the philosophy of thinking men both resisted this theory of human relationship. Men could not acknowledge the common bond of brotherhood, the common source of their being, and long resist the inevitable conclusion of a common equality of rights. But while such a conclusion might be acknowledged in theory, the custom and tradition of the Old World, the habits and long-established institutions of its people, made an almost impossible barrier to its realization. There were wide economic differences so manifest to the senses that it was almost impossible to discern the spiritual equalities. It was in the New World that these economic differences had a great tendency to disappear. Under the power which existed to have land merely for the taking, the old differences in possessions began to disappear and there was a sufficient reenforcement for the theory of equality and freedom to make their practical application possible. Under the stimulation of early eighteenth-century speculation about the theory of government and under the inspiration of the teachings of religion, men laid down and adopted those basic principles which are set out in our Declaration of Independence and established in our constitutions and laws. The inalienable right of man to life and liberty, and to be protected in the enjoyment of the rewards of his own industry, which are represented by his property, have been much thought on and much discussed since that day.

They all have their source in religion. The rights of man, as man, the dignity of the individual, find their justification in that source alone. Whenever its teachings were fully admitted the rest followed as a matter of course. It was religion that came first, then the establishment of free government. With these there came the opportunity for general education, for a broader service by the institutions of higher learning, which ushered in the age of science, resulting in the great material prosperity which went on increasing up to the outbreak of the Great War.

These were the institutions which Americans built up and supported out of their faith in an eternal purpose and out of their faith in mankind. No one would claim that they have yet been brought into perfection. No one would claim that the laws applicable to a wise and just administration of the more and more intricate relationships under which we live have yet all been discovered. No one would claim that there is, or yet can be, such an administration of laws, such an observance of constitutions, as to protect the individual absolutely in all his acknowledged rights. Men are finite. They are subject to the limitations of space and time. Invention and science are bringing them new powers, but everyone realizes that perfection lies far away in the distance.

But the fact that there is evil abroad, that there are those who are bent on wickedness and that their efforts oftentimes prevail, that there are limitations, is no reason for losing faith in the right. The fact that obligations may be disregarded, that pledges may be broken, is no reason for losing faith in honor and integrity. There are those who argue that if government has sometimes been a means of oppression, therefore government should be abolished; that if property has sometimes made its possessors selfish and cruel, therefore property should be abolished. They argue, perhaps unconsciously, that if power has been misused by some, power therefore should be abolished. The plain fact is that power can not be abolished, nor can government and property, which are a species of power. Wherever mankind exists these exist. Our only remedy is to regulate their used and strengthen the disposition to employ them all, not for oppression but for service.

This is but stating the condition into which mankind is born. This is but recognizing those restraints which are created by his very existence. We do not live in an imaginary life. We live in a real life. The individual may occasionally and temporarily secure an advantage for which he has made no return, but this is always impossible for society. Whatever it has it must create itself. It is an entire delusion to look for a state of freedom, a system of government, an economic organization, under which society can be relieved from the necessity of effort. To be the beneficiaries of civilization is not easy but hard. Those who promise an existence of ease are not raising mankind up; they are pulling them down. The greater freedom that men acquire the better government they maintain, the higher economic condition they reach the more difficult, the more laborious, must be their lot. It is not a life of ease that will ever attract men, but the possession of power which comes from achievement and the possession of character which is the result of sustained effort in well-being.

There are oftentimes very great misapprehensions over the apparent conflict between a desire for freedom and the authority of the Government. Perhaps the confusion arises in part from the perfectly correct assertion that we live under a free government. Our Government derives its power from the consent of the people. Its authority is their authority. They have established it. Its laws are made in accordance with the expression of their will. But it is none the less a government, and its authority is none the less abiding. In obeying it men do not surrender their liberty to it, but in establishing it they provide the only source and guaranty that there are for their liberty.

When the power of the Government ceases, or even when it be put in jeopardy, liberty ceases with it. Those who want their liberty to remain should support the Government as its only source and guaranty. It is only those who are willing to be pillaged, to see their property destroyed and their life endangered, who should withdraw their support from organized government. Liberty is purchased with liberty. There is no choice for those who desire liberty except to go on making such contributions, performing such services, and rendering such obedience to the Government as will be sufficient for its support.

There is a misapprehension which is very analogous in regard to our economic relationship. When our institutions were adopted the people were much nearer a plane of social and economic equality than they are at the present day. The population was for the most part rural and agricultural. They were employed in those occupations which could be conducted entirely by one individual. This gave the utmost freedom of action in relation to the privilege of the individual to pursue or change his occupation at will with little or no effect upon others. Gradually this condition has changed. The factory system has been adopted, with its attendant division of labor. Hours have been shortened, wages greatly increased, so that the returns from the effort expended have grown to be very much larger. But freedom of action has been very much diminished to secure this result, and the duty toward others has been very much emphasized. It has been stated that there must be something wrong when those who make cloth want for clothing and those who make shoes are not well shod. The answer to that specific complaint is that almost no individual makes shoes or cloth at the present time. They only perform one of the great number of processes in the making of shoes and cloth.

There is no individual in our modern industrial life who produces all the different articles which he uses. But by means of the division of labor, by means of organization, the aggregate of production has increased manyfold. There is much more property, much more wealth, much more comfort, and much more leisure, but a certain kind of independence is gone.

The new duties which this condition imposes have not yet been fully realized. Large bodies of men are trained to perform special tasks. Each body profits through the performance of the others. There is a tacit and implied understanding, a moral obligation, that each shall perform their part, because each receives the benefits which accrue from others doing their part. So long as the others perform their part of the common services which are required, there is a growing feeling that it is an economic wrong for one body to fail to perform its services. This is especially true in the so-called key industries, which furnish transportation, food, heat, light, water, and other prime necessities. Society has not yet discovered any adequate remedy for such a situation. Perhaps the most

suitable relief will result from an aroused public opinion, which will insist that when a condition of this kind arises our whole economic system shall not be thrown into disorder, but that some tribunal may be established with authority to ascertain the facts, fix the blame, and determine what is necessary to provide justice. However that may be, it is now perfectly apparent that to attain modern industrial power there has been an exchange of much of the freedom of the individual.

This modern industrial organization is analogous to the feudalism of the Middle Ages. Then the individual, in order that he might have security and the assurance of an adequate force to protect him from aggression or destruction, swore fealty to his lord. He became his man. He gave up his liberty for safety. The modern individual takes a pledge of fealty to his occupation, his brotherhood, his trade-union. He, too, surrenders a portion of his freedom of action in return for a certain protection and security. It was the influence of religion, acting through the avenue of public opinion, which broke the artificial condition of feudalism. It is to the same source, to the same power of human conscience, that we must look to purge away what is artificial and unreal in our modern industrial life, that there may be recognized the existence of a real equality and that a just honor may come to all through the performance of real service.

It does not seem probable that there lies within the power of legislation, the power of government action, any real remedy for these conditions. Public authority may investigate, it may advise, but the economic relationship is to such a great degree voluntary, and must be voluntary, that it can not be conducted under any coercive authority. Almost the whole effect of legislation up to the present time has been not to provide restraints but to enlarge the freedom of action. It has sought to prevent society from assuming any rigid form. It has discouraged all conditions which tend to create favored classes and special privileges. But the law alone can not establish standards; that must be done by the people themselves. If all honor is to be given to wealth and place, there is bound to be an unending clash of interests. But if service be made the standard; if men are judged not by what they have but by what they are; if they will cease putting all the emphasis on what they are going to get and more of it on what they ought to do; if they will refrain from giving their entire attention to the material side of life and live more in accord with their intellectual, social, and moral nature; if they will apply the teachings of religion, the discord and discontent will give place to harmony. No one has ever proposed any other practical remedy.

Another element, without which modern civilization could neither exist nor increase, is those accumulations resulting from the industry of the people, which we call capital. It very closely represents the dominion which man holds over nature. Without capital he falls back to the material and economic condition of the savage. With it he furnishes himself with transportation by land and sea, builds industrial plants with which to furnish the necessaries and conveniences of life, constructs buildings and public works, provides a store of merchandise, extends credit for the financing of agricultural and commercial operations, and builds up the surplus out of which to supply the needs of an enlarging population and to improve the condition of all the people by increasing their power of production. The want and distress of the people of the Old World at the present time result from the great destruction of capital which they have recently suffered. Their condition has an effect even here, but our own supply of capital, our own exemption from being required to make a like sacrifice, is the source of our comparatively great prosperity.

No one would claim that there have not been many abuses of the power which the possession of capital brings, but here again a suggestion of abolishing it is only a suggestion to destroy the power which supports the advance of civilization. The law can not always regulate it. It can do little toward supplying it. It is another of those requirements which must be met by the people themselves. Government supervision can help, but it can help only in conjunction with a righteous public sentiment and that determination which has its source in the religious convictions to use capital to promote the welfare of mankind.

But civilization has come to comprehend more than those domestic relationships which are represented in the political and economic life of a people. There is a relationship among nations toward which the world has recently been turning much thought and much attention.

This is a new avenue for the American mind to travel. Our natural seclusion, our predominance over all surrounding nations, our ancient traditional policy of refraining from all interference in the political affairs of others have all contributed to our disregard of any but our own local interests. The results of the last five years have projected us out into the world where, whether we will or no, we find that we have international duties to perform, both for the promotion of our own welfare, the protection of our own rights, and to discharge our obligations to humanity.

We have not sought to meet these requirements by diminishing our national spirit, but rather by increasing it. We have not been willing to compromise our independence, but have rather sought to strengthen it. At the same time we have recognized that as there comes an increased power for the promotion of our domestic welfare through the cooperation and organization of the individual, so there is created a more stable condition among nations and there comes a release from the necessity of defensive operations through mutual agreement and more cordial understandings. We have recently adopted the policy of seeking to prevent wars, not as in the past by a reliance upon great competitive armaments but by removing the causes of war through mutual adjustments and concessions based on the requirements of justice. For the first time in all history the great powers have agreed on a limitation of naval armaments. Not on their abolition, for the world must not be left defenseless against the power of evil, but on their immediate decrease and their future restriction. This was not accomplished by force or coercion, but under the leadership of America by an appeal to the awakened conscience of the world.

Through all these efforts of mankind to comply with the requirements of civilization there runs the Christian spirit of sacrifice. Men are discontented, they are engaged in industrial strife, they defy the Government at home and abroad because they refuse to make sacrifices which are sufficient to meet present world disorders.

Our Government is supported by sacrifice, by obedience to the authorized expression of the public will. Through that sacrifice men gain a greater power and a larger liberty. When an individual becomes a citizen, he takes on a new dignity, a higher nobility. Men reach their highest degree of economic prosperity through the same process. It is only through the devotion of their resources, their strength, and their intelligence to the organized effort of production for the benefit of others that they increase their own rewards. When the individual becomes a workman, he comes into the possession of a greater estate.

What is true of individuals has its counterpart in nations. No country ever remained great through war and pillage. Despotism always destroys itself. Imperialism always defeats itself. It is only when the nations respect the rights of each other by obedience to a common law, it is only when they toil and spin for each other and extend toward each other the hand of friendship and of charity, that they acquire a true sovereignty.

This is the American faith. It represents a higher and nobler conception of mankind than that which has been developed under any other institutions. Believing that the people have the power to respond to all the great obligations necessary to support our more and more intricate civilization, it has dared to call on them to respond. It has intrusted to them the keeping of their own welfare, convinced that, if self-government can not be maintained, then no government can be maintained. It has given them jurisdiction over their own property and over the property of each other in the knowledge that, if they can not protect property, then it can have no protection. The people have never wavered in their response to this high calling.

Those who came bearing this faith knew that the way to freedom lay through a knowledge of the truth. They put their reliance in religion and education. They established their church and then established their college. Always their purpose was to provide inspired and learned men to lead in the religious and political life of the community. They put their trust in piety. To them intelligence and disbelief would have been a contradiction in terms.

These were the men and the methods which laid the foundations of American institutions. If those institutions are to stand, they must rest on these foundations. There are, and can be, no others. When ways are clear, when skies are fair, no nation can travel far with no motive save an appeal to material gain. But when that fails, as it often does, there must be a reliance on higher ideals. The source of such ideals lies in religion and education. They do not fail. They are eternal.

There must be an increasing support for our higher institutions of learning. They are not the apex of our system of education; they are its base. All the people look up to their influence and their inspiration. They must be under the guidance of men of piety and men of an open mind. They must continue their indispensable service to the cause of freedom by bringing all the people unto a knowledge of the truth.

There must be an increasing reliance upon religion. It is the source of all faith. It is the evidence of the eternal purpose and of the true power, the true nobility of mankind. It gives a divine sanction to the authority of righteous government, to faithful service through economic relationship, and to the peaceful covenants of international understanding. It represents the only hope of the world, the only motive by which mankind can bear the burdens of civilization.

EXECUTIVE SESSION.

Mr. McCUMBER. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened; and (at 10 o'clock and 10 minutes p. m.) the Senate, under the order previously entered, took a recess until to-morrow, Thursday, May 25, 1922, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 24 (legislative day of April 20), 1922.

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY.

Arthur H. Geissler to be envoy extraordinary and minister plenipotentiary to Guatemala.

DIRECTOR OF WAR FINANCE CORPORATION.

Dwight Davis to be Director of the War Finance Corporation for a term of four years.

APPRAISER OF MERCHANDISE.

George M. Jameson to be appraiser of merchandise, customs collection district No. 12, Pittsburgh, Pa.

UNITED STATES ATTORNEYS.

Thomas Williamson to be United States attorney, southern district of Illinois.

A. V. McLane to be United States attorney, middle district of Tennessee.

PROMOTIONS IN THE NAVY.

John D. Beuret to be chief constructor and Chief of the Bureau of Construction and Repair.

TO BE COMMANDERS.

Claude B. Mayo.
Henry K. Hewitt.
Felix X. Gygax.

TO BE LIEUTENANT COMMANDERS.

Ernest J. Blankenship.
Alfred Y. Lanphier.
Oliver M. Read, jr.

TO BE LIEUTENANTS.

John A. Terhune.
Leonard Doughty, jr.
Willis M. Percifield.
Carl K. Martin.

TO BE LIEUTENANTS (JUNIOR GRADE).

Willis M. Percifield.
John B. Cooke.
Julian B. Noble.
Charles E. Coney.
Alonzo B. Alexander.

TO BE MEDICAL INSPECTOR.

Charles E. Ryder.

TO BE PASSED ASSISTANT SURGEONS.

Frederic L. Conklin.
James Humbert.

TO BE PAYMASTERS.

Harry T. Sandlin.
Stanley M. Mathes.
John D. P. Hodapp.
Arthur H. Eddins.
Charles C. Copp.

TO BE PASSED ASSISTANT PAYMASTERS.

Charles G. Holland.
John O. Wood.
William A. Best.

TO BE NAVAL CONSTRUCTORS.

Walter W. Webster.
Beirne S. Bullard.
Ernest L. Patch.

TO BE CHIEF MACHINISTS.

George J. Blessing.
Bennett M. Proctor.
Chauncey R. Doll.
Carl S. Chapman.
Andrew C. Skinner.
John C. Richards.
William W. Wilkins.
Benjamin F. Maddox.
Frank W. Yurasko.
John J. Enders.

MARINE CORPS.

Richard M. Cutts to be colonel.
Harry G. Bartlett to be major.
Frank P. Snow to be first lieutenant.

POSTMASTERS.

CALIFORNIA.

Stella L. Vincent, Carmel.
Rexford E. Morton, Dyerville.

COLORADO.

Anna Bogue, Basalt.

GEORGIA.

Marion W. Hudson, Dallas.
Julius Peacock, Vidalia.

IOWA.

Oswell Z. Wellman, Arlington.
Homer G. Games, Calamus.
Raymond W. Ellis, Norwalk.

KANSAS.

Benson L. Mickel, Soldier.
Victor E. Green, De Ridder.
Charles DeBlieux, Natchitoches.

MARYLAND.

Hattie B. H. Moore, Marydel.
Ernest G. Willard, Poolesville.

MICHIGAN.

Selma O'Neill, Rockford.
Walter H. Nesbitt, Schoolcraft.
George K. Hoyt, Suttons Bay.

MINNESOTA.

Ernest W. Nobbs, Bellingham.
George P. Dickinson, Excelsior.

MISSOURI.

Nelle Tomlinson, Morley.
Philip G. Wild, Spickard.

NEBRASKA.

James E. Schoonover, Aurora.
Carroll C. Colbert, Wauneta.

NEW JERSEY.

Selina L. Caruth, East Paterson.
William J. Caswell, Washington.

NEW YORK.

M. Elizabeth Corey, Cutchogue.
Frank D. Gardner, De Ruyter.
John C. Jubin, Lake Placid Club.
John F. Joslin, Voorheesville.

OHIO.

Edgar L. Taylor, Crooksville.
Clara J. Mitchell, Mount Pleasant.
Leonidas A. Smith, Ridgeway.

RHODE ISLAND.

Jonathan Bateman, Manville.

SOUTH DAKOTA.

Robert C. Gibson, Geddes.
Theresa R. Zimmerman, Montrose.

TENNESSEE.

Clarence L. Shoffner, Shelbyville.

VIRGINIA.

Milton S. Roberts, Faber.
Jessie R. Haven, Greenwood.

WYOMING.

Ellen L. George, Superior.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *May 24, 1922.*

The House met at 12 o'clock noon and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O eternal God, in mute necessity our hearts go out after Thee. We make grateful mention of Thy goodness, we recall Thy boundless mercies, and we would meditate upon Thy providences. Thy love still passes all understanding and Thy riches are still unsearchable. Deepen in us the currents of reflection and give us wise insight into all problems of legislation. Elevate our whole natures and bring them to the highest point of efficiency. Work in us a splendid discontent and give us the reach of larger growth and broader attainment. Let the sun

of righteousness and peace fall upon the hills and the valleys of our country. May God's good angels brood above our hearthstones and fold all hearts in the calm and true embrace of love. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

BRIDGES ACROSS ROCK RIVER AND FOX RIVER, ILL.

Mr. FULLER. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER. The gentleman from Illinois asks unanimous consent to address the House for one minute. Is there objection?

There was no objection.

Mr. FULLER. Mr. Speaker, in my district there are two bridges that have become dangerous, and new bridges must be built. The authorities there are now held up awaiting the consent of Congress to build those bridges. The bills have been reported by the Committee on Interstate and Foreign Commerce and approved by the War Department. The authorities are now waiting for this consent before they can build these bridges, so that it is an emergency case. I ask unanimous consent——

Mr. GARNER. Mr. Speaker, I do not know what the purpose of the gentleman is, but this side of the House can not hear a word of what he says. If his purpose is to inform the House, he is not doing so.

Mr. FULLER. Mr. Speaker, an emergency exists for the building of two bridges across so-called navigable streams in my district. They are not navigable. The authorities are now waiting before they let the contracts until they can obtain the consent of Congress. The bills have been approved by the War Department and favorably reported by the Committee on Interstate and Foreign Commerce. I ask unanimous consent for the present consideration of H. R. 11408 and H. R. 11409.

Mr. RAYBURN. I reserve the right to object, Mr. Speaker.

The SPEAKER. The gentleman from Illinois asks unanimous consent for the present consideration of two bills, H. R. 11408 and 11409. The Clerk will report the first one.

The Clerk read as follows:

A bill (H. R. 11408) granting the consent of Congress to the county of Winnebago and the town of Rockton, in said county, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Rock River, in said town of Rockton.

The SPEAKER. Is there objection?

Mr. RAYBURN. Reserving the right to object, Mr. Speaker, what very urgent necessity is there at this time about the immediate passage of these bills?

Mr. FULLER. The present bridge has become dangerous and has been condemned. The authorities did not know that it was necessary to obtain the consent of Congress until they presented the plans to the State department of public works for approval. The matter is now held up, and they are unable to let the contract until they get the consent of Congress. It is an emergency case, and of pressing importance.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county of Winnebago and the town of Rockton, in said county, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Rock River, in said town of Rockton, county of Winnebago, and State of Illinois, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

With a committee amendment as follows:

Page 1, line 6, after the word "River," insert "at a point suitable to the interests of navigation."

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

Mr. FULLER. Mr. Speaker, I ask unanimous consent for the present consideration of the other bill.

The SPEAKER. The gentleman from Illinois asks unanimous consent for the present consideration of the bill H. R. 11409, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 11409) granting the consent of Congress to the city of Ottawa and the county of La Salle, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Fox River.

The SPEAKER. Is there objection to the present consideration of this bill?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the city of Ottawa and the county of La Salle, in the State of Illinois, to construct, maintain, and operate a bridge and approaches thereto across the Fox River on Main Street, in the said city of Ottawa, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable water," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

With committee amendments, as follows:

Page 1, line 5, after the word "Illinois," insert "their successors and assigns."

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 1, line 7, strike out the word "on" and insert "at a point suitable to the interests of navigation at or near."

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 2, line 1, strike out the word "water" and insert in lieu thereof the word "waters."

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. FULLER, a motion to reconsider the last two votes was laid on the table.

BUSINESS FROM THE COMMITTEE ON AGRICULTURE.

Mr. SNELL. Mr. Speaker, I present a privileged report from the Committee on Rules.

The SPEAKER. The gentleman from New York presents a privileged report from the Committee on Rules, which the Clerk will report.

The Clerk read as follows:

House Resolution 352 (Rept. No. 1028).

Resolved, That upon the adoption of this resolution the Committee on Agriculture shall have three legislative days prior to June 10, 1922, for the consideration of bills reported by that committee now on the House or Union calendars, this rule not to interfere with privileged business.

Mr. WALSH. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Massachusetts makes the point of order that there is no quorum present.

Mr. SNELL. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from New York moves a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Ackerman	Cullen	Garrett, Tenn.	Kleczka
Atkeson	Curry	Goodykoontz	Kline, N. Y.
Barkley	Dale	Gould	Knight
Beck	Davis, Minn.	Graham, Ill.	Kraus
Benham	Dempsey	Graham, Pa.	Kunz
Bland, Va.	Dickinson	Green, Iowa	Langley
Boies	Drane	Greene, Mass.	Larson, Minn.
Brand	Drewry	Griffin	Layton
Britten	Driver	Himes	Linthicum
Brooks, Pa.	Dunbar	Hudspeth	McArthur
Burke	Dupré	Hukriede	McClintic
Cantrill	Edmonds	Ireland	McCormick
Chandler, N. Y.	Ellis	Jefferis, Nebr.	McFadden
Chandler, Okla.	Evans	Jeffers, Ala.	McPherson
Clark, Fla.	Fenn	Johnson, S. Dak.	Maloney
Classon	Fess	Johnson, Wash.	Mann
Cockran	Fields	Jones, Pa.	Michaelson
Cole, Iowa	Fish	Kelley, Mich.	Mills
Collins	Fitzgerald	Kendall	Moore, Ill.
Connolly, Pa.	Focht	Kennedy	Morin
Cooper, Ohio	Fordney	Ketcham	Mott
Copley	Free	Kindred	Mudd
Coughlin	French	King	Nelson, Me.
Crago	Frothingham	Kinkaid	Nelson, A. P.
Cramton	Gallivan	Kitchin	Nelson, J. M.

O'Connor	Robsion	Speaks	Tinkham
Olpp	Rodenberg	Stafford	Treadway
Osborne	Rogers	Stiness	Upshaw
Paige	Rouse	Stoll	Vaile
Patterson, N. J.	Sanders, Ind.	Strong, Pa.	Vare
Petersen	Sanders, N. Y.	Sullivan	Ward, N. C.
Rainey, Ala.	Sears	Sweet	Wason
Rainey, Ill.	Shaw	Tague	Wood, Ind.
Reavis	Slemp	Taylor, Ark.	Yates
Reber	Smith, Mich.	Taylor, Colo.	Zihlman
Rhodes	Smithwick	Taylor, Tenn.	
Riordon	Snyder	Tilson	

The SPEAKER. On this roll call 285 Members have answered to their names. A quorum is present.

Mr. SNELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

Mr. SNELL. Mr. Speaker, I ask unanimous consent that the rule may be reported again.

The SPEAKER. Without objection, the rule will be again reported.

The Clerk read the rule again.

Mr. SNELL. Mr. Speaker, it was the intention to arrange for three legislative days in which it should be in order for the chairman of the Committee on Agriculture to call up for consideration any one of the bills that that committee now has on the House or Union Calendar. It is not intended that this resolution will in any way interfere with privileged business or regular calendar days, nor is it intended that these legislative days must necessarily be successive ones.

Mr. GARNER. Will the gentleman yield?

Mr. SNELL. I yield to the gentleman from Texas.

Mr. GARNER. Has the gentleman a list of the bills in the order in which the Committee on Agriculture contemplates calling them up?

Mr. SNELL. I could not give the gentleman that information. I understand it is the intention of the chairman of the Committee on Agriculture to call up first the filled milk bill. Further than that I have not been informed.

Mr. GARNER. I wonder if the gentleman from Iowa [Mr. HAUGEN], chairman of the Committee on Agriculture, will accommodate the House with a list of the bills that he proposes to call up, in the order in which he proposes to call them?

Mr. HAUGEN. That is for the House to determine, but if the bills are called up in the order reported by the committee, and as they appear on the calendar, the first bill will be the so-called filled milk bill; the next, the bill to establish grades for spring wheat; the next, the Ward sugar resolution; the next, a Senate bill defining crop failures; the next, the DeRonde sugar claim; the next, an amendment to the cotton futures act, providing a grade for American-Egyptian cotton; the next, the Denison Mississippi River flood relief bill; the next, the bill prohibiting the importation of honey bees; and the next, the migratory bird and public shooting ground bill.

Mr. GARNER. Is that the order in which the gentleman proposes to call them up?

Mr. HAUGEN. That is the order in which they were reported and appear on the calendar.

Mr. GARNER. I want to know what the gentleman proposes to do about calling them up?

Mr. HAUGEN. The committee has instructed the chairman to do certain things.

Mr. GARNER. Will the gentleman mind telling us what those are?

Mr. HAUGEN. Unless otherwise ordered, the first would be the milk bill, next the grades of spring wheat, and next the Ward sugar resolution.

Mr. GARNER. Is that just as they are on the calendar?

Mr. HAUGEN. Just as they were reported.

Mr. GARNER. Was that order issued by the committee when the whole membership of the committee was present, or was that an arrangement made by the gentleman and his side of the House alone?

Mr. HAUGEN. The order of the committee was either to ask for a special rule, or that the chairman should avail himself of the privileges under the rules to expedite the business.

Mr. GARNER. But the last statement that the gentleman made was that the committee ordered him to do certain things. Was that in the whole committee when the entire membership was present, or was it a partisan matter?

Mr. HAUGEN. It was in the committee, a quorum present.

Mr. ASWELL. Will the gentleman yield?

Mr. HAUGEN. I yield to the gentleman.

Mr. ASWELL. The action of the committee did not specify any except three things.

Mr. HAUGEN. The action taken by the committee was, first, to report the filled milk bill, with authority to call it up in the House, and later requested a special rule on it. The next bill reported was the bill proposing grades for spring wheat, which carried with it authority to call it up at any time under the rules; and the next bill reported was the Ward sugar resolution, on which the committee later requested a rule. I am stating the bills exactly in the order reported and the authority carried with the motion to report the bills.

Mr. McLAUGHLIN of Michigan. Will the gentleman yield?

Mr. HAUGEN. Yes.

Mr. McLAUGHLIN of Michigan. Several of the members of the Committee on Agriculture appeared before the Committee on Rules and asked for special rules for the consideration of the Voigt filled milk bill and for the consideration of two of the sugar claims, so called. They made no request for any special time for the consideration of any other measures. The Committee on Rules found some difficulty in providing special rules for the particular kind of legislation brought to their attention by the Committee on Agriculture, and decided that instead of granting rules for the consideration of those three propositions, three days should be given by the House to the consideration of matters brought up by the Committee on Agriculture, with the express understanding—I say understanding—it was clearly intended by those who asked for the special time that the time should be given to the consideration of the Voigt bill and the two sugar claims. Now, the bringing in of these other matters, some of them important but none of them pressing, will result in delaying some of these matters, the early consideration of which was insisted on by the Committee on Agriculture.

Mr. KINCHELOE. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. KINCHELOE. Does not the gentleman think that the bills of a public nature ought to have precedence over private claims?

Mr. McLAUGHLIN of Michigan. Oh, it depends on what those bills of a public nature are and the question of the disposition of the House later to consider them. The three bills I speak of must be considered now, and an attempt is being made to delay their consideration, with the idea that they will not later be considered at all. I object to the order in which these bills are to be presented to the House by the chairman of the committee. It is contrary to the spirit of the Committee on Agriculture and the idea they had in mind when they asked for this special order.

Mr. ASWELL. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. I yield to the gentleman from Louisiana.

Mr. ASWELL. Is it not a fact that the Committee on Agriculture made no request for the consideration of any other measures except these three—the Voigt bill and the two sugar claims?

Mr. McLAUGHLIN of Michigan. That is correct.

Mr. ASWELL. And the Committee on Agriculture has not requested a rule on any other subject?

Mr. McLAUGHLIN of Michigan. That is correct. The three measures I spoke of are the only ones for which special rules were requested, and these three days should be devoted to those measures. The time ought not to be taken up by the consideration of other matters.

Mr. WALSH. May I ask the gentleman a question?

Mr. McLAUGHLIN of Michigan. I yield to the gentleman from Massachusetts.

Mr. WALSH. Does the gentleman from Michigan say that the bill for grades of spring wheat was not included in its program?

Mr. McLAUGHLIN of Michigan. It was not included, although it had been favorably reported by the committee. Of course, it is expected that when a bill has been reported it will be presented by the chairman, but it was not one of those to be considered at this special time.

Mr. SNELL. Mr. Speaker, I yield 15 minutes to the gentleman from North Carolina [Mr. POU].

Mr. POU. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. JONES].

Mr. JONES of Texas. Mr. Speaker, this is a very peculiar rule, as some of you here have noticed. It is a rule to give the Agricultural Committee a "field day" lasting for three days. I do not know how often a rule of this character has been brought in, but in the limited time I have been in Congress I have known of but few.

Mr. CAMPBELL of Kansas. Will the gentleman yield?

Mr. JONES of Texas. Not now.

Mr. SNELL. Will the gentleman yield?

Mr. JONES of Texas. I decline to yield. I do not know how often they bring them in; of course it is perfectly legitimate to bring them in, but it is an unusual method of bringing matters before the House. I will tell you why, in my judgment, it was brought in. There are two or three sugar claims against the United States Government that belong on the Private Calendar. The Rules Committee did not want to give a rule specifying these bills for consideration. So they gave us three days during which these sugar claims which are in the nature of private claims may be brought up without it appearing in the RECORD that they ordered these special matters to be brought up. That is why we have three days instead of having a special rule designating the bills. Of course, no member of the Agricultural Committee can well afford to vote against giving his own committee the privilege of proceeding in the House for three days or five days or any other number of days, because there are certain bills which are to be passed which are in the interest of agriculture; but there are some Members who would pass any kind of a rule which would make in order these sugar claims.

These bills, the Ward resolution, and others are for the relief of private individuals. It is true they were referred to the Union Calendar. They were thus referred because some similar bills a year or so ago were reported and went to the Union Calendar. As they were worded at that time they were public in their nature. Then, of course, when they were reintroduced, as they did not pass last year, the wording was changed and they were again referred to the Union Calendar. But no one who will study those bills will say that they are not private bills.

One of them is for the American Trading Co. as a beneficiary and for B. H. Howell & Co. The rule says that the committee shall have the right to bring up and bring in the bills now on the Union or House Calendar. If they were referred to the Private Calendar, where they belong, you could not keep them from being in here under this rule. Now, Hinds' Precedents, volume 7, page 879, says:

> A private bill is a bill for the relief of one or several specified persons, corporations, institutions, etc., and is distinguished from a public bill which relates to public matters and deals with individuals only by classes. A bill which applies to a class and not to individuals as such is a public bill. A bill for the advantage of private individuals even in connection with the public object has been treated as a private bill.

Many rules have been presented, but so far as I know these rules have not given right of way to private bills, and I do assert that there has never so far as I have been able to find a special rule been given for a private bill. Has there?

Mr. CAMPBELL of Kansas. I have no recollection of it, but we have given three days or a week to the Military Committee, the Committee on Banking and Currency, and other committees to bring up such bills as were reported from their committees.

Mr. JONES of Texas. That may be true, but has the Rules Committee ever given a rule for the consideration of a private claim against the United States?

Mr. CAMPBELL of Kansas. I have no recollection of any.

Mr. JONES of Texas. Did not the Rules Committee have in mind these sugar claims when they passed this general rule?

Mr. CAMPBELL of Kansas. The committee knew that the sugar bills were on the Union Calendar.

Mr. JONES of Texas. Did not the committee first have a special rule for the Voigt bill and then take it back?

Mr. CAMPBELL of Kansas. I have no recollection of it.

Mr. JONES of Texas. Did not they run against a snag when they came to the sugar claims and then take back the rule on the Voigt bill?

Mr. CAMPBELL of Kansas. No. They gave the committee three legislative days to consider all measures on the Union Calendar.

Mr. JONES of Texas. That is where the rub comes. The information I received was that the Voigt bill was first up and they had an application for a special rule on that.

They first considered reporting out the Voigt bill. After that they came to these sugar claims; and the question was raised—and nobody can gainsay the fact—that, being for the relief of private individuals, they are in the nature of private claims. Some members of the Rules Committee told me—and they were men who were well informed and good parliamentarians—that never in the history of Congress, so far as they knew, had a special rule been reported for the consideration of private claims.

Mr. CAMPBELL of Kansas. Are there any bills covered by this rule that are on the Private Calendar?

Mr. JONES of Texas. That is where the trouble arises. The rule is very artfully worded.

Mr. CAMPBELL of Kansas. No; it is not artfully worded.

Mr. JONES of Texas. The rule provides for the consideration of bills now on the Union Calendar. I just explained how an error was made in referring these bills; but even now, if we had them referred to the Private Calendar—if I made a motion after the committee gets charge of affairs in the House to transfer the bills to the Private Calendar, where they properly belong—under the wording of the rule, when it is once adopted, these sugar claims, which involve several millions of dollars, could be considered, even though they ought to be on the Private Calendar.

Mr. MOORE of Virginia. Mr. Speaker, will the gentleman yield?

Mr. JONES of Texas. Yes.

Mr. MOORE of Virginia. Can the gentleman explain to us why we should be dealing with private bills under a special rule, when there are rules that have been ordered by the Committee on Rules that pertain to very important public matters which remain up to this time in the breast, or rather in the breast pocket, of the chairman of the Committee on Rules?

Mr. CAMPBELL of Kansas. Does the gentleman ask me that question?

Mr. MOORE of Virginia. No; I am asking the gentleman from Texas [Mr. JONES].

Mr. JONES of Texas. I do not know why that is so. It seems passing strange to me that when no one can cite an instance of where a rule was presented for the consideration of private claims, that committee should come in and camouflage the matter by reporting a rule giving the Committee on Agriculture three field days and then have the chairman of the Committee on Agriculture get up and say that they expected to bring up the sugar claims. Of course they do; but the Committee on Rules apparently did not have the nerve to report out a rule for the consideration of a public bill and then follow it with a special rule for the consideration of a private bill. However, with some knowledge of what the Committee on Agriculture intended to do and what they expected to have done, the Committee on Rules now reports out a rule which not only makes it possible to bring up these private claims, but they so word the rule that when the Committee on Agriculture gets charge of matters in the House, if some one tries to have these bills referred to the Private Calendar, they can still be considered, because the rule is so worded to include bills "now on the Union and House Calendars." They would still then be covered by the rule.

I assert that the three-day provision was an afterthought. I appeared before the committee, as did a number of others, in opposition to these sugar claims. Nobody before the Rules Committee said anything about a three-day rule. The House Committee on Agriculture never requested a three-day rule. They simply requested a special rule for the Voigt bill and a special rule for the sugar claims, and when it came up to the final test, getting down to the cold steel of the proposition, the Committee on Rules said, "Nay, nay, we are not going to report a special rule for a private claim, because somebody will raise the question that there are public bills that ought to be considered under a special rule, and that we ought not to report a special rule for the consideration of private claims."

Mr. POU. Mr. Speaker, I yield five minutes to the gentleman from Kentucky [Mr. KINCHELOE].

Mr. KINCHELOE. Mr. Speaker, I want to say to the membership of this House now that, in my judgment, if it had not been for the activity of some very enthusiastic gentlemen for these sugar bills, there would not have been a rule reported to this House even for the Voigt bill. Here are two private claims, on behalf of private individuals and corporations, where we are asked to appropriate over $3,500,000 out of the Treasury of the United States to reimburse these people for some transactions they entered into while profiteering in sugar all over the country was rampant. The Agricultural Committee, by a majority report, reported these sugar bills to the House, and by some unknown method they went on the Union Calendar and not on the Private Calendar, where they belong. They could not show much speed there. I say to you that this Voigt bill is a public bill and it is all right to consider it, but its consideration is a secondary matter, so far as bringing out this rule is concerned.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. BANKHEAD. How much is involved in these two sugar claims?

Mr. KINCHELOE. About $3,500,000 in these, and about $750,000 in one that is now pending before the Committee on Agriculture. How many more there are I do not know. They got these bills on the Union Calendar, and then rushed to the Rules Committee, and if I am not mistakenly informed the Committee on Rules did agree to report the rule for the consideration of the Voigt bill, because it is a public bill, and then every

member of that committee knew that these two sugar claims ought to be on the Private Calendar, and every man in this House knows it. How they got on the Union Calendar, I do not know.

The Rules Committee did not want to break a precedent. These bills are on the Union Calendar, and if they had been on the House Calendar that committee knew they had no right to report a rule for their consideration. But now they bring out a shotgun rule, wide open as a bootjack, and they give three field days, as the gentleman from Texas says, to the Committee on Agriculture. What is on the calendar of a public nature? The gentleman from Illinois [Mr. DENISON] came there with a bill asking for an appropriation of a million dollars to buy seed for the flood-stricken farmers of the Mississippi Valley, and it was reported out unanimously. It is on the calendar. You do not hear of any rule for that bill. The game-refuge bill is a bill of a public character and it is on the Union Calendar, where it belongs. The Committee on Rules is not anxious about that. Then there is the bee bill. Officials of the Agricultural Department testified before the committee that unless we stopped the importation of bees from Europe the bee industry of this country is likely to be destroyed by a peculiar disease. That bill is on the calendar. There is no effort to bring that up. It will not be brought up in these three days, because the sugar claims of private individuals have the board. Within the walls of this Capitol and House Office Building is the most gigantic lobby I have ever seen since I have been in Congress for these sugar bills, and the flood-stricken farmers of the Mississippi Valley must step back, because the Congress is going to take up these private bills.

Mr. BLAND of Indiana. Mr. Speaker, will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. BLAND of Indiana. I did not get the significance of the statement of the gentleman from Texas [Mr. JONES] to the effect that if these bills were referred to the Private Calendar nevertheless this rule would permit their consideration.

Mr. KINCHELOE. If these bills had not been placed on the Union Calendar—I want the gentleman from Kansas to hear me—the Committee on Rules would not have given the rule, because——

Mr. BLAND of Indiana. That is, if it was referred in the House.

Mr. JONES of Texas. I said that even if we sent the sugar bills to the Private Calendar, where they belong, after the rule is adopted, and the Agricultural Committee has charge of this matter, they would still have the right of way, because the rule says that bills now on the Union Calendar and House Calendar may be considered; so after the adoption of the rule, even though they were transferred, they would still have the right of way under the rule.

Mr. KINCHELOE. As the gentleman from Texas says, the members of the Agricultural Committee are in an attitude where we can not afford to vote against this rule.

Mr. RUCKER. Why not?

Mr. KINCHELOE. Because there are some bills of a public nature on the calendar that ought to be considered; that is the idea.

The SPEAKER. The time of the gentleman has expired.

Mr. WALSH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WALSH. Does the adoption of this rule include the raising of the question of consideration against any bill that the Agricultural Committee brings up?

The SPEAKER. The Chair thinks not.

Mr. KINCHELOE. I did not yield for a parliamentary inquiry.

Mr. WALSH. But the gentleman's time had expired.

Mr. KINCHELOE. Has my time expired?

The SPEAKER. It has.

Mr. LONDON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LONDON. Can the rule be amended from the floor?

The SPEAKER. It can, unless the previous question is ordered.

Mr. LONDON. Would the inclusion of the word "public" before the word "bill" in the resolution meet the objection raised by Members?

Mr. SNELL. I yield five minutes to the gentleman from Kansas——

Mr. RAYBURN. I desire to submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RAYBURN. At what time would it be proper to make a motion to refer back to the committee a bill that has been reported to the House by a committee?

The SPEAKER. The Chair does not understand the gentleman's inquiry.

Mr. RAYBURN. This bill here, of course, went to the Committee on Agriculture improperly, because the only thing in the bill is that which denies the instrumentalities of interstate commerce to this product. At what time would it be proper to make a motion to refer that to the Committee on Interstate and Foreign Commerce?

The SPEAKER. To rerefer it?

Mr. RAYBURN. Or refer it.

The SPEAKER. At the proper time for a motion to recommit, after the third reading of the bill, or in the morning immediately after the reading of the Journal. Those are the only times when the motion is in order.

Mr. RAYBURN. That is the ruling of the Chair, that that is the only time it can be done?

The SPEAKER. The status is this: When a bill has been referred to a committee, in the morning after the reading of the Journal any gentleman authorized by the committee can move to rerefer, but after the committee has reported the bill that settles the question of jurisdiction, and it can then be made only after the third reading of the bill.

Mr. RAYBURN. Would it not be proper when the bill is called up for consideration to make that motion?

The SPEAKER. The Chair thinks not.

Mr. SNELL. I maintain it is on the proper calendar at the present time. I yield five minutes to the gentleman from Kansas [Mr. TINCHER].

Mr. TINCHER. Mr. Speaker and gentlemen, I do not feel right in adopting this rule without making a suggestion. I want first the House to understand the sugar claim bills are not on any calendar and are not reported by the Agricultural Committee by a unanimous report. There is a substantial minority, of which I am proud to be a member, opposed to those bills, but it is true that by a majority vote the Committee on Agriculture instructed the chairman to ask for a special rule for the consideration of those bills. Mr. VOIGT had had a vote of the committee instructing him to ask for a special rule for the consideration of the so-called filled milk bill. I appeared before the Committee on Rules and protested against granting any special rule for the consideration of the sugar claims and we had a hearing. Now, as far as the Voigt bill was concerned, I remember the exact situation that morning. There was a sentiment in the committee to grant a rule, which was presented by Mr. HAUGEN, chairman of the committee, and there was no written rule introduced, and the matter stopped in that way. The proponents of the special rule for the consideration of the sugar claims took all of the time of the Committee on Rules that morning and I raised the question; I wanted to be heard on the merits of whether a special rule should be granted, and made the point of order that the Committee on Rules should not consider the granting of any special rule for the consideration of those bills, because those bills were improperly assigned and they should be on the Private Calendar. I do not think anyone seriously will contend for a moment that they should not be on the Private Calendar. The Rules Committee——

Mr. CLARKE of New York. Will the gentleman yield?

Mr. TINCHER. I can not. The Rules Committee said that they would give us a chance to protest to the granting of a special rule to that effect, and one gentleman on the Democratic side of the House suggested that as it was a matter of taking jurisdiction and an application for a special rule that the committee should go into executive session. They did, and the next information I had was that the Rules Committee had by unanimous vote granted the Committee on Agriculture so many days, and I assumed that if the Committee on Agriculture had so many days for the consideration of measures in this House that the chairman of that committee should be permitted under the ordinary procedure here to call up bills which are of public interest and should be considered.

And if he does that, it will take more than three days for the consideration of the public bills. I want to say now that if the sugar claims come up, with this proposition to take money from the Public Treasury to pay the sugar dealers of the country, or to save them from loss, I shall be found with those who are opposed to the claims, and fight them to the limit. [Applause.]

Mr. SNELL. Mr. Speaker, I yield five minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Speaker, I am unable to understand the attitude of some of the gentlemen on the minority side touching this matter. The Committee on Rules, I understand, unanimously reported a rule giving the Agricultural Committee three days. During the discussion of the merits of such a rule certain bills were referred to as bills that were likely to be brought

up. Now, some of the gentlemen on the minority side have been trying for several days to create the impression that there was something wrong, something improper, in bringing to the attention of the House bills regularly reported from the Agricultural Committee. Notwithstanding what certain other gentlemen may think about it, I do not think there is any sort of question but that the Speaker was justified in making the reference he did of these bills, and I am quite sure that the members of the Agricultural Committee themselves would have complained if these bills had gone to the Claims Committee. They are not claims. If they have merit it grows out of the fact that certain people acted as agents of the Government. I do not pretend to say whether they did or no. That is a matter for the House to determine when the evidence is presented. But it is an extraordinary thing that whenever anyone proposes to consider legislation having anything to do with acts of or the obligations arising out of the acts of the former Democratic administration gentlemen on the Democratic side protest. There is no sort of question but that the Department of Justice under the Wilson administration, the Department of State under the Wilson administration, did acknowledge or refer to certain people as agents of the Government in the purchase of sugar. Your administration so acknowledged them. It is for the House to determine whether they were such and whether there is an obligation arising out of that fact. But your State Department officials under their signatures so announced and acknowledged them. If what is proposed is fair and proper—and I do not now express any opinion in regard to them—it is because there is an obligation laid upon the Congress by the acts of the former administration.

One would judge from what you gentlemen say in regard to these matters that we are expected to turn our backs on anything and everything that has come to us from the former administration and to assume that it can not have any virtue because it did come from your administration. [Applause.] I am willing to admit that there is ground for argument along that line, but so far as we are concerned we are willing to give the former administration and its officials—they are the people whose case is presented here—opportunity to be heard. That is what these cases are. And I think it would be very proper to bring them up for consideration before the House.

The SPEAKER. The time of the gentleman from Wyoming has expired.

Mr. LONGWORTH. Will the gentleman yield for a question?

Mr. SNELL. I yield one more minute to the gentleman from Wyoming.

Mr. LONGWORTH. I simply wanted to ask to what committee these bills were referred in the Senate? They were treated as public measures, I am sure.

Mr. MONDELL. There is no manner of question but that they were treated as public measures. They involve the question of whether or no there is an obligation on the Government under one of its war laws.

Mr. SNELL. Will the gentleman yield?

The SPEAKER. The time of the gentleman has expired.

Mr. SNELL. Mr. Speaker, I yield one minute to the gentleman from North Carolina [Mr. POU].

Mr. POU. I yield one minute to the gentleman from New York [Mr. LONDON].

Mr. LONDON. Mr. Speaker, to use the language of politics, there is too much "sugar" about this rule. The objection can be easily met by amending the rule by inserting the word "public" before the word "bills," so that the Agricultural Committee would be enabled to take up only public bills. It is natural that a Democrat should be suspicious of any war claim that is approved by the Republicans, because during the war all the Democrats could possibly do would be to make themselves guilty of petty larceny, while the grand larceny was committed by the Republicans.

Mr. Speaker, I want to know when an opportunity will be offered to present this amendment to the House?

The SPEAKER. The Chair will recognize the gentleman to make the motion under the rules when it is in order.

Mr. SNELL. Mr. Speaker, I yield three minutes to the gentleman from Kansas [Mr. CAMPBELL].

Mr. CAMPBELL of Kansas. Mr. Speaker, there is a tempest in a teapot here this morning over a question of adopting a rule similar to rules that have been adopted in this House ever since I have been a member of the Committee on Rules. During the period of the war we brought in rules here giving the Agricultural Committee, the Committee on Military Affairs, the Committee on Naval Affairs, the Committee on Banking and Currency, or any other committee that had accumulated a great deal of business on the calendars, days on which to transact their business. Therefore that part of the rule is not at all unusual.

The gentleman from Texas [Mr. JONES], a member of the Committee on Agriculture, raises the question that this rule makes in order the consideration of bills that should be on the Private Calendar. Well, the gentleman from Texas, being a member of the Committee on Agriculture, should have raised that question in the Committee on Agriculture rather than now. [Applause.] The gentleman from Kentucky [Mr. KINCHELOE] should have raised the question in the Committee on Agriculture.

Mr. JONES of Texas. Will the gentleman yield?

Mr. CAMPBELL of Kansas. No; I can not. The Committee on Agriculture had jurisdiction of these bills in the Senate, had jurisdiction of them here, and reported them, and they are on the Union Calendar.

Mr. KINCHELOE. Will the gentleman tell me which calendar they should be on?

Mr. CAMPBELL of Kansas. This rule makes in order bills reported by the Committee on Agriculture now on the House or Union Calendar. Even the gentleman from Kentucky should know that the Committee on Agriculture does not report bills to the Private Calendar. These bills are on the House and Union Calendars, and the Committee on Agriculture, as soon as the rule is adopted, will have the right to call up any bill which is on the House or Union Calendar, and that is all this rule provides for.

Mr. SNELL. Mr. Speaker, I move the previous question on the resolution.

Mr. LONDON. Mr. Speaker, can the amendment be offered now?

The SPEAKER. It can not. The question is on ordering the previous question.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. JONES of Texas. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JONES of Texas. Would it be in order to move to recommit the rule to the Committee on Rules with instructions to report the same back with an amendment?

The SPEAKER. Except that the rules do not allow it.

Mr. SNELL. Except that it is not permissible under the rules of the House.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

FILLED MILK.

Mr. HAUGEN. Mr. Speaker, I call up the bill H. R. 8086.

The SPEAKER. The gentleman from Iowa calls up the bill H. R. 8086. The Clerk will report it.

The Clerk read as follows:

A bill (H. R. 8086) to prohibit the shipment of filled milk in interstate or foreign commerce.

Be it enacted, etc., That whenever used in this act—

(a) The term "person" includes an individual, partnership, corporation, or association;

(b) The term "interstate or foreign commerce" means commerce (1) between any State, Territory, or possession, or the District of Columbia, and any place outside thereof; (2) between points within the same State, Territory, or possession, or within the District of Columbia, but through any place outside thereof; or (3) within any Territory or possession, or within the District of Columbia; and

(c) The term "filled milk" means any milk, cream, or skimmed milk, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated, to which has been added, or which has been blended or compounded with, any fat or oil other than milk fat, so that the resulting product is in imitation or semblance of milk, cream, or skimmed milk, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated.

SEC. 2. It shall be unlawful for any person to manufacture within any Territory or possession, or within the District of Columbia, or to ship or deliver for shipment in interstate or foreign commerce, any filled milk.

SEC. 3. Any person violating any provision of this act shall upon conviction thereof be subject to a fine of not more than $1,000 or imprisonment for not more than one year, or both; except that no penalty shall be enforced for any such violation occurring within 30 days after this act becomes law. When construing and enforcing the provisions of this act, the act, omission, or failure of any person acting for or employed by any individual, partnership, corporation, or association, within the scope of his employment or office, shall in every case be deemed the act, omission, or failure of such individual, partnership, corporation, or association, as well as of such person.

Mr. JACOWAY. Mr. Speaker, how much time does the gentleman from Iowa propose for discussion?

Mr. HAUGEN. Mr. Speaker, I ask unanimous consent that the bill be considered in Committee of the Whole House on the state of the Union; and pending that, I ask that the general debate be limited to—what time would the gentleman from Arkansas suggest?

Mr. JACOWAY. I would suggst one hour and a half for each side.

Mr. HAUGEN. I ask unanimous consent that the debate be limited to three hours, one half to be controlled by the gentleman from Arkansas [Mr. JACOWAY] and the other half by the gentleman from Wisconsin [Mr. VOIGT].

The SPEAKER. The gentleman from Iowa asks unanimous consent that this bill be considered in Committee of the Whole House on the state of the Union and that the general debate be limited to three hours, one half to be controlled by the gentleman from Arkansas [Mr. JACOWAY] and the other half by the gentleman from Wisconsin [Mr. VOIGT]. Is there objection?

There was no objection.

The SPEAKER. The gentleman from New York will please take the chair.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for consideration of the bill H. R. 8086, with Mr. HICKS in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 8086, which the Clerk will report.

The bill was again read.

The CHAIRMAN. Under the order of the House, the time on this debate is limited to three hours, one half of the time under the control of the gentleman from Wisconsin [Mr. VOIGT] and the other half under the control of the gentleman from Arkansas [Mr. JACOWAY]. The Chair recognizes the gentleman from Wisconsin.

Mr. VOIGT. Mr. Chairman, I yield myself 15 minutes.

The CHAIRMAN. The gentleman from Wisconsin is recognized for 15 minutes.

Mr. VOIGT. Mr. Chairman and gentlemen, the object of this bill which I have introduced is to exclude from interstate and foreign commerce, and to prevent the manufacture of, in the District of Columbia and in the Territories and possessions, an article which is known as filled or oiled milk.

Filled milk is a compound or imitation of milk which has come onto the market in the United States during the last five or six years. The article consists of a combination or compound of condensed skimmed milk and coconut oil. The manufacture of this article is carried on in the same factories where the ordinary evaporated or condensed milk is made; that is, some of the same people in the country that are making evaporated milk are manufacturing this product as a side line, and the manufacture of the substitute has assumed such alarming proportions in the last few years that something should be done to curb it.

The sale of this article is a fraud upon the public, and it is a fraud upon the men who are engaged in the milk and dairy business and in the manufacture of legitimate condensed and evaporated milk. These people who are making this product take the whole milk as it comes from the farmer and separate it, take out the cream, which is the valuable constituent, then condense the skimmed milk to about one-half of the volume, and add coconut oil equal to the quantity of butter fat removed. The resulting mixture, when the coconut oil and condensed skimmed milk are emulsified and combined in the factory, is an exact imitation of evaporated milk. It looks and tastes exactly like evaporated milk, and the consumer can be easily defrauded into buying it for the genuine article.

Mr. JOHNSON of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. VOIGT. Yes.

Mr. JOHNSON of Mississippi. Is that milk injurious or unwholesome or deleterious to health?

Mr. VOIGT. I will say that the filled milk is not a poisonous product, but it is a fraudulent product, in that the consumer is not getting what he thinks he is buying. The evidence adduced before our committee was overwhelming that the filled milk was sold on the shelves of the retailers side by side with the genuine article, and in most cases it was being sold for the same price. I object to filled milk not so much for what is in it as for what is not in it.

Milk is by far the one most important food article which we have. There is no substitute for milk, and the general health of our people would be immensely benefited if we consumed three or four times as much milk and cheese as we actually do. We can not gain anything by permitting people to put a fraudulent substitute for milk on the market.

Mr. WALSH. Mr. Chairman, will the gentleman yield for a question?

Mr. VOIGT. Yes.

Mr. WALSH. Did the committee hold any hearings on this bill, H. R. 8086?

Mr. VOIGT. I will say to the gentleman that originally I introduced the bill H. R. 6215, which was an amendment to the pure food and drugs act. That bill I submitted to the Secretary of Agriculture and he objected to it because he did not approve of specifying any particular food product in the pure food and drugs act. But representatives of the department appeared before the committee and expressed themselves in favor of legislation to curb the production and sale of filled milk. Then, after the hearings were completed, I redrafted the bill in its present form. The subject matter of both bills is the same. I think that will answer the gentleman's question.

Mr. WALSH. This bill is the result of the hearings, but no hearings have been held on this particular bill?

Mr. VOIGT. This bill was drafted after the hearings were closed. It was not necessary to hold further hearings, because the difference in the bills is largely a matter of form. No one requested additional hearings.

Mr. JOHNSON of Mississippi. If this filled milk is not injurious, deleterious, or unwholesome to health, in view of the first child-labor law decision, what constitutional authority have you for prohibiting its shipment in interstate commerce?

Mr. VOIGT. I do not concede that this filled milk is not injurious. I shall speak of the constitutional question later on.

Mr. JOHNSON of Mississippi. That is why I asked the question a while ago.

Mr. VOIGT. If a small quantity of filled milk is consumed by an adult person it will not injure him any more than if he consumes a mixture of half milk and half water. But the gentleman will concede that he would not approve of permitting anybody to sell such a mixture. Filled milk is positively injurious to children and will affect the health of an adult if he uses it in place of milk.

Mr. JOHNSON of Mississippi. That suggests this question: Can we not remedy that by requiring the manufacturers to place on the container a statement of the constituent elements of the filled milk?

Mr. VOIGT. A statement of the constituent elements is now placed upon the container, but the difficulty is that the manufacturers of this article put this filled milk into a container of the same size and style as the other, and it is put on the shelves in retail stores side by side with the genuine product, and the testimony offered before the committee was overwhelming that when people went in and asked for evaporated milk, or for a can of milk, in many cases they were handed this fraudulent substitute, which costs the retailer about 3 cents per can less.

Mr. JOHNSON of Mississippi, Mr. NEWTON of Minnesota, and Mr. DOWELL rose.

Mr. VOIGT. I shall yield for a brief question, but I must proceed with my statement.

Mr. JOHNSON of Mississippi. Is that the reason for not shipping in interstate commerce?

Mr. VOIGT. That is one of the reasons.

Mr. JOHNSON of Mississippi. Will the gentleman tell us the others?

Mr. VOIGT. I am trying to tell the committee as rapidly as I can speak what the bill is about and what the objections are to this substitute.

Mr. DOWELL. Just one question. What about the nutrition in filled milk as compared with pure milk?

Mr. VOIGT. I intend to speak about that. I will say to the gentleman that Doctor McCollum, of Johns Hopkins University, who is probably the greatest expert on nutrition in the world, has conducted something like 4,000 feeding experiments on animals, and he finds that if rats, for instance, are fed on such articles as you would have on your table, good wholesome food, but are left without milk and are fed on this filled milk, they will die of disease in a very short time. The vitamines which have been found so necessary for the growth of infants and children and for the grown body as well are absent from this filled milk.

Mr. DOWELL. It is not fair to put it in competition with pure milk, as to the nutritious qualities of it?

Mr. VOIGT. Absolutely not. The vital, growth-producing, health-giving elements of milk known as the vitamines are almost wholly lacking in this substitute. Coconut oil contains no vitamines, nor does any other vegetable oil.

Mr. LAZARO. Will the gentleman yield?

Mr. VOIGT. I yield briefly to the gentleman from Louisiana.

Mr. LAZARO. Just for a short statement. While the filled milk does not contain any poison, if an ignorant person goes to the store and buys a can of filled milk and feeds it to his children and does not know that his children are getting milk that contains no elements of nutrition his children are being poisoned in an indirect way.

Mr. VOIGT. That is the point exactly. Anyone feeding this article to children with the idea that they are getting evaporated milk is seriously imperiling their health. A child fed on this substitute will develop rickets, and eye disease, and is liable to tuberculosis, because that child is not getting the nutrition contained in normal whole milk.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. VOIGT. I will yield briefly to the gentleman.

Mr. NEWTON of Minnesota. I have been very much interested in the pamphlet sent out based upon the experiments made by Professor McCollum, of Johns Hopkins. It shows that rats fed with this filled milk develop eye trouble. I am wondering if before the committee there was any contention made by anyone disputing the conclusions and findings of Professor McCollum?

Mr. VOIGT. No, sir.

Mr. NEWTON of Minnesota. So that the record stands undisputed.

Mr. VOIGT. The report which the gentleman has in his hand as to these experiments is absolutely undisputed. If you will read this pamphlet you will learn just how Professor McCollum made these experiments. There was some question raised in the committee, and the gentleman from Louisiana [Mr. ASWELL] asked Doctor McCollum if he would experiment on rats with filled milk. Doctor McCollum made that experiment and here is the result of it. [Showing picture.] It shows that if rats are fed on good food, such as bread and beefsteak and articles that you would eat at your table, but instead of milk are fed this filled milk, they will rapidly decline and die of disease in a very short time. Here in this pamphlet are the pictures of two rats of equal age that were taken at the same time. One of them was fed on evaporated milk and the other fed on filled milk, but otherwise their diet remained the same. This rat on the right was fed the substitute and in something over 100 days grew to only one-half the size of the other one besides contracting a fatal eye disease which killed it. Take a look at this picture and you will see the bright eye of the rat fed on legitimate evaporated milk and then look at the other one.

Mr. BUTLER. Will the gentleman yield?

Mr. VOIGT. I will.

Mr. BUTLER. I am sure that if I were a rat I would not want to be fed on this substitute. Has the gentleman the result of any experiments on a human being?

Mr. VOIGT. I have learned of some cases where children were fed by the parents on filled milk and that physicians found them in very poor condition.

Mr. BUTLER. It failed to nourish the children?

Mr. VOIGT. Yes, and developed disease in them; but when the children were fed on a good milk diet they recuperated rapidly.

Mr. McCLINTIC. Will the gentleman yield?

Mr. VOIGT. Yes.

Mr. McCLINTIC. Was there any testimony from farm organizations as to the effect that this legislation will have if it is enacted into law?

Mr. VOIGT. I will say that every farm organization that has a representative in the city of Washington is for this bill.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. VOIGT. I will.

Mr. WILLIAMSON. Is it not a fact that this filled milk is sold largely to the poor and ignorant; for instance, on the East Side of New York, where they are not educated in the grades of milk?

Mr. VOIGT. Yes. Some of the organizations that are interested in this legislation sent out observers in the city of Philadelphia and in my State of Wisconsin, and they found that in the good residential sections of cities, where people were able to read the labels, it was not sold, but they found it in the stores patronized by the less well to do and foreigners. In some instances it has been found in the homes of intelligent people, who never read the label.

Mr. RAKER. Will the gentleman yield?

Mr. VOIGT. I will.

Mr. RAKER. In the bill in line 8, page 2, you use the words "powdered, dried, and desiccated." What is the difference between those three terms?

Mr. VOIGT. There is no difference; these words are used interchangeably by the trade. The idea is to cover all forms of milk.

Mr. RAKER. The bill provides that if there is any fat whatever added to the powdered, dried, or desiccated milk, or other form of milk, even though there is no substance taken from the milk before it is dried, the bill applies. Suppose you took 10 gallons of milk and dried it as they do in California, if you put any fat at all into it the bill applies to that.

Mr. VOIGT. Yes. The bill prohibits the shipment of any form of milk which has been in any way adulterated with oil or fat, except butter fat that comes from the cow. That is necessary for this reason: It was discovered that in the city of New York men took milk and added coconut oil because it gave it a creamy consistency and sold the article for cream. There was a concern organized in Philadelphia to manufacture this so-called cream.

Mr. RAKER. Take the cream without any dilution, evaporate it so that it is dried powder; now, if you put in any sort of material, if you put in any fat except butter fat, under this bill it would be prohibited from interstate commerce.

Mr. VOIGT. Yes.

Mr. RAKER. Did the committee find out that any addition to the natural cream dried was unhealthy?

Mr. VOIGT. We did not find that that method was being pursued. I do not know of any manufacturer in the United States who is doing that. The people who are using coconut oil are using it as a substitute for butter fat in milk. They are not using it except for the purpose of making milk appear as cream, or skimmed milk as evaporated milk.

Mr. RAKER. This is intended to cut off the fraud?

Mr. VOIGT. It is.

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. VOIGT. Certainly.

Mr. SMITH of Michigan. What other ingredients do they use to adulterate milk besides coconut oil?

Mr. VOIGT. I understand occasionally a small amount of peanut oil is used, but that is rather negligible.

There is a great incentive on the part of the retailer to sell this in preference to the genuine. The evidence before the committee showed that the ingredients in a pound can of this substitute cost the manufacturer a fraction less than 2 cents, whereas the milk for a pound of legitimate evaporated milk costs about 3 cents more.

Mr. BUTLER. Will the gentleman yield?

Mr. VOIGT. Yes.

Mr. BUTLER. Is there no law existing by which that fraud can be avoided?

Mr. VOIGT. No.

Mr. BUTLER. And it requires a bill of this kind?

Mr. VOIGT. Absolutely. I will say that I think the spirit of the pure food law covers this article, but the manufacturers escape by using a trade name instead of calling it milk. The act provides that an article of food shall be considered adulterated—

if any substance has been mixed and packed with it so as to reduce or lower or injuriously affect its quality or strength—

Or—

if any substance has been substituted wholly or in part for the article—

Or—

if any valuable constituent of the article has been wholly or in part abstracted—

And shall be considered misbranded—

if it be an imitation of or offered for sale under the distinctive name of another article.

But the manufacturers escape under a proviso to section 8 that an article shall not be considered adulterated or misbranded—

in the case of * * * compounds * * * under their own distinctive names, and not an imitation of or offered for sale under the distinctive name of another article.

The manufacturers use the same size cans as for evaporated milk, and put on such names as "Hebe," "Carolene," "Enzo," "Silver Key," "Nutro," and "Nyko."

Mr. LAZARO. Will the gentleman yield?

Mr. VOIGT. Yes.

Mr. LAZARO. How much peanut oil is used in the preparation with the coconut oil?

Mr. VOIGT. A very small quantity; I do not know how much. The manufacturers of the substitute extract the cream and take the same quantity of coconut oil to replace it. For instance, they will take out of the milk 7 or 8 per cent butter fat and then substitute 7 or 8 per cent by weight of coconut oil. The butter fat extracted from the milk is worth 40 or 50 cents a pound, while coconut oil can be purchased for from 8 to 10 cents a pound.

Mr. NORTON. Mr. Chairman, will the gentleman yield?

Mr. VOIGT. Yes.

Mr NORTON Are not all of these cans labeled with exactly what they contain?

Mr. VOIGT. Yes; but they are labeled in a fraudulent way, because they do not tell the consumer that the valuable part of the milk has been extracted.

Mr. NORTON. But they do tell exactly what is contained in it.

Mr. VOIGT. From a technical standpoint they do, but there is not one individual in ten thousand, after he sees the label, who knows what is in the can.

Mr. SMITH of Michigan. These things are in fine print.

Mr. VOIGT. I have here a full-page advertisement of "Nutro" in the Chicago Tribune. This advertisement says:

Nutro is a delicious and nutritious new milk product. It is prepared in the rich dairying districts of Wisconsin and Indiana, and made of pure, fresh cow's milk with the animal fats extracted and essential food values replaced by a refined, rich, sweet, purely vegetable coconut fat.

Nutro is pure, delicious, wholesome. It is prepared in model condenseries from pure cow's milk evaporated to double strength, with the animal fats extracted and then enriched with sweet, edible, highly refined coconut fat.

I submit that the reader gets the impression that Nutro is a better article than evaporated milk. Butter fat is referred to as "animal fat," and it is claimed that pure cow's milk is evaporated to double strength.

The manufacture of this compound has been growing at an alarming rate, as will appear from the following figures furnished by the Bureau of Markets:

	1920	1919	1918	1917
Evaporated, part or full skimmed, modified with foreign fat (case goods)	84,044,000	62,202,225	50,619,163	30,488,262
Evaporated, part or full skimmed, modified with foreign fat (bulk goods)	2,517,000	2,749,120	3,861,097	4,543,640

In 1920 nearly 8,000,000 pounds of coconut oil were used in the manufacture of the compound, taking the place of that many pounds of butter fat sorely needed for the nutrition of our people and injuring the market of the American farmer. It is unfair to our farmers to put them into competition with this inferior product produced by oriental labor and handled by very unclean methods. The manufacturers of filled milk stated before the committee that the business was in its infancy, and it is high time that it is wiped out altogether.

The argument is made that filled milk is a poor man's food because it is sold for less money than the genuine article. There is nothing to this argument, because the evidence shows that in very many stores the two articles are sold for the same price. But assuming that the poor man can buy a can of this stuff for 8 cents when he would have to pay 10 or 11 cents for evaporated milk, he is defrauded nevertheless, because he is not getting 8 cents' worth and is probably injuring the health of his family.

The superiority of the white race is due to at least some extent to the fact that it is a milk-consuming race. Natives of tropical countries who use the products of the coconut are stunted in body and mind. I believe that one reason why they are inferior is that they do not use the milk of cows or other animals. We owe a great deal to the dairy cow, a great deal more than the general public gives her credit for. We can not afford to injure the dairy industry; if we do it, we injure the Nation. The dairy industry not only supplies us with an absolutely necessary article of food but it maintains the fertility of our soil, and anything that we do to encourage the dairy industry is a direct benefit to the Nation. Doctor McCollum testified as follows before our committee:

There is no question but what milk is the only food for which there is no effective substitute. It is not a question of whether there is some food value in skimmed milk, as to whether we can not get along in some peculiar situation, that one might not get along if a suitable amount of eggs were included in the diet every day. It is not a question whether technically you can bring before a legislative committee of this sort a situation which might work in a satisfactory manner without this food. But this is the point, that we are educated to use milk. We are a people who for hundreds of generations have depended upon dairy products as a prominent article of our diet. We know how to use it, and we like it. We have an agricultural industry which can not remain a permanent one—there can be no permanent system of agriculture without an animal industry to go with it. * * * We have no deposits of phosphorus and no adequate deposits of calcium that will meet the agricultural needs of this country for fertilizer. * * * There is no similar property—vitamines—in any vegetable oil, including coconut oil and cottonseed oil, comparable with what you find in butter fat. * * * I guarantee that any infant that is fed for a few weeks on one of these milk substitutes will develop rickets. * * * My suggestion is that we do everything that is in our power to maintain at its full tide an industry so important as the dairy industry, and to bring the American cow into competition with a coconut grove is an injustice.

This bill has been indorsed by hundreds of dairying and farming organizations, by organizations of consumers, and others who are interested in the welfare of the people. It is also indorsed by practically every dairying and farming publication in the United States. Some of the leading organizations indorsing it are as follows:

National League of Women Voters.
National Congress of Mothers and Parent-Teachers' Associations.
National Grange.
American Farm Bureau Federation.
National Board of Farm Organizations.
Farmers' Educational and Cooperative Union of America.
Farmers' National Congress.
National Agricultural Organization Society.
National Conference on Marketing and Farm Credits.
National Dairy Union.
Pennsylvania Rural Progress Association.
Farmers' Society of Equity.
Federation of Jewish Farmers of America.
American Association for Agricultural Legislation.
Intermountain Farmers' Association.
Farmers' Equity Union.
American Society of Equity.
National Milk Producers' Federation.
Dairymen's League (Inc.) and Dairymen's League Cooperative Association (Inc.). (Largest in the world.)
New England Milk Producers' Association, Woodbury, Conn.
Interstate Milk Producers' Association.
Maryland and Virginia Milk Producers' Association.
The Milk Producers' Association of the Chicago District.
Dairymen's Cooperative Sales Co.
National Agricultural Conference.
National Dairy Council.
American Jersey Cattle Club.
Milwaukee Milk Producers' Association.
Wisconsin State Union, American Society of Equity.
Northeastern Dodge County Cow Feeding Association, of Wisconsin.
Cheese Producers' Federation, of Plymouth, Wis.
Wisconsin Dairymen's Protective Association.

The Legislature of Wisconsin at its 1921 session passed a joint resolution memorializing Congress to pass the Voigt bill.

Some question has been raised as to the constitutionality of this bill. I have given this matter very careful consideration and have also had the benefit of the advice of competent lawyers. Judge J. W. Bryan, of Baltimore, an authority on constitutional law, in an exhaustive opinion, declares the bill constitutional. I can not take the time to discuss the legal question, but refer anyone interested to the following decisions:

Lottery Cases (188 U. S. 321).
Hoke v. United States (227 U. S. 308).
McDermott v. Wisconsin (228 U. S. 115).
Eckman Alterative Cases (239 U. S. 510).
Hebe Case (248 U. S. 297).

Quite a number of States have already passed laws outlawing or imposing severe restrictions on the sale of filled milk. Such States are Utah, Maryland, Florida, California, Colorado, Connecticut, Oregon. New York and New Jersey have very recently passed laws prohibiting its manufacture and sale. Wisconsin passed such a law at the last session of the legislature. This law is now being tested in the Supreme Court, and I have no hesitation in saying that its constitutionality will be upheld. There are prospects of further State legislation. It is the judgment of all dairying and farm organizations represented in Washington that with the State legislation and the enactment of this bill into law we shall have a remedy which will effectually outlaw filled milk.

[NOTE.—The bill passed the House on May 25, 1922, by a vote of 250 to 40.]

Mr. JACOWAY. Mr. Chairman, I yield 20 minutes to the gentleman from Louisiana [Mr. ASWELL].

Mr. ASWELL. Mr. Chairman, it is discouraging to me to see so good a man as the gentleman from Wisconsin [Mr. VOIGT] permit himself to be used in behalf of such flagrant, sectional, vicious class legislation as that which is proposed by this bill. If I were in favor of this sort of legislation I could not support the bill because unquestionably it is unconstitutional. Its proposals are monstrous. The gentleman from Wisconsin in his closing remarks made the amazing statement that this milk compound is so labeled that not one person in 10,000 could read it and understand what it means. I hold in my hand a can of the so-called filled milk. This is the Hebe compound. This is made of peanut oil and skim milk. Six months ago when the hearings were being held on this question it appeared that generally coconut oil was used. I then made a request of the manufacturers of these milk compounds to experiment in their chemistry departments to ascertain whether our domestic oils could be used. They have experimented with peanut oil, cottonseed and sunflower seed. They made a perfect success of the peanut and the cottonseed oils, and are still experimenting with the sunflower oil. I used this particular can which I hold in my hand for baking purposes in my home during the past week to test it. It is a perfect milk compound of peanut oil and skim milk. The gentleman is mistaken about the label. There could not be any fraud. This is the label, and you can read it across the room.

Mr. VOIGT. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. In a moment. The label states that it is a compound of evaporated skimmed milk and vegetable fat; that it contains 7.8 per cent of vegetable fats, 25 per cent total solid. Then the label in letters that you can read from your seats says that it is for cooking and baking, and then we find the statement in large letters, "Do not use in place of milk for infants." Every can has that label under the present pure food law, and where any deception or fraud could be practiced is beyond my comprehension. I yield to the gentleman from Wisconsin.

Mr. VOIGT. Is that a can of the Hebe milk?

Mr. ASWELL. Yes.

Mr. VOIGT. Was it not testified before the Agricultural Committee that the manufacturers of this very product had changed their label about six or seven times?

Mr. ASWELL. They may have changed it in the development of their product, but this is the established label now adopted by that company.

Mr. BURTNESS. Was that portion of the label which warns against the use of the contents as a substitute for milk for infants on former labels?

Mr. ASWELL. It was.

Mr. BURTNESS. It is the gentleman's contention that it has been put on the label of the product of this company from the beginning?

Mr. ASWELL. I have not followed the history of it from the beginning, but since it has been developed into a real business, prosperous enough to put the fear of the Lord into the Butter Trust, it has had that label.

Mr. VOIGT. I hold in my hand a can of this compound, and it does not contain any such statement on its label.

Mr. ASWELL. That might be before they had established and developed the business, but we are dealing with the present. In an open fight for the right why do you not come away from ancient history?

Mr. RANKIN. Mr. Chairman, if the gentleman will yield, I see now that the gentleman from Wisconsin has found that the label is on the can.

Mr. RAKER. Where did the gentleman get the information that this is peanut oil?

Mr. ASWELL. With the permission of the House, I would like to file a letter in respect to that. I had the experiment made.

PEANUT OIL USED.

CHICAGO, *April 22, 1922.*

MY DEAR MR. ASWELL: Immediately following the hearing before the House Committee on Agriculture at Washington last summer on the Voigt bill, and in line with your suggestion, our laboratory began to experiment with peanut oil in the manufacture of an evaporated skimmed-milk compound.

In the manufacture of such a compound it is imperative that the vegetable fat used be absolutely neutral as to flavor and odor. After exhaustive inquiries we found that a peanut fat which would fit our requirements was not obtainable—not even in small amounts necessary for making laboratory experiments. We then proceeded to equip our laboratory with the apparatus necessary to refine peanut fat to a point where the objectionable flavors of the peanut had been practically eliminated. As soon as this had been accomplished, and we were able to produce a higher refined fat than was obtainable from the refiners of peanut oil, we commenced to manufacture a compound in the laboratory with the peanut fat, and we found our path beset with many difficulties which could only be solved by continuous experimentation, all of which consumed much time.

After we had produced a satisfactory product in the laboratory, it was then necessary to manufacture a batch of the new product on factory scale and hold this batch in our warehouse for several weeks to ascertain if the finished product on aging would develop any flavors which would make it unfit for commercial use.

As I advised you in my night letter of yesterday, we are satisfied that we have produced a satisfactory product, and that this belief will be fully confirmed on the termination of our experiments, which should be concluded in the next month or two.

The referee appointed by the Supreme Court of the State of Wisconsin to take testimony in the case brought by this company to test the constitutionality of the law which prohibited the manufacture and sale of Hebe, passed last summer by the legislature of that State, found from the evidence that Hebe is a wholesome and nutritious article of food for adults and children in the same sense that bread, meat, and potatoes are wholesome. He also found there was nothing deleterious to health in the product.

You will be interested in knowing, I am sure, that Professor McCollum, who appeared before this committee on the hearings on the Voigt bill, was the star witness for the State in this case.

No exceptions were taken by the State to the findings of the referee as reported by him to the supreme court. This case was argued before the supreme court on April 15, but no decision has been handed down as yet. We look for a decision on or about May 7.

As Hebe is an admittedly wholesome nutritious article of food, honestly labeled, and economical in its use, there would seem to be no just basis for denying to it the channels of interstate commerce.

The argument which has been freely advanced by the proponents of the bill that the legislation is fully justified for the reason that the dairy farmer should not be compelled to compete with the "coconut cow" of the South Sea Islands, has been rendered ineffective by reason of our discovery that a commercially successful product can be produced by substituting peanut fat for coconut fat.

It needs no argument to substantiate the statement that this new use discovered for peanut fat will give the peanut industry in this country a great impetus and contribute materially to the prosperity of that section of the country which grows peanuts. It is difficult to believe that Congress would pass a bill, the effect of which would be to benefit the producers of a raw material produced in one section of the country to the detriment of producers of a raw material in another section.

If the product was not a wholesome, nutritious article of food, and was not being advertised, labeled, and sold for what it really is, we would have no right to protest against the proposed legislation, but it does seem that the power of Congress should not be directed against us for the sole reason that the class of people engaged in the manufacture of a competing production have an ambition to destroy competition.

* * * * * * *

With the assurance of my continued high personal regard, I am

Yours truly,

PAUL R. MCKEE.

Mr. RAKER. The gentleman says that the bill is unconstitutional. Upon what grounds?

Mr. ASWELL. Because the bill starts out with the blunt statement that milk compounds shall be prohibited from being manufactured and shipped through interstate commerce, and gives no reason whatever for it. No claim is made that filled milk is unwholesome or injurious to health, nor that it is sold fraudulently. Its provisions are ridiculous.

Mr. VOIGT. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. Yes.

Mr. VOIGT. Did the gentleman or any other member of the committee raise that point while the hearings were being held? Did the gentleman then claim that the bill was unconstitutional?

Mr. ASWELL. I did, and I put it in my minority report. I am sorry you have not studied it.

Mr. VOIGT. Was the question raised in the committee?

Mr. ASWELL. Absolutely. I raised it myself.

Mr. VOIGT. I do not recall it.

Mr. ASWELL. Mr. Chairman, this proposed bill on the subject of filled milk, which has been discussed by the gentleman from Wisconsin, is to my mind a very serious one, because it involves the fundamental principles of government. I think most of the gentlemen on the Republican side in the last campaign made the solemn pledge to the American people that there would be less government in business. The purpose of this bill is not only to put the Government in business, but to put the Government into the business of putting out of business legitimate business. I want to make an assertion and prove it by the hearings, that the proponents of this bill, namely, the dairy interests of certain sections of the country, have one definite purpose, and that is to remove competition from their own business. In the hearings a Mr. Larson, of the Department of Agriculture, advocating the bill and speaking for the Butter Trust, made an amazing admission. After a long and tedious hearing the following occurred:

Mr. ASWELL. Then, according to your statement, if these gentlemen would promise not to increase their business you would not object to their manufacturing what they are manufacturing?

Doctor LARSON. From the standpoint of that principle?

Mr. ASWELL. If they would promise not to increase it any, you would be satisfied?

Doctor LARSON. If they did not increase it, from the standpoint of the dairy industry it would not be a serious thing. As I said before, they are making 85,000,000 pounds of this product to-day, and we are producing 1,500,000,000 pounds or more of evaporated milk. But the point is, it is growing so very rapidly.

This whole question is an effort to have the Congress step in and protect the private dairy business by shutting out their competitors in other legitimate business. It is monstrous that the Congress should be asked to destroy business in which millions of dollars have been invested, merely for the purpose of more profit to the dairy business competing with them. The purpose of the bill is to shut out competition with the dairy industry, which has here the most powerful organized lobby in the world.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. Yes.

Mr. RAKER. The gentleman read certain matter from the label on the can. The gentleman from Wisconsin [Mr. VOIGT] said that he had a can of this milk in his hand which did not have that on the label.

Mr. ASWELL. Oh, he admitted later that he found it there.

Mr. RAKER. Was it on the gentleman's can, I will ask him?

Mr. VOIGT. Will the gentleman yield to me for a moment?

Mr. ASWELL. Oh, the gentleman found it on his can. I want to answer the gentleman from Wisconsin now for a moment in respect to his rat business.

Gentlemen, there are three great specialists in this country who have equal responsibility for the amazing discovery of vitamines. Nobody has ever seen a vitamine or tasted one or heard it. It is something that is supposed to be in certain foods that makes life. These gentlemen are Doctors McCollum, of Baltimore, and Sherman, of New York, and Mendel, of Yale.

Doctor McCollum came before our committee and made the assertion that if we fed rats a certain food and some other rats some other foods some will grow fat and some will grow ill. This picture Mr. VOIGT has shown you is in harmony with that description, but I shall in a minute read from Doctor McCollum, specifically making an assertion on the other side of the question. Doctor McCollum made the assertion before our committee that unless every man in the country should drink a quart of sweet milk a day he would be underfed and be a runt.

I remember very distinctly that my friend the gentleman from Kentucky [Mr. KINCHELOE] resented that absurd statement, and the gentleman from Nebraska [Mr. MCLAUGHLIN] called attention to the fact that with MCLAUGHLIN'S large family of children if they drank as much milk as McCollum demanded, because the output would be inadequate and the price advanced, it would cost my friend MCLAUGHLIN of Nebraska $7.92 a day for his milk bill. Doctor McCollum is reputed to be a great doctor, and I want to present to you his double position before I am finished with this. He says that the rat that is fed filled milk alone grows thin and dies. Why, if you feed a baby on pure butter and nothing else it will die, or if you feed a baby on ham and nothing else it would die, but he says you must give the rat the whole milk to save him and make him sleek and fat. Have you ever seen one of the rats around a farmhouse fat and sleek and skillful and daring? Where did he get his pep? From whole milk? Where did he get any milk at all?

Mr. VOIGT. Will the gentleman yield?

Mr. ASWELL. Yes, sir.

Mr. VOIGT. I want to say to the gentleman the rat which is at liberty and not in captivity feeds on other animals and gets the blood and the vitamines in that way.

Mr. ASWELL. What other animal does a mouse feed on?

Mr. VOIGT. I can not tell you, but that is the testimony of Doctor McCollum.

Mr. ASWELL. Now, Mr. Chairman, let me quote Doctor McCollum. Here is a letter from Doctor Mendel, of Yale University, the highest authority on the subject, with reference to this strange entity that is called vitamine. He writes this letter to Representative JOHN CLARKE, of New York:

The situation is somewhat as follows: The investigations of recent years have demonstrated that in addition to the usual nutriments, proteins, fats, sugar, and salts, milk contains properties now described as vitamines. One of these is abundantly associated with the milk fats, as was first demonstrated by McCollum and by Osborne and myself several years ago. It is frequently called fat-soluble vitamine A. It is not universally present in foods and it is essential to the welfare of growing individuals. It is found in eggs, in green vegetables, in various animal fats—rarely in those of vegetable origin as they are prepared for the market. Every physiologist admits that growing children should have some quota of vitamine A; how much is needed is not definitely known. For infants the preferable supply admittedly is whole milk. However, McCollum is authority for the statement that approximately half of the vitamine A is present in the nonfat part of the milk—that is, in skim milk; and another competent scientific investigator, Professor Sherman, of Columbia, has announced that skimmed milk furnishes important amounts of vitamine A. I inclose a copy of their published statements which I happen to have at hand.

Preparations of so-called "filled" milk are emulsions of vegetable fats in skimmed milk. Coconut oil is commonly used, I believe, in preparing them. These facts are admittedly digestible and nutritious; so is skimmed milk, which, owing to fostered prejudices, has been a greatly undervalued article of diet. The milk compounds should be properly labeled—as should every package of food—to tell the truth. They should not be recommended for use in infant feeding; on the other hand, no harm can come from the chance use of a quantity of skimmed milk even by infants. I mention this because the opponents have spread the impression among gullible persons that the use of a can of milk compound is a positive menace to the infant which consumes it. Skimmed milk is not a rank poison. It is merely not a complete food for an infant; neither is barley water nor "prepared foods."

I am informed that some of the milk compound packages and advertisements not only give the composition of the contents but specifically indicate in words that the product is not recommended for infant feeding. What, then, shall we say of the value of the milk compounds, properly marketed in conformity to the pure-food laws, for adult nutrition? I do not see how they can be designated otherwise than as wholesome food. Indeed, it would be a nutritional advantage if skimmed milk were used more widely in culinary practice. It greatly enhances the value of cereals, notably the "staff of life," bread. "Filled" milks enrich them also, adding wholesome fats. No one knows at present to what extent vitamine A may be required by adults, but in any event the latter, using the mixed diet of adult life, are not dependent on cream for this food factor. It is quite as reasonable to object to the sale of polished rice or patent flour; indeed, skimmed milk and its "compounds" surpass either of these foods in nutritious properties.

The opponents of "filled" milks (representing a special industry) have tried to exclude them on the plea of "menace to public health." No public health question is involved. The claim is a specious one. The House bill represents a fight between industrial "interests," and I am confident that the medical profession would not admit that any wholesome food is a menace. Life and health are not endangered; on the contrary, I have long believed that our national nutrition would be benefited if, instead of discarding the milk separated from cream in the butter industry—instead of converting a unique food into roof paint, etc.—we encouraged the greater use of the nonfat part of the milk in the kitchen in the preparation of food. The milk compounds represent a device for conserving food exceptional with respect to protein, vitamines, and particularly salts of lime which so few natural foods contain and which many persons really need. The by-products of butter production should be conserved. Has not agriculture been blinded to the importance of the nonfat parts of milk for nutrition? Are you ready to sanction economic waste of food by a new form of prohibition on the invalid plea of harmfulness to children who do not make use of the product?

He goes on to say in conclusion of a long statement that this entity or this quality called vitamine is always in skimmed milk. This is an established fact by all the great physicians and surgeons who investigated this question. Now, again listen to this:

Several years ago McCollum stated in a brief note that fat soluble A is about thirty times more soluble in fat than in water, in which case skimmed milk will contain about half as much of this vitamine as whole milk. On the other hand, Mellanby, studying experimental rickets in puppies, and Hess and Unger in their studies of the clinical rôle of the fat soluble vitamine, appear to have assumed that their experimental diets could contain considerable amounts of skimmed milk, either in fluid or solid form, and still be nearly devoid of the fat soluble vitamine. According to our experience, skimmed milk contains a very significant amount of fat soluble vitamine, probably about half as much as whole milk, as McCollum's brief statement would imply.

Our experimental evidence of the presence of significant amounts of fat soluble vitamine or "vitamine A" in skimmed milk is twofold. (1) Young rats placed at weaning upon a diet in which dried skimmed milk was the sole source of vitamines have grown steadily (though at less than the maximum rate) for three months or more, trebling their body weights and remaining free from eye disease and in good general condition. Such results in rats of this age can be obtained only on diets furnishing significant amounts of "vitamine A." (2) Rats which had been brought to the typical condition of declining body weight and characteristic eye disease due to deficiency of fat soluble vitamine in their food have been cured by the feeding of skimmed milk powder. (A third type of experiment may be mentioned which, while it would not be conclusive alone, affords interesting confirmation. Rats which have failed to grow upon a diet of white bread grew with extraordinary rapidity for some time (though not to full adult size) when the bread was supplemented by dried skimmed milk only. The latter of course supplemented the bread in several ways, but unless the skimmed milk had furnished important amounts of fat soluble vitamine such rapid and extensive growth would hardly have been possible.)

That was a statement unqualified by the highest authority in this land on this subject. And so, gentlemen, this effort is made here before this Chamber to push through a bill for the benefit of the special dairy business, and to try to push it through by the tail of a rat is absurb and ridiculous and should not be recognized by intelligent people. [Laughter and applause.]

Mr. OLIVER. Will the gentleman yield?

Mr. ASWELL. I will yield.

Mr. OLIVER. Did the gentleman ascertain whether a single State of the Union has passed a law prohibiting the sale of this product?

Mr. ASWELL. Some few of the States have.

Mr. OLIVER. Was any consideration given to limiting the bill to the importation of this product into those States where its sale was forbidden?

Mr. ASWELL. None whatever, but I will say to the gentleman from Alabama that the passage of this bill, if constitutional, would in no way affect the States because factories in any State of the Union could do an intrastate business.

Mr. OLIVER. Was any testimony submitted that this product was poisonous or injurious if used for the purposes you stated the label on the can had advised it to be used for?

Mr. ASWELL. I will say to the gentleman from Alabama gladly, that during all the hearings, lasting many days, that question was raised time after time and the evidence was overwhelming that this product is not unwholesome, not deleterious, and not injurious to health, absolutely without question. On the contrary, it was argued before that committee time after time that one of the great needs of this country is to encourage the larger use of milk and milk products. The important fact here is that the farmers of the country have not been correctly informed as to the meaning of this bill. The records show that during the last year this milk compound created a market for skimmed milk in this country of 200,000,000 pounds, ranging from 35 to 65 cents per hundred pounds, and that these 200,000,000 pounds of food heretofore have been abandoned or thrown away. Therefore these milk compounds have brought into use in this country for baking and cooking purposes 200,000,000 pounds of skimmed milk not heretofore used at all and for which there was no market at all.

Mr. BANKHEAD. That would approximate about $100,000,000 a year?

Mr. ASWELL. At least. And why should the milk-producing farmer be fooled into supporting this monstrous bill against his own business?

Mr. GERNERD. Can you give me the nutritive value of coconut oil, which is substituted for the butter fat extracted from the milk?

Mr. ASWELL. Go down to the Tropics and you will find people live largely on it.

Mr. GERNERD. I have not heard anything in the hearing that told me anything about the value of coconut oil as a substitute for fat.

Mr. ASWELL. Can you tell the value of lard and tallow from the cow, and all that sort of thing?

Mr. GERNERD. I think that is beside the query I have made, because that is not entering into the manufacture of condensed milk.

Mr. ASWELL. Gentlemen, the proposition is this: If you propose to prohibit the sale and manufacture of milk compounds, you must in honor bound proceed at once to prohibit the manufacture and sale of lard compounds and patented and mixed flours, because they have the same relation to public health. These milk compounds sell on an average of 3 cents a can cheaper than the other. And I am convinced, gentlemen of this committee, that any man at this time and in this crisis in our country's history who would shut away from the poor people of the country any kind of wholesome food must shudder with responsibility for the results that are to follow. Any man who will advance the price of food products now is treading upon dangerous ground, and that is what is proposed to be done here.

Mr. KETCHAM. Do I understand the gentleman to carry the impression to the committee that this product is sold at a cheaper price?

Mr. ASWELL. It is. The record shows the average is 3 cents a can less.

Mr. KETCHAM. I would be very glad to submit observations to the contrary.

Mr. ASWELL. Your observations will not avail anything when you have the testimony of the people who sell it.

Mr. KETCHAM. I have evidence on the other side.

Mr. ASWELL. All right; produce it. [Applause.]

[Editorial from the Detroit News, August 26, 1921.]

THOSE SKIMMED MILK BILLS.

Pending before Congress are several bills designed to prevent or discourage the production of compounds of skimmed milk and vegetable fats. These had their origin and are finding active support in the organized dairying interests, but they should be given consideration by consumers generally.

The arguments are not new. About the same line of charges have been made against oleomargarine. Brought to absolute sincerity, the dairy people would probably have to admit that their greatest solicitude is for their profits. But they lay much larger stress upon the supposed menace to public health.

This contention is not very well sustained. Dr. Lafayette B. Mendel, of Yale University, is quoted as saying: "The opponents of filled milks have tried to exclude them on the plea of menace to the public health. The claim is a specious one. The House bill represents the fight between industrial interests, and I am confident that the medical profession would not admit that any wholesome food is a menace. I have long contended that our national nutrition would be benefited if, instead of discarding the milk separated from the cream in the butter industry, we encourage the greater use of the nonfat part of the milk in the kitchen in the preparation of food."

Of course it will be admitted that most people prefer unskimmed and unfilled milk to skimmed milk reinforced with coconut oil. Most people like butter better than oleomargarine. But many people can not have everything they prefer. And Congress has no business to hinder the production of food acknowledged to be wholesome because the competition of its manufacture endangers the high prices of other foods acknowledged to be of superior quality.

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[From the New Orleans States, May 4, 1922.]

VITAMINES FOUND IN ORDINARY FOOD—DOCTOR HOLT SAYS DON'T—PEOPLE HAVE BECOME UNDULY EXCITED.

(By John Goldtrom.)

WASHINGTON, May 4.—The vitamine theory is a passing fad, and all the energizing qualities the average person requires are contained in ordinary food, Dr. L. Emmet Holt, of New York, told the Congress of American Physicians and Surgeons.

Doctor Holt said that while the study of vitamines had been of value to the medical profession in determining their places in dietetics he deplored the commercialization of special foods which has followed the publicity given the subject.

"The recent stressing of the importance of vitamines in food is a fad which will pass and the medical profession should not be carried away by it," said Doctor Holt. "Before vitamines it was autointoxication, and now we have been blaming our troubles on the lack of vitamines in certain foods. Practically all the common foods contain all the vitamines the average person needs."

—

COTTONSEED OIL.

ARCTIC ICE CREAM CO.,
Detroit, Mich., April 22, 1922.

Hon. JAMES B. ASWELL,
Washington, D. C.

DEAR MR. ASWELL:

* * * * * * *

We were able to get a small quantity of hydrogenated cottonseed oil which seemed to work out very satisfactorily, but the manufacturer of this oil was only able to give us an experimental quantity. He stated * * * that it would be six or eight months before he would have the necessary equipment installed to furnish us with sufficient quantities of this product. From the limited tests which we made of the hydrogenated cottonseed oil it seemed to be entirely satisfactory and we think we will be able to use this product.

Just at the present time we are experimenting with the addition of various quantities of egg yolk to our compound milk. The object in adding the egg yolk is to supply the fat soluble vitamines which the dairy interests claim are lacking in compound milk. The egg yolk is very rich in fat soluble vitamines, considerably more so than butter fat, and it was our thought that by adding a small percentage of egg yolk to our compound milk we could provide the necessary fat soluble vitamines and offset all the claims of our opponents as to the milk not being as suitable as whole evaporated milk for the purposes of infant feeding.

It is not our intention to sell this new product for purposes of infant feeding. We will continue selling compound milk for cooking and baking purposes as we have been doing, but we will be able to meet the objections of the dairy interests by proving that our milk is fortified with the fat soluble vitamines which they claim are necessary. So if all this product is used for infant feeding it will be just as satisfactory from a nutritional standpoint as the regular whole evaporated milk. As a matter of fact, though very little evaporated milk of any kind is used for infant feeding, the sweetened condensed milk is used almost entirely for this purpose.

We have been in the business for some time, and the first use of compound milk for infant feeding we ever heard of came to light in Pittsburgh just recently. Our sales manager happened to be there on a trip and one of our broker salesmen asked him why we put the warning on the label, "Do not use in place of whole milk for infant feeding." Our sales manager replied that it is claimed by some people that compound milk is not suitable for that purpose and that in the absence of more definite information we advised against its use. The salesman then replied that in calling on the retail trade a grocer had asked him about this use of compound milk and told him he knew of a certain woman in the neighborhood who had raised her youngster on our compound milk and that he certainly was a healthy-looking youngster. Out of curiosity we investigated the case. The child's mother told us she had raised the infant on "Carolene" and that he was perfectly healthy and normal in every respect. Our sales manager, Mr. Carroll, brought back a photograph of him, and he certainly is the picture of health. Nevertheless, we do not sell our milk for purposes of infant feeding. No form of canned milk should be used for that purpose, and very little evaporated whole milk or compound milk is so used.

On the other hand, a considerable quantity of sweetened condensed milk is used, and the Borden Co., who are active in supporting this bill, have built up a considerable business from the use of their "Eagle" brand sweetened condensed milk for this purpose. We can get any number of nutritional experts who will tell us that Borden's "Eagle" brand sweetened condensed milk is a very poor infant food and that the large excess of sugar contained in it is very apt to result in digestional disorders in infants. We feel they are doing infinitely more harm to the youth of the Nation in advertising and pushing the sale of their sweetened condensed milk for infant-feeding purposes than can ever result from the use of compound milk.

We are going to have a feeding test conducted using our new compound milk, containing egg yolks and regular whole evaporated milk, and compare results. Our chemists tell us they are certain the new compound milk will prove to be just as good, if not better, as a growth-promoting food than regular evaporated milk. We are going to have these tests run by two different independent laboratories, but it will be some time before the results will be available.

* * * * * * *

Yours truly,

CAROLENE PRODUCTS CO.,
By GLEN P. COWAN.

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CHICAGO, *April 28, 1922.*

Hon. J. B. ASWELL,
House of Representatives, Washington, D. C.

DEAR MR. ASWELL: I just received a copy of one of the latest books on the subject of vitamines. It is entitled "The Vitamines," and is by H. C. Sherman, professor of food chemistry, Columbia University, and S. L. Smith, specialist in biological and food chemistry, United States Department of Agriculture. Both of these men are considered authorities in the field of biological chemistry.

On page 182 of this book they comment on the fat soluble vitamine content of skimmed milk as follows:

"It is important to note that milk contains much more of the fat soluble vitamine than is contained in its fat globules. According to a brief statement made by McCollum, the vitamine A in a given volume of milk is about equally divided between the fat globules and the aqueous portion. This would mean that skimmed milk will contain about one-half as much vitamine A as whole milk, and dry skimmed milk will be about one-third as rich in vitamine A as is butter fat. Sherman, MacLeod, and Kramer (1920 proceedings Soc. Exptl. Biol. Med., vol. 17, p. 41), while not measuring quantitatively the relative amounts in whole and skimmed milk, have confirmed the fact that skimmed milk is an important source of vitamine A, though, of course, by no means comparable with whole milk in this respect."

This is of particular interest to me, in that the statement previously made by McCollum is corroborated by Sherman, MacLeod, and Kramer. Compound milk, of course, has all of the water soluble B and C vitamines which regular whole evaporated milk contains, and according to the above approximately one-half of the fat soluble A vitamines. It would seem, then, by the addition of a quantity of egg yolk, which is known to be very rich in fat soluble vitamine A, we can make our compound milk just as valuable from the vitamine standpoint as is regular whole evaporated milk.

* * * * * * *

We are arranging now to get the feeding experiments started, and as soon as the results are available I will send them to you.

Yours truly,

CAROLENE PRODUCTS CO.,
By GLEN P. COWAN.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ASWELL. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Louisiana asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. VOIGT. Mr. Chairman, I ask leave to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. VOIGT. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. HAUGEN].

Mr. HAUGEN. Mr. Chairman, the object of the legislation proposed in the so-called filled milk bill, now before the House, is to suppress fraud and deception by prohibiting the manufacture and shipment of filled milk in interstate or foreign commerce, a counterfeit generally conceded to be a gross menace to public health, especially to that of infants and invalids. The manufacture and use of filled milk, the bogus milk, has resulted in undernourishment and faulty diet, and has undoubtedly caused much disease and loss of life.

According to the testimony printed in the hearings, the business of making filled milk is profitable and flourishing. According to figures furnished the Bureau of Markets, the manufacture of the substitute has increased from 30,488,267 pounds in case goods in 1917 to 84,044,000 in 1920, about 275 per cent. Bulk goods decreased from 4,540,640 pounds to 2,517,000 during this period, a net increase in the production in three years of 51,532,098 pounds. According to the statement of Mr. McKee, representing the Hebe Co., that company has about 22 plants in the States of Washington, Oregon, Idaho, California, Colorado, Wisconsin, Illinois, Michigan, Pennsylvania, and New York, scattered from the Pacific to the Atlantic coast.

The process of manufacturing this product is simple. The cream or butter fat is withdrawn from the whole milk and coconut fat is substituted in its place. This is done at a low expense. The profit to the manufacturer is largely in removing and selling the butter fat, the superior product, which is now selling at about 42 cents a pound, and importing the coconut fat, the present price of which is from 9 to 12 cents a pound, and substituting it for the butter fat removed. This, at present prices, nets a profit of 30 cents a pound on every pound substituted, or as stated by Mr. McKee in hearings on filled milk before the Committee on Agriculture:

Mr. MCKEE. Out of the amount which it would take to make a case of milk—105 pounds. Then the coconut fat which we substitute for the butter fat costs us 12 cents. That is the present market. Then the cost of that 3.744 pounds of butter fat would be forty-four and a fraction cents—about 45 cents. So the gain to us by the extraction of the butter fat and the substitution of the coconut oil is a little over 86 cents a case. To-day the price of evaporated milk in carload lots in Chicago, where we sell it, is $5. The price of Hebe in Chicago in carload lots is $3.60. In other words, we get $1.40 more a case for evaporated milk than we get for the compound, making a difference in the selling price of the two products of $1.40 (p. 87).

The gentleman from Alabama seems to contend that the value of one product is equal to that of the other.

Mr. ASWELL. Will the gentleman yield? I did not make that proposition.

Mr. HAUGEN. The nutritive value of unadulterated milk and butter fat is well known, both in its use by human beings and animals. As to the wholesomeness of milk, as compared to that of the substitute, I refer to the statement of Dr. E. V. McCullom, of the School of Hygiene and Public Health, Johns Hopkins University, who, during the last 15 years, has confined his efforts solely to the study of nutrition problems and is generally recognized as the greatest authority on the subject. I quote from Doctor McCullom's statement before the committee:

Now, gentlemen, during the last 15 years I have confined my efforts solely to the study of nutrition problems. Everyone who is competent to speak on this subject is in accord with every statement which I have ever made. (P. 20.)

Mr. TEN EYCK. Does this product sour the same as other milk?

Doctor MCCULLOM. Any milk that has been sterilized does not sour as ordinary milk sours. The souring of milk is due to the growth of the lactic acid producing organism, and that, of course, is destroyed in the process of sterilization.

Mr. TEN EYCK. Then it is like condensed milk in that respect?

Doctor MCCULLOM. Yes. (P. 11.)

* * * * * * *

Doctor MCCOLLUM. There are three substances now commonly known as vitamines which the diet must contain in order to promote satisfactory health in any animal or in any human being. This being the case, it behooves us to consider what foods contain these substances, the chemical influence of which we do not know, but the physiological effects of the lack of which in the diet we fully understand, both from human experience and from animal experimentation. It behooves us to inquire where we can secure each of these three substances in satisfactory amounts.

All that, gentleman, has come down to this, that there are only three kinds of diet which ever have succeeded in the satisfactory nutrition of men or animals. One of those does not concern us very much here, but for the sake of completeness I will mention it. That is the strictly carnivorous diet, the diet where one animal eats another or where man eats an animal. Some of the American Indians were carnivorous people. The Eskimos are carnivorous people. There are a few examples elsewhere, but they form only small groups of the human family.

The second type of diet which succeeds is * * * of green leafy vegetables, of which we eat very small amounts. We do not like these things; we never have learned to like them; and we are not likely to come to the unpalatable, unattractive diet which has been forced by poverty on millions of orientals.

I might say that this one outstanding feature of the diet of the oriental people, the consumption of enormous amounts of leafy vegetables, such as spinach, lettuce, cauliflower, Brussels sprouts, sweet potato leaf, vines, etc., is the factor which makes those people as successful as they are. But how successful are they? Look at the Chinaman who does your laundry and see what he is. Almost without exception he is an undersized individual. He is poorly developed physically. Look at the Japanese—a small and physically inferior people. The Japanese children born in California in the last 15 years are larger in both sexes and in all ages, notably larger, than are the children of Japanese born in Japan. Why? Just because the diet of America is a better diet than the diet of Japan.

The third type of diet which succeeds is the diet which in Europe, in America, and on the plains of Asia has been used from time immemorial. That is the diet consisting of cereals, tubers, legume seeds, and meats, along with liberal amounts of dairy products. The cook has in truth been the foster mother of the human race.

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Now, gentlemen, look at what exists to-day. There are no finer people anywhere in the world than the Arabs, the Bedouins of Arabia, the tribes of the Sahara, who are all milk drinkers. The finest people in Europe are the people of Rumania, Bulgaria, and the Balkan States generally, of Scandinavia, of Switzerland, Scotland, and parts of England, those places where milk and dairy products form one of the prominent, the most prominent constituent of the diet (pp. 20 and 21).

Mr. THOMPSON. You spoke awhile ago, Doctor, of the great races on the Asiatic plains that used sour milk; you used the word "sour."

Doctor MCCOLLUM. Yes, sir.

Mr. THOMPSON. I would like a little more light on that subject, along with the buttermilk question.

Doctor MCCOLLUM. * * * If milk is boiled and some of the constituent elements or acids destroyed, then it rots and becomes unfit for use. But if they allow it to sour, it does not rot and they have the wholesome advantage of its use. There is no objection to the sour milk itself; it is wholesome.

Mr. THOMPSON. How about buttermilk?

Doctor MCCOLLUM. Buttermilk is wholesome, except that buttermilk is milk from which the fat has been extracted and a certain amount of sugar in it has been transformed into an acid.

Mr. TEN EYCK. Does not buttermilk create a certain acid or germ in the stomach or intestine which destroys other and harmful germs, and is not that the reason why the Belgians are the longest-lived people, due to the eating of the curd, which creates this helpful germ?

Doctor MCCOLLUM. Yes; there are some acids in buttermilk which are good in other ways, anyway.

Mr. TEN EYCK. Let me ask you, if milk were not used at all and vegetable oils substituted, what effect would it have?

Doctor MCCOLLUM. It would make the interior a skeleton, so to speak, and affect the life history and longevity of the individual and hasten the time at which senile characteristics would appear. (P. 36.)

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Doctor MCCOLLUM. During the last two years we have been studying one of the greatest national health problems; that is, the problem of rickets in children. Rickets is faulty bone growth. I can not tell you how frequent it is. Recovery is the rule, but recovery with physical inferiority is also the rule. Recovery with more or less physical deformity is also the rule. * * * Doctor Hess, one of the famous physicians in New York, says that nearly 100 per cent of the children of New York have rickets. In Baltimore some of the famous specialists say that from 50 to 60 per cent of our children have rickets in infancy. (P. 30.)

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Doctor MCCOLLUM. We have in this country, mostly throughout the South, a disease called pellagra. Pellagra was discovered in this country about 1908 or 1909. It had been alarmingly on the increase up to about two or three years ago, up to 1917, when we found, according to the Public Health Service representatives, that there were about 170,000 people with that disease. * * *

The great research in pellagra has been done by Dr. Joseph Goldberger, of the Public Health Service. He has shown very clearly that it is a disease of the undernourished, of the poorly nourished. It is a disease which the well fed never have, and those who have it in a mild way, in the early stages, recover on a satisfactory diet, and there is no other effective treatment for it than satisfactory diet.

* * * Doctor Goldberger has shown conclusively—and his papers are in the public health reports—that pellagra disappears from orphanages, from insane asylums, and from hospitals when pellagra patients are fed on the right kind of diet. In 1916 he produced pellagra experimentally in man, in the case of 5 or 6 out of 11 volunteers from the State prison of Mississippi (p. 24).

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Mr. KINCHELOE. The point I am asking for information on is this: If it is not deleterious to the health of the individual——

Doctor MCCOLLUM (interposing). It is deleterious.

Mr. KINCHELOE (continuing). When it is used in baking, cooking, and in coffee, if it is not deleterious when so used, why should the people who want to use it be deprived of it?

Doctor MCCOLLUM. I should say that these defects in these substitutes will not take the place of the milk, if we are to have an optimum diet; if we are to have an optimum diet, you have got to adhere to the milk. If you take something out of it——

Mr. KINCHELOE. * * * I am going to agree with you that it is not good for infants.

Doctor MCCOLLUM. It is not good for adults either.

Mr. KINCHELOE. You said awhile ago that it was not deleterious for use in baking, cooking, and in coffee.

Doctor MCCOLLUM. It is deleterious, in so far as it crowds out other things that are in the whole milk, and which these substitutes are intended to take the place of (pp. 34, 35).

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Doctor MCCOLLUM. The thing for us to do, gentlemen, is this: We are as a Nation now using approximately half a pint of milk per day per person. * * * We should take at least a quart of milk per day, or its equivalent, and we should reduce our meat consumption to ap-

proximately 5 per cent of the total energy value of the diet; whereas we are now taking from 10 to 13 per cent, according to statistics I have gathered in numerous boys' schools and other institutions.

Mr. KINCHELOE. What would be your substitute for that meat?

Doctor MCCOLLUM. The substitute would be the quantity of milk which I have described—a quart of milk per day for every individual in the land, half as much meat as we are taking, and then the cultivation of the practice of using green salad dishes just as far as our appetites and our interest in our own physical well-being will permit us to. (P. 26.)

* * * * * * *

Doctor MCCOLLUM. To make it as clear to you as I can, let me say that this is not a matter of a single experiment; it is a correlation which we can make through an experience covering 15 years and covering about 4,000 carefully conducted feeding experiments of all degrees of length from a few weeks to the full span of life of the animals. (P. 23.)

* * * * * * *

Doctor MCCOLLUM. My parting statement, gentlemen, will be this, that there is no question but what milk is the only food for which there is no effective substitute. It is not a question of whether there is some food value in skimmed milk, as to whether we can not get along in some peculiar situation, that one might not get along if a suitable amount of eggs were included in the diet every day. It is not a question whether technically you can bring before a legislative committee of this sort a situation which might work in a satisfactory manner without this food. But this is the point, that we are educated to use milk. We are a people who for hundreds of generations have depended upon dairy products as a prominent article of our diet. We know how to use it, and we like it. We have an agricultural industry which can not remain a permanent one—there can be no permanent system of agriculture without an animal industry to go with it. Which animal industry are you going to maintain?

This is not a public health aspect in its nearer relations, but in its fundamental relations it is. How are you going to maintain a permanent system of agriculture? Phosphorus and potassium are the limiting factors in the soil of America. We have no deposits of phosphorus and no adequate deposits of calcium that will meet the agricultural needs of this country for fertilizer. If we are going to take off the farms continually the cereals and other crops, if we are going to remove the valuable food from the farm, then we sell the fertility of our farms. You will be doing then what has been done in New England, in New York, in Pennsylvania, and is now being done in the Northwestern States; you will crop your soils out until they will produce no more until certain elements are put back, because they were robbed from the soil. (Pp. 32 and 33.)

Doctor Erf, of the Ohio State University, secretary of the Ohio Dairymen's Association, and their feeding adviser, stated before the committee:

We had a number of experimental cages of white mice. As near as I can recall, those that were fed on Hebe weighed about 45 grammes and those that were fed on milk weighed 182, I think. (P. 165.)

The test mony of Doctor McCollum and Doctor Erf and the facts ascertained in the many actual experiments should satisfy all that the use of counterfeit is deleterious to the health of not only infants but adults as well.

Eleven States have enacted laws restricting the sale of filled milk—Oregon, California, Utah, Colorado, Wisconsin, Ohio, New York, New Jersey, Maryland, Florida, and Connecticut.

Mr. JOHNSON of Mississippi. I have heard what the gentleman said about this fraud that is being practiced, if there is fraud practiced, but I would like to have the gentleman tell us where he gets the constitutional authority for prohibiting the shipment of this food in interstate commerce when it has been shown by the author of the bill, the gentleman from Wisconsin [Mr. VOIGT], that it is not injurious or deleterious to human health, but merely unwholesome. Where do you get your constitutional authority for prohibiting the shipment?

Mr. HAUGEN. Let us settle the first question as to its being a fraud and injurious to human health.

Mr. JOHNSON of Mississippi. In view of the child labor law the first decision in the child labor law——

Mr. HAUGEN. When we have settled the first question we will have no trouble in settling the second—the constitutionality of the bill.

Mr. VOIGT. Will the gentleman yield to me?

Mr. JOHNSON of Mississippi. The gentleman can not deny that nux vomica will kill a mouse, but will not contend that it would necessarily kill a human being?

Mr. HAUGEN. If you will turn to the testimony before the committee, which I have quoted from Doctor McCollum, an unquestioned authority on this matter, you will find that he states that it is deleterious to the health of not only infants but adults as well. The investigation made and the facts ascertained by Doctor McCollum and Mr. Erf go to show that it is injurious to health, and if injurious to health and a fraud, Congress undoubtedly has the power to regulate its manufacture and sale in interstate commerce.

One contention is that the pure food and drugs act requires the labeling of cans, and if that law is properly enforced no further legislation is required. Labeling is important, but it is not sufficient in itself to protect the public health. The labeling of the cans in which the substitute is sold does not protect the vast number of people who are unknowingly served with it in hotels, restaurants, and boarding houses; besides, there are thousands of people in this country who can not read a label. The substitute is bought largely by the ignorant. Many do not even look at the label, much less read it, when purchasing it. Evidently much of it is labeled to conform with the pure food and drugs act, as, for instance, the Hebe, a popular brand, is labeled:

Net contents 1 lb. Avoirdupois. Hebe Reg. U. S. Pat. Off. A Compound of Evaporated Skimmed Milk and Vegetable Fat. Contains 7.8 per cent vegetable fat: 25.5 per cent total solids. The Hebe Company. Offices: Chicago–Seattle, U. S. A.

And also contains the statement—

For Cooking, Baking, Coffee., Do Not Use In Place of Milk for Infants.

To this there is no charge made as to misbranding food in interstate commerce. If not properly labeled, or if misbranded, the Department of Agriculture could, under the pure food and drugs act, suppress the practice.

In discussing the matter of properly marking the cans in which the filled milk is sold and printing a warning on the containers against the use of the substitute for certain purposes, Doctor McCollum had the following to say before the committee:

Mr. KINCHELOE. Why could they not be protected by the prescription on here saying, "Do not do that"?

Doctor MCCOLLUM. That would protect those who are capable of reading and who take the trouble to interpret the labels, but I am speaking in behalf of those tens of thousands of uneducated mothers, of foreign mothers, who are not capable of reading that label. We are protecting the public against poisonous drugs, in so far as it is possible, by laws and ethical considerations regulating the actions of pharmacists. That is the best we can do (p. 34).

Undoubtedly much of this substitute is sold as real compound milk and not as filled milk, and at the same price as the real article. The following testimony before the committee would so indicate.

Mr. ENGELS. I might also add, supplementing his remark, I was dictating a little to my stenographer yesterday afternoon. He had just gotten back from a visit to New Hampshire, and the people he visited up there were paying 17 cents a can for Carolene and thought it was a full evaporated milk, and they were amazed when they found out that it was not (p. 169).

Mr. CLAGUE. In connection with what the gentleman has stated, I wish to have it appear in the record that I inquired at a large number of stores in Washington just to find out the price of Hebe within this last two weeks, and condensed milk, and almost without exception the price was the same. I did not go to 156, but I went to quite a large number of the leading grocers in this city.

* * * * * * * *

Doctor LARSON. Week before last these 156 stores sold the real product for 9 cents for the large can and the filled milk for 10 cents (p. 126).

Another matter worthy of consideration is the importance of agriculture, its future progress and prosperity, which is the very foundation of our Nation's growth and greatness. All wealth springs from Mother Earth. Our bread basket was essential in winning the war. All agree that upon the tiller of the soil depends the stability of our Nation and the happiness of our people. When we turn to the census reports we find that more than half of the American people live in rural districts. We find that more than 6,000,000 farmers and 6,000,000 farm laborers, tilling more than 6,000,000 farms, produced last year 5,600,000,000 bushels of cereals, which is about one-third of the production of cereals in the world, and about 917,000,000 bushels of wheat, which is about one-third of the wheat produced in all the world. We have 43,000,000 head of cattle, 23,300,000 milch cows, giving more than 8,500,000,000 gallons of milk. We have 71,000,000 swine, 49,000,000 sheep, and 19,500,000,000 pounds of meat, pork and mutton. Our factories and mills have for some time been running on part time, with only 35 per cent production. This has not caused much disturbance. True, there is an occasional local disturbance here and there. The failure of a crop, or only a 35 per cent production of crop, would cause not only a national calamity, but great alarm throughout the world. The fertility and productivity of the soil, the yield, and the crops are dependent upon the dairy cow. Without the dairy, the rejuvenating of the soil, we would have a shrinkage in yield and depletion of the soil, and as a result the farms would be deserted. If so, the dairy and this legislation is not only to the interest of our 6,000,000 farmers and 6,000,000 wage earners on the farm, but to all of our people. It is unnecessary to say that just laws to prohibit the manufacture and sale of the counterfeit, and an honest enforcement of such laws, are necessary.

In my opinion fraud, made possible by counterfeiting, should not be tolerated. It should be prohibited in every form. In my opinion the counterfeiting of milk is just as unjust, if not more so, as the counterfeiting of gold dollars. Counterfeiting a $10 gold piece robs the victim of $10. The counterfeiting of 100 pounds of butter fat, worth $35, by substituting for it 100 pounds of coconut fat, worth $12, and selling the compound at milk prices, not only robs the victim of $23, but if served to infants or invalids it may rob him of his child or other member of his family.

The counterfeit of milk is on a par with the counterfeiting oleo for butter. We have had much experience with oleo laws. Thirty-two States, with five-sixths of our total population, enacted laws prohibiting the sale of yellow oleomargarine. According to Secretary Gage's report, 5,492 dealers were then engaged in selling the counterfeit oleo in violation of the State laws. They sold in 1889 in those 32 States 62,825,582 pounds of yellow oleomargarine made in semblance of butter, while 1,501 dealers sold 16,860,141 pounds in the remaining States. Iowa had a drastic law prohibiting the coloring of substitutes in imitation of butter or cheese, and requiring that every package be plainly marked "Substitute for butter," and that each sale be accompanied by a verbal notice and printed statement that the article was an imitation and giving the address of the maker, and also requiring that the use of the imitation in hotels and bakeries must be made known by signs. Nevertheless, as shown by Secretary Gage's report, three dealers sold 79,927 pounds of yellow oleomargarine in the year 1889 in the State of Iowa, every pound of it sold in violation of the law and every pound thus sold displaced a pound of butter and robbed the dairy producer of his legitimate market. B. P. Norton, then dairy commissioner of Iowa, stated in a letter:

I have no doubt that we are injured $2,500,000 every year for the benefit of the oleomargarine producer and the consumers are not at all benefited.

Mr. JOHNSON of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. HAUGEN. We all believe in just laws and an honest administration of such laws. We can not be contented with anything else. Legislation not to deprive an individual, corporation, or interest of a single dollar honestly acquired, but legislation to promote progress, prosperity, and happiness to all our people, to see to it that nobody is imposed upon, that all are given adequate protection against counterfeiting, resulting in fraud and deception; yes, against any invasion on the part of unscrupulous interests in order that we may have the fullest development of every worthy and legitimate enterprise, certainly legislation to protect the health and lives of our people. [Applause.]

I ask unanimous consent to incorporate in my remarks excerpts from the hearings.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HAUGEN. I ask unanimous consent, Mr. Chairman, to revise and extend my remarks.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. JACOWAY. Mr. Chairman, I yield five minutes to the gentleman from Louisiana [Mr. LAZARO].

The CHAIRMAN. The gentleman from Louisiana is recognized for five minutes.

Mr. KINCHELOE. Mr. Chairman, I think we ought to have more people here to hear the discussion. I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Kentucky makes the point of order that there is no quorum present. The Chair will count. [After counting.] Ninety-six Members are present—not a quorum.

Mr. KNUTSON. Mr. Chairman, I ask for tellers.

The CHAIRMAN. No quorum is present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Andrew, Mass.	Copley	French	Kinkaid
Anthony	Coughlin	Frothingham	Kitchin
Atkeson	Crago	Gallivan	Kline, N. Y.
Barkley	Cramton	Garrett, Tenn.	Knight
Beck	Crowther	Glynn	Kraus
Blakeney	Cullen	Goodykoontz	Kreider
Bland, Ind.	Dale	Gould	Kunz
Bland, Va.	Davis, Minn.	Graham, Ill.	Langley
Boles	Dempsey	Graham, Pa.	Larson, Minn.
Brand	Dickinson	Griest	Layton
Britten	Drane	Griffin	Linthicum
Brooks, Pa.	Drewry	Hammer	McArthur
Brown, Tenn.	Driver	Hawley	McFadden
Burke	Dunbar	Himes	McKenzie
Cantrill	Dunn	Hogan	McLaughlin, Pa.
Carew	Ellis	Hudspeth	McPherson
Chandler, N. Y.	Evans	Ireland	Maloney
Chandler, Okla.	Fairchild	James	Mann
Christopherson	Favrot	Jefferis, Nebr.	Mansfield
Clark, Fla	Fenn	Johnson, S. Dak.	Michaelson
Classon	Fess	Johnson, Wash.	Mills
Cockran	Fields	Kahn, Calif.	Mondell
Cole, Iowa.	Fish	Kelley, Mich.	Montoya
Collins	Focht	Kelly, Pa.	Moore, Ill.
Connell	Fordney	Kendall	Morin
Connolly, Pa.	Foster	Kennedy	Mudd
Cooper, Ohio.	Free	Kindred	Nelson, A. P.
Nelson, J. M.	Reber	Stafford	Tyson
Newton, Minn.	Riordan	Stiness	Upshaw
Nolan	Rogers	Stoll	Valle
O'Brien	Rosenbloom	Strong, Pa.	Vare
Ogden	Rouse	Sullivan	Walters
Oldfield	Rucker	Sweet	Wason
Olpp	Ryan	Tague	Wheeler
Paige	Sabath	Taylor, Ark.	Williams, Tex
Park, Ga.	Sanders, Ind.	Taylor, Colo.	Winslow
Patterson, N. J.	Sears	Taylor, Tenn.	Wise
Pringey	Sinnott	Tillman	Wood, Ind.
Rainey, Ala.	Smith, Idaho	Tilson	
Rainey, Ill.	Smithwick	Tinkham	
Reavis	Snyder	Treadway	

Thereupon the committee rose; and the Speaker having resumed the chair, Mr. HICKS, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 8086) to prohibit the shipment of filled milk in interstate or foreign commerce and finding itself without a quorum, he had caused the roll to be called, whereupon 270 Members responded to their names, a quorum, and he submitted a list of absentees for entry in the Journal.

The SPEAKER. The committee will resume its session.

The CHAIRMAN. The time now stands as follows: The gentleman from Arkansas [Mr. JACOWAY] has 70 minutes remaining. The gentleman from Wisconsin [Mr. VOIGT] has 61 minutes remaining. The Chair recognizes the gentleman from Arkansas.

Mr. JACOWAY. Mr. Chairman, I yield five minutes to the gentleman from Louisiana [Mr. LAZARO].

The CHAIRMAN. The gentleman from Louisiana is recognized for five minutes.

Mr. LAZARO. Mr. Chairman, yesterday we passed the bill giving agriculture representation on the Federal Reserve Board, and soon we will pass the bill extending the time of the War Finance Corporation. Both of these bills are nonpartisan and meritorious and should become law. I wish to discuss both bills briefly, first the bill giving agriculture representation on the Federal Reserve Board.

When we take into consideration the fact that the Federal Reserve Board is not created for the purpose of making loans only, but to decide on a general policy to be pursued, it seems to me highly desirable that the various basic activities of this country should be represented on the board. It is important that there should be on this board some man who is agriculturally minded, who appreciates the effect upon agriculture and upon prices of certain large policies in administrating our great credit machinery. I think it is highly desirable that inasmuch as the law already provides for representation, industrially and commercially, we should add agriculture, which certainly is the basic and fundamental industry of this country. Surely all must agree that in considering, finapcially, industrially, and commercially, the industries of the country, agriculture also should be included.

The bill extending the time of the War Finance Corporation merely extends the operation of credit facilities we are already familiar with. I was one of those who helped to revive the War Finance Corporation, and I do not know of any other measure that did more to help agriculture and business throughout the United States than this measure. The people are just beginning to learn its benefits and are asking that it be continued. It is realized now more than ever that it is absolutely necessary to have better credit facilities in order to have ample production and intelligent marketing. We are not asking for special benefits for special sections or classes, but fair and equal treatment for all the people engaged in all the industries of the country. When all the industries are represented in the operations of our laws there will be less contempt for the law and more prosperity and happiness among our people.

Agriculture has been brought to a point where its future is imperiled, where it is bound to go backward unless real relief is to come soon. The need of a constructive national program looking to the rebuilding of agriculture is absolutely necessary. That fact is appreciated by business men and laborers everywhere. It is plain to all now that there must be production and prosperity on the farms if we are to have employment and good wages in the cities. What contributes to the prosperity of agriculture unquestionably benefits all industries. It is not class legislation to demand that agriculture has as good credit facilities as any other business. It is legislation in the interest of all classes. It seems to me that it is high time for us to understand that if we are to revive agriculture, business, employment, and prosperity in this country we must adopt a national constructive agricultural program.

First. This program must include representation of agriculture in the Government bureaus that have to decide upon

policies governing loans. There must be longer terms and a lower rate of interest.

Second. The perfecting of our laws facilitating cooperative marketing.

Third. Laws punishing severely illegitimate speculation in the exchanges of the country. The larger part of the living cost to-day is added to the price of food and clothes after they leave the farmers' door. This the consumers in the big centers should understand, and when they do I am sure they will cooperate and support us in demanding that our system of distribution be protected from these gamblers.

Fourth. The extension of better warehousing facilities, where our products can be stored without danger of being damaged by the elements, graded intelligently, and negotiable certificates can be issued permitting the owners to use them in their daily business transactions.

Fifth. Perfecting of the farm loan system, with the view of encouraging home ownership. This is not only good business but it is vital to the preservation of our country and its institutions against the spread of radicalism.

Sixth. The recognition of the tariff as a nonpolitical and economic problem, with the view of giving equal protection to our agricultural products that is given to our manufactured products, not with the idea of enriching a few at the expense of the many, but reasonable protection to maintain our American standard of wages and living.

Seventh. Better and cheaper transportation facilities, which will come to us only when we adopt a comprehensive system of transportation, coordinating the use of good roads, railroads, and waterways.

Eighth. Business and economy in local, State, and National government, with the view of reducing the burden of taxation. We are going through a period of reconstruction and unrest, and I believe our people are more interested in the immediate and proper solution of these big problems than they are in politics. I believe, too, that they expect us to work here as Americans rather than partisans in passing the laws that are necessary to give the country relief. [Applause.]

I ask unanimous consent, Mr. Chairman, to revise and extend my remarks.

The CHAIRMAN. The gentleman from Louisiana asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. VOIGT. Mr. Chairman, I yield five minutes to the gentleman from Iowa [Mr. TOWNER].

The CHAIRMAN. The gentleman from Iowa is recognized for five minutes.

Mr. TOWNER. Mr. Chairman, I shall support this bill without any hesitation. Its purpose is to prevent the shipment in interstate commerce of an article which is at once fraudulent and injurious. There is not any question in my mind as to the constitutionality of this act. The evidence before the committee and the report of the committee show clearly that while it is labeled correctly, it is sold as a fraudulent product; that it is represented to be milk; that it is sold as milk when, as a matter of fact, it is not milk.

Perhaps the most valuable element in milk is the butter fat, which in filled milk has been entirely removed. The most valuable constituent of butter fat is that mysterious and hitherto almost unknown substance that we now call "vitamine," and without which it is virtually impossible to sustain human life. The substitute which is used for butter fat is entirely without vitamine, and therefore that which is of most value in the milk, which is admitted to be the most valuable of all human food, has been abstracted and taken away from this product.

The evidence before the committee shows quite clearly that this product is sold in the neighborhoods where in many cases the people are either so ignorant or so unacquainted with the English language that they can not know and do not understand the labels that are placed upon it, and in that way it is in fact a fraud that is perpetrated upon them.

The evidence also shows that it is represented in many cases by the dealers in milk to be really evaporated or condensed milk, which it is not.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. WALSH. This measure, of course, will not prevent these ignorant people from purchasing it if they live in the States which manufacture it?

Mr. TOWNER. The gentleman is correct.

Mr. WALSH. Would the gentleman contend that we would have jurisdiction to prohibit the shipment of skimmed milk in interstate commerce because it did not contain the butter fat?

Mr. TOWNER. I do not know whether we would or not. That is not the proposition, and we have not the evidence as to that that we have in this case. The evidence in this case clearly establishes the fact that there is a fraud being perpetrated in the sale of this milk in interstate commerce; and if it is a fraud, then it is constitutional to prohibit its transportation in interstate commerce. If it is a misbranded article, it is perfectly within the jurisdiction of Congress to prevent its being sold in any form. The pure food law has been sustained upon almost every possible ground that could be imagined. And the Supreme Court has always held that if the article sold was deleterious, that if it was in any way a fraudulent article, it could be prohibited from interstate commerce; and in this case the testimony goes so far as to show that so eminent an authority as one of the physicians of Johns Hopkins University says that an infant fed on this milk would certainly have rickets within a short time. That is the condition under which this bill is presented.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. TOWNER. Has the gentleman any further time that he can grant me?

Mr. VOIGT. I yield the gentleman two minutes more.

Mr. TOWNER. Now, why should not this legislation be passed? If it is constitutional under the authorities, why should we not protect the lives of the children of the United States? If we can be of any assistance within our lawfully constituted powers in so vitally important a matter, ought we not to do it? If a fraud is being perpetrated which is injurious to the health of the babies and the children of the United States, ought we not to do our part to try to prevent it?

Mr. WALSH. I dislike to interrupt the gentleman when he has such a short time, but why does not this come under the pure food law as it is now on the books? If this be a fraud and deleterious, why does it not come under the pure food law?

Mr. TOWNER. Simply because under the provisions of the pure food law, unless it is misbranded, even when it is an adulteration of an article, if it is not misbranded it may be sold. Of course, the difference lies purely in the fact that this is not, in fact, misbranded. It is given some kind of an artificial name, and the wrong and the injury comes because it is, in fact, in the form of milk, and is sold in cans of exactly the same size, and those who purchase it are made to believe that it is, in fact, condensed milk, so that in reality it is a fraud perpetrated upon the people who above all others in the world ought not to be injured. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. VOIGT. Mr. Chairman, I yield to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, the so-called Voigt filled-milk bill is one of the most meritorious measures to come before this House in a long time. The bill seeks to put a stop to a flagrant fraud that has been perpetrated upon the babies of the Nation for a number of years, and its passage has been urged by women's clubs and civic bodies as well as farmers' organizations from every section of our land.

Just what does this bill propose? Simply this: To prevent the introduction of filled milk in interstate commerce, and I am amazed that there should be those in this body who would prevent its enactment on constitutional grounds. Mr. Chairman, I am not a lawyer, therefore I will not attempt to discuss this measure from a legal angle. I do hold, however, that Congress has the right to enact this legislation, for it is clearly in the interest of public welfare. Years ago Congress legislated on oleomargarine and it was upheld by the courts. This legislation is on all fours with the oleomargarine legislation, and if it is carried into the courts it will surely be upheld.

There is absolutely nothing that can be said for filled milk. It is an indefensible fraud that has been perpetrated on unsophisticated foreigners for the past six or seven years. The manufacturers extract from the whole milk all the butter fat and vitamines, which is replaced with an equal amount of refined coconut oil. The butter fat is worth about 45 cents per pound, while the substitute is only worth 7 or 8 cents. The adulterated product looks like the genuine article, but it is absolutely without value as a food, and the poor babies to whom it is fed become undernourished and emaciated. It stunts the poor little things in body and soul, and yet there are those who plead for the manufacturers of these damnable articles of fraud and would have us believe they are honest, upright business men.

Dr. E. V. McCollum, of Johns Hopkins University, recently conducted a series of very interesting experiments on the effect of feeding filled milk to rats. These experiments were made at the request of the Committee on Agriculture of the House. I herewith append the result of these investigations:

FACTS ABOUT "FILLED MILK."

[Issued by the National Milk Producers' Federation, Washington, D. C., May, 1922.]

M'COLLUM'S EXPERIMENTS ANSWER CONGRESSMAN'S DOUBTS.

* * * * * * *

We are giving here, for the first time, the official result of the experiments, so that you may know what value filled milk compounds have in promoting growth.

The experiment conducted by Doctor McCollum was among the 4,500 or more which he has conducted in nutrition work.

In these investigations the filled milk compound and the whole evaporated milk used were purchased in cans at retail, in the open market, and represented the product used in family consumption. Both classes of the product were made by the same manufacturing concern.

Several groups of rats were used in making the experiments. They were alike in breeding, age, health, and general condition. The rats were about 40 days old at the beginning of the experiments.

Doctor McCollum divided his rats into different groups according to the ration fed. The filled-milk group, the evaporated whole-milk group, and the coconut-oil group. The filled-milk group and the evaporated-milk groups were subdivided into two classes, according to the amount of filled milk and evaporated milk used in the ration. * * *

The rat No. 1 was of the evaporated milk group, which was fed the following ration: Rolled oats, 60 per cent; salt, 1 per cent; lime, 1½ per cent; dextrin, 15 per cent; together with 22.5 per cent of evaporated whole milk.

He grew steadily. His hair is slick with the natural gloss. His eyes are bright, skin healthy and tough. This group carried on under this diet for 168 days and at the close of the investigation was used for demonstrations in other experimental fields.

The rats of the filled-milk group were divided into two classes. Seven rats of one of these subgroups were fed a ration of rolled oats, 60 per cent; salt, 1 per cent; lime 1½ per cent; dextrin, 15 per cent; and filled milk, 22.5 per cent. These rats early developed symptoms of xerophthalmia, the fatal eye disease. They were not over half the size of the rats of the evaporated whole-milk group. * * * The bodies are emaciated. The hair coarse, thin, and dry. Bodily these rats were deformed and the ribs knobby. Their eyes had a fishy, glazed appearance with deep fissures in the lids. In 48 days four of the rats of this group died. At the end of 55 days the remaining three of the group had also died. * * *

The second class of the filled-milk group of rats were fed a ration of rolled oats, 60 per cent; salt, 1 per cent; lime, 1½ per cent; dextrin, 15 per cent; and 90 cubic centimeters of filled milk. Four rats were in this group. These rats all developed xerophthalmia, the fatal eye disease. They were also badly emaciated and exhibited the same general characteristics as the rats of the other filled-milk group. At the end of 119 days all had died.

The coconut-oil group of rats were fed the same basic ration as the rats of the other groups. Fifteen per cent of coconut oil, however, replaced the filled milk or whole evaporated milk used in the ration of the other groups. Six rats were in this group and 39 days after the beginning of the feeding all were dead. All developed severe cases of xerophthalmia. * * *

Numerous cases of xerophthalmia in children have been cited, particularly where there has been a lack of whole milk, butter, or other vitamine-carrying foods in the diet.

Aside from the lack of vitamine content filled-milk compounds are fraudulently sold to an extensive degree as milk.

In very many cases unscrupulous dealers recommend filled milk as equal to or better than whole evaporated milk.

These compounds have also been recommended by some retail dealers as satisfactory food for babies. They are generally sold at the same and even higher prices than whole evaporated milk.

—

TEN REASONS WHY CONGRESS SHOULD PASS THE VOIGT BILL.

[By Charles W. Holman, executive secretary, National Milk Producers Federation.]

ELEVEN STATES THAT BAR FILLED MILK WITHIN THEIR BORDERS.

Ohio, New York, Wisconsin, New Jersey, California, Utah, Colorado, Maryland, Oregon, Florida, Connecticut.

There are at least 10 major reasons why Congress should pass the Voigt bill, H. R. 8086, prohibiting the movement in interstate and foreign commerce of so-called filled milk.

Here they are:

PUBLIC WELFARE.

1. Labeling methods enable fraudulent practices to thrive.

2. Many merchants in poorer communities recommend imitation milk for the use of children and babies.

3. Many merchants advertise imitation milk in the newspapers in plain language for genuine milk.

4. While the product is inferior as a food, in most cases we have found merchants selling imitation milk at the same prices and even higher than they obtained for genuine evaporated milk, notwithstanding the cheaper price per case at which they obtained the imitation product.

5. The present pure food and drugs act is not broad enough to cover the case. The Voigt bill supplements it. Its enforcement will be intrusted to the Department of Justice.

6. The Voigt bill is a children's bill; it bans the movement in interstate and foreign commerce of a compound that is vitamineless as to its fat content, but which is designed to take the place of a product rich in all the vitamines.

7. Trading concerns have attempted to sell imitation milk to American organizations engaged in feeding children and mothers in Europe. Both the American Friends Service Committee and the American Relief Administration have been approached and both organizations turned down the proposals.

8. Dr. E. V. McCollum, of Johns Hopkins University, in his public statements points out that America is already suffering from defective nutrition, due in part to the commercialization of certain foods and the degerminating of cereals to enable them to keep longer. He also points out the growing use of vegetable fats—all of which are vitamineless—in the diet. He reasons from this that the substitution of imitation milk in the diet of either the child or the adult will have quite an effect in furthering the process of physical degeneration now going on.

ECONOMIC.

9. Despite regulatory, restrictive, and prohibitory laws in 11 States—Colorado, Oregon, California, Utah, Wisconsin, Ohio, New York, New Jersey, Maryland, Florida, and Connecticut—the filled-milk traffic has been steadily gaining.

Production of filled milk, in both case and bulk goods, was:

	Pounds.
1919	64,995,221
1920	86,561,000
1921	64,893,731

In this same comparative period the production of sweetened condensed and unsweetened evaporated milk, both case and bulk goods, was:

	Pounds.
1919	2,030,957,648
1920	1,578,015,000
1921	1,461,140,312

This shows a constant production for "oiled" milk for 1921 as compared with 1919, and a steady reduction in volume of genuine canned milk amounting to over half a billion pounds, comparing 1921 with 1919.

10. Canning whole milk is one of the best ways of helping to find a market for the national whole-milk surplus. It enables the farmer or the manufacturer to seek wider markets and to effect gradual marketing. This medium is now seriously threatened by the advent of these compounds of skimmed milk and coconut oil. The manufacturer is enabled to purchase the coconut oil at 8 to 12 cents per pound—a price ranging from one-fifth to one-fourth the price of butter fat. Such a wide difference in production costs can not be met by milk producers. They are constantly faced with increasing expenses due to the increasing desire of both the producing and the consuming public for more sanitary milk products.

Finally, "oiled" milk does not offer farmers any additional market for their skimmed milk not already afforded by evaporated milk, but it does take away a market for their butter fats.

Mr. Chairman, filled milk has the same deadly effect on babies, and it is in behalf of the little ones that I plead. Let us pass this legislation without delay and thereby do much to safeguard the health and lives of those who will be our citizens of to-morrow.

Mr. TINCHER. Mr. Chairman, I make the point of order there is no quorum present.

The CHAIRMAN. The gentleman from Kansas makes the point of order that there is no quorum present. The Chair will count. [After counting.] Eighty-six Members are present; not a quorum.

Mr. VOIGT. Mr. Chairman, I move that the committee do now rise, and I request that that motion be voted down.

The question was taken, and the Chair announced the noes appeared to have it.

Mr. VOIGT. Mr. Chairman, I ask for tellers.

Tellers were ordered.

The committee again divided, and the tellers [Mr. VOIGT and Mr. JACOWAY] announced that there were—ayes 3, noes 89.

The CHAIRMAN. The committee declines to rise; a quorum is not present, and the Clerk will call the roll.

The roll was called, and the following Members failed to answer to their names:

Anthony	Dunn	Knight	Rodenberg
Atkeson	Ellis	Kraus	Rogers
Bankhead	Evans	Kunz	Rosenbloom
Barkley	Fenn	Langley	Rouse
Beck	Fess	Larsen, Ga.	Ryan
Bell	Fields	Larson, Minn.	Sanders, Ind.
Blakeney	Focht	Layton	Sanders, N. Y.
Bland, Ind.	Fordney	Linthicum	Sears
Bland, Va.	Frear	Little	Smithwick
Boies	Free	McArthur	Snell
Brand	French	McFadden	Snyder
Britten	Frothingham	McLaughlin, Pa.	Sproul
Brooks, Pa.	Gallivan	McPherson	Stafford
Campbell, Pa.	Garrett, Tenn.	Madden	Stedman
Cantrill	Garrett, Tex.	Maloney	Stiness
Chandler, N. Y.	Goodykoontz	Mann	Stoll
Chandler, Okla.	Gould	Mansfield	Strong, Pa.
Christopherson	Graham, Ill.	Michaelson	Sullivan
Clark, Fla.	Graham, Pa.	Mills	Sumners, Tex.
Classon	Griest	Montague	Sweet
Cockran	Griffin	Moore, Ill.	Tague
Cole, Iowa	Himes	Morin	Taylor, Ark.
Cole, Ohio	Hudspeth	Mudd	Taylor, Colo.
Collins	Hukriede	Nelson, A. P.	Taylor, Tenn.
Connell	Humphreys	Nelson, J. M.	Tilson
Connolly, Pa.	Ireland	Nolan	Tinkham
Cooper, Ohio	James	O'Brien	Treadway
Copley	Jefferis, Nebr.	Oldfield	Tyson
Coughlin	Johnson, S. Dak.	Olpp	Upshaw
Crago	Johnson, Wash.	Paige	Vaile
Cramton	Jones, Pa.	Park, Ga.	Vare
Crowther	Kahn	Parker, N. Y.	Ward, N. Y.
Cullen	Kelley, Mich.	Patterson, Mo.	Wason
Dale	Kelly, Pa.	Patterson, N. J.	Wheeler
Davis, Minn.	Kendall	Porter	Williams, Ill.
Dempsey	Kennedy	Rainey, Ala.	Winslow
Denison	Kindred	Rainey, Ill.	Wood, Ind.
Dickinson	Kinkaid	Reavis	Woodyard
Drane	Kitchin	Reber	Wright
Driver	Kleczka	Riddick	Zihlman
Dunbar	Kline, N. Y.	Riordan	

Thereupon the committee rose; and the Speaker having resumed the chair, Mr. HICKS, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill H. R. 8086, finding itself without a quorum, he had directed the roll to be called, and that 268 Members, a quorum, had answered to their

names, and that he presented the list of absentees to be entered in the Journal and RECORD.

The committee resumed its session.

Mr. WALSH. Mr. Chairman, the pending vote is that the committee do now rise, is it not?

The CHAIRMAN. That vote was defeated.

Mr. WALSH. But there was no quorum developed.

The CHAIRMAN. A quorum has now been developed. There is a quorum present.

Mr. WALSH. The vote was pending at the time, but the absence of a quorum was developed. We took the vote by tellers, and it appeared on that vote that there was no quorum present. Is not that now the pending question before the committee?

The CHAIRMAN. The question is on the motion that the committee do now rise.

The question was taken, and the motion was rejected.

Mr. VOIGT. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CLARKE]. [Applause.]

Mr. CLARKE of New York. Mr. Chairman, Josh Billings once remarked that he had seen many things on milk, but the best thing was cream. [Laughter.]

Members of Congress, when they go to the House restaurant and order mush and milk or bread and milk for their luncheon, as many of us do, have their milk served in bottles, and invariably you will see the Congressman inspecting the bottle to see how rich the milk is in the cream that rises to the top.

If you take this cream off or separate it from the milk and extract an additional amount with the separator, you get so-called skim milk or thin milk. If you take this skim milk or thin milk and partially evaporate it, then substitute for the cream taken away coconut and vegetable oils, you have "filled milk."

This bill (H. R. 8086) seeks to prohibit the shipment of so-called "filled milk" in interstate and foreign commerce.

The facts in the case are: There has grown up in this country a business of very considerable proportions, estimated to consume about 200,000,000 pounds of skimmed milk per annum. The product of this business is called "filled milk" and bears various trade names, such as "Hebe," "Enzo," "Nutro," "Nyko," and so forth. Filled milk is an evaporated skimmed milk, and may be properly defined as "any milk, cream, or skimmed milk, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated, to which has been added or which has been blended or compounded with any fat, or oil other than fat, so that the resulting product is in imitation or semblance of milk." Through the skillful wording of the labels and the more skillful manipulating of distributors, this filled-milk product is palmed off on the unsuspecting public as a whole-milk product. In simpler and less technical terms "filled milk" is evaporated milk from which the cream has been removed and, for the cream taken away, there has been substituted from 6 to 8 per cent of coconut or other vegetable oil. In the process of manufacturing this "filled" milk there has been taken out of that original, healthy, whole-milk product not only the cream but a large proportion of the essential, indispensable, nourishing element, the fat soluble or vitamines that experts in dietetics or nutrition include as an invaluable element of milk. Professor Mendel, of Yale, and Professor McCollum, of Johns Hopkins, the two leading authorities, agree that these vitamines are essential for a well-rounded ration for humankind, especially in the feeding of infants and small children.

"Filled" milk, when put to a laboratory test, shows that mice and rats that have been fed on it waste away, become scrawny, mangy, undernourished, and susceptible to disease, while others fed on the whole milk—under exactly similar conditions—are strong, vigorous, healthy, and almost immune from disease. It naturally follows that humankind, especially children and infants, fed on this milk do not obtain these healthy vitamines and are undernourished and often become subject to and susceptible of disease, especially rickets. This "filled" milk product finds its largest market in the industrial centers where foreign born live, and its victims are children.

On the economic side I point to the lesson of experience. Dairy centers in the Middle West, with great effort and at a heavy expense, had developed a large foreign market for whole-milk cheese. This market was promising, not alone in the large demand for this wholesome, healthy product, but in the prospect for enlarging the markets through the years, when along come Avarice and Cunning in the guise of "filled" cheese manufacturers, filled with an inordinate greed for profits, taking advantage of the situation developed by these pioneer dairy interests and they began underselling with their "filled-milk" cheese, so that with this semblance of the real thing incalculable injury was done the dairy farmers, and this foreign market so laboriously built up was destroyed. The present bill proposes that history shall not repeat itself with this fundamental "filled" milk product, and further proposes to prevent the sacrifice of infants on the altar of greed.

Arguments were presented at the hearings that these "filled" milk products were properly branded and came within the scope of the so-called "Food and drugs act of June 30, 1906." To show the flimsiness of their arguments one has but to turn to the records of the hearings, where it was admitted by the manufacturers themselves that—although they still keep up the rest of the imitation—they have changed the wording of the labels, not once or twice but many times, to meet the demands of public opinion and to try and keep within the law.

These "filled-milk" manufacturers claim it is not within the power of Congress to prevent the interstate transportation of their product. I now invite your careful attention to the "Pure food law," and especially to section 7 of that act that defines the adulteration of food, as follows:

> That for the purpose of this act an article shall be deemed adulterated * * * In the case of food:
> First. If any substance has been mixed or packed with it so as to reduce or lower or injuriously affect its quality, strength, or purity.
> Second. If any substance has been substituted wholly or in part for the article.
> Third. If any valuable constituent of the article has been wholly or in part abstracted, or if the product be below that standard or quality, strength, or purity represented to the purchaser or consumer.

I wish to call your attention to these words in the first paragraph of that act:

> An article is deemed adulterated (in the case of food) when any substance has been mixed or packed with it so as to reduce or lower or injuriously affect its quality, strength, or purity.

Can anyone successfully contend that the natural, whole milk, from which has been taken its cream, or 50 per cent of the fat, soluble vitamine, is not such an article as to come squarely within the wording and intent of the first paragraph of section 7?

But let us proceed a step further, and in the second paragraph of that same section 7 is this wording:

> If any substance has been substituted, wholly or in part for the article.

And surely in the "filled milk" there has been substituted for the cream vegetable oils.

In the third paragraph of section 7 we find the absolute conviction of these misbranders and "filled-milk" manufacturers, where the language is again clear and beyond peradventure, for it says that an article of food is adulterated "if any valuable constituent of the article has been wholly or in part abstracted," and it is a certainty that from the whole milk the valuable constituent cream has been abstracted. So that this "filled milk" comes not within one paragraph of section 7 but within each of the three paragraphs. The whole conception, intent, and wording of this section is founded upon the theory that the law was not only to guard the public health but to prevent fraud upon the public.

Let us take one of these labels on their cans and see what it says. "This product contains 7.8 per cent vegetable fat, 25.5 per cent total solids." What does this language mean to you, Mr. Congressman? If you find difficulty in comprehending it, how about the poor and illiterate mother? But Mr. Hayward, a friendly witness for the manufacturers of this "filled milk," explains this to mean that 7.8 per cent of the 25 per cent is milk solids and fats and that 7.8 per cent of the 25 per cent, or 25½ per cent, is vegetable fat and the balance 50 per cent water. This is the product these "filled milk" producers want to send out in disguise—an impoverished milk compound—to unfairly compete with the wholesome, healthy, life-sustaining vitamines, the pure, wholesome, natural product of the cow.

Now, let us briefly examine the question of the constitutionality of the so-called Voigt bill now before us.

First, I contend that Congress may prohibit the transportation in interstate and foreign commerce of any article the use of which may be regarded as injurious to the public welfare, and maintain that this "filled milk" is such an article.

In the leading case of Gibbons *v.* Ogden (9 Wheat. U. S.) Chief Justice Marshall sets forth the intent of that power—i. e., to prohibit the transportation in interstate and foreign commerce—as follows:

> It is the power to regulate; that is, to prescribe the rule by which commerce is to be governed. This power, like all others vested in Congress, is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations other than are prescribed in the Constitution. These are expressed in plain terms and do not affect the questions which arise in this case * * * or which have been discussed at the bar. If, as has always been understood, the sovereignty of Congress, though limited to specified objects, is plenary as to those objects, the power over commerce with foreign nations and among the several States is vested in Congress absolutely as it would be in a single

government having in its constitution the same restrictions on the exercise of the power as are found in the Constitution of the United States. * * *

And in the celebrated Lottery cases (188 U. S. 321) it has established the principle that the power of Congress to regulate interstate commerce also includes the power to prohibit the interstate carriage of any article deemed by Congress to be injurious in its nature or in its use to the public health, morals, or welfare, despite the fact that the article is not inherently dangerous. I could continue to cite cases in point, but there are others to follow me whose ability is greater, and I shall not trespass upon your time and patience, leaving the cases cited as conclusive on that proposition.

In laying down the second fundamental proposition, that is—

that Congress, having the power to prohibit the interstate transportation of adulterated and harmful foods, Congress must necessarily have the power to determine what articles are to be considered adulterated or harmful as a means of making the prohibition effective.

This power is an incidental power, but it was clearly recognized by the Supreme Court in the leading case of McDermott v. Wisconsin (228 U. S. 115, 129) as follows:

* * * The article of food or drugs, the shipment or delivery for shipment in interstate commerce of which is prohibited and punished, is such as is adulterated or misbranded within the meaning of the act. What it is to adulterate or misbrand foods or drugs within the meaning of the act requires a consideration of its other provisions, wherein such adulterations or misbranding is defined.

The third proposition I submit to you for consideration is this:

Congress has the power to prohibit interstate shipments of "filled milk" and the power to establish the standard of purity and strength of foods, it being clearly established that Congress has the power to set up standards so as to secure a minimum of the nutritive elements in whatever the product may be and prevent fraud on the general public.

On the face of the proposition these manufacturers of "filled milk" come before you with their product packed in cans similar to those of the long-established whole-milk manufacturers, bearing labels intended to resemble and copies almost of the very labels of the whole-milk containers, the very language of which is intended to deceive the poor, the ignorant, and the careless reader; so I claim, with the above statement of the facts and the decisions of our highest court, they do not come into court with clean hands, and it is up to this Congress, having set up the standards under the pure food and drugs act, to see to it that those standards are lived up to by all and make impossible the interstate shipments of this product.

Having viewed the technical situation and met the legal objections that may be raised, I now wish to present the picture of the dairy farmer in its general aspects. The exploited age of agriculture is nearly over; cheap farms and homesteads are no longer to be had for the asking. Our original rich soil has become impoverished, and the great majority of the farmers would not have farms to-day if they had not received them from their ancestors. If they had to depend upon their earnings, with agricultural conditions as they are to-day, they would be unable to accumulate the price to buy a farm. It can be said, to the everlasting credit of this Congress, that there is no legislative body in the nations of the world that has recognized more clearly that nearly all of the great problems in economics, in their direct or indirect relationship, rest upon agriculture. It can be further truthfully said, that no Congress stands out more conspicuously in its record of giving an attentive ear, a sympathetic attention to, and enacting constructive legislation that establishes on a more equitable basis the agricultural problems left in the aftermath of the war.

The intensive study of these problems given by the Joint Commission of Agricultural Inquiry of the Senate and the House, the great agricultural conference, and the almost continuous hearings, in my own Agricultural Committee, have been reflected in constructive legislation that has indeed been helpful, not alone in its direct relation to this particular subject but in a wider way to agriculture in general.

This bill (Voigt bill) has for its direct object the prevention of fraud upon the public, the elimination of dishonest competition, the prevention of tricky practices that fall down when put to the test of morals, whether it be the manufacturer or the distributor who takes from his shelf, packed in cans made to imitate the real product, this "filled-milk" product, with the recommendation "just as good," that he sells for the same uses as the genuine, whole-milk product, and it costs the distributor at least 3 cents per can less. The whole object of this bill is shutting the door to these practices that do not meet the standard of common honesty in man's dealings with his fellow man, and to prevent the helpless infant, the poor, ignorant, or illiterate mother from being victimized by avarice and cunning. [Applause.]

Let us look on the humanitarian side for a moment. Unbiased investigators have gone into the poor and thickly settled sections of our industrial centers and have visited, through their visiting nurses, the homes of laborers, and they have found everywhere this product injurious and dangerous for human consumption, the larger part of the nutritive value extracted, and many mothers feeding their helpless children something which they suppose contains nutritive value and vitamines.

The dairy farmers, of whom I am one, come to you to-day, not pleading for a special privilege, not wanting to dig into the Treasury of the United States, not afraid to meet open, fair competitive business, but claiming that as part and parcel of the great fundamental industry of the Nation—yes, as the real backbone of that Nation—they are entitled to be protected from trickery and artifice and fraud in the marketing of their products, whether it be at home or abroad. [Applause.]

No limit marks our hours of labor; the sunrise of morning and the sunset of evening finds us "on the job," and when the day's work is done we plan for the morrow.

There is no class of citizens to-day that enters into the hazards and gambles in the production of the necessities of life that we farmers do; we gamble with Nature in her whims and moods, whether it be the rainfall or the drought; whether it be in the snowstorm that blankets the earth and protects the seed, or in the crust that forms upon the snow and prevents the "cattle on a thousand hills" from getting down to the grass roots, so that starvation and ruination often result; whether it be in the sunshine that causes the seed to sprout and grow or sometimes scorches the earth and destroys the growing crop, or causes the bud and blossom to come forth that bring joy and inspiration to those that "in love of nature hold commune with her visible forms"; whether it be the birds that fly that are sometimes friend and sometimes enemy, or the beetles that crawl; whether it be in those small animals that burrow in the earth and destroy or those that in that same sphere destroy the enemy, it is a continuous struggle, not alone against the seen but as well against the unseen. [Applause.]

To-day our great Agricultural Department and its splendid, sympathetic, well-informed Secretary Wallace are urging the farmers of the North, East, South, and West to rotate their crops, and as the incident of that urging is the encouragement to an enlargement of dairy farming. We must go, therefore, into the markets of the world with our surplus products, and we ask you to assure our dairy farmers by this act that clean, wholesome, healthy, nutritive whole milk shall have no fraudulent competitors to destroy our markets once established. [Applause.]

I am from one of the greatest dairy districts in the world, the scene of many of Cooper's "Leather Stocking Tales," of Uncas and Chingachook, the playground of my youth, my choice, after roaming the country over, for my last rendezvous and final resting place. The Catskills, the land of narrow valleys and precipitous hills, a land largely peopled by the Scotch and Scotch-Irish, who overcame not alone the Indian but Nature herself. On those wondrous hills and in our enchanting vales are those who toiled with my grandparents, my parents, and myself. Boyhood friends abound, and for them as for myself, I plead. And as I plead for them, I plead for the dairy farmers of the great State of New York and the dairy farmers of the North, East, South, and West, for the cause is a common cause, and we look to Congress, certain that it will not fail us, nor that multitude of unborn who shall enter into the better heritage it becomes our paramount duty to pass on. [Loud applause.]

Mr. TUCKER. Mr. Chairman, I never had a clearer idea of my duty than I have of my duty on this bill. To my mind there is no doubt of the unconstitutionality of the proposed bill.

This bill seeks to exclude from interstate commerce "Hebe," "Carolene," and other compounds of skimmed milk and cocoanut oil and other vegetable oils because neither babies nor rats thrive thereon, as stated by Dr. E. V. McCollum, of Johns Hopkins University. (See hearings before the Committee on Agriculture, House of Representatives, Sixty-seventh Congress, first session, on H. R. 6215, by Mr. VOIGT, p. 19.)

But the hearings also show beyond all question that "Hebe" is a wholesome article, not injurious to health, palatable, and largely used for cooking purposes in pastry, custards, gravies, and so forth, though not as nutritious as but cheaper than skimmed milk. There is no doubt or question on either side that this compound is properly labeled, stating that it is composed of cocoanut oil and skimmed milk, and the cans also contain a label "Do not use in place of milk for infants." (Hear-

ings, p. 34; also p. 128, Cowan's evidence.) Mr. VOIGT himself, the patron of this bill, on page 15 of the hearings, uses this language:

I will say to you gentlemen that there is nothing poisonous or deleterious in this milk compound.

Prof. La Fayette B. Mendel, of Yale University, an expert of high repute on these subjects, in a letter addressed to Hon. JOHN D. CLARKE, a member of the Agricultural Committee of the House of Representatives, shows most clearly that this product is wholesome and valuable, and while not a food on which to raise babies, is harmless if taken by babies. He says:

I mention this because the opponents have spread the impressions among gullible persons that the use of a can of milk compound is a positive menace to the infant which consumes it. Skimmed milk is not a rank poison. It is merely not a complete food for an infant; neither is barley water nor "prepared foods." (See hearings, p. 53.)

See also Dr. J. P. Crozer Griffith's letter (p. 58 of the hearings); also statement of Harry Hayward, of Philadelphia, Pa. (hearings, p. 57); and others maintaining the same view.

That the label is adequate and sufficient is shown by the statement of Mr. Paul R. McKee (hearings, p. 70), where he states that the Bureau of Chemistry of the Department of Agriculture, with the food-control officials of a number of States, were advised as to the adoption of these labels, and they were indorsed by these gentlemen, and then they were told:

Gentlemen, if there is anything else we should put upon the label or leave off of the label in order that the product shall be sold for what it is, we will be very glad to have your suggestions and to follow them.

Thus showing no attempt to deceive the public, but *uberrima fides* in dealing with the public.

These are sufficient to show that the compound is pure, wholesome, and cheap; that good faith has been shown by the makers of it; and the Department of Agriculture has given its sanction to the labels on the cans by which the public may know exactly what is contained in the article.

Now, gentlemen, I challenge the production of a case from the beginning of our Government down to this day in which the Supreme Court has held that an article which is pure, harmless, not deleterious, but an ordinary article in the business of the world, has ever been excluded from the interstate commerce of the country. I challenge the production of such a case. Why, one of the chief objects that induced the formation of our Government was to facilitate commerce. You will remember the Annapolis convention, the forerunner of the Federal convention, met for that purpose, and yet we are asked to vote for this bill whose aim is to destroy commerce, when our Government was formed to facilitate it.

When we look at all powers vested in Congress as trust powers to be used for the States as beneficiaries and as members of one family of Commonwealths, so to be used as to promote union and not disunion, to establish harmony and peace and not discord and hostility between the States, it must be inevitably predicted that the courts will never hold any law of Congress which prohibits, restricts, or ties interstate commerce to be either necessary or proper as a regulation of commerce, but they must hold it to be a perversion of its trust power to the subversion of the fundamental principles of the Constitution. (Tucker on the Constitution, vol. 2, p. 529.)

The broad doctrine laid down in the above paragraph, it may be said, has not been carried out by the subsequent decisions of the Supreme Court, for in Chapman *v.* Ames (188 U. S. 321) the court excluded lottery tickets from the channels of commerce; and in the Hipolite Egg Co. *v.* United States (220 U. S. 45) the court upheld the pure food and drug law, which excluded impure food and drugs from interstate commerce; and in Hoke *v.* United States (227 U. S. 308) the "white slave traffic act" was upheld, whereby a woman was forbidden carriage in interstate commerce for purposes of prostitution, and this case was followed by Caminetti *v.* United States (242 U. S. 470), in which the same doctrine was upheld.

Diseased meat, smallpox patients, infected articles of any character, have been excluded from commerce, and this principle has been affirmed in the cases of Railroad Company *v.* Husen (95 U. S. 465); Kimmish *v.* Ball (129 U. S. 217); Crutcher *v.* Kentucky (141 U. S. 60); and notably in a case that went up from Virginia, Brimmer *v.* Rebman (138 U. S. 78). How are these cases reconciled with the doctrine declared by Tucker, in the above quotation, when he says—

* * * the courts will never hold any law of Congress *which prohibits, restricts, or ties* interstate commerce to be either necessary or proper as a regulation of commerce.

There is no conflict between that statement and these cases, and in a subsequent paragraph, in discussing the conflict between commercial regulations by Congress and the inspection laws and quarantine laws of the States, which may conflict with such regulations, he declares:

A vessel proposes to enter the harbor of a State under congressional commercial regulations, and the State, to protect its people from disease, quarantines it. These two powers seem to conflict, but they do not, except as both operate upon the movement of the vessel, though from different sources of power. The vessel is subject to two powers, which are entirely different but not in conflict. The State does not check a rightful object of commerce. It merely erects a bar against disease. Congress regulates the rightful object of commerce, under color of which it can not authorize wrongful commerce. It can not introduce disease, but may a rightful subject of commerce. The two powers are made to consist by restraining the State under color of quarantine from regulating rightful commerce and restraining Congress under color of commerce from regulating the unlawful importation of disease. (Tucker, vol. 2, p. 538; Compagnie Francaise de Navigation *v.* State Board of Health, 186 U. S. 380.)

This view has been strikingly sanctioned by Chief Justice Marshall in the great case of Gibbons *v.* Ogden (9 Wheat. 1), where he says:

It is no objection to the existence of distinct, substantive powers that in their application they bear upon the same subject. The same bale of goods * * * that may be the subject of commercial regulation may also be the vehicle of disease. And the health laws that require them to be stopped and ventilated are no more intended as regulations on commerce than the laws which permit their importation are intended to inoculate the community with disease. Their different purposes mark the distinction between the powers brought into action, and while frankly exercised they can produce no serious collision.

Rightful commerce the court recognizes as free and untrammeled, but there can be no rightful commerce in an impure or diseased article, or an article which is *per se* immoral, like lottery tickets; nor can there be rightful commerce in the transportation of persons for impure or immoral purposes. These are excluded, since it could never have been contemplated that this great Federal power should be the means of producing crime, disease, and immorality.

Two cases have been decided recently which control this case, and show as clearly as the noonday sun that this bill, if it becomes a law, will never receive the sanction of the courts. These are the child-labor cases. The first, Hammer *v.* Dagenhart (247 U. S. 251), was decided at the October term, 1917, and the other, Bailey *v.* The Drexel Furniture Co., decided May 15, 1922. The first case arose under a law which provided that no article made in a factory in which a child under 14 years of age had been employed during the past year could be carried in interstate commerce. This law having been declared unconstitutional by the court, another bill was brought into Congress and became a law, putting a tax of 10 per cent on the gross receipts of any mill or factory that employed a child under 14 years of age in the manufacture of goods. This was declared unconstitutional on the 15th day of May, 1922. Both decisions are far-reaching and important, and practically settle the unconstitutionality of this bill. For the first time in many years the court, with singular clearness and force, has put its seal of condemnation upon the doctrine of *indirection;* a doctrine which has received the sanction of Congress in many cases, as seen in the legislation of the past few years.

Under these decisions a power given by the Constitution to the Federal Government for a specific national purpose can no longer be used by *indirection* for the purpose of controlling questions which belong to the States. The mask has been taken off and the real object of the law exposed, an object which the Federal power could not constitutionally control.

Hear the language of Chief Justice Taft in Bailey against the Drexel Furniture Co.:

In the light of these features of the act, a court must be blind not to see that the so-called tax is imposed to stop the employment of children within the age limits prescribed. Its prohibitory and regulatory effect and purpose are palpable. All others can see and understand this. How can we properly shut our minds to it?

In these cases two powers were under consideration, the Federal power to regulate commerce between the States and the State's reserved power to control their children and their labor. The first, the commerce power, is under Federal control; the second, child labor, is under the absolute control of each State. Under our system neither power can destroy that of the other. If the one, the commerce power, can be used to accomplish what it is denied the right and power to do directly, the limitations on power are useless and absurd. If the labor of the child is, under our Constitution, controlled by the States, as decided by the Supreme Court, then if Congress by indirection could control that subject the State would be powerless to preserve its right.

Congress has no power to prohibit manufacture in a State, nor to prescribe the conditions under which manufactures may be created, but when the thing manufactured starts on its journey in commerce the Congress has a right to control it as an article of commerce. (Kidd. *v.* Pierson, 128 U. S. 1; Hoke *v.* United States, 227 U. S. 332; De Witt *v.* United States, 9 Wallace, 47; United States *v.* E. C. Knight Co., 156 U. S. 1.) Congress had no power to prohibit the manufacture of whisky in the States by law, and therefore the eighteenth amendment to the Constitution was adopted.

In the bill before us we find Congress denying the transportation of "Hebe" and other compounds from one State to another; but that is really not the object of the bill, for the denial of transportation is nothing but a denial of the manuture of "Hebe," for "Hebe" is manufactured only to be sold; and if it can not be sold, as it can not be unless allowed transportation in commerce, then this bill is in reality a bill attempting to destroy the manufacture of an article in a State by Congress, which can not be done. Justice Day, in closing his opinion in the first case, does so in these impressive words:

In our view the necessary effect of this act is, by means of a prohibition against the movement in interstate commerce of ordinary commercial commodities, to regulate the hours of labor of children in factories and mines within the States, a purely State authority. Thus the act in a twofold sense is repugnant to the Constitution. It not only transcends the authority delegated to Congress over commerce but also exerts a power as to a purely local matter to which the Federal authority does not extend. The far-reaching result of upholding the act can not be more plainly indicated than by pointing out that if Congress can thus regulate matters intrusted to local authority by prohibition of the movement of commodities in interstate commerce all freedom of commerce will be at an end and the power of the States over local matters may be eliminated, and thus our system of government be practically destroyed. (Hammer *v.* Dagenhart, 247, p. 270.)

Chief Justice Taft, in his opinion in Bailey against the Drexel Furniture Co., after indorsing the opinion of the court in Hammer against Dagenhart, supra, uses this convincing language:

The analogy of the Dagenhart case is clear. The congressional power over interstate commerce is, within its proper scope, just as complete and unlimited as the congressional power to tax, and the legislative motive in its exercise is just as free from judicial suspicion and inquiry. Yet when Congress threatened to stop interstate commerce in ordinary and necessary commodities, unobjectionable as subjects of transportation, and to deny the same to the people of a State in order to coerce them into compliance with Congress's regulation of State concerns, the court said this was not in fact regulation of interstate commerce, but rather that of State concerns, and was invalid.

His language in another part of that great opinion, it is to be hoped, will not fall unheeded upon unpatriotic legislators:

The good sought in unconstitutional legislation is an insidious feature, because it leads citizens and legislators of good purpose to promote it without thought of the serious breach it will make in the ark of our covenant or the harm which will come from breaking down recognized standards. In the maintenance of local self-government, on the one hand, and the national power, on the other, our country has been able to endure and prosper for near a century and a half.

The voice of the great Chief Justice from yonder judgment seat is still resounding in these halls, calling us back once more to reinstate in this Government the clear, simple, essential principles of our Constitution; and yet we are asked to pass this bill in the teeth of what the court has just declared to be the law. If we are to live under a constitutional government, if under that government we have established a court whose duty it is to declare what we can do and what we can not do, how can we support a bill which the court has declared in a similar case is unconstitutional?

I am constantly in receipt of letters from patriotic men and women throughout the land, as I doubt not you are, asking my opinion as to the best mode of educating the people against socialism, anarchy, and all the "isms" that are threatening the country to-day. I know of no better start in that direction than that we who are charged with the legislation of this country should bow to the limitations of the Constitution as declared by the Supreme Court and not openly defy them. The employer or the laborer who breaks his contract, involving some necessary article for the public; the anarchist who would destroy our Government will find ample justification for their position in the action of this Republican House which continues to defy the Constitution of our Government which they are sworn to support.

Chief Justice Taft's opinion will be epoch making amid the confusion incident to the war, with legal restraints relaxed, with the Federal Government functioning in every direction under continuing war powers, with the people accustomed during the war to look to Washington for all things as the speediest avenue of relief. It was natural for them to forget on the return of peace that their State governments were the natural channels through which their local needs were to be supplied. Not only that, but socialism, communism, and anarchy itself have, during these troublous times, lifted their voices demanding a change of government or an abolition of all government until the watchers on the towers of the constitutional citadels of America have become greatly alarmed. In this crisis, Chief Justice Taft's opinion rings out like an alarm bell in the night, calling back the wanderers to the constitutional fold, affirming the power of this Government to discharge all national and local powers safely under the Constitution, and giving hope and confidence again in the integrity of our Government.

In my judgment, it constitutes the greatest judgment of that great court since Ex parte Milligan and the Slaughterhouse cases were handed down by Judge David Davis and Judge Miller. Along the highway of political progress the Supreme Court has erected many monuments to the cause of constitutional government and civil liberty, and among them, I dare venture to assert, no grander or more imposing one has been or will be erected than that by the hands of Chief Justice Taft in his recent opinion.

"I do not rejoice in this decision because it will allow child labor to be exploited and the lives of our future men and women to be sapped of their vitality by overwork in child labor, but I rejoice in it because its regulation, development, and enforcement will be restored to the States where it can be best and rightfully controlled. This decision will stimulate the States to greater effort in these directions and create a generous rivalry among them to make their respective systems the most perfect in the interest of the children of the country."

In the two child-labor cases referred to the court held that the laws involved showed a purpose to break up child labor, which was a State function and entirely under the power of the State. The first was a fraud on the commerce power of Congress and the second was a fraud on its taxing power, for each was used for an ulterior purpose. In this case the purpose is equally clear, to drive out of the market, and thereby destroy, "Hebe" and the other compounds of skimmed milk and vegetable oils. The question whether "Hebe" should be allowed to be manufactured is solely for State determination, and Congress has no such power. (United States *v.* DeWitt, 9 Wall. 47; and cases cited, supra.)

It will be admitted that Congress has no power to pass a law prohibiting the manufacture of these articles, but Congress seeks by this bill, by indirection, to do this, for it seeks to destroy the sale of the article; and if the sale be destroyed, the manufacture of the article is destroyed. On this point the evidence is conclusive. The report of the majority, submitted by Mr. VOIGT, on this bill, page 6, unequivocally admits that to be the object of the bill:

While the proposed bill will not prohibit the manufacture and sale of the compound within the limits of a State, the committee is of opinion that a law prohibiting the interstate shipment will suppress it, because a sufficient market can not be found without such shipment, and also because a sufficient milk supply can not be found in many States which would warrant engaging in the enterprise.

And, further, in his evidence at the hearings, page 13, in reply to a question of Mr. TEN EYCK, Mr. VOIGT said:

I want to stop the manufacture and the sale of this article, so far as it can be done by this form of bill.

He is asking Congress to stop the manufacture of this article, which alone the States can do, and which a number of States have already done.

Mr. Gray Silver, the Washington representative of the American Farm Bureau Federation, Washington, D. C., in his testimony at the hearings gave expression to the same view in the following colloquy:

Mr. VOIGT. Will you pardon me just a moment there? This bill will not put the skimmed-milk people out of business.
Mr. KINCHELOE. Not necessarily.
Mr. VOIGT. It puts the substitute out of business.
Mr. SILVER. That is the purpose of the bill.

There is other evidence to the same effect in the hearings.

The Chief Justice, in his opinion, has stripped the mask from the child labor bill and has proclaimed the doctrine that the false face, or mask, which hides the real individual, can not, and will not, prevent the court from dealing with the real individual behind the mask; and he has illustrated once again the futility of attempted deception so powerfully expressed in the story of Jacob and Esau, "the voice is Jacob's voice, but the hands are the hands of Esau." If Congress can not by indirection control child labor by invoking the power of interstate commerce when the court sees or knows from all the circumstances that it is the prohibition of child labor that is sought, how can Congress destroy the "Hebe" business by the denial of it in interstate commerce, when the court can see, with equal clearness, that the power of Congress is invoked for the destruction of a legitimate State business and not to facilitate commerce? Such a bill is a fraud upon the court.

This question is no new one to me or to this House. I remember distinctly in the Fifty-second or Fifty-third Congress that a bill was introduced to put a tax of 2 or 3 cents a pound on cottonseed lard. That was all. It looked like a clear revenue measure; and yet, what was back of it? Hog lard. The two articles were competing in the market, both valuable food articles, but the hog lard the most valuable, because it contained more nutriment it was said. Cottonseed lard, clean, pure, and good, could be manufactured cheaper than the hog lard, and therefore it was taking the market from the hog lard. Here was a clear, open field, but the hog-lard people, feeling the market slipping from them, determined that if they could get Congress

to use the great taxing power of the Federal Government to help them out in their hour of stress, and impose a tax upon their competitor, they might survive the struggle. What a spectacle!

The attempt to use the greatest power of the Government, the taxing power, by one competitor against another to drive him out of business—and this in free America; and this in a country that boasts of equality of opportunity to all men; and this is the same dose that this great Republican House is handing out to the followers of that great apostle of human liberty, Thomas Jefferson, who believed in the slogan "Equal rights to all and special privileges to none." It was a great fight, and I am happy to have been among those who aided in defeating such a proposition. I can imagine no more prolific cause of discontent and hostility to the Government than the adoption of such a principle as is carried in this bill. When the powers of the Government can be used to settle the question of competition in commercial life, the act becomes tyranny.

Pure skimmed milk—bad enough at best, for we all like a little cream on it—is more nutritious, I doubt not, than a compound of skimmed milk and coconut oil. But because pure skimmed milk is better than the other article, and costs more, is no reason why the other article should receive its death blow at the hands of the Government, which has promised all industries a fair show. I am bold enough to believe that there is not a man in Virginia, if he properly understands the object and purposes of this bill, who would not admit it is untenable. Because skimmed milk mixed with coconut oil is inferior to pure skimmed milk as a food product gives no right to destroy the one and exalt the other. This bill proclaims a new doctrine—that if Congress finds that one article of a certain class is best, that all others of the same class should be exterminated.

Take a few examples and see where such a doctrine leads you: Shorthorn cattle for many years were regarded by many as the best breed altogether to be had, but of late the Herefords and the Holsteins are looked upon with great favor. Now, suppose the Shorthorn people, to prevent the competition of their breed with the Herefords and Holsteins, could get Congress to lay a tax of $5 per head on Herefords and Holsteins, or prevent Herefords and Holsteins from being carried in interstate commerce, could any honest man uphold such a law simply because the Shorthorn might be regarded with more favor than the others? Have not Herefords, Holsteins, and other breeds a place in the world for usefulness? Go ask the wives of the farmers of this country whether they would indorse a proposition to have a tax of 25 cents per head upon all Plymouth Rock, Rhode Islands Reds, and Buff Orpington chickens because some people think the little White Leghorn is superior to all others because of its laying qualities. The White Leghorn may be the best altogether, but is there no place for the Plymouth Rock, the Rhode Island Reds, and the Buff Orpington? Are they to be taxed out of existence in favor of the White Leghorns or denied shipment in interstate commerce? Such laws are breeders of anarchy, for the anarchist might well say he would rather have no government than one which uses its power to set up one and destroy another.

I appeal especially to those who claim to be Democrats. We are preparing now to criticize the pending tariff bill in the Senate, which will soon be with us. We charge that our Republican brethren will, as they have done before, having gotten control of the Government, allow the great interests of the country to write their demands in that bill; that that bill, when it passes, will make some people richer and others poorer; and we have always denied the validity of such position; we have always denied that it was the function of government to make any man rich; that its proper function is not to put money in the pocket of any man, but to keep any man from taking money out of the pocket of his neighbor. If this bill is passed and shall become a law, it is an open invitation to any man in business who has competition to come to Congress and get Congress to lay a tax on what his competitor is selling on the specious plea that what he sells is not as good as his article and that what he is selling is better than that of his competitor, or if not put a tax on his competitor, deny to his product the privileges of interstate commerce and thus drive him out of business. From all such bills and all such tyranny, good Lord deliver us. Such things might do for Germany but not for America, "the land of the free and the home of the brave." This "skimmed-milk" diet is the feast to which this Republican House invites us and bids us feed upon. It is good for neither man nor beast and we will have none of it.

Mr. HERSEY. Mr. Chairman, this is a bill to prohibit the shipment of filled milk in interstate or foreign commerce. The term "filled milk" [reading from the bill] means—

any milk, cream, skimmed milk, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated, to which has been added, or which has been blended or compounded with, any fat or oil other than milk fat, so that the resulting product is in imitation or semblance of milk, cream, or skimmed milk, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated.

My colleague from Texas [Mr. JONES] admitted that this product is a fraud. I asked him the question whether the foundation of one of these cans produced here in evidence was not skimmed milk, and he said yes. I asked him whether or not they could not be canned and circulated and sold as skimmed milk without any fraud. He said yes.

I asked him then the question, Why add to them something that could not be of any benefit, except that it makes a fraud? And he admitted then that the adding of these oils, these mixtures that add nothing to the food product or to its healthful qualities, was simply to make this look like evaporated milk—condensed milk—to make it look like cream inside when it was open; to deceive the eye on the outside and on the inside.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. HERSEY. I have but five minutes.

But if you admit it to be a fraud on the public, what becomes of the argument, the constitutional argument of the gentleman from Texas, that you have no right under the Constitution to prohibit a fraud in interstate commerce? The foundation of a prohibition in interstate commerce is a fraud that you are committing on the people. You do not argue further than that.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. HERSEY. Yes.

Mr. JONES of Texas. I stated that whatever fraud, if any, was perpetrated by this was perpetrated by the retailer in disposing of it after it had left interstate commerce and had got into intrastate.

Mr. HERSEY. I understood you to say it was a fraud to add to it.

Mr. JONES of Texas. It is a combination product, and it is so stated on the label.

Mr. HERSEY. Did the gentleman not admit that in making these cans look like evaporated milk—the putting inside of it of different oils to make it smooth and look like cream—did you do not admit it as a fraud?

Mr. JONES of Texas. I did not admit it as a fraud. It is a combination product, and it is so stated.

Mr. HERSEY. It must be constitutional to prohibit anything that tries to deceive the people—that a certain product is not what it is.

My friend from Texas [Mr. JONES] also cited certain cases, to wit, the child-labor cases, which have nothing to do with this question that is pending before us. The court held that the child labor law was unconstitutional because it attempted to prohibit in interstate commerce a product that was all right, not a fraud. The product of a child's labor upon its face is just the same as the product of adult labor. Clothing or anything else sent through interstate commerce could not be told by the looks of it whether a child worked on it or not. Therefore the product of interstate commerce being all right and not deceiving anybody, of course, you could not make it a crime to send it in interstate commerce. And the further decision, the late decision, he cites, the attempt to prevent it getting through interstate commerce by taxation does no make it a crime. Crime is the foundation of it, and fraud is the foundation of the prohibition of interstate commerce to this article, and therefore it comes under the constitutional powers of the Government to regulate commerce. [Applause.]

A more detailed statement of the facts in this matter disclosed that the business of manufacturing and selling "filled milk" has become not only a money making and profiteering business, but is one of the greatest frauds now being perpetrated upon the public in the matter of food products.

The evidence before the Agricultural Committee shows that these large "filled-milk" factories buy from the farmers dairy milk. By a modern process they extract from the milk all the cream, butter fats, and practically all food products in the milk, leaving it the poorest skim milk that it is possible to produce. They mix this skim milk with coconut oil and other vegetable oils to give it the appearance of pure milk and cream, in its color, and in its smoothness and fatness. This is placed in cans of the same size and outward appearance as the ordinary condensed milk cans. They go further with the imitation and place upon these cans labels and inscriptions like this:

"Contents of this can is prepared in the rich dairying sections of ———" (whatever State the product is canned in)—and the further label that "The contents of this can is made

from fresh, pure, cow's milk, with butter fats extracted and refined coconut fats added."

The outward appearance of the can would deceive everybody except those who have made a special study of canned condensed milk. It is sold for about 3 cents cheaper per can than the usual condensed milk, and the ignorant and poorer classes of people, being deceived by its appearance, are led to believe that "it is just as good," and by being cheaper than real condensed milk they purchase it and use it in the family the same as they would use pure condensed milk.

Doctor McCollum, of Johns Hopkins University, Baltimore, Md., testified before the Committee on Agriculture as to this "filled milk," as follows:

Doctor McCollum. The thing for us to do, gentlemen, is this: We are as a Nation now using approximately half a pint of milk per day per person. We are using very little of the green leafy vegetables, and we are using too much meat. The proper thing for us to do is to replace other things in our diet—we should take at least a quart of milk per day, or its equivalent, and we should reduce out meat consumption to approximately 5 per cent of the total energy value of the diet.

* * * * * * *

I do not know how many children are fed on those substitutes for milk; perhaps none, but there is danger that there will be. How many ignorant people in the crowded quarters of the cities, how many foreigners who know too little English to read a label and to understand the finer points of the thing—how many of them are likely to feed an infant on this canned milk? I guarantee that any infant that is fed for a few weeks on one of these milk substitutes will develop rickets as severe as you see it right here. [Exhibiting photograph.]

Doctor Hart, a well-known medical authority, in his testimony before the Wisconsin Legislature, where a law was passed prohibiting the manufacture of this "filled milk," testified as follows:

This bill should pass if for no better reason than that an uninformed public is just as likely to buy the substitute as it is to buy the genuine article, namely, the evaporated whole milk. The nutrition of the American people should always be liberal. For direct consumption we should never allow as valuable a product as whole milk to be in any way tampered with. The condition into which the people in middle Europe sank during the war in respect to their nutrition ought to make us emphatically insistent upon the use of a liberal dietary for ourselves and our children. The substitution of the inferior coconut oil for the superior butter fat in a product like milk is a thing that the public should not tolerate for one moment.

Charles W. Holman, secretary of the National Milk Producers' Federation, testified before the same committee as to this "filled milk," as follows:

Mr. Balderstan, representing one of our member organizations, has very adequately expressed the view of the federation as a whole. I wish in support of that to read a part of a resolution adopted and subscribed to by our federation in Chicago on May 3 and 4 of this year:

"In recent years a compound made of condensed skim milk and coconut oil has been placed upon the market. The manufacturers of this product, commonly known as filled milk, claim that it provides a market for skim milk. This claim is not well taken, for instead of providing a market for skim milk it destroys a market for butter fat. In 1920, 7,000,000 pounds of coconut oil were used in the manufacture of filled milk, and as a result a market for 7,000,000 pounds of butter fat was destroyed and 8,000,000 pounds more butter was placed upon the market. In other words, the coconut cow of the South Sea Islands replaced 40,000 cows owned by American dairymen; and the price paid for skim milk to make this compound was not equal to what the live stock of the farm would return for it.

"Moreover, this compound is sold as milk, and when sold as such is a counterfeit. A fraud is perpetrated upon the consumer. It does not contain the nourishing properties of milk, which is the fundamental food of this Nation, and no producer has a right to so imitate it that the consumer is likely to be deceived. The dairy industry must be protected from this counterfeit and the consumer from deception: Therefore be it

"*Resolved*, That legislation be enacted to prevent the manufacture and sale of compound of milk, skim milk, and vegetable oils for human consumption."

Likewise, at Buffalo, on July 8, we passed a resolution as follows:

RESOLUTION ADOPTED BY THE CONFERENCE OF DAIRY INTERESTS, HELD AT BUFFALO, N. Y., JULY 8, 1921.

Whereas there is an alarming increase in the manufacture, sale, and consumption of bogus milk products, consisting of compounds of skimmed milk and coconut oil or other vegetable fats; and

Whereas such products, regardless of the labels on the containers, are being sold in large quantities as condensed milk and other milk products, thereby at once becoming a fraud on the consuming public as well as a menace to the public health and to the dairy interests: Therefore be it

Resolved, That we favor the abolition of such traffic by Congress by direct prohibitory or restraining laws.

Gray Silver, representative of the American Farm Bureau Federation, testified before the same committee as follows:

The dairymen of this country believe that very few of the people who consume the 86,000,000 pounds of filled or imitation evaporated milk realized that they were using skimmed milk and coconut oil instead of the condensed whole milk containing the fat vitamines so essential to the growth and development of humans and especially babies.

Aside from the various refinements or slight modifications of the process, filled condensed milk is manufactured by skimming the cream from the whole milk and then substituting coconut oil for it. In taking away the butter fat the life-sustaining fat soluble vitamines are removed and in its place is substituted oil which does not contain the vital growth-producing substances. Blindness and death ultimately follow the use of food lacking in vitamines. There are other sources of vitamines, according to the scientists, but mothers are not in the habit of feeding large quantities of kidneys, liver fats, carrots, and yolk of egg in order to obtain the fat soluble vitamines which is well and handily supplied in milk.

The production of evaporated milk from which part or all of the fat has been skimmed and vegetable oils substituted has nearly trebled in the last four years in this country. It is a business which thrives upon the dairy business, has its very foundation in the dairy industry, and yet one which, if continued, will work untold damage to it, for the modified or imitation evaporated milk is being sold as the true product. In 1917 the output of imitation or filled evaporated milk was about 40,000,000 pounds. This increased steadily until in 1920 about 86,500,000 pounds were produced. In the manufacturing of this amount of condensed filled milk there was removed about 7,605,000 pounds of butter fat and virtually the same number of pounds of vegetable oils was substituted, since about 9 pounds of oil is used to each 100 pounds of evaporated product. This virtually destroys the market for about 7,500,000 pounds of butter fats. But its effect is much further reaching than that. It is a matter of vital concern to every dairyman in America.

When the manufacturer labels condensed filled milk in such a way as to show it is condensed skimmed milk and coconut oil instead of the whole milk containing butter fat, they neglect to advise the public of one big factor, namely, that the very life of the milk was taken from it when the butter fat was extracted. Labels on cans of condensed filled-milk products advise consumers to use it in the making of custards, cake, and general cooking and for use in coffee and cocoa. They do not state, however, that the milk is lifeless and does not carry the necessary ingredients for health of humans, particularly babies.

So important has become the issue that already four States have not waited upon the Federal Government to pass a law protecting the people, but have passed State laws prohibiting the manufacture of filled milk. These laws are found in Wisconsin, Maryland, Ohio, South Carolina, and Florida, and bills have been introduced in New Jersey and Pennsylvania.

* * * * * * *

Coconut milk versus cow's milk. The only reason for the manufacturing of this product, filled condensed milk, is that it can be sold at a cheaper price. It is generally understood that when two products are believed by the public to be the same—and that applies generally to filled condensed milks and the regular condensed product—that the cheaper one will force the higher-priced product off the market. It is a significant fact that at the time when evaporated and condensed milk declined 50 per cent in 1920 from the high record of 1919 imitation condensed milk with the coconut oil and skimmed milk increased 24 per cent. The consumer did not materially benefit by this substitute, as the price asked was only slightly lower then than for the genuine health and growth producing condensed milk.

The dairy industry, of course, does not wish to see itself destroyed by a by-product.

Until all the States in the Union have passed laws prohibiting this fraud upon the public the plain duty of Congress is to immediately enact this bill prohibiting the shipment of "filled milk" in interstate commerce. [Applause.]

Mr. JACOWAY. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. Ten Eyck].

The CHAIRMAN. The gentleman from New York is recognized for 10 minutes.

Mr. TEN EYCK. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman from New York asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. KNUTSON. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. TEN EYCK. Mr. Chairman, I wish to request unanimous consent to revise and extend my remarks in the Record after I have concluded. I desire to introduce into the records my recommendations and correspondence with the chairman of the Joint Commission of Agricultural Inquiry when the work of the commission started, because I want the farmers to know that I am acquainted and familiar with the needs of agriculture and its conditions at the present time, as well as its position to other interrelated industries. I wish them to know that I have done my bit in Congress to correct the evils that exist with agriculture. I do not want them to feel that I am not in sympathy with their problems and interests, when I object to recommendation No. 5 in this report, which recommends that the Government enter into immediate negotiations with the Dominion of Canada for the conclusion of a treaty for the improvement of the St. Lawrence River.

I assumed this position with an intimate knowledge of the requirements of agriculture, both present and future, and feel that if this recommendation is carried through to an ultimate conclusion, it will be detrimental to the farmers' interests in this country, and I am opposing it with a sincere desire to do that which I believe to be for the best interest of the farmers of the country.

I wish to ask the gentlemen of this House who are members of the Joint Commission of Agricultural Inquiry, who voted to place this recommendation in the report, to explain to the House why they inserted this recommendation in the report, what information they have at hand, what knowledge they have

been able to obtain which caused them to vote in favor of the recommendation, or what the incentive was which caused them to support a recommendation for a project which will take 10 or 15 years to construct, when immediate transportation relief is of paramount importance.

Were there any hearings held on this subject?

If so, what was the favorable information gathered?

Does the committee know that there are many farmers opposed to this project?

When was there a precedent established heretofore to develop foreign territory in time of peace?

What is the real reason why it is recommended?

Recommendation No. 5 was placed in the report by a majority of one by the Joint Commission of Agricultural Inquiry. It was embodied in the commission's report without holding hearings, without filing data, without a request of the commission to the chairman to secure information as regards this important subject, and without any information in the text to justify the recommendation, except a reference to the report of the International Joint Commission.

If this recommendation is carried through favorably it will cost the Government of the United States many hundreds of millions of dollars to construct a waterway within the territory of the Dominion of Canada outside of the territory of the United States.

If this recommendation is acted upon favorably it will mean that the Senate will ratify a treaty which will morally, if not legally, obligate the United States Government to an expenditure of millions of dollars, and to transfer an all-American waterway transportation system from the United States to Canada, and place it in competition with the Mississippi River, the Ohio River, and the barge canal, which are the present American outlets to the Great Lakes, without the House of Representatives having investigated or considered it.

If this recommendation is acted upon favorably the treaty will be agreed upon and entered into, binding the House of Representatives to an enormous appropriation, if not legally, morally to build a waterway within the territory of a foreign and competitive nation.

This recommendation was made by the Joint Commission of Agricultural Inquiry, which was appointed to consider agricultural problems and interrelated industries under Senate Concurrent Resolution No. 4, Sixty-seventh Congress.

This recommendation was adopted by the Joint Commission of Agricultural Inquiry with every member of the committee, except three, expressing themselves in the conference in opposition to embodying the recommendation in the report, stating that the recommendation is unnecessary and out of place in the report.

The following additional recommendation was offered by Mr. TEN EYCK when recommendation No. 5 was retained in the report. This was lost by a vote of 9 to 1.

The St. Lawrence River is a natural boundary line; the interests of the Government of the Dominion of Canada and of the Government of the United States are mutual in its utilization. It is suggested that the Government of the United States take such steps as are consistent and in accordance with international procedure with the Dominion of Canada and Great Britain to purchase all that territory in the Dominion of Canada lying east and south of the line comprising the center of the channel of the St. Lawrence River from its mouth to its source, including the full riparian rights and rights to develop and utilize half of the water power from the St. Lawrence River, at the same time that it negotiates a treaty in accordance with the commission's recommendation No. 5, and it is suggested that the Secretary of State use his best endeavors to have the purchase price agreed upon credited on the British debt to the United States.

The Ten Eyck recommendation was offered with the purpose to invite the President of the United States, when negotiating a treaty with Canada, to negotiate with Canada and Great Britain as their interest may appear at the same time the purchase of any land that lies adjacent to and borders on the St. Lawrence River within the Dominion of Canada, which is obligatory for the United States Government to own so that she will receive all the benefits to which she is entitled, either legally, morally, or financially, as well as from a business point of view, before we obligate ourselves to pay any part of the cost of the project.

This amendment was recommended so that if a treaty is successfully negotiated with the Canadian Government the United States Government will own and control half of the land adjacent to the canal constructed in the St. Lawrence River, as well as half of the land which will be improved from the development of the water power in the St. Lawrence River.

Every country should have absolute jurisdiction over its transportation systems, and all transportation systems in any country should terminate in terminals located within the boundary and jurisdiction of that country.

The land adjacent to a water-power development has as much value as the water development itself, because it is the reservoir, the storage battery, and the transformer of the electrical energy developed.

It is where the people congregate to utilize the power development. It is where villages, cities, and large manufacturing industrial units are built up. It is where great manufacturing plants are erected to utilize and transform the electrical energy developed by the water power and transformed into commercial articles of commerce. It is where the total annual output is accumulated each year and stored in the form of large business and commercial centers, private homes, manufacturing plants, and industries of all kinds. It is where the annual total power output is stored and accumulated for all time in the future, like a storage battery, to be utilized at will.

Therefore, it is essential that we own half of the land, so that we may be a 50 per cent beneficiary for all time in the future, before we pay 50 per cent of the cost of its development.

If the Canadian Government intends to cooperate with the United States for the development of this costly enterprise, she will see the strength of this argument and show her sincerity of purpose by placing us in a position that we will not only be a 50 per cent cooperator in the construction of the enterprise but she will help us to become a 50 per cent beneficiary for all time in its utilization.

The reconstruction of the agricultural and commercial industries of the United States is of immediate necessity and paramount importance; cheap transportation is the greatest factor in accomplishing the full economic development of the agricultural industry and the proper development of the farm life of the country.

The farmers, having suffered mostly from the after-war deflation, are mostly in need of immediate relief by a scientific development of all of our internal problems, and especially the development of our internal and domestic waterways, which will best meet their necessity the quickest and help most to solve not only the transportation and marketing problems but many of the other disadvantages under which he is laboring to-day.

The complete resuscitation of the agricultural life of the country will call for the expenditure of a large sum of money out of the Treasury of the United States, as its prosperity is necessary to bring about the immediate and necessary relief to the financial, industrial, and commercial life of the entire country.

It is imperative that we make all internal improvements within the territory of the United States before any expenditures are considered without the territory of the United States, and that all money expended out of the Treasury of the United States for reconstruction purposes be expended where it can be of the greatest service to the greatest number in the shortest time, and that all of our rivers and harbors and small navigable streams be improved before any large project is considered, so as to give to the people throughout the entire country direct and immediate relief.

The United States should improve its own harbors first, so as to relieve present transportation conditions by improving the harbors of Portsmouth, Boston, New London, New Haven, Bridgeport, New York, Philadelphia, Trenton, Wilmington (Del.), Baltimore, Wilmington (N. C.), Charleston, Savannah, Jacksonville, Mobile, New Orleans, Galveston, Panama, Santiago, Los Angeles, San Francisco, Portland, Seattle, and all the other harbors within the Great Lakes, and immediately improve the inland waterways connecting the various harbors with the interior, to give to agriculture waterway transportation from the interior to the sea, such as the Connecticut River, the Hudson River, the Delaware River, the Susquehanna River, the Potomac River, the Ohio River, the Mississippi River, the Missouri River, the Warrior River, the Tombigbee River, the Arkansas River, the Red River, the Tennessee River, and such other rivers and tributaries that need improvement, so as to give to the farmer proper and adequate inland waterway transportation rates; and immediately improve all the canals within the territory of the United States with the same object in view, and immediately take steps to continue and complete that great and imporant intercoastal canal project connecting Boston with Galveston through Florida.

The cost of the development of the water power in the St. Lawrence River under present conditions, when the country is in need of the money for the stabilization of its own commercial interests, will not only deprive them of the money but if utilized to its full capacity it will further upset the economic conditions of business, if the claims of the proponents are true that it will create the electrification of all the railroads within a thou-

sand miles or more of the development, and which will cause the scrapping of all the steam engines, the steam plants, the cutting down of the production of the coal mines of the country; changing the source of power of the entire interrelated industries.

The total expenditure to change from steam to electric equipment and the scrapping of all steam-power plants will cost the people of the United States more than what it will cost to harness the St. Lawrence River. These changes must be brought about gradually, with the idea of doing the least harm possible to the public.

We will admit the tragedy of freight congestion that wartime conditions created in the Western States, which instilled in the minds of the people in that locality an imaginary and visionary idea that the canalization of the St. Lawrence River is the "quack-medicine cure-all" which will relieve all of their ailments.

I can appreciate the reason why many people in the West were in favor of the canalization of the St. Lawrence River, that condition of mind was brought about by the freight congestion which existed during the war, and the railway rates which were caused by the war.

During the war there was a shortage of more than 50,000 freight cars. To-day, however, there is a surplus of over 300,000. During the war the New York State Barge Canal was not in service, it was not entirely completed, the Federal Government had taken over its control, along with the control of the railroads of the country. Since the war, in the spring of 1921, the barge canal was turned back to the jurisdiction of the State of New York, and has been thrown open to the use of the public, and private capital has placed upon it large barges of from 2,000 to 3,000 tons capacity, and in the year of 1921, the first year of its operation, it carried over 1,000,000 tons of freight between Buffalo and New York City, one cargo consisting of 80,000 bushels of oats was carried from Buffalo to New York City without being transferred or unloaded en route. When it reached the harbor of New York the entire cargo was transferred to a trans-Atlantic steamer and shipped to Europe.

Hugh L. Cooper & Co., a firm of engineers of national and international repute, made a study and survey on the ground of this important project for some large financial American interests, and made a report to them, which has since been made public, in which they state that the canalization of the St. Lawrence River and the development of all its water power, including the interest on the investment during its construction, damage to the adjacent property owners, and such other liabilities that may arise, will cost approximately $1,250,000,000, exclusive of the deepening of the channels and harbors, the rebuilding of the docks, and the installation of the proper machinery within the Great Lakes to accommodate ocean liners, all of which will necessitate an additional expenditure of approximately $100,000,000.

While the international joint commissioners report an approximate cost of much less than the above, they state, however, that their figures were made without any soundings or borings and without developing all the water power in the St. Lawrence River, and they recommend that another commission of engineers be appointed to go into this matter more thoroughly and in detail before the Governments of the United States and Canada commit themselves to their recommendation.

If Mr. Cooper is right in his estimate, which I have all reason to believe is correct, the annual cost of operation, maintenance, including the interest on the money invested at 5 per cent, will amount to approximately $75,000,000.

The total tonnage of all commodities carried in the United States via rail, waterway, and highway is more than a billion tons. The total tonnage of the five principal grains—wheat, corn, rye, barley, and oats—raised in 1920 in the United States amounted to 144,826,376 short tons. The total tonnage of all commodities, both raw and manufactured, carried on the Great Lakes in 1920 was 197,502,000 tons. The total tonnage of all commodities exported from the United States which was carried on the Great Lakes amounted to 9,065,497 short tons. The total tonnage of grain and vegetable products of the United States carried in 1920 on the Great Lakes amounted to 5,499,026 short tons. The total tonnage of grain and grain products of the United States which was shipped off of the Great Lakes for foreign export amounted to 2,999,654 short tons in 1920. The total tonnage of all commodities exported from all ports in the United States in 1920 amounted to 63,803,433 tons, of which only 9,264,458 short tons consisted of the five principal grains. It is apparent that only an infinitesimal amount of grain in comparison to the entire business of the country is exported from shipments on the Great Lakes.

The expenditure of more than half a billion dollars by the United States is not warranted for the purpose of carrying only 2,999,654 short tons of grain for export.

Assuming that Mr. Hugh L. Cooper's estimate is correct—that it will cost $1,250,000,000 to canalize the St. Lawrence River and develop the entire water power in the river, plus $100,000,000 to deepen the channels, improve the harbors and docks and loading facilities in the Great Lakes, making a total of $1,350,000,000 for the entire improvement—it would be much better for the United States to apply the interest on the money invested on the freight rates of all the food products of the United States than to assume the gamble of this project being successful and meeting all the requirements after its completion.

Five per cent on the total investment would amount to $67,500,000. The United States' proportionate share will be one-half of the above, amounting to $33,750,000. If applied to 323,851,345 bushels, the total number of bushels of the five principal grains exported from the United States, it would permit a subsidy of more than 10 cents per bushel on the entire amount of grain shipped from all the ports throughout the entire United States, and a subsidy of more than $11 per ton on all the grain exported from the United States shipped on the Great Lakes, or a subsidy of twice the present water freight rate from Duluth to Liverpool on wheat.

Mr. SMITH of Michigan. Will the gentleman yield for a question?

Mr. TEN EYCK. Yes.

Mr. SMITH of Michigan. Does not the gentleman think there will be more than 3,000,000 tons shipped on the Great Lakes if they have a ship canal giving them an all-waterway outlet to the ocean?

Mr. TEN EYCK. I will answer the gentleman. Grain is shipped to-day more than 200 miles by rail from Kansas City to Chicago to ship via the Great Lakes to take advantage of the barge canal. I recommend that we improve the Mississippi River, the Ohio River, and the Missouri River [applause] to give the people in Kansas City waterway transportation all the way from Kansas City to Liverpool without having to use the railroads for 200 miles. [Applause.]

Mr. TINCHER. Will the gentleman yield?

Mr. TEN EYCK. I will.

Mr. TINCHER. As I understand, the gentleman is opposed to the St. Lawrence River project because it is too expensive and not economical?

Mr. TEN EYCK. I am not opposed to the St. Lawrence River project because it is too expensive. I am opposed to it because it is not a practical scheme, because we are calling upon the taxpayers of the United States and upon the consumers of the United States to pay for a waterway for a small section of the country to transport a small percentage of the total grain produced in the United States, which is proven by the statistics of the Department of Commerce, the War Department, and the Department of Agriculture.

Mr. TINCHER. Is the gentleman sure that his opinion on this subject is not in any way influenced by the barge canal?

Mr. TEN EYCK. I can say this to the gentleman, that I am not opposed to it because of the barge canal. I voted for a larger Navy and I voted for bigger waterways, and I want to know whether the gentleman from Kansas voted for those things? [Applause.]

Mr. TINCHER. My argument was not that you should vote for all the appropriations. That would be more than I do.

Mr. TEN EYCK. New York State usually votes for appropriations for the other parts of the country. We are proud of that, and we are proud when they come along with us to help us. [Applause.]

Mr. TINCHER. This happens to be a project, though, that would conflict a little with your New York Barge Canal, but which might benefit the whole remainder of the United States.

Mr. TEN EYCK. I wish the gentleman would not make a speech in my time.

From a business standpoint it would be better for us as a Nation to use the interest on the money which we will have to invest to relieve the freight rates on all of the farmer's food products, because if we do this we will at the same time lower the cost to the consumers of the United States as well as the consumers of Europe.

Our own citizens are certainly entitled to as much relief as it is possible to give them, because the consumer and producer alike are equally responsible for the taxes levied for any Federal improvement. There is no valid reason why the United States should construct this gigantic project, lying within the territory of the Dominion of Canada from the Great Lakes to the Gulf of St. Lawrence. Canada owns more than 90 per cent of the land on both sides of the St. Lawrence

River. Therefore they will be the principal beneficiary of not only the canalization but the water-power development as well for all time in the future.

One of the arguments of the proponents of this scheme is that a harbor on the St. Lawrence River is several hundred miles nearer Liverpool than the harbor of New York. Therefore, it is essential that the United States own the land bordering on the southeast bank of the St. Lawrence River throughout its entire length so that before the scheme has been made a reality we will own the necessary land to establish harbors within our own territory equally near to Liverpool.

We might just as well arrange to have the Boston & Albany, the Boston & Maine, the New York Central, the Pennsylvania, and the New York, New Haven & Hartford Railroads transfer their terminals to Canadian ports in the Dominion of Canada, so that they will be nearer to Liverpool, as to father a movement to transfer our water transportation system to the Dominion of Canada, so that its export harbors will be closer to England.

Accepting Buffalo as the eastern export terminal in the United States on the Great Lakes for the purpose of comparison. Buffalo is located approximately 400 miles from Montreal and approximately 500 miles from the city of New York. Buffalo is 488 miles nearer Liverpool via the St. Lawrence route than via the barge canal through New York City; for a shipper to take advantage of this shorter route, it is imperative that an ocean liner will have to travel after it leaves the Straits of Belle Isle, similarly located to the harbor of New York on the Atlantic Ocean, 1,395 miles, including the tortuous, narrow, and dangerous channel with many obstructions and varying currents in the St. Lawrence River to get to Buffalo, nearly half of the total distance of 3,597 miles between Buffalo and Liverpool.

Seventy-five per cent of the population and the consuming public of the country is located nearer to New York Harbor than the harbor of the city of Montreal. In addition to this the harbor of Montreal is only a six-months port. It is as essential to have proper feeders and distributors of cargoes leading into a harbor as the harbor itself, and the network of waterways, highways, and railways that enter into the harbor of New York is unexcelled throughout the world, which assures return cargoes to all trans-Atlantic liners which dock within this harbor; not for six months, but throughout the entire year.

I wish to submit to you 68 reasons in opposition to the canalization of the St. Lawrence River and the development of the water power in conjunction with Canada which I introduced in a minority report in opposition to the recommendation that the Government of the United States negotiate a treaty to canalize the St. Lawrence River, which in itself should be obnoxious to the House of Representatives, as it will take away from them the right to study this important project before they have been required—if not legally, morally—to appropriate hundreds of millions of dollars to carry out a treaty ratified by the Senate of the United States without having had an opportunity to study its feasibility, practicability, or usefulness:

1. The ocean liner can not compete with the Great Lakes boats of equal tonnage, due to the fact that the ocean liner will cost more to build than the Great Lakes boats of equal tonnage.

2. A 10,000-ton vessel on the Atlantic Ocean requires 50 men to man it, while a 10,000-ton boat on the Great Lakes is manned by 30 men.

3. The insurance on the ocean-going vessel, on account of the original cost and extra hazard of the ocean-going boat traveling the St. Lawrence River and Great Lakes, will be materially higher.

4. The rate on coal from Buffalo to Duluth, a distance of 1,000 miles, is 50 cents per ton on a lake carrier. The rate on coal from Norfolk to Boston, a distance of 500 miles, is $1.10 to $1.25 per ton on an ocean liner.

5. An ocean-going steamer which is designed to navigate the seas in all weather can not operate on the Great Lakes with the same safety as a Great Lakes boat, due to its construction, design, and depth of draft; nor can it carry a full cargo on inland waterways for the same and other reasons. Likewise, a Great Lakes boat of equal tonnage can not travel the Atlantic Ocean with safety in all weather on account of its construction, design, and draft. We admit that both of these designs of vessels can navigate in either place under the most favorable conditions if the channels are deep enough to accommodate the draft of the vessel, but not with safety in stormy or foggy weather, due to the difference of the condition under which they sail and their design.

6. The Board of Rivers and Harbors state that the total tonnage of the Great Lakes during the year 1920 was 197,502,000 short tons. The amount of the tonnage exported from the Great Lakes was 9,065,497 short tons—approximately 4½ per cent.

The deduction from which makes it apparent that most of the tonnage on the Great Lakes is used domestically for manufacturing purposes and for domestic consumption.

From statistics gathered by the Department of Commerce the total production of grain in the United States, in bushels, for the year 1920 is as follows: Corn, 3,232,367,000; wheat, 787,128,000; barley, 222,024,000; rye, 69,318,000; oats, 1,526,055,000; grand total, 5,816,892,000 bushels; equal in weight to 144,826,376 short tons. There were exported from all ports in the United States 323,851,345 bushels, as per table below, equal in weight to 9,264,458 short tons. The total short tons of all grains exported from all the ports of the United States, including the breadstuffs, wheat flour, corn meal, rye flour, barley flour, oatmeal, and 392,612,555 pounds of rice, total 24,099,113 short tons, exported during 1920.

Wheat, rye, barley, corn, and oats exported from all parts of the United States, by customs districts.

	Wheat.	Rye.	Barley.	Corn.	Oats.
	Bushels.	*Bushels.*	*Bushels.*	*Bushels.*	*Bushels.*
Maine and New Hampshire	1,583,527	1,571,787	124,042	947,258	1,270
Maryland	27,798,338	19,679,665	735,758	1,623,402	1,884,718
Massachusetts	4,174,554	333,759	45,112	58,854	85,819
New York	36,148,343	23,488,700	4,947,659	1,653,372	7,884,700
Philadelphia	17,684,343	2,780,992	232,538	700,665	126,166
Virginia	2,153,278	311,487	150,414	109,466	89,885
Galveston	46,561,406	496,713	625,055	82,229	1,500
New Orleans	48,695,834	177,857	5,949,073	1,142,998	907,068
Sabine	1,772,010	.....	2,658	.....	.....
Oregon	12,289,790	.....	.....	.....	21,221
Washington	3,519,766	.....	.....	223,327	30,716
Buffalo	488,058	61,000	.....	62,817	1,179
Chicago	7,278,767	525,142	.....	648,749	.....
Duluth and Superior	7,405,888	7,684,589	.....	357,123	234
San Francisco	5,715	.....	4,611,083	2,160	48,833
Michigan	260,642	345,096	106,368	7,719,044	1,342,423
Other	467,045	113,703	324,467	2,429,951	452,136
Total	218,287,334	57,070,490	17,854,227	17,761,420	12,877,874

Grand total, 323,851,345 bushels.

7. The Board of Engineers for Rivers and Harbors states that the total of all vegetable food products of the United States carried on the Great Lakes in 1920 amounted to 5,499,026 short tons, and Canada's total tonnage for the same products amounted to 2,284,582 short tons.

The Board of Army Engineers for Rivers and Harbors states that the total tonnage of all grains of the United States carried on the Great Lakes in 1920 totaled 4,794,122 short tons, of which 2,999,654 short tons were exported, which is the total amount of grain that would pass through the St. Lawrence Canal, provided all the export grain on the Great Lakes was transferred from American routing to a routing via St. Lawrence through Montreal in Canada. The barge canal, wholly within the territory of the United States, can accommodate seven times this tonnage annually.

Therefore the amount of service that the St. Lawrence River will render to the country on shipment of farm products, even though it meets all the expectations of its advocates, is infinitesimal when compared with our gross tonnage or even to the total export tonnage of farm products.

According to calculations of the Department of Agriculture 43 per cent of the value of the total exports in 1920 consisted of farm products. If this percentage is applied to the total tonnage as given in the preceding paragraph, the tonnage of all farm products would be approximately 27,435,000 short tons.

8. The Board of Rivers and Harbors state that the total tonnage of all commodities exported from all ports in the United States in 1920 was approximately 63,303,433 short tons. Total tonnage of all farm products exported approximates 27,435,000 short tons.

9. If the people in the great Middle West located at shipping points similar to the shippers in the Kansas City region wish water transportation to the sea, I suggest that we improve the Missouri River, the Mississippi River, the Ohio River, and furnish the necessary boats to give them an all-American waterway route to the sea, the same as Kansas City enjoys to-day via the Mississippi River, and not require them, as is their desire at the present time, to make more than a 200-mile railway haul from Kansas City to the Great Lakes so that they may utilize an artificial waterway route through a foreign territory that will, I predict, eventually cost the United States more than one-half a billion dollars to build, which when completed will entail a big annual expenditure to operate and maintain.

10. The people in the Great Lakes territory cry for a cheaper water route for 5 per cent of their business and forget the 95 per cent consumed by the people of their own country. They are like the merchant that manufactures a general utility article

in a city of 1,000,000 inhabitants and sends all his salesmen to the rural and sparsely populated districts hundreds of miles distant to sell a small percentage of his output and neglects his local million-peopled market.

11. The St. Lawrence Ship Canal will not serve or cheapen the freight rates on food products to the consuming public of the United States. If the Federal Government decides to expend this vast amount of money in waterways we should expend it in such a way that it will give at least our own people equal benefits with the people of all foreign countries.

12. It is an absolute necessity that a country control its transportation system to insure commercial success.

13. All the transportation systems of any country should terminate at terminals and harbors wholly within its territory, both in peace times and in war times.

14. More than 75 per cent of the people of the world are closer to the ports of Boston, New York, Philadelphia, Baltimore, and all other ports within the territory of the United States, than to the port of Montreal.

15. More than 75 per cent of the population of the world has a shorter waterway transportation route connection with the Great Lakes through the port of New York via the barge canal than through the port of Montreal via the St. Lawrence River.

16. The argument that the port of New York, due to its congestion, is a sufficient reason for the construction of a deep waterway canal in the St. Lawrence River to make Montreal the principal export city of North America is obsolete. This has been answered in a practical way by the States of New York and New Jersey in their approved plan in making the port a national harbor and increasing its facilities and capacity tenfold by their cooperation in the expenditure of many millions of dollars.

The population within the port harbor district is more than the entire population of Canada. The railroads and other transportation facilities entering this harbor outclass those in importance entering any other terminal in the world. These feeders, outside of the natural advantages of the harbor, are absolutely necessary for an economical and successful export center. They assure to ocean-going liners a full cargo each way. New York port being open throughout the entire year, assures shippers a continuous waterway service throughout the entire year.

17. On account of the shortness of the navigable season in Canada, the shippers can only use the canal approximately six months in the year, which will make it necessary that the ocean liners will have to look elsewhere for business for the other six months of the year.

18. The St. Lawrence having only a normal six months' season, it will increase the cost of navigating ocean liners between the Gulf of St. Lawrence and the Great Lakes to such an extent that it will make the use of trans-Atlantic vessels prohibitive.

19. The building of the St. Lawrence Ship Canal will give Great Britain access to the Great Lakes with her warships, as well as with vessels of commerce, through her territory, while all of our vessels will first have to pass through English or Canadian territory.

20. In case of war between Great Britain and any other country which is on friendly terms with the United States, the United States will be prohibited from sending any of her food products to them through this canal.

21. The cost of shipping grain to New York City from Duluth via the Great Lakes, barge canal, and Hudson River is 7½ cents, including the elevator charges and five days' storage at Buffalo, made up as follows: 1½ cents per bushel from Duluth to Buffalo; 6 cents from Buffalo to New York, including elevator charges and five days' storage at Buffalo and 1 cent transfer charge at New York City, including five additional days' storage in New York City.

See telegrams quoting rates:

NEW YORK, N. Y., *January 25, 1922.*

Hon. PETER G. TEN EYCK,
House of Representatives, Washington, D. C.:

Canal rate wheat, Buffalo, New York, slightly fluctuating season 1921. Minimum, including elevator charges, at Buffalo, 6 cents per bushel; maximum, 8 cents per bushel; additional elevation charge here boat to steamship, 1 cent per bushel.

E. S. WALSH.

—

BUFFALO, N. Y., *January 25, 1922.*

Congressman PETER G. TEN EYCK,
House of Representatives, Washington, D. C.:

Answering telegram, cost of transferring grain from lake boats to cars or canal boats, 1 cent per bushel, including five days' storage in elevator.

ADAM E. CORNELIUS.

INTERNATIONAL ELEVATING CO.,
New York, December 20, 1921.

The following charges will be in effect January 1, 1922:

Charges to be paid by the grain: Receiving, weighing, and discharging, seven-eighths cent per bushel; transportation of elevator, one-eighth cent per bushel; boat trimming, $1.50 per 1,000 bushels; mixing, one-fourth cent per bushel; blowing and screening or dusting, one-fourth cent per bushel; on all hot and salvage grain additional trimming charge, $3.50 per 1,000 bushels; on any parcel less than a towing lot of 4,000 bushels or any parcel or cargo on which the owners order bagging in excess of amount of bagging required by underwriters' rules, transportation of elevator shall be one-half cent per bushel.

Charges for delivery to be paid by the steamer: Trimming, $3 per 1,000 bushels; trimming decks 30 feet or over, $4.50 per 1,000 bushels; waiting time for grain trimmers (longshoremen), $1 per hour per man.

21a. From reliable authority grain can be carried from Atlantic ports in lots of ten to twenty thousand tons as a part cargo of ocean liners cheaper than a tramp or a liner will carry a full cargo. The cost of shipping grain from New York to Liverpool is approximately 9.6 cents per bushel. See following letters:

NEW YORK, *February 15, 1922.*

Hon. PETER G. TEN EYCK,
House of Representatives, Washington, D. C.

SIR: We have your favor of the 9th instant, relative to quotation on a full cargo or parcel lot of grain from New York to Liverpool, England.

Please be advised that the present quotation on parcel lots—that is, on about 10,000 bushels of either corn, wheat, or rye—is 3 shillings 9 pence per quarter, which is 480 pounds, while the full cargo rate is 4 shillings per quarter.

We are in a position to book for February or March shipment at the above rates on parcel lots, and charter a full cargo of corn, wheat, or rye for March shipment at 4 shillings. We are not in a position to quote you on oats.

For your information, the rate depends at times on the supply and demand, and does not very much depend on the season of the year. For instance, in January wheat, corn, and rye was quoted at 3 shillings per quarter for shipment in February.

We trust this information will be of service to you, and remain,

Yours very truly,

C. B. RICHARD & CO.,
F. J. NADO, *Forwarding Department.*

—

INTERNATIONAL MERCANTILE MARINE CO.,
New York, February 10, 1922.

Mr. PETER G. TEN EYCK,
House of Representatives, Washington, D. C.

DEAR SIR: We have your letter of the 8th instant.

There are no tariff rates to United Kingdom ports for bulk grain. This is an open market and supply and demand govern. The regular liners nearly all require a quantity of grain for stability.

At the present time the amount of space available in these steamers exceeds the supply of grain. The result is that the current rate is less than that at which tramp steamers can be profitably operated with full cargoes of grain. The present rate at which wheat, corn, and rye are being booked from New York to Liverpool is 3 shillings 6 pence per quarter, which at the current rate of exchange is equal to about 15¾ cents per 100 pounds.

We believe there are one or two tramp steamers offering for full cargoes on which the owners intimated they would trade at 4 shillings 6 pence per quarter, which is equal to approximately 20¼ cents per 100 pounds.

For the freight department.

F. A. RYAN, *Manager.*

—

SUBMARINE BOAT CORPORATION,
Newark, N. J., February 15, 1922.

Hon. PETER G. TEN EYCK,
Washington, D. C.

MY DEAR CONGRESSMAN: In response to your letter under date of February 11, I desire to inform you that we intend to operate on the barge canal, during the 1922 season, 30 barges, aggregating 12,240 dead-weight carrying capacity, with three new tugs especially adapted for service on the canal. This constitutes an addition of 60 per cent to the tonnage capacity of the fleet we had in operation last season, and, of course, the addition of the modern tugs mentioned.

With respect to the other information, I regret that I do not have it available, but I shall try to get it for you as soon as possible.

Cordially yours,

HENRY MOSKOWIK.

—

LUNHAM & MOORE,
New York, February 10, 1922.

Hon. PETER G. TEN EYCK,
Washington, D. C.

DEAR SIR: In reply to your favor of yesterday's date, beg to state the present rate on heavy grain from New York to Liverpool is 3 shillings 6 pence per 480 pounds (a quarter of 8 bushels), at which we closed 32,000 bushels for one of our customers on a White Star steamer to March 4 and March 11.

Full cargo rates are at present higher than berth rates to the United Kingdom, the present price asked from Atlantic ports being 4 shillings 6 pence per quarter, although believe could obtain boats on bids at 4 shillings 3 pence. Cargo rates to United Kingdom have been ruling higher than berth for the past few months, owners seemingly preferring business to the Continent (evidently because expenses discharging much cheaper). Cargo rates to Continent to-day for March, 16 cents per 100 pounds, while berth rates are 17 to 18 cents per 100 pounds, owing scarcity of berth room for near-by shipment.

So you will see how the situation differs. United Kingdom berth far below cargoes and Continent berth higher than cargoes.

Seasons have no bearing on rates, except perhaps on eve of new crop movement rates firm up owing to demand.

Rates are controlled entirely on basis of supply and demand, world's markets having distinct bearing. When they can buy cheaper in other parts of the world we suffer accordingly.

The ocean freight market is a large subject, difficult to convey in a letter. If you are ever down this way and want to talk about it, will be glad to give you several earfuls.

Very respectfully yours,

WALTER MOORE.

P. S.—Just noticed your letter referred to oats. There has been no oats business doing. The usual difference on cargoes is, if heavy grain rate is 4 shillings per 480 pounds, oats would be 3 shillings per 320 pounds—that is, 1 shilling less, but per 320 pounds instead of 480 pounds.

The berth parcel rate has been 3 shillings per 320 pounds, while heavy rate was 3 shillings 3 pence to 3 shillings 6 pence per 480 pounds, the 3-shilling oats rate being an arbitrary minimum and a higher basis than it should be by comparison.

—

CUNARD STEAMSHIP CO. (LTD.),
New York, February 16, 1922.

PETER G. TEN EYCK, Esq.,
House of Representatives, Washington, D. C.

DEAR SIR: We are in receipt of your communication of February 9 in regard to request concerning particulars on shipments of wheat, corn, or oats from New York to Liverpool.

For your information full cargoes of grain have recently been closed from North Atlantic to Canadian ports to United Kingdom ports on the basis of 4 shillings per quarter, and the liners are accepting 3 shillings 6 pence to 4 shillings at the present time. The average rate works out about 3 shillings 9 pence per quarter.

The liners are able to accept a little lower rate than the full-cargo steamers on account of the fact that they only take parcel lots—say, on an average of 10 loads per steamer, which is the equivalent of 3,140 tons weight. Loads of this nature serve as ballast for the liners and are a great advantage to them in the dispatch of their steamers.

In the case of full-cargo steamers they can hardly operate on less than 4 shillings per quarter, as they have no other cargo on which to obtain revenue, whereas in the case of liners they take general cargo, which is much better paying freight.

Grain can be loaded at the rate of about 200 tons per hour per hatch and can be discharged as quickly.

At this time last year the rates on grain were practically double what they are to-day, and shipments are going forward from the Gulf at rates a little higher than those prevailing on the North Atlantic—say 6 pence to 1 shilling per quarter additional.

The equivalent of 3 shillings 6 pence per quarter is 77 cents per 480 pounds, which is the equivalent of about 16 cents per 100 pounds, and no doubt you will agree that this is a very low rate of freight considering the operating expenses of steamers to-day.

One load of wheat equals 8,000 bushels, 60 pounds per bushel; 480 pounds per quarter equals 214 tons weight of 2,240 pounds.

One load of corn equals 8,571 bushels, 56 pounds per bushel; 480 pounds per quarter equals 214 tons weight of 2,240 pounds.

One load of oats equals 10,000 bushels, 32 pounds per bushel; 320 pounds per quarter equals 143 tons weight of 2,240 pounds.

We hope the foregoing covers the point you have in mind, but, if not, it will be more than our pleasure to give you such additional information as you may request.

Yours faithfully,

CUNARD STEAMSHIP CO. (LTD.),
JOHN GAMMIE, *General Freight Manager.*

22. The same rates are charged on wheat from Montreal to Liverpool as from New York to Liverpool. The rate of insurance, however, amounts to about 1½ cents per bushel more from Montreal to Liverpool than from New York to Liverpool, which makes an additional cost of 1½ cents from Montreal. During certain seasons of the year insurance companies refuse to accept any insurance risks on shipments via the St. Lawrence route from Montreal.

23. Paragraphs 20, 21, and 22 show conclusively that it will be impossible to save even 5 cents per bushel on export grain through the St. Lawrence Canal, while we are promised by the shippers on the barge canal that they will lower their present rates at least 3 cents per bushel as soon as they can get enough of the proper type of boats on the canal.

24. The interest alone on $500,000,000 at 5 per cent equals an amount large enough to give a 5-cent subsidy on 500,000,000 bushels of grain, which is more than the total export from all our Atlantic ports in the United States.

25. If it is a cheaper rate that is needed, let the United States give the shippers a freight allowance equal to the interest on the investment in the St. Lawrence Canal, and thereby run no risk of failure with so large an experiment, which will cost us so much in taxes.

26. Using Buffalo as the all-American outlet from the Great Lakes to the Atlantic Ocean, the following distances to Liverpool are interesting and self-explanatory:

	Nautical miles.	Statute miles.
Buffalo to Montreal	339	390
Buffalo to New York	440	507
Montreal to Liverpool, via Belle Isle	2,785	3,207
Montreal to Liverpool, via south of Newfoundland	2,926	3,369
New York to Liverpool	3,107	3,578
Montreal to Belle Isle	873	1,005

From the above it is apparent that Montreal is from 200 to 300 miles nearer Liverpool than New York City; but for an ocean liner to take advantage of this shorter route she will have to traverse 873 nautical miles, or 1,005 statute miles, from Belle Isle to Montreal, through a narrow and dangerous channel throughout the entire length of the St. Lawrence River, while the distance between New York Harbor and Liverpool is an open waterway throughout its entire length. (See 68 regarding statistical hazardous navigation.)

27. In the building of the Panama Canal we did not require financial assistance from other nations, nor did we build it without first obtaining the territory through which it runs; but, on the other hand, it being an international route, to-day certain nations, especially Great Britain, are trying to dictate to us as regards its operation, protection, and tolls. This being true, how much more would Great Britain endeavor to dictate to us if it laid within her territory, as this project will, and being of international concern, we will have again invested American money in an enterprise the policy of which will be controlled to a certain extent by foreign nations.

28. The policy of the public-service commissions and the Interstate Commerce Commission is to oppose the building of a parallel transportation route until the existing route has proven itself inadequate to take care of the traffic for which it was constructed.

29. The New York Barge Canal was not completed until after the war had started. The Federal Government later took it over under its control when it took over the railroads. That and the war stifled all private capital from building boats and warehouses and investing generally in transportation facilities or engaging in waterway transportation business. Not until the spring of 1921 did the Federal Government release its jurisdiction as well as its boats, and turn back the canal to the State of New York, after which a number of private individuals and corporations placed boats upon the canal which carried in 1921, its first year of operation, more than a million tons of freight, which is more than one-third of the tonnage of all the grain exported from the Great Lakes.

30. In 1921 a cargo of 80,000 bushels of oats was carried from Duluth through the Great Lakes and through the barge canal to New York City via the Hudson River without breaking bulk at the city of Buffalo, and loaded it on ocean-going steamers in the harbor of New York, showing conclusively that the barge canal is large enough to handle lake-going steamers, if that class of business is profitable.

31. Mr. Hugh L. Cooper, of the firm of Hugh L. Cooper & Co., engineers of national reputation, after a thorough physical study on the ground and compilation of costs of the construction of a canal and development of the water power in the St. Lawrence River, stated in a speech in Chicago, April, 1922, that the total cost of constructing the canal and developing all the water power in the St. Lawrence, including interest on money invested during the construction, the adjustment of claims, all other liabilities, and other incidental expenditures pertaining to the work, would amount to $1,250,000,000, exclusive of any work of deepening the channels or improving the harbors and docks in the Great Lakes to accommodate vessels of a deeper draft.

32. In 1912 we had a budget of one billion; to-day, due to the war, we have a budget of four billions; therefore, we should only spend that which will give us greatest immediate relief.

33. This money which we are considering to expend abroad could be used to better advantage to equip our own waterways with boats, warehouses, grain elevators, terminal facilities, etc., so as to reduce the freight rate to a minimum to the public.

34. When we need so much money for internal improvements, farm credits, transportation, warehouses, good roads, improved highways, extension of our own inland waterways, improvements in our harbors and docks, and an adequate appropriation by Congress to take proper care of our ex-service men, it is ridiculous for the people of the United States to spend $500,000,000 to help an adjoining country to build a paralleling and competitive route in territory without the United States to compete with an existing all-American route within the territory of the United States.

35. Our policy should be American money for American waterways within the territory of the United States.

36. If Great Britain controls, through Canada, the export harbor, and Liverpool the import harbor, as well as the boats in which our grain and farm products are shipped, she will also control the price; and she being a consuming nation, her control of the price will be downward, and the farmers will lose more in the selling price of their commodities than they can possibly gain if all the promises be true of the reductions in the transportation rates.

37. What the farmers need to-day is immediate relief by being supplied with the necessary water, rail, and highway transportation facilities at reasonable rates.

38. This foreign canal which some are in favor of building in the Dominion of Canada can not be constructed, properly

equipped with terminals, boats, and other equipment within 10 years' time, and what the farmer needs to-day is immediate relief.

39. Before we consider the 50-50 improvement of the St. Lawrence River, we should at least own all that land between the present boundary of the United States and the center of the St. Lawrence River, reaching from its source to its mouth and south of the Gulf of St. Lawrence, which is now part of the Dominion of Canada.

40. Whenever a water power is developed the land contiguous and adjacent thereto improves in importance and value because the land bordering upon a waterway development is the storage battery, the reservoir, and transformer for the developed horsepower. It is where the people congregate, create villages and cities, build manufacturing plants and industries to utilize the electric power, transforming the electric energy into articles of commerce and the necessities of life which the people of the world purchase. It is where the developed electric power will be accumulated and stored for hundreds of years in the future in the form of large populated manufacturing districts. Therefore, it is important and essential that we at least own the land bordering on one side of the St. Lawrence River and the right to develop and utilize one-half of the horsepower available at any and all places throughout its entire length if we are required to pay for half the cost of its development.

41. I introduced the following resolution (H. Res. 287) February 14, 1922, which speaks for itself. If the President of the United States accomplishes its purposes, he will have at least made the United States corecipient as to the water power developed:

Whereas the St. Lawrence River is a natural boundary line, and the interests of the Governments of the Dominion of Canada and of the United States are mutual in its utilization: Therefore be it

Resolved, That the President is requested to take such steps as are consistent and in accordance with international procedure with the Dominion of Canada and Great Britain to purchase all that territory in the Dominion of Canada lying east and south of the line comprising the center of the channel of the St. Lawrence River from its mouth to its source and the center of the Gulf of St. Lawrence, including the full riparian rights and rights to develop and utilize half of the water power from the St. Lawrence River; and

Resolved further, That the President is requested to use his best endeavors to have payments due the United States on the British debt credited on the purchase price of the territory so acquired.

42. The reason that the people who live within the Great Lakes watershed and the Northwest are demanding a waterway outlet to the sea via the St. Lawrence River through the Dominion of Canada is due to the fact that the railroads were congested during the war and that the present railroad rates were caused by the war. The congestion has ceased to be a factor. In addition this the New York State Barge Canal, with a carrying capacity of between twenty and twenty-five million tons annually, has since been put into operation and thrown wide open to the commerce of the world free of tolls, as the taxpayers of the State of New York pay for its upkeep, maintenance, and operation. This canal connecting the Great Lakes and the Atlantic Ocean parallels the proposed St. Lawrence canalization project in Canada and will give all the necessary water transportation service that is necessary to relieve the Great Lakes of its export tonnage at the present time or for a great many years in the future.

The barge canal will do more to relieve traffic than the proposed St. Lawrence ship canal because its open season is longer when compared with an approximate six months' season in the St. Lawrence River. Therefore it will have a more beneficial and continuous effect in its control of the railway rates from the West to the East.

43. The adjustment of the present railroad rates has been taken up by the Interstate Commerce Commission and will be, I believe, honestly and fairly dealt with from time to time and readjusted to meet the economic peace-time conditions. The readjustment of the railroad rates from the Great Lakes to the Atlantic Ocean will not be facilitated by the proposed canalization of the St. Lawrence River which can not be completed within 10 years.

44. If we are to derive any immediate benefit from the competitive waterway route to assist, it will have to come from the utilization of the present waterway lines competition such as the barge canal affords, which is now in operation.

45. The scheme of developing the St. Lawrence River with American money should never be allowed to become a reality until the United States at least is in a position to be a 50 per cent beneficiary, nor should we pay 50 per cent of the cost of the canalization of the St. Lawrence River until we are put in a position that the canalized St. Lawrence River throughout its entire length from the Great Lakes to the Atlantic Ocean is one-half within the territory of the United States.

46. I know from an engineering standpoint that this canal can be built, and the necessary dams can be constructed to develop the water power, and that the United States is rich enough to build them, but from our national standpoint they should not be built any more than the New York Central Railroad, the Pennsylvania Railroad, the New York, New Haven & Hartford Railroad, the Boston & Maine Railroad, the Rutland Railroad, and the Boston & Albany Railroad change their routes from terminals and harbors within the territory of the United States to terminals and harbors in the Dominion of Canada, so as to obtain terminal facilities nearer to Liverpool, than for the United States to change the route of its present waterway system by canalizing the St. Lawrence River, thereby creating terminal harbors in Canadian territory, so that the harbors may be closer to Liverpool. As far as our national transportation policy is concerned, there is no difference between a railway, highway, or a waterway route.

47. All our past expenditures and future efforts in relation to the improving of the Mississippi and Ohio Rivers and other internal waterway improvements will be useless if the canalization of the St. Lawrence River is made to compete to serve the same territory if it will accomplish what the proponents believe be true.

48. If this unheard-of expenditure is appropriated by Congress for the St. Lawrence waterway, it will naturally curtail the waterway development within the territory of the United States, as the total cost will require a larger expenditure annually for the next 10 years than what we are appropriating annually now for all our interior waterway improvements.

49. We should not expend so large a sum of money to give to a competing nation the same transportation facility which we enjoy ourselves, and in this instance, looking into the future, the total number of bushels of grain exported by the United States will gradually lessen as our domestic population increases, while the total number of bushels exported from Canada will increase as they develop additional acreage, and as time passes the return on the investment will be much greater from a transportation standpoint to Canada than to the United States. Our policy should be to develop a waterway system which will serve best our own producers and consumers for all time in the future.

50. The great Atlantic seaboard cities—Boston, New York, Philadelphia, Baltimore, Norfolk, Newport News, Charleston, Savannah, Jacksonville, Mobile, New Orleans, Galveston, and all other Atlantic seaboard cities—have been developed and have grown prosperous largely on account of the close relation which has been built up, developed, and fostered for generations between the merchants, manufacturers, and traders, and the producers from the fields and mines of the interior in the development of the natural tributaries to these Atlantic ports, and vast sums have been invested by the citizens of our country on these avenues of commerce, the railroads and steamship lines carrying the produce of our mines, fields, and factories between the interior of our country and the Atlantic seaports.

51. Changing our commerce balance at this time by the Government of the United States by the construction of an avenue of commerce running almost entirely through foreign territory would have a disastrous effect, if the proponents of this project are correct, upon the great cities developed under the care of the Government and by means of the thrift, enterprise, and investment of the citizens of our own country; these would be destroyed in large measure by an appropriation from the public moneys of the United States obtained by taxing these seaboard cities for a waterway through foreign territory in competition with our domestic enterprises inaugurated and developed solely by the citizens of the United States and domestic capital.

52. Railroad congestion can not be entirely relieved by a waterway which, due to climatic conditions, only operates normally six months in the year on account of ice and fog.

53. The grain from the Middle West near and adjacent to Kansas City should be shipped via the Missouri River and Mississippi River all the way to the ocean by water, rather than via railway for 200 miles so as to pass through the St. Lawrence or any eastern port.

54. When New York State investigated the building of the barge canal at a large expenditure it employed several commissions at different times, each composed of competent engineers, who in their reports condemned the St. Lawrence route and finally recommended the barge canal as it now exists, because from their experience and expert knowledge they believed it to be the cheapest and most economical waterway system that could be developed connecting the Great Lakes and the Atlantic Ocean, and the most practical and feasible scheme regarding width, depth, safety, and practicability of navigation.

55. The title of all the water-power rights south of the international line belong to the State of New York. The Federal

Government can not develop it except for commerce under the Constitution. The St. Lawrence project is more than a 75 per cent power project.

56. The deepening of the channels, the rebuilding of the harbors, and the installation of the proper machinery for handling freight in loading and unloading ocean-going vessels on the Great Lakes will cost over a hundred million dollars in addition to the expenditure in the St. Lawrence proper.

57. It is not conducive to the continuance of harmonious and pleasant relations for two nations to enter into joint ownership and operation of so important a project. Either one or the other should build it, own it, and operate it, and have full control of it in time of peace as well as in time of war.

58. During the war time Canada cut off the supply of electric power to some of our manufacturing plants under the plea that she needed it for war-time purposes. The same thing will hold true in relation to this project if similar and like conditions should arise.

59. The truth about water navigation from the Middle West to Liverpool is that at most three types of craft are needed—lake vessels, built lightly and inexpensively, for cargo-carrying purposes exclusively; barges to traverse the interval between the Lakes and the sea, and the heavily constructed ocean craft, with large crews, staunchly built, which can brave the ocean storms and make as many round trips as possible in a given time.

60. The commission which represented New York at the ship-canal hearings before the International Joint Commission reports that the average cost of transportation of wheat per bushel from upper lake ports to Liverpool, via Buffalo and the Erie Canal, was only 10.73 cents in the five years from 1910 to 1915. How can that normal rate be lowered to the western farmer by introducing a through ocean route to the Great Lakes, handicapped by far greater initial cost and greater cost of operation?

61. The lake steamer hauls freight both ways. The ocean carrier would return from Liverpool without a cargo if it returned to a nondistributing center in the United States, for the return cargo is the great problem for our existing ocean liners to-day.

62. I beg to submit statistics reported by the commission in opposition to the St. Lawrence Ship Canal and power project in a table setting forth the rate of freight by lake to Buffalo and by canal to New York year by year from 1910 to 1915 and from New York to Liverpool for the same length of time, together with a list of other costs, which includes various expenses for handling the freight which was absorbed in this freight rate.

Taking a more recent period, that of 1910 to 1915, which period is considered as more truly representative of present-day conditions, the rate of freight by lake to Buffalo and by canal to New York was as hereafter shown.

Year.	Lake.	Canal.	Through.
	Cents.	*Cents.*	*Cents.*
1910	1.06	4.08	5.14
1911	1.03	4.36	5.39
1912	1.36	4.32	5.68
1913	1.40	4.57	5.97
1914	1.28	4.27	5.55
1915	1.33	4.47	5.80
Average	1.243	4.345	5.588

During the 1910–1915 period the average ocean rate from New York to Liverpool was 5.15 cents per bushel. This information is derived from the official records of the New York Produce Exchange and is authoritative.

In citing figures of this character, particular emphasis should be laid on the fact that the bases named represent the transportation charges assumed by the commodity and not the cost of transportation as reflected in the charges of lake vessel, canal barge, and ocean vessel operations. Such latter figures are of course appreciably less than the rate of transportation under which the grain moved and a clear distinction must be made between "cost of transportation" as applied to the ship operator and "cost of transportation" as assumed by the consignee or consignor.

Moreover, the rates named include the transportation service via lake, canal, and ocean, and the incidental terminal service involved in transfer from lake vessels to canal barge and again to the ocean carrier.

The rates named are gross rates, and there is absorbed therein the cost of the following operations:

1. Elevator charge at upper lake port.
2. Lake cargo insurance.
3. Lake transportation to Buffalo.
4. Elevator charge at Buffalo.
5. Five days' free elevator storage at Buffalo.
6. Canal cargo insurance.
7. Canal transportation to New York.
8. Elevator charge at New York.
9. Three days' free storage on canal barge at New York.
10. Five days' free elevator storage at New York.
11. Ocean cargo insurance.
12. Transportation via ocean.

The average ocean rate, New York to Liverpool, as cited, is exclusive of the rate for the year 1915, during which year, because of war conditions, ocean rates reached abnormal levels.

Annual average freight rates on wheat per bushel, from Chicago to New York, by lake and canal, and by lake and rail, and from New York to Liverpool via ocean, for the years 1900 to 1914, inclusive.

Year.	By lake and canal.	By lake and rail.	New York to Liverpool.
	Cents.	*Cents.*	*Pence.*[1]
1900	4.92	5.05	3
1901	5.64	5.57	1
1902	5.75	5.78	1
1903	5.94	6.17	1
1904	5.21	5.02	1
1905	6.01	6.29	1
1906	6.44	6.40	1
1907	7.18	6.97	1
1908	6.50	6.50	1
1909	5.85	6.88	1
1910	5.60	6.54	1
1911	5.87	5.23	2
1912	6.07	6.42	3
1913	6.20	6.81	2
1914	5.81	6.54	3

[1] A pence is equivalent to 2.03 cents on basis of $4.8665, the normal value of the English pound sterling in American money.

63. I quote below paragraphs from letters received from seven different shippers from various trans-Atlantic navigation companies setting forth their opinion as regards the uselessness of this project and their likelihood of utilizing it should it be finally constructed:

In reply to your letter of March 11, we beg to advise that there is no possibility of our using the Great Lakes and St. Lawrence River Canal should such be built. As a matter of fact, we are not in favor of the canal, as we feel that it will divert business from the established routes which we are interested in maintaining and on basis of which permanent terminals have been provided by us. We are positively opposed to the diversion of our cargoes from the United States North Atlantic ports.

I entirely and heartily approve of your attitude in this matter. I believe there is grave doubt as to whether the St. Lawrence Canal development would accomplish sufficient in the way of results to justify the cost of building the canal and developing the water power for which there is no near-by market.

There is, of course, a very large territory between the Atlantic seaboard and Chicago south of the Great Lakes and the St. Lawrence which would not be naturally tributary to the proposed route, so in any event we believe it would be impossible and undesirable to abandon our terminals at the Atlantic ports. Furthermore, many of our larger vessels draw in excess of 25 feet, so the use of the proposed canal would be confined to the smaller type of ship.

Replying to your favor of the 11th instant, we would state that our trade would not be affected by the proposed canal connecting the Great Lakes with the St. Lawrence River, and we therefore are not in a position to express an opinion in the matter.

The steamers handled by us are operating to Mediterranean and Adriatic ports and the greater part of this traffic would no doubt continue to move via the Atlantic ports.

If 25 feet is to be the limit of depth in the proposed St. Lawrence Canal it will, of course, only accommodate steamers of very moderate size, and the use of such a canal for steamers operating on the North Atlantic Ocean would therefore be limited. The White Star steamers are very deep draft, averaging in the neighborhood of 34 feet when loaded, so from a practical point of view it would obviously be impossible for them to navigate the proposed canal.

Referring to yours of the 11th with respect to the agitation of a 25-foot canal connecting the Great Lakes with the St. Lawrence River, as operators of overseas equipment we can not see wherein the proposed project would benefit shipowners or any appreciable number of shippers, so far as this country is concerned.

Independent of this phase of the project, it is not, in our judgment, a practical scheme, because ships suitable for ocean navigation could not safely be navigated in a 25-foot channel through the St. Lawrence River and the Great Lakes.

There can not be any safe, profitable business built up on such a project, from our study of this matter, and we are opposed to it.

64. Statement of Frank C. Munson, president of the Munson Steamship Line:

The proposition to canalize the St. Lawrence for ocean-going vessels is utterly impracticable from the shipping standpoint. Shipments of grain from Chicago to European ports by the proposed canal would require twice the time needed under the present system because of the low rate of speed with which ocean-going ships could navigate the 1,130 miles of this restricted waterway.

The cost of transportation on such ships through this canal would be at least double that under the present practice of sending grain by water to deep-sea ports for transfer to large ocean-going vessels. Only vessels of from three to four thousand tons could utilize a canal with a depth of 25 feet, as proposed, and even these would be unable to use many of the harbors and connecting waterways of the Great Lakes, which at the present time are only 20 to 21 feet in depth.

Thus to the cost of the canal, in order to make it practicable for these comparatively small vessels, must be added the cost of deepening Great Lake ports and channels.

In my opinion, any steamship company attempting to operate across the ocean and through the St. Lawrence Canal in competition with lines getting grain from rail or barge at New York or Montreal would be a losing venture from the start. If these facts were understood by our Representatives in Washington, there would be no question of their refusal to appropriate $252,000,000 of our good money or any part of such a sum for this purpose.

65. American labor's attitude:

Do you approve spending your American money in a foreign country to pay foreign workmen when so many American workers are unemployed?

Your answer is obvious, but your careful attention is called to what follows. Read it and act. Make your protest heard.

It is as a railroad man and a marine engineer, with the interest of my fellow workers at heart, that I am writing this, exposing one of the most brazen injustices ever attempted against the workers of the United States—a scheme to throw hundreds of millions of American dollars into a development in a foreign country, benefiting the working class of another country.

HAROLD K. LOVELESS,
Buffalo, N. Y.

66. The Federal Government should formulate and promote a national plan of internal waterways and adopt the principle of spending United States money for United States waterways under United States control.

67. The facts are that New York is not the "neck of the bottle," as claimed by the proponents of the St. Lawrence project. The St. Lawrence is already canalized and rates are already so low from Chicago to Montreal that no improvement is likely to be made in the St. Lawrence which can possibly affect the saving on grain rates as claimed by the propagandists in behalf of the St. Lawrence. The facts are that when a sufficient number of boats are placed on the barge canal the all-water rate via the Great Lakes-Barge Canal will be materially lower, and Montreal wants the United States to spend a half billion dollars so that without expense she will be able to retain a competitive waterway system with the waterways of the United States when they are made 100 per cent efficient.

68. In "a memorial concerning the fur trade of the Province of New York," presented to his excellency William Burnett, captain general and governor, by Cadwallader Colden, surveyor general of the Province, dated on the 10th day of November, 1724, Mr. Colden said that "notwithstanding all these advantages, which he had enumerated," the French labor under difficulties that no art or industry can remove. The mouth of the River of St. Lawrence, and more especially the Bay of St. Lawrence, lies so far north, and is thereby so often subject to tempestuous weather and thick fogs, that navigation thereof is very dangerous and never attempted but during the summer months.

"The wideness of this bay, together with many strong currents that run in it, the many shelves and sunken rocks that are everywhere spread over both the bay and river, and want of places for anchoring in the bay, all increase the danger of this navigation; so that a voyage to Canada is justly esteemed much more dangerous than to any other part of America. The many shipwrecks that happen in this navigation are but too evident proofs of the truth of this."

Notwithstanding all the precautions taken since that time, many ships have been wrecked in the Gulf and River of St. Lawrence. It is known as the "graveyard of the Atlantic."

In 1837 the *Albeuria* foundered in the Gulf of St. Lawrence and 525 lives were lost; in 1840 the steamer *Dundee* was wrecked and 292 lives were lost; in 1817 the steamer *Montreal* was lost 15 miles above Quebec with 253 lives; in 1898 the French liner *La Burgoigne* was in collision off Sable Island and 584 lives were lost; in 1914 the Canadian-Pacific liner *Empress of Ireland* was in collision with the collier *Storstad* in the St. Lawrence River near Father Point and sank in 20 minutes, and upward of 1,000 lives were lost. The commission which investigated that unparallel disaster found that the navigation of the St. Lawrence is attended with the constant probability of fogs. Captain Kendall said, "It was very foggy," and although the officers of the two vessels saw each other's vessel approaching, the fog settled down so suddenly that they were lost to each other's view and the collision occurred. It will be remembered that the loss of the White Star steamer *Titanic* in 1912 after colliding with an iceberg resulted in the loss of 1,500 lives. That disaster occurred, however, off the banks in the region of icebergs, which is the usual route of vessels passing between Liverpool and the Gulf of St. Lawrence.

Other disasters have occurred in the navigation of the River and Gulf of St. Lawrence, all of which tend to confirm the truth of the statements of navigators, in effect that the navigation of those waters, on account of the constant menace of fogs, snow, and ice, is most hazardous. This is borne out by the marine insurance rates, which increase from midsummer until November, when insurance can not be had at any rate, and thereupon insurance ceases altogether.

UNITED STATES SENATE,
June 17, 1921.

Hon. PETER G. TEN EYCK,
House of Representatives, United States,
Washington, D. C.

MY DEAR MR. TEN EYCK: I am taking the liberty of calling the first meeting of the Joint Commission on Agricultural Inquiry recently created, and the meeting will be held at my office, Monday, June 20, 1921, at 10.30 o'clock.

The first business in order will be the organization of the commission, and I hope that every member will find it possible to attend.

Very sincerely,

I. L. LENROOT.

HOUSE OF REPRESENTATIVES,
Washington, June 21, 1921.

Hon. PETER G. TEN EYCK,
House of Representatives, Washington, D. C.

MY DEAR MR. TEN EYCK: In accordance with the action of the Joint Commission on Agricultural Inquiry I have appointed the following subcommittee on plan and scope: ANDERSON, CAPPER, HARRISON, MILLS, SUMNERS.

I desire to have the members of the subcommittee meet at Senator LENROOT's office, room 133, Senate Office Building, at 10 o'clock Thursday morning, June 23. Members of the subcommittee will please take notice.

Sincerely yours,

SYDNEY ANDERSON.

JUNE 23, 1921.

Hon. SYDNEY ANDERSON,
Chairman Commission of Agricultural Inquiry,
Washington, D. C.

DEAR MR. CHAIRMAN: Realizing that the report of your subcommittee on plan and scope will undoubtedly be received by the whole committee to-morrow, and feeling that the proper organization of our committee means so much for the future success of our work, and as the report of the subcommittee will be discussed in detail, I take great pleasure in inclosing you a proposed plan of organization of the Commission of Agricultural Inquiry for your information and consideration.

I have written this out, suggesting in a general way how we should proceed with our work in detail, and desire to file this with you, as I wish to record with the committee my views as regards the organization.

Very sincerely yours,

PETER G. TEN EYCK.

The subcommittee on plan and scope, composed of ANDERSON, CAPPER, HARRISON, MILLS, and SUMNERS, make the following report:

That the commission undertake, first, to assemble and organize available data:

1. On causes of the present condition of agriculture.
2. On the difference in price of agricultural products paid to the producers and the ultimate cost to the consumer.
3. On the comparative condition of industries other than agriculture.
4. On the relation of prices of products other than agricultural products to such products.

This with a view of securing a statistical picture of the existing situation with a view of development of a further specific line of inquiry.

That two subcommittees of three members each, the chairman of the commission to be an additional member of the subcommittees ex officio, be appointed by the chairman as follows:

First. A subcommittee to investigate and report upon the cotton situation, with particular reference to the ascertainment of existing surpluses in the United States, possible markets abroad, and ways and means for the disposition of existing surpluses in foreign markets.

Second. A subcommittee to investigate the live-stock situation, with particular reference to emergency credits.

These subcommittees to deal with immediate emergency conditions, not to interfere with pending legislation and measures of relief already under way.

That investigations relative to marketing be confined to grain, live stock, cotton, dairy products, vegetables, and fruits, with special reference to one or more commodities in each group.

That the commission employ a secretary with qualifications as an expert in the economics of distribution and an agricultural economist, the selection of the men to be subject to consideration by a subcommittee composed of ANDERSON, CAPPER, and MILLS.

PROPOSED ORGANIZATION OF COMMISSION OF AGRICULTURAL INQUIRY.

[By Mr. P. G. TEN EYCK, June 23, 1921.]

Each individual member should submit a complete list of all the different phases of the various subjects of the agricultural industry and all phases of other industries which relate to agriculture or have a bearing upon the cost of its produce, cost of distribution, and price received by the farmer.

After the above information has been properly tabulated the committee as a whole can segregate the subjects to which we should give our attention and consideration to carry out the purport of the joint resolution under which we are now functioning.

After this list of subjects has been approved of and settled upon by the whole committee, the committee should decide upon the various sources of information to be considered in our investigation of the subjects previously decided upon.

After having decided upon the various sources of information the committee should come to an understanding as to the best way of obtaining the information from the various sources.

Each subject should be heard separately, as far as practicable, so as not to be led astray on a tangent and confuse our hearings with other or foreign subjects and thereby scramble our ideas, jumble our information, and consequently cause further confusion when referring later to the various lines of investigation for comparative and joint use.

All hearings on any subject, or subdivision thereof, should be heard by the whole committee and not by a subcommittee.

When using departmental or committee files and reports of hearings on any subjects as outlined the data should be gone over by a hired expert and all pertinent information therein segregated and compiled with proper and suitable references for use of the committee and placed in the record of the committee hearing on each individual subject.

I believe the first thing the committee should decide upon is whether we shall take up this important subject from the standpoint of immediate relief or from the viewpoint of permanent remedy. I further believe that we should first give due consideration to the immediate relief of the farmers' present condition, and I feel this can be taken care of under the subject of finance, subdivided into domestic credit, foreign credit, and discount loans, and positive immediate relief given to the farmer within a very short time by intelligent action by the entire committee, which will give immediate and satisfactory relief to the farmer.

At the same time, the committee should consider the entire agricultural industry from a permanent remedial standpoint, which, in turn,

will lead into innumerable subjects on agricultural and interrelated industries, which should be considered in an orderly way in accordance with suggestion as outlined above.

I would further recommend that a complete record be kept of all the discussions and hearings of the committee as well as the decisions reached by it.

PETER G. TEN EYCK.

SUMMARY OF AGRICULTURAL AND INTERRELATED PURSUITS BEARING UPON THE AGRICULTURAL INDUSTRY.

(For consideration by Joint Commission of Agricultural Inquiry.)

[By Mr. PETER G. TEN EYCK, June 25, 1921.]

FINANCE.

Mortgages, discount loans—National or State banks, domestic credits, foreign credits, Federal land bank, Federal reserve bank, community financing on warehouse receipts, cooperative banking (interest rates).

TRANSPORTATION.

Railroad (rates, service), highways (building, location), merchant marine, waterways (improvement), joint terminal facilities, cooperation of all four; warehouses, and grain elevators.

MARKETS.

Domestic: Local, intrastate, and interstate.
Export.
Cooperative (cut cost of spread).

COSTS OF FARM PRODUCTS.

Production by farm labor: Planting and sowing, harvesting, and storing.
Purchases: Seeds, implements and machinery, and food supplies.
Marketing; financing; fuel for heat, light, and power—coal, oil, and electricity; total investment; interest on capital; taxes, insurance, and repairs; management and supervision.

ORGANIZATION.

Cooperative bargaining, cooperative buying, cooperative selling, cooperative manufacturing and canning plants, cooperative storage plants or warehouses, cooperative packing houses, cooperative cheese and butter factories.

LABOR.

Supply bureaus: Federal and State; hours, productive and nonproductive; wages; immigration. (Greatest cost entering production.)

IMPROVE PRODUCTION.

Seeds, cattle, poultry, diversified crops, soil treatment, crop treatment, and machinery.

STORAGE.

Farm storage, cooperative community storage, and central corporate storage companies.

STATISTICAL REPORTS.

Federal and State; amount of crops, domestic; amount of crops, foreign; amount of crops stored, foreign and domestic; domestic markets; and foreign markets.

IMPROVE LIVING CONDITIONS.

Education, rural schools, agricultural colleges, modern heating, sanitary plumbing, modern lighting, woman's work, community attractions, churches, social intercourse with neighbors, mail service, telephone service, and improved highways.

FARM PRODUCT PRICES.

Compare cost of production with price sold by farmer and price paid by consumer.

INTERRELATED INDUSTRY PRODUCTS.

Compare cost of production with cost to farmers.

COOPERATIVE MANUFACTURING.

Flour and feed, dairy products, cheese and butter, packing houses, and storage warehouses.

EDUCATION.

Rural schools; agricultural colleges; extension of mail service, Federal and State; bulletins, Agricultural Department; and farm organization.

LEGISLATION.

National; State; local; beneficial; restrictive; reciprocity (international) tariff; taxation; financial—credits; marketing; conservation; manipulation; and improved highways.

DISTRIBUTION.

Commission merchants, transportation, storage, packing, markets, retail stores, and cooperative organizations.

SUMMARY OF COMMITTEES, ORGANIZATIONS, COMMISSIONS, AND BOARDS FROM WHICH INFORMATION MAY BE OBTAINED IN RELATION TO AGRICULTURE AND ITS CONDITIONS.

(For consideration by Joint Commission of Agricultural Inquiry.)

[By Mr. PETER G. TEN EYCK, June 25, 1922.]

DEPARTMENTAL.

Department of State, Department of Treasury, Department of Interior, Department of Agriculture, Department of Commerce, and Department of Labor.

SENATE COMMITTEES.

Agriculture and Forestry, Banking and Currency, Commerce, Finance, Foreign Relations, Immigration, Interstate Commerce, and Irrigation and Reclamation.

HOUSE COMMITTEES.

Agriculture. Banking and Currency. Foreign Affairs. Immigration and Naturalization. Interstate and Foreign Commerce. Irrigation of Arid Lands. Labor. Merchant Marine and Fisheries. Roads.

MISCELLANEOUS.

Secretary of Agriculture of each State. Interstate Commerce Commission. Federal Trade Commission. United States Shipping Board. American Federation of Labor. United States Labor Railroad Board. War Finance Board. Bureau of Farms and Markets. Census Bureau. All farm organizations. Federal Reserve. Federal Farm Loan Board. Chamber of Commerce of the United States. Woman's organizations and housewives.

HOUSE OF REPRESENTATIVES,
Washington, June 24, 1921.

Hon. PETER G. TEN EYCK,
House of Representatives.

MY DEAR MR. TEN EYCK: There will be a meeting of the Joint Commission on Agricultural Inquiry in Senator LENROOT'S office, 133 Senate Office Building, to-morrow, Saturday, June 25, at 10.30 a. m.

I desire also to advise that I have appointed members of the commission to subcommittees, as follows:

Subcommittee to investigate the cotton situation: Messrs. Sumners, Robinson, and Harrison.

Subcommittee to investigate the live-stock situation: Messrs. Capper, Funk, and Ten Eyck.

Sincerely yours,

SYDNEY ANDERSON, *Chairman.*

JUNE 25, 1921.

Hon. SYDNEY ANDERSON,
Chairman Commission of Agricultural Inquiry,
Washington, D. C.

DEAR MR. CHAIRMAN: Your letter of June 24 at hand and noted, and beg to advise that I am very glad to accept the designation on the subcommittee on live stock, with the understanding that this committee is to report and recommend to the committee of the whole as regards the procedure of hearings and the investigation covering the immediate relief of the live-stock situation.

With the kindest personal regards, I beg to remain,

Sincerely yours,

PETER G. TEN EYCK.

JUNE 25, 1921.

Hon. SYDNEY ANDERSON,
Chairman Commission of Agricultural Inquiry,
Washington, D. C.

MY DEAR MR. CHAIRMAN: I take great pleasure in handing you herewith the data which I presented to the committee to-day, and am very pleased, indeed, to inclose you nine copies of the summary of agricultural and interrelated pursuits bearing upon the agricultural industry for distribution to the members of your committee; also nine copies of list giving various sources from which information of interest can be obtained for use by your committee. I am also inclosing you nine copies of my recommendation of proposed organization of the Commission of Agricultural Inquiry, copy of which I sent you yesterday with my letter of June 23, for similar distribution to the members of your committee. I have retained a copy of each of the above for my own files.

You realize that the above information is only submitted for the consideration of the committee as a basis from which to start, and is, of course, subject to such revision and modification as you or your committee deem advisable.

Trusting the above is the information you desire, I beg to remain, with the kindest personal regards,

Very sincerely yours,

PETER G. TEN EYCK.

HOUSE OF REPRESENTATIVES,
Washington, June 23, 1924.

Hon. PETER G. TEN EYCK,
Care of House of Representatives.

DEAR MR. TEN EYCK: This will acknowledge the receipt of your letter of the 25th instant, inclosing copies of memoranda submitted by you to the commission at its recent meeting. I am sending the memoranda to the various members of the commission to-day, with the request that they consider it carefully and come to the next meeting, which will probably be called for Thursday or Friday of this week, prepared to suggest additions or modifications of the program proposed by you.

Sincerely yours,

SYDNEY ANDERSON, *Chairman.*

AUGUST 1, 1921.

Hon. SYDNEY ANDERSON,
Chairman Joint Commission of Agricultural Inquiry,
Washington, D. C.

MY DEAR MR. CHAIRMAN: Along with the compilation of data and statistics which our committee is preparing I would be pleased if you would have made a chart showing the comparison of the increase of railroad returns for the fiscal year and the year 1913; the increase of return upon other industries of the country for the last fiscal year and the year 1913, and the increase or decrease in the return of all farming products for the same periods of time.

In addition to the above, I would like to have the increase in the cost of operation and maintenance of each one of the above over the same periods of time, setting forth the increase in materials used and labor hired, separately, if possible.

We should also ascertain the number of changes and turnovers or the number of people through whose hands the various commodities or products of the farmer pass through from the time they are produced by him until they reach the consumer.

This, I believe, will be rather hard to obtain in all instances, but we can obtain an average number of turnovers for each of the following products: Cotton, wheat, corn, beef, hogs, etc.

The above information, together with a chart showing the cost of production to the farmer, the farmer's selling price, the packer's price, the commission men or warehousemen's selling price, and the retailer's selling price, will give the committee the necessary information to intelligently act.

I will take this up further personally with you when I next see you.

With the kindest personal regards,

Very sincerely yours,

PETER G. TEN EYCK.

OCTOBER 12, 1921.

Hon. SYDNEY ANDERSON,
Chairman Joint Commission of Agricultural Inquiry,
Capitol, Washington, D. C.

MY DEAR MR. CHAIRMAN: Referring to your request that I make suggestions as regards additional topics for the committee to report on, other than what we covered in the report which you are now having printed, beg to advise that in relation to the same I feel that when we consider the committee report we should take up my suggestion to the commission in my letter of June 25, 1921, which I submitted to the committee with my suggestions as regards organization, plan, and scope, in which I detailed the various things which the committee should consider in its hearings, which I feel detailed the subjects quite thoroughly.

The prominent things, however, as per our previous conversation, I beg to set forth as follows: Farm credits and farm banking; transportation rates, transportation service; transportation—water and rail; transportation—joint terminal facilities.

Marketing: Domestic and export; cutting spread between producer and consumer; cost of production to the farmer; farm accounting; cooperative bargaining; labor supply stations; farm stores and cooperative storage on farm and at joint terminals; statistical reports—domestic and foreign.

The appointment of a farm attaché in the American Consul General's offices in foreign countries for the purpose of securing agricultural statistics; farm living conditions; comparison of cost of production and cost of sale of farm products and cost of production and purchase price to the farmers of all commodities used by him; farm educational system on agricultural subjects; improvement in distribution of farm products, by elimination of the handling, and cutting the cost.

All of the above I set forth more in detail in my summary of agricultural and interrelated pursuits bearing upon the agricultural industry for consideration of the committee on June 25, 1921.

Hoping this is the information you desire, I beg to remain, with kind regards.

Very sincerely yours,

PETER G. TEN EYCK.

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OCTOBER 31, 1921.

Hon. SYDNEY ANDERSON,
Chairman Joint Commission of Agricultural Inquiry,
Capitol, Washington, D. C.

MY DEAR MR. ANDERSON: Referring to the printed report which you have submitted to the Joint Commission of Agricultural Inquiry for their correction and approval, beg to advise that I feel, as expressed to you at the meeting held last Friday evening, that the joint commission should not only issue a report setting forth in a general way from information received the cause of the troubles in the various agricultural pursuits at this time, but should make some definite recommendations as to what should be done, both by the farmer and the consumer, regardless of legislation, and by the legislators to relieve farm conditions and strengthen the agricultural industry of the country.

I believe that we realize that there are several fundamental causes for present-day conditions, such as the following:

(a) Farm credits.
(b) Cost of transportation and service.
(c) Local, domestic, and foreign marketing.
(d) Cost of spread and distribution between producer and consumer.
(e) Cost of production and labor.

So that you may understand more thoroughly what I mean, I will submit for consideration and recommendation in our report several of the things which I believe we should recommend for correction:

1. That suitable banking opportunity should be inaugurated to give to the farming industry of the country the same banking facilities on their turnover that all other industries receive to-day. There is a great need for the extension of time on discount loans to the farmer from nine months to one year. This can be accomplished by authorizing the Federal reserve bank to extend their discount time on farm products to the length of time of their turnover. The extension of credit by local institutions and the establishing of additional facilities where necessary.

2. That suitable accommodations for marketing be established, with a view of lowering the cost of spread so as to reduce the cost of distribution between producer and consumer.

3. Recommend to the farmers that they organize for the purpose of cooperative bargaining.

4. That the railroads reduce their rates on farm products systematically and scientifically, giving due regard to the localities of production and the localities of consumption.

5. That suitable and adequate joint terminal facilities be installed connecting the railway, waterway, and highways, and that sufficient and efficient terminals and proper warehouses be located at export ports with accommodations for farm products to be shipped abroad.

6. That the necessary merchant marine for the transportation of farm products be constructed and operated so that a continuous and even trans-Atlantic and Pacific waterway route to meet the demands of our foreign commerce be established.

7. That public markets be built in each of our cities for the mutual use of the farmer and consumer.

8. That an attaché or Government agent be placed in each consular agency abroad, whose sole duty will be to obtain information as regards the farm industry of that particular locality or country, so that he may obtain authentic information as regards the amounts of crops raised, the amount of produce stored, the amount consumed, the amount imported by the Government and from whom imported, and the amount imported from each country, and such other information as regards the method of growing, kinds of seeds used, and kind of food consumed in his particular locality.

9. That farmers inaugurate a system of cost keeping, so that he may ascertain what crops are most profitable in his locality, with the purpose of growing that which is best adapted to their particular sections.

10. That the farmers cooperate in establishing and building cooperative community storage warehouses to carry their produce from seasons of production over the entire season of consumption, and upon which warehouse receipts could be issued, which would be accepted as collateral at banks, etc., thus standardizing their products of diversified farming.

There are many others of more or less importance which the joint commission will undoubtedly desire to add to this list, which I submit merely for the consideration of the entire joint commission for recommended improvements in the farming industry of the country.

Respectfully yours,

PETER G. TEN EYCK.

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NOVEMBER 28, 1921.

Hon. SYDNEY ANDERSON,
Chairman Joint Commission of Agricultural Inquiry,
Washington, D. C.

MY DEAR MR. CHAIRMAN: In reply to your request of to-day as regards my suggestion in relation to recommendations as regards our report and the proposed legislation for the extension of credits to the agricultural interests, beg to advise that I feel it is essential that the reserve bank should be authorized to rediscount farm paper for the full time of the turnover of the farmer's products which are given as collateral on his loan at a local financial institution, other than what is known as the three-year turnover of the cattle-raising industry.

I believe that this committee should seriously consider the advisability of restricting all member banks of the Federal reserve bank as regards the maximum interest rate charged their customers on money received from the Federal reserve bank, permitting them to charge only a certain percentage of the legal rate which obtains in their respective States by law in which the loan is made, in addition to the rate which is charged them by the Federal reserve bank.

Very truly yours,

PETER G. TEN EYCK.

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DECEMBER 9, 1921.

Hon. SYDNEY ANDERSON,
Chairman Joint Commission of Agricultural Inquiry,
Washington, D. C.

MY DEAR MR. CHAIRMAN: Referring to the difference of opinion of the various members of the commission as regards our report on finance, and the opinion of the members that we should make direct recommendations, in accordance with my suggestion, that the various members of the commission submit to you such recommendations they care to suggest for embodiment in the final report, in addition to issuing a statement setting forth a summary of our hearings as regards agricultural credits, I beg to recommend the following:

1. That farmers and live-stock producers be accorded the same banking facilities that all other business men receive.

2. That so-called short-time loans be furnished to them from six months to three years to meet their requirements, extending the loan to meet the time of the turnover on various products of the farmer.

3. That the banking system of the country be so organized that all the banks who loan to the farmers will obtain discount facilities to the fullest extent possible, commensurate with the security which they present.

4. That a medium of discount be established for all the banks which loan to the farmers so that farm paper will have discount rights in the Federal reserve bank.

5. That all the banks that rediscount farm or other paper be restricted as to the additional amount of interest they charge to their farmer customers over that which they pay to the rediscount bank.

6. That banking facilities be provided for the farmer so that his products can be utilized for basic credit to the fullest extent possible, and the banks be authorized to accept loans with proper warehouse certificates as collateral, and suitable and adequate arrangements for the discounting of agricultural paper for the full length of the time of the turnover of the product on which the loans are negotiated.

Very sincerely yours,

PETER G. TEN EYCK.

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JOINT COMMISSION OF AGRICULTURAL INQUIRY,
Washington, D. C., December 13, 1921.

Hon. PETER G. TEN EYCK,
House of Representatives, Washington, D. C.

MY DEAR MR. TEN EYCK: This will acknowledge yours of the 28th ultimo, containing recommendations with respect to the credit report. I shall be glad to lay the suggestion before the commission at its next meeting.

Sincerely yours,

SYDNEY ANDERSON, *Chairman.*

The CHAIRMAN. The time of the gentleman from New York has expired. The gentleman from Wisconsin [Mr. VOIGT] has 36 minutes and the gentleman from Arkansas [Mr. JACOWAY] 25 minutes remaining.

Mr. VOIGT. I yield 10 minutes to the gentleman from Pennsylvania [Mr. GERNERD].

Mr. GERNERD. Mr. Chairman and gentlemen of the committee, the Nation prospers and advances in proportion as its population conserves its physical strength. The vitality of the race is dependent upon the health of the parent and the care with which the infants are nourished. One of the greatest factors underlying this vital question is the character of our food supply. It has only been in recent years that real serious thought has been given to this subject. The great insurance companies of America have made so many startling observations of the marked decline in the health of men after they pass the age of 50 that the medical profession all over the world began to direct its attention to the causes that produce this alarming fact.

Investigations and careful experiments have demonstrated the unerring truth that we are grossly negligent in the character of the food that we eat. We crave after the things that please the eye and gratify our taste, but which lack the essential quality that preserves our health and insures longevity of life. Apoplexy, heart failure, and Bright's disease have proven far more deadly to the men of 50 than did all the fearful and tragic attacks of the enemy in the late war. Have we forgotten the great crusade that was begun less than 20 years ago and carried on with such relentless zeal ever since to arrest infant mortality? Almost immediately it was discovered that the great cause of this scourge was impure milk which was being fed to babies throughout the land. Every effort was made to correct this startling discovery; there was not a city in the country that did not pass rigid ordinances regulating their milk supply and employ every effective means for its enforcement. State legislatures passed laws for the purpose of enforcing sanitation and inspection of the great herds of dairy cattle in order that the germs of infected cattle might not be transmitted in the food; in addition, a vigorous campaign of education was inaugurated, with the result that thousands of our infant population were saved during the last decade and the general health of the Nation conserved.

It has been demonstrated beyond question that one of the basic foods of our people should be the pure and wholesome

milk of the dairy cow; it possesses a quality of food value essential to real health. We are reliably informed that the American people consume daily but one-half pint of milk per capita, whereas our natural consumption should be a quart a day. Rickets in infants, pellagra, and low blood pressure are the chief characteristics of those suffering from lack of proper nourishment. Men are walking the streets by the thousands apparently in the best of health, who upon physical examination are found to be undernourished, caused by the lack of proper food. As a nation we are just beginning to appreciate the importance of health conservation. This is evidenced by the universal establishment in every community of a well-regulated public health service. Realizing, then, the importance of having a strong, vigorous, and healthy population, and that largely our national happiness and prosperity is dependent upon it, we are considering a bill to-day that presents to us a situation, fraught with real peril, unless we in our wisdom shall promptly act to prevent its further progress.

This bill seeks to prevent the manufacture and sale of filled milk. You will ask, What is filled milk? It is an imitation of condensed or evaporated milk, made by mixing condensed skimmed milk with coconut oil. Condensed or evaporated milk is condensed whole milk, with all of the cream and butter fat as produced from the cow, whereas filled milk is manufactured by skimming the cream and removing the butter fat from the natural milk and substituting in place of it coconut oil. Whenever the cream or butter fat is extracted from the whole milk and coconut oil is substituted the product loses its nutritive value. No one has contended that coconut oil possesses any real food value. Whatever food value this filled milk possesses is in the skimmed milk with which the coconut oil is mixed. We all appreciate the insignificant value of skimmed milk in our daily experiences; everybody conversant with the subject acknowledges that this filled milk substitute possesses none of the high food values that are contained in condensed or evaporated milk; it is a fraudulent substitute. What, then, has prompted its manufacture? During the year 1920, 86,561,000 pounds of this filled-milk product was made and sold, and in its manufacture nearly 8,000,000 pounds of coconut oil were used. It has been shown that it costs 86 cents per case (of 12 cans) less to manufacture this milk compound than pure condensed milk, and that it is sold upon the market in carload lots for $1.40 per case less than is realized for condensed milk. Why, then, should this new product have such a marvelous demand when it has but little of the great food value that is found so abundantly in the legitimate product?

It is easy to understand the reason if we but realized that it costs considerable less to manufacture than that of condensed milk, so that its producers are able to engage in unfair competition with the legitimate producers of condensed milk. Coconut oil sells for 12 cents per pound, while the market price of butter fat is 36 cents per pound. These manufacturers have expended huge sums of money in spectacular advertising, skillfully leading a large public to believe that it is as good a product as condensed milk, and that it is a substitute, selling for less money. So adroitly have they introduced their brands that millions buy the substitute, believing it to be real condensed milk. The retail stores have been selling it for the same price per can as they have been getting for the legitimate article.

Mr. WATSON. Will the gentleman yield?

Mr. GERNERD. Not now, thank you.

It has been shown that 156 stores in the city of Washington have been selling it as a milk product and classing it with condensed milk. Unfortunately very few merchants that sell this compound are aware that it does not possess the same food value as condensed milk, and in their ignorance they stimulate its sale for the reason that they can buy this substitute for $1.40 per case less than they can purchase the legitimate article. These producers of this milk compound nowhere pretend that it possesses any superior quality over that possessed by condensed or evaporated milk, but, on the contrary, every method is employed to deceive the public in believing it to be a similar product and as good as condensed milk.

So successful have they been in the sale of this product and the growing demand for it that they are alarmingly and seriously encroaching upon the legitimate manufacturer who puts forth the real product, that he is in danger of being put out of business or else forced to manufacture a similar article in order to meet this vicious and growing competition. It is a most palpable fraud upon the public and a great injustice to the manufacturer of condensed milk.

Thousands of mothers are compelled to use condensed milk in the feeding of their infants, and through many years of persistent efforts and experimentations whole milk has been placed upon the market free of all impurities and still retaining the great nutritive value that fresh milk possesses. To-day thousands live in tenement houses and apartments where the question of a fresh milk supply is a most difficult and serious problem. There are many localities throughout the country where it is impossible to serve fresh milk. This is especially true in many of our mining localities who are far removed from pasture lands. Under these circumstances it was but natural that condensed and evaporated milk should find an established place in so many of our homes. The people have learned its use with perfect safety and appreciate its wholesomeness. It has become an indispensable part of the family table. Everyone has absolute confidence in its food value. So universal has become its use that last year we consumed approximately 1,500,000,000 pounds of condensed milk.

How can we, then, in view of these facts, permit an imitation milk product which to all appearances possesses all of the characteristics of real condensed milk as to color, taste, and consistency and which requires an expert to make a chemical analysis in order to discover the deception?

Are we going to exercise a rigid supervision over our fresh milk supply by having daily inspectors inspect the milk and determine whether it has been watered or tampered with and whether it contains at least a butter fat of 3 per cent, and then, on the other hand, permit the manufacture of a milk compound that is free of the essential ingredients that we demand in our fresh milk supply? Such a situation is plainly unjust and inconsistent.

These producers of milk compounds would have you believe that they are a great aid to the dairy industry of the country, because they allege that they consume about 200,000,000 pounds of skimmed milk per annum in the manufacture of their product. To my mind nothing could be more absurd than such a contention, for any inferior and deleterious product that is sent forth in the market in competition with the legitimate product is not a stimulus to that industry, but is a serious menace and maliciously destructive. Shall we permit these men to continue to profit at the expense of the Nation's health and the many years of toil and persistent efforts of the dairy farmer? Are we going to hinder the growth and further development of this life-preserving industry? Are we going to stand by the farmer who by great vigilance watches his herd, gathers his milk, and sends it to the market to feed us, or are we going to embarrass him by permitting a fraudulent substitute competing with his real product? Shall we permit the innocent babe to drink this foul and deceptive imitation? It is a most nefarious enterprise, and I trust our action here to-day will put an end to these conscienceless promoters who would build castles of wealth over the dying babe that struggles for life while innocently drinking this concoction of coconut oil while its anxious and loving mother wonders why its little cheeks are falling in and its lifeless limbs appear so withered. Let us stand by the babe of the Nation and the dairy cow. [Applause.] May her marvelous stream of life-giving milk ever flow on in all its purity; may she always continue to impart the God-given gifts as she gathers them in the green pastures amid the sweet-scented flowers and the babbling brook, and in that mysterious way of nature transmit to humanity life, happiness, and a spark of the Divine. [Applause.]

Mr. JONES of Texas. Mr. Chairman, I make the point that no quorum is present.

The CHAIRMAN. The gentleman from Texas makes the point of no quorum. The Chair will count. [After counting.] One hundred and twenty-two Members present, a quorum.

Mr. VOIGT. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. CLAGUE.]

Mr. CLAGUE. Mr. Chairman and gentlemen of the committee, the reason I am in favor of the present bill is that it is going to wipe out a product that is and has been placed upon the market and sold to the people as a food substance known as filled milk, which is a deception, a fraud, and a counterfeit. It is not the natural product. It is made by taking all the butter fat out of the real milk and then putting in the lifeless skimmed milk, a counterfeit substance, in place of the butter fat, and this resembled product, or filled milk as it is called, is an exact imitation of real milk. In many places it has been sold as cream and sold in bulk. I happen to be a member of the Agricultural Committee and had the privilege of hearing all the evidence that was given before the same. During the time that the hearings were held I made a little investigation around the city of Washington for the purpose of finding out whether or not this substitute was sold in the city of Washington. Several of the witnesses who appeared before the committee in opposition to the bill stated that this substitute was just as good as the average condensed milk. Here is a can

of Carnation brand of evaporated milk. I also have before me a can of Hebe, or a substitute known as filled milk. You will observe that the substitute looks the same as the genuine evaporated milk, and if any of you gentlemen can tell the difference in taste or any difference in the appearance, I would like to have you do it.

Mr. RAKER. The Hebe looks a little more like cream.

Mr. CLAGUE. Perhaps it does in this instance, but they ordinarily look the same. As I stated, I made an investigation about a year ago, going to 25 or more stores in the city of Washington, most of them on the outskirts. In all of the stores I asked for evaporated milk, and in at least two-thirds of them they stated that they did not have the Carnation or the Borden brand of evaporated milk but they had a substitute which was just as good. The substitutes were Nutro, Hebe, and other brands of filled milk. In most of the stores the substitute was being sold from 1 to 2 cents lower than the pure-milk brands. I was invariably informed that these substitutes were just as good as evaporated milk, and were just as good for all general purposes. I made an investigation at one of the leading stores on Pennsylvania Avenue and asked for evaporated milk, and the storekeeper stated: "I don't have Borden's or Carnation. I usually carry them, but I have here the Hebe, a substitute, which is just as good for all purposes." It was about that time that the labels on the cans were changed. About a year ago these substitutes did not have on the cans the words, "Do not use in place of milk for infants," but it was printed on the cans that the substitute was good for all general food purposes, and it was sold to the patrons for the use of children and for all food purposes. In many instances I purchased cans of the substitute filled milk, and upon examination I found it impossible to tell the difference between the substitute and the genuine article. The substitute is made the same color, so that the ordinary person can not tell the difference in appearance. The same amount of solids are used in it that the law requires for evaporated milk. It tastes and looks like pure milk. The housewife can see no difference, because it takes an expert to tell the difference between the fraudulent substitute and real milk.

There is the trouble. This substitute is a pure deception, a fraud, and a counterfeit. In these substitutes the whole butter fat is taken out. There is no life-giving substance in it, and therefore if it is not good for infants it is not good for adults.

The gentleman from Virginia said something about its not being good for infants. What is the natural food for infants? All will admit that it is milk. When a mother goes to the store and buys this substitute and it is sold to her as it has been in the past for something just as good as pure milk, that is a deception and a fraud and should be prohibited from being sold.

I made another investigation within the last 10 days in this city, going to most of the stores that I visited about a year ago. I found that I could not buy a single can of Hebe or other substitutes in any of these stores. I went to the same store on Pennsylvania Avenue that I did a year ago and asked for Hebe or a substitute milk, and the storekeeper stated: "My friend, I am not selling it any more." I said, "But you said last fall that it was just as good as the real milk." He stated, "I have learned that it is not and the Government has put it out of business. It was represented to me, when I bought it, to be just as good as the real milk and I sold it honestly, believing it to be so. But I have since found out that it is not."

I went out on Fourteenth Street to some other stores on the outskirts where they have been selling it, and was informed by the various merchants that they did not keep it in stock and were not selling it, that they had found out that it was a fraud and they did not want to impose it upon their customers, and as a result of my visit to 31 stores within the last 10 days I could not purchase one can of this substitute, filled milk, which shows that either the merchants of this city want to do an honest business or that the people have learned that this substitute is worthless and will not purchase the same.

Mr. RAKER. Will the gentleman yield?

Mr. CLAGUE. Yes.

Mr. RAKER. How did the Government put this man in the Pennsylvania Avenue store out of business?

Mr. CLAGUE. Well, the Government did not put him out of business, but the substitute was found to be a deceptive product and the Government put certain regulations in the way of requirements on the labels. People became better acquainted with its being a deception, and no doubt the merchants did not care to handle it and thereby deceive their customers.

Mr. RAKER. The gentleman has poured out in a glass some of this substitute called Hebe and also poured out in the glass a can of the Carnation evaporated milk. The Hebe looks like delicious cream, and nutritious. I would like to ask the gentleman if there is any nutrition in this substitute?

Mr. CLAGUE. Professor McCullom, who appeared before our committee, says that it has no nutritive value; that a rat fed on it for 60 days would die. You can test these two—one is pure Carnation evaporated milk; the other, Hebe, is a filled milk, a substitute for milk. You will see that the Hebe has a very creamy color and a creamy taste, but is wholly void of butter fat or vitamines. It tastes as good as the finest of milk, but is a fraud in so far as having any nutrition substance. Gentlemen of the committee, there is only one thing about it, and that is that this filled milk is a pure fraud, and the fraud is largely perpetrated upon the ignorant and poor people. The ignorant people in the cities to whom it is sold know nothing of the merits of the same. They are buying it, believing that it is fully as good as the real milk, and supposing that it is good for children and for cooking purposes and that it is legitimate evaporated milk, when, as a matter of fact, they are getting something that contains no life substance whatever. This substitute is being largely manufactured and has tended and is now tending to injure the sale of genuine milk. All legitimate creamery men are opposed to its sale. Our farmers are opposed to the substitute for the reason that it is a counterfeit and a fraud, and I am firmly of the opinion that the great mass of people would not buy it if they understood that it had no nutritive value. I am opposed to the manufacture and sale of these substitutes for the reason that they are valueless as a food product, deleterious, and injurious to the public health.

Mr. JACOWAY. Mr. Chairman, I yield five minutes to the gentleman from Mississippi [Mr. SISSON].

Mr. SISSON. Mr. Chairman, I think there is only one question in this whole proposition for us to consider, and that is whether or not this is a deleterious food. If it is not a deleterious food, even though it does not have all of the food value that good, fresh milk has, then it is nothing less than a crime to stop its manufacture. I say that it is a crime; and I want it understood that I mean that in its length, breadth, and thickness. I do not think there is a more infamous creature on the face of the earth than one who would make either food, clothing, or building materials scarce. All wealth is made up of these three things—food, clothing, building material. Some of the modern political economists add fuel; but, as is said by Smith, fuel produces heat, which is a substitute for clothing and is used to manufacture clothing and to prepare food and building material, and it ought not to be put in as a separate class of wealth. Every human being ought to know that anything which tends to make food, clothing, or building material scarce is an enemy to the human family. The problem in the next few generations is going to be whether or not you will be able to feed the world, whether they will be able to get a proper amount of good food supplies.

Only a few years back it was contended that the tomato, which was then known as the love apple, was poison, and there were men who thought it an outrage to try to perpetrate that horrible food upon the people. If they had had men in Congress at that time that we have here now, there would have been somebody rising up and saying we should pass a law to protect the people against that horrible poison. There is not a reputable physician who has investigated this matter who will tell you that "filled milk" is a deleterious food for man. Not a one. They say it is not good for babies. No. But are you going to stop the sale of breakfast bacon because breakfast bacon is not good for babies? Turnip greens is a good food, but it is not a good food for babies.

A MEMBER. What is that?

Mr. SISSON. Turnip greens. Why, Mr. Chairman, a gentleman who expresses ignorance on turnip greens is not fit to be in Congress. [Laughter.] Those people who come here to-day making a great outcry about this article of food upon the theory that it is deleterious to babies are putting up as much of a camouflage as they say the manufacturers are committing on the people in selling the article itself. They know they do not oppose it because of any such thing as that, but they favor this bill because this food is coming in competition with dairy products. Why not have the nerve to tell the truth about it? Why run around and get experts to come here and say that it is deleterious? You know very well that it is not deleterious. There is not one of you who does not know that it is not deleterious, and yet you want Uncle Sam to come along and protect you against competition. You never give the people who want cheap food a thought. A great many manufacturers of clothing in this country manufacture and sell clothing which they say is all wool and a yard wide and warranted not to run down at the heel, when there is not a single thread of wool in it.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. JACOWAY. Mr. Chairman, I yield five minutes more to the gentleman.

Mr. SISSON. Take socks. They are sold all over this country, and stockings, too, as being all silk, and the label on the box says that they are all silk, when there is not a single fiber in them that was not, perhaps, raised down in my cotton patch in Mississippi. It is nothing but mercerized cotton. I see a pair here now, nice-looking socks, with not a line of silk in them—all Mississippi or southern cotton—and yet these same people are in here yelling like a lot of Comanche Indians about this foodstuff not being labeled right. I do not object to your labeling it just as it should be and I am willing to require every article sold to bear a true label.

Mr. CHINDBLOM. What is the label on the can?

Mr. SISSON. Oh, there is too much of it there to read now. It will take up too much time, but I will hand it to the gentleman and let him read it at his leisure. When a contest arises like the contest a few years ago between two baking powders, it is something that is likely to ruin splendid reputations. Two men of national reputation got into a contest over baking powder. The contest was fierce. It came near ruining one administration since I have been in Congress. The Secretary of Agriculture said that one baking powder was good and the other bad, and a certain noted physician took the other side—one saying it was good and the other saying it was bad. In other words, the matter was a conflict between two selfish interests. If one won, he had a monopoly and a fortune; if he lost, he lost all and was ruined. This is the same fight here.

The constituent elements that enter into this compound, under the pure food law, ought to be put on the label on the can. I do not believe it should be necessary to put on there a legend to the effect that it is not good for babies. On the contrary, I think it would be an outrage to put on a legend that it is good for babies. If they want to, let them say that it is not to be used in coffee or for babies.

Under the English law the principle of caveat emptor, which applies in America, does not apply. Caveat emptor is the horse swappers' law in America. It means that when you buy a horse from a fellow you better beware. You buy or swap for him at the end of the bridle. Caveat emptor applies in all of our business, and more frauds have been perpetrated on people in America than in any other country in the world. Ours is the only country on earth where they will not take our samples for the entire contents of whatever package we are selling.

Why, because caveat emptor does apply. My view of the matter is that every State in the Union ought to pass a law providing that whenever one buys a piece of clothing as all wool it ought to be all wool, and if you can prove it is cotton, he ought to be sent to the penitentiary for obtaining money under false pretenses. Our business ought to be straight and square. Here you are endeavoring to destroy a food which no reputable physician will say is bad. Something has been said about rats. Why, bless your soul, you can take rats and give them an exclusive diet of fresh condensed milk every morning and they die as quickly as if you gave them this food in this can. In other words, no man can live on one kind of food. You are not giving the rat half a chance on one food. Corn bread is mighty good, but you can not live on it alone. Man can not live by bread alone. You have to have a little meat—a Chicago beefsteak mixed with it.

The only test here ought to be whether this food is deleterious. If it is not deleterious, I do not care about its food value, whether it is as valuable as milk or not. If it is food and is good food, I say to you Congress is committing a crime, nothing less than a crime to endeavor to destroy its proper use, because the man who makes two blades of grass grow where only one grew before is a blessing to humanity.

The CHAIRMAN. The time of the gentleman has expired.

Mr. VOIGT. Mr. Chairman, I yield three minutes to the lady from Oklahoma [Miss ROBERTSON]. [Applause.]

Miss ROBERTSON. Mr. Chairman, a few moments ago I crossed over to the other side of the House to inquire of gentlemen from North Carolina whether very much of this stuff [holding up the can of filled milk] was used in their State. You remember perhaps that statistics of the late World War showed that of men called to the colors the North Carolina contingent were nearer physically perfect, taller, and more free from disease than those from any other State.

Down in Oklahoma quite a number of our citizens were originally from North Carolina and they maintain this splendid standard. I have never known a North Carolinian who did not insist on good milk and plenty of it.

Just now as I was talking with those two tall North Carolina men over there, who had never made the acquaintance of "filled milk," we exchanged reminiscences of corn bread and buttermilk till we all felt half starved together. Do you know what sort of corn bread and buttermilk we meant? Corn bread made from hard white corn ground in an old-fashioned mill and buttermilk where the whole Jersey or Guernsey milk is put in a stone churn, with a dasher, and allowed to reach just the right point, and then when the butter is taken out after churning little golden flecks of it are left in the buttermilk. Out of pity I stop here without more reminiscences so tantalizing to those of us born and bred in Dixie.

Now, to consider this question by the Bible standard of milk for babies and meat for strong men. The Good Book says "babes have need of milk and not of strong meat," for "strong meat belongeth to them that are of full age." The babies—are you going to feed them this stuff? Shall poor mothers, unable to read the labels, misguided by the looks of the container, and deceived by the retailer, starve the babies? I have used quantities of these milk substitutes in cooking. They make very good custards, the richness of eggs supplying to a sufficient extent the butter fat that is removed. In the same way they make very good gravies and very good sauces, where fats and thickenings are used in preparing food for grown people. But they are not fit for babies.

Shall we starve babies in America for commercialism? Piteous appeals come to us all the while for the starving children of other lands, to send preserved milk to children in the Near East, to children in Russia. I am positive no filled milk is sent from America to them. Did you ever think of comparing pictures of these starving children with pictures that might be shown of the helpless little children among the poor people of our great cities, who must depend upon the corner grocery and the tin can for food, whose mothers can not read the label on the can? Think of the babies whose mothers can not give them that wonderful sustenance—breast milk—and must give them instead some other food.

I think, too, of the Indian mothers of our country whose lives are so changed since to many of them a "farce" of civilization came, by which, instead of the old free, outdoor life, with its nature-provided food, they now have the same insidious dangers in the unbalanced foods of so-called civilization to meet, and their dark-eyed babies must be starved, too, the doomed race sooner passing away. Perhaps the greatest number of babies of any one class to be affected are the negro babies of the South.

There are so many would-be reformers in these days who are trying to push the legalizing of birth-control teaching. The sale of this milk should appeal to them, for surely it will dispose of many thousands of "unwanted babies"—not unwanted by their mothers, but unwanted in America, if we may believe the advocates of birth control.

I realize that in this bill there are very dangerous complications so far as possible infractions of the Constitution may be involved. I am not one who would do away with all substitutes. As I have said, filled milk will do for food for adults, but not for babes. For instance, from the vegetable oils of our great Southland, from cotton seed and from peanuts, there come some of the best foods in the fat elements necessary for balanced diet that are available. For many years we paid fancy prices for our peanut and cottonseed oils which journeyed oversea, as many good Americans go, to return with a foreign title, and receive an immediate recognition, where before their value had not been considered.

Even further north, in the corn belt, we have unexcelled vegetable oils that we find may be used more wholesomely than the same grains produced metamorphosed into animal fat by way of the hog.

So I do not wish to be understood as objecting to the sale of substitute products except where we shall starve our babies. I am speaking not as a wise interpreter of the Constitution or of commercial law, but as one who would call attention to the need, if it can not be done by national legislation, of State regulation that will care for the babies.

Mr. VOIGT. How much time have I remaining?

The CHAIRMAN. The gentleman has 14 minutes remaining.

Mr. VOIGT. I yield to the gentleman from Ohio [Mr. CABLE].

Mr. CABLE. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

The extension of remarks referred to are here printed in full as follows:

Mr. CABLE. Mr. Speaker, the result of the new 3 per cent restrictive immigration law is startling. In the last fiscal year without this law in force the net increase of immigration was more than one-half million. For the first nine months of the present fiscal year, operating under this 3 per cent law, the net increase is but 80,000. Strange to say, this increase consists entirely of women and girls. The male immigrant aliens admitted do not equal those who have departed; the female immigrant aliens admitted exceed in number those who departed by the 80,000.

The laws of the United States should be amended to permit these women to become citizens of the United States. In addition, there are more than two and one-fourth million female aliens 21 years and upward in the United States who are not naturalized. Under our law any woman who marries a citizen of the United States and who might herself be lawfully naturalized automatically becomes a citizen. This citizenship by marriage may be acquired without the woman being able to speak our language, without a study of our Constitution, and without even appearing in court and renouncing allegiance and fidelity to her foreign ruler, and without taking the oath of allegiance to the United States. Naturalization papers may be legally filed by an unmarried woman who is otherwise qualified, or by the widow of a foreign-born person not naturalized, but not by a woman during the existence of her marital relation.

I have introduced a bill granting to married alien women the independent right to be naturalized. A naturalization proceeding is an education in our language, laws, and form of government. The mother is best qualified to teach her children the true meaning of America and what it stands for. Married women, in my opinion, should have the independent right to be naturalized.

The last amendment to our Constitution provided that the right to citizens of the United States should not be denied or abridged by the United States or by any State on account of sex; but under the present law alien married women are denied the independent right to naturalization and the equal suffrage that goes with it unless they are naturalized through the naturalization of their husband.

Our law also provides that an American woman who marries a foreigner shall take the nationality of her husband, and that at the termination of the marital relation she may resume her American citizenship, if abroad, by registering as an American citizen within one year with a consul of the United States or by returning to reside in the United States; or, if residing in the United States at the termination of the marital relation, by continuing to reside therein.

The bill I introduced also provides that a woman citizen of the United States who hereafter, being then a resident of the United States, marries an alien who may be lawfully naturalized shall remain a citizen of the United States so long as she continues to reside therein, unless she makes formal renunciation of her citizenship before a court having jurisdiction over naturalization of aliens. If at the termination of the marital status she is a citizen of the United States, she shall retain her citizenship regardless of her residence. If during the continuance of the marital status she resides continually for two years in a foreign State of which her husband is a citizen or subject, or for five years continues outside the United States, she shall thereafter be subject to the presumption that she has ceased to be an American citizen.

The fact that a woman is married should be no reason to deny her the right of citizenship in the United States through naturalization proceedings if she is an eligible alien. Marriage of a citizen of the United States to a foreigner should not of itself terminate her citizenship. The laws of our country should grant independent citizenship to women.

Mr. VOIGT. May I ask whether the opposition has used up all of its time?

The CHAIRMAN. The gentleman from Arkansas has 15 minutes remaining.

Mr. VOIGT. I would like the gentleman from Arkansas to use some of his time.

Mr. JACOWAY. I think the argument on this side is concluded.

Mr. HARDY of Texas. I would like to take two or three minutes.

Mr. JACOWAY. I will yield the gentleman five minutes.

Mr. HARDY of Texas. Mr. Chairman and gentlemen of the committee, I do not know that much can be added to the argument, but it seems to me the lady from Oklahoma a moment ago supplied an argument against this bill instead of for it. She is for the babies. So am I. But I believe that all legislation that enhances the cost of better milk puts an obstruction in the way of the poor parent who wants to get pure milk for his baby. Now, if by this legislation you destroy any competitor of this article that might enter into competition with the milk producer, the dairyman, and thereby reduce the price of real milk, you will help put out of the reach of the poor parent the opportunity to buy cheaper milk. Here is this product that comes in competition and has the tendency to cheapen the price of real milk. Every time you drive a competitor out of the market you enhance the price of genuine milk. And this commodity has printed on the label of it that it is not good for children or for babies. Consequently nobody is being fooled. So that the only effect of this bill is by destroying competition you enhance the price of the baby's milk, and that, I take it, is the purpose of the bill.

I am as much opposed to any fraud as anybody on this floor can be.

If this was presented to the people as milk, if it did not carry on its face the warning that it is not good for babies, then I would be in favor of some bill requiring it to be so stamped. But I tell you that when the Congress lends itself to the putting out of the way of certain industries in any competition, we are stooping to a small business and to a purpose that in the end will return to plague us, for we do not know how soon it will be when your section or mine—and I am not interested in this matter—may have some product that is harmless but good for some things and not for others, and it may come in competition with something else that wants to drive it out of the market. And it is evident to me, from what I have heard, that the dairymen, wanting to raise the price of their commodity, want to get rid of a competitor that helps to reduce the price. Here is a competitor stamped on its face that it is not good for babies, can not be abused, can not be a fraud, sold on its merits for what it is worth, and the lady from Oklahoma says it is good for pies and custards; so why not let the public have it for that purpose? Why not let the man who uses it have it?

I have eaten coconut butter. I do not know whether or not it was good for sustenance, but I ate it when I could not get good butter, and really I preferred it to some butter. I do not think anybody should have the right to come in and say that if I wanted to eat it I should not have the right to eat it. If it is harmful and poisonous, forbid it. But nobody has said this substance we are driving out is harmful, and the label carries what it is on its face. It seems to me that we are aiding one producer against another producer when by the laws of equity and our own ideals of fair play in this free country we ought not to do it. It looks to me as if we were going outside of the proper function of government, whether it is constitutional or not, and therefore I do not think this bill ought to pass. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. VOIGT. Mr. Chairman, I yield to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, there are two points which I have considered of controlling importance in urging the enactment of the Voigt bill. One is the self-evident fact that every manufacturer of the compound of skimmed milk and vegetable oil as coming under the definition of filled milk written in this bill, seeks to market his product just as nearly in the form and semblance of milk as is possible. I am not satisfied to give a clean bill of health or a clean bill of business morals or ethics to any business which seeks to make a financial profit out of a traffic of this self-evident counterfeit character. I have several good-sized cities in my district and I know that this product is being sold generally in the stores in those cities, and it is my belief that it is being sold generally for what it is not and that the purchasers generally think they are getting milk or something as good as milk, and the evidence which has been presented to the House Committee on Agriculture and the House Ways and Means Committee convinces me that this product is not as good as milk and ought not to be permitted to be sold. The man, woman, or child who goes to a store to purchase milk should be protected against any attempt to foist on them a substitute that does not contain the nourishing elements of genuine milk.

The second fact is that the public does not understand that there is a surplus of farm products in this country and that the production of farm products can not be controlled by closing the factory door and sending the workmen home until there is a shortage to bring up the prices. The farms must be operated, and I take it that it is one function of the Congress of the United States to aid in every possible way to improve the marketing conditions and add to the market for the products of the farms. The chief agricultural product of my district, excepting a small section, is milk. Milk for fluid milk consump-

tion, milk for the manufacture of butter, and milk in a much smaller way for the manufacture of cheese. I know that these farms must keep on producing. The importance of the continued prosperity of these dairy farmers is so great, not only to themselves and their families but to the business interests of my district and the country, that I know that I am justified in thinking of the larger importance of improving the market for milk in supporting this measure.

Mr. JACOWAY. Mr. Chairman, I yield one minute to the gentleman from Virginia [Mr. TUCKER].

Mr. TUCKER. Mr. Chairman, I rise merely to put in the RECORD a suggested amendment.

The CHAIRMAN. The gentleman asks to have the Clerk read in his time an amendment for information. The Clerk will read.

The Clerk read as follows:

Amendment by Mr. TUCKER: Page 2, line 11, strike out the words "or to ship or deliver for shipment in interstate or foreign commerce."

Mr. VOIGT. Mr. Chairman, I yield three minutes to the gentleman from Wisconsin [Mr. BROWNE].

Mr. KINCHELOE. Mr. Chairman, I make the point of order there is no quorum present.

The CHAIRMAN. The gentleman from Kentucky makes the point of order there is no quorum present. The Chair will count. [After counting.] One hundred and nine Members are present—a quorum.

The gentleman from Wisconsin [Mr. BROWNE] is recognized.

Mr. BROWNE of Wisconsin. Mr. Chairman, one-fifth of the Nation's food supply comes from dairy products, and it is, of course, important that these dairy products are pure and not adulterated. What do the filled-milk people do? In the first place, they extract the butter fat, the cream, the valuable vitamine product, out of the milk and leave the milk absolutely without nutrition to speak of. And this substitute for milk can not be detected by any person except a chemist upon examination.

Now we know that throughout the United States to-day, in every State that has not outlawed it, they are selling filled milk, and the majority of people who are buying it think it is pure milk with the valuable life-giving, growth-producing vitamine product contained in it. Even the Government of the United States was deceived and defrauded in the State of Ohio during the war, when it bought two carloads of condensed milk for boys at Camp Willis and they thought it was pure, unadulterated milk, when it turned out to be filled milk. So our boys were being fed a product to build them up and make fighting men of them that did not contain enough nutrition even to support the life of a rat, as was shown by Professor McCullom's demonstration.

The filled-milk industry is growing very fast. In 1917 we produced only about 35,000,000 cases of filled milk, and in 1921 we produced 86,000,000 cases of this filled milk, and if we continue at that rate it is going to drive legitimate manufacturers of full condensed milk out of the market, as several of the large manufacturers have said, among them the Borden people. It is also going to substitute the coconut cow for the Jersey or the Guernsey or the Holstein cow. You can manufacture this filled milk, as the evidence shows, for 2 cents a pound can. Think of it for a minute! And you can place it on the market and make it an object to the retail dealers to sell it a good deal cheaper than they can sell the other milk, and, of course, they will make a larger profit. Therefore many retailers are substituting filled milk for whole milk. In the State of Wisconsin, where they made an investigation in preparing their case for the Supreme Court, they found in 15 cities 65 cases of fraudulent sales of this milk.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. BROWNE of Wisconsin. Yes.

Mr. WALSH. Where do the manufacturers get this skimmed milk?

Mr. BROWNE of Wisconsin. From the farmer.

Mr. WALSH. The very man that is in favor of this legislation.

Mr. BROWNE of Wisconsin. They buy the full milk of the farmer and extract the cream and sell the cream and keep the by-product, the skimmed milk, and add the coconut oil in place of the cream. A law prohibiting the sale or manufacture of filled milk was sustained by the supreme court in the State of Ohio. The case went to the Supreme Court of the United States, and the highest court in the land sustained the State law. [Applause.]

Mr. Chairman, I am in favor of this bill to prohibit the manufacture of filled milk in the District of Columbia or its shipment in interestate or foreign commerce.

I favor this bill because it will protect the public from a counterfeit that when used in place of milk will undermine health, especially the health of children.

The public is unfamiliar with the term "filled milk." It is an imitation of condensed or evaporated milk. It is made by robbing milk as it is taken from the cow of its butter fat or nutritive value. In other words, the cream is skimmed off and coconut oil or peanut oil, or buttermilk and soda is substituted. The milk is then made into condensed or evaporated milk and sold in competition with condensed or evaporated milk made from the whole milk with its butter fat and its valuable and life-giving vitamine ingredients. This compound, which is known as filled milk, is a perfect physical imitation of pure evaporated milk, and it is impossible for anyone except a chemist to tell the difference between pure evaporated milk and the filled milk containing 6 or 8 per cent coconut fat in place of cream or butter fat, which has been extracted from the milk and sold.

Second. I favor this bill because it places the dairy farmer in unfair competition with the manufacturers of a product which no one except a chemist can tell from the original, and which can be manufactured at one-fifth of what it takes to produce the genuine article.

MANY STATES HAVE OUTLAWED FILLED MILK.

Already 11 States, representing a total population of 31,330,197, have passed stringent laws prohibiting the sale and manufacture of filled milk within their territory. These laws passed by the States have been bitterly contested, both in the legislatures and the supreme court of the States. So far as this legislation involving the constitutionality of the laws prohibiting the manufacture and sale of filled milk has been tested in the courts, the law has been sustained.

In a recent case in Wisconsin, which is now under advisement by the supreme court of that State, the referee's report dealt chiefly with the product Hebe, manufactured for the Hebe Co. by the Carnation Milk Products Co. This brand of filled milk is one of the six or seven leading brands of skimmed-milk compounds. The referee who reported on the Wisconsin case found from the evidence that this brand of filled milk was not a desirable or proper food for infants nor was a complete substitute for milk.

Ohio passed a filled-milk law which was upheld by the Supreme Court of the United States in the case of Hebe Co. et al. against Shaw, Secretary of Agriculture of Ohio, et al., reported in volume 248, United States Reports, page 297, sustaining the Ohio law, which forbids the sale, and so forth, of filled milk.

Doctor McCollum, of Johns Hopkins University, a very high authority on the subject of nutrition, testified before the Agricultural Committee that the vitamines that are absolutely necessary to promote growth in the human body are found most abundantly in butter fat, and that milk is the chief article of food relied upon for vitamine; that there is no effective substitute for milk; that filled milk is almost entirely lacking in vitamine. Doctor McCollum was corroborated by Dr. E. B. Hart, of the University of Wisconsin, another authority on the subject. Professor Hart says in his testimony that at least 90 per cent of the fat soluble vitamine of the whole milk is removed in the modern commercial skimming process.

Filled milk is sold under the various trade names, such as Hebe, Carolene, Enzo, Silver Key, Nutro, Nyko. These imitations are put up in the same size cans as regular condensed milk and are advertised by retail dealers as evaporated milk. In five cities there were 340 separate advertisements by 53 retail groceries of these brands of filled milk.

In the case now pending in Wisconsin it was shown that there were 65 instances of fraudulent sales made in 16 different cities in Wisconsin.

NO REMEDY EXCEPT BY PROHIBITING SALE.

It has been thoroughly demonstrated that imitation milks, with their history of misrepresentation and their unquestioned inferiority in nutritive value, can not be made safe for the public by proper labeling but must be prohibited altogether. Filled milk has been shown to be of an inherently fraudulent nature.

It has been put out as a substitute for the product for which it is a perfect physical imitation. It has been shown to be sold at retail and advertised by retailers in a fraudulent manner. It is not only an imitation and a substitute of a most important food that has been supplied by nature for the use of mankind, but it is pronounced by chemists and authorities on nutrition as an inferior imitation and lacking in nutritive value, which brings its manufacture and sale into vital relationship with public health.

EXTENT AND SALE OF FILLED MILK.

The Bureau of Markets shows that the sale of filled milk in 1917 increased from 35,081,902 cases to 86,561,000 cases. In 1920, 8,000,000 pounds of coconut fat were used in the manufacture of filled milk, taking the place of as many pounds of butter fat or cream. Some of the largest manufacturers of evaporated milk in the country state that unless Congress and the several States do something to stop the competition that they will have to go into the business of manufacturing filled milk or go out of business.

WILL EVENTUALLY RUIN THE DAIRY INDUSTRY.

Besides the amount of filled milk that is sold in this country, we are exporting large quantities. In 1919 we exported 850,865,414 pounds of full or unadulterated condensed milk, while in 1920 we only exported 414,250,021 pounds, or less than one-half of the amount. In the last few years the amount put out of filled milk has grown over 5,000 per cent, and the manufacturers of filled milk admit that the business is only in its infancy. The obtaining of milk from the coconut cow is a cheap process compared with producing milk from the Jersey, Guernsey, or Holstein.

The cost of a quantity of skimmed milk and coconut fat sufficient to fill 48 cans of filled milk is a little over 80 cents, or less than 2 cents per pound can. The retail price of 1-pound cans, which cost the producer 2 cents, sells for from 10 cents to 12 cents per pound. Thus the manufacturers of filled milk can sell their product below the cost of production of the unadulterated milk and make an exorbitant profit.

IMPORTANCE OF DAIRYING TO THE PEOPLE.

Dairying is engaged in by over one-half of the farming population of the United States. The milk produced in 1919 in the United States had a cash value to the producer of more than $2,000,000,000.

The dairy industry is connected more closely with the lives and health of every community and the national welfare than any other. The milk supply of every community is of vital importance to the health, happiness, and welfare of that community. Dairy products furnish the people with one-fifth of their food, and its bearing upon human health, particularly of children, has not been adequately appreciated, as indicated by the experience of the late war.

Herbert Hoover, who as head of the Relief Committee of Europe had great opportunity to observe the beneficial effects of milk as food, says:

In its broad aspect, the proper feeding of children revolves around the public recognition of the interdependence of the human animal upon its cattle. The white race can not survive without dairy products.

FOOD VALUE OF MILK.

The State Board of Education and the Superintendent of Public Instruction of California made one of the most thorough investigations of the nutritive value of milk. This test was made in the schools of Los Angeles and the report was summarized as follows:

MILK.

Increases body weight.
Increases rate of growth.
Increases physical skill.
Increases mental alertness.
Increases rate of school progress.
Increases resistance to disease.
Increases social adaptability.

Outstanding among the facts in this survey are the following:

Four and thirty-eight one-hundredths per cent of the children receiving no milk were found to be over the average graduation age, while only 1.38 per cent of the milk-using children who received 1 pint daily were over this age.

Eight and eight hundred and two one-thousandths per cent of the children receiving 1 pint or more of milk a day were ahead of their normal grade.

Seven and eight hundred and seventy-nine one-thousandths per cent of the children receiving one glass of milk a day were ahead of their normal grade.

Milk-using children can be forced in their school work with less ill effect upon their height and weight than nonmilk-using children.

There are two milk-drinking children ahead of their normal grade for each nonmilk-drinking child. (Report of the California School Milk Survey.)

LEGISLATION CONSTITUTIONAL.

This bill if it becomes a law would be clearly constitutional. Its constitutionality could be sustained, first, on the theory of prevention of fraud and deception; second, on the theory of the preservation of public health; third, the law can be sustained on the theory of the protection of the great dairy industry from irreparable injury. This would be for the benefit of the public or public welfare.

The Supreme Court can sustain this law much easier than in the case of the trading-stamp laws. The Supreme Court upheld the Florida law prohibiting the shipment out of the State of immature citrus fruit on the theory that it was within the police power of the State to prevent the shipment from the State of fruit, which would bring discredit upon the fruit-growing industry of a State.

It certainly is equally within the power of a State or the United States to prevent the milk it produces from being robbed of its butter fat and vitamine properties and manufactured into an inferior imitation of real milk and sent out to prejudice and unfavorably advertise the great dairy industry.

In the case of Hebe Co. et al. *v.* Shaw, Secretary of Agriculture of Ohio, et al. (Report, vol. 248, U. S. Repts. p. 297), the Ohio law was sustained, which forbids under criminal penalty the manufacture, sale, and so forth, of condensed milk unless made from unadulterated milk from which the cream has not been removed and in which the milk solids are equivalent to 12 per cent crude milk and 25 per cent fat.

The court held in this case:

We are satisfied that the statute as construed by us is not invalidated by the fourteenth amendment. The purpose to recommend a certain minimum or nutritive element and prevent fraud may be carried out in this way even though condensed, skimmed milk and Hebe should be admitted to be wholesome.

[Applause.]

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. BROWNE of Wisconsin. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JACOWAY. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 10 minutes.

Mr. JACOWAY. I yield five minutes to the gentleman from Arkansas [Mr. WINGO].

The CHAIRMAN. The gentleman from Arkansas is recognized for five minutes.

Mr. WINGO. Mr. Chairman, this effort to destroy the market of the American farmer for one of his products naturally evokes a protest from any man who is a real friend of the farmer.

I was surprised at the remarks of the lady from Oklahoma [Miss ROBERTSON]. She made two arguments that were contradictory. She is an expert on custards. She knows something about custards, and she asserted that she had used this product you propose to outlaw in the making of custards, and stated that it made good custards.

Miss ROBERTSON. Yes; but when I made that statement I did not say that I would recommend that those custards be fed to babies.

Mr. WINGO. Yes; I have raised babies, but not on custard. I am very fond of custards. If I want to use this product to make custards, why should the lady object? Why should she vote to prohibit the shipment of this product to me, so that I could put it in custards? I have raised babies, and I know something about babies. If a man who will go home and assume that his wife does not know anything about raising babies when she has told him to go and buy some milk for the baby and he brings home condensed milk for the baby, just see what happens. [Laughter.]

Let your wife tell you to bring home some milk for the baby and you take home Carnation or any other brand of condensed milk, if she has any intelligence as regards the quality of food and knows about the proper raising of babies she will give you such advice that you will not make the same mistake another time. [Laughter.]

Gentlemen, you are piling law on law. The rule is clear that Congress has the right to protect people in certain ways through interstate commerce regulation. If there is anything that is misbranded or concerning which there is a fraudulent misrepresentation you have the right, and you have the power to exercise that right, to bar it from interstate commerce. If this can here is fraudulently branded, or a merchant on Fourteenth Street makes the representation that a Member quoted, he can be indicted under the laws of the District of Columbia and under the laws of every State in the Union. You have law now to punish the very fraud they complain of in every State in the Union, including the District of Columbia.

Now, I know that the theory of the modern socialist and Bolshevist is that the proper function of government is to stand at the elbow of men and women, stating what is good for them to wear and what is good for them to eat, and making the choice of their food. That is the modern theory. But, gentlemen, you do not raise strong men like those from North Carolina, to whom the lady from Oklahoma [Miss ROBERTSON] referred, by having the Government stand by and, through its agents, dictate to them what they shall eat. On that basis you would have a right to say whether a mother should dress a baby in red

flannel or in cotton. As for me, I do not propose to let anybody else tell me what kind of clothing I shall put on my child or what kind of food I shall furnish to him.

Gentlemen, I repeat, that if you misbrand this can, you have already a law upon it. If the groceryman says it is milk and represents it as having the same quality as milk, he could be indicted in my own State and in every State in the Union. You know the modern theory about States and communities——

Mr. LOWREY. Mr. Chairman, will the gentleman yield?

Mr. WINGO. I will ask the gentleman not to interrupt me now.

That modern theory is that the States and the local communities and even the parents themselves can not be trusted; that you must have a Federal law and Federal officers to guide and to protect them. If you can pass this kind of a statute there are 100 other propositions that people object to, and they can come in and ask Congress to bar those articles from interstate commerce. There is another substitute that the lady from Oklahoma [Miss ROBERTSON] is friendly to. I do not remember the name of it now. I prefer it to whipped cream. I think it is better. A good many ladies prefer it. Yet it is not whipped cream. She would bar that from interstate commerce. Why, if you follow this to its logical conclusion you set up the judgment of the lawmakers as to what food is good for men and what food is bad. It is not a question of poisonous substances. It is not a question of things that are admittedly dangerous to public health in a general way. It is admitted that this is a good substitute for some things. [Applause.]

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. VOIGT. I yield three minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, representing one of the largest milk-producing districts in the United States, a district that supplies a large part of the milk consumed in New York City, I want to urge the immediate enactment of this legislation to prohibit interstate commerce in filled milk. The dairymen in our section of the country are eking out a very precarious living. The gentleman from Texas seems worried about the price of milk. If you permit imitations to be passed off for condensed milk, you are wiping out one of the main by-products of the milk producers, and of course if you do that the price of milk is bound to go up or the dairy industry will be wiped out. In our section dairymen average possibly $500 or $600 a year net profit, with the whole family working from 12 to 14 hours a day. They have big investments in stock and buildings, and besides working long hours incur a big risk from disease and the chance of losing their entire herds. During the war the milk industry in competition with the shipbuilding and other war industries which paid high wages was almost wiped out. The herds were reduced because of the impossibility to secure farm hands or to pay the prevailing rate of wages, yet the price of milk remained approximately the same.

The question is simply this: Is the production of milk an essential industry or is it not? Should we protect essential industries? That is what the dairymen are asking for here. This filled milk is not a fraud. It is simply a perfect imitation of condensed milk. In fact, it is exactly the same as condensed milk, except that it is without nutrition and has no value as far as feeding babies is concerned. This essential industry comes here asking protection, not from frauds, but from such imitations and substitutes. Why, this Hebe compound might just as well be chalk and water as far as benefiting the children of this country. We all know that there are thousands and tens of thousands of mothers who can not tell the difference, who can not even read, and who buy this filled milk because they think it is the same as condensed milk. It is exactly the same in appearance, and vast numbers of the women of this country use it for condensed milk. We ask this protection of an essential industry, for the protection of hundreds of thousands of children of this country and the consuming public. [Applause.]

(Bill passed House May 25, 1922.)

The CHAIRMAN. The gentleman from Wisconsin [Mr. VOIGT] has seven minutes remaining and the gentleman from Arkansas [Mr. JACOWAY] four minutes remaining.

Mr. ECHOLS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from West Virginia asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The extension of remarks referred to are here printed in full as follows:

Mr. ECHOLS. Mr. Speaker, I am opposed to the pending bill for three reasons:

First. It will increase the price of wholesome milk to the consumer and add to the taxation of the country.

Second. It is a violation of the Constitution.

Third. It is the most vicious sort of class legislation.

I shall not undertake to discuss the first, for the simple reason it is self-evident if we destroy competition in any commodity and increase the number of Government employees, the cost of the commodity and taxation will go up.

As to the second, I shall only say if Congress has the power to prohibit the transportation in interstate commerce of a food product, although that food product is inferior in quality to some other product of a similar nature, it likewise has power to prohibit the transportation of an inferior grade of coal or lumber for the same reason. However, there is nothing to show that "filled milk" is injurious to the health of the individual. It may be that it is inferior in quality to pure fresh milk, but that is not a reason for prohibiting its manufacture and sale in the District and our possessions or to prohibit its transportation in interstate commerce.

The advocates of this bill are far from harmonious in their statements relating to this product. One advocate [Mr. KNUTSON] in his argument says:

> The bill seeks to put a stop to a flagrant fraud.

Another [Mr. FISH] says:

> This "filled milk" is not a fraud.

There is, of course, no fraud. Every can of this product has plainly stamped thereon the contents of the can. To defraud is to deceive. No one can be deceived when he is plainly told what he is buying. But they say it is not good for babies. That may be so; neither are cucumbers, raw turnips, and a hundred other food articles; but that is not a reason for prohibiting their transportation from one State to another. All such legislation as this bill proposes is asked for on the ground of public welfare. It has no merit, so the baby is made the excuse to bring it support.

The whole purpose of this bill is to put the manufacturers of "filled milk" out of business because their product comes in competition with the dairymen of the country. "Filled" or condensed milk is the only semblance of milk that can be obtained by hundreds of poor people in the industrial sections of the country. If they are deprived of the right to purchase "filled milk," then they are deprived of the right to purchase any sort or semblance of milk whatever. If this bill becomes a law, the price of milk will go higher than it now is, and the poorer classes of people who can buy it now will not be able to reach it at all then. It is the most vicious piece of legislation that has been considered by the House of Representatives in the three years that I have been a Member.

If "filled milk" is injurious to the health of the people who use it, then there is a law in every State in the Union to punish those who sell it. The people in the Tropics use as one of their principal articles of food the products of the coconut. We here use coconut butter, and many people are very fond of it. No one, so far as I am advised, has ever been told that it is injurious to the health of the user.

The State legislatures and the Federal Government are passing annually some 15,000 statutes, and the courts of the country are rendering annually more than 15,000 opinions in an effort to interpret and apply these statutes. It is next to impossible for the individual possessed of even more than ordinary intelligence to understand and comply with the already too numerous laws. This piece of legislation will but add to the difficulties, and in the end result in nothing but additional litigation and cost burdens. There are now several hundred—some one has said more than 700—boards, bureaus, committees, commissions, departments, and so forth, here at the seat of the Government. Each one adds to the burden of taxation. Many of them are wholly useless, and some of them are even dangerously harmful. Some appointed to perform a specific duty which could have been performed in a short time have been in existence more than a hundred years and still are asking for appropriations and doing nothing.

This bill will add another to the list. Most of these boards, bureaus, commissions, and so forth, are the result of class agitation and class legislation. It has become very common for a few individuals, when not satisfied with things as they are, to insist upon the appointment of an investigating board, to be followed by a special measure peculiarly applicable to their particular grievances creating some new governmental agency to administer that law. Instead of forecasting the ultimate result of such legislation and making laws applicable to all the people, we have grown into the habit of passing laws applicable to classes; and the result is so confusing and works such manifest injustice we try to escape from one confusion by enacting

another statute that will have no good result but will add to the hopeless confusion we are now experiencing. The people of the country are weary of so much legislation that they do not understand and could not comply with if they did understand it. All of these difficulties give the paternalist and the demagogue a chance to propose some new "ism" or "scheme" promising relief. Words without number have been spoken in the last few years on nationalization of the industries of the country under the guise of public welfare, most of which were without thought and dangerous. Only recently the head of a great organization advocated the nationalization of the coal mines, but without any explanation of what such nationalization would mean. Nothing to show that coal would be produced and sold to the consumer cheaper than it is under the present system; nothing to show that the laborer who mines the coal would receive a greater compensation for his services than he now receives. We had a temporary nationalization of the railroads, from which we have not recovered and will not for the next quarter of a century.

Every time Congress passes an act providing for class legislation or class preferment, the darkness of the clouds that hover over this Republic become a little more dense. If the history of the world has settled any one fact, it has settled the fact that any government that tries to run everything will soon find itself upon the rocks. Any government that permits itself to be led into the realms of passion and hatred where it does not require its citizens to recognize the rights of others; where it legislates wholly in the interest of one class to the detriment of another, as this bill does, will soon find itself in the position of being unable to protect the life of its citizens. Any class of men that does not recognize the rights of others to carry on a legitimate business, although it may come in competition with their business, is a dangerous class to trust the control of the Government to.

There is nothing new in the fallacies and the "isms" proposed by the paternalist or the demagogue of to-day. All of them were tried centuries ago. They prate about democracy, talk about social justice and self-determination, and yet no one has ever been able to tell us what social justice is or where self-determination is practicable. Russia, with her starving millions, is the latest example of "self-determination" and class preferment. The present régime has brought more suffering to the people of that great land of opportunity and wealth than all the Czars who have reigned throughout the ages. The terror, crime, and hatred in Russia to-day surpass that of any other country in all history. Russia is a government without law, and a government without law is despotism; yet we were told by the Bolshevist and the Socialist that when the present régime in Russia started it was the fulfillment of the dream of the ages. Our country is drifting into a realm of paternalism where the Government proposes to stand guardian for the individual. No effort upon the part of the individual to protect his own rights and maintain himself is required. The pending bill is another step in the direction of socialism. It undertakes to say that the Government will take charge of individual judgment, tell the people what they must eat, whether the food they eat is wholesome or not, or whether it is to their liking. I am just as unwilling to force the individual to use "filled milk" as I am to deprive him of the privilege of using it. It is going a long way for the Government by a mere fiat of legislation to say to the public that a certain article of food shall not be used by them, although there is nothing injurious to the health of those who purchase and use it. This bill is class legislation run mad. If this sort of legislation is to be continued, then no concern can safely engage in manufacture of any new product whatever. If it should do so and that product should come in competition with the product of some other class more numerous than the one to which it belongs, it could expect the Congress to come along any minute and by mere legislative declaration, as was stated by the gentleman from Iowa [Mr. TOWNER] in proposing his amendment, which declares "filled milk" is deleterious, prohibit the sale of its product in the District of Columbia and our possessions and prohibit the transportation thereof in interstate commerce.

Mr. VOIGT. I yield two minutes to the gentleman from Michigan [Mr. KETCHAM].

Mr. KETCHAM. Mr. Chairman and members of the committee, during the three hours of general debate all angles of this question of the sale of a fraudulent substitute for milk have been presented very ably and earnestly, and we are greatly indebted to Members who have been to such great pains to arrange and present the many logical reasons for the passage of this bill.

Before entering on debate under the five-minute rule it may be helpful, however, to correct a few false impressions that have been left by some of the proponents of the measure.

The distinguished member of the committee from Louisiana [Mr. ASWELL] in the course of his argument led you to believe that the manufacture of this bogus milk product would make a great market for separated or skim milk. Do the manufacturers of this product buy separated or skim milk from the producers and then by the addition of the vegetable oil make up this fraudulent article? Nay verily! The overwhelming percentage of their purchases from the farmers is whole milk. The butter fat is extracted and vegetable fat substituted, thus making a profit both ways. One company in 1919 purchased 97.2 per cent whole milk and 2.08 per cent skim milk from which to make its bogus product. In 1920 this same company purchased 94.3 per cent whole milk and 5.7 per cent skim milk for the same purpose.

It must not be forgotten that the foundation of this fraudulent article is milk, and that every pound of it that is placed on the market displaces just that much wholesome product. Suppose that all whole milk were made over into this bogus article. Would the sum total of milk be increased? To urge such an argument is but to show to what extremes the opponents of this helpful legislation are forced to go in their attempts to defeat it. No, Mr. Chairman, the opponents of this bill can not justify themselves in urging that by turning whole milk into filled milk they are increasing the food supply. The dairy cow regulates that matter, and while the eloquence of the gentleman in opposition to this law may be very persuasive here, it does not inspire the dairy cow of the country to give one additional quart of milk.

The real purpose in this bogus milk game is to make money, not to prevent food waste. How is it done? The butter fat that sells for 35 cents per pound is extracted and vegetable fat costing 12 cents per pound is substituted. This bogus product is then put up in identical shaped cans and is sold upon the reputation of real milk.

The distinguished gentleman from Louisiana [Mr. ASWELL] further pleads for this bogus milk on the score of its cheapness and consequent advantage to the poor. Important if true. Let us see: First, let us look for a moment at the testimony of Mr. McKee, a representative of the Hebe Co., on page 8 of series H, part 1 of the hearings. He says that the price per can is 2¾ cents less for filled milk than for condensed milk. The cost to the retailer is evidently much lower per case. How about the customer? I present for the information of the committee in this connection a group of photographs of both condensed and filled milk actual sales with the price mark clearly indicated in each case. Three cans of each appear in the first picture. The three cans of filled milk total 19 cents, the three of evaporated 20 cents. One-third of a cent per can less for a bogus product whose representative testifies that its cost is 2¾ cents less. Here's another—nine cans condensed milk, 95 cents, and nine cans filled milk, 90 cents. One half a cent less per can for bogus product which cost the retailer 2¾ cents less per can. These cans were actual purchases in retail stores outside of chain stores.

Having disposed of the arguments of the opponents of this bill on the subject of food waste and cheapness, it may be well to turn for a moment to the food-value argument. It has been repeatedly stated here this afternoon that filled milk is injurious or deleterious to human health. Everyone concedes, of course, that it is not positively bad, but no one disputes the fact that it is negatively good. It is a sham, a pretense, and literally a wolf in sheep's clothing among food products. Were it actually poisonous even the most ignorant would not be misled. But masquerading under a good name it deceives even the elect and thus becomes doubly dangerous. President Harding has recently uttered some stirring words about "conscience in business." The sentiments he expressed in that splendid appeal are especially in point in the discussion of this bill. When in the name of "business" we attempt to foist upon the innocent, the poor, and the unwary a spurious article of food, it is certainly high time to call for "conscience in business," and for this reason, if no other, every vote should be cast for this bill.

I can not speak in scientific phraseology on the value of this bogus milk, but I can bring to the committee a farm illustration that will be convincing to anyone who knows farm life. If one of a pair of twin calves is allowed to take his nourishment from its mother according to nature's method and the other is taken away and fed upon separated or skim milk, even with substitutes added, is there any comparison at the end of any period of experimentation? The calf fed by nature's method will be bright-eyed, sleek-coated, symmetrical in form, and a beautiful thing for every lover of animals to look upon. The calf fed on separated or skim milk will be undersized, "poddy," and in every way inferior to its twin. The butcher, I apprehend, would have no trouble in choosing the better one for the block, even

though coconut oil, or even peanut oil, had been added to the ration of the hand-fed calf. Shall we get lost or confused in the bogs of scientific argument on the subject of nourishment in this filled-milk product when any 10-year-old farm boy sees and knows the truth in it?

The deception and fraud in the sale of this bogus product can not be too strongly emphasized, in my opinion. In order to set this out clearly, I quote, through the courtesy of Mr. A. A. Miller, editor of the Milk Producers' Review, of Philadelphia, some statements of dealers in Pennsylvania and New Jersey:

1. Sell Pet but no Hebe milk. Pet same as Hebe. (Pet, condensed; Hebe, filled.)
2. Silver Key all right; same as Borden's. (Silver Key, filled; Borden's, condensed.)
3. Hebe good as Borden's.
4. Hebe just as good as others; all alike; good for children.
5. Hebe, good milk; good for babies; yes, good for everything.
6. Recommended Hebe for babies.

Many others of similar import could be given, but these are fairly indicative of the trade practices, particularly in poorer sections of our large centers of population. We certainly should be willing and ready to prevent this deception and fraud as far as our power goes, both on account of health and moral considerations.

Something has been said, Mr. Chairman, concerning the selfish interest of dairymen in this measure. Because of the fact that whole milk is purchased by the manufacturers of filled milk, I feel that this argument is unfair. The fear of the dairyman is that the sale of this bogus milk product will discredit his whole business and thus do him immeasurable harm. He is clearly entitled to have the generally accepted high character of the whole milk product which he markets preserved. His interest in the matter is one with public interest.

Mr. Chairman, as I see this proposition it summarizes about as follows: Responding to the urge of war-time necessity, we went far afield in search of "substitutes." The use of "substitutes" tolerated under the stress of war has become strongly intrenched in our commercial life. The profit in them lures many to exert every energy to continue their use. Is it not time to right-about face? Are such practices even "good business"? Shall not the admonition of the President urging "conscience in business" be heeded?

Filled milk adds nothing to our food supply, is not perceptibly cheaper, and clearly seeks to steal the good name of whole milk, thereby endangering the whole dairy industry. Sound public policy is against it, and it is, therefore, my hope that the committee will approve this bill which prohibits it as an article of interstate commerce.

By unanimous consent leave to extend remarks was granted to Miss ROBERTSON, Mr. JONES of Texas, and Mr. CLAGUE.

Mr. JACOWAY. Mr. Chairman, I yield the balance of my time to the gentleman from Mississippi [Mr. LOWREY].

Mr. LOWREY. Mr. Chairman, we are through raising babies at my house. We have raised eight, and we did not use condensed milk. I am still for the protection of the babies. It seems to me that when the gentleman who preceded me undertook to defend his position he sufficiently sustained our position. The gentleman says that he went to 25 merchants in this town who a year ago were selling this product as condensed milk and that they are not selling it now, because it is properly labeled. If it is properly labeled and that has produced the effect, why not simply enact a law requiring a proper label and not attack the industry? That is all the argument I have to present. But as the gentleman has given me the balance of the time I feel constrained to make a little protest against the conduct of my friend and colleague from Mississippi [Mr. SISSON]. I do not think it exactly polite and worthy of a Mississippi Congressman to stand and look down at people's ankles and then comment on their hosiery, as the gentleman did when he had the floor. [Laughter.]

Mr. VOIGT. Mr. Chairman, I yield two minutes to the gentleman from South Dakota [Mr. WILLIAMSON].

Mr. WILLIAMSON. Mr. Chairman and gentlemen, I have been very much surprised this afternoon in noting that there has not been a single Member on the minority side who has risen in defense of this bill. Neither have gentlemen on that side of the House shown us that this bogus milk has a single element of real food value in it. The truth of the matter is and the evidence all shows that this product which is being sold as filled milk has the vitamines taken out of it, and that is the only essential element in milk that would be of any value so far as sustaining human life is concerned. There is not a man here, raised on a farm, who remembers the time when the cream separator came into vogue who does not also recall that when he attempted to feed the calves on the milk after the separator had taken the cream out of it that the calves got thinner and thinner and that some died. Calves can not be raised on that kind of a diet. And yet this same milk is taken, mixed with coconut oil, and fed to children. [Applause.]

To permit a compound consisting of separator skimmed milk and coconut oil to be sold as a substitute for the genuine article is to permit the people's money to be taken under false pretenses. But it is argued that it is not sold as a milk sustitute. How anyone can read the labels upon the cans and the newspaper advertisements describing the virtues of the mixture and arrive at that conclusion is hard to understand. Such labels and every line of the glowing advertisements are calculated to deceive the buyers into the belief that they are really getting a superior product.

The contention that the manufacturers of "Nutro" and "Hebe" and other like concoctions are entitled to consideration, and that we have no right to destroy their investments by destroying their markets, is not impressive in view of the methods employed by them in foisting their all but worthless products upon the unsuspecting public.

Upon the one hand it is being argued by the opponents of the measure that to prohibit the shipment of filled milk in interstate commerce is to deprive the poor of a valuable food product and on the other that it will deprive the farmer of a market for his skimmed milk. Both contentions seem to me untenable. It has been demonstrated by the most convincing proofs and by actual experiments that filled milk is wholly unfit as a diet for infants or children and that it is the mother of rickets and brings on loss of vitality and impairment of vision. If injurious to children, it can have little value for adults. That it is depriving the farmer of a market for his milk is equally ill founded. Skimmed milk is a mere by-product. The more of it that can be used as a substitute for the genuine article, the less demand there will be for the whole milk. Statistics gathered by the Bureau of Markets show pretty conclusively that the compound is gradually reducing the demand for malted and evaporated milk, both of which are manufactured from the whole milk. This has resulted in a corresponding reduction of demand for the products of our dairy herds. Figures presented by the bureau, as given in the committee's report, show that the production of filled milk increased from 35,031,902 pounds in 1917 to 86,561,000 in 1920, while the production of sweetened condensed and unsweetened evaporated milk decreased from 2,039,957,618 pounds in 1919 to 1,461,140,312 in 1921. I regret that I do not have the figures at hand for the corresponding years throughout, as this would be a much more satisfactory comparison. It seems to me that the reasons for the enactment of this bill into law are most convincing and that we should have no hesitancy in supporting it.

Mr. VOIGT. Mr. Chairman, I yield the balance of my time to the gentleman from Kansas [Mr. TINCHER].

Mr. TINCHER. Mr. Chairman and gentlemen of the committee, at the time the hearings were had on the bill this product was being sold in the city and used as food for infants. The attention of the manufacturer having been called to the fact that it was not fit for infants' food, the label was changed. The evidence discloses that there was no nutrition in the substance, and the only reason that they should not be compelled to label it "Not fit for adults" is that it was not shown that it was particularly injurious to adults. But there is no food about it, and no reason why it should be carried in commerce or manufactured. I do not know why anyone should vote to permit the sale of an article used as food that has no nutritious element in it. [Applause.]

The CHAIRMAN. The time of the gentleman has expired, all time has expired, and the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That whenever used in this act—

(a) The term "person" includes an individual, partnership, corporation, or association;

(b) The term "interstate or foreign commerce" means commerce (1) between any State, Territory, or possession, or the District of Columbia, and any place outside thereof; (2) between points within the same State, Territory, or possession, or within the District of Columbia, but through any place outside thereof; or (3) within any Territory or possession, or within the District of Columbia; and

(c) The term "filled milk" means any milk, cream, or skimmed milk, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated, to which has been added, or which has been blended or compounded with, any fat or oil other than milk fat, so that the resulting product is in imitation or semblance of milk, cream, or skimmed milk, whether or not condensed, evaporated, concentrated, powdered, dried, or desiccated.

Mr. TOWNER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 2, line 8, after the word "desiccated," strike out the period, insert a comma, and insert "and as such is an adulterated and deleterious article of food, and when marketed as such constitutes a fraud upon the public."

Mr. TOWNER. Mr. Chairman, I am justified in saying that the author of the bill and at least a part of the Agricultural Committee have agreed to this amendment.

Mr. Chairman, this amendment is offered merely on a legislative declaration of the object and purpose of the legislation. There are three grounds upon which articles of this character may be prohibited from interstate commerce. If the article is adulterated, if the article is deleterious as a food product, or if it is being marketed and the process of marketing constitutes a fraud upon the public, then interstate commerce may take cognizance of the conditions and the article may be prohibited from being shipped in interstate commerce.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. JONES of Texas. The gentleman's amendment is in line with the suggestion that I made a while ago, and would go far to remove the objections to the bill.

Mr. TOWNER. This is a legislative declaration of the fact that is claimed by the proponents of the bill. It is also a declaration of the purposes of the legislation. Of course I know that it is not binding upon the courts, but in many cases, as gentlemen who are familiar with the legal aspects of the matter know, the declaration of the legislative body in regard to the purpose of the legislation goes very far with the courts in determining whether or not it is constitutional.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. WALSH. Will not this add to the allegations that must be set forth in the indictment and proved?

Mr. TOWNER. I do not know. I do not know, really, as to whether an indictment could be sustained against one who has violated the terms of the act without such allegation, but certainly it will suggest to the district attorney who is drawing the indictment that he should add this declaration. In any event none of these propositions is harmful, and they may be very important, and as such it seems to me that we are justified in asking for the approval of the amendment by the committee.

Mr. HARDY of Texas. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. HARDY of Texas. Does the gentleman think that the recital of this alleged fact that this material is deleterious would establish it as final? In other words, does the legislative declaration make that a fact?

Mr. TOWNER. If the gentleman had been listening attentively, he would have remembered that I just said it would not be binding upon the courts. It is, however, persuasive. It indicates the purpose and object of the legislation, and if in any case it is found as a matter of fact that the particular article under investigation at that time is adulterated or is deleterious to health, or has been so marketed as to constitute a fraud upon the public, then it would be subject to regulation in interstate commerce.

Mr. MONTAGUE. Mr. Chairman, will the gentleman yield?

Mr. TOWNER. Yes.

Mr. MONTAGUE. As I caught the gentleman's amendment, of which I heartily approve, he undertakes to give the real reasons for the bill.

Mr. TOWNER. Yes; I think that might be properly stated of it.

Mr. MONTAGUE. In other words, that is the object and purpose of the bill.

Mr. TOWNER. Yes. It is to prevent an adulterated food from being sold; it is to prevent a deleterious food from being sold; it is to prevent a fraud upon the public.

Mr. RAKER. Mr. Chairman, I move to strike out the last word. I am in favor of this amendment. With this amendment adopted, I am in favor of this bill. It cures the imperfections of the bill beyond all question. As the bill stood there was serious question upon its face whether or not it could be declared constitutional by the courts. This adds what ought to be added to this character of legislation. I call attention to the fact that the bill prohibits the addition of any fat other than milk fat, or provides that the addition of any fat other than milk fat would prohibit the article from being entered in interstate commerce. In the powdered, dried, or desiccated milk there may be a small percentage of fat added, other than milk fat, when, as a matter of fact, all of the substance of the milk that comes from the cow in evaporated milk is retained. A little fat may be added to preserve it in the can. Without this amendment that evaporated milk would be prohibited in interstate commerce under the bill, but with the amendment proposed by the gentleman from Iowa it must be proven, as it ought to be, that it is an adulteration, that it is deleterious for food purposes, or that it is a fraud upon the public.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. RAKER. Yes.

Mr. WALSH. Does that amendment not make the definition comport with the pure food law?

Mr. RAKER. I think it does, as far as it goes, and it ought to.

Mr. WALSH. Then, if you make it comply with the pure food requirements, what is the necessity for the rest of the bill?

Mr. RAKER. Why, they have not been enforcing such laws in this instance. It may be deleterious and would be thereby prohibited from sale in a State. It may be an adulteration and it might not be prohibited by the pure food law, because you retain in the milk all of the sustenance, and if you put in oil or any fat for the preservation on account of shipment, or on account of drying, and so forth, you would be prohibited from exporting it or transporting it from one State to the other under the original bill. This amendment cures that evil, as it should be cured.

Mr. WALSH. Does the gentleman contend that the pure food law permits the sale of adulterated or deleterious substances in food?

Mr. RAKER. I do not and did not. I made no such statement, nor one that any such inference could be drawn therefrom. An adulteration that is not injurious, not against the law, is what is now before the House.

Mr. WALSH. Whether it may not be deleterious or injurious to public health?

Mr. RAKER. Oh, not at all. This would be adulteration if you put anything in it; the adulteration must be deleterious and injurious to health; must be against the pure food law.

Mr. MOORE of Virginia. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAKER. I ask that I may proceed for one minute.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. MOORE of Virginia. I suggest this as an answer to the question of the gentleman from Massachusetts, that under the pure food law the matter of what are or are not deleterious in the various foods is dealt with by regulation by the Department of Agriculture.

Mr. RAKER. And specified.

Mr. MOORE of Virginia. Now, we consider it necessary—those of us who favor this measure—to deal specifically with this subject, and I agree fully with the gentleman from California and with the gentleman from Iowa [Mr. TOWNER] that the statement of fact now to be incorporated in the bill will be most persuasive upon any court that comes to consider the constitutionality of this measure.

Mr. RAKER. The amendment should be adopted. It will give this bill a real chance for its life later.

The CHAIRMAN. The time of the gentleman has expired.

Mr. VOIGT. Mr. Chairman, the committee has no objection to this amendment, and I move that all debate upon this section and all amendments thereto be now closed.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEC. 2. It shall be unlawful for any person to manufacture within any Territory or possession, or within the District of Columbia, or to ship or deliver for shipment in interstate or foreign commerce, any filled milk.

Mr. WINGO. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. Did the gentleman offer a pro forma amendment or an actual amendment?

Mr. WINGO. An actual amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, line 9, strike out all of section 2.

Mr. WINGO. Mr. Chairman, now this section would make it unlawful to ship filled milk for any purpose, whether it is intended to feed hogs, man, or what not, across State lines—or feed poodle dogs, as some gentlemen here suggest, but I am not much interested in poodle dogs. In other words, the taking of it across the State line into the city of Texarkana for a dairyman on the edge of Texarkana to feed the hogs or any other purpose is made unlawful. But I feel fully satisfied if you want to prevent a fraud upon the public, you have already made a stump speech in the amendment already adopted, showing Congress is in favor of the present law against fraud, because you have got

plenty of laws necessary to punish every fraud that has been complained of here this afternoon, as every lawyer knows. Now, having gone on record and made a stump speech in favor of the enforcement of the present law, you ought to be satisfied without preventing the bringing of filled milk simply across the State line into Texarkana, or from Arkansas into Memphis, or from Memphis into Arkansas, or from Kansas City, Kans., to Kansas City, Mo.

In other words, you say that you are going to prevent its shipment for any purpose and make it unlawful for any purpose. Of course, that is absurd. I am glad you saw fit to tone down your preceding section by making the simple declaration of what you are in favor of; but I hope you will not go so far as to bar the shipment of a food product that may be properly used by men and, not as some one is so afraid of, by babies. Why, the lady from Oklahoma would be barred from shipping in interstate commerce any of this stuff to be used by her in making custard.

Mr. RAKER. Do you think it is just exactly the proper thing to give me any custard pie without any substance to it except the form and looks?

Mr. WINGO. I would not give you any custard pie at all; but if I should give you sawdust and told you it was food, and you did not have any more sense than to eat it, I ought not to be prosecuted; but if you were an infant and I sold you sawdust to eat, I ought to be prosecuted. Under the statute of California you could prosecute me if I sold you sawdust for breakfast food. Anyway, let the lady from Oklahoma still use the filled milk for custard, even if you do not want to use it for any other purpose. [Laughter.]

Mr. VOIGT. Mr. Chairman, I want to say a few words in opposition to this amendment. If the gentleman has the privilege of shipping milk in interstate commerce for the purpose of feeding hogs or anything else, all that would be necessary under this bill would be to color the filled milk. Then you would not violate this law. If the section as it stands now is stricken out, the bill will be killed, and I hope it will be voted down.

I move that all debate on this amendment and amendments thereto be now closed.

The CHAIRMAN. The question is on the motion of the gentleman from Wisconsin [Mr. VOIGT].

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. WINGO. Mr. Chairman, I ask for a division.

The committee divided, and there were—ayes 82, noes 20.

So the motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. WINGO].

Mr. JONES of Texas. Mr. Chairman, the pending amendment is an amendment to strike out the paragraph. Would not the amendment offered a while ago take precedence of it in voting?

The CHAIRMAN. That has already been voted on—the amendment offered by the gentleman from Iowa [Mr. TOWNER].

The question now is on the amendment offered by the gentleman from Arkansas.

Mr. JONES of Texas. Before the vote is taken on that amendment, can the other amendment be considered?

The CHAIRMAN. What other amendment?

Mr. JONES of Texas. I have an amendment pending.

Mr. CAMPBELL of Kansas. The amendment could be presented and not be debated.

Mr. JONES of Texas. According to the ruling heretofore made by the Chair, a motion to perfect a paragraph comes before a motion to strike out the paragraph, but after the motion to strike out the paragraph I am afraid the amendment would not be admitted.

The CHAIRMAN. When the gentleman from Texas had the amendment read for information he did not intimate that he offered the amendment for consideration.

Mr. JONES of Texas. I desire to offer it now.

The CHAIRMAN. The gentleman has the right to do so. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Texas: Page 2, line 11, after the word "shipment," strike out the word "in," and in line 12 strike out the words "interstate or foreign commerce" and insert, after the word "milk," the following: "to any person in any other State, Territory, or District of the United States or foreign country in which it is at that time unlawful to sell, offer for sale, or tender for sale, or delivery, such milk," so that section 2, as amended, shall read: "It shall be unlawful for any person to manufacture within any Territory or possession, or within the District of Columbia, or to ship, or deliver for shipment, any filled milk to any person in any other State, Territory, or District of the United States or foreign country in which it is at that time unlawful to sell, offer for sale, or tender for sale, or delivery, such milk."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. JONES].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now comes on the amendment offered by the gentleman from Arkansas [Mr. WINGO].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. TUCKER. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. TUCKER. To ask about the amendment I offered a moment ago.

The CHAIRMAN. The amendment was read for information. Does the gentleman desire to offer it?

Mr. TUCKER. I do.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. TUCKER: Page 2, line 11, strike out the words "or to ship or deliver for shipment in interstate or foreign commerce."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was rejected.

The Clerk read as follows:

SEC. 3. Any person violating any provision of this act shall upon conviction thereof be subject to a fine of not more than $1,000 or imprisonment for not more than one year, or both; except that no penalty shall be enforced for any such violation occurring within 30 days after this act becomes law. When construing and enforcing the provisions of this act, the act, omission, or failure of any person acting for or employed by any individual, partnership, corporation, or association, within the scope of his employment or office, shall in every case be deemed the act, omission, or failure of such individual, partnership, corporation, or association, as well as of such person.

Mr. WARD of North Carolina. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from North Carolina moves to strike out the last word.

Mr. WARD of North Carolina. Mr. Chairman, the district attorney that draws a bill of indictment under this law, and does not incorporate in that bill of indictment the Towner amendment, will have his bill of indictment quashed if there is a lawyer there and a judge on the bench; and when he puts it into his bill of indictment it has got to be proved, and unless he proves it the defendant will be acquitted, as he ought to be. [Applause.]

Mr. LONDON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LONDON: Add a new section, which shall read:

"SEC. 4. This act shall take effect one year after the date of its passage."

Mr. LONDON. Mr. Chairman, I favor this bill. Adulteration of food is one of the worst manifestations of modern commercialism. The ease with which the producers of these spurious articles deceive the unwary makes this legislation necessary. As the most conservative Member of the House, I want to advise you against confiscation. [Laughter.]

I do not believe in spasms of morality. I prefer continuous moral conduct. You have permitted the manufacture of these numerous articles, samples of which have been shown here. You have permitted them in interstate commerce. Investments have been made. Men are employed in these industries. Some regard, some consideration, should be given to them and an opportunity offered to adjust themselves to the new situation which will be created by the legal declaration that these articles shall henceforth be held to be immoral, injurious, unwholesome, deleterious, and what not.

I ask that my amendment be approved. [Applause.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York.

The question was taken, and the amendment was rejected.

Mr. VOIGT. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HICKS, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 8086) to prohibit the shipment of filled milk in interstate or foreign commerce, had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. VOIGT. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. WALSH. Mr. Speaker, I ask for the reading of the engrossed bill.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. Will the gentleman from Wyoming withhold his motion for a moment?

Mr. MONDELL. Yes.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 3220. An act to amend sections 2, 5, 11, 12, 15, 19, 29, and 30 of the United States warehouse act, approved August 11, 1916.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 3220. An act amending sections 2, 5, 11, 12, 15, 19, 29, and 30 of the United States warehouse act, approved August 11, 1916; to the Committee on Agriculture.

ENROLLED BILL SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 11065. An act making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1923, and for other purposes.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that May 23 they had presented to the President of the United States, for his approval, the following bills:

H. R. 9951. An act to amend section 22 of an act approved February 14, 1920, entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes," for the fiscal year ending June 30, 1921;

H. R. 11152. An act to authorize the Bear Mountain Hudson River Bridge Co. to construct and maintain a bridge across the Hudson River near the village of Peekskill, State of New York;

H. R. 10329. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1923, and for other purposes;

H. R. 11645. An act making an appropriation to enable the Department of Justice to investigate and prosecute war frauds; and

H. R. 2193. An act to amend the act entitled "An act to prohibit the importation and use of opium for other than medicinal purposes," approved February 9, 1909, as amended.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. LINTHICUM, indefinitely, on account of illness.

EXTENSION OF REMARKS.

Mr. REED of West Virginia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill S. 2919.

The SPEAKER. The gentleman from West Virginia asks unanimous consent to extend his remarks on the rent bill. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I renew my motion to adjourn.

The SPEAKER. The gentleman from Wyoming moves that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 50 minutes p. m.) the House adjourned until to-morrow, Thursday, May 25, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

616. Under clause 2 of Rule XXIV, a letter from the Director of the United States Veterans' Bureau, transmitting a draft of a bill providing for the making of allotments of appropriations by the United States Veterans' Bureau to the United States Public Health Service was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. LANGLEY: Committee on Public Buildings and Grounds. H. R. 7658. A bill to amend the act approved August 25, 1919, entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes"; without amendment (Rept. No. 1029). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANGLEY: Committee on Public Buildings and Grounds. H. R. 11588. A bill to amend an act entitled "An act to authorize the Secretary of the Treasury to provide hospital and sanatorium facilities for discharged sick and disabled soldiers, sailors, and marines"; with amendments (Rept. No. 1030). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. TAYLOR of New Jersey: A bill (H. R. 11772) to increase the limit of cost of the United States post office at Bayonne, N. J.; to the Committee on Public Buildings and Grounds.

By Mr. CABLE: A bill (H. R. 11773) relative to naturalization and citizenship of married women; to the Committee on Immigration and Naturalization.

By Mr. NEWTON of Minnesota: A bill (H. R. 11774) to amend the interstate commerce act and the transportation act, 1920; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLER: A bill (H. R. 11775) to enlarge and extend the present United States courthouse, customhouse, and postoffice building at Seattle, Wash.; to the Committee on Public Buildings and Grounds.

By Mr. SINCLAIR: A bill (H. R. 11776) to promote agriculture by stabilizing the prices of certain agricultural products; to the Committee on Agriculture.

By Mr. PERLMAN: Joint resolution (H. J. Res. 332) proposing an amendment to the Constitution of the United States regarding the employment of children under 18 years of age; to the Committee on the Judiciary.

By Mr. KIESS: Concurrent resolution (H. Con. Res. 59) to provide for the printing of 3,000 additional copies of the report of the Alien Property Custodian; to the Committee on Printing.

By Mr. YOUNG: Resolution (H. Res. 353) for the immediate consideration of Senate bill 2775; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON: A bill (H. R. 11777) granting an increase of pension to Eliza J. Hall; to the Committee on Invalid Pensions.

By Mr. GENSMAN: A bill (H. R. 11778) to investigate the claims of and to enroll certain persons, if entitled, with the Choctaw Tribe of Indians; to the Committee on Indian Affairs.

Also, a bill (H. R. 11779) granting a pension to Alexander Seals; to the Committee on Invalid Pensions.

By Mr. GOLDSBOROUGH: A bill (H. R. 11780) for the relief of Roland Webster; to the Committee on Claims.

By Mr. LANGLEY: A bill (H. R. 11781) granting an increase of pension to Frank P. Collins; to the Committee on Invalid Pensions.

By Mr. McPHERSON: A bill (H. R. 11782) granting a pension to Lucy Michener; to the Committee on Invalid Pensions.

By Mr. QUIN: A bill (H. R. 11783) granting an increase of pension to Girard G. Butler; to the Committee on Pensions.

By Mr. THOMAS: A bill (H. R. 11784) granting a pension to Eugene Key; to the Committee on Invalid Pensions.

By Mr. WALSH: A bill (H. R. 11785) granting a pension to Sarah Barnes Baker; to the Committee on Pensions.

Also, a bill (H. R. 11786) granting a pension to George W. Briggs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11787) granting a pension to Frederick B. Eldridge; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5753. By Mr. BURTON: Resolution from the American Legion at Cleveland commending the stand taken by Secretary Hughes in declining to enter into a conference with the soviets of Russia; to the Committee on Foreign Affairs.

5754. By Mr. CHRISTOPHERSON: Resolutions passed by the Black Hills Mining Men's Association, May 18, 1922, protesting against the enactment of the Denison bill; to the Committee on Interstate and Foreign Commerce.

5755. By Mr. CURRY: Petition of 14 residents of Napa County, Calif., protesting against the enactment of the pending Sunday bills; to the Committee on the District of Columbia.

5756. Also, petition of 33 residents of Vallejo, Calif., protesting against the enactment of the Sunday law; to the Committee on the District of Columbia.

5757. By Mr. KISSEL: Petition of Oriental Vegetable Oils Co., San Francisco and New York City, relative to the tariff bill (H. R. 7456); to the Committee on Ways and Means.

5758. Also, petition of Metal Trades Council, Brooklyn, N. Y., relative to House bill 11214; to the Committee on Naval Affairs.

5759. By Mr. MAPES: Petition of Presbytery of Grand Rapids, signed by Harry E. Porter, presiding officer, and Willard K. Spencer, secretary, favoring the passage of House Joint Resolution No. 131, House bill 9753, and Senate Joint Resolution No. 31; to the Committee on the Judiciary.

5760. By Mr. RAKER: Petition of Mr. C. O. Wellock, of San Anselmo, Calif., indorsing and urging the early passage of the Bursum and Morgan pension bills; to the Committee on Invalid Pensions.

5761. Also, resolution No. 27690 of the common council of the city of San Diego, Calif., indorsing and urging the passage of House bill 11449, to provide for the protection and development of the lower Colorado River Basin; to the Committee on Irrigation of Arid Lands.

5762. Also, petition of the Oakland Chamber of Commerce, of Oakland, Calif.; the Stockton Chamber of Commerce, of Stockton, Calif.; the Growers National Bank and the L. Powers Fruit Co., of Fresno, Calif., all protesting against any change in the transportation act of 1920 as proposed by the Sweet and Capper bills (H. R. 6861 and S. 1150); to the Committee on Interstate and Foreign Commerce.

5763. Also, petition of Grand Commandery of Knights Templar of the State of California, the Grand Council of Royal and Select Masters of the State of California, and the Grand Chapter of Royal Arch Masons of the State of California, advocating and indorsing the Towner-Sterling bill, which has for its purpose the improvement of educational facilities in the United States; to the Committee on Education.

5764. Also, petition of Chamber of Commerce of the State of New York, favoring the merchant marine bill; to the Committee on Merchant Marine and Fisheries.

5765. Also, petition of the Rice Millers' Association, of New Orleans, relative to tariff rates on rice; Frank O. Sundquist and Trobeck & Johnson, of Los Angeles, Calif., protesting against paragraph 1116 of the tariff bill; to the Committee on Ways and Means.

5766. Also, petition of Texas Chamber of Commerce, Dallas, Tex., relative to tax-free securities, and Charles Tartaglia & Bros., of Los Angeles, protesting against paragraph 1116 of the tariff bill (H. R. 7456); to the Committee on Ways and Means.

5767. Also, petition of the National Dairy Union, Washington, D. C., indorsing House bill 8086; to the Committee on Agriculture.

5768. Also, petition of the Pacific Rod & Gun Club, of San Francisco, Calif., indorsing and urging the passage of House bill 5823, known as the public shooting and game refuge bill; to the Committee on Agriculture.

5769. Also, petition of Camp St. Louis, No. 731, United Confederate Veterans, St. Louis, Mo., relative to amendment of the statutes concerning the soldiers' homes maintained by the Federal Government; to the Committee on Military Affairs.

5770. By Mr. SMITH of Idaho: Petition of citizens of Fairfield, Idaho, favoring the enactment of the Voigt bill (H. R. 8086), to prohibit shipment of filled milk in interstate or foreign commerce; to the Committee on Agriculture.

5771. By Mr. SNYDER: Petition of Ralph Crego, Charles E. Garlock, William Gibson, Herkimer, N. Y., and L. A. White, Utica, N. Y., favoring the passage of the Chandler pension bill (H. R. 9198), increasing the pensions of volunteers serving in the war with Spain or China or Philippine expeditions; to the Committee on Pensions.

5772. By Mr. WOODS of Virginia: Petition of Frances L. Brophy and others of the sixth Virginia district, asking for a fair duty on imported kid gloves; to the Committee on Ways and Means.

5773. Also, resolutions adopted by the Sons and Daughters of Liberty, Roanoke, Va., representing more than 300 members, urging the passage of the Towner education bill; to the Committee on Education.